THIS IS A NON-EVICTION PLAN. NO NON-PURCHASING TENANT WILL BE EVICTED BY REASON OF CONVERSION TO CONDOMINIUM OWNERSHIP.

THE MANHATTAN CONDOMINIUM

411-417-421 Manhattan Avenue
New York, New York 10026

Tenant and Non-Tenant Price Cash Amount of Initial Offering for 38 Residential Units and 4 Commercial Units*	$15,802,000.00
Less: Capital Reserve Fund to be Retained by Condominium **	$474,060.00
Net Purchase Price of Units Due Sponsor	$15,372,940.00
Less: Working Capital Fund***	$46,527.00

* The Commercial Units are not being offered for sale at this time. The Superintendent's residence is a General Common Element of the Condominium.

** Subject to change; see Section 26.

*** Working Capital shall be funded by Purchasers at closing and may be diminished by closing adjustments; see Section 27.

Sponsor:
411-417-421 Manhattan Avenue Associates LLC
c/o Tahl-Propp Equities
405 Park Avenue, Suite 1103
New York, New York 10022

Selling Agent:
Warburg Realty Partnership
960 Madison Avenue, 4th Floor
New York, New York 10021

The date of acceptance of this Offering Plan is October 19, 2011.

The term of the offer is twelve (12) months from the date of acceptance, unless amended or extended by a duly filed amendment.

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

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 THE SPONSOR (SEE SPECIAL RISKS SECTION OF THE PLAN).

PURCHASERS FOR THEIR OWN OCCUPANCY MAY NEVER GAIN CONTROL OF THE BOARD OF MANAGERS UNDER THE TERMS OF THIS PLAN.

SEE PAGE (iii) FOR SPECIAL RISKS TO PURCHASERS.

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SPECIAL RISKS

1. Time of the Essence. **TIME IS OF THE ESSENCE AS TO PAYING THE BALANCE, AND AS TO CURING ALL DEFAULTS WITHIN ANY GRACE PERIODS GRANTED HEREUNDER. FAILURE TO MAKE A PAYMENT AT THE TIME WHEN A PURCHASER IS CALLED UPON TO MAKE SUCH PAYMENT MAY RESULT IN LOSS OF THE DOWN PAYMENT AND CANCELLATION OF THE PURCHASE AGREEMENT.** Should the Purchase Agreement be canceled, Sponsor shall have the right to sell the Unit to others as though the Purchase Agreement had never been made (and without accounting to Purchaser for the proceeds of such sale), and Purchaser, and Sponsor shall be relieved of all further liability thereunder and under the Plan). Purchasers should consult their own attorneys prior to executing a Purchase Agreement. See Section 14 entitled "Procedure to Purchase" for further details.

2. Payment for Closing Adjustments with Condominium. At closing, the Sponsor will adjust with the Condominium certain ongoing costs that had been prepaid by the Sponsor for the First Year of Condominium Operation, largely insurance for the Condominium. The Condominium Unit will reimburse the Sponsor for net adjustments in favor of the Sponsor at the First Unit Closing. The cost of reimbursement may be paid from the Condominium Working Capital Fund, as Units close. In the event the Condominium's Working Capital Fund does not have sufficient money to reimburse the Sponsor, then Common Charges may be increased accordingly. The Sponsor estimates that net adjustments will not exceed $22,500. See Section 18 entitled "Unit Closing Costs and Adjustments" for further details.

3. Control by Sponsor. The Sponsor shall relinquish voting control of the Board of Managers on the first to occur of the following: (i) the transfer of title to Units, the percentage of Common Interest of which, in the aggregate, equals at least fifty one percent (51%); or (ii) five (5) years after the First Unit Closing ("Control Period"). The Sponsor shall arrange for a meeting of the Unit Owners within thirty (30) days after the expiration of the Control Period. So long as the Sponsor or a Sponsor-designee shall continue to own at least one Unit, the Sponsor or Sponsor-designee shall have the right to designate one of the members of the Board of Managers. While the Sponsor owns a Unit, the Sponsor will have the right to, and intends to, vote the percentage of Common Interest allocated to all of its Units to elect members of the Board of Managers. However, after the Control Period has expired, not more than one less than a majority of the members of the Board will be affiliated with the Sponsor.

As long as the Sponsor or any Sponsor-designee shall continue to own at least twenty-five percent (25%) of the percentage of Common Interest of the Units, but in no event for a period in excess of five (5) years from 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 at the expense of the Condominium (except for necessary repairs or maintenance work, or repairs required to comply with legal requirements); (ii) assess any Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund, except to the extent that the aggregate fund does not exceed five percent (5%) of the budgeted expenses of the Property; (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) hire any employee or enter into any service or maintenance contract to perform services or work not set forth in Schedule B.

As long as the Sponsor or any Sponsor-designee shall continue to own a Unit, the Board of Managers may not, without the Sponsor's or Sponsor-designee's prior written consent, (i) amend the Declaration or the By-Laws so as to in any way adversely affect the Sponsor or its designee, or (ii) interfere with the offer and sale or leasing of Units, operation of general or sales and leasing offices at the Property or any actions necessary for construction, renovation, repair or correction at the Property required by Sponsor. The Sponsor or Sponsor-designee shall have the right to withhold its consent to any of the foregoing actions. However, notwithstanding these restrictions, the Sponsor or Sponsor-designee may not exercise veto power over expenses required to (a) comply with applicable law or regulations; (b) remedy of notice of violation; or (c) remedy a work order of the insurance carrier.

See Section 20 entitled "Control by the Sponsor" for further details.

4. Minimum Sales Requirements. Pursuant to existing law and regulation the Sponsor may declare the Plan effective by selling a minimum of fifteen percent (15%) of the Residential Units in the Buildings to either Tenants in occupancy or to bona fide Purchasers who represent that they intend to occupy the Unit. Even if the Plan is declared effective with a minimum number of sales, it is possible that the Sponsor may be able to convert the Buildings with fewer than the minimum required number of sales, if Purchasers counted towards effectiveness do not ultimately purchase a Residential Unit.

Purchasers should note that in the current real estate market, banks and other lenders are imposing various restrictions on loans. Such restrictions may include requiring that a certain percentage (such as 50% or more) 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 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 Residential Unit if prospective buyers are unable to obtain a loan due to such minimum sales requirements. See Section 16 entitled "Effective Date of Plan" for further details.

5. Limited Financing Contingency. The Purchase Agreement is contingent on the Purchaser obtaining financing for up to eighty percent (80%) of the purchase price of the Unit from Amerifund Home Mortgage LLC, 51 East 42nd Street, Suite 304, New York, New York 10017 (the "Sponsor Designated Lender") within forty-five (45) days after the date of the Purchase Agreement (referred to hereinafter as the "Contingency Period"). The Purchaser shall apply to the Sponsor Designated Lender within ten (10) days after the date of the Purchase Agreement, and shall cooperate fully with the Sponsor Designated Lender to obtain the loan. If no commitment has been issued by the end of the Contingency Period, the Purchaser shall have the right to cancel the Purchase Agreement by giving notice to the Sponsor within five (5) days thereafter, or the Purchaser's right to cancel the Purchase Agreement for failure to obtain

financing shall be deemed waived. Upon cancellation, the down payment and accrued interest shall be promptly refunded to Purchaser, and neither party shall have any further rights against, or obligations or liabilities to the other by reason of the Purchase Agreement.

A mortgage commitment conditional upon the Purchaser's selling any property that Purchaser owns, the liquidation or reduction of any existing installment debt prior to closing, or the furnishing of documents and information reasonably available to Purchaser, shall be deemed a firm mortgage commitment, which satisfies the mortgage contingency clause in the Purchase Agreement. If the commitment lapses or expires before the actual closing date through no fault of Purchaser, Purchaser shall make a good faith effort to extend the commitment, including payment of a reasonable and customary extension fee to the Lender and acceptance of changes in the interest rate to reflect prevailing market conditions. However, if the Lender is still unwilling to extend the commitment on those terms, Purchaser shall have the right to cancel the Purchase Agreement by notice given to Sponsor within ten (10) days after receiving the Lender's notice of refusal to extend the commitment.

As used herein, a "Lender" means any person or entity in the business of making loans to persons seeking to purchase residential homes. A mortgage broker who does not have independent lending capacity shall not be deemed to be a qualified Lender under the Plan.

In the event a Purchaser uses a Lender other than the Sponsor Designated Lender, no financing contingency will apply to the Purchase Agreement. As a result, Purchaser will not have the right to cancel the Purchase Agreement if the Purchaser fails to obtain mortgage financing, or if the Purchaser's mortgage financing lapses or is canceled.

For further details, see the form of Purchase Agreement reproduced in Part II of the Plan.

6. Special Rights of Sponsor in Connection with Sales and Leases of Units. The Sponsor is not required to obtain the approval of the Board of Managers or meet requirements imposed upon other Unit Owners in order to exercise a number of rights described in the By-Laws. Included among these are the right to use a Unit as a model and display "For Sale," "For Rent," or "For Lease" signs, or similar signs, the right to alter a Unit without obtaining the prior consent of the Board of Managers, but only in accordance with the other terms of this Plan, and the right to amend the Declaration without a vote for the sole purpose of filing the floor plans as required by Section 339-p of the New York State Real Property Law. For as long as the Sponsor or its designee own title to one or more Units, the rules and regulations of the Condominium, By-Laws or Declaration may not be amended in a manner which would, in the sole discretion of Sponsor or its designee, adversely affect the Sponsor or its designee in any way, unless the Sponsor or its designee give their written consent to such an amendment. See Section 19 entitled "Rights and Obligations of Sponsor" for further details.

7. Deposits in Excess of $250,000 Not Insured by the Federal Deposit Insurance Corporation. The Sponsor shall deposit down payments into a master escrow account (with sub-accounts for each Unit) at a bank that is insured by the Federal Deposit Insurance Corporation ("FDIC"). All down payments deposited by the Escrow Agent into the FDIC-insured bank on behalf of a Purchaser are added to the Purchaser's other accounts (if any) at the same insured

bank and the total is insured up to $250,000. Any portion of the deposit in excess of $250,000 is not covered by insurance. See Section 14 entitled "Procedure to Purchase" for further details.

8. Payment of Transfer Taxes by Purchasers. Purchasers shall pay New York State and New York City transfer taxes relating to the Unit, as follows: For the purchase of a single Unit, the state transfer tax is $2.00 per $500 of the purchase price ("NYS Tax"), and the New York City transfer tax is one percent (1%) of the purchase price, if the purchase price is less than $500,000, and 1.425% if the purchase price equals or exceeds $500,000 ("RPT Tax"). These taxes are normally paid by the Seller. However, by contractual arrangement, they will be paid by each Purchaser. For purposes of calculating the transfer taxes payable, the amounts of such taxes are added to the Unit's taxable consideration. See Section 18 entitled "Unit Closing Costs and Adjustments" for further details.

9. Majority of the Board of Managers Not Limited to Owner-Occupants. After the initial Sponsor voting control period expires, a majority of the Board of Managers may be comprised of both owner-occupants and non-resident owners or members of their households unrelated to the Sponsor and its principal. 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. For example, an owner-occupant who is purchasing a Unit as a home may have views on repairs and capital expenditures which differ from a non-resident Purchaser who has purchased for the purposes of an investment. See Section 21 entitled "Board of Managers" for further details.

10. Unconditional Right of Sponsor to Offer Units for Rent. The Sponsor is not limiting the conditions under which it will rent rather than sell Units, and therefore makes no commitment to sell more than the fifteen percent (15%) necessary to declare the Plan effective. Consequently, owner-occupants may never gain effective control and management of the Condominium. See Section 19, entitled "Rights and Obligations of Sponsor" for further details. The Sponsor's Lender has not imposed any special conditions which will impact upon the Sponsor's ability to rent, rather than sell, Units.

11. Payments for Upgrades or Extras. All funds received by Sponsor for upgrades or extras will be initially placed in the Special Account maintained by Sponsor's counsel. Such funds may be released from the Special Account by Sponsor's counsel as long as Sponsor uses the funds for such upgrades or extras. As a result, in the event a Purchaser is entitled to rescission, Purchaser will not be entitled to receive a refund of any funds which were used or owed for upgrades or extras unless the Plan is abandoned. See Section 14 of the Plan, entitled "Procedure to Purchase" for further details.

12. No Bond or Security for Performance of Sponsor Obligations. No bond or other security has been furnished to secure the performance of Sponsor's obligations. At the time the Offering Plan is accepted for filing, Sponsor represents that it will be financially capable of performing Sponsor's obligations, including its obligations with respect to Unsold Units. However, the subsequent ability of Sponsor to perform its obligations will depend upon Sponsor's financial condition at that time. At this time, the project is being financed with Sponsor's own funds. If Sponsor cannot perform Sponsor's financial and construction obligations hereunder, Sponsor

will amend the Plan, cease selling Units and offer a right of rescission to Purchasers of Units. See Section 19 entitled "Rights and Obligations of Sponsor."

13. Dimensions of Units Exceed Usable Floor Area. The total square footage shown on Schedule A is measured horizontally from the exterior face of exterior walls to the midpoint of the opposite interior walls, and from the midpoint of demising walls between Units to the midpoint of the opposite wall; ceiling height is measured vertically from the underside of the Unit's finished flooring to the exposed painted face of a concrete ceiling or the unexposed side of the Unit's drywall or plaster ceiling, as applicable. Usable square footage measured to the exposed face of interior walls will be substantially lower. The square footage shown in the Declaration of Condominium filed with the City Surveyor will also be lower than the square footage shown on Schedule A because horizontal boundaries are measured from the inside surface of the exterior walls, the Unit side of any window glass, and the unfinished inside surface of any exterior wall door or window frame to the midpoint of the opposite interior walls for purposes of distinguishing Units from Common Elements in the Declaration. Any floor plan or sketch shown to a prospective Purchaser is only an approximation of the dimensions and layout of a typical Unit. Each Unit should be inspected prior to purchase so that any prospective Purchaser will be able to inspect the interior dimensions, layout and physical condition. See Schedule A, and Part II Exhibits D and E in of the Plan.

14. Reserve Fund. Pursuant to Title YYYY-51 of the New York City Administrative Code (the "Reserve Fund Statute"), Sponsors are required to establish a reserve fund equal to three percent (3%) of the lowest aggregate price offered to Tenants in occupancy prior to the effective date of the Plan (the "Reserve Fund"). If the Sponsor lowers the aggregate price offered to Tenants in occupancy prior to the effective date of the Plan or performs certain types of work in the Buildings, the amount of the Reserve Fund established by Sponsor will be proportionately reduced. Purchasers will not be offered a right of rescission under their Purchase Agreements in the event that the amount of the Reserve Fund is decreased prior to the effective date of the Plan.

The Sponsor believes that the amount of the Reserve Fund (plus amounts budgeted for repairs and maintenance and contingencies by the Condominium Board) will be sufficient to pay for the major capital improvements or replacements to the Buildings which are reasonably foreseeable within five (5) years from the date of this Plan as disclosed in the Description of Property and Building Condition. However, the Sponsor makes no representation or warranty to that effect. Neither the Department of Law nor any other governmental agency has passed upon the adequacy of the fund.

If additional funds are required, the Condominium has several options to raise funds. It may increase Common Charges, assess the Unit Owners, or borrow money on an unsecured basis. In addition, under state law, the Condominium has the right to borrow money and place a lien on the Common Charges of the Condominium to secure repayment, provided that more than fifty percent (50%) of the Unit Owners have consented to such lien or have granted to the Board of Managers such right by power of attorney.

Notwithstanding the foregoing, the Sponsor is entitled to a credit against the mandatory initial contribution to the fund equal to the lesser of the actual cost of the capital replacements begun after this Plan was submitted for filing to the Department of Law and before this Plan is declared effective or one percent (1%) of the total price. See Local Law 70 attached hereto as Exhibit K in Part II of the Plan. See Section 26 entitled "Reserve Fund" for further details.

15. Liability of Commercial Units for Cost of Certain Condominium Services. The Commercial Units will not utilize the following services of the Condominium: electricity and extermination service provider. To the extent indicated, these services are provided for the benefit of the Residential Common Elements, and the share that the Residential Unit Owners will pay for these services will be based on their percentage of Common Interest in the Residential Common Elements, which percentage of Common Interest is slightly higher than Residential Unit Owners' percentage of Common Interest in the General Common Elements. See Schedule B for further details.

After operation of the Condominium has commenced, it is anticipated that the methods of allocation of the Common Expenses to be paid by the Commercial Unit Owners will be periodically adjusted as provided in the By-Laws to reflect the differing proportions fairly attributable to the actual usage of such category by the Commercial Unit Owners. Any adjustment shall be in conformity with Section 339-m of the New York State Real Property Law.

16. Restrictions on the Use of the Commercial Units. The Commercial Units may be used for any lawful commercial or professional purpose, subject to the restrictions set forth below and any other restrictions contained in the Declaration or By-Laws. The Commercial Units may not be used for (i) any obscene or pornographic use or any sort of commercial sex establishment or for any nude or semi-nude live performance, such as modeling, rap sessions, or a so-called rubber goods shop or as a sex club; (ii) a dry cleaner with on-site cleaning; (iii) any form of gambling establishment including but not limited to "Off-Track Betting (OTB)"; (iv) a billiard parlor or pool hall; (v) an amusement arcade or center having income from coin-operated games or other electronic devices; (vi) massage parlor; or (vii) suntan parlor.

18. Rights of Sponsor to Evict Deregulated Tenants with Expired Leases. In a recent case entitled MH Residential 1, LLC v. Barrett, 78 A.D.2d 99, 908 N.Y.S.2d 6 (App. Div. 1st Dept. 2010), the First Department held that the expiration of the lease of a tenant not subject to rent regulation terminated the landlord-tenant relationship provided that the tenant was not a "non-purchasing tenant", i.e., the person was not a tenant entitled to possession at the time that the Plan was declared effective. The losing parties moved for reargument and sought permission to appeal the decision. Both motions were denied. Accordingly, the Sponsor reserves all rights to evict tenants whose leases have expired prior to the date that the Plan has been declared effective pursuant to applicable law.

19. Real Estate Taxes Payable by Condominium after Conversion. The properties are currently receiving a partial tax exemption under the Division of Alternative Management Program ("DAMP"), administered by the Department of Housing Preservation and Development for the benefit of not-for-profit organizations. The Condominium is not considered a not-for-profit organization, and accordingly, the Sponsor expects that the Department of Finance will

assess the Buildings at their full, non-exempt value upon the filing of the Declaration of Condominium.

The estimated real estate taxes for the first year of the Condominium's operation are projected without the DAMP exemption. Purchasers should note that the real estate taxes for tax years before the first year of Condominium operation are not representative of the taxes that Unit Owners should expect to pay after the Condominium has been established. Any real estate taxes charged by the City of New York allocable to any tax years before the first year of Condominium operation shall be borne by the Sponsor.

20. Management Fee. The management fee is based on the management agreement to be entered into with Manhattan North Management Co., Inc., an affiliate of the Sponsor in which the Sponsor's two principals each have a fifty percent (50%) ownership interest in the company. However, the management company is independently run by Executive Vice President, David Berezin who has over thirty (30) years experience in the business of property management. Based on the opinion of the Sponsor's budget expert, David Amster of Prime Locations, Inc., the fee for the managing agent for the First Year of Condominium Operation is less than the fees that would be charged for such services at comparable buildings. Accordingly, unit owners may be required to increase common charges if management is changed.

21. Building Conditions. As set forth in Section _34, the Property will be sold subject to any violations or conditions that may exist as of the date of closing of title to a Residential Unit, and the Sponsor shall not be obligated to cure any such conditions, whether or not they might be considered dangerous or hazardous. Violations may remain after closing, and the Condominium may have the obligation to cure them at that time. In certain circumstances, failure to cure violations or certain conditions might result in fines against the Condominium, violate the provisions of insurance coverages or lead to the imposition of criminal penalties, fines or civil causes of action against the Condominium. Tenants of individual Unit Owners may also make claims for partial or total rent abatement. No representation is made by these statements that these or any other particular results will occur or be permitted by law in particular instances.

Certain conditions noted in the Description of Property and Building Condition (the "***Report***") set forth in Section E in Part II of the Plan follow, together with cost estimates provided therein regarding the performance of the relevant work, such estimates being intended to include architectural and engineering fees, contractors' overhead and profit and building department fees, but (i) a 10% contingency allowance should be added, (ii) such estimates are made as of date of the Plan, (iii) the actual prices or costs may vary, and (iv) no representation or warranty is made as to the actual expense or cost of the performance of the following, all of which are discussed further in the Report. Reference should be made to the Report for a full discussion of the work items. No representation or warranty is made that the amounts in the Reserve Fund will be adequate or would be available pursuant to the appropriate statutes for application to all of the following:

Condition	**Cost**
Insulate cold water service pipes	$ 5,000
Insulate outdoor condensate return piping	$ 1,000

between 417 and 421	
Provide ventilation for interior bathrooms for Units 7 and 10 in 421 to comply with Code	$ 10,000
Insulate hot and cold piping in basements	$ 10,000
Insulate steam piping in basements	$ 10,000
Replace kitchen and bathroom outlets with GFI type outlets	$ 100 per outlet
Replace exposed BX wiring in basement with conduit	$ 2,000

Among other things, the Report notes the following:

(a) Further investigation should be conducted to understand the material and condition of the roof insulation underneath the existing roof.

(b) Flashing materials at 421 cannot be seen because the parapet walls are coated with aluminum paint. Further investigation should be conducted to understand the material and the condition of the flashings.

(c) The majority of piping in the basement is not insulated. Most of the steam piping within the basement does not have insulation. Steam distribution piping can remain in service with periodic repairs as warranted.

(d) Radiators typically are located beneath windows. Each radiator is coupled with an air vent and shut-off valve. The units themselves are in fair condition and can remain in use. Additionally, some rooms (i.e., kitchen and some bathrooms) are provided with a single exposed steam riser. With systems of this vintage and configuration, knocking and banging of steam pipes will occur during heating cycles. Individual radiators, branch piping, valves and air vents should be examined and adjusted or repaired on an individual basis to reduce noise levels. In 421, approximately 50% of the horizontal stem and condensate return piping distribution has been replaced with new copper piping and traps to minimize pipe banging and knocking.

(e) Some bathrooms and kitchens are not equipped with GFI outlets. While this is not a NYC Building Code violation, the National Electrical Code and the National Fire Protection Association require Ground Fault Circuit Interrupters (GFCI's) within 6 feet of wet sinks for circuits located in the bathrooms, kitchens, unfinished basements and outdoors. Wiring within unrenovated apartments is in poor to fair condition. The existing wiring is not adequate for modern usage. Simultaneous use of modern appliances such as air conditioners, multiple kitchen appliances and other appliances which draw significant electricity may stress the system excessively, which could lead to further deterioration including short circuits and other fire hazards.

(f) 421 has a commercial tenant meter connected to a 3 pole 100 Amp fused switch serving as a 2 pole 100 Amp fused switch. This is a violation of the NEC and NYC Code.

As stated above, the Report should be reviewed by all potential purchasers.

22. For First-Time Purchasers: Characteristics of Unit Ownership. Ownership of a Unit includes certain responsibilities that owners who have previously rented may not be accustomed to, such as the following:

(a) Unit owners making alterations to the structure or utility systems of the Unit must get the consent of the Condominium Board. All alterations must be performed in accordance with applicable law. A material alteration may be required to comply with new construction codes, even though the building was constructed in the early 1900's. In addition, Unit Owners are typically required to sign an Alteration Agreement with the Condominium detailing how the alteration is to be performed, and protecting the Condominium against liability for damage from the work. Among other things, the Alteration Agreement may cover: (i) time periods during which work is permitted; (ii) manner in which construction debris will be handled; (iii) measures which must be taken to prevent compromising the security of the building during construction; (iv) interruption of services during construction; (v) insurance for contractors during construction; and (vi) right of access by Board of Managers for inspection and repair.

(b) Commercial and Community Unit Owners must keep their thermostats at a minimum of 50 degrees to prevent freezing of pipes. Otherwise they may be liable for damage caused to the Condominium.

(c) Unit Owners are required to arrange for extermination within their own Units. Unless the Board of Managers has elected to enter into a building-wide pest control contract.

(d) Based on the age of the building, lead-based paint would have been used to paint some surfaces of the Building. New or refinished surfaces will be painted with coatings that do not contain lead. Purchasers contemplating alterations that will penetrate or disturb refinished surfaces (such as ceilings) should consult a qualified consultant or contractor for the recommended protocol to avoid potential lead-based paint dust contamination.

(e) The Condominium's insurance will not cover losses to the furniture, furnishings, personal belongings, fixtures, cabinets, appliances, wall and floor coverings, window treatments or other decorations, improvements to or contents of a Unit. Each Unit Owner will be responsible to obtain and pay for insurance covering those items.

Purchasers should review the Declaration, By-laws and Rules and Regulations of the Condominium for further details of their responsibility to repair, maintain and insure their Units and comply with the rules of the Condominium Association.

23. Investigation of Presence or Absence of Asbestos in Building. In the visual inspection conducted by the Sponsor's architect, no evidence was found of asbestos-containing materials (ACM) such as insulation, VAT, fireproofing materials, etc. However, further testing of specific materials at the roof level and caulking materials is recommended to confirm or deny the presence of ACM.

24. There are windows along the western property line (rear), but the Building is set back from the property line by a minimum of approximately two feet (2'-0"0. Since the Building was built prior to the implementation of a zoning code, the Building is considered to be grandfathered from setback minimum requirements. While the Building is offset from the lot line and the windows would not be required to be closed up, there is potential for reduced natural light should the building on the adjacent property be demolished and rebuilt taller than it currently exists.

25. J-51 Disclosure. In October 2009, in a case entitled Roberts v. Tishman Speyer Properties, L.P., relating to a rental building which had previously received J-51 real estate tax benefits ("J-51 benefits"), the Court of Appeals ruled that during any period that a building is receiving J-51 benefits, rent stabilized tenants, whether they were stabilized before the building's receipt of J-51 benefits or became rent stabilized as a result of the building's receipt of such benefits, are not subject to deregulation under the high-rent deregulation provisions of the rent laws (the "High Rent Deregulation Provisions").

Section 26-504 (c) of the New York City Administrative Code provides (in part) the following with respect to a dwelling unit in a building not owned as a cooperative or condominium (except for a dwelling unit occupied by a non-purchasing tenant under GBL Section 352-eeee) and which receives benefits: if each lease and each lease renewal includes a notice informing the tenant that the dwelling unit will be subject to deregulation upon the expiration of the tax benefit period and the approximate date on which such tax benefit is scheduled to expire, the dwelling unit will become deregulated upon the expiration of the tax benefit period. However, if such dwelling unit would have been rent stabilized whether or not J-51 benefits had been received, then such dwelling unit shall continue to be rent stabilized upon the expiration of such J-51 benefits to the same extent and in the same manner as if the building had never received J-51 benefits. The foregoing may imply that with respect to dwelling units that are rent stabilized solely by reason of the receipt of J-51 benefits, if no such notice is included in each lease and renewal, such dwelling unit will remain rent stabilized and protected from deregulation under the High Rent Deregulation Provisions until the occurrence of the first vacancy of such dwelling unit after the J-51 benefits are no longer being received. However, that assumption has not been tested by administrative proceedings or in the courts.

Prospective purchasers of occupied apartments and non-purchasing tenants should consult with their respective counsel to determine their rights and obligations under the leases and applicable rent laws, including, but not limited to, their respective rights and obligations regarding deregulation under the High Rent Deregulation Provisions. The Sponsor will provide written authorization to any prospective purchaser to access the records of the Department of Housing and Community Renewal for any dwelling unit, which may be affected by the Roberts decision.

The decision did not discuss numerous issues, including whether such rights would apply to a building which had been converted to condominium or cooperative ownership before J-51 benefits received, whether they would apply if the building elected to obtain J-51 benefits after the Sponsor surrendered control, whether such rights would be limited in any way based on the amount or type of J-51 benefits actually obtained. The foregoing open issues will need to be addressed at some future date. The Sponsor reserves all of its rights under applicable law to rent apartments for such rents and on such terms as it may be legally entitled to impose and the above disclosure is subject to such reservations.

The Sponsor has not received J-51 benefits during the period that it owned the building. The Sponsor has no knowledge as to whether the building received J-51 benefits while owned by any other person.

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1. INTRODUCTION

The Sponsor, 411-417-421 Manhattan Avenue Associates LLC ("Sponsor"), a New York limited liability company, presents this offering plan ("Plan" or "Offering Plan") with the intention of setting forth herein all material information relating to the conversion to Condominium ownership of the land and buildings located at 411-417-421 Manhattan Avenue, New York, New York 10026, and to be known as "The Manhattan Condominium." The land, buildings and appurtenances are hereinafter sometimes referred to collectively as the "Property," "Buildings" or the "Condominium." The Plan may be amended from time to time to reflect changes in the terms of the offering, provided that such amendment is filed with the New York State Department of Law and served on all Tenants, Purchasers and Unit Owners who are not in default, and any other person whom the law may require receive service.

The Condominium will be organized pursuant to Article 9-B of the Real Property Law of the State of New York, as amended, commonly known as the New York Condominium Act. The Condominium will consist of thirty-eight (38) residential units (referred to collectively herein as "Residential Units" or individually as "Residential Unit") and four (4) commercial units (referred to collectively herein as "Commercial Units" or individually as "Commercial Unit") in three, five story, walk up Buildings. The four Commercial Units are not being offered for sale at this time. The Residential Units and Commercial Units will be referred to collectively in this Plan as the "Units."

The Sponsor acquired title to the Property in March 2002 and is the current owner. The Sponsor has refinanced its mortgages with Anglo Irish Bank Corporation PLC (the "Bank"), having its principal place of business c/o Anglo Irish New York Corporation, 222 East 41st Street, 24th Floor, New York, New York 10017. The Bank has agreed to subordinate the lien of its mortgage to the Condominium Declaration that shall be prepared and recorded by Sponsor. As a condition to the loan, the Bank has required that (i) certain minimum release prices must be satisfied in order for it to release the lien of its mortgage on any given Unit being sold; (ii) Deliver certified copies of all commercial leases together with certified financial statements, if requested by the Bank and a notice of assignment letter; and submit to the Bank on a monthly basis a sales report and unit status report in the form provided in the loan documents.. The Bank does not require (i) any minimum number or percentage of Residential Units that must be under contract before the Plan can be declared effective; or (ii) impose any limitations or requirements on the Sponsor's right to rent, rather than sell Units. The Sponsor does not intend to obtain additional financing to complete the conversion of the Buildings to condominium ownership.

The Sponsor has retained Warburg Realty Partnership ("Selling Agent"), 969 Madison Avenue, New York, New York 10021, as Selling Agent in connection with the offering.

Purchase prices, percentage of Common Interest and other details for individual Units are set forth in Schedule A. These prices have been established by the Sponsor and are not subject to review or approval by the Department of Law or any other governmental agency.

Parts I and II of the Plan, including Schedules and exhibits, constitute the entire offer of Sponsor. The Plan and the exhibits will be available for inspection by prospective Purchasers and their attorneys without charge at the office of the Selling Agent and are available for inspection without charge and for copying at a reasonable fee at the Department of Law, 120 Broadway, 23rd Floor, New York, New York.

The Units are to be sold as Condominium Units in accordance with the Plan at the prices noted in Schedule A. The prices contained in Schedule A are not subject to the approval of the Department of Law, or any other governmental agency. In addition, the Sponsor offers to all bona fide Tenants in occupancy on the date the Plan is accepted for filing ("Tenants") the exclusive right, until ninety (90) days from the date of the initial presentation of the Plan (the "Exclusive Purchase Period"), to purchase the Residential Units which they occupy at the prices specified in Schedule A. For further information, see Section 11 entitled "Rights of Existing Tenants." There will be no increase in the price to Tenants during the Exclusive Purchase Period, and the Sponsor will not accept Purchase Agreements from non-Tenant Purchasers for occupied Residential Units during the Exclusive Purchase Period. After the Exclusive Purchase Period expires, the Sponsor may accept Purchase Agreements from bona fide Purchasers for any Residential Units for which Purchase Agreements have not previously been accepted.

The Sponsor reserves the unconditional right to rent its Unsold Units and because Sponsor is not limiting the conditions under which it will rent rather than sell Units, there is no commitment to sell more Units than the fifteen percent (15%) necessary to declare the Plan. See Section 19 entitled "Rights and Obligations of Sponsor" for further details.

Because the Plan can be declared effective based on the sales of fifteen percent (15%) of the Residential Units to Tenants or bona fide Purchasers for their occupancy, Purchasers may be living in a mixed rental/owner-occupied building for an indefinite period of time and therefore owner-occupants may not control the Board of Managers or operation of the Buildings during such transition or ever. Owner-occupants and renters, including the Sponsor, may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing. For example, an owner-occupant who is purchasing a Residential Unit as a home may have views on repairs and capital expenditures that differ from a non-resident Purchaser who has purchased of the purposes of an investment.

A. Features of Condominium Ownership. The Purchaser of a Unit, hereinafter referred to as a "Unit Owner" or "Owner," owns his Unit similarly, in many respects, to the manner in which a private homeowner owns a home. He owns the Unit in fee and is entitled to the exclusive possession thereof. He is also the Owner, in common with the Owners of all other Units, of all remaining parts of the Property except for the Units themselves, including the land under the Buildings, their foundations and supports, the lobbies, the exterior walls and the roof (hereinafter called "Common Elements"). Each Unit Owner's proportionate share ("Common Interest") of the Common Elements is determined pursuant to New York State Real Property Law Sections 339-i and 339-m.

Any Common Elements intended for use in common by all of the Unit Owners or for the benefit of all Unit Owners are referred to as "General Common Elements" such as the Superintendent's residence located in Building 417. Any portions of the Common Elements that are reserved for the benefit of fewer than all Unit Owners are deemed to be "Limited Common Elements." Any portions of the Common Elements that are reserved for the sole use of the Residential Unit Owners, to the exclusion of the Commercial Unit Owners, are referred to herein as "Residential Limited Common Elements" such as the yard located along the west façade of the Buildings. Any portions of the Residential Limited Common Elements which are reserved for the use of the owner of one or more specified Residential Units, to the exclusion of all others, are referred to herein as a "Restricted Residential Limited Common Elements."

In addition, certain Common Elements reserved for the sole benefit of the Commercial Units shall be deemed "Commercial Limited Common Elements." Any portions of the Commercial Limited Common Elements which are reserved for the use of the Owner of one or more specified Commercial Units, to the exclusion of all others, are referred to herein as a "Restricted Commercial Limited Common Elements."

Each Unit Owner is obligated to comply with the governing documents of the Condominium, including the Declaration of Condominium ("Declaration"), By-laws ("By-Laws"), and Rules and Regulations of the Condominium ("Regulations"). These documents are reproduced in Part II of the Plan.

The Board of Managers of the Condominium will assess against each Unit Owner, in proportion to his respective Common Interest, charges (hereinafter "Common Charges") for the maintenance of the Common Elements and for the operating costs of the Property (hereinafter "Common Expenses"), as provided in New York State Real Property Law Section 339-m. Each Residential Unit Owner will pay for all electricity consumed within his own Unit, the charges for which will be separately metered. The Commercial Unit Owners shall be separately metered for the consumption of electricity. The Residential Units and Commercial Units shall be collectively metered for gas and water and sewer charges, which shall be reflected in the residential and commercial contributions to the common expenses. In addition, each Unit will be taxed as a separate tax lot for real estate tax purposes. Unit Owners will not be responsible if any of the other Unit Owners fail to pay their real estate taxes.

Each Unit Owner may mortgage his Unit on the terms and in such amount as he or she chooses. However, if Purchasers pursuant to this Plan seek mortgage financing, they will be required to follow procedures set forth in Section 14 ("Procedure to Purchase") and in the Purchase Agreement contained in Part II of the Plan. No Unit will be subject to the lien of any mortgages placed by other Unit Owners on their Units. In the opinion of counsel for the Sponsor, a Unit Owner, like a home owner, may deduct from his income for income tax purposes the real estate taxes and the interest paid on the mortgage encumbering the Unit(s) owned by the Unit Owner to the extent allowed by law.

Although the Board of Managers of the Condominium (hereinafter the "Board" or the "Board of Managers" or the "Condominium Board") does not have the right to approve or disapprove Purchasers, the sales of Residential Units are subject to a right of first refusal by the

Board at the same price and terms as the Unit Owner has been offered. The foregoing restrictions do not apply to Units owned by the Sponsor or the Commercial Unit Owners. A Unit cannot be sold without a sale of the proportional Unit interest in the Common Elements. See Section 22 of the Plan, entitled "Rights and Obligations of Unit Owners and Board of Managers" and Article X of the By-Laws for further details.

Leases of Residential Units are subject to the consent of the Board of Managers, such consent not to be unreasonably withheld. See Article X of the By-Laws for further information. Notwithstanding the foregoing, the Sponsor may lease its Unsold Units without the consent of the Board of Managers. Sales and leases of Commercial Units are not subject to a right of first refusal or consent of the Board of Managers.

Residential Units may be used for residential purposes only. The Commercial Units may be used for any lawful commercial or professional purpose, subject to the restrictions set forth in the Declaration or By-Laws.

A Unit Owner may make non-structural alterations and decorate the interior of his Unit in any way he desires, subject to local codes and the Regulations of the Condominium, and he is obligated for the cost of his own interior decoration, maintenance, and repairs after closing.

Each Unit Owner will be responsible for maintaining his own Unit and for making repairs within his own Unit. The cost of maintenance and repair of the Common Elements shall be shared by all Unit Owners as provided above. Each Unit Owner shall have the same rights of access to, use of and benefit of the Common Elements (but not the Limited Common Elements). Each Unit Owner shall also be responsible for obtaining and bearing the cost of casualty and liability insurance in connection with his respective Unit. The Board of Managers shall have the duty of obtaining casualty and liability insurance, on behalf of the Condominium, with respect to the Buildings as a whole.

The Board of Managers of the Condominium shall be elected by the Unit Owners with the number of votes allocated to each Unit Owner determined by their percentage of Common Interest, subject to certain rights of the Sponsor and the Commercial Unit Owners to designate Board members. The Board of Managers shall have the authority to manage and administer the affairs of the Condominium, including, but not limited to, the determination of Common Charges and the adoption of Regulations covering the Condominium. See Section 22 entitled "Rights and Obligations of Unit Owners and Board of Managers" for further discussion.

Units may be purchased either by natural persons over the age of 18 years or by a duly formed partnership, corporation, trust, estate, fiduciary, unincorporated association, syndicate, joint venture, organization, government or any department or agency thereof, or any other entity permitted to own real property in the State of New York. The Plan does not limit the number of Unit Owners who may purchase for investment rather than personal occupancy, except that in order to declare the Plan effective, the Sponsor must have fully executed Purchase Agreements from at least six (6) Purchasers who are either bona fide Tenants in occupancy or bona fide Purchasers who represent that they intend that they or one or more members of their immediate family occupy the Unit when it becomes vacant. Notwithstanding the foregoing, the

Condominium may have a substantial percentage of Unit Owners who purchase for investment, rather than for occupancy.

Once Purchase Agreements have been executed for fifteen percent (15%) of the Residential Units in the Buildings by bona fide Tenants in occupancy or bona fide Purchasers who represent that they intend that they or one or more members of their immediate family occupy the Residential Unit when it becomes vacant, the Plan may be declared effective. Such Purchasers should note that there may be a substantial period of time during which the Buildings transition from rental buildings to owner-occupied buildings, and the owner-occupants may never gain control of the Board or the operation of the Property. 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. For example, an owner-occupant who is purchasing a Residential Unit as a home may have views on repairs, capital expenditures, and the exercise of the Board's right of first refusal to purchase a Residential Unit that differ from a non-resident Purchaser who has purchased for the purposes of an investment.

B. Rent Regulated Units. As of the date of this Plan, there are a total of thirty-eight (38) Residential Units of which twenty-nine (29) are rent regulated Residential Units in the Buildings consisting of twenty-eight (28) which are subject to the New York City Rent Stabilization Law of 1969 and the Code adopted pursuant thereto (collectively referred to herein as "RSL"); and one (1) which is subject to the New York City Rent Eviction and Rehabilitation Law and Regulations ("RCL") (collectively the RSL and RCL are referred to herein as "Rent Laws"). There are ten (9) deregulated Residential Units, of which one (1) Residential Unit is vacant. All Residential Units are subject to Section 352-eeee of the General Business Law of New York (the "GBL"). See Section 11 entitled "Rights of Existing Tenants" for further details. Once the Plan is declared effective and a condominium is established, the vacant Residential Units in the Buildings shall be offered at fair market value.

C. Contents of Plan. This is a Non-Eviction Plan. Non-purchasing Tenants will not be evicted by reason of conversion to Condominium ownership. This Plan contains a summary of the terms of the transaction. See Section 11 entitled "Rights of Existing Tenants" for further details. The exhibits delivered to the Department of Law contain all of the documents referred to in the Offering Plan. Copies of the Plan and the exhibits will be available for inspection, without charge, to prospective Purchasers and their attorneys at the office of the Selling Agent.

The agreement to purchase a Unit is called a Purchase Agreement and may be found in Part II, Exhibit A. A summary of the principal provisions of the Declaration and By-Laws of the Condominium may be found in Part I, Sections 21 and 22. Copies of such documents are set forth in Part II, Exhibits E and F. In addition, a detailed description of the Property, which should be carefully reviewed by prospective Purchasers, is attached as Exhibit D to the Plan.

Parts I and II of the Plan, including all Schedules and exhibits, constitute the entire offer of Sponsor. All documents forming a part of this Offering Plan are important. It is suggested that you consult your own attorney or financial advisor before purchasing and provide him with a copy of this Offering Plan.

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

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2. DEFINITIONS

Board of Managers or Board: The governing board of the Condominium composed of representatives elected by Unit Owners voting in accordance with their percentage of Common Interest.

Buildings: Refers to the three (3) separate, five (5) story structures containing the Units.

Common Charges: Each Unit's proportionate share of Common Expenses in accordance with its Common Interest.

Commercial Contribution: The portion of the Common Expenses contributed by the Commercial Units.

Common Elements: All portions of the Property other than Units. Common Elements shall include the General Common Elements (such as the Superintendent's residence, each buildings' foundation, roof and supports), Residential Limited Common Elements such as the yard located along the west façade of the Buildings, the Restricted Residential Limited Common Elements, the Commercial Limited Common Elements, and the Restricted Commercial Limited Common Elements. See Article FIFTH of the Declaration in Part II.

Common Expenses: (a) Expenses of operation of the Property; and (b) all sums designated Common Expenses by or pursuant to the provisions of the New York Condominium Act, the Declaration or the By-Laws.

Common Interest: The proportionate, undivided interest expressed as a numerical percentage in the Common Elements, appertaining to each Unit, as determined in accordance with the Declaration and the Condominium Act.

Condominium Act: Article 9-B of the New York State Real Property Law.

Condominium Documents: The Declaration, By-Laws, Power of Attorney and Unit Deed, which are contained as exhibits in Part II of the Plan.

Condominium: A form of ownership of real property in which individual Units as component parts of a whole are owned in fee simple with the right of exclusive use, by separate individuals or entities, which separate individuals and/or entities that jointly own those parts of the whole designated as Common Elements. In the context of this Plan, "Condominium" specifically refers to "The Manhattan Condominium."

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

Exclusive Purchase Period: The ninety (90) day period following the date of presentation of this Plan during which each Tenant in occupancy has the exclusive right to purchase his Unit for the Tenant purchase price.

First Unit Closing: The first closing of title with a bona fide Purchaser of a Unit.

General Common Elements: Those certain portions of the Common Elements 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 (such as the Superintendent's residence), as more particularly described in the Declaration and excluding the Residential Limited Common Elements and Commercial Limited Common Elements. See Article FIFTH of the Declaration in Part II.

Limited Common Elements: Parts of the whole which are owned as Common Elements, but the exclusive use of which is granted to a single Unit Owner or several Unit Owners. The Limited Common Elements include Residential Limited Common Elements, such as the lobby in each Building and the yard located along the west façade of the Buildings, and Commercial Limited Common Elements, Restricted Residential Limited Common Elements, and Restricted Commercial Limited Common Elements. See the Declaration in Part II for further details.

Person: A natural person, corporation, partnership, association, trustee or other legal entity.

Property: The land, buildings and all other improvements thereon, owned in fee simple absolute, and all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith, which have been or are intended to be submitted to the provisions of the New York State Condominium Act by this Plan.

Purchase Agreement: The agreement between the Sponsor and a Purchaser to purchase a Unit for the purchase price.

Purchaser: Any person over the age of 18 or entity that executes a Purchase Agreement with the Sponsor.

Recording Officer, Recording or Recorded: Shall have the meanings stated in Section 290 of the New York State Real Property Law.

Repairs: Repairs, maintenance or replacement.

Residential Contribution: The portion of the Common Expenses contributed by the Residential Units.

Residential Common Expense: The share allocable to the Residential Units of the cost of operating the Condominium pursuant to the Declaration and By-Laws of the Condominium.

Selling Agent: Warburg Realty Partnership, 969 Madison Avenue, New York, New York 10021.

Sponsor: The promoter of the project and/or Offering Plan to convert a particular parcel of property to Condominium ownership. 411-417-421 Manhattan Avenue Associates LLC is the Sponsor of this Offering Plan.

Tenant: A tenant in occupancy of an occupied Residential Unit on the date of the submission of the Plan for filing. See Section 11 entitled "Rights of Existing Tenants" for further details on the definition of a Tenant entitled to purchase during the exclusive ninety (90) day purchase period.

Tenant Purchase Price: The price set forth in Schedule A that each Tenant in occupancy may purchase his Residential Unit at during the Exclusive Purchase Period. As of the filing date of this Plan, the Tenant purchase price is the same as the non-Tenant purchase price.

Unit: Any space in the Property designated as a Unit in the Declaration, consisting of a specific Unit in one of the Buildings and an appurtenant interest in the Common Elements.

Unit Designation: The number, letter or combination thereof or other official designations conforming to the tax lot number, if any, designating the Unit in the Declaration and on the floor plans.

Unit Owner or Owner: The person or persons, or entity owning a Unit in fee simple absolute; "Unit Owners" or "Owners" collectively means the respective Owners of the Units.

Unsold Unit: Any Unit owned by the Sponsor.

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3. LOCATION AND AREA INFORMATION

A. Location. The Buildings are located in the Mount Morris Park neighborhood located in Harlem on Manhattan's Upper West Side on Manhattan Avenue, on the North West corner of West 117th Street. Buildings in the area have a floor area ratio (FAR) ranging from 0.87 to 3.44, which produces building types that ranges from a five-story tenement to a fourteen-story building set back from the street. The adjacent neighborhoods are Morningside Heights and East Harlem. The surrounding area is composed of residential multi-unit attached buildings. The Property is located in the New York Empowerment Zone, which is part of the Harlem Renewal Project.

B. Area Information. The Property is located in an urban area.

1. Transportation. The neighborhood is well-served by public transportation. The A, B, C subway lines are accessible at 116th Street and Frederick Douglass Blvd. In addition, the M3, M7 and M10 bus line runs up and down along Manhattan Avenue; the M10 runs down Frederick Douglass Blvd., and the M18 runs along Manhattan Avenue over to Malcolm X Blvd. and down town.

The Metro North Railroad Station is located at 125th Street and Park Avenue and it provides express service to Grand Central Station and various points in Westchester.

2. Educational Facilities. The following New York City pre-schools, public schools, private schools and colleges are located within roughly ¾ miles of the Property:

PRE-SCHOOLS:
Citizens Care Day Care Center I, 131 St. Nicholas Avenue
Columbia Green House, 404 West 116th Street
Harbor Morningside CC, 311 West 120th Street

OTHER SCHOOLS:
P.S. 180 Hugo Newman, 370 West 120th Street
P.S. 242 M.G.P. Brown Comp. School, 370 West 120th Street
Wadleigh Arts High School, 215 West 114th Street
Columbia University, 1130 Amsterdam Avenue
Manhattan School of Music, 120 Claremont Avenue
Jewish Theological Seminary/List College of Jewish Studies, 3080 Broadway
Teachers College, Columbia University, 525 West 120th Street

No representation is made that any Residential Unit Owner's child will be able to attend any particular educational facility.

3. Religious Institutions. There are houses of worship of most major denominations within walking distance of the Property.

4. Medical Facilities. In addition to several smaller medical and dental practices and specialists, St. Luke's Roosevelt Hospital Center, located at 1111 Amsterdam Avenue, is within ¾ of a mile from the Property:

5. Parks, Recreation and Cultural Facilities. The area has excellent access to parks, green/open spaces, and cultural facilities within less than ¾ miles of Property.

Central Park is accessible at 110th Street. There are many activities available in the Park, including biking and jogging paths, skating rink, zoo, and theatrical performances. The Central Park Conservancy Headquarters is near the 110th Street entrance of the Park. This organization sponsors cultural and nature-oriented activities regularly.

The Magic Johnson Theater Multiplex is located at 125th Street and 8th Avenue. The theater has nine (9) separate cinemas. Live music and other performances are available at the Apollo Theater (125th Street and 7th Avenue) and at the Cotton Club (656 West 125th Street).

The renowned Miller Theatre at Columbia University and Symphony Space are two community arts organizations which are both within close proximity to the Buildings. The Miller Theatre, located at 2960 Broadway at 116th Street, showcases critically acclaimed jazz, chamber, and contemporary classical music. The Symphony Space, located at 2537 Broadway at 95th Street, provides convenient access to film, literature, dance and family-oriented cultural events.

6. Police, Fire, Water and Road Maintenance Services. These services are provided by the City of New York and all charges (except for water usage) are incorporated into City taxes. The Property is located within the 28th Police Precinct, located at 123rd Street as well as the 25th Police Precinct, located at 120 East 119th Street. The Property is served by Fire Engine Company 36, located at 120 East 125th Street.

7. Zoning. The Buildings are located in an R7-2 residential zoning district.

8. Mailing Address and Postal Facilities. The mailing address for the Buildings will be: "411-417-421 Manhattan Avenue, New York, New York 10026". There are two post offices in close proximity to the Property: Morningside Station (232 West 116th Street, between 7th and 8th Avenues, 0.3 miles away) and Manhattanville Station (365 West 125th Street at St. Nicholas Avenue, 0.9 miles away).

9. Shopping, Banking and Restaurant Facilities. The following grocery stores are located within the vicinity of the Property: C-Town (238 West 116th Street). In addition, several small, neighborhood grocers are within walking distance of the Property.

The following banks are within ½ mile of the Property:

Washington Mutual, 2149 Frederick Douglass Blvd
CitiBank, 420 West 118th Street
Bank of America ATM at Harlem Remote, 102 West 116th Street
Star Express ATM Corporation, 218 St. Nicholas Avenue

There are numerous restaurants within ¼ mile of the Property. The following is a selection of the extensive mix of ethnic restaurants located within roughly a half-mile radius of the Property:

> Cafe Fresh, 1241 Amsterdam Avenue; Uptown Renaissance Diner, 108 West 116th Street; Wallse, 344 West 11th Street; Mama's Fried Chicken, 2158 Frederick Douglass Blvd.; New Dragon Kitchen, 303 West 116th Street; Salimata Restaurant, 2134 Frederick Douglass Blvd.; 115 Deli Corporation, 283 West 115th Street; Africa Kine Restaurant, 256 West 116th Street; Bahar Food Corporation, 256 West 116th Street; Dibiterie Cheikh Restaurant, 231 West 116th Street; Euro Corner Restaurant, 2090 Frederick Douglass Blvd.; Florence Restaurant, 2099 Frederick Douglass Blvd.; Harlem Burgers & Juice, 2115 Frederick Douglass Blvd.; Melba's Restaurant, 300 West 114th Street; Mocha Bar and Grill, 2210 Frederick Douglass Blvd; N Easy Restaurant Nice, 239 West 116th Street; Sokhna Corporation, 225 West 116th Street; Terrace in the Sky, 400 West 119th Street; Zoma, 2084 Frederick Douglass Blvd.; Ajanta India Restaurant, 1237 Amsterdam Avenue; Amsterdam Café, 1207 Amsterdam Avenue; Cafe Fresh, 1241 Amsterdam Avenue; Camille's Restaurant, 1135 Amsterdam Avenue; Che' Bella Pizza, 1215 Amsterdam Avenue; Chen's Garden Restaurant, 1902 Adam Clayton Powell Jr. Blvd.; Farafina Coffee Shop, 219 West 116th Street; La Marmite Inc., 2264 Frederick Douglass Blvd.; Massawa Restaurant, and 1239 Amsterdam Avenue.

10. Libraries. A New York Public Library branch is located in the neighborhood at 203 West 115th Street.

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4. SCHEDULE A

Schedule of Purchase Prices and Other Related Information
for the First Year of Condominium Operation Commencing July 1, 2012

Unit	Bedrooms & Baths	Rent Status	Approx Square Footage	Percentage of Common Interest	Allocation of Res/Comm Expenses	Offering Price	Common Charges (Monthly)	Est. Real Estate Taxes (Monthly)	Total Est. Common Charges & RE Taxes (Monthly)
411 Manhattan Avenue									
Unit 1	1/1	RS	332	1.08%	1.21%	$183,000	$257.51	$50.00	$307.51
Unit 2	1/1	RS	417	1.36%	1.52%	$207,000	$323.48	$62.96	$386.44
Unit 3	3/2	D	923	2.97%	3.38%	$544,000	$719.33	$137.49	$856.82
Unit 4	4/1	RS	887	2.89%	3.24%	$537,000	$689.53	$133.79	$823.32
Unit 5	4/1	RS	851	2.77%	3.11%	$525,000	$661.87	$128.23	$790.10
Unit 6	4/1	RS	887	2.89%	3.24%	$533,000	$689.53	$133.79	$823.32
Unit 7	4/1	RS	851	2.77%	3.11%	$531,000	$661.87	$128.23	$790.10
Unit 8	4/1	RS	887	2.89%	3.24%	$534,000	$689.53	$133.79	$823.32
Unit 9	4/1	RS	851	2.77%	3.11%	$527,000	$661.87	$128.23	$790.10
Unit 10	4/1	RS	855	2.78%	3.12%	$515,000	$663.99	$128.70	$792.69
Unit 11	4/1	RS	881	2.87%	3.22%	$534,000	$685.28	$132.86	$818.14
411 Res Total			**8,622**	**28.04%**	**31.50%**	**$5,170,000**	**$6,703.78**	**$1,298.07**	**$8,001.85**
CU -1			528	1.72%	15.74%	--	$290.25	$79.62	$369.87
CU -2			1,205	3.92%	35.93%	--	$662.55	$181.47	$844.02
411 Comm Total			**1,733**	**5.64%**	**51.67%**	**--**	**$952.79**	**$261.10**	**$1,213.89**
411 Total			**10,355**	**33.68%**	**83.17%**	**$5,170,000**	**$7,656.57**	**$1,559.17**	**$9,215.74**
417 Manhattan Avenue									
Unit 1	1/1	RS	450	1.46%	1.64%	$210,000	$349.02	$79.62	$428.64
Unit 2	1/1	RS	497	1.62%	1.81%	$220,000	$385.20	$88.35	$473.55
Unit 3	4/1	RS	869	2.83%	3.17%	$497,000	$674.63	$154.34	$828.97
Unit 4	3/2	RC	860	2.80%	3.14%	$501,000	$668.25	$152.70	$820.95
Unit 5	3/1	D	875	2.85%	3.19%	$487,000	$678.89	$155.43	$834.32
Unit 6	3/2	D	860	2.80%	3.14%	$501,000	$668.25	$152.70	$820.95
Unit 7	3/1	D	875	2.85%	3.19%	$518,000	$678.89	$155.43	$834.32
Unit 8	3/2	D	860	2.80%	3.14%	$516,000	$668.25	$152.70	$820.95
Unit 9	3/1	RS	875	2.85%	3.19%	$522,000	$678.89	$155.43	$834.32
Unit 10	4/1	RS	881	2.87%	3.22%	$528,000	$685.28	$156.52	$841.79
Unit 11	4/1	RS	879	2.86%	3.21%	$533,000	$683.15	$155.97	$839.12
Super's Residence	1/1		495	--	--	--	--	--	--
417 Total			**9,276**	**28.59%**	**32.04%**	**$5,033,000**	**$6,818.70**	**$1,559.17**	**$8,377.87**
421 Manhattan Avenue									
Unit 2	2/1	RS	614	2.00%	2.24%	$401,000	$476.71	$82.65	$559.36
Unit 3	Studio/1	RS	185	0.60%	0.68%	$154,000	$144.72	$24.79	$169.51
Unit 4	Studio/1	V	185	0.60%	0.68%	$144,000	$144.72	$24.79	$169.51
Unit 5	3/1	RS	850	2.76%	3.10%	$485,000	$659.74	$114.06	$773.79
Unit 6	3/1	RS	728	2.37%	2.66%	$393,000	$566.10	$97.94	$664.04
Unit 7	2/2	D	572	1.86%	2.09%	$287,000	$444.79	$76.86	$521.65
Unit 8	3/1	RS	738	2.40%	2.69%	$399,000	$572.48	$99.18	$671.66
Unit 9	3/1	RS	728	2.37%	2.66%	$403,000	$566.10	$97.94	$664.04
Unit 10	2/2	D	572	1.86%	2.09%	$292,000	$444.79	$76.86	$521.65
Unit 11	3/1	RS	738	2.40%	2.69%	$402,000	$572.48	$99.18	$671.66
Unit 12	3/1	RS	728	2.37%	2.66%	$297,000	$566.10	$97.94	$664.04
Unit 12A	2/1	RS	572	1.86%	2.09%	$405,000	$444.79	$76.86	$521.65
Unit 14	3/1	RS	738	2.40%	2.69%	$409,000	$572.48	$99.18	$671.66
Unit 15	3/1	RS	728	2.37%	2.66%	$412,000	$566.10	$97.94	$664.04
Unit 16	2/2	D	572	1.86%	2.09%	$302,000	$444.79	$76.86	$521.65
Unit 17	3/1	RS	738	2.40%	2.69%	$414,000	$572.48	$99.18	$671.66
421 Res Total			**9,986**	**32.48%**	**36.46%**	**$5,599,000**	**$7,759.36**	**$1,342.21**	**$9,101.57**
CU -3			526	1.71%	15.68%	--	$289.14	$70.66	$359.80
CU -4			1,095	3.54%	32.65%	--	$602.07	$146.29	$748.35
421 Comm Total			**1,621**	**5.25%**	**48.33%**	--	**$891.21**	**$216.95**	**$1,108.16**
421 Total			**11,607**	**37.73%**	**84.79%**	**$5,599,000**	**$8,650.56**	**$1,559.17**	**$10,209.73**
RES TOTAL			**27,884**	**89.11%**	**100.00%**	**$15,802,000**	**$21,281.83**	**$4,416.40**	**$17,103.42**
COMM TOTAL			**3,354**	**10.89%**	**100.00%**	--	**$1,844.00**	**$478.05**	**$2,322.05**
CONDO TOTAL			**31,238**	**100.00%**		**$15,802,000**	**$23,125.83**	**$4,894.45**	**$19,425.47**

RS: Rent Stabilized RC: Rent Controlled V: Vacant D: Deregulated

FOOTNOTES TO SCHEDULE A

1. There are nineteen (19) Residential Units which are subject to the RSL and one (1) which is subject to RCL. The other units are either vacant (V) or deregulated (D).

2. The number of rooms in each Unit is calculated in accordance with the "Recommended Method of Residential Room Count," effective January 1, 1964, from the Real Estate Board of New York. However, Tenants may have made alterations to their Units during their period of occupancy. Accordingly, each Unit should be inspected prior to purchase to determine its actual dimensions, layout and physical condition. **Except as set forth herein or as specifically indicated in the Purchase Agreement, the Buildings and each Unit will be sold in an "AS IS" condition.**

The total square footage shown on Schedule A is measured horizontally from the exterior face of exterior walls to the midpoint of the opposite interior walls, and from the midpoint of demising walls between Units to the midpoint of the opposite wall; ceiling height is measured vertically from the underside of the Unit's finished flooring to the exposed painted face of a concrete ceiling or the unexposed side of the Unit's drywall or plaster ceiling, as applicable. Usable square footage measured to the exposed face of interior walls will be substantially lower. Square footage shown in the Declaration of Condominium filed with the City Surveyor will also be lower than those shown on Schedule A because horizontal boundaries are measured from the inside surface of the exterior walls, the Unit side of any window glass, and the unfinished inside surface of any exterior wall door or window frame to the midpoint of the opposite interior walls for purposes of distinguishing Units from Common Elements in the Declaration.

Any floor plan or sketch shown to a prospective Purchaser is only an approximation of the dimensions and layout of a typical Unit. Each Unit should be inspected prior to purchase so that any prospective Purchaser will be able to inspect the interior dimensions, layout and physical condition.

3 Each Tenant in occupancy has the exclusive right until ninety (90) days from the date of presentation of this Plan (the "Exclusive Purchase Period"), to purchase his or her Unit for the price set forth in the Schedule A. After the expiration of the Exclusive Purchase Period, Tenants will no longer have the exclusive right to purchase their Residential Units and purchase prices will be subject to increase by duly filed amendment. As of the date of the presentation of the Plan to the Tenants, the offering price for individual units is the same for Tenants in occupancy and for non-tenant purchasers. The Sponsor reserves the right to decrease the sales price below the Offering Plan price without filing a prior amendment to the Plan as long as the reduction in sales price does not constitute a general offering but is rather the result of an individually negotiated Unit price with a Non-Tenant Purchaser, or with a Tenant after the expiration of the Exclusive Purchase Period (so long as such reduction does not constitute a discriminatory inducement.) See Section 9, entitled "Changes in Prices and Units" for further conditions applicable to these prices. See also Section 18, entitled "Unit Closing Costs and Adjustments."

4. Pursuant to Section 339-i(1)(iv) of the New York State Real Property Law, the percentage of Common Interest of each Unit in the Common Elements is based upon floor space,

subject to 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. Square footage of the Residential Units varies from 185 to 923 square feet, (excluding any Residential Limited Common Elements).

For details on the Residential Limited Common Elements and Restricted Residential Limited Common Elements appurtenant to each Unit, see the Limited Common Element descriptions in Part II, Exhibit E.

5. The monthly Common Charges payable by each Unit Owner are based on their percentage share of the Residential and Commercial Contributions to Common Expenses and percentage of Common Interest in the Common Charges. Common Charges have been estimated by the Sponsor for the first year of operation of the Condominium (which is estimated to commence on July 1, 2012) as set forth in Schedule B. See Note 1 to Schedule B for a complete description of the expenses and services which Common Charges cover.

Common Charges include charges for gas for heat and hot water for the General Common Elements and the Residential Units and Commercial Units, common area electricity and water and sewer charges for the full year. Each Unit, including the Commercial Units, are separately metered for electricity consumption. In addition, a Unit Owner may arrange for the installation of cable television and/or internet service, which will be billed by the service providers directly to the Unit Owner.

Each Unit Owner will be responsible for the cost of interior repairs in, and maintenance, painting and decoration of his Unit, as well as, the cost of any insurance he may desire to obtain, covering personal property and personal injury or property damage liability. Further, if a Unit Owner obtains financing in connection with the purchase of a Unit, his debt service in connection therewith will be an additional expense.

6. As of June 2010, the aggregate monthly rent which is collectable from Tenants of all occupied Units is $37,794.

7. (a) After the Condominium is divided into individual tax lots, each Unit will be taxed as a separate tax lot for real estate tax purposes and the Unit Owner will not be responsible for the payment of, nor will the Unit be subject to, any lien arising from the non-payment of taxes on other Units. Each Unit Owner's real estate taxes are projected on the basis of his or her percentage of Common Interest. For further information, see Section 23, entitled "Real Estate Taxes".

(b) The "taxable" (transitional) assessed value varies according to increases and decreases in the "actual" assessed value of the Property determined by the assessor from year to year. Such yearly increases and decreases in "actual assessed value" are implemented at the rate of 20% per year until 100% of the change in actual assessed value for the applicable prior tax year has been incorporated into the assessed value of the Property. The taxable assessed value

from year to year reflects the composite increases and decreases in actual assessed value from the previous five tax years.

Lot 13 is currently taxed at a rate of $13.241 per $100 of assessed value with a tentative taxable (transitional) assessed value of $151,200 for the 2011/2012 tax year. If the projected tax rate stays constant at $13.241 per $100 of assessed valuation, and the projected assessed valuation increases by 20% of the difference between the transitional and actual assessed valuation for the 2012/13 fiscal year and without taking into account any DAMP benefits, the projected real estate taxes should be approximately $20,402 for the period July 1, 2012 – June 30, 2013.

Lot 14 is currently taxed at a rate of $13.241 per $100 of assessed value with a tentative taxable (transitional) assessed value of $169,740 for the 2011/2012 tax year and an "actual" assessed value of $169,200. Taxes are based on the lower of the two valuations, so taxes for 2011/12 are projected at $22,404. If the projected tax rate stays constant at $13.241 per $100 of assessed valuation, and the "actual" assessed value of the property stays constant without taking into account any DAMP benefits, the projected real estate taxes should remain at approximately $22,404 for the period July 1, 2012 – June 30, 2013.

Lot 51 is currently taxed at a rate of $13.241 per $100 of assessed value with a tentative taxable (transitional) assessed value of $202,770 during the 2010/2011 tax year and an "actual" assessed value of $156,150. Taxes are based on the lower of the two valuations, so taxes for 2011/12 are projected at $20,676. If the projected tax rate stays constant at $13.241 per $100 of assessed valuation, and the "actual" assessed value of the property stays constant without taking into account any DAMP benefits, the projected* real estate taxes should remain at approximately $20,676 for the period July 1, 2012 – June 30, 2013.

Based on the foregoing analysis, the total real estate taxes for the Property for the first year of Condominium operation are projected at $63,482. See Schedule A for the projected real estate taxes payable by each Unit Owner.

The total taxes for each Unit shown on Schedule A represent the combined taxes for the Buildings multiplied by each Unit's percentage of Common Interest. However, there is no assurance that the Tax Assessor for the City of New York will allocate taxes among Units in proportion to their Common Interest. It is possible that the apportionment will be based upon the proportion of the projected selling price presented in the Plan which each Unit bears to the gross sellout price for all Units available for purchase in the Condominium, or in part, upon extrinsic indicia of value, including location, square footage, amenities, income producing potential and existing leases on particular Units or on some other basis. Furthermore, the Tax Assessor for the City of New York reserves the right to do a separate tax allocation of value for the Commercial Units.

(c) The Sponsor makes no representation as to the accuracy of the (i) assessed value of the Property; (ii) projected assessed value of the Property; (iii) tax rate or projected tax rate; or (iii) method of assessing real property.

8. The estimated first year income tax deductions may vary in accordance with the amount of real estate taxes paid, which may change as a result of changes in the assessed valuation, the tax rate or the method of assessing real property. In addition, Unit Owners who have financed the purchases of their respective Units may be entitled to additional deductions on account of interest paid on their mortgage loans. These additional deductions are not reflected in Schedule A.

5. BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION

SCHEDULE B
July 1, 2012 to June 30, 2013 (Note 1)

PROJECTED COMMON CHARGE INCOME	CONDOMINIUM BUDGET
Residential Contribution to Common Expenses (Note 1)	$271,035
Commercial Contribution to Common Expenses (Note 1)	$26,024
TOTAL INCOME:	**$297,059**

PROJECTED COMMON EXPENSES	RESIDENTIAL UNITS	COMMERCIAL UNITS	TOTAL
Labor (Note 2)	$47,601	$725	$48,326
Electricity (Note 3)	$10,663	$0.00	$10,663
Oil (Note 4)	$0.00	$0.00	$0.00
Gas (Note 5)	$88,984	$10,874	$99,858
Water & Sewer Rents (Note 6)	$40,067	$4,896	$44,963
Repairs, Maintenance and Supplies (Note 7)	$14,258	$1,742	$16,000
Service Contracts (Note 8)	$2,244	$0.00	$2,244
Insurance (Note 9)	$20,050	$2,450	$22,500
Management Fee (Note 10)	$16,040	$1,960	$18,000
Legal & Accounting Fees (Note 11)	$7,064	$436	$7,500
Reserve Replacement Fund (Note 12)	$24,064	$2,941	$27,005
TOTAL EXPENSES	**$271,035**	**$26,024**	**$297,059**

The Notes to Schedule B below are an integral part of this Schedule and should be read in conjunction herewith.

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FOOTNOTES TO SCHEDULE B

1. (a) Amounts are projected on the assumption that the First Year of Condominium Operation will be the year from July 1, 2012 to June 30, 2013. The actual First Year of Condominium Operation may begin earlier or later than that year. In the event the actual or anticipated commencement date of the First Year of Condominium Operation is to be delayed by six months or more, Sponsor will amend the Plan to include a revised budget with current projections. If the amended budget exceeds this projected budget by twenty-five percent (25%) or more, Sponsor will offer all Purchasers (other than Purchasers who are then in default beyond any applicable grace period, if the Plan has been declared effective) the right to rescind their Purchase Agreements within not less than fifteen (15) days after the presentation date of the amendment containing such revised budget, and any Purchasers electing rescission pursuant to such offer will have their down payments returned, together with interest earned thereon.

These amounts represent the total Common Charges to be levied against and collected from the Unit Owners during the projected First Year of Condominium Operation. The Common Charges will be utilized by the Board to defray the operational expenses of the Condominium. Common Expenses are allocated among the Units on the basis of percentage of Common Interest.

(b) The Commercial Units will be constructed to operate as independent Units with a minimum of Common Expenses or operations shared with the Residential Units. Common Expenses are allocated to the Residential Units and the Commercial Units on the basis of either percentage of General Common Interest or special allocations based on anticipated consumption. Where the allocation of Common Expenses is not based on percentage of Common Interest, such circumstances are described in the following notes.

(i) The contribution of the Commercial Unit Owners to Common Expenses will be based on each Commercial Unit Owners' share of the Commercial Contribution. The Commercial Contribution of the Commercial Unit Owners to Common Expenses will be based on the percentage of Common Interest of the Commercial Unit Owners (as set forth on Schedule A) in the following expenses of the Condominium: audit fees; management fees, reserve for contingencies; oil costs, and repairs and maintenance to the General Common Elements. Electricity and water and sewer charges are separated metered to the Commercial Units.

(ii) In addition to their obligations under part (i), the Commercial Unit Owners will also be obligated to pay for their respective share of the Commercial Contribution toward the expenses incurred by the Condominium in operating, maintaining and repairing the General Common Elements.

(iii) The Commercial Unit Owners will be obligated to pay their fair share of the expenses that are incurred by the Board for operating, maintaining and repairing those portions of the Condominium which are utilized by the Commercial Unit Owners. After operation of the Condominium has commenced, it is anticipated that the allocations of the Common Expenses to be paid by the Commercial Unit Owners will be periodically adjusted, as provided in the By-Laws, but not more frequently than once per year, to reflect the differing

proportions fairly attributable to the actual usage of such category by the Commercial Unit Owners. Any adjustment shall be in conformity with Section 339-m of the New York State Real Property Law. If any category of Unit Owner contends that any method of allocation determined by the Board is inequitable, the dispute may be submitted to arbitration as provided in the Declaration. In the event that the use of a Commercial Unit is changed from its then existing use, the Board of Managers may allocate expenses or specific expense items and apportion Common Charges allocated to the Commercial Units resulting solely from such changes in use. Any dispute relating to the allocation of expenses shall be resolved by arbitration under the rules of the American Arbitration Association in accordance with the Declaration.

No warranty is made with respect to the amount of any budget item. The projected budget has been reviewed by the Sponsor's budget expert, David Amster of Prime Locations, Inc. Based upon the consumption and related building maintenance information that the Sponsor has provided to Mr. Amster, the budget is believed to be reasonable.

2. Labor – $48,326. The Sponsor anticipates the Buildings' staff will consist of one full-time non-union live in superintendent, who shall occupy the on site Superintendent's residence, located in Building 417, at an annual salary of $22,048 and one full-time non-union porter at an annual salary of $18,200. Currently, the full time superintendent is working forty (40) hours per week and the full time porter is forty (40) hours per week at the Property. The base wages and employer costs for the full-time superintendent's position and one porter are projected as follows:

Full-time superintendent at $10.60 per hour	$22,048
One full-time porter at $8.75 per hour	$18,200
FICA (approximately 8% of wages)	$2,925.93
Worker's Compensation Insurance	$5,152.17
Total	**$48,326.00**

The full time porter's and superintendent's duties will include the following: (i) cleaning and maintaining the sidewalks in front of the Buildings, the lobbies, halls and cellar spaces which are General Common Elements, and bag and place refuse on curb side for pick up in accordance with the schedule provided by the Department of Sanitation; and (ii) monitoring contractors, making repairs to the General Common Elements, such as the roof, exterior walls, foundations, incoming water and sewer lines, etc. The above budget allocation is based upon ordinary operations in comparable buildings.

All wages meet State and Federal minimum wage laws. Such level of staffing complies with all applicable housing labor laws. See footnote 8, "Service Contracts" for information regarding the services to be provided by the concierge.

No warranty is given that the actual wages and related taxes during the First Year of Condominium Operation will not exceed the budgeted amounts. However, the projected expenses for wages are based on current wage rates and payroll tax rates, adjusted for reasonably anticipated increases.

This expense is allocated 98.5% to the Residential Units and 1.5% to the Commercial Units because the building staff will have few or no maintenance or repair obligations with respect to the Commercial Units or Commercial Common Elements.

3. Electricity – $10,663. The amount set forth is the estimate for the electricity consumed only by the Common Elements, since the electricity for each of the Residential Units and Commercial Units will be individually metered by Consolidated Edison of New York. Allocation of the electricity consumed with respect to the General Common Elements is based on a house meter installed by Consolidated Edison explicitly for the Common Elements.

As described below, the Buildings used 43,016 KWH of electricity on average during the past three years.

Year	Annual Electricity Consumption in KWH	Annual Cost per KWH (inclusive of sales tax)	Total Electricity Cost
2008	40,896	$0.24	$9,878.76
2009	43,716	$0.23	$10,106.49
2010	43,344 (Note 1)	$0.22	$ 9,420.28

The projection for consumption of electricity is $10,663.00, which is based upon (i) the average quantity of energy purchased over the past three years (42,652 KWH) and (ii) a cost of $0.25 per KWH (10% over the 2010 rate).

It is impossible to predict whether the budgeted figure will reflect the actual cost of electricity during the First Year of Condominium Operation. This cost will vary with both the level of consumption and the rate charged by the utility company.

This expense is allocated 100% to the Residential Units since the Commercial Units shall be separately metered.

4. Oil for Common Element Heat and Hot Water and the Individual Units – $0. In August 2009, the Buildings discontinued the use of oil for purposes of supplying heat and hot water to the General Common Elements and to the Residential Units and Commercial Units present, the Buildings use gas fuel to supply heat, hot water and cooking gas to the Residential Units and heat and hot water to the common areas and the Commercial Units. Since the Buildings have five modular dual fuel boilers (oil/gas) which are collectively metered, the Condominium has the option of converting to oil as a source of heat and hot water to the common areas and individual Residential Units and Commercial Units.

5. Gas for Common Element Heat, Hot Water and Cooking – $99,858. Heat and hot water for the Residential Units and Commercial Units is provided by a gas fired hot water tank, which is collectively metered to the Condominium. Gas is used for cooking in the individual Residential Units. The projected gas cost of $99,858 is based on (i) the quantity of gas purchased during the summer months over one year or 62,607 Therms of natural gas and (ii) a cost of $1.595 per Therm, including ten percent (10%) per year over the current tariff rate.

Year	Annual Gas Consumption in THERMS	Annual Cost per THERM (inclusive of sales tax)	Total Gas Cost
2008	N/A (Note 1)	N/A	N/A
2009	69,039	$1.28	$88,122
2010	56,175	$1.45	$81,453

Note 1. Prior to August 2009, the Buildings used oil to supply heat and hot water to the common areas and the individual Units and therefore, there is no estimate for gas consumption in 2008.

It is impossible to predict whether the budgeted figure will reflect the actual cost of gas during the First Year of Condominium Operation. This cost will vary with both the level of consumption and the rate charged by the utility company. The level of consumption of gas in particular will be affected by the severity of the weather and any conservation measures (such as staggering the hours of heating and lowering the temperature of the heat and hot water, etc.) adopted by the Board.

This expense is allocated based on the percentage of common interest of individual Units (89.11% to the Residential Units and 10.89% to the Commercial Units.)

6. Water and Sewer Rents – $44,963.43. The buildings receive four bills: three based on frontage and one based on metered consumption. Accordingly, the budget projection is based on a 10% increase in the frontage charges for the 2010/11 year ($30,916.43) plus a 5% increase in the current tariff multiplied by average consumption measured by the meter over a two-year period.

Period	Total Consumption	Average Annual Consumption	Current Cost per CCF
3/09-3/11	3758 CCF	1,879 CCF	$7.12

Frontage (2010):	$30,916.43
Meter (projected):	$14,047.40
Total:	$44,963.43

It is believed that the budgeted amount should be sufficient to cover any reasonable increase in the cost of water and sewer charges during the First Year of Condominium Operation. However, no budget item is warranted as to its accuracy, sufficiency or otherwise.

This expense is allocated based on the percentage of common interest of individual units (89.11% to the Residential Units and 10.89% to the Commercial Units.)

7. Repairs, Maintenance and Supplies – $16,000. This figure represents the estimated cost for ordinary maintenance and repairs of the General Common Elements, including periodic painting of the common areas at such intervals as the Board of Managers determines to be

appropriate, and supplies, such as cleaning supplies, lubricants, light bulbs, fixtures, hardware, garbage bags, etc. used in connection with the operation of the General Common Elements in 2008 and 2009.

This expense is allocated based on the percentage of common interest of individual units (89.11% to the Residential Units and 10.89% to the Commercial Units.)

8. Service Contracts – $2,244. All service contracts entered into by the Sponsor for the First Year of Condominium Operation may be terminated by the Condominium within thirty (30) days by giving written notice to the service provider. At present, the Sponsor has entered into an extermination contract with Dial-A-Bug Pest Control, Inc., having an address at 915 East 6th Street, Brooklyn, New York 11236, at an estimated annual cost of $2,244 to be paid in equal monthly installments.

The foregoing service contract estimate is based upon current service contract rates, plus a ten percent (10%) increase.

This expense is allocated 100% to the Residential Units since the Commercial Units will not use the foregoing service.

9. Insurance – $22,500. The insurance premiums are based on a letter dated March 9, 2010 from North Shore Risk Management LLC, having an address at 1983 Marcus Avenue, Suite 125, Lake Success, New York 11042, which sets forth the following coverage:

PROPERTY: Special Form Replacement Cost, $5,000 Deductible

Building Coverage "All Risk"	$4,700,000
Loss of Maintenance "All Risk"	$170,000
Each Occurrence	$1,000,000
General Aggregate Liability	$2,000,000
Directors & Officers	$2,000,000
Fidelity Bond	$50,000
Boiler & Machinery	Insured to Value
Worker's Compensation	Statutory Benefits (if applicable)
New York State Disability	statutory benefits (if applicable)
PREMIUM	$22,500

Coverage for the following items is not included in the budget, but may be available at an extra cost: water damage; and excess liability.

This is a one-year policy with no specific prohibitions against renewal.

In the opinion of Mr. Potolsky of North Shore Risk Management LLC, the foregoing coverage is sufficient to replace the Buildings in the event of a total loss during the First Year of Condominium Operation.

This quotation is a projection of rates for the First Year of Condominium Operation. However, because conditions in the insurance marketplace are volatile, it is not possible to predict exactly what the premiums will be during this time. Purchasers should be aware of the possibility of rate increases.

Sponsor will procure on behalf of the Board, on or before the date of the First Unit Closing, the fire, casualty and general liability insurance required to be carried by the Condominium.

The insurance budget provides that the Condominium will have public liability insurance at closing. The fire, casualty and general liability insurance carried by the Condominium will provide that there will be no cancellation without notice to the Board of Managers; a waiver of subrogation; a waiver of invalidity because of the acts of the insured and Unit Owners; and a waiver of pro-rata reduction if Unit Owners obtain additional coverage.

It is suggested that individual Unit Owners procure additional insurance at their own expense to cover such risks as fire and casualty losses to Unit contents, replacements, additions, fixtures and improvements, and liability coverage for occurrences within the Unit, or (where applicable) on Limited Common Elements.

Insurance expenses for the Condominium have been allocated among the Residential Units and Commercial Units on the basis of percentage of Common Interest (89.11% to the Residential Units and 10.89% to the Commercial Units.)

10. Management Fee – $18,000. The management fee is based on the management agreement to be entered into with Manhattan North Management Co., Inc., an affiliate of the Sponsor in which the Sponsor's two principals each have a fifty percent (50%) ownership interest in the company. However, the management company is independently run by Executive Vice President, David Berezin who has over thirty (30) years experience in the business of property management. Based on the opinion of the Sponsor's budget expert, David Amster of Prime Locations, Inc., the fee for the managing agent for the First Year of Condominium Operation is less than the fees that would be charged for such services at comparable buildings. Accordingly, unit owners may be required to increase common charges if management is changed. Reference should be made to the summary of the Management Agreement in Section 28 entitled "Management Agreement and Contracts."

This expense is allocated based on the percentage of common interest of individual units (89.11% to the Residential Units and 10.89% to the Commercial Units.)

11. Legal and Audit Fees – $7,500. Based upon the estimate provided by Mindy Eisenberg, CPA, LLC, having an address at 88 Bonnie Meadow Road, Scarsdale, New York 10583, $5,500 has been budgeted for fees to be incurred in connection with the preparation of the audited financial statements for the First Year of Condominium Operation and its Federal, New York State and New York City income tax returns. The financial statements will be certified by the accountant(s) for the Condominium every year as long as the Sponsor is in control of the Board of Managers. The balance of the budgeted amount ($2,000) has been estimated to provide for

minor legal services to be rendered in connection with the operation of the Buildings, such as attendance at Board meetings, preparation of Board minutes and negotiation of minor agreements.

Legal expenses are allocated 100% to the Residential Units since the Commercial Units will not utilize this service. Notwithstanding the foregoing, audit fees will be allocated 89.11% to the Residential Units and 10.89% to the Commercial Units.

12. Reserve Replacement Fund – $27,005. In order for individual Purchasers to obtain financing which conform to the requirements of FHA, FNMA and other government –sponsored mortgage enterprises, the Condominium must satisfy certain guidelines imposed by these agencies. Pursuant to such requirements, the $27,005 allocated to the replacement reserve fund shall be used for capital repairs and replacements of the General Common Elements such as roofs, sidewalks, fences and the like.

This expense is allocated 89.11% to the Residential units and 10.89% to the Commercial Units. Said allocation will result in the Residential Units paying $24,064 and the Commercial Units paying $2,941 respectively of the total cost.

In the opinion of David Amster of Prime Locations, Inc., located at 733 Yonkers Avenue, Yonkers, New York 10704, the Sponsor's budget expert, the projected income for the Condominium is adequate to meet the estimated expenses for the First Year of Condominium Operation. However, the budget is not intended, and should not be taken, as a guarantee by anyone that the annual Common Charges for the first year or any subsequent year of operation of the Property by the Board of Managers will be as set forth in the budget. In fact, it is likely that the actual income and expenses for the First Year of Condominium Operation will vary from the amounts shown in the budget.

Special Note re: Closing Adjustments: At closing, the Sponsor will adjust with the Condominium certain ongoing costs that have been prepaid by the Sponsor for the First Year of Condominium Operation, such as insurance for the Condominium. The Condominium will reimburse the Sponsor for net adjustments in favor of the Sponsor from the Condominium Working Capital Fund. The Sponsor estimates that net adjustments will not exceed $22,500. For more detailed information, see Section 27, entitled "Working Capital Fund" and Section 18, entitled "Unit Closing Costs and Adjustments".

6. THIS SECTION HAS BEEN INTENTIONALLY OMITTED

7. DESCRIPTION OF COMMERCIAL UNITS

There are a total of four (4) Commercial Units located on the ground floors of 411 Manhattan Avenue and 421 Manhattan Avenue. There are two (2) Commercial Units located in 411 Manhattan Avenue, one in the northern corner of the Building and the other in the southern corner. There are two (2) Commercial Units located in 421 Manhattan Avenue, one located in the northern corner of that Building and the other in the southern corner. The rights and obligations of the Commercial Unit Owners, as set forth in further detail in the Declaration, By-Laws and Regulations of the Condominium, include the following:

A. Restrictions on the Use of the Commercial Units. The Building is located in an R7A zoning district, for which the permissible uses include residential or "community facility" use. The Commercial Units constitute a "non-conforming" use under applicable zoning laws. As a result, they may continue to be used for their current uses as stores, but no new use may increase the level of non-compliance with applicable zoning laws. Subject to the foregoing and to the restrictions in the By-laws, the Commercial Units may be used for any lawful commercial or professional purpose. One of the Commercial Units is used as a food and variety store, and the others are vacant.

The By-laws provide that the Commercial Units may not be used for (i) any obscene or pornographic use or any sort of commercial sex establishment or for any nude or semi-nude live performance, such as modeling, rap sessions, or a so-called rubber goods shop or as a sex club; (ii) a dry cleaner with on-site cleaning; (iii) any form of gambling establishment, including, but not limited to, "Off-Track Betting;" (OTB), (iv) a billiard parlor or pool hall; (v) an amusement arcade or center having income from coin-operated games or other electronic devices; (vi) massage parlor; or (vii) suntan parlor.

B. Rights of the Commercial Unit Owners. The Owner of a Commercial Unit shall have the right, without the consent of the Board of Managers or other Unit Owners or holders of Unit mortgages to (i) make alterations, additions or improvements, structural and non-structural, interior and exterior, ordinary and extraordinary in, to and upon his Commercial Unit (provided that no such change may be made to the exterior of the Buildings, except in accordance with the laws governing changing the facades of landmark buildings, to the extent such laws actually apply to the Buildings); (ii) subdivide a Commercial Unit into separate Units and combine Units resulting from any subdivision of one or more Commercial Units into single Units; (iii) change the layout of his Unit and any boundary walls between one or more of the subdivided or combined Commercial Units; (iv) alter or improve any Commercial Limited Common Element; and (v) apportion among the subdivided or combined Commercial Units their appurtenant interests in the Common Elements, provided that in each instance the Commercial Unit Owner shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold the Board of Managers and all other Unit Owners harmless from any liability arising therefrom. The Board of Managers shall sign any application or other document required to be filed with any governmental authority having or asserting jurisdiction in

connection with any such structural change made by the Commercial Unit Owner, provided, however, that neither the Board of Managers nor the Commercial Unit Owner shall be subjected to any expense or liability by virtue of the signing of the application or such other document. With respect to any such change, the Commercial Unit Owner shall have the right to require the Board of Managers to execute and record any appropriate amendment to the Declaration, or such Commercial Unit Owner shall also have the right to execute and record such amendment upon his own execution of such amendment. A copy of any such applications or other documents required by the Commercial Unit Owner will be furnished to the Board of Managers. The provisions of this subsection B may not be amended, added to or deleted without the consent of all of the Owners of the Commercial Unit(s).

C. Common Charges Payable by the Commercial Units. The contribution of the Commercial Unit Owners to Common Expenses will be based on the percentage of Common Interest of the Commercial Unit Owners in the following expenses of the Condominium: labor; gas for heat and hot water to the common areas and the Commercial Units; water and sewer charges; repairs, maintenance and supplies to General Common Elements; insurance; management fee; legal and accounting fees; and the replacement reserve fund. The Commercial Unit Owners will not be obligated, to pay for electricity to the common areas to the Condominium, since said Units will be separately metered for all such charges. In addition, the Commercial Unit Owners will not be required to pay for service contracts.

The Commercial Unit Owners are obligated to pay their fair share of the expenses incurred by the Condominium for operating, maintaining and repairing those Common Elements that are utilized by the Commercial Unit Owners. No more frequently than once per year, the Board of Managers may seek to adjust the allocation of Common Expenses to reflect the proportions fairly attributable to the Residential and Commercial Units to the amount of usage fairly anticipated by such Unit Owners of the services and Common Elements in question during the following year, based on historical usage or (in the event of repairs) anticipated costs. However, without the consent of the Commercial Unit Owners, the Condominium Board may not (i) modify its method of allocations and assessments, or increase the number of building employees servicing the Commercial Units or the categories of services, utilities or supplies deemed to be provided to the Commercial Units, in such a manner as would increase the Common Charges otherwise payable by the Commercial Unit Owners; or (ii) increase the Common Charges payable by the Commercial Unit Owners beyond their percentage of Common Interest in any particular category of Common Charges, including charges for repair projects not otherwise reflected in the annual operating expense budget. Any allocation shall conform to Section 339-m of the Real Property Law of the State of New York. If any category of Unit Owner contends that the method of allocation for any category of Common Expense is inequitable, then the Board or the Commercial Unit Owners may submit the dispute to the American Arbitration Association for arbitration in accordance with the By-Laws of the Condominium.

In the opinion of David Amster of Prime Locations, Inc., the Common Charges for the Commercial Units, as detailed in Schedules A and B, are fairly allocated based upon the anticipated use and consumption of the Commercial Units.

D. Power of Attorney. At closing all Unit Owners must execute a Power of Attorney in favor of the Commercial Unit Owners to amend the Declaration, By-Laws and the Regulations of the Condominium to effect reallocations of percentages of Common Interest among Commercial Units and to permit the Commercial Unit Owners to implement various rights reserved to the Commercial Unit Owners under the Condominium Documents. See Power of Attorney, Exhibit B, and Declaration, Exhibit E, in Part II of the Plan.

E. Designation of Members of Board of Managers. The Commercial Unit Owners shall have the right to designate one member of the Board of Managers after the Sponsor surrenders voting control of the Board. A member of the Board of Managers designated by the Commercial Unit Owners may only be removed for cause or by the Commercial Unit Owners, and only the Commercial Unit Owners shall have the right to designate a replacement.

F. Expedited Arbitration. All disputes arising between the Commercial Unit Owners and the Board of Managers (other than disputes with the Sponsor) concerning any special allocations shall be settled by expedited arbitration conducted in accordance with the rules of the American Arbitration Association (the "AAA"), unless the parties agree otherwise. Unit Owners may submit the dispute for resolution by arbitration in the City of New York in accordance with the Arbitration Rules (Expedited Procedures) of the AAA, except that the terms of this Section shall supersede any conflicting or otherwise inconsistent rules. Provided the rules and regulations of the AAA so permit, (i) the AAA shall, within five (5) days after a submission or application by a party, select a single independent arbitrator, (ii) the arbitration shall commence fourteen (14) days thereafter and shall be limited to a total of ten (10) hours on the date of commencement until completion, with each party having a total of five (5) hours to present its case and to cross-examine or interrogate persons supplying information or documentation on behalf of the other party, and (iii) the arbitrator shall make a determination within fourteen (14) days after the conclusion of the presentation of both parties' cases, which determination shall be limited to the specific dispute presented to the arbitrator. All actions necessary to implement such decision shall be undertaken as soon as possible, but in no event later than ten (10) business days after the rendering of such decision. All fees payable to the AAA for services rendered in connection with the resolution of the dispute shall be paid by the unsuccessful party. If the subject matter of the arbitration is an alteration or repair issue, then the arbitrator shall be an architect or an engineer with at least fifteen (15) years experience in the matter, which is the subject of the arbitration relating to residential properties similar to the Buildings.

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manhattan
MODERN
management

July 20, 2010

Re: The Manhattan Condominium
411-417-421 Manhattan Avenue
New York, New York 10026

8. OPINION RE: COMPLIANCE WITH RPL 339-i

Ladies and Gentlemen:

Please be advised that in consultation with you, I have determined the percentages of common interest to be allocated to each of the Condominium Units in The Hamilton Condominium (the "Condominium"). The percentages of interest of the units in the common elements have been determined in accordance with Real Property Law Section 339-(i) (1) (iv), to wit such common interest is based upon floor space, subject to the location of such space and the additional factor 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. These projected percentages are to be incorporated into the Declaration as and when recorded in compliance with the Condominium Act.

Manhattan Modern Management, Inc. has been involved in the sale of hundreds of cooperatives and condominiums in the greater New York metropolitan area. Manhattan Modern Management, Inc. has been engaged in the sales of cooperative, commercial and rental properties for more than eight (8) years.

Manhattan Modern Management, Inc. has no financial interest in the Sponsor, the Condominium or any other party interest in this transaction or in the land or building covered by the Condominium Offering Plan.

Very truly yours,

Aster Johnson, President

Sworn to before me this
23 day of July, 2010

Julie E Petrusak
Notary Public

Julie E. Petrusak
Notary Public, State Of New York
No. 01PE6214841
Qualified in New York County
Commission Expires: 12/21/2013

9. CHANGES IN PRICES AND UNITS

The offering prices set forth in Schedule A for each Unit may be increased in all cases (including individual price increases) only by amendment to the Offering Plan, and decreased only by amendment if the change of price is an across the board change affecting one or more lines of Units or Unit models or is to be advertised. However, the purchase price payable by Tenants during the first ninety (90) days after the presentation of this Plan may not be increased. (See Section 11, "Rights of Existing Tenants"). Except as set forth above, offering prices are negotiable, unless same would constitute a prohibited discriminatory inducement. Accordingly, the Sponsor may enter into a Purchase Agreement with a Purchaser to sell one or more Units at prices less than those set forth in Schedule A without filing an amendment before entering into the Purchase Agreement. As a result of the negotiability of offering prices and the right to change them, certain Purchasers may pay or may have paid more or less than other Purchasers under this Plan for similar Units. No price change will affect the percentage of Common Interest allocated to a Unit.

Except as otherwise provided herein, 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 Common Elements, except by amendment to the Plan, and, when applicable, to the Declaration. No change will be made in the size and no material adverse change will be made in the quality of Common Elements, unless Purchasers (not in default) receive a right to rescind their Purchase Agreements and not less than fifteen (15) days, after the date of presentation of notice of such right, to exercise the right. If the right is exercised, the Sponsor will promptly return any deposit or refund the down payment.

After the closing, the Sponsor will have the right to change the number, size (either as a result of subdivision, combination, alteration of boundary walls, or otherwise) and layout of any Unsold Units and to reallocate the percentage of Common Interest of the affected Units in connection with such change, subject to compliance with applicable law and the Condominium's Declaration and By-Laws, and provided the consent of all government agencies having jurisdiction is first obtained (if such approval is required by law). The right of the Sponsor to make such changes may be exercised without the consent or approval of the Condominium, its Unit Owners or others, and without payment of any charge or fee to the Condominium, its managing agent or others, but is subject to compliance with certain requirements of the By-Laws and by duly filed amendment to the Plan.

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SCHNEIDER & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS
A Professional Corporation

9 Sylvan Way, Suite 280
Parsippany, New Jersey 07054
Phone: (973) 683-1100
Fax: (973) 683-0090

INDEPENDENT AUDITORS' REPORT

To: The Member of
411-417-421 Manhattan Avenue Associates, LLC

We have audited the accompanying statement of rental income and specified operating expenses related to the operations of 411-417-421 Manhattan Avenue Associates, LLC for the years ended December 31, 2010 and 2009. This statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying statement was prepared for the purpose of complying with the rules and regulations of the Attorney General of the State of New York for inclusion in a condominium offering plan and is not intended to be a complete presentation of the rental property's revenues and expenses as described in Note 1.

Because we were not engaged to audit the balance sheet and statement of cash flows, we did not extend our auditing procedures to enable us to express an opinion on the balance sheet and statement of cash flows for the years ended December 31, 2010 and 2009. Accordingly, we express no opinion on them.

In our opinion, the statement referred to above presents fairly, in all material respects, the rental income and specified operating expenses of 411-417-421 Manhattan Avenue Associates, LLC for the years ended December 31, 2010 and 2009 in conformity with accounting principles generally accepted in the United States of America.

As more fully described in Note 1, the LLC anticipates converting its rental property to condominium ownership. Accordingly, the amounts reflected in the statement may not be indicative of the future expenses of the proposed condominium.

March 16, 2011
Parsippany, New Jersey

Schneider & Company
Certified Public Accountants, PC

New York Office: 535 Fifth Avenue, 21st Floor, New York, New York 10017
Phone: (212) 764-7700 Fax: (212) 997-0019

411-417-421 Manhattan Avenue Associates, LLC
Statement of Rental Income and Specified Operating Expenses

	Year ended December 31,	
	2010	2009
RENTAL INCOME	$ 430,401.68	$ 403,635.34
SPECIFIED OPERATING EXPENSES		
Payroll and related costs	46,099.33	45,932.10
Electric	10,400.92	10,106.49
Heat and hot water	70,455.95	43,430.68
Water and sewer	42,938.50	33,942.51
Repairs and maintenance	28,652.56	44,783.96
Building supplies	2,012.27	8,735.86
Permits and licenses	394.00	603.00
Exterminator	3,309.83	3,736.53
Management fees	23,976.85	22,823.95
Property and liability insurance	14,710.94	15,117.41
TOTAL SPECIFIED OPERATING EXPENSES	242,951.15	229,212.49
EXCESS RENTAL INCOME OVER SPECIFIED OPERATING EXPENSES	$ 187,450.53	$ 174,422.85

See accompanying notes to the Statement of
Rental Income and Specified Operating Expenses.

411-417-421 Manhattan Avenue Associates, LLC
Notes to Statement of Rental Income and
Specified Operating Expenses.
Years ended December 31, 2010 and 2009

Note 1 – Basis of Presentation

a. Business Operations

411-417-421 Manhattan Avenue Associates, LLC is a limited liability company which owns and operates a residential rental property in New York City. It is the intent of 411-417-421 Manhattan Avenue Associates, LLC to convert its residential rental property into condominium ownership. The amounts reflected in these historical financial statements may not be indicative of the future expenses of the proposed condominium.

b. Omission of Revenue and Certain Expenses

The following expenses have not been incurred or have not been included in this financial statement:

Bad debt reserves
Professional fees
Interest
Depreciation
Amortization
Office, leasing and advertising
Real estate taxes

Note 2 – Summary of Significant Accounting Policies

a. Basis of Accounting

This financial statement presents financial results on the accrual basis of accounting.

b. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 3 – Allocation of Certain Expenses

Certain costs which are provided to the LLC and common owned affiliates on an aggregate basis are allocated to the LLC based on the experience and judgment of management. The allocations made to the ongoing operations of the LLC and reflected in these statements for significant items are as follows:

Payroll
Payroll taxes and benefits

Note 4 - Management Fees - Related Party Transactions

The LLC is managed by a common affiliate. During 2010 and 2009, respectively $ 23,976.85 and $ 22,823.95 were incurred for management fees to the common affiliate.

Note 5 – Contingencies

The LLC is involved in various claims and lawsuits in the ordinary course of business. In the opinion of management, these items, individually and in the aggregate, will not have a material effect on the Statement of Rental Income and Specified Operating Expenses of the LLC.

SCHNEIDER & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS
A Professional Corporation

9 Sylvan Way, Suite 280
Parsippany, New Jersey 07054
Phone: (973) 683-1100
Fax: (973) 683-0090

INDEPENDENT AUDITORS' REPORT

To: The Member of
411-417-421 Manhattan Avenue Associates, LLC

We have audited the accompanying statement of rental income and specified operating expenses related to the operations of 411-417-421 Manhattan Avenue Associates, LLC for the years ended December 31, 2009 and 2008. This statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying statement was prepared for the purpose of complying with the rules and regulations of the Attorney General of the State of New York for inclusion in a condominium offering plan and is not intended to be a complete presentation of the rental property's revenues and expenses as described in Note 1.

Because we were not engaged to audit the balance sheet and statement of cash flows, we did not extend our auditing procedures to enable us to express an opinion on the balance sheet and statement of cash flows for the years ended December 31, 2009 and 2008. Accordingly, we express no opinion on them.

In our opinion, the statement referred to above presents fairly, in all material respects, the rental income and specified operating expenses of 411-417-421 Manhattan Avenue Associates, LLC for the years ended December 31, 2009 and 2008 in conformity with accounting principles generally accepted in the United States of America.

As more fully described in Note 1, the LLC anticipates converting its rental property to condominium ownership. Accordingly, the amounts reflected in the statement may not be indicative of the future expenses of the proposed condominium.

May 11, 2010
Parsippany, New Jersey

Schneider & Company
Schneider & Company
Certified Public Accountants, PC

411-417-421 Manhattan Avenue Associates, LLC
Statement of Rental Income and Specified Operating Expenses

	Year ended December 31,	
	2009	2008
RENTAL INCOME	$ 403,635.34	$ 430,019.55
SPECIFIED OPERATING EXPENSES		
Payroll and related costs	45,932.10	28,128.94
Electric	10,106.49	9,878.76
Heat & Hot Water	43,430.68	91,152.98
Water & Sewer	33,942.51	33,271.29
Repairs and maintenance	44,783.96	48,712.76
Building supplies	8,735.86	10,074.64
Permits and licenses	603.00	55.00
Exterminator	3,736.53	2,361.57
Management fees	22,823.95	25,299.33
Property and liability insurance	15,117.41	16,330.50
TOTAL SPECIFIED OPERATING EXPENSES	229,212.49	265,265.77
EXCESS RENTAL INCOME OVER SPECIFIED OPERATING EXPENSES	$ 174,422.85	$ 164,753.78

See accompanying notes to the Statement of
Rental Income and Specified Operating Expenses.

411-417-421 Manhattan Avenue Associates, LLC
Notes to Statement of Rental Income and
Specified Operating Expenses.
Years ended December 31, 2009 and 2008

Note 1 – Basis of Presentation

a. Business Operations

411-417-421 Manhattan Avenue Associates, LLC is a limited liability company which owns and operates a residential rental property in New York City. It is the intent of 411-417-421 Manhattan Avenue Associates, LLC to convert its residential rental property into condominium ownership. The amounts reflected in these historical financial statements may not be indicative of the future expenses of the proposed condominium.

b. Omission of Revenue and Certain Expenses

The following expenses have not been incurred or have not been included in this financial statement:

Bad debt reserves
Professional fees
Interest
Depreciation
Amortization
Office, leasing and advertising
Real estate taxes

Note 2 – Summary of Significant Accounting Policies

a. Basis of Accounting

This financial statement presents financial results on the accrual basis of accounting.

b. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 3 – Allocation of Certain Expenses

Certain costs which are provided to the LLC and common owned affiliates on an aggregate basis are allocated to the LLC based on the experience and judgment of management. The allocations made to the ongoing operations of the LLC and reflected in these statements for significant items are as follows:

Payroll
Payroll taxes and benefits

Note 4 - Management Fees - Related Party Transactions

The LLC is managed by a common affiliate. During 2009 and 2008, respectively $ 22,823.95 and $ 25,299.33 was incurred for management fees to the common affiliate.

Note 5 – Contingencies

The LLC is involved in various claims and lawsuits in the ordinary course of business. In the opinion of management, these items, individually and in the aggregate, will not have a material effect on the Statement of Rental Income and Specified Operating Expenses of the LLC.

11. RIGHTS OF EXISTING TENANTS

This Plan is being presented pursuant to the non-eviction provisions of Section 352-eeee of the General Business Law, which relates to the conversion of buildings from rental to cooperative or condominium status. In addition, as of the date of the presentation of this Plan, there are thirty-eight (38) Residential Units in the Buildings, of which twenty-eight (28) are subject to the RSL and one (1) is subject to the RCL, one (1) is vacant, eight (8) are occupied at fair market value rents. If there is any inconsistency between this summary and the provisions of Section 352-eeee of the General Business Law which are set forth in full in Exhibit H, then the statute shall control as if set forth in full herein. The following provisions apply only to qualifying Tenants of Residential Units (as opposed to the Commercial Units).

Tenants in occupancy eligible to purchase during the Exclusive Purchase Period should refer to Section 14 entitled "Procedure to Purchase."

Section 352-eeee of the General Business Law gives Tenants in occupancy on the date of the acceptance of the Plan for filing a number of important rights which are described below:

1. The Sponsor has elected to present the Plan on a non-eviction basis. Accordingly, a bona fide residential Tenant in occupancy of a Residential Unit in the Buildings on the date of presentation of the Plan who does not purchase his Residential Unit will not be subject to eviction, except for non-payment of rent, illegal use or occupancy of the Unit, refusal of reasonable access to the Owner of the Unit, or other similar violations of his obligations as a Tenant. Furthermore, eviction may not be sought against a non-purchasing Tenant on the ground that the Owner of the Residential Unit desires the Residential Unit for the use and occupancy of himself or his family. The Plan may not be amended at any time to provide that it shall be an eviction plan.

Non-purchasing Tenants who reside in rent regulated Residential Units shall continue to be subject to the RSL or RCL, as applicable. If any of the Rent Laws are subsequently eliminated or become inapplicable, the rentals of non-purchasing Tenants shall not be subject to unconscionable increases beyond ordinary rentals for comparable Residential Units during the period of their occupancy. Disputes concerning such increases may be referred to the New York State Department of Law, Real Estate Financing Bureau, 120 Broadway, 23rd Floor, New York, New York 10271. In determining comparability, consideration shall be given to such factors as building services, level of maintenance, and operating expenses. The RSL and RCL are under the jurisdiction of the Division of Housing and Community Renewal, 93 Union Hall Street, Queens, New York.

2. The following persons will have an exclusive right for a period of ninety (90) days from the date of presentation of this Plan to purchase Residential Units in the Condominium: (i) bona fide Tenants in occupancy on the date the Plan is accepted for filing; (ii) bona fide Tenants with the right to renew their leases; (iii) bona fide Tenants with the right to continued occupancy; (iv) a sublessee who has obtained written permission to purchase the subleased Residential Unit from a bona fide Tenant; and (v) the sublessee of a non-bona fide Tenant. For the purpose of determining who has the right to subscribe during the exclusive

period, a bona fide Tenant of record with an unexpired lease will be presumed to be a Tenant in occupancy, even though the Tenant has sublet his or her Residential Unit or the Residential Unit is not the Tenant's primary residence. During the initial ninety (90) day period, the Plan will not be amended to change the terms of the offer in any way adverse to Tenants. The Sponsor does not intend to offer Tenants a reduced purchase price. Therefore, at the expiration of the ninety (90) day Exclusive Purchase Period, the prices set forth in Schedule A will continue to apply to both Tenant and non-Tenant Purchasers, subject to change by duly filed amendment.

Both Tenants and non-Tenants will have the right to purchase vacant Residential Units at any time. In addition, persons or entities may purchase occupied Residential Units at any time after the Exclusive Purchase Period expires.

3. The Plan will not be declared effective and will be abandoned unless, within fifteen (15) months from the date the Plan was accepted for filing, written Purchase Agreements have been executed and delivered for at least fifteen percent (15%) of all Residential Units on the Property by bona fide Tenants in occupancy or bona fide Purchasers who represent that they intend that they or one or more members of their immediate family occupy the Residential Unit when it becomes vacant. As to Tenants who were in occupancy on the date a letter was issued by the Attorney General accepting the Plan for filing, the Purchase Agreement shall be executed and delivered pursuant to an offering made without discriminatory repurchase agreements or other discretionary inducements. Subscribing Tenants who are relatives, business associates or affiliates of the Sponsor will not be included in the computation, unless they are pre-existing bona fide Tenants in occupancy on the date of presentation of the Plan.

4. The Sponsor will not show a Residential Unit to prospective Purchasers during the Exclusive Purchase Period if the Residential Unit is occupied by the person who is the Tenant thereof on the date of presentation of the Plan. However, if the Tenant waives his right to purchase his Residential Unit in writing, the Sponsor may exercise whatever right the Sponsor may have under the existing lease or then applicable law to show that Residential Unit to prospective Purchasers and also to accept a Purchase Agreement from any prospective Purchaser for that Unit, subject to any rights afforded to the Tenant of the Residential Unit by Section 352-eeee of the General Business Law, or subsequent amendments to this Plan.

A Purchase Agreement from a Tenant in occupancy for his or her own Residential Unit executed during any Exclusive Purchase Period shall have priority over and preempt any Purchase Agreement from a non-Tenant Purchaser.

5. After the Plan has been accepted for filing by the Attorney General, the Sponsor shall, on day 30, 60, 88 and 90 after such date, and at least once every thirty (30) days until the Plan is declared effective or is abandoned, as the case may be, and on the tenth (10th) day and second (2nd) day before the expiration of any Exclusive Purchase Period, provide in a substantial amendment to the Plan: (a) a written statement, under oath, setting forth the percentage of the Residential Units in the Buildings subscribed for as of the date of the statement by bona fide Tenants in occupancy or bona fide Purchasers who represent that they intend that they or one or more members of their immediate family will occupy the Residential Unit when it becomes vacant; and (b) post a copy of such statement in a prominent place accessible to all

Tenants in each Building before noon on the day such statement is filed. The statement shall remain posted until the next statement must be posted. Copies of the posting notices will be available in the office of the Sponsor.

6. If the Plan is not declared effective within fifteen (15) months after the date the Plan was accepted for filing, it will be declared abandoned. If the Plan is abandoned, no new Plan may be presented for twelve (12) months after the date of abandonment.

7. (i) No eviction proceedings will be commenced at any time against non-purchasing Tenants for failure to purchase or any other reason applicable to expiration of tenancy; provided that such proceedings may be commenced for non-payment of rent, illegal use or occupancy of the premises, refusal of reasonable access to the Owner or a similar breach by the non-purchasing Tenant of his obligations to the Owner of the Unit; and provided further that an Owner of a Residential Unit may not commence an action to recover possession of the Residential Unit from a non-purchasing Tenant on the grounds that he seeks the Residential Unit for the use and occupancy of himself or his family.

(ii) There are twenty-eight (28) Residential Units which are subject to the RSL and one (1) which is subject to RCL and subject to the protections of Section 352-eeee as described herein and in Part II, Exhibit H.

(iii) After the Plan has been accepted for filing by the Attorney General, non-purchasing Tenants shall not be subject to unconscionable increases beyond ordinary market rent increases for comparable Residential Units during the period of occupancy. In determining comparability, consideration shall be given to such factors as building services, level of maintenance and operating expenses. Complaints of unconscionable rent increases may be referred to the New York State Department of Law, Investor Protection Bureau, 120 Broadway, 23rd floor, New York, New York 10271.

(iv) The Plan may not be amended at any time to provide that it shall be an eviction Plan; and

(v) The rights granted under the Plan to Purchasers under the Plan and to non-purchasing Tenants may not be abrogated or reduced, notwithstanding any expiration of, or amendment to, Section 352-eeee of the General Business Law.

8. It shall be unlawful for any person to engage in any course of conduct (including, but not limited to, interruption or discontinuance of essential services or harassment of Tenants) which substantially interferes with or disturbs the comfort, repose, peace or quiet of such Tenant in his use or occupancy of his Residential Unit or the facilities related thereto. A Tenant may apply to the Attorney General for a determination that such conduct does exist or has taken place. The Attorney General may also apply to a court of competent jurisdiction for an order restraining such conduct, and if he deems it appropriate, an order restraining the Owner from selling the Unit.

9. If the Sponsor amends the terms and conditions of the offering prior to the closing of the first Residential Unit to be more favorable to non-purchasing Tenants, a bona fide Tenant in occupancy who executed and submitted a Purchase Agreement for the Residential Unit the Tenant occupied on the date that the Plan was accepted for filing shall benefit from the more favorable terms and conditions, even though such Purchase Agreement was entered into before the Sponsor amended the terms. Such rights shall not extend to Purchase Agreements for Residential Units not occupied by such Tenant in occupancy or assignees of Purchase Agreements executed by such Tenant in occupancy.

10. The By-Laws of the Condominium provide that non-purchasing Tenants will be notified of changes in ownership of dwelling Units they occupy by written notice by ordinary mail within thirty (30) days after the date of transfer, and that the Board of Managers of the Condominium will retain and make available such information to non-purchasing Tenants upon request.

11. Tenants in occupancy may not assign their rights to purchase their Residential Units without the Sponsor's consent. See Section 15, "Assignment of Purchase Agreements."

12. Tenants may purchase vacant Residential Units or Residential Units occupied by other Tenants on the same terms and in accordance with the same criteria as non-Tenant Purchasers.

13. Non-purchasing Tenants will not have any right to match an offer made by a non-Tenant Purchaser after the Exclusive Purchase Period expires.

14. Tenants in occupancy do not have exclusive access to or the exclusive right to use any portion of the Common Elements.

15. All Residential Units occupied by non-purchasing Tenants shall be managed by the same managing agent who manages all other Units in the Buildings. The managing agent shall provide to non-purchasing Tenants all services and facilities required by law on a non-discriminatory basis. The Sponsor guarantees that obligation of the managing agent until such time as the Sponsor relinquishes control of the Board of Managers of the Condominium.

16. An Offering Plan may not be accepted for filing if an excessive number of long term vacancies exist on the date the Offering Plan is first submitted for review to the Department of Law. Long term vacancies mean Residential Units not leased or occupied by bona fide Tenants for more than five (5) months prior to the date of such submission. Excessive means a vacancy rate in excess of ten percent (10%), provided that such vacancy rate is double the normal average vacancy rate for the building or development for two (2) years prior to the January preceding the date of the submission.

17. Tenants or their representatives may physically inspect the premises at any time subsequent to the submission of the Plan to the Department of Law, during normal business

hours, upon written request made by them to the Sponsor, provided such representatives are registered architects or professional engineers licensed to practice in the State of New York.

18. In a recent case entitled MH Residential 1, LLC v. Barrett, 78 A.D.2d 99, 908 N.Y.S.2d 6 (App. Div. 1st Dept. 2010), the First Department held that the expiration of the lease of a tenant not subject to rent regulation terminated the landlord-tenant relationship provided that the tenant ws not a "non-purchasing tenant", i.e., the person was not a tenant entitled to possession at the time that the Plan was declared effective. Accordingly, the Sponsor reserves all rights to evict tenants whose leases have expired prior to the date that the Plan has been declared effective pursuant to applicable law.

19. J-51 Disclosure. In October 2009, in a case entitled Roberts v. Tishman Speyer Properties, L.P., relating to a rental building which had previously received J-51 real estate tax benefits ("J-51 benefits"), the Court of Appeals ruled that during any period that a building is receiving J-51 benefits, rent stabilized tenants, whether they were stabilized before the building's receipt of J-51 benefits or became rent stabilized as a result of the building's receipt of such benefits, are not subject to deregulation under the high-rent deregulation provisions of the rent laws (the "High Rent Deregulation Provisions").

Section 26-504 (c) of the New York City Administrative Code provides (in part) the following with respect to a dwelling unit in a building not owned as a cooperative or condominium (except for a dwelling unit occupied by a non-purchasing tenant under GBL Section 352-eeee) and which receives benefits: if each lease and each lease renewal includes a notice informing the tenant that the dwelling unit will be subject to deregulation upon the expiration of the tax benefit period and the approximate date on which such tax benefit is scheduled to expire, the dwelling unit will become deregulated upon the expiration of the tax benefit period. However, if such dwelling unit would have been rent stabilized whether or not J-51 benefits had been received, then such dwelling unit shall continue to be rent stabilized upon the expiration of such J-51 benefits to the same extent and in the same manner as if the building had never received J-51 benefits. The foregoing may imply that with respect to dwelling units that are rent stabilized solely by reason of the receipt of J-51 benefits, if no such notice is included in each lease and renewal, such dwelling unit will remain rent stabilized and protected from deregulation under the High Rent Deregulation Provisions until the occurrence of the first vacancy of such dwelling unit after the J-51 benefits are no longer being received. However, that assumption has not been tested by administrative proceedings or in the courts.

Prospective purchasers of occupied apartments and non-purchasing tenants should consult with their respective counsel to determine their rights and obligations under the leases and applicable rent laws, including, but not limited to, their respective rights and obligations regarding deregulation under the High Rent Deregulation Provisions. The Sponsor will provide written authorization to any prospective purchaser to access the records of the Department of Housing and Community Renewal for any dwelling unit, which may be affected by the Roberts decision.

The decision did not discuss numerous issues, including whether such rights would apply to a building which had been converted to condominium or cooperative ownership before J-51

benefits received, whether they would apply if the building elected to obtain J-51 benefits after the Sponsor surrendered control, whether such rights would be limited in any way based on the amount or type of J-51 benefits actually obtained. The foregoing open issues will need to be addressed at some future date. The Sponsor reserves all of its rights under applicable law to rent apartments for such rents and on such terms as it may be legally entitled to impose and the above disclosure is subject to such reservations.

12. OBLIGATIONS OF OWNERS OF DWELLING UNITS OCCUPIED BY NON-PURCHASING TENANTS

A. General. Currently there are twenty-eight (28) Residential Units that are subject to the RSL and one (1) that are subject to RCL, and the Tenants of such Residential Units are entitled to the continued benefit of the RSL and RCL, even if the Residential Unit is sold (see Section 11, "Rights of Existing Tenants"). If a Unit is purchased by someone other than the Tenant thereof, the Tenant or occupant will become the Purchaser's Tenant on the closing date and the Purchaser will become his landlord, and will have the responsibility of adhering to the RSL and RCL and registering the dwelling Unit with the New York State Division of Housing and Community Renewal (DHCR), as necessary. No representation or warranty is made that the RSL and RCL will or will not, continue to apply to any Residential Units, or that there will or will not be further amendments thereto. If there is any inconsistency between this summary and the provisions of the RSL and RCL, then RSL and RCL shall control as if set forth in full herein.

After a Unit is vacated by the original non-purchasing Tenant, the Unit will cease to be subject to rent regulation, unless another person who was occupying the Unit at the same time as the vacating non-purchasing Tenant can demonstrate that he or she is entitled to succession rights of occupancy under the RSL or RCL. **Purchasers should consult their own attorney regarding their obligations under the RSL or RCL.**

A Purchaser of a Unit of which he is not the Tenant will obtain the deed for the Unit, subject to (a) the lease for the Unit then in effect and any renewal of the term thereof; (b) any existing occupancy of the Unit; (c) the right of any existing Tenant to remain in possession of the Unit, including the right to renewal leases and riders as required by law; and (d) all other rights of any existing Tenant under the RSL, RCL, Section 352-eeee of the GBL, or any other applicable law.

Under the present provisions of the RSL and RCL, a non-purchasing Tenant may be entitled to a renewal lease at a rent determined in accordance with existing regulations.

Section 352-eeee of the General Business Law provides that no eviction proceedings against any non-purchasing Tenant shall be commenced for failure to purchase or for any other reason applicable to expiration of tenancy. In addition, a non-purchasing Tenant may be entitled to a renewal lease in accordance with Section 352-eeee of the General Business Law. However, eviction proceedings may be commenced for non-payment of rent, illegal use or occupancy of the premises, refusal of reasonable access to the Owner or a similar breach by the non-purchasing Tenant of his obligations to the Owner of the Unit. An Owner of the Unit may not

commence an action to recover possession of a Unit from a non-purchasing Tenant on the grounds that he desires to occupy the Unit for his use or that of his family. All litigation costs, fees and any dues related to the tenancy are the sole responsibility of the Unit Owner.

The Purchaser of a Unit occupied by a Tenant will be required to pay to the Condominium the Common Charges for such Unit, whether such Common Charges are greater or less than the rent received from the Tenant in occupancy, and will be required to pay all litigation costs, fees and any dues related to the tenancy. Such Purchaser will also be obligated to pay all real estate taxes allocable to the Unit, as well as, any special assessments imposed by the Board of Managers from time to time. At the closing of title, the Purchaser will pay all of the closing costs including, but not limited to, the mandatory Working Capital Fund contribution, attorney's fees, and transfer taxes, which are described in further detail in Section 18 herein.

By reason of the terms of the Condominium Documents, the RSL, RCL and any other applicable laws, regulations and rules, the Purchaser will also be responsible for the due performance of all of the obligations to maintain, repair, and replace plumbing fixtures, windows, the refrigerator, range, lighting fixtures and other equipment in the Unit, and to paint the Unit.

A prospective Purchaser of an occupied Unit is urged to examine carefully the lease pertaining to such Unit so as to confirm the rent payable thereunder and the expiration date and any renewals. The rent payable under the Unit lease may be greater or less than the Common Charges which will be payable after the transfer of title to the Unit.

A Purchaser of a Unit subject to a lease will be entitled to receive the unapplied portion of any security deposit held by the Sponsor under the terms of the lease. Such security must be held by the Purchaser, in trust, in an interest bearing account in accordance with Section 7-103 of the New York General Obligations Law. Upon receipt of such security deposit, the Purchaser will be prepared to acknowledge in writing receipt thereof and agree to indemnify the Sponsor and the Condominium against all claims or liability in connection therewith.

The Purchaser of a Unit occupied by a non-purchasing Tenant shall irrevocably appoint the managing agent for the Condominium as his or her agent to perform for the account, and at the expense of the Purchaser all services required to be furnished and performed by the landlord under the non-purchasing Tenant's lease, the RSL or RCL as applicable. Such services shall be provided by the managing agent on a non-discriminatory basis. Such Purchaser shall also deposit with the managing agent at closing, a sum of not less than two (2) months of Common Charges to be used as working capital to furnish the aforesaid services. Interest on the deposit, if any, shall be the property of the Unit Owner. Upon notice by the managing agent that said deposit has been diminished to less than one (1) month's Common Charge, the funds shall be replenished by the Purchaser within thirty (30) days. The failure of any Unit Owner to replenish the fund in a timely fashion shall result in the Condominium having a lien against the Unit. The obligation to fund the two (2) months of Common Charges shall not apply to the Unsold Units held by the Sponsor.

Occupied Units are being purchased in **"AS IS"** condition subject to reasonable wear and tear. By signing a Purchase Agreement, a Purchaser acknowledges: (1) that he has read and is familiar with the Description of Property and Building Condition, which is included in Part II of the Plan; (2) that Sponsor and the Condominium have no obligation to make any repairs, improvements, or decoration in or to the Property, the Buildings and the Unit; (3) that he agrees to be bound by the terms and conditions of the Purchase Agreement which are incorporated herein by reference; and (4) that he has inspected the Unit and is familiar with the condition of the Unit.

If any Tenant at or after the closing is using the Unit for uses not permitted by law, the Purchaser, not the Sponsor, will be responsible for procuring the Tenant's compliance with the use restrictions of the Unit.

B. Rights of Condominium to Take Assignment of Rents of Tenants of Defaulting Unit Owners. The Condominium Documents provide that the Board of Managers has the right to take an assignment of rents from the Tenant of a defaulting Unit Owner until the Unit Owner becomes current. These rights are also contained in Section 339-kk of the New York State Real Property Law. Section 339-kk provides that if the Owner of a Condominium Unit who does not occupy the dwelling unit ("non-resident owner") rents the unit to another person, and subsequently fails to pay Common Charges within sixty (60) days after the due date, the Condominium may collect the rent directly from the rental Tenant and offset the rent collected against Common Charges owed. The Condominium will notify the Tenant to recommence payments to the non-resident owner when Common Charges are current. A non-resident owner who disputes the claim may present facts supporting his or her claim at the next scheduled meeting of the Board of Managers, which meeting must be held within thirty (30) days after the Board receives notice of the disputed claim.

If a rental Tenant makes payment directly to the Condominium pursuant to a notice given under Section 339-kk of the New York State Real Property Law, the rental Tenant shall be relieved of the obligation to pay such rent to the non-resident owner and shall have an absolute defense in any non-payment proceeding arising from such payment.

Nothing in Section 339-kk of the New York State Real Property Law limits the rights of Unit Owners of the Condominium or the Board of Managers under any other agreement or law.

13. INTERIM LEASES

The Sponsor reserves the right to rent or lease vacant Units (including any Units which become vacant after the date of presentation of this Plan) to Purchasers and non-Purchasers.

Once a binding Purchase Agreement is in effect for a vacant Unit, the Unit may only be leased to the Purchaser. The lease will be for such rent (but not to exceed the maximum rent legally collectible under applicable Rent Laws) and other terms as may be mutually agreed upon that do not violate applicable Rent Laws. The lease shall be prepared on the standard form of Unit lease currently published by the Real Estate Board of New York, Inc. The term of such lease shall be for a period which will expire on the earlier of the date of closing of title (in the event this Plan shall be declared effective) or one (1) year after the date of execution of the lease if this Plan shall not thereafter be declared effective in accordance with its terms. Such lease will also provide that an uncured default by the Purchaser under his Purchase Agreement will constitute a default under the lease entitling the landlord (i.e., Sponsor), at its sole option, to immediately terminate such lease. The Purchase Agreement contains a similar cross-default provision entitling the Sponsor to cancel the Purchase Agreement if the Purchaser fails to cure a default under his lease within the applicable grace period (if any) and such default results in his eviction from the Unit (whether by voluntary removal or by court order). If the Purchaser defaults under the Interim Lease, an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the Purchaser-Tenant must be obtained or the Purchaser-Tenant must have vacated the Unit before the Sponsor may declare the down payment under the Purchase Agreement forfeited. No portion of the rent paid under such lease will be credited toward the Unit's total purchase price.

If this Plan is abandoned, the Purchaser will be formally notified thereof, and will be offered a one (1) year lease. If the vacant Unit would have been subject to the Rent Laws, the Interim Lessee will receive the benefit of such Rent Laws at that time (if any). The Purchaser-Tenant will have thirty (30) days to accept the lease. If the Purchaser-Tenant declines or fails to accept the lease within the thirty-day period, he must vacate the Unit within sixty (60) days after the date of the notice of abandonment of the Plan.

In the event of a default under the Purchase Agreement by the lessee, the lessee shall have thirty (30) days to vacate the Unit.

If a right of rescission is offered in the future, and exercised by Purchaser, then the Purchaser's right to rescind will be conditioned upon his surrendering the Interim Lease and possession of the Unit and leaving the same vacant, in good condition and broom clean within thirty (30) days after he elects to rescind. He must also pay any rent due under his Interim Lease. Nothing contained herein shall relieve any Purchaser of liability for damage caused to the Unit.

IF THE SUBSCRIBER FAILS TO COMPLY WITH THE ABOVE PROVISIONS, THE RIGHT OF RESCISSION WILL BE INEFFECTIVE AND THE PURCHASE AGREEMENT SHALL BE REINSTATED, EXCEPT THAT THE SUBSCRIBER SHALL BE IN DEFAULT UNDER THE PURCHASE AGREEMENT AND SHALL BE REQUIRED TO CURE SUCH DEFAULT WITHIN FIFTEEN (15) DAYS

THEREAFTER, AND THE INTERIM LESSEE AND THE SPONSOR WILL CONTINUE TO BE ENTITLED TO ALL OF THEIR RESPECTIVE RIGHTS UNDER THE SUBSCRIPTION AGREEMENT. If an Interim Lessee exercises a right of rescission, the lease shall automatically terminate in all events as of the date the rescission right is exercised and will not be reinstated under any circumstances.

The Sponsor may rent any Unit that is vacant before the conversion.

14. PROCEDURE TO PURCHASE

A. How to Purchase; Acceptance of Purchase Agreements. A person desiring to purchase a Unit in the Condominium shall be required to execute four (4) copies of the Purchase Agreement in the form contained in Exhibit A in Part II and return it to the Sponsor's in house counsel, Neda Barzideh,, c/o Tahl-Propp Equities, 405 Park Avenue, Suite 1103, New York, New York 10022, (Sponsor's "Closing Counsel") together with a completed W-9 form and a check in an amount equal to ten percent (10%) of the total purchase price for the Unit, drawn to the order of "SBJ – The Manhattan Condominium Special Escrow Account."

Purchase Agreements will be binding on Purchasers who have had an opportunity to review the Offering Plan and any filed amendments for not less than three (3) business days prior to their executing a Purchase Agreement, unless fewer than three(3) business days remain in the statutory time period to declare the Plan effective. Within twenty (20) days after receiving four (4) executed copies of a Purchase Agreement, together with the required down payment, the Sponsor will return to the Purchaser a fully executed copy of the Purchase Agreement or reject the Purchase Agreement by returning to Purchaser the down payment tendered. If Sponsor takes no action within said twenty day period, the Purchase Agreement shall be deemed null and void.

B. Interest on Down Payment. Interest will accrue on the down payment at the bank's prevailing rate for security deposit accounts (currently approximately 0.55%) for the benefit of the Purchaser until the closing or termination of the Purchase Agreement.

C. Disbursement of Funds. All funds received from Purchasers equal to ten percent (10%) of the total purchase price for a particular Unit shall be made payable to Sponsor's Counsel, Smith, Buss & Jacobs, LLP ("Escrow Agent"), with an address at 733 Yonkers Avenue, Yonkers, New York 10704 (914-476-0600) which Counsel shall hold in trust until the closing of title to that Unit. The funds will be held in special account entitled "SBJ – The Manhattan Condominium Special Escrow Account" or similar name (the "Special Account") at The Westchester Bank, 2001 Central Avenue, Yonkers, New York 10710. The following attorneys with Smith, Buss & Jacobs, LLP are signatories on the account: Thomas W. Smith; Kenneth R. Jacobs; Domenick J. Tammaro; and Anthony T. Simari. The signatories on the account are admitted to practice law in the State of New York and are independent of the Sponsor. Before the Escrow Agent is changed, or funds are transferred to a new escrow account, the Plan will be amended to disclose the changes. The Escrow Agent will maintain all records as to the escrow account for a period of seven (7) years after release of the funds.

Within ten (10) business days after tender of the deposit submitted with the Purchase Agreement to the bank, the Escrow Agent shall notify the Purchaser that such funds have been deposited in the bank indicated in the Plan, and provide the account number and the initial interest rate. If Purchaser does not receive notice of such deposit within fifteen (15) business days after tender of the deposit, he or she may cancel the purchase and rescind by notice given within ninety (90) days after tender of the deposit, or may apply to the Attorney General for relief. However, rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the escrow funds were timely deposited in accordance with the foregoing provisions and requisite notice was timely mailed to the Purchaser.

All funds received by Sponsor will be handled in accordance with the provisions of Section 352-h and 352-e(2)(b) of the General Business Law and Lien Law and shall be employed by Sponsor only upon the consummation of the transaction with the applicable Purchaser. Sponsor represents that it shall comply with the escrow and trust fund requirements of these two statutes. Consummation of the Plan does not relieve the Sponsor of its obligations under New York State General Business Law Section 352-h. Such deposit together with any interest accumulated thereon shall remain the property of the Purchaser until consummation of the transaction with such Purchaser. Funds from the escrow account shall not be part of the estate of the Sponsor or the Escrow Agent upon bankruptcy, incapacity or death.

After the closing of title to the Unit, such funds will be payable to Sponsor. The funds will bear interest at the prevailing rate for such accounts, currently .35% and any interest earned on the deposits will be payable to the Purchaser at closing.

Attached as Exhibit G is the form of agreement between the Sponsor and the Escrow Agent relating to the disbursement of funds held in escrow under the Plan. The Department of Law may perform random reviews and audits of any records involving escrow accounts to determine compliance with the foregoing statutes and 13 NYCRR Part 23. The Escrow Agent shall maintain the accounts called for in the Purchase Agreement under its direct supervision and control. The Escrow Agent's obligations hereunder shall be discharged when either (i) notice is provided by the Sponsor replacing the Escrow Agent with another but such cancellation shall take effect only upon the filing of an amendment with the Department of Law providing for a successor escrow agent; or (ii) resignation of the Escrow Agent by notice to the Sponsor which shall take effect only upon the filing of an amendment with the Department of Law providing for a successor escrow agent; or (iii) all units offered pursuant to the Plan have been sold and all sales transactions have been consummated.

All funds received by Sponsor for upgrades or extras must initially be placed in the Special Account. However, Purchasers should note as a special risk that such funds may be released from the Special Account by the Sponsor's Counsel, 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 unless the Plan is abandoned.

Section 71-a (3) of the Lien Law requires, at the Purchaser's option, that the deposit be placed in escrow in an interest bearing escrow account in a bank, trust company, savings bank,

state or federal savings and loan association located in New York which account is covered by federal bank deposit insurance up to $250,000. Said monies must be deposited within five (5) business days after the Purchase Agreement is executed by all necessary parties. The Sponsor must advise the Purchaser, in writing, within ten (10) business days after the deposit has been made. Such deposit, together with the interest accumulated thereon, shall remain the property of the Purchaser until consummation of the transaction or until such time as either party is entitled to said funds pursuant to the terms of the Purchase Agreement and the Offering Plan. All interest shall be the property of the Purchaser, unless the Purchaser defaults under the Purchase Agreement.

If insufficient funds are raised through the offering or otherwise to effectuate the contemplated transaction, or if Sponsor is unable for any reason to perform in accordance with the terms of the Purchase Agreement, and if the Purchase Agreement has been subsequently terminated as set forth above, such monies will be fully returned to him with interest, if any.

Any provision of an agreement with a Purchaser by which a Purchaser purports to waive or indemnify Escrow Agent with respect to any obligation of Escrow Agent holding trust funds is absolutely void.

D. Events of Default. The following will be Events of Default under the Purchase Agreement:

(a) Failure to pay the balance of the total cash payment or any other fees or charges under the Purchase Agreement when due, which failure is not cured within thirty (30) days after written notice; or

(b) Failure to comply with any other requirements of the Purchase Agreement, which failure is not cured within fifteen (15) days after written notice.

If an Event of Default occurs, the Sponsor will have the right to terminate the Purchase Agreement and to retain as liquidated damages the down payment, plus the cost of any special work done for the Purchaser. This will be the Sponsor's sole remedy.

TIME IS OF THE ESSENCE WITH RESPECT TO ALL TIME PERIODS TO MAKE PAYMENTS AND TO COMPLY WITH OTHER OBLIGATIONS UNDER THE PURCHASE AGREEMENT, AND WITH RESPECT TO ALL GRACE PERIODS FOR CURING DEFAULTS. FAILURE OF A PURCHASER TO COMPLY WITH ITS OBLIGATIONS WITHIN APPLICABLE TIME PERIODS MAY RESULT IN LOSS OF THE DOWN PAYMENT AND CANCELLATION OF THE PURCHASE AGREEMENT. If the Purchase Agreement is canceled, the Sponsor will have the right to sell the Unit to others as though the agreement had never been made (and without accounting to Purchaser for the proceeds of such sale), and Purchaser, and Sponsor shall be relieved of all further liability and obligations thereunder and under the Plan.

E. Closing, Payment of Balance Due. Purchasers shall be given not less than thirty (30) days written notice of the closing of title to their Units after the amendment declaring the Plan

effective has been accepted for filing at the office of the Attorney General. This notice period may be waived by Purchasers. The notice shall provide that the balance of the purchase price shall be due at the closing of title. The balance of the cash portion of the purchase price must be paid by cash, certified, teller's or cashier's check made payable to the order of Sponsor or as the Sponsor may direct. Failure to make this payment when required pursuant to the notice constitutes a default and may result in cancellation of the Purchase Agreement. See Paragraph D above.

F. Fees. Fees and expenses of Sponsor's Closing Counsel for closing of title ($2,500, plus $250 if the closing takes place anywhere except in Closing Counsel's offices in Manhattan and $250 for each closing date adjournment which is at the request of the Purchaser or his lender (including the Sponsor Designated Lender), or Purchaser's own attorney, if any. For further information regarding closing fees and adjustments, see Section 18.

G. Limited Financing Contingency. Purchase Agreements are subject to a limited financing contingency. If a Purchaser is electing to obtain financing, the obligations of Purchaser under the Purchase Agreement will be conditioned upon issuance on or before the 45th day after the date of the Purchase Agreement (such period is hereinafter referred to as the "Contingency Period") of a written commitment from Amerifund Home Mortgage LLC, 51 East 42nd Street, Suite 304, New York, New York 10017 ("Sponsor Designated Lender") on or before the date of the Purchase Agreement, subject to the following conditions and limitations:

(a) The financing contingency is only applicable to mortgage financing of no more than eighty percent (80%) of the purchase price (or such lesser amount as Purchaser shall apply for) at the Sponsor Designated Lender's prevailing rate of interest and for a customary loan term, secured by a first mortgage on the Unit;

(b) Purchaser shall apply to the Sponsor Designated Lender for such first mortgage loan within ten (10) days after the date of the Purchase Agreement;

(c) Purchaser shall furnish accurate and complete information to the Sponsor Designated Lender relating to Purchaser, as required;

(d) Purchaser shall pay all fees, points and charges required in connection with such application and any other "points" or charges if the Purchaser accepts the commitment.

(e) Purchaser shall pursue such application with diligence, and generally cooperate in good faith with such Sponsor Designated Lender to the end of securing such mortgage. Purchaser shall notify the Sponsor promptly of the name and address of the Sponsor Designated Lender or other lender to which Purchaser has given an application. Purchaser shall furnish Seller with a copy of such commitment promptly after receipt thereof. If Purchaser fails to obtain such a commitment from the Sponsor Designated Lender on or before the expiration of the Contingency Period, Purchaser shall have the right to cancel the Purchase Agreement by giving notice to Seller by the 35th day of the date of the Purchase Agreement. Upon cancellation, the down payment and accrued interest shall be promptly refunded to Purchaser, and neither

party shall have any further rights against, or obligations or liabilities to the other by reason of the Purchase Agreement.

If Purchaser does not give notice to Seller on or before the 35th day after the date of the Purchase Agreement, the Purchase Agreement shall not be terminated by virtue of this Paragraph and the Purchase Agreement shall remain in full force and effect, except that Purchaser's right to cancel under this Paragraph shall be deemed waived.

A mortgage commitment conditional upon the Purchaser's selling any property that Purchaser owns, the liquidation or reduction of any existing installment debt prior to closing, or the furnishing of documents and information reasonably available to Purchaser, shall be deemed a firm mortgage commitment which satisfies the mortgage contingency clause in the Purchase Agreement.

(f) If Purchaser obtains a financing commitment from the Sponsor Designated Lender and the commitment lapses or expires before the actual closing date through no fault of Purchaser, Purchaser shall make a good faith effort to extend the commitment, including payment of a reasonable and customary extension fee to the Sponsor Designated Lender and acceptance of changes in the interest rate to reflect prevailing market conditions. However, if the Sponsor Designated Lender is still unwilling to extend the commitment on those terms, Purchaser shall have the right to cancel the Purchase Agreement by notice given to Sponsor within ten (10) days after receiving the Sponsor Designated Lender's notice of refusal to extend the commitment.

(g) In the event a Purchaser uses a lender other than the Sponsor Designated Lender, no financing contingency will apply to the Purchase Agreement. As a result, Purchaser will not have the right to cancel the Purchase Agreement if the Purchaser fails to obtain mortgage financing, or if the Purchaser's mortgage financing lapses or is canceled.

H. Risk of Loss. The risk of loss from fire or other casualty with respect to each Unit shall remain with Sponsor until the closing of title, but without any obligation or liability on the part of Sponsor to repair or restore any Unit. In case of damage to or destruction of a Unit due to fire or other casualty prior to the closing, but after a Purchase Agreement has been signed, the Sponsor will have the right to elect whether to repair or restore the Unit, which election shall be in the Sponsor's sole discretion. If the Sponsor elects to restore the Unit, the Purchase Agreement shall continue in full force and effect, and the Purchaser shall not have the right to reject title or receive a credit or abatement against the purchase price for the Unit. In that event, the Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration, and any insurance proceeds shall belong solely to the Sponsor. If the Sponsor elects not to restore the Unit, or (if the damage occurs after the establishment of the Condominium, but before closing of title to the subject Unit) the Board of Managers elects not to restore the Common Elements of the Condominium, the Purchase Agreement shall be deemed canceled, the Sponsor shall return to Purchaser all sums deposited thereunder (together with interest) and the parties shall have no further liability to each other. However, if a Purchaser is in default under the Purchase Agreement at such time, the Sponsor may retain all sums paid as liquidated damages.

As stated above, in the event a Purchaser enters into actual possession of a Unit prior to the closing of title, the Purchaser shall bear the risk of loss or other casualty with respect to that Unit, i.e., the Purchaser will be obligated to bear the cost of restoring the Unit to the same extent as if the Purchaser had already taken title. Accordingly, any Purchaser who takes possession of a Unit prior to the closing of title would be well advised to obtain insurance coverage for the Unit prior to taking possession. A Purchaser should consult with an attorney and/or an insurance agent as to Purchaser's insurance needs.

I. Assignability. Purchase Agreements are not assignable. Any purported assignment shall be void *ab initio*.

J. Minimum Sales Requirement. Pursuant to existing law and regulation, the Sponsor may declare the Plan effective by selling a minimum of fifteen percent (15%) of the Residential Units in the Buildings. Even if the Plan is declared effective with a minimum number of sales, it is possible that the Sponsor may be able to convert the Buildings with fewer than the minimum number of sales, if Purchasers counted towards effectiveness do not ultimately purchase a Residential Unit.

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

Even once a building undergoes conversion, lenders may still impose minimum sales requirements before granting a loan. It then may be difficult for a Purchaser to resell a Residential Unit if prospective buyers are unable to obtain a loan due to such minimum sales requirements.

K. Procedures for Release of Funds under Escrow Agreement between Sponsor and Escrow Agent. In addition to the provisions of paragraph C above, the release of escrow funds shall be governed by the following:

(a) Under no circumstances shall the Sponsor apply for release of escrowed funds of a defaulting Purchaser until after consummation of the Plan. Consummation of the Plan does not relieve the Sponsor of its trust obligations pursuant to General Business Law Section 352-h.

(b) The Escrow Agent shall hold the funds in escrow until otherwise directed in (i) a writing signed by both the Sponsor and Purchaser, or (ii) a determination by the Attorney General, or (iii) a judgment or order of a court competent jurisdiction, or (iv) until released pursuant to subsection (d) hereinafter.

(c) The Sponsor shall not object to the release of the escrowed funds to (i) a Purchaser who timely rescinds in accordance with an offer of rescission contained in the Plan or an amendment to the Plan; or (ii) all Purchasers after an amendment abandoning the Plan is accepted for filing by the Department of Law.

(d) If there is no written agreement between the parties to release the escrowed funds, the Escrow Agent shall not pay the funds to the Sponsor until the Escrow Agent has given the Purchaser written notice of not fewer that ten (10) business days. Thereafter, the funds may be paid to the Sponsor, unless the Purchaser has already made application to the Department of Law, pursuant to the dispute resolution provisions described in Paragraph L below, and has so notified the Escrow Agent in accordance with such provisions.

L. Disputes Relating to Release of Funds.

(a) In the event of a dispute, the Sponsor shall apply and the Purchaser or the Escrow Agent holding the down payment in escrow may apply to the Attorney General for a determination on the disposition of the down payment and any interest earned thereon. Forms for this purpose will be available from the Department of Law. The party applying shall contemporaneously send to all other parties a copy of such application.

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

(c) If the application permitting release of funds is granted, the deposit and any interest earned thereon shall be disposed of in accordance with the determination of the Attorney General, subject to any court action in which preliminary relief is granted.

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

(e) If the application seeking release of funds is denied, the Escrow Agent shall continue to hold the deposit and any interest earned thereon until: (i) both the Sponsor and Purchaser direct payment to a specified party in accordance with a written direction signed by both the Sponsor and Purchaser; or (ii) a judgment or order of a court of competent jurisdiction is served on the Escrow Agent; or (iii) the Escrow Agent deposits the disputed amount into court.

(f) In no event shall the Escrow Agent release funds in dispute, other than a payment of such funds into court, until such dispute is finally resolved either by determination of the Attorney General or by order of judgment of a court of competent jurisdiction or by written agreement of the Sponsor and the Purchaser.

A copy of the form of Application to the Attorney General for dispute resolution appears as Exhibit I in Part II of the Plan.

M. Power of Attorney. All Purchasers of Units will be required to execute a Power of Attorney in favor of the Board of Managers of the Condominium, the Sponsor and the Commercial Unit Owners with respect to particular matters affecting the Condominium. The form of Power of Attorney appears in Part II, Exhibit B of the Plan. For further details, also see Section 22.

N. Waivers in Purchase Agreement Void; Effect of Conflicts between Plan and Purchase Agreement. In no event may the Purchase Agreement contain, or be modified to contain, any provision abrogating Purchaser's rights or the Sponsor's obligations under Article 23-A of the General Business Law. The form of Purchase Agreement to be executed by Tenant Purchasers during any Exclusive Purchase Period may not be modified except by a duly filed amendment to the Plan. Any conflict between this Plan and the Purchase Agreement will be resolved in favor of the Plan, except that an individually negotiated term of sale in the Purchase Agreement, which does not conflict with the Attorney General's regulations governing this offering, shall be resolved in favor of the Purchase Agreement.

15. ASSIGNMENT OF PURCHASE AGREEMENTS

Purchase Agreements are neither assignable nor transferable. Any purported assignment shall be void *ab initio*, unless consented to in a writing signed by the Sponsor.

16. EFFECTIVE DATE OF PLAN

All Purchase Agreements signed by Sponsor shall be contingent upon Sponsor's declaring the Offering Plan effective pursuant to the requirements and terms of the Plan. The closing of title to any Unit may not occur until after the Plan has been declared effective and an amendment has been filed with the Department of Law substantiating same, and the Condominium Declaration, By-Laws, and floor plans have been duly recorded.

The Plan will be declared effective by the mailing or personal delivery of written notice to all Purchasers and Tenants, or by commencement of service by mail stating that the Plan is declared effective. Within five (5) days after such notice is given, an amendment to the Plan will be submitted to the Department of Law by Sponsor stating that the Plan has been declared effective.

The following provisions will determine whether, and when, the Plan will be declared effective.

1. The Plan may not be declared effective, unless within fifteen (15) months from the date the Plan was accepted for filing with the Department of Law, written Purchase Agreements have been executed and delivered for at least fifteen percent (15%) of all dwelling Units in the Buildings, subscribed for by bona fide Tenants in occupancy or bona fide Purchasers who represent that they intend that they or one or more members of their immediate family will occupy the dwelling Unit when it becomes vacant. As to Tenants who were in occupancy on the

date a letter was issued by the Attorney General accepting the Plan for filing, the Purchase Agreement shall be executed and delivered pursuant to an offering made without fraud and with no discriminatory repurchase agreements or other discriminatory inducements.

2. The Plan may be declared effective by (i) an amendment to the Plan or (ii) by personal service of notice on every Tenant and Purchaser or by service by mail of the notice declaring the Plan effective and submission of an amendment to the Department of Law within five (5) days thereof confirming that the Plan was declared effective on a specified day. The First Unit Closing shall not take place until the Plan is declared effective and the effectiveness amendment is accepted for filing by the Department of Law. The Plan must be declared effective when Purchase Agreements are executed and accepted for eighty (80%) percent or more of the Residential Units offered under this Plan. The Plan may be abandoned, at Sponsor's sole option, at any time before it is declared effective and before eighty (80%) percent of the Residential Units have been purchased. If the Plan is abandoned, Sponsor shall promptly file a notice of abandonment on Form RS-3 with the Department of Law, together with an amendment to the Plan, and shall thereafter return all down payments, together with interest (if any) earned. The RS-3 notice shall explain the basis for abandonment and must state how any funds received pursuant to the Plan will be distributed. All monies paid by Purchasers pursuant to Purchase Agreements shall be refunded to them in full, with interest, if any, within twenty (20) days of such abandonment.

After the Plan has been declared effective, the Sponsor also reserves the right to abandon the Plan at any time prior to the First Unit Closing for any defect in title which cannot be cured without litigation or cannot be cured for less than 0.5 percent (0.5%) of the total offering price, or due to substantial damage or destruction of any portion of the Buildings by fire or other casualty which cannot be repaired for less than 0.5 percent (0.5%) of the total offering price (as estimated by the insurance adjuster retained by the Sponsor), or the taking of any material portion of the Property by condemnation or eminent domain. Attorneys' fees are excluded from the calculation that determines whether the resolution of an above-described title defect, damage to the Buildings, or taking by condemnation or eminent domain costs 0.5 percent (0.5%) or more of the total offering price. The cost of curing a title defect which exists on the date of presentation of the Plan, and is either known to the Sponsor or is a matter of public record, will not be grounds to abandon the Plan after it is declared effective. If the Plan is abandoned, no new Plan may be filed for at least twelve (12) months after the date of abandonment.

3. In calculating the percentage of sales, no more than one Purchase Agreement by the Tenant or Tenants of a particular dwelling Unit shall be counted. Additionally, only one Purchase Agreement from any Tenant who leases or occupies more than one dwelling Unit shall be counted toward effectiveness.

The Plan will not be declared effective based on Purchase Agreements:

(i) signed by subscribers who have been granted a right of rescission that has not yet expired or been waived;

(ii) assigned or transferred in violation of the terms of the Plan;

(iii) executed less than three (3) business days after review of the Plan and all filed amendments, unless fewer than three (3) business days remain in the statutory time period to declare the Plan effective.

(iv) with any subscriber who is the Sponsor or the selling agent, or a principal of the Sponsor or the selling agent, or is related to the Sponsor or the selling agent or to any principal of the Sponsor or the selling agent by blood, marriage, or adoption or as a business associate, an employee, a shareholder or a limited partner; unless such subscriber is a bona fide Tenant or represents that they or a member of their immediate family intend to occupy the apartment when it becomes vacant.

17. TERMS OF SALE

A. Generally. The Units, when sold by the Sponsor, will be sold in fee simple to Purchasers who may be individuals, a duly formed partnership, corporation, trust, estate, fiduciary, unincorporated association, syndicate, joint venture, organization, government, any department or agency thereof, or any other entity which is permitted to own property in the State of New York. The sale of the Units will be made at the respective sales prices as set forth in Schedule A (as such prices may be changed by the Sponsor), and will include their respective undivided interests in the Common Elements. The Sponsor will convey good and marketable title to the Units and their appurtenant interests in the Common Elements, by Bargain and Sale Deed with Covenants against Grantor's Acts and containing the provisions set forth in subdivision 5, Section 13 of the Lien Law, free and clear of all liens and encumbrances other than:

1. Any state of facts an accurate survey or physical inspection of the Unit may show, but the policy will insure that any encroachment of the Unit onto the Common Elements or onto other Units may remain undisturbed as long as the Buildings stand;

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

3. The Declaration, By-Laws, maps and floor plans of the Condominium to be recorded in the Office of the City Register for the City of New York, as the same may be amended from time to time;

4. Easements in favor of adjoining Units and in favor of the Common Elements for the continuance of all encroachments of such adjoining Units or Common Elements on the Unit, existing as a result of the construction of the Buildings, or construction of the individual Units, or which may have come or may come into existence as a result of settling or shifting of the Buildings, or as a result of repair of the Buildings or any portion thereof, or of any adjoining Unit or of the Common Elements made by or with the consent of the Board of Managers after damage or destruction by fire or other casualty, or after a taking in condemnation or eminent domain proceedings, or by reason of any alteration or repair to the Common Elements, made by or with

the consent of the Board of Managers, so that any such encroachments may remain so long as the Buildings shall stand. Each Unit shall be subject to the aforesaid easements in favor of all other Units. In addition, each Unit shall have, and shall be subject to, easements of subjacent support and necessity in favor of such Unit or in favor of other Units and the Common Elements;

5. Easements in favor of the other Units to use the pipes, wires, ducts, conduits, cables, public utilities, and other Common Elements located in the Unit or elsewhere on the Property and serving such other Units;

6. Revocability of the right to maintain street vaults and other areas, if any, under sidewalks;

7. 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 Property may abut;

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

9. Service, maintenance and union contracts, and agreements, if any, in effect on the date of the First Unit Closing and to be assumed by the Condominium;

10. Encroachments of stoops, areas, cellar steps, doors, ledges, window sills, bay windows, trim, coping, cornices, vaults, chutes, fuel oil lines, drainage pipes, standpipes, sewer pipes, foundations, footings, retaining walls, fences, air conditioning units, canopy and similar projections, if any, on, over or under the Property or the streets or sidewalks or property abutting the Property and 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 fences, walls, retaining walls and the like, if any;

11. All covenants, restrictions, reservations, agreements and casements of record, if any, which are still in force and effect on the date of the First Unit Closing, provided that they are not violated by and do not prevent residential use of the Residential Units at the Property, nor prevent the existence of the present structure;

12. Beams and beam rights and party walls and party wall agreements, if any;

13. The lien of any unpaid real estate tax, and the lien of any water charges or sewer rents generally (which shall be apportioned at closing);

14. Any variations between tax lot lines and lines of record title;

15. Standard printed exceptions contained in the form of title insurance policy then issued by the title insurance company insuring Purchaser's title to his Unit;

16. Any restrictions imposed by the provisions of Section 35 of the General City Law; and

17. Any state of facts an accurate survey of the Buildings would show, providing such survey does not show encroachments which prevent use of the Property for residential purposes.

The Declaration, By-Laws and floor plans for the Condominium and such other documents as required by law will be recorded or filed in the Office of the City Register for the City of New York, prior to the first conveyance of title to a Unit in accordance with Article 9-B of the Real Property Law of the State of New York.

At the closing of title to an individual Unit the Purchaser will pay to the Sponsor the balance of the purchase price for the Unit and the Sponsor will deliver to the Purchaser a Bargain and Sale Deed with Covenants against Grantor's Acts. See Part II of the Plan for the form of deed to be provided at closing.

If the Unit is materially damaged between the date of the Purchase Agreement and the closing date, and the Sponsor has not elected to abandon the Plan, either the Sponsor or the Purchaser will have the right to cancel the Purchase Agreement by notice given to the other within thirty (30) days after the date of the damage. However, if the Sponsor elects to cancel the Purchase Agreement, provided the damage relates solely to an individual Unit and does not affect the Common Elements of the Condominium, then a Purchaser may, with ten (10) days notice, nullify the Sponsor's election to cancel and agree to take title subject to the damage without abatement or reduction in the purchase price. The Purchaser will then receive an assignment of all insurance proceeds allocable to the repair of the Unit. If the Purchase Agreement is canceled, the down payment and all accrued interest shall be returned to the Purchaser and the parties shall have no further liability. If the Purchase Agreement is canceled by the Sponsor and subsequently reinstated, then at closing the Sponsor shall assign to the Purchaser all insurance proceeds allocable to the Unit, and the Sponsor shall have no further responsibility to repair the Unit. If the Purchase Agreement is not canceled, the Sponsor will repair the Unit with all reasonable dispatch, subject to receipt of insurance proceeds and *force majeure*. In that case, the Sponsor will be entitled to reasonable adjournments of the closing date in order to complete repairs, subject to the other rights of rescission of the Purchaser contained in the Plan.

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, owned by the Sponsor or the owner of the property, is included in the conveyance, except that any personal property of the Sponsor or its agents or contractors used for the renovation (if any) of the Unit or the Common Elements, or in connection with the sales of Units or the operation of the Condominium (other than the Unit) shall not be included in the conveyance.

B. Conditions for Closing Title to Individual Units. At the closing of title to a Unit, the Purchaser will pay to the Sponsor the balance of the purchase price for the Unit and the Sponsor will deliver to the Purchaser a Bargain and Sale Deed with Covenants against Grantor's Acts.

The closing of title shall take place concurrently with or after the following events have occurred:

1. The recordation in the Office of the City Register for the City of New York of the Declaration, the By-Laws and the filing in that office of a set of as-built floor plans of the Buildings showing the layout, location and approximate dimensions of the Units and the Unit designations, certified by the Tax Assessor for the City of New York as conforming to the official tax lot number for each such Unit, and including an Architect's or Engineer's statement required by Section 339-p of Article 9-B of the Real Property Law of the State of New York certifying that the floor plans fully and fairly depict the layout, location, Unit designations and approximate dimensions of the particular Unit or Units as built;

2. The discharge of all duly recorded liens affecting the Unit to be closed and its undivided Common Interest, or the recording of a partial release which releases such Unit and its undivided Common Interest from such lien, if any, as required by Section 339-r of the Real Property Law of the State of New York. If at or prior to the First Unit Closing the mortgages on the Buildings remain unsatisfied, the Sponsor's mortgagee shall subordinate the lien of its mortgage to the Declaration of Condominium and release its lien on the Residential Units which are conveyed;

3. Service by personal delivery or ordinary mail to the Purchaser of written notice of the closing date not less than thirty (30) days prior to closing of title, unless Purchaser elects to waive the thirty (30) day requirement. The notice of closing will require the Purchaser to inspect the Unit or Common Elements during normal business hours prior to closing, or the Purchaser will be deemed to have accepted the Unit in "**AS IS**" condition; and

4. Acceptance by the Department of Law of an amendment substantiating that the Plan has been declared effective.

The Sponsor will use reasonable efforts to assign to the Unit Owner any manufacturer's warranties with respect to equipment and appliances installed within a Unit at the closing of title to that Unit. Sponsor will assign to the Board of Managers any warranties with respect to equipment and appliances installed in Common Elements at the First Unit Closing.

18. UNIT CLOSING COSTS AND ADJUSTMENTS

A. Closing Adjustments with Condominium Board. Immediately prior to the First Unit Closing, Sponsor shall apportion the following items with the Condominium Board as of midnight of the day immediately preceding the closing:

1. Common Charges for the period from the First Unit Closing to the end of the month in which same occurs;

2. wages, vacation and severance pay, pension and welfare benefits and all other payments or obligations relative to the employees of the Buildings, if any;

3. fees for assignable permits and licenses, if any;

4. charges for electricity for the Common Elements, for which the Sponsor shall obtain a reading;

5. charges under service and maintenance contracts and concession agreements, if any;

6. water charges and sewer rents on the basis of the fiscal or calendar year for which assessed;

7. supplies on hand at Sponsor's cost (plus sales tax);

8. premiums for transferable insurance policies, provided that the amount and the extent of coverage conforms to the disclosures in this Plan in Schedule B; and

9. such other items as are customarily included in closing adjustments in the State of New York.

The Condominium will reimburse the Sponsor for net adjustments in favor of the Sponsor. The Sponsor estimates that net adjustments will not exceed $22,500. The cost of reimbursement may be paid by the Condominium's Working Capital Fund, as Units close. In the event the working capital does not have sufficient funds to reimburse the Sponsor, then Common Charges may be increased accordingly.

B. Unit Closing Costs and Adjustments. The estimated closing costs, expenses and adjustments to be borne by each Purchaser of a Unit are described in detail below. Such costs are only estimates and are subject to change.

1. Costs and Expenses.

(a) Fee title insurance rates (with simultaneous mortgage insurance) in the State of New York as of the date of this Plan for a Unit with a purchase price of $520,000 would be approximately $2,652. The Sponsor has already cleared title through New York Land Services, 630 Third Avenue, 5th Floor, New York, New York [212-490-2277] and strongly urges Purchasers to order title through New York Land Services to save time. A Purchaser is free to select a title company of its own choosing and is not obligated to utilize Sponsor's title company, New York Land Services. See subsection (d) below for an explanation as to why the Purchaser's use of New York Land Services will save the Purchaser time.

(b) Title search charges are estimated at approximately $500 and recording fees for recording the deed and Unit Owner's power of attorney, which recording fees are estimated at $400.

(c) If a mortgage is obtained from a lending institution, the Purchaser may expect to incur the following costs:

(i) Points, application fee, appraisal costs, survey update or Condominium endorsement, if required, legal fees and other customary costs of the lending institution;

(ii) Mortgage title insurance (with simultaneous fee title insurance) policy costs for a mortgage title insurance policy naming the lending institution as the insured as of the date of this Plan for a Unit with a $416,000 mortgage while simultaneously obtaining the fee title insurance would cost approximately $541.

A Purchaser may obtain mortgage title insurance from a company other than its fee insurance company, or without obtaining fee title insurance.

(iii) Mortgage recording tax (currently 2.05% of the amount of the mortgage for mortgages in the amount of less than $500,000, and 2.175% of the amount of the mortgage if the loan equals or exceeds $500,000, less, in either case, 1/4% of the loan amount paid by the mortgage lender for a residential Purchaser). Additionally, if the mortgage provides that the property to be covered is a one or two family home, then the mortgage recording tax is reduced by $30.00. For a mortgage of $416,000, the cost to a Purchaser would be approximately $7,458 and the Lender's portion would be $1,090.

(iv) Recording fee for recording of the mortgage, approximately $400.

(v) A deposit towards the payment of real estate taxes and hazard insurance based upon a multiple of estimated monthly real estate taxes and insurance, which will vary with the closing date.

(d) Fees and expenses of Sponsor's Closing Counsel for closing of title ($2,500, plus $250 if the closing takes place anywhere except in Counsel's offices in Manhattan and $250 for each closing date adjournment which is at the request of the Purchaser or his lender, as well as, those of Purchaser's own attorney, if any. If a Purchaser elects to obtain title insurance through a company other than New York Land Services, Counsel for Sponsor will be required to spend significant additional time to clear title with Purchaser's title company due to such company's unfamiliarity with the Property.

(e) Two (2) months of Common Charges, to be paid into the Working Capital Fund, unless previously contributed by the Sponsor, in which case they shall be paid to the Sponsor. Based on the Common Charges contained in Schedule A, this would be approximately $291.28 to $1,447.86 depending upon the Unit.

(f) New York State and New York City transfer taxes relating to the Unit, as follows: for the purchase of a single Unit, the state transfer tax is $2.00 per $500 of the purchase price ("NYS Tax"), and the New York City transfer tax is 1% of the purchase price, if the purchase price is less than $500,000 and 1.425% if the purchase price equals or exceeds $500,000 ("RPT Tax"). **THESE TAXES ARE NORMALLY PAID BY THE SELLER. HOWEVER, BY CONTRACTUAL ARRANGEMENT, THESE TAXES WILL BE PAID BY EACH PURCHASER.** Therefore, for purposes of calculating the taxes payable, the

amounts of such taxes will be included in the consideration subject to tax. The steps to compute the tax for a Unit costing more than $500,000 are:

(i) Multiply purchase price by 1.425% to compute preliminary RPT Tax.
(ii) Multiply purchase price by 0.4% to compute preliminary NYS Tax.
(iii) Add preliminary taxes to the purchase price.
(iv) Multiply total by 1.425% to get final RPT Tax.
(v) Multiply total by 0.4% to get final NYS Tax.

Example: If the purchase price is an average of $520,000**:

(i) $520,000 x 1.425% = $7,410
(ii) $520,000 x 0.4% = $2,080
(iii) $520,000 + $7,410+ $2,080 = $529,490 [taxable consideration]
(iv) $529,490 x 1.425% = $7,545.23 [RPT Tax]
(v) $529,500* x 0.4% = $2,118 [NYS Tax]

* (rounded up to the nearest $500 by law)
** (excludes Mansion Tax described in subsection (g) below)

The New York City tax rate also varies according to the type of purchase. If the purchase is considered a purchase of commercial property and costs more than $500,000, the rate is 2.625%. The New York City Department of Finance currently does not aggregate the purchase price of two or more Units in calculating the tax rate; however, the purchase of two or more Units is considered a commercial purchase. There is no guarantee that the City may not take a different position with respect to the purchase of two or more Units by the same Purchaser.

(g) If the purchase price exceeds $1,000,000, an additional New York State tax shall be due under Article 31 of the Tax Law, which is currently equal to 1% of the purchase price (commonly known as the "Mansion Tax").

2. Adjustments and Escrows: All adjustments shall be made as of the scheduled closing date, unless the closing is adjourned at the Sponsor's request. Adjustments include the following:

(a) Real estate taxes from the midnight preceding the date of the closing through the end of the tax payment period within which the closing date occurs, which shall be either one quarter of a year or one-half of a year, provided, however, that Sponsor shall be reimbursed by Purchaser for the cost of any real estate taxes which Sponsor would not otherwise have had to pay but for an adjournment in closing of title by Purchaser.

(b) Common Charges assessed during the month in which title closes shall be adjusted with the Sponsor as of the midnight preceding the closing date, provided, however, that Sponsor shall be reimbursed by Purchaser for the cost of any Common Charges which Sponsor was obligated to pay to the Board as a result of any delay in closing of title at the request of Purchaser. The amount of such Common Charges to be assessed against each Unit will be fixed

by the Board. Common Charges to be initially assessed are expected to conform to those shown on Schedule A contained herein.

(c) A fee equal to 0.03287% of the purchase price for each day of adjournment until the closing date to reimburse Sponsor for lost Common Charges, interest costs and inability to utilize the proceeds from the sale.

(d) The By-Laws provide that until the Units are separately assessed for tax purposes by the City of New York (which may not occur until several months after the First Unit Closing), real estate taxes on the Property will be collected as part of the Common Expenses. The Board of Managers will hold these payments in escrow and apply them to pay the real estate taxes for the Property. Initially, each Unit Owner will be assessed at closing for an amount equal to the projected real estate taxes for the fiscal year commencing after the date in which his or her closing occurs. If all Units have not been sold by the due date of the next installment of real estate taxes for the Property, the Sponsor will fund the real estate tax payment for any Unsold Units to the Condominium at that time. After the Units are separately assessed, any amounts previously collected and not used for the payment of real estate taxes will be reimbursed to the Unit Owners.

(e) At closing, each Unit Owner will prepay the Common Charges for the first full month after the closing date, and pay a mandatory Working Capital Fund contribution equal to two (2) months of Common Charges attributed to the Unit.

All of the above closing costs (subsections a through e) are cumulative to the extent applicable to any individual closing.

3. Summary of Typical Closing Costs, Adjustments, Escrows. A Purchaser of a Unit costing $620,000 will pay the following typical estimated costs:

Fee Title Insurance	($2,548)
Title search	($600)
Recording charges	($500)
(for Deed, RP-5217, and Power of Attorney)	
Sponsor's Legal Fees	($2,500)
NYC Real Property Transfer Tax	($8,996)
NYS Transfer Tax	($2,526)
Total:	$ 17,670

In addition, each Purchaser will make a mandatory contribution to the Working Capital Fund equal to two months of Common Charges, which would total approximately $291.28 to $1,447.86 depending upon the Unit.

If the Purchaser is obtaining mortgage financing in the amount of $450,000, the Purchaser can anticipate the following expenses of financing:

Mortgage title insurance, simultaneous rate ($653)
Mortgage recording tax ($8,070)

Recording charges ($400)

The Purchaser will likely incur other financing charges, such as a commitment fee, application fee, appraisal, legal fees for the lender, a survey update or a Condominium endorsement, if required, and other customary costs of the lending institution. Since these costs vary greatly from lender to lender, no estimate is provided here.

At closing, the Purchaser will also make cash payments for escrow deposits for real estate taxes with either the lender or the Condominium; the following month's Common Charges; and loan interest to its lender through the end of the month in which the closing occurs. In addition, the Purchaser will adjust with the Sponsor for prepaid real estate taxes and Common Charges. However, none of these payments are additional closing costs, but represent reimbursement or prepayment of actual expenses of ownership of the Unit and operation of the Condominium.

Purchasers are advised to read the detailed analysis of costs in this Section for further information on closing costs and adjustments.

C. Sponsor's Options re: Payment of Common Charges. The Sponsor is obligated to pay all Common Charges, special assessments, and real estate taxes with respect to the Unsold Units. In lieu of commencing the collection of Common Charges for the Condominium, though, by notice to the Unit Owners, the Sponsor will have the right to pay all expenses of operation of the Property in lieu of collecting Common Charges (i.e., including expenses allocable to Units that have been sold) until the earlier of (a) thirty (30) days after delivery of a cancellation notice to all Unit Owners; or (b) one (1) year after the First Unit Closing; or (c) sales of seventy-five percent (75%) of all Units in percentage of Common Interest. In the event of (b) and (c), Sponsor will amend the Plan and furnish an updated budget before commencing collection of Common Charges from the Unit Owners. Thereafter, all Unit Owners will pay Common Charges for their Units, including the Sponsor with respect to the Unsold Units.

19. RIGHTS AND OBLIGATIONS OF SPONSOR

No bond or other security has been furnished to secure the performance of the Sponsor's obligations. Although at the time the Offering 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. At this time, the project is being financed partially from Sponsor's own funds. If the Sponsor cannot perform the Sponsor's financial obligations hereunder, the Sponsor will amend the Plan, cease selling Units, and offer a right of rescission to Purchasers of Units.

A. General Representations. The Sponsor makes the representations set forth below with respect to certain obligations under the Plan.

1. The Sponsor reserves the unconditional right to rent its Unsold Units and because the Sponsor is not limiting the conditions under which it will rent rather than sell Units, there is no commitment to sell more Residential Units than the fifteen percent (15%) necessary to declare

the Plan effective and owner-occupants may never gain effective control and management of the Condominium.

Purchasers are not required to purchase Residential Units for personal occupancy. Residential Units that are not purchased for personal occupancy will not be counted towards effectiveness of the Plan. Units rented to Tenants will receive the same building services and use of the Buildings' common areas as owner-occupants. However, a Tenant may not have the same economic interest in the maintenance and care of the Buildings' facilities and amenities as the Owners of the Units. In addition, owner-occupants and non-resident owners may disagree as to expenditures for items such as lobby and hallway decorations and capital improvements, to exercise the Board's right of first refusal to purchase a Residential Unit, or to borrow money to alter or improve the Buildings.

If the Sponsor (its successors, assigns or designees) does offer Unsold Units for rent, then the Purchasers of any leased Units will be purchasing Units that have been previously occupied. Sponsor will notify Purchasers of Units that have been previously occupied prior to the execution of a Purchase Agreement of such occupancy and will set forth the condition in which such Unit will be delivered (including outstanding warranties, if any). There shall be no obligation on the part of Sponsor or any other offeror of such Unit to decorate, repaint, refurbish or in any way repair such Unit.

2. Sponsor shall be obligated to defend any suits or proceedings arising out of its acts or omissions and to indemnify the Board of Managers or the Unit Owners against any such suits or proceedings.

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

4. The Sponsor will pay or cause to be paid all contractors, subcontractors and materialmen and all others involved in the renovation of the Units and Common Elements for the authorized and proper work performed, and fixtures, material and equipment supplied or installed in said renovation.

5. Sponsor will pay all Common Charges, real estate taxes, special assessments and other expenses allocable to any Units owned by the Sponsor, so long as the Sponsor shall continue to own the same, subject to the other terms of this Plan. However, if Purchaser has adjourned the closing of title, Sponsor shall be entitled to certain reimbursements for real estate taxes, Common Charges and interest on the purchase price at the rate of twelve percent (12%) per annum to compensate the Sponsor for lost opportunity costs.

6. The risk of loss from fire or other casualty with respect to each Unit shall remain with Sponsor until the closing of title to the Unit, unless a Purchaser takes possession prior to purchasing his or her Unit (in which case the Purchaser shall bear the risk of loss or other casualty with respect to that Unit, i.e., the Purchaser will be obligated to bear the cost of

restoring the Unit as if the Purchaser had already taken title). For specific details see Section 14 entitled "Procedure to Purchase."

7. Prior to the First Unit Closing, Sponsor shall procure on behalf of and at the expense of the Condominium, fire and casualty insurance policies as set forth in Schedule B. The cost of such insurance will be adjusted with the Board of Managers at the First Unit Closing and repaid from the Working Capital Fund of the Condominium.

8. 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 in the Condominium, whichever is less, the principals of the Sponsor will provide financially responsible entities or individuals who will assume the status and all of the obligations of the Sponsor for those Units under the Offering Plan, applicable laws or regulations and in the event of dissolution or liquidation, the principals of the Sponsor shall guarantee of the performance of such obligations.

9. The Sponsor will cause the Board of Managers to maintain the Property in substantially the same condition and manner as on the date of presentation of the Plan until the Sponsor no longer controls the Board of Managers.

10. In the event the Sponsor undertakes any renovation of the Buildings or Units, the Sponsor reserves the right to substitute for any of the materials specified in either the Plan, the Description of Property and Building Condition or elsewhere in the Plan, materials of equal or better quality and design. The Sponsor's intention is to use the materials, fixtures, appliances and other equipment described in this Plan and in the architectural plans on file, but due to the possible unavailability of materials and supplies, Sponsor may substitute materials, fixtures, appliances and equipment of equal or better quality and design for any of those set forth in the specifications or otherwise in this Plan.

No change will be made in the size, location of the Buildings or Units or other improvements or Common Elements if such changes affect the percentage of Common Interest or adversely affect the value of any Unit to which title has closed or for which a Purchase Agreement has been executed and is in effect, unless all affected Unit Owners and contract vendees consent in writing to such change. Notwithstanding the foregoing, such changes may be made, provided all directly affected Unit Owners have consented in writing to such change and all directly affected Purchasers who are still contract vendees and who are not then in default, are given the right to rescind their Purchase Agreement and receive from Sponsor a return of any deposit or down payment for fifteen (15) days from the date of mailing or personal delivery of written notice from Sponsor.

11. Sponsor shall keep copies of the Plan, exhibits and documents referred to in the Plan on file at Sponsor's offices for six (6) years from the date the Declaration is recorded.

12. In accordance with Section 339-p of the New York State Real Property Law, a registered architect or licensed professional engineer shall certify, within reasonable tolerances, that the floor plans filed with the recording of the Declaration are a substantially accurate copy of

portions of the plans of the Buildings as filed with and approved by the municipal or other governmental subdivision having jurisdiction over the issuance of permits for the renovation of buildings.

13. During the time the principals of the Sponsor control the Board, it is within their sole power to enforce the obligations of the Sponsor pursuant to the Plan and pertaining to the Common Elements. Therefore, Sponsor agrees that during such period it will, in its capacity as the Board of Managers, enforce such obligations when required to do so by a resolution duly passed by a majority of the Unit Owners, excluding Sponsor, at a special meeting of the Unit Owners called for such purpose.

14. To the extent available, the Sponsor will assign to the Unit Owner any manufacturer's warranties with respect to equipment and appliances installed within a Unit at the closing of title to that Unit. Sponsor will assign to the Board of Managers any warranties with respect to equipment and appliances installed in Common Elements at the First Unit Closing.

15. The Sponsor will pay all expenses incurred prior to the establishment of the Condominium in connection with its operation and will bear and pay all costs and expenses incurred in connection with the creation of the Condominium whenever such costs or expenses are incurred, or in connection with the sale of all of the Units held or owned by the Sponsor, and will pay or have paid, except as otherwise provided in the Plan, all selling expenses of Sponsor, including, but not limited to, advertising and printing costs, engineer's fees, architect's fees, organization costs, appraisal and any surveying fees and costs. The above does not obligate the Sponsor to perform any work for the Purchaser prior to closing of title, except as specifically described in the Purchase Agreement or elsewhere in this Plan.

16. Prior to the First Unit Closing, all liens affecting the Property shall be paid and satisfied or bonded, or the Units being conveyed and their appurtenant Common Interest shall be released therefrom by partial release duly recorded.

17. No bond or other security has been furnished to secure the performance of the Sponsor's obligations. At the time the Offering Plan is accepted for filing, the Sponsor represents that it will be financially capable of performing Sponsor's obligations, including its obligations with respect to Unsold Units. The Sponsor intends to fund its obligations to the Condominium through income from projected sales. If sales do not meet the Sponsor's projections, then Sponsor may require a capital contribution from its principal(s) or enter into lease agreements for the Unsold Units. The subsequent ability of the Sponsor to perform its obligations will depend upon Sponsor's financial condition at that time. At this time, the project is being financed with Sponsor's own funds. If the Sponsor cannot perform the Sponsor's financial and construction obligations hereunder, the Sponsor will amend the Plan, cease selling Units, and offer a right of rescission to Purchasers of Units.

18. The Sponsor and Sponsor's attorneys will comply with the escrow and trust fund provisions of Section 352-e(2)(b), 352-h of the General Business Law and Section 71-a (3) of the Lien Law.

19. All Units are conveyed in **"AS IS"** condition as of the closing date.

20. As of the date the Plan is accepted for filing, there are no contracts or agreements, written or oral, that have been entered into for the sale or transfer of any Units offered in connection with this Plan, and no deposits or advances of funds have been accepted by or on behalf of Sponsor in connection with any Units offered in connection with this Plan.

B. Sponsor's Rights of Access, Alterations, Repairs

1. General. As a condition of sales of Units pursuant to this Plan, Sponsor reserves to itself, its principal shareholders, successors, assigns, designees, invitees, contractors, agents, employees and Tenants any and all easements and rights of access, in and to Units, Common Elements and Limited Common Elements consistent with the purposes of the Plan and Sponsor's rights and obligations thereunder.

2. Examples of Specific Easements and Rights of Access Reserved by Sponsor. Without in any way limiting the generality of rights reserved in paragraph 1 above, such rights reserved to Sponsor and its designee(s) specifically include the following:

(a) The right to maintain any vacant and Unsold Unit(s) as general and sales and leasing office(s) and/or model Unit(s) and to maintain personnel at the Property, to post signs, and to conduct other activities connected with promotion, sales or leasing, such as inspection by and display of vacant or leased Units, as well as, all Common Elements and Limited Common Elements, to prospective Purchasers or lessees;

(b) The right to access in and to Units, Common Elements, Limited Common Elements and adjoining lot(s) for purposes of construction, repair, refurbishment, correction, alterations, finishing, servicing (including, but not limited to, garbage collection) and similar work;

(c) The right to show vacant or leased Units;

(d) Utility and other easements to alter any Unit or General or Limited Common Element subject to filed amended plans and/or specifications, and consistent with the terms of this Plan.

3. Alterations. Sponsor (and its successors, assigns and designees) shall have the right to alter any Unit, Common Element or Limited Common Element subject to filed amended plans and/or specifications, and consistent with the terms of this Plan, and subject to the rights of existing Tenants relating to the character of the premises in which they reside.

4. Repairs; Interference. Sponsor agrees to repair damage resulting to a Unit from the exercise of the above rights of access and to exercise such rights so as to limit, to the extent practicable, unnecessary interference with use of the Property by Unit Owners. However, under no circumstances will the Sponsor be obligated to repair or replace improvements or decorations to a Unit made by a Unit Owner.

5. Risk of Loss in Units Prior to Closing. The risk of loss from fire or other casualty with respect to each Unit shall remain with Sponsor until the closing of title, but without any obligation or liability by Sponsor to repair or restore any Unit. In case of damage to or destruction of a Unit due to fire or other casualty prior to the closing, but after a Purchase Agreement has been signed, the Sponsor will have the right to elect whether to repair or restore the Unit, which election shall be in the Sponsor's sole discretion. If the Sponsor elects to restore the Unit, the Purchase Agreement shall continue in full force and effect, and the Purchaser shall not have the right to reject title or receive a credit or abatement against the purchase price for the Unit. In that event, the Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration, and any insurance proceeds shall belong solely to the Sponsor. If the Sponsor elects not to restore the Unit, or (if the damage occurs after the establishment of the Condominium, but before closing of title to the subject Unit) the Board of Managers elects not to restore the Common Elements of the Condominium, the Purchase Agreement shall be deemed canceled, the Sponsor shall return to Purchaser all sums deposited thereunder (together with interest) and the parties shall have no further liability to each other. However, if a Purchaser is in default under the Purchase Agreement at such time, the Sponsor may retain all sums paid as liquidated damages.

As stated above, in the event a Purchaser enters into actual possession of a Unit prior to the closing of title, the Purchaser shall bear the risk of loss or other casualty with respect to that Unit, i.e., the Purchaser will be obligated to bear the cost of restoring the Unit to the same extent as if the Purchaser had already taken title. Accordingly, any Purchaser who takes possession of a Unit prior to the closing of title would be well advised to obtain insurance coverage for the Unit prior to taking possession. A Purchaser should consult with an attorney and/or an insurance agent as to Purchaser's insurance needs.

C. Power of Attorney. At closing all Unit Owners must execute a Power of Attorney in favor of the Sponsor and the Commercial Unit Owners which (among other things) permits the Sponsor to amend the Declaration, By-Laws and the Regulations of the Condominium to effect reallocations of percentages of Common Interest among Sponsor-owned Units and to permit the Sponsor and the Commercial Unit Owners to implement various rights reserved to the Sponsor and the Commercial Unit Owners under the Condominium Documents. See Power of Attorney, Exhibit B in Part II of the Plan.

20. CONTROL BY SPONSOR

Title to all Units which have not been sold by the time of the First Unit Closing will remain with the Sponsor or its designee(s) until such Units shall thereafter be sold to bona fide Purchasers. Such sales do not require the offer of a right of first refusal to the Board of Managers.

The Sponsor shall have absolute voting control of the Board of Managers until the first anniversary of the recording of the Declaration of Condominium. Thereafter, the Sponsor shall continue to have control of the Board until the earlier of (i) the transfer of title to Units, the percentage Common Interest of which, in the aggregate, equals at least fifty-one percent (51%),

or (ii) five (5) years after the First Unit Closing ("Control Period"). The Sponsor will arrange for a meeting of the Unit Owners within thirty (30) days after the expiration of the Control Period.

As long as the Sponsor or a Sponsor-designee shall continue to own at least one (1) Unit, the Sponsor or Sponsor-designee shall have the right to designate one of the members of the Board of Managers. While the Sponsor owns a Unit, the Sponsor will have the right to, and intends to, vote the percentage of Common Interest allocated to all of its Units to elect members of the Board of Managers. However, after the Control Period has expired, not more than one less than a majority of the members of the Board will be affiliated with the Sponsor, including any Board member designated by the Commercial Unit Owners.

While the Sponsor or any Sponsor-designee shall continue to own, in the aggregate, at least twenty-five percent (25%) of the percentage of Common Interest of the Units, but in no event for a period in excess of five (5) years from 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 at the expense of the Condominium (except for necessary repairs or maintenance work, or repairs required to comply with legal requirements); (ii) assess any Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund, except to the extent that the aggregate fund does not exceed five percent (5%) of the budgeted expenses of the Property; (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) hire any employee or enter into any service or maintenance contract to perform services or work not set forth in Schedule B.

As long as the Sponsor or any Sponsor-designee shall continue to own a Unit, the Board of Managers may not, without the Sponsor's or Sponsor-designee's prior written consent, (i) amend the Declaration or the By-Laws so as to in any way adversely affect the Sponsor or its designee, or (ii) interfere with the offer and sale or leasing of Units, operation of general or sales and leasing offices at the Property or any actions necessary for construction, renovation, repair or correction at the Property required by Sponsor. The Sponsor or Sponsor-designee shall have the right to withhold its consent with regard to any of the foregoing actions. 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, cure violations, or comply with the work order of an insurance carrier.

Members of the Board of Managers will serve without compensation. All officers of the Condominium shall also serve without compensation. Sponsor represents that for as long as it or any of its designees are members of the Board of Managers, neither it nor any of its designees will vote for remuneration for either members of the Board of Managers or officers of the Condominium.

A member of the Board of Managers may be removed from office with or without cause by the affirmative vote of Unit Owners owning in the aggregate a percentage of Common Interest in excess of fifty percent (50%) of the Common Interest of the Condominium. Notwithstanding the foregoing, a member of the Board of Managers designated by the Sponsor

or the Commercial Unit Owners may only be removed for cause or by the Sponsor or the Commercial Unit Owners, and only the Sponsor or the Commercial Unit Owners, shall have the right to designate a replacement.

An officer may be removed, with or without cause, by an affirmative vote of a majority of the members of the Board of Managers.

21. BOARD OF MANAGERS

A. Board of Managers. Under the By-Laws of the Condominium, the affairs of the Condominium will be managed by a Board of Managers consisting of not less than three (3) and not more than seven (7) persons. Initially the By-Laws provide for three (3) Managers. The Unit Owners shall hold annual meetings and at each such meeting they shall elect members of the Board of Managers. Each Unit Owner, including the Sponsor or its designee, shall be entitled to cast one vote for each .01% of interest in the Common Elements attributable to their Unit(s) on all matters put to a vote at all meetings of the Unit Owners, except that when voting for the election of members of the Board of Managers, each Unit Owner, (i) shall be entitled to one vote for each 0.01% of Common Interest attributable to his Unit per member to be elected, and (ii) shall not have the right to cumulate his votes in favor of any one or more members to be elected. If Units are owned by more than one person or entity as joint tenants, tenants by the entirety or as tenants in common, the persons or entities owning that Unit shall agree among themselves and cast the votes for their Unit. In addition, special meetings of Unit Owners may be held from time to time pursuant to the By-Laws.

Initially, the Sponsor anticipates that the Board of Managers will be comprised of Rodney M. Propp (a principal of the Sponsor), Joseph A. Tahl (a principal of the Sponsor), and Neda Barzideh (in-house general counsel to the Sponsor). Each of these Board members is affiliated with the Sponsor.

While the Sponsor owns a Unit, the Sponsor will have the right to, and intends to, vote the percentage of Common Interest allocated to all of its Unsold Units to elect members of the Board of Managers. The Sponsor shall have absolute voting control of the Board of Managers until the first anniversary of the recording of the Declaration of Condominium. Thereafter, the Sponsor shall continue to have control of the Board until the earlier of (i) the transfer of title to Units, the percentage Common Interest of which, in the aggregate, equals at least fifty-one percent (51%); or (ii) five (5) years after the First Unit Closing ("Control Period").

After the Control Period has expired, not more than one less than a majority of the members of the Board will be affiliated with the Sponsor. The Sponsor will arrange for a meeting of the Unit Owners within thirty (30) days after the expiration of the Control Period. The number of Managers elected at the first such meeting shall be three. Thereafter, the number of Managers may be changed by a vote of the Unit Owners at their annual meetings prior to the election of the next Board of Managers. The Managers shall be elected at each annual meeting of the Unit Owners for a term of one (1) year.

The By-Laws do not contain a provision that a majority of the Board of Managers must be owner-occupants or members of an owner-occupant's household who are unrelated to the Sponsor and its principals, after the Control Period has expired. As such, after the expiration of the Control Period, a majority of the Board of Managers may be comprised of both owner-occupants and non-resident owners or members of their households, unrelated to the Sponsor and its principal. Owner-occupants and non-resident owners, including the Sponsor, may have inherent conflicts about how the Condominium should be managed because of their different reasons for purchasing.

To assure the Sponsor minimum representation on the Board of Managers after it turns over control of the Board to Unit Owners independent of the Sponsor, the Sponsor shall have the right to designate at least one member of the Board of Managers, so long as the Sponsor owns a Unit. To the extent that the Sponsor is entitled to designate members of the Board of Managers, such designation shall reduce the number of Managers elected by the Unit Owners during that year. A member of the Board of Managers designated by the Sponsor may only be removed by the Sponsor and only the Sponsor shall have the right to designate a replacement.

In addition, to assure the Commercial Unit Owners minimum representation on the Board of Managers, the Commercial Unit Owners shall have the right to designate one member of the Board of Managers after the Sponsor surrenders voting control of the Board of Managers. A member of the Board of Managers designated by the Commercial Unit Owners may be removed for cause by the Board of Managers or the Commercial Unit Owners, or without cause by the Commercial Unit Owners, but in either instance, only the Commercial Unit Owners shall have the right to designate a replacement.

To the extent the Sponsor or the Commercial Unit Owners has the right to designate a member of the Board of Managers, such designation will reduce the number of Managers eligible for election during any single year. After the Control Period expires, the number of Managers may be changed by a vote of the Unit Owners at their annual meetings prior to the election of the next Board of Managers. The Managers shall be elected at each annual meeting of the members.

To be eligible for election, members of the Board of Managers, except for those members elected or designated by the Sponsor or the Commercial Unit Owners, must be either a Unit Owner, the principal or officer of a Unit Owner, or the spouse of a Unit Owner. Except for a member of the Board of Managers designated by the Sponsor or the Commercial Unit Owners, Managers may be removed from office, with or without cause, by the affirmative vote of Unit Owners owning, in the aggregate, a percentage of Common Interest in excess of fifty percent (50%) of the Common Interest of the Condominium. A member of the Board of Managers designated by the Sponsor may be removed without cause only by the Sponsor or the Commercial Unit Owners and the Sponsor and the Commercial Unit Owners shall have the right to designate a replacement. The Unit Owners may transact such other business at such meetings as may properly come before them. All members of the Board of Managers shall serve without compensation, and the Sponsor represents, that for as long as it or any of its designees are members of the Board of Managers, neither it nor any of its designees will vote for remuneration for either members of the Board of Managers or officers of the Condominium.

The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the Condominium, including but not limited to: determination of the Common Charges, adoption of Regulations covering the details of the Property, opening of bank, accounts, purchasing, leasing or otherwise acquiring Units, selling, leasing, or mortgaging of Units owned by the Board of Managers, and generally managing or supervising the Condominium property as provided in the Declaration and By-Laws. The Common Expenses shall include such amounts as the Board of Managers deem proper for the operation and maintenance of the Property, including, without limitation, an amount for working capital of the Condominium, for a general operating reserve, for a Reserve Fund for capital replacements and to make up any deficit in the Common Expenses for any prior year. The Board, in its discretion, may delegate such managerial powers as it sees fit to the officers of the Condominium. The Board of Managers is authorized to employ a managing agent for the Condominium, on such terms as the Board of Managers may deem proper.

In order to limit the liability of the Unit Owners, the members of the Board of Managers, the managing agent, if any, and any officers of the Condominium, any contract or other commitment shall be made by the Board of Managers or the managing agent or an officer of the Condominium, as the case may be, only as agent for the Unit Owners. The members of the Board of Managers, the managing agent or the officer, as the case may be, shall have no personal liability on any such contract or commitment (except as Unit Owners), and the liability of any Unit Owner on any such contract or commitment shall be limited to such proportionate share of the total liability thereunder as the Common Interest of such Unit Owner bears to the aggregate Common Interest of all Unit Owners. The Board of Managers and the officers of the Condominium shall have no liability to the Unit Owners for errors of judgment, negligence, or otherwise, except for willful misconduct or bad faith. The Unit Owners shall severally indemnify the members of the Board of Managers and the officers of the Condominium against any liability or claims, except those arising out of the bad faith or willful misconduct of the members of the Board of Managers or the officers of the Condominium, but the liability of any Unit Owner on account of such indemnification shall be limited to such proportionate share thereof as the Common Interest of such Unit bears to the aggregate Common Interest of all Unit Owners. Members of the Board of Managers and any officers of the Condominium who handle or are responsible for Condominium funds shall be bonded. Members of the Board serve without compensation.

Upon the transfer of title to any Unit, Unit Owners will be required to execute a Power of Attorney in favor of the Board of Managers to exercise certain rights on behalf of the Condominium, such as exercising or waiving a right of first refusal to purchase a Residential Unit (and taking such steps as may be needed to implement such action), protesting the Condominium's real estate tax valuations with the City of New York, or amending the Declaration and By-Laws of the Condominium. The form of Power of Attorney appears as Exhibit B in Part II of the Plan.

B. Officers. The principal officers of the Condominium shall be: the President, the Vice-President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Managers. The President and the Vice-President each must be both a member of the Board of Managers and either a Unit Owner, the principal or officer of a Unit Owner, or the spouse of a

Unit Owner. Other officers need not be either a Unit Owner, principal or officer of a Unit Owner, or the spouse of a Unit Owner, or a member of the Board of Managers. The Board of Managers may appoint an Assistant Treasurer and an Assistant Secretary, and such other officers as in its judgment may be necessary. All officers shall serve without compensation from the Condominium. The President shall be the chief executive officer of the Condominium and shall preside at all meetings of the Board of Managers and of Unit Owners. The Vice President shall take the place of the President in his or her absence. The Secretary shall be empowered to take and keep minutes of all meetings and to keep the books and records of the Condominium. The Treasurer shall be responsible for the funds of the Condominium and for accurately keeping the financial records and books of the Condominium. The Board of Managers, in its discretion, shall delegate such powers to the officers as it deems fit to execute agreements, contracts, deeds, leases and checks etc. on behalf of the Condominium.

22. RIGHTS AND OBLIGATIONS OF UNIT OWNERS AND BOARD OF MANAGERS

I. UNIT OWNERS

A. Sales or Leases of Units

1. Each Residential Unit Owner may freely sell his Unit provided he first gives the Board, on behalf of all Unit Owners, an opportunity to purchase such Unit at the same price and on the same terms as were offered in good faith by a prospective Purchaser as more specifically provided for in the By-Laws. The Residential Unit Owner will indicate whether or not the prospective buyer will be an owner-occupant. After receipt of the initial notice, the Board of Managers reserves the right to request additional information regarding the proposed Purchaser and the transaction, and to request a personal interview. The Board of Managers may not discriminate against any person on the basis of race, creed, color, national origin, sex, age disability, marital status or other grounds prohibited by law. If the Board does not elect to purchase the Residential Unit within thirty (30) days after receipt of the offering Unit Owner's notice (or, if additional information has been requested after reviewing the submissions of the Unit Owner, within 30 days after receipt of all additional information reasonably required by the Board), the Residential Unit Owner will have sixty (60) days to accept the outside offer of the prospective Purchaser, failing which the Residential Unit Owner will be required to again first offer same to the Board.

In the event the Board does exercise its right of first refusal, the acquisition of the Residential Unit may be made from the Working Capital Fund and Common Charges or, if such funds are insufficient, the Board of Managers may assess each Unit Owner, other than the offering Unit Owner, in proportion to each Unit Owner's percentage of Common Interest or may borrow money to finance such acquisition. The sole security which may be given for any funds so borrowed is the Unit to be acquired. The Board of Managers may also assess each Unit Owner, as provided above, for the cost of paying the Common Charges or rent and the maintenance of such Unit. In the event any Residential Units are acquired by the Board of Managers, the title shall be held by the Board on behalf of all Unit Owners in proportion to their

percentage of Common Interest, and any sale of such Residential Unit shall be made by the Board on behalf of all Unit Owners in proportion to their percentage of Common Interest. Such Unit, while owned by the Board of Managers, may be used for any purpose for which it could be used by an individual Unit Owner. In no event, however, may the Board of Managers at any meeting of Unit Owners vote the votes appurtenant thereto.

2. All Residential leases are subject to the consent of the Board of Managers, which consent shall not be unreasonably withheld. All leases must be for a minimum period of one (1) year (with each such lease being for a specific named tenant and with no right to substitute any other tenant during the term of the lease). All leases shall be consistent with the By-Laws and shall contain such reasonable conditions as the Board of Managers may impose in order to protect the physical and financial security and continuity of the Condominium, including (but not limited to) provisions that a lease 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; that the Board of Managers shall have the right to terminate the lease on not less than thirty (30) days prior written notice upon foreclosure of the lien granted by Section 339-z of the New York State Real Property Law; and that the Board of Managers may establish other reasonable regulations governing leases of Units from time to time. Except as set forth above, the form of any such lease shall be substantially the then current form of apartment lease recommended by The Real Estate Board of New York, Inc., with such modifications as may be approved in writing by the Board of Managers.

3. Title to a Unit may not be conveyed nor may a Unit be leased unless all unpaid Common Charges and liens against such Unit (other than a permissible mortgage) are paid and satisfied at or prior to closing.

4. Each conveyance of a Unit by a Unit Owner shall include as part of the property to be conveyed such Unit Owner's (i) undivided interest in the Common Elements; (ii) interest in any Unit or Units acquired by the Board from Unit Owners (or the proceeds received at a foreclosure or other judicial sale of a Unit); and (iii) interest in any other assets of the Condominium.

5. Notwithstanding the foregoing restrictions, a Residential Unit Owner may lease, sell or convey the Unit to a spouse, adult child, parents, parents-in-law or adult sibling, or may convey his Unit by gift, may devise his Unit by will, or have it pass by intestacy, without first offering the Unit to the Condominium; however, each succeeding Unit Owner shall be bound by, and his Unit shall be subject to, the preceding restrictions.

In addition, the restrictions upon the sale and lease of Residential Units set forth in this Section shall not apply to Units owned by the Sponsor, its designees, the Commercial Unit Owners or to a mortgagee acquiring title in foreclosure or by deed in lieu of foreclosure; they shall be free to sell or lease without first offering to sell to the Board, and without any form of consent.

B. Mortgage of Units. Each Unit Owner is free to mortgage his Unit. Prior to or simultaneously with the closing of any mortgage transaction, the Unit Owner must satisfy any arrearage for any unpaid Common Charges and assessments owed by such Unit Owner, and discharge any liens therefor. The By-Laws provide that the Board of Managers may request that it be notified by each Unit mortgagee of any default of a mortgage on a Unit.

C. Easements and Rights of Access. Each Unit Owner shall have an easement in common with the Owners of other Units to use and maintain all pipes, ducts, cables, wires, conduits, public utility lines or other Common Elements located in other Units and serving his Unit. In addition, each Unit Owner shall have an easement for the continuance of any encroachment by the Unit on any adjoining Unit or on any Common Element, now existing or which may come into existence hereafter as a result of the settling or shifting of the Buildings, or as a result of restoration of the Buildings or a Unit after damage by fire or other casualty, or as a result of condemnation or eminent domain proceedings, or by reason of any alteration made by the Board of Managers to the Common Elements so that any such encroachment may remain undisturbed so long as the Buildings stand. The Board of Managers, through a designated manager, managing agent, or their employees or other designee, shall have a right of access to such Unit to inspect and make repairs to the Unit to prevent damage to the Common Elements, Limited Common Elements or any other Unit.

D. Use of Units; Restrictions on Use and Occupancy. The Residential Units may be used only for private residential use, or any home occupation use permitted under applicable zoning law and ordinances, building code or other rules and regulations or governmental authorities having jurisdiction. Such Residential Units may also be used as professional offices by a resident thereof, provided such professional use does not violate any zoning law and ordinances, and provided further, that the prior written consent of the Board of Managers to such professional use is obtained. No illuminated or other sign may be used in connection with the aforementioned use, excepting only a professional sign, non-illuminated, not larger than the size permitted by the Board of Managers.

Subject to the foregoing, no industry, business, trade, occupation or profession of any kind, commercial, religious, educational or otherwise, designed for profit, altruism, or otherwise, shall be conducted, maintained or permitted in any part of the Residential Units, nor shall any "For Sale," "For Rent" or "For Lease" signs or other window displays or advertising be maintained or permitted in any Unit therein or adjoining Common Elements, nor shall any Unit be rented for transient, hotel or motel purposes. The right is reserved by the Sponsor, its designee and the Board of Managers, or its agent, to place "For Sale," "For Rent" or "For Lease" or similar signs on any Unsold or unoccupied Units. Additionally, as previously set forth, the right is reserved by Sponsor and its designee to maintain and staff one or more vacant and Unsold Units in the Buildings as a sales office and/or model Unit. Sponsor and its designee shall have the right to place "For Sale," "For Rent" or "For Lease" signs or similar signs on or in the vicinity of the Buildings without regard to size.

No exterior of a Unit, the windows or doors thereof, or any other portions of the Common Elements shall be painted or decorated by any Owner in any manner without the prior written consent of the Board of Managers.

Complaints regarding the management of the Buildings and grounds, or regarding the actions of other Unit Owners shall be made in writing to the Board of Managers.

No Unit shall be used or be occupied in such manner as to obstruct or interfere with the enjoyment of occupants or Owners of adjoining Units; nor shall any nuisance or immoral or illegal activity be committed or permitted to occur in or about any Unit or upon any part of the Common Elements.

Certain parts of the Common Elements are intended for use for the purpose of affording pedestrian movement within the Condominium and for providing access to the Units. No part of the Common Elements shall be obstructed so as to interfere with its use for the purposes hereinabove recited; nor shall any part of the Common Elements be used for general storage purposes, except where specifically designated as such; nor shall anything be done thereon in any manner which shall increase the rate of hazard and liability insurance covering said area and improvements situated thereon.

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

No portion of a Unit other than the entire Unit may be leased.

No Unit shall harbor more than two (2) pets without the written consent of the Board of Managers.

Commercial Units. The foregoing restrictions in this subsection D apply only to the Residential Units. For a more detailed discussion of the rights and restrictions governing the use of the Commercial Units see Section 8 of the Plan entitled "Description of Commercial Units."

For a more complete discussion see the Declaration of Condominium and the Regulations which are reproduced in full in Part II of the Plan.

E. Determination of Common Charges and Liens for Nonpayment of Common Charges. Each Unit Owner shall have an obligation to pay Common Charges and assessments on other expenses when due. Common Charges for each Unit shall be determined by multiplying that Unit's percentage of Common Interest by the total annual net expenses incurred or anticipated to be incurred for those items listed in Schedule B herein, together with the expense of any special repairs, major capital improvements or other expenses deemed by the Board of Managers to be part of the Common Expenses and to be paid as Common Charges, all in accordance with Article VI, Section 2 of the By-Laws of the Condominium. Common Charges will be established on an annual basis and be paid in equal monthly installments, due and payable on the first day of each month. In accordance with Article VI, Section 2 of the By-Laws, the Board of Managers may also impose special assessments as it deems necessary to meet

unanticipated or extraordinary expenses, including, but not limited to, expenses incurred for major capital improvements. The special assessment to be paid by each Unit Owner shall also be determined in accordance with the Unit Owner's percentage of Common Interest. Common Charges also include late payment charges, fees and expenses of collection or enforcement of the Condominium Documents (including attorneys' fees), accrued interest, and fines charged to a Unit Owner.

Common Charges, which remain unpaid for more than thirty (30) days shall bear interest at the maximum rate permitted by law.

Under the provisions of Section 339-z of the Real Property Law of the State of New York, the Board of Managers on behalf of the Unit Owners will have a lien on each Unit for unpaid Common Charges assessed by the Board of Managers. Such lien will be subordinate only to liens for real estate taxes on the Unit and to any sums unpaid on a first mortgage of record thereon in excess of six (6) months Common Charges and attorneys' fees for collection thereof (subject to applicable law). Any lien for unpaid Common Charges against a Unit shall be effective from and after the filing of notice thereof in the Register of the City of New York, County of New York 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 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.

If any Unit Owner owns a Unit occupied by a non-purchasing Tenant as to which the Unit Owner is obligated to pay a security deposit to the Condominium in accordance with Section 12 of the Plan, the Board of Managers of the Condominium will also have a lien on the Unit for the replenishment of such fund if any amounts are drawn down from it. The lien may be enforced in the same manner as a lien for nonpayment of Common Charges as described above.

Upon the failure of a Unit Owner to pay any portion of Common Charges for the Unit within fifteen (15) days of the same becoming due and payable, the Board of Managers shall have the right to place a lien against the Unit Owner's Unit for the unpaid Common Charges as set forth above, and to impose late charges and administrative fees of up to $100 as additional Common Charges with respect to each new violation to cover the additional costs of administration. Failure of the Board of Managers to place such a lien or impose such charges shall not constitute a waiver of the right to do so at a later date or with respect to a subsequent failure to pay within the designated time.

Under the provisions of Section 339-kk of the Real Property Law of the State of New York, the Board of Managers shall also be entitled to collect all rental payments due from a Tenant to a non-resident owner if the non-resident owner fails to make payments to the Board of Managers for Common Charges, assessments or late fees when due, and if such non-payment shall continue for a period of sixty (60) days after the expiration of any grace period for payment provided for in the Declaration and By-Laws.

No Unit Owner shall be liable for the payment of any part of the Common Charges assessed against his Unit subsequent to a sale, transfer, or other conveyance made by him of his Unit (including a foreclosure or deed given in lieu of foreclosure), with appurtenant Common Elements, in accordance with the Declaration and By-Laws.

All Unit Owners shall be required to comply with the Declaration, By-Laws, Regulations of the Condominium and with any other requirements duly imposed by the Board of Managers pursuant to the authority granted to them. The Board of Managers shall have the power to impose appropriate sanctions where a Unit Owner is in default. Such sanctions include placing a lien against the Unit Owner's Unit, instituting foreclosure proceedings and filing suit against a Unit Owner.

The Board of Managers may also impose fines on Unit Owners who violate the Condominium Documents. The amount and administration of such fines shall be established in the Board's reasonable discretion. Such fines shall be deemed additional Common Charges.

F. Limited Common Elements. The Limited Common Elements are parts of the whole which are owned as Common Elements, but the exclusive use of which is granted to a single Unit Owner or several Unit Owners but less than all Unit Owners. The Limited Common Elements include Residential and Commercial Limited Common Elements, Restricted Residential Limited Common Elements and Restricted Commercial Limited Common Elements. The Board of Managers has the right to enter upon any such Limited Common Element to make repairs and replacements to such Limited Common Element, and subject to the By-Laws and Regulations of the Condominium. The Limited Common Elements include, but are not limited to, the yard located along the west façade of the Buildings.

G. Repairs (Generally). All maintenance of and repairs to any Unit, ordinary or extraordinary, and to the doors (except painting the exterior side of a Unit entrance door), windows (except painting the exterior side of windows), electrical (except Common Elements), plumbing (except Common Elements) and heating fixtures and air conditioning units within the Unit or belonging to the Unit Owner shall be made at the Unit Owner's expense, except as otherwise specifically provided in the By-Laws. Non-Residential Unit Owners must keep their thermostats at a minimum of 50 degrees to prevent freezing of pipes. Otherwise they may be liable for damage caused to the Condominium or other Units for failing to adhere to this requirement.

All maintenance, repairs and replacements (individually and collectively "Repairs") to the General Common Elements (as defined in the Declaration) and the painting and decorating of the exterior side of Unit entrance doors and windows shall be made by the Board of Managers and be charged to all the Unit Owners as a Common Expense, except to the extent that the Repairs are necessitated by the negligence, misuse or neglect of a Unit Owner, in which case the expense shall be charged to such Unit Owner.

Repairs in or to the Residential Limited Common Elements (as defined in the Declaration) will be performed by, and at the expense of, the following persons under the following circumstances: (a) the Board of Managers as a part of the Residential Contribution, if

such Residential Limited Common Element is for use by all Residential Unit Owners; (b) the Board of Managers at the expense of the Unit Owner, if it is a Restricted Residential Limited Common Element and the Repair involves structural or extraordinary maintenance, repairs or replacements (including, but not limited to, the Repair of leaks); (c) by the Unit Owner having direct and exclusive access to a Restricted Residential Limited Common Element at his sole cost and expense, if involving nonstructural or ordinary Repairs; or (d) with respect to the Commercial Limited Common Elements, Repairs will be made by the Owners of the Commercial Units. The Board of Managers will have the right to establish rules and regulations regarding the approval of contractors, nature and standard of Repair for any Residential Limited Common Element. The Condominium will also have the right, but not the obligation, to require a Unit Owner to make a Repair to a Limited Common Element (also at the expense of the Unit Owner) in the discretion of the Board. The rights of the Commercial Unit Owners and Sponsor are discussed in Sections 8 and 19 of the Plan.

Repairs, maintenance and replacements in or to the Restricted Residential Limited Common Element portions of the roof deck and stairs leading to it shall be performed by the Unit Owner having exclusive access to such portion of the roof deck, at such Unit Owner's expense. The Unit Owner shall be subject to the Regulations of the Condominium regarding the time and manner of work, security, insurance and liability for future Repairs, including (if applicable) the execution of an appropriate alteration agreement.

The Condominium will have the right to enter any Unit upon reasonable notice for the purpose of making Repairs in an emergency, or if the Condominium determines (in its sole discretion) that it is necessary or appropriate for the Condominium to make the Repair, whether or not for the account of the Unit Owner, and to charge the cost thereof to the appropriate person under the Condominium Documents; and the Condominium will also have the right, but not the obligation, to require a Unit Owner to make a Repair to a Limited Common Element (also at the expense of the Unit Owner) in the discretion of the Board of Managers.

H. Additions, Alterations and Improvements (Generally). A Unit Owner may make a non-structural alteration to a Unit that does not affect the exterior of the Buildings, the utility systems of the Condominium, or the value of other Units without the consent of the Board of Managers. However, the Board of Managers may establish rules and regulations governing access, insurance and other matters relating to the performance of any work within a Unit.

No other installations or alterations may be made to a Unit without the consent of the Board of Managers as described below. No Unit Owner, other than the Sponsor or the Commercial Unit Owners,, may make a structural alteration in a Unit, install any fixtures or appliances (other than electrical appliances), or make any alteration affecting the utility systems of the Buildings without the prior written approval of the Board of Managers, which approval shall not be unreasonably withheld. Any approval, if granted, shall provide that such alteration shall be at the Unit Owner's sole cost and expense, that work shall be done in accordance with all governmental or quasi-governmental laws, rules, regulations, codes and ordinances, that all work shall be done by reputable contractors with adequate liability, property damage and workmen's compensation insurances, (certificates for which shall be delivered to the Board of Managers prior to the commencement of construction), that any additions shall be maintained in

their entirety by said Unit Owner (who shall also be responsible for any Repairs, including structural Repairs, to such addition under all circumstances, and to the Unit and any Common Elements where such Repairs become necessary due to additional stresses caused by the structural alteration or due to improper design or construction of the structural alteration). Such approval shall further provide that the Unit Owner shall reimburse the Board of Managers for any out-of-pocket expenses incurred by the Board of Managers in connection with the granting of such approval and in connection with any services provided to such alteration. The Unit Owner shall sign an alteration agreement to the effect of the foregoing and incorporating such other terms as the Condominium may require.

A Unit Owner may make a non-structural alteration (which alteration does not affect the exterior of the Buildings, the value of the other Units or the utility systems of the Buildings) to a Limited Common Element without the consent of the Board of Managers, subject to the By-Laws and the Regulations of the Condominium. However, structural alterations or alterations to a Limited Common Element or which affect the exterior of the Buildings, the value of the other Units or the utility systems of the Buildings require the consent of the Board of Managers, which consent shall not be unreasonably withheld or delayed. See Article Nineteenth of the Declaration.

The Board of Managers and managing agent shall have a right of access to any Unit for the purpose of inspection, making any repairs or replacements to any of the Common Elements or Limited Common Elements contained in such Unit or elsewhere in the Buildings, remedying any condition which would result in damage to any other Unit or to the Common Elements or Limited Common Elements or which would violate the provisions of any mortgage encumbering another Unit, or for the purpose of complying with any laws, orders, rules or regulations of any governmental body having jurisdiction thereof, or to cure any defaults by a Unit Owner or for any other purpose permitted by the By-Laws.

Notwithstanding the foregoing, the consent of the Board of Managers is not required in order for the Sponsor or the Commercial Unit Owners to make alterations or additions to Unsold Units or the Commercial Units, whether or not such alterations are structural or nonstructural, ordinary or extraordinary, so long as they do not materially adversely affect the structure or utility systems of the Buildings. The Condominium hereby appoints the Sponsor and the Commercial Unit Owners (severally) as its attorney-in-fact, coupled with an interest, to execute such documents on behalf of the Condominium as may be required in order to obtain any necessary licenses or permits to make or complete an alteration, and grants to the Sponsor and the Commercial Unit Owners an easement of access, ingress and egress to make any such alterations. The Commercial Unit Owners are appointed the agent and attorney-in-fact of the Condominium to apply for changes in the certificate of occupancy of the Commercial Units and to execute all documents that may be necessary in order to procure such change. However, the Commercial Unit Owners shall not be authorized to execute any application in regard to a variance with the Board of Standards and Appeals without the consent of the Condominium.

I. Insurance. The insurance policies obtained by the Board of Managers shall provide that each Unit Owner shall provide fire and casualty insurance for the Buildings, liability

insurance, water damage, and legal liability insurance. The specific amounts of coverage are noted in Schedule B.

The insurance coverage does not include coverage for losses either due to fire, theft or other casualty to the personal property of a Unit Owner contained within the Unit or a Limited Common Element, or the cost of living elsewhere if a Unit is greatly damaged. Nor does it include liability coverage for a Unit Owner for occurrences within a Unit or a Restricted Residential Limited Common Element or a Restricted Commercial Limited Common Element. Unit Owners should consult their insurance agents as to the availability of this insurance and any additional coverage which might be recommended.

J. Miscellaneous. The Sponsor is not required to obtain the approval of the Board of Managers or meet requirements imposed upon other Unit Owners in order to exercise a number of rights described in the By-Laws. Included among these are the right to use a Unit as a model and display "For Sale", "For Rent", or "For Lease" signs or similar signs, the right to alter a Unit without obtaining the prior consent of the Board of Managers, but only in accordance with the other terms of this Plan, and the right to amend the Declaration, without a vote, for the sole purpose of filing the floor plans as required by Section 339-p of the Real Property Law of the State of New York. For as long as the Sponsor or its designee own title to one or more Units, the Regulations of the Condominium, By-Laws or Declaration may not be amended in a manner which would, in the sole discretion of Sponsor or its designee, adversely affect the Sponsor or its designee in any way, unless the Sponsor or its designee give their written consent to such an amendment.

II. RIGHTS OF BOARD OF MANAGERS. The following is a summary of certain rights and obligations of the Board of Managers, as contained in the By-Laws of the Condominium. It is suggested that Purchasers make reference to the full By-Laws, a copy of which is set forth in Part II of the Plan. See also subsection I entitled "Insurance" above in this Section, which details certain rights of the Board of Managers arising from violations of the Condominium Documents by Unit Owners.

A. Repairs to Common Elements and Units. As used in this Section, repairs, maintenance and replacements of any portion of the Unit or Common Elements, whether ordinary or extraordinary, are referred to as "Repairs." All Repairs to any Unit, and to the doors (except painting the exterior side of a Unit entrance door), windows (except painting the exterior side of windows), electrical (except Common Elements), plumbing (except Common Elements) and heating fixtures and air conditioning units within the Unit or belonging to the Unit Owner shall be made at the Unit Owner's expense, except as otherwise specifically provided in the By-Laws.

Repairs to the General Common Elements (as defined in the Declaration) and the painting and decorating of the exterior side of Unit entrance doors and windows shall be made by the Board of Managers and be charged to all the Unit Owners as a Common Expense, except to the extent that the Repairs are necessitated by the negligence, misuse or neglect of a Unit Owner, in which case the expense shall be charged to such Unit Owner.

Repairs in or to the Residential Limited Common Elements (as defined in the Declaration) will be performed by, and at the expense of, the following persons under the following circumstances: (a) the Board of Managers as a part of the Residential Contribution, if such Residential Limited Common Element is for use by all Residential Unit Owners; (b) the Board of Managers at the expense of the Unit Owner, if it is a Restricted Residential Limited Common Element and the Repair involves structural or extraordinary maintenance, repairs or replacements (including, but not limited to, the Repair of leaks); (c) by the Unit Owner having direct and exclusive access to a Restricted Residential Limited Common Element at his sole cost and expense, if involving nonstructural or ordinary Repairs; or (d) with respect to the Commercial Limited Common Elements, Repairs will be made by the Owners of the Commercial Units. The Board of Managers will have the right to establish rules and regulations regarding the approval of contractors, nature and standard of Repair for any Residential Limited Common Element. The Condominium will also have the right, but not the obligation, to require a Unit Owner to make a Repair to a Limited Common Element (also at the expense of the Unit Owner) in the discretion of the Board of Managers.

Repairs, maintenance and replacements to the Restricted Residential Limited Common Element portions of the roof deck and stairs leading to it shall be performed by the Unit Owner having exclusive access to such portion of the roof deck and stairs leading to it, at such Unit Owner's expense. The Unit Owner shall be subject to the Regulations of the Condominium regarding the time and manner of work, security, insurance and liability for future Repairs, including (if applicable) the execution of an appropriate alteration agreement.

The Condominium will have the right to enter any Unit upon reasonable notice for the purpose of making Repairs in an emergency, or if the Condominium determines (in its sole discretion) that it is necessary or appropriate for the Condominium to make the Repair, whether or not for the account of the Unit Owner, and to charge the cost thereof to the appropriate person under the Condominium Documents; and the Condominium will also have the right, but not the obligation, to require a Unit Owner to make a Repair to a Limited Common Element (also at the expense of the Unit Owner) in the discretion of the Board of Managers.

B. Additions, Alterations or Improvements by Board of Managers. Whenever in the judgment of the Board of Managers the Common Elements shall require additions, alterations or improvements, and the Board determines to require the placement of a lien on the Common Elements or an assignment of Common Charges payable by the Unit Owners, and (if required by law) the making of such additions, alterations or improvements shall have been approved by fifty percent (50%) in number and in Common Interest of the Unit Owners present in person and/or by proxy and voting at a meeting duly held in accordance with the By-Laws (and by the holders of Unit mortgages, if such approval is required), the Board of Managers shall have the right to proceed with such additions, alterations or improvements and to assess all Unit Owners for the cost thereof as a Common Charge. Any additions, alterations or improvements which do not require a lien to be placed on the Common Elements or an assignment of the Common Charges payable by the Unit Owners may be made by the Board of Managers, without approval of the Unit Owners or the holders of Unit mortgages, and the cost thereof (unless paid from the Working Capital Fund in accordance with the Plan) shall constitute part of the Common Expenses. So long as Sponsor or its designee shall own at least twenty-five percent (25%) of the

Units, but not for more than a period of five years from the first closing of title to a Unit, the Board of Managers may not make any addition, alteration, or improvement to the Common Elements without the Sponsor's prior written consent, unless required by law.

For a description of the rights of Unit Owners to alter or improve the Common Elements, see Section 22 of the Plan.

C. Insurance. The Board of Managers shall be required to obtain and maintain the following insurance: fire insurance with extended coverage, vandalism and malicious mischief endorsements, insuring the Buildings containing the Units, including all of the Units and all fixtures installed therein by the Sponsor and any property customary to the servicing and general occupancy, (but not including furniture, furnishings, equipment or other personal property supplied or installed by Unit Owners), together with all service machinery contained therein and covering the interests of the Condominium, the Board of Managers and all Unit Owners and their mortgagees, as their interest may appear, in an aggregate amount to be determined by the Board of Managers, but in no event to be less than eighty percent (80%) of the full replacement cost of the Buildings, including the above noted items, but exclusive of footings and foundations, as approved by a fire insurance company or a qualified insurance broker. Notwithstanding the foregoing, while the Sponsor controls the Board of Managers, the Sponsor will cause the Condominium to carry one hundred percent (100%) replacement cost insurance with an agreed value endorsement.

Within sixty (60) days after the First Unit Closing, the Board of Managers shall have the right to select an Insurance Trustee as such term is defined in Article VII, Section 2 of the By-Laws of the Condominium.

All policies of physical damage insurance shall contain waivers of subrogation and of any reduction of pro-rata liability of the insurer as a result of any insurance carried by Unit Owners or of the invalidity arising from any acts of the insured or any Unit Owners, and shall provide that such policies may not be canceled or substantially modified without at least ten (10) days prior written notice to all of the insured, including all mortgagees of Units. The standard mortgage loss payable clause shall be attached to all policies.

The cost of all such insurance and the fees and expenses of the Insurance Trustee shall be paid by the Board of Managers and shall constitute a Common Expense.

The Board of Managers shall also obtain and maintain to the extent obtainable: (i) workmen's compensation insurance for Condominium employees; and (ii) public liability insurance covering each member of the Board of Managers and each Unit Owner to 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 the Units, except that such policy will not cover liability of a Unit Owner arising from occurrences within his own Unit. The Board of Managers shall review such limits once each year. The public liability insurance will also cover cross-liability claims of one insured against another. Until the first meeting of the Board of Managers elected by the Unit Owners, the public liability insurance will be within a limit of at least $1,000,000 covering all claims for bodily injury with respect to any one occurrence.

Unit Owners shall not be prohibited from carrying other insurance for their own benefit, provided that all such policies contain waivers of subrogation and further provided that the liability of the carriers issuing insurance obtained by the Board of Managers shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner.

In the event of a fire or other casualty that destroys or substantially damages less than seventy-five percent (75%) of the Buildings, the insurance proceeds shall be dedicated to the Repair and/or renovation of the Buildings and the Units, but not the repair or replacement of any improvements made by individual Unit Owners. If the cost of such Repair exceeds the insurance proceeds available, the excess cost shall constitute a Common Expense and Unit Owners may be accordingly assessed a proportional amount to be paid as Common Charges.

In the event of a fire or other casualty in which more than seventy-five percent (75%) of the Buildings are destroyed or substantially damaged, Repairs and/or restoration will be made if Unit Owners whose percentage of Common Interest, in the aggregate, is at least seventy-five percent (75%) of the total Common Interest, affirmatively vote for such a course of action. If no such affirmative vote is given, then the Property shall be subject to an action for partition at the suit of any Unit Owner or lienor.

D. Notice of Meetings; Reports to Unit Owners. Notice of the annual meeting of Unit Owners or of any special meetings of Unit Owners shall be given by the Secretary, as directed by the Board of Managers, to all Unit Owners not less than ten (10) days or more than thirty (30) days before such meeting. Minutes of all meetings of Unit Owners and of all meetings of the Board of Managers shall be kept by the Board, together with records of all actions taken by the Board and the financial records of the Condominium. The Board shall retain an independent certified public accountant to prepare an annual report of the receipts and expenditures of the Condominium, which report shall be promptly sent to each Unit Owner.

E. Severance of Ownership Prohibited. Each conveyance of a Unit by a Unit Owner shall include as part of the property to be conveyed, his undivided interest in the Common Elements, together with his interest in any Unit or Units acquired by the Board of Managers from Unit Owners electing to sell or lease such Unit or at a foreclosure or other judicial sale involving such Unit or Units, in accordance with the provisions of the By-Laws, all of which are interests appurtenant to his Unit.

F. Right of First Refusal for Unit Sales; Consent for Unit Leases. Any exercise by the Board of Managers of the Condominium's right of first refusal with respect to Residential Unit sales must be approved by a majority of Unit Owners present at a meeting duly called with a quorum present.

In administering the right of first refusal granted to the Board of Managers with respect to any sale of a Residential Unit, the Board shall be required to exercise such rights, if at all, within thirty (30) days after receipt of written notice from a Unit Owner of the Unit Owner's intention to sell the Unit to a bona fide grantee, together with all other information reasonably required by the Board. See Section 22(A) of the Plan for a detailed description of the rights and obligations of the Board and Unit Owners in this regard.

The Board of Managers will not discriminate against any person on the basis of race, creed, sexual orientation, color, national origin, sex, age, disability, marital status, or other grounds prohibited by law in exercising the right of first refusal and resale of such Units.

In the event the Board does exercise its right of first refusal with respect to a sale of a Residential Unit, the acquisition of the Residential Unit may be made from the Condominium's working capital and Common Charges or, if such funds are insufficient, the Board of Managers may assess each Unit Owner, other than the offering Unit Owner, in proportion to each Unit Owner's percentage of Common Interest or may borrow money to finance such acquisition. The sole security which may be given for any funds so borrowed is the Unit to be acquired. The Board of Managers may also assess each Unit Owner, as provided above, for the cost of paying the Common Charges or rent and the maintenance of such Unit. In the event any Residential Units are acquired by the Board of Managers, the title shall be held by the Board on behalf of all Unit Owners in proportion to their percentage of Common Interest and any sale of such Unit shall be made by the Board on behalf of all Unit Owners in proportion to their percentage of Common Interest. Such Unit, while owned by the Board of Managers, may be used for any purpose for which it could be used by an individual Unit Owner. In no event, however, may the Board of Managers at any meeting of Unit Owners vote the votes appurtenant thereto.

All leases are subject to the consent of the Board of Managers, which consent is not to be unreasonably withheld. All leases must be for a minimum period of one (1) year (with each such lease being to a specific named tenant and with no right to substitute any other tenant during the term of the lease). All leases shall be consistent with the By-Laws and shall contain such reasonable conditions as the Board of Managers may impose in order to protect the physical and financial security and continuity of the Condominium, including, but not limited to, provisions that a lease 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; that the Board of Managers shall have the right to terminate the lease on not less than thirty (30) days prior written notice upon foreclosure of the lien in accordance with by Section 339-z of the New York State Real Property Law; and that the Board of Managers may establish other reasonable regulations governing leases of Units from time to time. Except as set forth above, the form of any such lease shall be substantially the then current form of apartment lease recommended by The Real Estate Board of New York, Inc. with such modifications as may be approved in writing by the Board of Managers.

The foregoing restrictions on leasing and the contents of leases contained in this Section shall not apply to a Unit owned by Sponsor, or a Unit owned by a mortgagee who took title for its own account in foreclosure or by deed in lieu of foreclosure, or to a Unit owned by a Commercial Unit Owner. The foregoing restrictions shall also not apply to a Unit Owner or his spouse or to any of his children over the age of 18 years or to his parent or parents or to his brothers or sisters, or any one or more of them, or to a trust established for the benefit of any of them.

Each Residential Unit Owner, at the closing of title to a Residential Unit, shall be required to execute a Power of Attorney in the form contained in Exhibit B in Part II of the Plan,

which (in part) designates the Board of Managers and their successors, as his attorney-in-fact, coupled with an interest, for the purpose of waiving or exercising a right of first refusal, selling, conveying, mortgaging, leasing, subleasing (but not voting the votes of) or otherwise dealing with Units acquired by the Board of Managers or their designee, on behalf of all Unit Owners.

G. Review of Real Estate Tax Assessments. It shall be the responsibility of the individual Unit Owners, at their sole cost and expense, to review the real estate tax assessments of their Units and, if they so desire, to take any steps necessary to review and challenge such assessments. However, the Board of Managers reserves the right, on behalf of all Unit Owners, to challenge any assessment at the expense of the Condominium.

H. Amendments to Condominium Declaration and By-Laws. The Declaration may be amended upon a vote of sixty-seven percent (67%) of the Unit Owners in number and whose percentage of Common Interest in the aggregate exceeds 67% held at a duly called meeting of the Unit Owners, provided however, that:

1. No amendment shall change any Condominium parcel, or a Unit Owner's proportionate share of the Common Charges, or the voting rights appurtenant to any Unit, unless all record Owner(s) affected thereby and the first mortgagees, if any, of each of these same Units agree to such revocation by recorded instrument;

2. No amendment shall be passed which shall impair or prejudice the rights and priorities of mortgagees, or the Sponsor as an Owner of Unsold Units without the Sponsor's consent; and

3. No amendment shall be passed which shall materially adversely affect the rights and obligations of the Commercial Unit Owners.

The By-Laws may be amended at any duly called Unit Owners meeting provided: (1) that the notice of the meeting shall contain a full statement of the proposed amendment; (2) that the amendment shall be approved by sixty-seven percent (67%) of the Unit Owners in number and Common Interest; and (3) said amendment shall be set forth in a duly recorded amendment to the Declaration. However, no amendment will affect or impair the validity or priority of the Unit Owner's interest and the interests of holders of a mortgage encumbering a Unit or Units. No amendment shall adversely affect the Sponsor or its designee without the prior written consent of Sponsor or such designee.

Subject to the foregoing restrictions and pursuant to the Power of Attorney executed by Unit Owners, the Board of Managers is also appointed the attorney-in-fact for each Residential Unit Owner to make such amendments to the Declaration and By-Laws as it may deem necessary or appropriate in its business judgment.

I. Unit Owner Power of Attorney. Upon the transfer of title to any Residential Unit, the new Unit Owner will be required to execute a Power of Attorney in favor of the Board of Managers to exercise certain rights on behalf of the Condominium, such as exercising or waiving a right of first refusal to purchase a Residential Unit, protesting the Condominium's real estate

tax valuation with the City of New York, borrowing funds or amending the Declaration or By-Laws of the Condominium. The form of Power of Attorney appears as Exhibit B in Part II of the Plan. The Sponsor has the right to change the size, layout and Common Interest percentages for Unsold Units. The Power of Attorney will reflect the rights of the applicable parties to amend the Declaration to implement these changes.

J. Termination. The Condominium may be terminated by withdrawing the Property from the provisions of the New York Condominium Act, by an affirmative vote of not less than eighty percent (80%) of Unit Owners in number and whose percentage of Common Interest equals in the aggregate, not less than eighty percent (80%). The Sponsor shall not cast the votes of any Unsold Units it holds for such withdrawal, unless votes equaling 80% in number and in Common Interest have been so cast, or unless at least 80% in number and in Common Interest of all other Unit Owners have voted to terminate. If the Unit Owners vote to terminate the Condominium, the Property shall be subject to an action for partition by any Unit Owner or lienor and the net proceeds of sale shall be divided among all the Unit Owners in proportion to their respective Common Interest, provided that no Unit Owner shall receive any payment until there has first been paid out of such Unit Owner's share of the net proceeds all liens on his Unit.

23. REAL ESTATE TAXES

After the closing of title, each Unit will be taxed as a separate tax lot for real estate tax purposes. As a result, a Unit Owner will not be responsible for the payment of, nor will his or her Unit be subject to, any lien arising from the non-payment of taxes on other Units.

Under Section 339-y of the New York State Real Property Law, the aggregate assessments of all Units cannot exceed the assessment of the Property if the Property were assessed as a single parcel. Moreover, under Section 581 of the New York State Real Property Tax Law, real property owned on a Condominium basis cannot be assessed at a higher amount than if the parcel were not owned on a Condominium basis. Thus, the assessing authority customarily bases its calculation of assessed valuation as if the Property were a rental property. Once such valuation is established, generally, the assessed valuation of each Unit is based on the percentage of Common Interest of each Unit in the deemed assessed valuation of the Property. However, it is possible that the tax assessment for each Unit may be allocated on a basis that differs from the allocation of Common Interest.

There is often a delay of several months between the establishment of the Condominium and the assessment of Units as separate tax lots. During that period, the Condominium will collect real estate taxes on behalf of the Unit Owners and pay the real estate taxes directly to the taxing authority. At closing, all Unit Owners will be required to reimburse the Sponsor for any prepaid real estate taxes and pay the Condominium for real estate taxes due for the upcoming tax year. If the Units are separately assessed before such taxes are due, the moneys held in escrow will be returned to the Unit Owner or his or her Lender, as requested.

The "taxable" (transitional) assessed value varies according to increases and decreases in the "actual" assessed value of the Property determined by the assessor from year to year. Such yearly increases and decreases in "actual assessed value" are implemented at the rate of twenty percent (20%) per year until 100% of the change in actual assessed value for the applicable prior tax year has been incorporated into the assessed value of the Property. The taxable assessed value from year to year reflects the composite increases and decreases in actual assessed value from the previous five tax years.

The properties are currently receiving a partial tax exemption under the Division of Alternative Management Program ("DAMP"), administered by the Department of Housing Preservation and Development for the benefit of not-for-profit organizations. Since the Condominium is not considered a not-for-profit organization, the Sponsor expects that the Department of Finance will assess the Buildings at their full, non-exempt value upon the filing of the Declaration of Condominium.

The estimated real estate taxes for the first year of the Condominium's operation are projected without the DAMP exemption. Purchasers should note that the real estate taxes for tax years before the first year of Condominium operation are not representative of the taxes that Unit Owners should expect to pay after the Condominium has been established. Any real estate taxes charged by the City of New York allocable to any tax years before the first year of Condominium operation shall be borne by the Sponsor.

The chart below illustrates the tax history of the Property for the two (2) years prior to the submission of the Plan, the projected taxes for 2011/2012 at the current tentative assessed valuation, and the projected taxes for the 2012/2013 tax years as follows:

Lot 13 (411 Manhattan Avenue)

Tax Year	Taxable or Transitional Assessed Value	Actual Assessed Value	Tax Rate Per $100 of Taxable Assessed Value	Taxes Paid
7/1/09-6/30/10	$98,329		$13.241	$13,020
7/1/10-6/30/11	$100,951		$13.241	$13,367
7/1/11-6/30/12	$151,200	$165,600	$13.241*	$20,020*
7/1/12-6/30/13	$154,080*	$165,600*	$13,241*	$20,402*

*projected

Lot 13 is currently taxed at a rate of $13.241 per $100 of assessed value with a tentative taxable (transitional) assessed value of $151,200 for the 2011/2012 tax year. If the projected tax rate stays constant at $13.241 per $100 of assessed valuation, and the projected assessed valuation increases by 20% of the difference between the transitional and actual assessed valuation for the 2012/13 fiscal year and without taking into account any DAMP benefits, the projected real estate taxes should be approximately $20,402 for the period July 1, 2012 – June 30, 2013.

Lot 14 (417 Manhattan Avenue)

Tax Year	Taxable or Transitional Assessed Value	Actual Assessed Value	Tax Rate Per $100 of Taxable Assessed Value	Taxes Paid
7/1/09-6/30/10	$80,918		$13.241	$10,714
7/1/10-6/30/11	$83,995		$13.241	$11,121
7/1/11-6/30/12	$169,740	169,200	$13.241*	$22,404*
7/1/12-6/30/13	$169,740*	169,200*	$13,241*	$22,404*

*Projected

Lot 14 is currently taxed at a rate of $13.241 per $100 of assessed value with a tentative taxable (transitional) assessed value of $169,740 for the 2011/2012 tax year and an "actual" assessed value of $169,200. Taxes are based on the lower of the two valuations, so taxes for 2011/12 are projected at $22,404. If the projected tax rate stays constant at $13.241 per $100 of assessed valuation, and the "actual" assessed value of the property stays constant without taking into account any DAMP benefits, the projected real estate taxes should remain at approximately $22,404 for the period July 1, 2012 – June 30, 2013.

Lot 51 (421 Manhattan Avenue)

Tax Year	Taxable or Transitional Assessed Value	Actual Assessed Value	Tax Rate Per $100 of Taxable Assessed Value	Taxes Paid
7/1/09-6/30/10	$154,671		$13.241	$20,480
7/1/10-6/30/11	$210,600	141,300	$13.241	$18,710
7/1/11-6/30/12	$202,770	156,150	$13.241*	$20,676*
7/1/12-6/30/13	$202,770*	$156,150*	$13,241*	$20,676*

*Projected

Lot 51 is currently taxed at a rate of $13.241 per $100 of assessed value with a tentative taxable (transitional) assessed value of $202,770 during the 2010/2011 tax year and an "actual" assessed value of $156,150. Taxes are based on the lower of the two valuations, so taxes for 2011/12 are projected at $20,676. If the projected tax rate stays constant at $13.241 per $100 of assessed valuation, and the "actual" assessed value of the property stays constant without taking into account any DAMP benefits, the projected* real estate taxes should remain at approximately $20,676 for the period July 1, 2012 – June 30, 2013.

Based on the foregoing analysis, the total real estate taxes for the Property for the first year of Condominium operation are projected at $63,482. The total taxes for each Unit shown on Schedule A represent the combined taxes for the Buildings multiplied by the Units' percentage of Common Interest. However, there is no assurance that the Tax Assessor for the City of New York will allocate taxes among Units in proportion to their Common Interest. It is possible that

the apportionment will be based upon the proportion of the projected selling price presented in the Plan which each Unit bears to the gross sellout price for all Units available for purchase in the Condominium, or in part, upon extrinsic indicia of value, including location, square footage, amenities, income producing potential and existing leases on particular Units or on some other basis. Furthermore, the Tax Assessor for the City of New York reserves the right to do a separate tax allocation of value for the Commercial Units.

The Sponsor makes no representation as to the accuracy of the (i) assessed value of the Property; (ii) projected assessed value of the Property; (iii) tax rate or projected tax rate; or (iv) method of assessing the real property described above.

As of the date of this Plan, there are no pending tax certiorari proceedings affecting the Property. As of the closing date, tax certiorari proceedings affecting the Property may be pending, which may reduce the assessed valuation of the Property. Unit Owners will be required to sign a Power of Attorney at closing authorizing the Board of Managers to file tax protests on behalf of all Unit Owners.

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

The Sponsor has been advised by its attorneys, Smith, Buss & Jacobs LLP, 733 Yonkers Avenue, Yonkers, New York 10704, that for federal income tax purposes, under Sections 163 and 164 of the Internal Revenue Code of 1986, as amended, a Unit Owner will be entitled to a deduction for interest paid or accrued with respect to any mortgage indebtedness encumbering the Unit(s) and for real estate taxes paid or accrued with respect to the Unit. It is also the opinion of Sponsor's Counsel that each Unit Owner for New York State and New York City income tax purposes will be entitled to a deduction equivalent to that which is allowed for federal income tax purposes for such mortgage interest and real estate taxes paid or accrued during the taxable year.

It should be noted, however, that such deductions may be curtailed if (among other events) (i) the Unit is not occupied by the Unit Owner as his or her first or second home; (ii) mortgage indebtedness exceeds the purchase price of the Unit (plus the costs of any improvements thereto); (iii) the Unit is utilized for professional or business use or for the production of income; or (iv) the Unit Owner is subject to Alternative Minimum Tax.

Specific exemptions from real estate taxes may be available for veterans. Purchasers are advised to consult their attorneys to determine if this or any other exemption may be available to them.

All Purchasers are advised to consult with their counsel to determine their tax liability for the particular circumstances.

Each Unit Owner's proportionate share of the income received by the Board of Managers, including, but not limited to, income, if any, from the sale or leasing of Units owned

by the Board of Managers or their designee on behalf of all Unit Owners (or from similar sources), will either be includable by the Unit Owner as taxable income for Federal and New York State income tax purposes, or taxed to the Condominium itself. If the Condominium is required to pay taxes, the amount thereof will be levied as additional Common Charges. In such event, these additional Common Charges may also be subject to tax.

Under Section 528 of the Internal Revenue Code, a Condominium may be eligible to be exempt from taxation on Common Charges collected from the Unit Owners, provided the requirements of Section 528 are met. One of the requirements to be met is that at least eighty-five percent (85%) of the total square footage of the Units must be used by individuals as residences or (if unoccupied) zoned for individuals as residences. As currently used, the Condominium will meet this criterion and therefore, the Condominium may elect to be taxed as a homeowners association under Section 528.

The opinion of Sponsor's Counsel 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, the Board of Managers, the Selling Agent or any other person be liable if the Unit Owners cease to meet the requirements of the Internal Revenue Code of 1986, as amended, or the New York State tax law, as amended, or if there are changes in the facts on which Counsel relied in issuing its opinion, or if there are changes in the applicable statutes or regulations.

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June 1, 2011

25. OPINION OF COUNSEL re: DEDUCTIBILITY OF TAXES

Re: The Manhattan Condominium
411-417-421 Manhattan Avenue, New York, NY 10026

Dear Sir/Madam:

You have requested our opinion with respect to the deductibility for Federal and New York State income tax purposes of mortgage interest and real estate taxes paid by a person (a "Unit Owner" or an "Owner") who purchases a unit (a "Unit") under the offering plan for the above-referenced condominium (the "Plan"). The Plan provides for the condominium conversion of the Buildings to thirty-eight (38) residential condominium Units and four (4) commercial Units.

In connection with this opinion, we have reviewed the Plan, including the schedules and exhibits thereto. The opinions expressed in this letter are based upon the assumptions that the Plan becomes effective and is consummated in accordance with its terms so that valid condominium ownership of the premises known as The Manhattan Condominium, 411-417-421 Manhattan Avenue, New York, New York 10026 (the "Condominium") is established upon the filing of a Condominium declaration. In our opinion, pursuant to the Plan:

A. A Unit Owner will own fee simple title to his or her Unit and an undivided interest in the common elements;

B. Each Unit, together with its appurtenant interest in the common elements, will be a separate tax lot for purposes of New York County and City of New York real estate

taxation, and the Unit Owner will be directly liable for the real estate tax assessment with respect to his or her Unit, but not with respect to any other Unit;

C. Subject to certain restrictions described in the Declaration and By-Laws of the Condominium, a Unit Owner may mortgage his or her Unit as he or she wishes, and the Unit will not be subject to the lien of any mortgage placed on other Units; and

D. A Unit Owner may transfer his or her Unit subject, with certain exceptions, to certain rights of the Board of Managers as described in the Plan.

Under the Plan, the Condominium will be managed by a Board of Managers whose members will be elected by the Unit Owners (and by the Sponsor of the Plan, to the extent that the Sponsor owns any Units). We also understand that the Condominium will, at least initially, be an unincorporated association under New York law. The Plan and the By-Laws provide that the expenses incurred in the operation and maintenance of the Condominium, exclusive of the Units themselves (the "Common Expenses"), shall be borne by the individual Unit Owners and assessed (in proportion to each Unit Owner's "Common Interest") and collected by the Condominium Board on behalf of the Condominium (the "Common Charges").

Based upon the foregoing, it is our opinion that an individual Unit Owner who purchases a residential Unit as his or her principal or second residence and who itemizes deductions will be entitled, under present tax laws and regulations, to deduct from adjusted gross income, for Federal income tax purposes, real estate taxes, if any, assessed against such Owner's Unit, as well as, qualified residence interest on acquisition indebtedness up to $1,000,000 ($500,000 for a married individual filing a separate return) secured by a Unit (See Sections 163(h) and 164 of the Internal Revenue Code of 1986, as amended (the "Code"). We express no opinion as to the availability of such deductions under applicable requirements of the Code with respect to payment of Alternative Minimum Tax under Sections 55-59 of the Code, or as to the availability of such deductions to the Owner of a residential Unit which is not used as the Unit Owner's principal or second residence (e.g., a rental Unit).

Where an Owner does not occupy the Unit, but holds it instead as an investment, current Federal tax law imposes a limit on the amount of interest that is deductible equal to the taxpayer's net investment income for the year. The deduction is also considered a miscellaneous deduction that (together with other miscellaneous deductions) must exceed two percent (2%) of adjusted gross income to have effect. An investor-Owner should obtain the opinion of his own tax advisor to determine how the investment interest limitation affects him/her.

Common Charges will be borne by Unit Owners and assessed and collected by the Board of Managers. If the Condominium is treated for tax purposes as merely the agent of the Unit Owners, the income received by the Board of Managers and the Condominium, and the expenses incurred would be deemed to be income and expenses of the individual Unit Owners, in proportion to their respective interests, and the amount of such income less such expenses would be taxable to them in the same proportion. See, e.g., Rev. Rul. 74-563.

The law in this area is uncertain, though. If the Internal Revenue Service asserts that the Condominium constitutes an association under the default rules of Section 301.7701-3(b), it would be taxable as a partnership, unless it elects to be taxable as a corporation. If so, members of the Condominium would be subject to Federal income tax on their pro-rata share of the Condominium's income.

Receipts by the Condominium from capital or special assessments are not taxable income where the funds are properly treated as trust funds, or set aside in separate bank accounts for a specific purpose, designated as such and properly accounted for. See GCM 36188; Rev. Rul. 75-371. Interest earned on these funds would be taxable income as discussed below. Annual assessments in excess of annual expenses will also be includable in the Condominium's income, unless the member-Owners are given the option to have excess assessments returned to them at the end of each year. See Rev. Rul. 70-604; TAM 9539001; Mission Heights Homeowners Association v. U.S., 96-2 USTC ¶ 50,489 (S.D. Cal).

Under Section 528 of the Internal Revenue Code, a Condominium Management Association may elect to be exempt from Federal tax on membership fees, dues, assessments and other "exempt function income" received from the owners of the condominium units who are members of the association. To be exempt function income, the income must be received by the association as part of the obligation of ownership of the residential property and not as payment for private services. For example, annual fees for special facilities such as tennis courts are exempt, but guest fees, rentals of a clubhouse for a private party and interest earned by the association are not. The association is taxed on its non exempt function income less any expenses directly connected with the production of this taxable income.

To qualify for the above election, which must be made annually, the following requirements must be met:

1. It must be organized and operated to carry out exempt functions, such as management, maintenance and care of association property.

2. At least sixty percent (60%) of gross income must consist of membership dues, fees or assessments from the owners of the residences.

3. At least ninety percent (90%) of annual expenditures must be to acquire, construct, manage, maintain, care for or improve association property.

4. No part of net earnings may inure to the benefit of any private shareholder or individual.

5. Substantially all (at least 85%) of the total square footage of the Units must be used by individuals as residences or (if unoccupied) zoned for individuals as residences.

Based on the information provided to us regarding the use of the Units, it appears that the Condominium may elect to be taxed as a homeowners association under Section 528, and accordingly, its membership income will not be subject to Federal tax.

However, it does not appear that the Condominium's members would incur substantial taxes even if Section 528 did not apply, i.e., if the Condominium is treated either as their agent or as a partnership for tax purposes. If, as anticipated, its income is largely offset by expenses, the ultimate income tax payable would be small. Hence, the major concern, if Section 528 is not available, would lie in assuring that the net taxable income derived from the Condominium's activities in any year is minimal. With careful attention to the various accounting and other administrative details, this would not be difficult to accomplish. For example, assessments for capital expenditures would be made and held in trust by the Board of Managers until the funds were disbursed, and careful documentation to this effect should be prepared on each occasion.

Please note further that it is also possible that other sources of income, such as interest on interim investments by the Board of Managers, income from concessions or rentals, if any, and possibly income from the sale of Units acquired by the Board of Managers pursuant to its right of first refusal, may be subject to Federal or State income taxation.

The New York State Department of Taxation and Finance is likely to take the position that the Condominium is subject to the New York State Corporation Franchise Tax even though the Condominium does not (absent an election) constitute an association taxable as a corporation for Federal income tax purposes.

We express no views as to any Federal or New York State tax consequences, or as to any aspects of the Plan, other than those aspects explicitly discussed in this opinion, or as to any tax status of the Plan under the laws of any other jurisdiction. Thus, this opinion does not deal with tax consequences which may result from ownership of a Unit in connection with a Unit Owner's trade or business, or for the purposes of investment or the production of income, or which may result to a foreign Unit Owner by reason of his or her foreign status. This opinion also does not deal with the tax consequences which may arise if Units or common elements are acquired, sold, and/or leased by the Board of Managers. Thus, each person contemplating the purchase of a Unit is strongly advised to consult his or her own tax advisor as to all such tax matters (as well as with respect to the tax matters discussed in this opinion).

Tax laws, regulations and rulings are subject to change by the Federal and State governments and their agencies, and also by judicial interpretation. Moreover, facts and conditions assumed in this opinion are subject to change. To the extent that such changes may occur, no warranties or assurances are made that the Internal Revenue Service or the New York State Department of Taxation and Finance will allow income tax deductions. Neither the Sponsor nor the Counsel to the Sponsor will be liable if such changes occur and, as a result, it is determined that the income tax deductions referred to herein are not allowable in whole or in part.

Compliance with RPL Section 339-i. We have reviewed the allocation of common interest among the Units of the Condominium. In our opinion, the allocation of Common Interest complies with the requirements of Section 339-i of the New York State Real Property Law. Our opinion is based on the analysis of David Amster that the Common Interest has been allocated to each Condominium Unit based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of common elements for exclusive or shared use, and the overall dimensions of the particular Unit, in accordance with Section 339-i (1) (iv) of the New York State Real Property Law, and that such allocation was based on measurements and calculation of net square footage made by Howard L. Zimmerman Architects, P.C., the Sponsor's engineer.

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

Very truly yours,

SMITH, BUSS & JACOBS, LLP

By: _____
Kenneth R. Jacobs, Partner

26. RESERVE FUND

Within thirty (30) days after the closing date, the Sponsor will establish and transfer to the Condominium a Reserve Fund pursuant to Title YYYY-51 of the New York City Administrative Code (the "Reserve Fund Statute") to be used exclusively for making capital repairs, replacements and improvements necessary for the health and safety of the residents of the Buildings. The Reserve Fund will not be subject to reduction for closing costs and adjustments. While the Sponsor is in control of the Board of Managers, the Reserve Fund will not be used to reduce projected Common Charges in the Plan.

The Reserve Fund Statute provides that the Reserve Fund shall be in an amount equal to (i) three percent (3%) of the lowest aggregate price offered to Tenants in occupancy prior to the effective date of this Plan ("Total Price"); or (ii) (a) three percent (3%) of the actual sales price of all Units sold at the time this Plan is declared effective, but not less than one percent (1%) of the Total Price, plus (b) supplemental contributions at the rate of three percent (3%) of the actual sales price of Units sold to bona fide Purchasers after the effective date (notwithstanding that the total contributions may exceed three percent (3%) of the Total Price), but if within five (5) years and thirty (30) days after the closing date, the total contributions are less than three percent (3%) of the Total Price, the Sponsor will pay the deficiency. Such supplemental contributions will be paid within thirty (30) days of each sale. The amount of the Reserve Fund may be decreased if the aggregate price offered to Tenants in occupancy is decreased prior to the effective date of this Plan. Purchasers will not be offered a right of rescission under their Purchase Agreements in the event that the amount of the Reserve Fund is decreased prior to the effective date of the Plan.

Notwithstanding the foregoing, the Sponsor is entitled to a credit against the mandatory initial contribution to the fund equal to the lesser of the actual cost of the capital replacements begun after this Plan was submitted for filing to the Department of Law and before this Plan is declared effective or one percent (1%) of the Total Price. The Sponsor will disclose the details of any credit which it seeks to take in an amendment to the Plan either simultaneously with or before the filing of the effectiveness disclosure amendment.

The foregoing commitment of the Sponsor is being made pursuant to the Reserve Fund Statute, and Sponsor undertakes no greater obligation than is therein prescribed.

Initially, the Sponsor has elected to fund the Reserve Fund using option (ii) above. However, the Sponsor reserves the right, at closing of title to the Condominium, to fund the entire Reserve Fund as per option (i) above

The Reserve Fund Statute also requires the Sponsor, not later than the 30th day following the acceptance of this Plan for filing and until the closing date, to post and maintain in a prominent place, accessible to all Tenants in the Buildings, a listing of all violations of record against the Buildings as determined by the Department of Buildings and the Department of Housing Preservation and Development. All newly issued violations must be posted within 48 hours after their issuance and maintained as described above.

The Reserve Fund Statute also provides for civil and criminal penalties for its violation and further provides that any waiver of its provisions is void as against public policy.

The Sponsor believes that the amount of the Reserve Fund (plus amounts budgeted for repairs and maintenance and contingencies by the Condominium Board) will be sufficient to pay for the major capital improvements or replacements to the Buildings which are reasonably foreseeable within five (5) years from the date of this Plan, as disclosed in the Description of Property and Building Condition. However, the Sponsor makes no representation or warranty to that effect. Neither the Department of Law nor any other governmental agency has passed upon the adequacy of the fund.

If additional funds are required, the Condominium has several options to raise funds. It may increase Common Charges, assess the Unit Owners or borrow money either on an unsecured basis, or secured by a lien on Common Charges. In addition, under State law, the Condominium has the right to borrow money and place a lien on the Common Elements of the Condominium, provided that more than fifty percent (50%) of the Unit Owners have consented to such lien.

27. WORKING CAPITAL FUND

At the closing of title to each Unit, the Condominium will collect an amount equal to two (2) months of Common Charges (as set forth in Schedule A) from each Purchaser for its working capital (the "Working Capital Fund"). The Sponsor shall not contribute to the Working Capital Fund.

At closing, the Sponsor shall adjust with the Condominium certain ongoing costs that have been pre-paid by Sponsor for the First year of Condominium Operation. It is anticipated that the closing adjustments with the Condominium Board as set forth in the Section 18(A) ("Closing Adjustments with Condominium Board") will result in a net credit to Sponsor. The cost of reimbursement may be paid from the Condominium Working Capital Fund, as Units close. .In the event the Working Capital Fund does not have sufficient funds to reimburse the Sponsor the Common Charges may be increased accordingly.

The Working Capital Fund may be held or used at any time for working capital, to make Repairs or for such other appropriate purposes permitted under the Declaration and the By-Laws as will be determined by the Board of Managers in its sole discretion. However, the Working Capital Fund will not be used to reduce projected Common Charges in the Plan while the Sponsor is in control of the Board of Managers.

No provision has been made in the Condominium's budget for a Reserve Fund in excess of the amount contributed to the Working Capital Fund. If additional funds are required, it may be necessary to increase Common Charges or assess the Unit Owners.

THE PROPERTY IS OFFERED IN ITS CURRENT CONDITION AS SET FORTH IN THIS OFFERING PLAN.

NEITHER THE DEPARTMENT OF LAW NOR ANY OTHER GOVERNMENT AGENCY HAS PASSED UPON THE ADEQUACY OF THE WORKING CAPITAL FUND OR FOR ANY OTHER PURPOSE.

28. MANAGEMENT AGREEMENT AND CONTRACTS

At or prior to the First Unit Closing, the Board of Managers shall enter into a management agreement with Manhattan North Management Co., Inc., (the "Managing Agent"), 107-129 East 126th Street, New York, New York 10035, or another company on terms which are no more expensive or restrictive to the Board of Managers than those set forth below. Currently, the Sponsor's two principals each have a fifty percent (50%) ownership interest in the management company, however, the company is independently run by Executive Vice President, David Berezin.

The proposed agreement will be for a term of one (1) year, commencing on or about July 1, 2012 (the projected first year of Condominium operation.) The fee for the First Year of Condominium Operation shall be $18,000. The Managing Agent's fees are payable by the Condominium in equal monthly installments.

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

(a) cause to be hired, paid and supervised all persons necessary to be employed in order to properly maintain and operate the Buildings and cause to be discharged all persons unnecessary or undesirable;

(b) cause the Buildings to be maintained in such condition as may be deemed advisable by the Board of Managers and cause Repairs and alterations of the Buildings to be made, subject to the Declaration and By-Laws of the Condominium, except that the prior approval of one of the designated officers of the Board is necessary for an expenditure of over $5,000 for any one item of ordinary Repairs or alterations (excepting emergency Repairs, which do not require the prior approval of the Board of Managers);

(c) recommend and, with the approval of the Board of Managers, cause all such acts and things to be done in or about the Buildings as shall be necessary or desirable to comply with any orders or violations affecting the Buildings as a result of any federal, state or municipal authority having jurisdiction over the Buildings (except that if failure to comply with any such order or violation would or could expose the Board of Managers to criminal liability, the Managing Agent may cause such order or violation to be complied with after consultation, if feasible, with an officer of the Board of Managers);

(d) enter into contracts for electricity, steam, telephone, window cleaning, rubbish removal, security services and other essential services, except that any such contract

having a term longer than one (1) year or requiring annual payments in excess of $5,000 must be authorized by an officer of the Board of Managers;

(e) purchase at competitive prices all supplies and engage all repair persons as shall be necessary to properly maintain and operate the Buildings, except that purchases in excess of $5,000 must be authorized by an officer of the Board of Managers;

(f) advise the Board of Managers, in conjunction with an insurance broker, with respect to proper insurance coverage for the Buildings, its employees and occupants and, if requested by the Board of Managers, cause to be effected and/or maintained, in such amounts as the Board of Managers shall designate or approve, insurance that the Board of Managers elects to carry;

(g) check all bills received for services, work, and supplies ordered in connection with the maintenance and operation of the Buildings and pay or cause to be paid or forward to the Board of Managers for payment, as the Board of Managers may direct, all such bills and mortgage interest, mortgage amortization, water charges, sewer rent, assessments, real estate taxes and other taxes assessed against the Board of Managers or the Buildings as and when the same shall become due and payable;

(h) bill or cause the Unit Owners to be billed for Common Charges, rent or other charges and use its best efforts to collect same;

(i) maintain accurate sets of books for the Condominium (other than books of account to be maintained by the Condominium's accountants) and orderly files of rent records, insurance policies, leases, receipted bills and the like;

(j) consider and, when reasonable, attend to complaints of Unit Owners, provided that if it shall deem any complaint unreasonable, it shall so advise the Board of Managers and give reasons for its opinion;

(k) cause to be prepared and filed the necessary forms for unemployment insurance, withholding and social security taxes and all other tax and forms relating to the employment of building employees and maintenance and operation of the Buildings;

(l) render or cause to be rendered regular monthly statements setting forth the amounts collected during the previous month less disbursements made and the like;

(m) set up and keep in good order a separate, accurate income and operating expense statement (other than books of account maintained by the Board of Manager's accountants) and maintain orderly files containing rent records, insurance policies, and all other documents and papers pertaining to the Buildings or the operation thereof;

(n) cooperate with the Board of Manager's accountants with regard to the annual audit of the books of account of the Board of Managers and the preparation and filing on

behalf of the Board of Managers of federal, state, city and any other income and other tax returns required by any governmental authority;

(o) submit a proposed operating budget to the Board of Managers forty-five (45) days prior to the end of the Board of Manager's fiscal year;

(p) provide a suitable meeting place for the Board of Managers, send notices, prepare agendas, and attend the annual meeting of Unit Owners;

(q) prepare, type and send out all letters, newsletters and reports as the Board of Managers may request and make available the reproduction facilities of the Managing Agent at an "out-of-pocket" charge;

(r) accept applications and references from all prospective Unit Owners and Tenants and prepare all necessary documents required for approval of same;

(s) ascertain the assessment of the land on which each Unit is located and the assessment of each Unit and report such assessments to the Board of Managers and, if applicable, assist in the preparation of an application for correction of same;

(t) if requested by the Board of Managers, coordinate and assist in the processing and negotiation of insurance claims for losses sustained by the Board of Managers;

(u) if requested by the Board of Managers, for any mortgage or unsecured financing procured for the Board of Managers through the efforts of the Managing Agent, the Board of Managers shall pay the Managing Agent a commission as may be previously negotiated and agreed upon;

(v) oversee and endeavor to obtain the compliance of all Unit Owners with their obligations under the By-Laws, Declaration and other Condominium policies;

(w) do all things reasonably necessary or desirable by the Board of Managers for the proper management of the Buildings; and

(x) have authority to prepare and secure signs to the Buildings with the Managing Agent's name thereon upon obtaining the Board of Manager's prior written consent.

The annual financial statement with respect to the Condominium will not be prepared by the Managing Agent. Such statement will be prepared by an independent certified public accountant engaged by the Board of Managers, whose fees are to be paid by the Board of Managers and charged to the Unit Owners as a Common Expense. However, after control of the Board passes to Unit Owners other than the Sponsor, the Board reserves the right to provide financial statements in a form reasonably satisfactory to the Board.

All expenses incurred by the Managing Agent in performance of its duties will be reimbursed by the Board of Managers and charged to the Unit Owners as a Common Expense. In

addition, the Board of Managers will indemnify the Managing Agent against any claims or liabilities in connection with acts properly performed by it pursuant to the instructions of the Board of Managers or for personal injury or property damage not resulting from the Managing Agent's gross negligence or willful misconduct.

The Managing Agent, at the Board of Managers' expense, will procure a fidelity bond in an amount up to a minimum of $50,000 exclusively for the benefit of the Condominium, with a surety company authorized to do business in the State of New York, to protect against loss incurred by the Condominium through any improper acts of the officers and employees of the Managing Agent. The cost of the bond is included in the Common Charge estimate for insurance.

The Managing Agent will receive a reasonable fee from the Unit Owner for services rendered in connection with processing each application for the sale of a Unit by a Unit Owner (other than the Sponsor), including other agreements necessary to properly effect the transfer of an interest in the Unit. The Managing Agent shall receive a reasonable fee for processing each application for the lease of a Unit by a Unit Owner (other than the Sponsor). Additionally, with the exception of Units owned by Sponsor, the Managing Agent shall receive a reasonable fee to process each application to renew the lease of a Unit to the same lessee, for coordinating and assisting with financing or refinancing of residential mortgages, and for processing alteration applications.

Sponsor represents that at the time of the First Unit Closing there shall be no service contracts which will be binding upon the Condominium, other than the service contracts set forth in Schedule B (if any).

29. IDENTITY OF PARTIES

Sponsor. The Sponsor of the Offering Plan is 411-417-421 Manhattan Avenue Associates LLC, a New York limited liability company, with an office c/o Tahl-Propp Equities, 405 Park Avenue, Suite 1103, New York, New York 10022. Tahl-Propp Manhattan North Investors I LLC is the sole member of the Sponsor and Tahl-Propp Manhattan North Management I LLC is the managing member of Tahl-Propp Manhattan North Investors I LLC. Joseph A. Tahl and Rodney M. Propp are the managing members of Tahl-Propp Manhattan North Management I.

The principals, Joseph A. Tahl and Rodney M. Propp, have offices at c/o Tahl-Propp Equities, 405 Park Avenue, Suite 1103, New York, New York 10022. Each principal has over 15 years of real estate experience involving real estate investments, real estate holdings and numerous other real estate developments in residential and commercial properties. The principals are involved in the acquisition and development of numerous residential and commercial real estate properties in Manhattan. The Sponsor and principals are current on their financial obligations on all other plans.

This is the eleventh condominium conversion project that Mr. Tahl and Mr. Propp have been involved with as principals. Their first condominium conversion project, The Normandie

Condominium, is located at 100 West 119th Street, New York, New York and the Plan for the Property was accepted for filing on November 16, 2004. Their second condominium conversion project, Park Central Condominium, is located at 220 West 111th Street, New York, New York, and the Plan for the Property was accepted for filing on June 29, 2006. Their third condominium conversion project, The Savoy West Condominium, is located at 555 Lenox Avenue, New York, New York, and the Plan for the Property was accepted for filing on February 14, 2007. Their fourth condominium conversion project, Central Park Plaza Condominium, is located at 1845-1851 Adam Clayton Powel, Jr. Blvd., New York, New York, and the Plan for the Property was accepted for filing on October 24, 2008. Their fifth condominium conversion project, The Park Lane Condominium, is located at 118 West 112th Street, New York, New York 10026, and the Plan for the Property was accepted for filing on October 30, 2009. The sixth condominium conversion project, The Hamilton Condominium, is located at 545 West 148th Street, New York, New York 10031 and the Plan was accepted for filing on May 7, 2010. Their seventh condominium project, BLVD 2196 Condominium, located at 2196 Frederick Douglass Boulevard, was accepted for filing on January 20, 2011. Their eighth, ninth and tenth condominium conversion projects -- BLVD 2192 Condominium, located at 2192 Frederick Douglass Boulevard, The Strathmore Condominium, located at 1890 Adam Clayton Powell Jr. Blvd., and Park Place Condominium, 42 West 120th Street, are currently under review at the Office of the Attorney General.

Managing Agent. The Managing Agent is Manhattan North Management Co., Inc., a New York corporation, with an office at 107-129 East 126th Street, New York, New York 10035. The Sponsor's two principals each have a fifty percent (50%) ownership interest in the management company, however, the company is independently run by Executive Vice President, David Berezin who himself has over thirty (30) years experience in the business of property management. The Managing Agent has over five (5) years of experience in managing rental and condominium properties in the New York area. The Managing Agent is an affiliate of the Sponsor.

The Managing Agent currently manages several properties located in Manhattan, including the following:

118 West 112th Street, New York, NY
313 West 114th Street, New York, NY
440 St. Nicholas Avenue, New York, NY
42 West 120th Street, New York, NY
510 West 134th Street, New York, NY

Selling Agent. The Selling Agent is Warburg Realty Partnership, a licensed real estate brokerage company, with an office at 969 Madison Avenue, New York, New York 10021. Neither the Selling Agent nor its principals have any financial interest in the Property or the Sponsor, except that they will be paid a fee for services rendered.

Architect. The architect who prepared the Description of Property and Building Condition is Howard L Zimmerman Architect, P.C., located at 11 West 30th Street, New York, New York 10001. Howard L Zimmerman Architect P.C. is an architectural firm which specializes in preservation and restoration work throughout New York, New Jersey, and Florida. The company was formed in 1981.

Mr. Zimmerman does not have any financial interest in the Property or the Sponsor, except that he will be paid a fee for his services.

Counsel to Sponsor for Offering. The Sponsor has retained the law firm of Smith, Buss & Jacobs, LLP, having an office at 733 Yonkers Avenue, Yonkers, New York 10704, to represent it in the preparation of the Offering Plan. Kenneth Jacobs, Esq. prepared the Declaration and the By-Laws, this Plan, the form of Purchase Agreement, the form of Deed and all other documents necessary in connection with the formation of the Condominium, and is advising the Sponsor in connection with all legal matters incidental thereto. Counsel to Sponsor shall also act as closing counsel and as Escrow Agent for Purchaser's down payments.

No separate counsel has been retained to represent the Condominium. It is suggested and expected that each Purchaser will consult and be represented by his own counsel in connection with this offering.

The above-noted Counsel has no financial interest in the Property or the Sponsor, except that it will be entitled to a fee for its services.

Closing Counsel: Sponsor will be utilizing its in house counsel and staff to conduct the Unit closings.

30. SPONSOR'S PROFIT

The Sponsor acquired the Buildings in March 2002 from 411 Manhattan Avenue Housing Development Fund Corporation, 417 Manhattan Avenue Housing Development Fund Corporation, and 421 Manhattan Avenue Housing Development Fund Corporation.

The Sponsor anticipates that it will make a profit on the conversion of the Property to condominium ownership.

31. REPORTS TO UNIT OWNERS

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

1. a financial statement of the Condominium prepared by an independent certified public accountant or public accountant by June 30th of each calendar year, which shall be certified while the Sponsor controls the Board of Managers;

2. 10 to 50 days prior notice of the annual meeting of Unit Owners for the purpose of electing a Board of Managers, to be received in accordance with the By-Laws; and

3. a copy of the proposed annual budget of the Condominium at least 15 days before the date set for adoption thereof by the Board of Managers. The annual budget shall be certified as long as the Sponsor controls the Board of Managers.

32. DOCUMENTS ON FILE

In accordance with Section 352-e(9) of the General Business Law, copies of this Plan and all other exhibits and documents referred to herein shall be available for inspection, at the office of the Sponsor's Selling Agent, Warburg Realty Partnership, with an address at 969 Madison Avenue, New York, New York 10021, and shall remain available for inspection for a period of six (6) years from the date of the First Unit Closing.

33. GENERAL

A. As of the date of first presentation of the Offering Plan, neither the Sponsor nor the Selling Agent, or any representative, or agent thereof, has raised funds or made any preliminary offering or binding agreement to or with the Tenants, sub-Tenants, or non-resident prospective Purchasers with respect to Units in the Buildings.

B. There are no lawsuits or other legal proceedings pending which would materially affect this offering, the Purchasers of Units, the Property, Sponsor's capacity to perform all its obligations under the Plan, the Condominium or the operation thereof.

C. To the best of Sponsor's knowledge, the Property has not been the subject of any prior public offering.

D. The Sponsor reserves the right, from time to time prior to the First Unit Closing, without obtaining the consent of Purchasers or others, to revise the terms and conditions on which Units are to be sold, including changes affecting the rights, obligations and liabilities of the Condominium, Purchasers or prospective Purchasers. However, the Sponsor may not unilaterally cancel an outstanding Purchase Agreement, except as therein provided in the case of an uncured default, nor unilaterally change the Total Price or the payment terms contained in such Purchase Agreement. All substantive or material revisions will be contained in a duly filed amendment to this Plan. In the case of a material revision adversely affecting the rights, obligations or liabilities of then existing Purchasers of Units, reducing the undertakings or obligations of Sponsor, such Purchasers will be given the right to rescind their Purchase Agreements and be refunded the full down payment (with any interest earned thereon) within thirty (30) days after the presentation of the amendment. However, such rescission, as to Purchasers who first became Tenants of the Buildings after the Plan was originally presented, shall be conditioned on the cancellation of any Interim Lease and surrender of possession of their Units within ninety (90) days thereafter.

E. In the event of any inconsistency between the terms of this Plan (as same may be amended from time to time) and the terms and provisions of the Rent Laws, the terms and provisions of the Rent Laws shall govern with respect to Tenants of Units afforded rights under such Rent Laws who are affected thereby to the extent of any such inconsistency, so that the terms of the Plan (as same may be amended from time to time), shall be deemed to be in complete conformity with the applicable requirements of the Rent Laws.

F. This Plan contains an accurate summary of the pertinent provisions of the various documents referred to herein and copies thereof are on file with the Sponsor for inspection purposes. Any information, data, or representation not referred to in this Plan and not contained in the various documents mentioned herein, must not be relied upon. This Plan does not knowingly omit any material fact or contain any untrue statement of a material fact. No person has been authorized by the Sponsor to make any representation which is not expressly contained herein.

G. Sponsor hereby represents that neither it, nor any of its agents, will refuse to sell or offer, or will otherwise discriminate against any person or persons by reason of their race, religion, color or place of national origin in the sale, transfer or lease of Units described in this Plan.

H. No person has been authorized to make a representation that is not expressly contained herein. This Plan may not be changed or modified orally.

I. The Sponsor has not taken any money, entered into any Purchase Agreements, or taken any reservations for Units at the Buildings, as of the date hereof.

34. SPONSOR'S STATEMENT OF BUILDING CONDITION

Attached as Exhibit D in Part II of the Plan is the Description of Property and Building Condition (the "Report") detailing the condition of the Buildings. Purchasers should review the entire Report for more information regarding the existing condition of the Buildings. The Sponsor hereby adopts the Description of Property and Building Condition set forth in Part II.

The Sponsor makes the following representations as to the description and condition of the land and its improvements by including in this Plan the following Report prepared by the architect: (i) the Sponsor represents that it does not know of any material defects or need for major Repairs or existing conditions in the Buildings, except as set forth in the Report; and (ii) to the best of the Sponsor's knowledge, the following Report accurately states the condition of the Buildings and their equipment (other than equipment in the Units, as to which Sponsor makes no representation).

The Property is offered in its current condition as of the presentation date. Neither the Sponsor nor the Condominium will have any obligation to make any Repairs or improvements prior to the First Unit Closing. The Sponsor will, however, operate and maintain the Buildings until the closing date, excepting reasonable wear and tear and capital work or alterations other than ordinary maintenance which Sponsor is not expressly obligated to perform under other

provisions of this Plan. If Sponsor cannot so maintain and operate the Buildings, as a result of strikes, acts of God, lockouts, labor difficulties, riots, insurrection, the inability to obtain materials, equipment or labor, governmental restrictions, damage by fire or the elements or any other contingencies which Sponsor cannot reasonably control, Sponsor will, after such condition ceases, perform any work which it was required to do prior to the closing date. The Sponsor will have no obligation to cure violations of record against the Property as of the closing date.

The Sponsor represents that it will comply with the provisions of 42 U.S.C. 4852(d) and any other applicable federal, state and local laws concerning lead based paint, and any laws and regulations promulgated thereunder.

411-417-421 Manhattan Avenue Associates LLC
Sponsor

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PART II

THE MANHATTAN CONDOMINIUM

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PURCHASE AGREEMENT

THE MANHATTAN CONDOMINIUM
NEW YORK, NEW YORK

Unit No.: ____		Percentage of Common Interest: _____%
Purchaser		Tel. No.
Address		Fax No.
		SSN:
Purchaser		Tel. No.
Address		Fax No.
		SSN:
Purchaser's Attorney		Tel. No.
Address		Fax No.
		Email:
Co-Broker		Tel. No.
Address		Fax No.
Purchase Price	$	
Down Payment	$	(Payable to "SBJ – The Manhattan Condominium Special Escrow Account")
Balance Due at Closing	$	

Statement of Seller. 411-417-421 Manhattan Avenue Associates LLC, a New York limited liability company, with an address c/o Tahl-Propp Equities, 405 Park Avenue, Suite 1103, New York, New York 10022 ("Seller"), has promulgated a Plan of Condominium Ownership ("Plan") for The Manhattan Condominium, 411-417-421 Manhattan Avenue, New York, New York 10026 ("Condominium") pursuant to which the land, with appurtenances, and the units ("Units") being constructed thereon by Seller, located in the City of New York, County of New York, will be declared to be a condominium under the provisions of Article 9-B of the Real Property Law of the State of New York on the terms and conditions more particularly set forth in the Plan.

Statement of Purchaser. Purchaser acknowledges as follows:

Purchaser has received and read a copy of the Plan and all filed amendments thereto. The Plan and amendments, which include the Declaration to be made by the Seller and to be recorded in the Office of the New York City Register, the schedules, By-Laws and Rules and Regulations attached thereto, are incorporated herein by reference and made part of this Agreement with the same force and effect as if fully set forth herein.

PURCHASER HAS HAD THE OPPORTUNITY TO REVIEW THE OFFERING PLAN AND ANY FILED AMENDMENTS FOR NOT LESS THAN THREE (3) DAYS.

Purchaser desires to purchase the above-referenced Unit, as designated in the Declaration and on the floor plans filed or to be filed in the aforesaid City Register's Office, together with an undivided interest in the Common Elements appurtenant thereto (the above-numbered Unit and the undivided interest being hereinafter collectively called the "Unit").

Agreement Between Seller and Purchaser. For good and valuable consideration, receipt of which is hereby acknowledged, Seller and Purchaser mutually agree as follows:

1. Payment for Unit. Seller hereby agrees to sell and Purchaser hereby agrees to purchase the Unit for the Purchase Price stated above. The Down Payment stated above has been paid on the signing of this Agreement, receipt of which by check, subject to collection, is hereby acknowledged by Seller. The balance due at closing shall be payable at the closing of title, as hereinafter provided in Paragraph 2, by unendorsed certified check of Purchaser, or teller's or cashier's check, drawn on a bank or trust company which is a member of the New York Clearing House Association, to the order of the Seller or as Seller may direct.

2. Acceptance by Seller. Within twenty (20) days after delivery to Seller or its Agent by Purchaser of this Purchase Agreement, executed by Purchaser, Seller will either:

(a) accept this Agreement and cause to be returned to Purchaser a fully executed counterpart thereof; or

(b) reject this Agreement offer and refund the Down payment tendered by Purchaser. If Seller takes no action within the aforesaid twenty (20) day period the Purchase Agreement shall be deemed null and void and the Down Payment shall be returned.

3. Closing of Title. The closing of title shall take place on no less than thirty (30) days written notice to Purchaser at such place as Seller may designate, at an hour and on a date (hereinafter called the "Closing Date") to be specified by Seller. The closing of title may be adjourned by Seller to such later date as the parties may agree upon in writing, or otherwise as set forth in the following Paragraph, and the adjourned date shall then be deemed the Closing Date hereunder. Purchaser shall be entitled to one reasonable adjournment of up to thirty (30) days, on five (5) days written notice by Purchaser to Seller, subject to the provisions of Paragraph 7. However, Purchaser may not seek an adjournment of any kind based upon any provision set forth in Paragraph 18 herein. **TIME WILL BE OF THE ESSENCE AS TO THE ADJOURNED CLOSING DATE.**

The Seller shall be entitled to reasonable adjournments in the closing of title in the event of delays by reason of weather conditions, strikes or material shortages, or delays in inspections and reports thereon, or other requirements.

At the closing of title, Seller shall deliver to Purchaser a bargain and sale deed in the form contained in Part II of the Plan, with covenants against grantor's acts, conveying the Unit to Purchaser, executed and acknowledged by Seller in form for recording.

Title to the Unit will close only after, or concurrently with, the occurrence of the events set forth in "Conditions for Closing Title to Individual Units" in Section 17 of the Plan, entitled "Terms of Sale."

4. Power of Attorney to Board of Managers and Seller. At the closing of title and simultaneously with the delivery to Purchaser of the deed conveying the Unit, Purchaser shall execute and acknowledge the power of attorney to the Board of Managers and the Seller in the form contained in Part II of the Plan. Purchaser agrees to deliver such power of attorney to Seller at the closing of title for recording and to pay the recording fee.

5. Limited Financing Contingency.

(a) If Purchaser is electing to obtain financing, the obligations of Purchaser hereunder are conditioned upon issuance on or before the 45th day after the date of this Agreement of a written commitment from Amerifund Home Mortgage, 51 East 42nd Street, Suite 304, New York, New York 10017 ("Sponsor Designated Lender") on or before the date of this Purchase Agreement, subject to the following conditions and limitations:

(i) The financing contingency is only applicable to mortgage financing of no more than eighty percent (80%) of the purchase price (or such lesser amount as Purchaser shall apply for) at the Sponsor Designated Lender's prevailing rate of interest and for a customary loan term, secured by a first mortgage on the Unit;

(ii) Purchaser shall apply to the Sponsor Designated Lender for such first mortgage loan within ten (10) days after the date of this Agreement;

(iii) Purchaser shall furnish accurate and complete information to the Sponsor Designated Lender relating to Purchaser, as required;

(iv) Purchaser shall pay all fees, points and charges required in connection with such application and loan; and

(v) Purchaser shall pursue such application with diligence, and generally cooperate in good faith with such Sponsor Designated Lender to the end of securing such first mortgage. Purchaser shall notify the Sponsor promptly of the name and address of any other lender to which Purchaser has given an application. Purchaser shall furnish Seller with a copy of such commitment promptly after receipt thereof. If Purchaser fails to obtain such a commitment from the Sponsor Designated Lender on or before the 45th day after the date of this Agreement, Purchaser shall have the right to cancel this contract by giving notice to Seller by the 50th day after the date of this Agreement. Upon cancellation, the Down Payment and accrued interest shall be promptly refunded to Purchaser, and neither party shall have any further rights against, or obligations or liabilities to the other by reason of this Agreement. If Purchaser does not give such notice to Seller on or before the 50th day after the date of this Agreement or if the Purchaser has not applied to the Sponsor Designated Lender, this Agreement shall not be terminated by virtue of this Paragraph and the Agreement shall remain in full force and effect, except that Purchaser's right to cancel under this Paragraph shall be deemed waived. A mortgage commitment conditional upon the Purchaser's selling any property that Purchaser owns, the liquidation or reduction of any existing installment debt prior to closing, or the furnishing of documents and information reasonably available to Purchaser, shall be deemed a firm mortgage commitment which satisfies the limited financing contingency clause in this Agreement.

(b) If Purchaser obtains a financing commitment from the Sponsor Designated Lender and the commitment lapses or expires before the actual Closing Date through no fault of Purchaser, Purchaser shall make a good faith effort to extend the commitment, including payment of a reasonable and customary extension fee to the Lender and acceptance of changes in the interest rate to reflect prevailing market conditions. If the Lender is unwilling to extend the commitment on those terms, Purchaser shall have the right to cancel this Agreement by notice given to Sponsor within ten (10) days after receiving the Sponsor Designated Lender's notice of refusal to extend the commitment. In case of cancellation, the applicable provisions of subsection (a) shall apply.

(c) As used in this Agreement, "Lender" means any person or entity in the business of making loans to persons seeking to purchase residential homes. A mortgage broker who does not have independent lending capacity shall not be deemed to be a "Lender" under this Agreement.

(d) In the event that Purchaser uses a lender other than the Sponsor Designated Lenders, no financing contingency will apply to this Agreement. As a result, Purchaser will not have the right to cancel the Purchase Agreement if the Purchaser fails to obtain mortgage financing, or if the Purchaser's existing mortgage financing lapses or is canceled.

6. Condition of Title.

(a) Seller agrees to convey to Purchaser title in fee simple to the Unit, free and clear of all liens and encumbrances other than those set forth in the Plan (specifically in Part I thereof in the Section entitled "Terms of Sale") and Exhibits submitted in connection therewith. Notwithstanding the above, the existence of unpaid taxes or liens of any kind at the time of title closing shall not constitute an objection to title, provided that a reputable title insurance company licensed to do business in the State of New York shall be willing to insure against collection of same from the Unit herein described. The parties agree that the Seller may pay and discharge any liens and encumbrances upon the Property, not provided for in the Plan or this Agreement, out of the monies to be paid by the Purchaser at the time of closing title.

(b) Purchaser agrees that all terms and provisions of this Agreement are and shall be subject and subordinate to the lien of any mortgage now or hereafter encumbering the Property thereon, and any payments or expenses which at any time were or may be incurred pursuant to the terms thereof, incidental thereto or to protect the security thereof, without the execution of any further legal documents by Purchaser. This subordination shall apply whether such lien is voluntary or involuntary and whether made in accordance with the loan documents or accelerated thereunder by virtue of lender's rights to make advances in the event of a default by Sponsor. However, at closing the Unit will be conveyed free and clear of all mortgage liens.

7. Expenses of Closing and Closing Adjustments.

(a) Purchaser will pay the closing costs and expenses referred to in the Section of the Plan (as same may be amended to date) entitled "Unit Closing Costs and Adjustments," including the following:

(i) fee title insurance;

(ii) deed, power of attorney and any mortgage agreements recording fee;

(iii) mortgage costs chargeable by the lender, mortgage title insurance, and mortgage taxes;

(iv) two (2) months of common charges for the working capital fund (unless the Sponsor has previously made such contribution, in which case payment shall be made to the Sponsor);

(v) attorneys' fees of Seller (as detailed in the Plan), Purchaser and Mortgage Lender (if any);

(vi) New York State and New York City Real Property transfer taxes attributable to the transfer of the Unit, as described in the Plan;

(vii) Escrow for real estate taxes payable with respect to the Unit for the next tax payment period following the Closing Date; and

(viii) If the purchase price of the Unit exceeds $1,000,000, an additional New York State tax due under Article 31 of the Tax Law, currently equal to one percent (1%) of the purchase price.

Purchaser should refer to Section 18 of the Plan for a detailed description and calculation of the estimated closing costs and adjustments to be borne by Purchaser.

(b) If Purchaser adjourns the Closing, the Purchaser will be liable for all common charges and real estate taxes assessed against the Unit from and after the scheduled Closing Date; and interest on the purchase price at the rate of twelve percent (12%) per annum from the scheduled Closing Date until the actual Closing Date to reimburse the Sponsor for its lost opportunity costs with respect to the unpaid purchase price.

(c) Except as otherwise provided in this agreement, real estate taxes and common charges and expenses shall be adjusted between Seller and Purchaser as of midnight preceding the Closing Date in accordance with the provisions of the Plan. Any such expenses or adjustments payable to Seller in excess of Two Hundred Dollars ($200.00) will be paid by certified check or bank check.

8. Default by Purchaser.

(a) If Purchaser shall fail to pay any portion of the purchase price when due; fail to close title on the date, hour and place specified by Seller pursuant to Paragraph 3 hereof; fail to perform any of Purchaser's other obligations hereunder; or if any of Purchaser's representations in this Agreement shall be untrue in any respect, Purchaser shall be in default, and Seller may send a notice to Purchaser to cure the default within thirty (30) days. If within the thirty (30) day period Purchaser shall fail to cure the default, Seller, at its option, may cancel this Agreement by notice of cancellation to Purchaser. If Seller shall elect to cancel this Agreement, Seller shall certify to its Counsel that title has not closed because of Purchaser's default and that Seller has elected to cancel this Agreement by reason thereof Counsel shall thereupon pay over to Seller as liquidated damages the Down Payment and the interest earned thereon, if any. Upon such payment being made each of the parties hereto shall be relieved of any further liabilities or obligations hereunder. If this Agreement shall be canceled by Seller, Seller may sell the Unit to any third party and shall be under no obligation to account to Purchaser for any part of the proceeds of such sale. Counsel may rely upon the truth and accuracy of the facts contained in Seller's certification and the authority of the person or persons executing the same and shall have no liability as a result of such reliance.

(b) **TIME IS OF THE ESSENCE AS TO PAYING THE BALANCE DUE, AND AS TO CURING ALL DEFAULTS WITHIN ANY GRACE PERIODS GRANTED HEREUNDER. FAILURE TO MAKE A PAYMENT WITHIN THE GRACE PERIOD AFTER A PURCHASER IS CALLED UPON TO MAKE SUCH PAYMENT MAY RESULT IN LOSS OF THE DOWN PAYMENT AND CANCELLATION OF THE**

PURCHASE AGREEMENT. Purchaser should consult his or her own attorney prior to executing a Purchase Agreement.

(c) In the event of an uncured default by Purchaser in his or her obligations under the Purchase Agreement, no more than ten percent (10%) of the purchase price, plus any interest earned thereon and the cost of any special work performed for the Purchaser, may be retained as liquidated damages. Seller agrees not to seek the remedy of specific performance in connection with Purchase Agreements as to which there has been a default by Purchaser. No Down Payment or other monies shall be released pursuant to an uncured default by Purchaser before the First Unit Closing

9. Agreement Subject to Plan Becoming Effective; Seller's Right to Cancel. This Purchase Agreement is contingent upon the Plan being declared effective. The Plan may be abandoned by Seller at any time prior to its being declared effective and shall be abandoned and deemed abandoned if it has not been declared effective within the time prescribed by the Plan. If the Plan is abandoned or does not become effective this Purchase Agreement shall be deemed canceled, and the plan terminated and not later than forty-five (45) days thereafter, all monies paid by Purchaser hereunder shall be refunded in full, and upon such repayment no party shall have any claim against any other party, person or entity, and all parties shall be released from all obligations hereunder and under the Plan. Seller may cancel this agreement if any of the following occur: (a) any government bureau, department or subdivision thereto shall impose restrictions on the manufacture, sale, distribution, or use of materials necessary in the construction of residential housing and such restrictions shall prevent the Seller from obtaining such materials from its regular suppliers or from using same in the construction or completion of the dwellings; or (b) Seller is unable to obtain materials from its usual sources due to strikes, lockouts, war, military operations and requirements, national emergencies, acts of God or if the installation of public utilities is restricted or curtailed. If Seller elects at any time to cancel this agreement pursuant to any rights granted under the Plan, Seller's cancellation shall be effective by forwarding its check in the full amount paid by the Purchaser and interest earned, together with a notice in writing, addressed to the Purchaser at his address set forth on page 1.

10. Agreement May Not Be Assigned. Purchaser shall have no right to assign this Agreement without the prior consent in writing of Seller and any purported assignment of this Agreement in violation hereof shall be voidable at the option of Seller.

11. Survival. The closing of title to the Unit and the delivery of the deed thereto shall be deemed full compliance by Seller with each and every term of this Purchase Agreement, except as to any item specifically listed and excepted therefrom.

12. No Representations. Except as specifically set forth herein or in the Plan, Purchaser acknowledges that he has not relied upon any architect's plans, sales plans, selling brochures, representations, warranties or statements of any nature, whether made by Seller, the Selling Agent, Seller's Counsel, or otherwise, including, but not limited to, any relating to the description or physical condition of the Buildings or the Unit, the size or the dimensions of the Unit or the rooms therein contained or any other physical characteristics thereof, the building services, the estimated common charges and expenses allocable to the Unit, the availability of

any tax benefits, or the right to any income tax deduction on account of any real estate taxes or mortgage interest paid by Purchaser. Purchaser agrees that Seller shall have no liability or responsibility to Purchaser if the layout or dimensions of the Unit or any part thereof or of the Common Elements as shown on the floor plans or on the architectural plans and specifications for the Buildings are not accurate or correct provided such layout or dimensions conform substantially to the floor plans and the architectural plans and specifications for the Buildings and the site as modified or supplemented in accordance with the Plan and that Purchaser will not be relieved from his obligations hereunder by reason of any minor inaccuracy or error.

13. Recording of Deed and Power of Attorney. At the closing of title, Purchaser will deliver the executed deed received from Seller and executed and acknowledged power of attorney to the representative of the title company, if any, or to Seller for recording in the Office of the City Register, County of New York. Such deed and power of attorney will be in the forms annexed hereto (and made a part hereof) as set forth in Part II of the Plan.

14. Binding Effect. This agreement shall not be effective or binding on Seller until a counterpart hereof is executed by Seller and delivered to Purchaser. Subject to the provisions hereof, this Purchase Agreement shall bind and inure to the benefit of the parties hereto, their heirs, personal representatives, successors and assigns.

15. Monies to be Held in Trust, Payment of Purchase Price; Notice of Closing. The required Down Payment pursuant to this Agreement will be ten percent (10%) of the purchase price for the Unit as set forth in the Plan, as amended. Smith, Buss & Jacobs, LLP is the escrow agent under this Agreement ("Escrow Agent"). All monies received by Seller through its agents or employees pursuant to this Agreement will be deposited in an account of Escrow Agent at The Westchester Bank, 2001 Central Park Avenue, Yonkers, New York 10710, in an account or accounts entitled "The Manhattan Condominium – Special Escrow Account" or similar name, which account or accounts shall be interest-bearing for the benefit of the Purchaser in accordance with Section 71-a(3) of the Lien Law. Such funds will be held in trust in accordance with the escrow and trust provisions of Sections 352(h) and 352-e(2)(b) of the New York General Business Law, and Regulations, if any, promulgated pursuant to said Section 352-e(2)(b). Such funds will be disbursed only upon the signature of Counsel for the Sponsor as follows: (i) to Seller if the Plan is declared effective and title closes hereunder or if Purchaser defaults hereunder; or (ii) to Purchaser if the plan is abandoned or withdrawn or title does not close because of Seller's default, or this Agreement is canceled (without default by either party) in accordance with its terms. Down Payments, with any accumulated interest, shall remain the Property of the Purchaser except as provided by law.

Down Payments will be retained in the Escrow Account as set forth above until: (i) Seller performs under the terms of the Purchase Agreement; (ii) Purchaser rescinds or defaults in performance, thereby excusing performance by Seller; (iii) release or discharge of Seller's liability to refund such Down Payment; (iv) upon transfer of title to the Unit to the Purchaser; or (v) by mutual consent of Seller and Purchaser.

The parties acknowledge that the Escrow Agent for the Down Payment is also Counsel for the Sponsor. Purchaser agrees that in case of any dispute relating to the disposition of the Down Payment, Counsel for the Sponsor may continue to represent the Sponsor.

The provisions of Section 14, subsections (K) and (L) of the Plan are incorporated into this Agreement as if set forth in full herein.

16. Equipment and Furnishings. The Purchaser is purchasing a vacant Unit, Seller will provide Purchaser only with fixtures, equipment, hardware, appliances and furnishings referred to in the Plan, which are included in the purchase price of the Unit. Furnishings, equipment, appliances and decorations in any model unit or sales office that are not referred to in the Plan are excluded from this sale unless specifically included by a rider to this Purchase Agreement. The cost of any such special items will be an addition to the purchase price. In all other respects, Section 18 shall apply.

17. Acceptance of Condition of Unit; Risk of Loss.

(a) Purchaser shall accept title without abatement in or credit against the purchase price, and without provision for escrow, notwithstanding that Seller may not have completed construction of (i) minor details of the Unit or the Buildings; (ii) another Unit; or (iii) portions of the Common Elements that do not materially affect Purchaser's access to and use of the Unit.

(b) (i) The risk of loss from fire or other casualty with respect to each Unit shall remain with Seller until the closing of title, but without any obligation or liability by Seller to repair or restore any Unit. In case of damage or destruction of a Unit due to fire or other casualty prior to the closing, Seller will have the right to elect whether to repair or restore the Unit, which election shall be in the Seller's sole discretion. If the Seller elects to restore the Unit, the Purchase Agreement shall continue in full force and effect, and the Purchaser shall not have the right to reject title or receive a credit or abatement against the purchase price for the Unit. In that event the Seller shall be entitled to a reasonable period of time within which to complete the repair or restoration, and any insurance proceeds shall belong solely to the Seller. If the Seller elects not to restore the Unit, or (if the damage occurs after the establishment of the Condominium but before closing of title to the Unit) the Board of Managers elects not to restore the Common Elements of the Condominium, the Purchase Agreement shall be deemed cancelled, the Seller shall return to Purchaser all sums deposited thereunder (together with interest), and the parties shall have no further liability to each other. Purchaser may nullify such cancellation (provided the damage relates solely to an individual Unit and does not affect the Common Elements of the Condominium) by notice given within Ten days thereafter, agreeing to take title subject to the damage without abatement or reduction in the purchase price, but with an assignment of all insurance proceeds allocable to the repair of the Unit. In that case, at closing the Seller shall assign to the Purchaser all insurance proceeds allocable to the Unit and the Seller shall have no further responsibility to repair the Unit. The foregoing rights apply only if Purchaser is not in default. If Purchaser is in default under the Purchase Agreement at such time, the Purchaser may not nullify the Seller's option to cancel and the Seller may retain all sums paid as liquidated damages.

(ii) Notwithstanding part (i), if Purchaser enters into actual possession of a Unit prior to the closing of title, the Purchaser shall bear the risk of loss or other casualty with respect to that Unit, i.e., the Purchaser will be obligated to bear the cost of restoring the Unit to the same extent as if the Purchaser had already taken title.

18. Inspection, Condition of Units. Units are being sold in "**AS IS**" condition as of the date of this Purchase Agreement. Sponsor shall have no obligation to repair or improve the Unit, any portion of Property, or the appliances, equipment, or fixtures attached to or used in connection with the Unit or the Property.

19. Possession of Unit Prior to Closing. If the Unit is vacant, it is expressly understood and agreed that the Purchaser shall in no event take possession of the unit prior to the time of the delivery of the deed and full compliance by the Purchaser with the terms of this agreement, and should the Purchaser violate this provision, the Purchaser consents that the Seller shall have the right to remove him from the Unit as a squatter and intruder by summary proceedings. Upon the Purchaser's unauthorized possession, the Purchaser shall be deemed in default hereunder at the option of the Seller, and if the Seller so elects, the Seller may cancel this Agreement and the amount deposited hereunder shall belong to the Seller as liquidated damages deemed earned hereunder. It is further understood and agreed that the Seller will not be responsible for damage or loss to any property belonging to Purchaser, whether same is delivered to the property before, on or after the closing of title herein.

20. Limitation of Seller's Liability. Except as may otherwise be required by law, the Seller's liability under this agreement for failure to complete any portion of the Unit or Buildings, or deliver title for any reasons whatsoever shall be limited to the return of the money deposited hereunder (with interest, if any), and upon the return of said money, this Agreement shall be null and void and the parties hereto released from any and all liability hereunder. In any event, the Seller shall not be required to bring any action or proceeding or otherwise incur any expense to render the title to the Unit marketable or to cure any objection to title.

21. Definitions. The term "Purchaser" shall be read as "Purchasers" if more than one person is purchasing the Unit, in which case their obligations shall be deemed joint and several. The terms used herein shall have the same meanings as ascribed thereto in the Plan.

22. Gender. The use of the masculine gender in this Purchase Agreement shall be deemed to refer to the feminine gender or to an entity whenever the context so requires.

23. Other Agreements. This Purchase Agreement supercedes any and all understandings and agreements between the parties and constitutes the entire agreement between them and no oral representations or statements shall be considered a part hereof.

24. Amendment of Purchase Agreement. This Purchase Agreement may not be amended, altered or discharged except by agreement in writing signed by the party sought to be charged therewith or by his, her or its duly authorized agent.

25. Brokerage. Purchaser represents and warrants to Seller that Purchaser did not negotiate with any broker for the purchase of the Unit other than the selling agent described in the "Identity of Parties" section of the Plan ("Selling Agent") and the agents set forth on page 1 of this Agreement (if any). Purchaser hereby agrees to indemnify, defend and hold harmless Seller, the Selling Agent, and their respective agents, Counsel and employees, from any claims by any other broker that alleges that it has dealt with Purchaser in connection with the purchase of the Unit.

26. Governing Law. This Purchase Agreement shall be governed by and construed in accordance with the law of the State of New York.

27. Jury Waiver. Purchaser hereby waives trial by jury in any action, proceeding, or counterclaim involving any matter whatsoever arising out of, or in any way connected with this Purchase Agreement, or the relationship of the parties as Purchaser and Seller, or the right of Purchaser to any statutory relief or remedy.

28. Binding Effects of Declaration, By-Laws, Plan, Rules and Regulations. Purchaser hereby agrees to be bound by the Declaration, By-Laws, the Rules and Regulations and the Plan.

29. Notices. Any notice to be given hereunder shall be in writing and sent by registered or certified mail or personal delivery as follows: if to Purchaser, at the address set forth on page 1 or at such other address as Purchaser may hereafter designate in writing; and if to Seller, to: Tahl-Propp Equities, 405 Park Avenue, Suite 1103, New York, New York 10022, Attention: Neda Barzideh, Esq. The date of mailing shall be deemed to be the date of the giving of notice, except that the date of actual receipt shall be deemed to be the date of the giving of any notice of change of address.

30. Conflict with Plan. Any conflict between the Plan and this Purchase Agreement will be resolved in favor of the Plan.

31. Captions. The captions in this Purchase Agreement are for convenience and reference only and in no way define, limit or describe the scope of this Purchase Agreement, or the intent of any provision hereof.

32. No Recording. This Purchase Agreement shall not be recorded. Recording of the Purchase Agreement is an event of default hereunder.

33. Bona Fide Purchase. Purchaser represents that:

(a) he or she is an individual over eighteen years of age;

(b) he or she is a bona fide Purchaser of the unit for occupancy or investment; and

(c) he or she is not an employee, shareholder, member or limited partner of the Sponsor, Selling Agent, or any principal thereof, nor is he or she related by blood, marriage or adoption or as a business affiliate to the Sponsor or the Selling Agent.

34. Special Rights of Tenant in Occupancy. If Purchaser is a Tenant in occupancy, as of the date of presentation of the Plan, a Purchase Agreement from such Tenant for his Unit executed during any exclusive purchase period shall have priority over and preempt any Purchase Agreement from a non-Tenant Purchaser. If the Tenant does not purchase his Unit, then any purchase of such Unit by a non-tenant Purchaser will be subject to the rights of such Tenant, as further described in the Plan.

In witness whereof, each party has signed this Agreement.

Dated: _____

_____
Purchaser

_____
Purchaser

Accepted:
Dated: _____

411-417-421 Manhattan Avenue Associates LLC
By: Tahl-Propp Manhattan North Investors II LLC, Sole Member
By: Tahl-Propp Manhattan North Management II LLC, Managing Member

By: _____
Joseph A. Tahl, Member

POWER OF ATTORNEY

I (we) _____, residing at _____ the owner(s) of Condominium Unit No. _____ in the Condominium known as The Manhattan Condominium ("Condominium") covering the property located in the City of New York, County of New York, do hereby irrevocably nominate, constitute and appoint the members of the Board of Managers of The Manhattan Condominium ("Condominium Board") and their successors, jointly, true and lawful attorney-in-fact for the undersigned, coupled with an interest, with power of substitution in my (our) name and on my (our) behalf pursuant to the plan of Condominium ownership evidenced by the Declaration and By-Laws filed with respect to the Condominium to (1)(a) vote on, exercise or waive any right of first refusal to purchase a Unit available to the Condominium under the By-Laws of the Condominium, subject to any other limitations contained in the By-Laws, or (b) acquire, in their own name or in the name of their designee by deed on behalf of all owners of Condominium Units in said property, any Condominium Unit whose owner desires to abandon the same or whose owner desires to sell the same or which shall be the subject of a foreclosure sale or in lieu of a foreclosure sale at such price and on such terms as my (our) said attorney-in-fact shall, in their sole discretion deem proper; and thereafter to convey, sell, lease, sublease, mortgage, vote or otherwise deal in such Condominium Unit so acquired at such terms as my (our) attorney-in-fact may in their sole discretion determine granting to my (our) said attorney-in-fact the power to do all things in the said premises which I (we) could do if I (we) were personally present; (2) 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 Zoning Board and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, rehabilitation, alteration, repair or restoration of the Condominium, or (b) any consent, covenant, restriction, easement or declaration, or any amendment to the Declaration of Condominium or By-Laws affecting the Condominium or the Common Elements that the Condominium Board deems necessary or appropriate; (3) file applications and protests (or employ persons to do same) in my (our) name and stead with respect to the assessed valuation of my (our) Unit, and to execute all documents and pay all costs in connection therewith; (4) borrow funds to repair the Common Elements pursuant to Real Property Law Section 339-jj; (5) supplement the right of the Unit Owners to amend the Declaration and By-Laws in accordance with the provisions of such documents, to vote to supplement or amend any provision of the Declaration and By-Laws of the Condominium on my (our) behalf, as the Board may deem necessary or appropriate, so long as no such amendment increases my financial obligations if fewer than all other Unit Owners are similarly affected, or changes my percentage of Common Interest; and (6) act as my agent and my attorney-in-fact on my behalf, at my expense, to take such action against any tenant or occupant of my Unit, including (but not limited to) maintaining summary proceedings for eviction or engaging in other litigation, as the Condominium Board may deem necessary in order to protect the interests of the Condominium if (a) such tenant or occupant remains in possession of the Unit after any lease or occupancy for the Unit has been terminated or expires; or (b) such tenant or occupant violates the terms of the Condominium Documents or any lease or occupancy agreement between myself and such tenant or occupant.

The acts of a majority of such persons constituting the Condominium Board shall constitute the acts of said attorney-in-fact.

The undersigned (does) (do) hereby irrevocably nominate, constitute and appoint 411-417-421 Manhattan Avenue Associates LLC, its officers, directors, successors and assigns, severally ("Sponsor") as attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, to (1) amend from time to time the Declaration, By-Laws and the Rules and Regulations of said Condominium, or any of said documents, when such amendment (a) shall be required to reflect any changes in Unsold Units or the reapportionment of the Common Interests of the affected Unsold Units resulting therefrom made by the Sponsor in accordance with the Declaration; or (b) shall be required by (i) an institutional lender designated by Sponsor to make a mortgage loan secured by a mortgage on any Unit, (ii) any governmental agency having regulatory jurisdiction over the Condominium, or (iii) any title insurance company selected by Sponsor to insure title to any Unit; however, any amendment made pursuant to the terms of subdivision (a) or (b) of this paragraph shall not (1) change the Common Interest of the undersigned's Unit, (2) require a material, physical modification to the undersigned's Unit, or (3) adversely affect the priority or validity of the lien of any purchase money mortgage held by an institutional lender covering the undersigned's Unit unless the undersigned (in the event described in subdivision (iii) of this paragraph) shall consent thereto by joining in the execution of such amendment. In addition, the Sponsor is designated as the attorney-in-fact for the undersigned to execute any documents that may be required to be filed with the City of New York in order to complete construction of the Common Elements of the Condominium or to make an alteration to an Unsold Unit permitted under the Declaration and By-Laws of the Condominium. The terms, covenants and conditions contained in, and the powers granted pursuant to, this paragraph shall remain in full force and effect until such time as Sponsor shall cease to own any Unit in the Condominium.

Notwithstanding the foregoing, the consent of the Board of Managers is not required in order for the Sponsor to make alterations or additions to Unsold Units, whether or not such alterations are structural or nonstructural, ordinary or extraordinary, so long as they do not materially adversely affect the structure or utility systems of the Building. The Condominium hereby appoints the Sponsor as its attorney-in-fact, coupled with an interest, to execute such documents on behalf of the Condominium as may be required in order to obtain any necessary licenses or permits to make or complete an alteration, and grants to the Sponsor an easement of access, ingress and egress to make any such alterations.

The undersigned does hereby irrevocably nominate, constitute and appoint the owners of the Commercial Units, its members, successors and assigns, severally ("Commercial Unit Owners") as attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, to (1) amend from time to time the Declaration, By-Laws and the Rules and Regulations of said Condominium, or any of said documents, when such amendment shall be required to reflect any changes in the Commercial Units or the reapportionment of the Common Interests of the affected Commercial Units resulting therefrom made by the Commercial Unit Owners in accordance with the Declaration; or (2) to execute any documents that may be required to be filed with the City of New York in order to make an alteration to the Commercial Units permitted under the Declaration and By-Laws of the Condominium.

This power of attorney is coupled with an interest and is irrevocable.

IN WITNESS WHEREOF, I (we) have hereunto set my (our) hand(s) and seal this _____ day of _____, 20___.

_____
Purchaser

_____
Purchaser

STATE OF NEW YORK)
)SS.:
COUNTY OF _____)

On the ____ day of _____ in the year ____ before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and 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

STATE OF NEW YORK)
)SS.:
COUNTY OF _____)

On the ____ day of _____ in the year ____ before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and 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

UNIT DEED

THIS INDENTURE made the _____ day of _____, 20__ between 411-417-421 Manhattan Avenue Associates LLC ("Grantor") a limited liability company existing under the laws of the State of New York having a place of business c/o Tahl-Propp Equities, 405 Park Avenue, Suite 1103, New York, New York 10022, and _____ ("Grantee").

WITNESSETH:

That the Grantor, in consideration of Ten Dollars ($10.00), lawful money of the United States and other good and valuable consideration, paid by Grantee, does hereby grant and release unto the Grantee, their heirs and successors and assigns of the Grantee forever,

The Condominium Unit (the "Unit") known as Unit No.___ in the buildings designated as THE MANHATTAN CONDOMINIUM in the Declaration establishing a plan for Condominium Ownership of said premises under Article 9-B of the Real Property Law of the State of New York (the "New York Condominium Act") dated _____ recorded in the Office of the Register of New York County (the "Register's Office") under CRFN _____, and also designated as Tax Lot ____ in Block 1822 of the Borough of Manhattan on the Tax Map of the Real Property Assessment Department of the City of New York and on the floor plans of said buildings certified by _____ R.A., Architect, and filed with the Real Property Assessment Department of the City of New York on _____ as Condominium Plan No. _____, and also filed in the City Register's Office on _____ as Map No._____. The premises within which the Unit is located (the "Property") is more particularly described in Schedule A attached hereto and made a part hereof.

TOGETHER with an undivided _____% in the common elements of the Condominium to said premises. Together with the appurtenances and all the estate and rights of the Grantor in and

TOGETHER with the benefits, rights, privileges, easements and subject to the burdens, covenants, restrictions, by-laws, rules, and regulations and easements all as set forth in the Condominium Documents filed and recorded as aforesaid.

SUBJECT TO the provisions of the Declaration, By-Laws, and Floor Plans of the Condominium recorded or filed simultaneously with and as part of the Declaration, as the same may be amended from time to time by instruments recorded or filed in the Office of the City Register of the County of New York, which provisions, together with any amendments thereto shall bind any person having at any time any interest or estate in the Unit, as though such provisions were recited at length herein.

TO HAVE AND TO HOLD the premises herein granted unto the Grantee, the heirs or successors and assigns of the Grantee forever.

AND the Grantor covenants that the Grantee has not done or suffered anything whereby the said premises have been encumbered in any way whatever, except as aforesaid.

AND the Grantor, in compliance with Section 13 of the Lien Law covenants that the Grantor will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund to be applied first for the purpose of paying the cost of the improvement and will apply the same first to the payment of the cost of the improvement before using any part of the total of the same for any other purpose.

By acceptance of this deed, Grantee ratifies the provisions of the Declaration and the By-laws of the Condominium recorded simultaneously with and as part of the Declaration and agrees to comply with all the terms and provisions thereof, as the same may be amended from time to time by instruments recorded in the Office of the New York City Register, County of New York, and to comply with the Rules and Regulations of the Condominium.

The use for which the Unit is intended is that of residential occupancy subject to the applicable governmental regulations and the restrictions contained in the Declaration.

This conveyance was authorized by a vote of the holders of two thirds of the membership interest of the Grantor a meeting duly noticed and called for that purpose.

The word "party" shall be construed as if it read "parties" whenever the sense of the indenture so requires.

IN WITNESS WHEREOF, the Grantor has duly executed this deed and the Grantee acknowledges this deed, on the day and year first above written.

Grantor: 411-417-421 Manhattan Avenue Associates LLC
By: Tahl-Propp Manhattan North Investors II LLC, Sole Member
By: Tahl-Propp Manhattan North Management II LLC, Managing Member

By: _____
Joseph A. Tahl, Member

Grantee:

_____

_____

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

On the ____ day of _____ in the year 20__ before me, the undersigned, a Notary Public in and for said State, personally appeared Joseph A. Tahl, 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

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

On the ____ day of _____ in the year 20__ before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the 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

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

On the ____ day of _____ in the year 200__ before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the 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
PROPERTY DESCRIPTION

[TO BE INSERTED]

SECTION 23.7 Description of Property and Building Condition.

PREFACE

This Report was prepared for the Sponsor for inclusion in an offering plan for said building in compliance with the requirements of the Department of Law of the State of New York. I hereby authorize reproduction of this Report for the purpose exclusively. Reproduction for any other purpose is not authorized.

The intent is to provide a description of the materials, finishes equipment and structure which comprise this Building, as outlined in the guidelines of the office of the Attorney General of the State of New York.

The content of this Report are based on:

a) An inspection of the existing records and applications on file with the Department of Buildings of the City of New York which were made available for review;

b) A visual inspection of some, but not all areas of the Building, including cellar, lobby, public halls, roof bulkheads, exterior walls, yards and courts, some but not all apartments, and related equipment contained therein;

c) Information on open violations on record provided by the governing New York City agencies;

and

d) Information provided by the Sponsor and/or his representatives.

Inspections were made on 09/22/06, 10/20/06, 10/27/06, 01/23/07, 02/23/07, 03/26/07, 5/25/07, 02/24/10, and 2/25/11; and the conditions described then existed. Visual examination was made of a sufficiently large representative sampling of the spaces and equipment as deemed necessary in our professional opinion, but not, unless stated herein, any tests or penetrations into walls, ceilings, floors, etc. or removal of any structural or mechanical elements.

Except as noted in this Report, no representation is made as to the condition of the various elements of the Building. This Report is not to be construed as a guarantee or warranty. It is not intended or prepared for the purpose of fixing a value to the property or as an opinion as the advisability or inadvisability to purchase condominium units being offered pursuant to the Sponsor's offering plan.

Unauthorized reproduction or alteration of this Report or any part thereof, without the express written permission of the undersigned, is a violation of the New York State Law and is prohibited. Except as indicated herein, no part of this document may be reproduced or utilized in any form or by any means, electronic or mechanical, including photo-copying, recording or by any information retrieval system, without permission in writing.

CONDITION

(a) *Location and Use of Property*

(1) Address: 411-417-421 Manhattan Avenue, New York, NY 10026. (A.K.A. 351 West 117th Street and 346 West 118th Street)

(2) Block and Lot Number: Block 1944, Lot 13, 14, and 51, Walk-up Apartment – Over 6 Families with Store

(3) Zoning: R7A: Residential

(4) Permissible Use:

The R7A zone is a General Residential District.

These districts are designed to provide for all types of residential buildings, in order to permit a broad range of housing types, with appropriate standards for each district on density, open space, and spacing of buildings.

These districts also include community facilities and open uses which serve the residents of these districts or are benefited by a residential environment.

At the ground level there is commercial space. According to the Department of City Planning, in 2003 the City Council adopted the Frederick Douglass Boulevard Rezoning Proposal which grandfathered all the commercial space at 411, 417, and 421 Manhattan Avenue.

(b) *Status of construction*

(1) Year Built: Approximately in 1910.

(2) Class of Construction:

The Buildings are Class C7 – Walk-Up Apt. Over Six Families With Stores. The I-Cards indicate that the construction materials are predominantly combustible. However, the I-Card records show that the public halls are fire retardant.

(3) Certificate of Occupancy (C of O), Type and Number:

The New York City Department of Buildings has no record of C of O for the Buildings. The Buildings were constructed before 1937 and no major alteration has been performed. Hence, no C of O is required. The Buildings are located in the residential district and have always been for residential use.

(4) Alteration Permit Numbers and Description of Work done:

The following records of alteration were found at the New York City Department of Buildings as of 02/25/11:

Permit Number	Issued Date	Description of work
103528746	7/30/03	INSTALLATION OF HEAVY DUTY SIDEWALK BRIDGE 100' DURING FACADE REPAIR
104245158	9/27/05	INSTALLATION OF NEW BOILER
104430518	5/10/06	HEREWITH FILING APPLICATION FOR NEW CHIMNEY ONLY. THIS APPLICATION IS BEING FILED IN CONJUNCTION WITH DOB # 104245158
100420108	06/09/92	REPLACE EXISTING OIL BURNER AND BOILER
104068081	03/24/05	INSTALLATION OF A HEAVY DUTY SIDEWALK SHED 50' DURING FACADE REPAIR
103508090	03/22/05	INSTALLATION OF A HEAVY DUTY SIDEWALK SHED 45' DURING FACADE REPAIR
110133784	04/08/08	APPLICATION FILED TO PROVIDE FOR TANK ROOM VENTILATION, CHIMNEY CONSTRUCTION, PLUMBING WORK
120021163	04/28/09	FILE FOR A STAINLESS STEEL CHIMNEY -
110354278	10/09/08	FILE FOR (1) SLANT FIN LZDF2100 GAS BOILER WITH (5) JOHN ZINK#S4.1-GO-03 GAS BURNERS AND (1) TELEDYNE LAARS #PW0850 GAS HW BOILER
110478634	10/20/09	REMOVE AND DISPOSE INTERIOR PARTITIONS AND FINISHES TO BE REPLACED WITH NEW

All applications for work submitted to the New York City Department of Buildings after November 2006 included statements exempting the proposed work with complying with the New York City Energy Conservation Code by stating that such work in each application was not a "substantial alteration."

(c) *Site*

The property is located on the west side of Manhattan Avenue between West 117th Street and West 118th Street in the Borough of Manhattan, City of New York.

It is bounded on the east by Manhattan Avenue; on the south by West 117th Street; on the north by West 118th Street; and on the west by two (2) six-story Multi-Family Elevator buildings.

(1) Size:

The Building of 411 Manhattan Avenue is on an irregular lot of 50.92 feet long along Manhattan Avenue and 50 feet deep.

The Building of 417 Manhattan Avenue is on an irregular lot of 50 feet long along Manhattan Avenue and 50 feet deep.

The Building of 421 Manhattan Avenue is on an irregular lot of 100.92 feet long along Manhattan Avenue and 25 feet deep.

(2) Number of Buildings and Use

There are three (3) five-story plus basement buildings on the site, with apartments at all floors.

(3) Streets Owned or Maintained by the Project:

All streets are owned and maintained by the City of New York. The streets in front of the Building are described as following:

(i) Paving

The asphalt paved streets are in fair condition. Minor spalls and cracks were found on the surface.

(ii) Curbing

Steel faced curbing on Manhattan Avenue, West 117th Street, and West 118th Street is in fair condition.

(iii) Catch Basins, Drainage

Manhattan Avenue slopes down from south to north. One (1) drain is located at the northeast corner of the block and is in fair condition.

(iv) Street Lighting

All street lightings are standard New York City Department of Transportation street lighting. Two (2) street lights are located directly in front of the Buildings on Manhattan Avenue and are in fair condition.

(v) All items are in conformity with New York City Department of Transportation Highway Rules.

(4) Drives, Sidewalks and Ramp:

(i) Paving

The concrete sidewalk in front of the Buildings is in fair condition.

(ii) Curbing

N/A

(iii) Catch Basins, Drainage

N/A

(iv) Street Lighting

N/A

(v) The sidewalk paving is in conformity with New York City Department of Transportation Highway Rules.

(d) *Utilities*

(1) Water: Provided by New York City as part of its services via a metered line.

(2) Sanitary Sewer: Provided by local municipality.

(3) Storm Drainage: Provided by local municipality.

(4) Gas: Provided by Consolidated Edison Company of New York, a regulated public utility company.

(5) Electricity: Provided by Consolidated Edison Company of New York, a regulated public utility company.

(6) Telephone: Provided by Verizon Telephone Company, a regulated utility company.

(7) Fire Hydrant:

Two (2) fire hydrants are located at the edge of the sidewalk in front of the Building. The fire hydrants are in fair condition.

(8) Mail Box:

The nearest United States Postal Service mailboxes are located at the southeast corners of West 114th and West 118th Street and Frederick Douglass Avenues.

(9) Public Telephone:

One (1) public telephone is located at the northwest corner of the intersection of Manhattan Avenue and West 117th Street.

(10) Transit:

The entrance of subway B and C lines is at the corner of Frederick Douglass Boulevard and West 116th Street. Buses M7 and M116 stop along Manhattan Avenue and West 116th Street. Bus M18 stops along West 116th Street and Manhattan Avenue above West 116th Street. Bus M10 stops along Frederick

Douglass Boulevard. Bus M3 stops along Manhattan Avenue and Central Park North.

(e) *Subsoil conditions*

(1) Detailed architectural/engineering plans for the Buildings foundations were not reviewed. Foundation walls consist of coarse rubbles, concrete blocks, and bricks. Visual inspection of the cellar floors and the exterior façades showed no evidence of cracking or mortar joint decay that may indicate uneven foundation movement and settling.

(2) The basements are dry and show no evidence of moisture or seepage or ground water infiltration.

(3) The U.S. Geological Survey maps show this area has very low risk of flooding, earthquake, mudslide, and erosion. Flooding may only occur in the event of a water main break in the street. No practical preventative action is suggested. Any goods stored in the basement should be removed in the event of a flood.

(f) *Landscaping and Enclosures*

(1) Grass Cover:

There is no grass cover on the premises.

(2) Plantings:

There are no planters on the premises.

(3) Trees:

There are two (2) trees located in front of the Buildings on Manhattan Avenue and one (1) tree located in front of the 411 Manhattan Avenue on West 117th Street. The trees and tree pits are in fair condition.

(4) Fencing:

There are no other fencing except at the adjacent properties and along the areaways in front of the Buildings, which are discussed in section (h)(5).

(5) Gates:

There are no gates located on the premises.

(6) Garden Walls:

There are no garden walls on the premises.

(7) Retaining Walls:

Concrete retaining walls at the areaways are in acceptable condition.

(8) Display Pools and fountains:

There are no display pools and fountains on the premises.

(g) *Building size*

(1) Total Height:

The Building is approximately fifty-five feet (55') above curb level. Manhattan Avenue slopes from south to north and creates variances in height.

(2) Crawl Spaces:

There are no crawl spaces in the Buildings.

(3) Number of Subcellars and Cellars:

The Building contains one (1) basement level.

The basement level contains commercial spaces, office, boiler room, oil tank, electric room, utility points of entry, support systems and storage rooms.

(4) Number of Floors

The Buildings contains five (5) stories.

(5) Equipment Rooms

All equipment rooms are located in the basement level.

(6) Parapet

The height of parapet wall varies from seventeen inches (17") to thirty-two inches (32") and forty-eight inches (48").

(h) *Structural System*

(1) Exterior of the Building:

(i) Walls

The structure of the Buildings appears to be wood frame with masonry façades.

The exterior walls of the primary façades (north, east, and west façades) were made of beige bricks arranged in Common Bond with projected cornice and a belt course at the fifth floor window sill level. The cornice consists of limestone dentils and a continuous frieze. The belt course also consists of a continuous limestone frieze. The base extends to the first floor window sill level and is coated with paint. The primary façades are in fair condition. Some loose mortar was observed, but is not considered a hazardous condition. The facades will be monitored as there are no plans by the Sponsor to repair the loose mortar.

All other façades were made of red bricks arranged in Common Bond and coarse rubbles at the base. The masonry work is in acceptable condition. Loose mortar joints and deteriorated bricks were also observed in various locations. The facades will be monitored as there are no plans by the Sponsor to repair the loose mortar or deteriorated brick. Any condition that presents a life safety or other potential hazard must be addressed. No active leaks through the exterior walls have been reported recently.

The Buildings are five (5) stories in height on Manhattan Avenue, West 117th Street, and West 118th Street. New York City Local Law 11/98 only applies to buildings greater than six stories in height. The Buildings are exempted from the requirement of Local Law 11/98 6th Cycle.

(ii) Windows

Most windows in the Buildings have been replaced and are in acceptable to fair condition. No active leaks through the windows have been reported recently. All the replaced windows are aluminum double-pane/double hung windows with limestone or arched brick lintels, marble and limestone sills, anti-drift latches, tilt sash latches, spiral balances, and cam locks. All lintels and sills are in acceptable condition. Minor cracks and spalls were observed on the sills in various locations. Windows at the stairwells have frosted wired glass and are in acceptable condition. Windows in the cellar, stairwells, and apartments have various types of child guards. The owner is responsible for providing and maintaining the child guards when an apartment is occupied by children under age of 10 years old, as per the NYC code. Only New York City Fire Department approved gates are allowed on fire escape windows. All other types should be removed. Air conditioning units may not be installed at these windows. There are windows along the western property lot line (rear), but the Building is setback from the property line by a minimum of approximately two feet (2'-0"). Since the Building was built prior to the implementation of a zoning code, the Building is considered to be grandfathered from setback minimum requirements. While the building is offset from the lot line and would not require the windows to be closed up, there is potential for reduced natural light should the building on the adjacent property be demolished and rebuilt taller than it currently exists.

(iii) Landmark Status

The Buildings do not have a landmark status.

(2) Parapets and Copings:

The parapet walls are 2-wythe brick walls with camel-back terra cotta copings. Generally, the parapet walls are in acceptable condition. Loose mortar and deteriorated bricks were observed.

(3) Chimneys and Caps:

One (1) chimney for the boiler is located at the main roof at 417 Manhattan Avenue. The metal chimney is manufactured by Metal-Fab Inc. and is in acceptable condition.

(4) Balconies and Terraces:

There are no balconies or terraces at the Buildings.

(5) Exterior Entrances:

The front entrances for each of the three Buildings are located on Manhattan Avenue.

There are seven (7) entrances at the basement level along the areaways in front of the Buildings. Three (3) of them are entrances to the commercial spaces and the rest of the entrances lead to the basement.

(i) Exterior Doors and Frames

Each front entrance has one (1) steel in-swing door with side lites and one (1) head transom. The doors are equipped with automatic overhead door closers and handicap switches. The doors and frames are in fair condition.

All basement entrances have metal doors and frames. All commercial entrances have rolling grilles. All doors, frames, and grilles are in acceptable condition.

(ii) Vestibule Doors and Frames

Each vestibule at the front entrance has one (1) steel in-swing door with side lites and one (1) head transom with automatic overhead door closers. The doors and frames are in fair condition.

(iii) Exterior Stairs

There is one (1) five-riser stairs located in front of each front entrance. The risers are made of concrete and are in acceptable condition.

Steel diamond plate stairs are located at the basement entrances. The stairs are in acceptable condition.

(iv) Railings

One (1) set of stone balustrades are located alongside the concrete stairs at the front entrances. Steel railings are also located along the steel diamond plate stairs at the areaways. All railings are in acceptable condition.

(v) Mail Boxes

Aluminum mail box panels are located in the first level hallways or in the vestibules. The mail boxes are the approved type by the U.S. Postmaster General. They are individually keyed and hinged on the right. All boxes and the panels are in acceptable to fair condition.

(vi) Lighting

No exterior lightings were observed at the front entrances.

(6) Service Entrances:

There are no service entrances in the Building.

(i) Doors and Frames

N/A.

(ii) Gates

N/A.

(iii) Exterior Stairs

N/A.

(iv) Railings

N/A.

(v) Hallway

N/A.

(7) Roof and Roof Structures:

(i) Type Roofs for All Areas

(a) Material

The smooth built-up roofs at 411, 417, and 421 Manhattan Avenue were recovered in July 2005 with additional patching in 2007. They appear to be in acceptable condition. No active leaks through the roof have been reported recently. The anticipated remaining life expectancy of the roofs are approximately five (5) years.

(b) Insulation

Unknown. Further investigation should be conducted to understand the material and the condition of the insulation.

(c) Surface Finish

The roofs at 411, 417, and 421 Manhattan Avenue are covered with modified bitumen roofing membrane. All roofs have been coated with aluminum paint.

(d) Bond or Guarantee

Unknown

(e) Flashing Materials, including Counter Flashing

Galvanized steel flashing at 411 and 417 Manhattan Avenue is in fair condition. Flashing materials at 421 Manhattan Avenue cannot be seen because the parapet walls are coated with aluminum paint. Further investigation should be conducted to understand the material and the condition of the flashings.

(ii) Drains

(a) Location, materials and Type

There are two (2) scupper drains at each of the Buildings of 411 and 417 Manhattan Avenue on the main roof level. There is one (1) scupper drain located at the main roof of 421 Manhattan Avenue.

(b) Gutters and Leaders

Aluminum leaders are connected to the scupper drains at 411 and 417 Manhattan Avenue. Cast iron leader is connected to the scupper drain at 421 Manhattan Avenue. All leaders are in acceptable to fair condition.

(iii) Skylights

One (1) skylight with frosted wired glass is located above each stair bulkhead. The skylights are in acceptable condition. There has not been any obvious leaking condition reported.

(iv) Bulkheads

(a) Stairs

There is one (1) stair bulkhead at the roof level at each Building. The bulkheads are comprised of masonry and all walls are coated with stucco. No signs of water infiltration were observed at the interior walls.

(b) Elevator

There are no elevator bulkheads in the Buildings.

(c) Other

There are no other bulkheads in the Buildings.

(v) Metal Work at Roof Levels

(a) Exterior, Metal Stairs

There are no exterior or metal stairs at the roof level.

(b) Vertical ladders, including Gooseneck

There are no vertical ladders at the roof level.

(c) Railings

There are no railings at the roof level.

(d) Hatches to Roof

There are no hatches to roof.

(e) Other

Numerous steel plumbing ventilation pipes penetrate to the roof at many locations and are in acceptable condition.

(vi) Rooftop Facilities

There are no other rooftop facilities at the roof level.

(8) Fire Escapes:

(i) Location

There are two (2) fire escapes at the east façade of the Building at 421 Manhattan Avenue and one (1) fire escape at the east façade of each Building at 411 and 417 Manhattan Avenue.

(ii) Floors Covered

The fire escapes extend from the street level to the fifth level.

(iii) Drop Ladder

Standard vertical steel drop ladders are engage to extend to the street level and are in acceptable condition.

(iv) Type

All fire escapes are cantilever steel type with steel-slat landings and treads, open-riser stairs, bar stock handrails, and wrought stock or cast iron balustrades. The fire escapes are firmly attached and supported.

(v) Materials

The fire escapes are made of painted steel and in acceptable condition.

(9) Yard and Courts:

There is one (1) continuous yard located along the west façade of the Buildings.

(i) Paving

The concrete paving in the yard is in acceptable condition. Minor cracks and spalls were observed.

(ii) Drainage

There is one (1) open drain located west of the Building at 417 Manhattan Avenue. At 421 Manhattan Avenue, there is a closed drain that collects water from the roof scupper to the leader. There are two (2) drains below each of the main entry stairs of 411, 417, and 421 Manhattan Avenue. The drain covers are flat stamped metal cover and in acceptable condition.

(iii) Railings

There are no railings in the yard.

(iv) Stairs

One (1) set of diamond plate steel stairs is located at the west façade of the Building at 421 Manhattan Avenue connecting the yard to the lobby. The stairs are in acceptable condition.

(v) Fencing

No fencing is located on the premises.

(vi) Walls

The yard is bounded by the walls of the Building at its east end and by the lot lines at all other ends.

(10) Interior Stairs:

(i) Number of Stairs of each type

There is one (1) open central stairwell in each Building.

(ii) Enclosure

All stairs are enclosed by Building walls and open to each floor landing, lobby, or hallway they serve. There are windows at the stairwells to bring in natural light as described previously in the Report.

(iii) Stair Construction

All stairs in the Buildings are constructed of wood.

(iv) Stringers

The wood stringers are in acceptable condition.

(v) Treads

The wood and marble treads are in acceptable condition.

(vi) Risers

The wood risers are in acceptable condition

(vii) Guardrails

The wooden guardrails are in acceptable condition.

(viii) Balustrade

The steel balustrades are in acceptable condition.

(11) Interior Doors and Frames:

(i) Unit Entrance and Interior Doors and Frames

Unit entrances have metal doors and frames with key dead bolts, peek holes, and self-closing springs.

Interior bedroom and bathroom entrances have wood doors and frames.

All of the Unit entry doors are in fair condition.

(ii) Corridor doors and Frames

There are no corridor doors in the Buildings.

(iii) Stair Hall Doors and Frames

There are no stair hall doors or frames in the Buildings.

(iv) Roof Door, Basement Doors and Frames

All basement common areas have metal doors and frames. The roof doors are equipped with self closing fire rated hinges and Detex alarm locks. All doors and frames are in acceptable condition. All metal doors are Class B 1 ½ hour fire rating.

(12) Elevators:

(i) Number of passenger and service elevators

There are no elevators in the Buildings.

(ii) Manufacturer, age of each and capacity

N/A.

(iii) Type of operation for each elevator by elevator number or location in Building

N/A.

(iv) Automatic

N/A.

(v) Floors served

N/A.

(vi) Type

N/A.

(vii) Doors

N/A.

(viii) Location of machine rooms

N/A.

(ix) DC motor

N/A.

(x) AC motor-generator set

N/A.

(xi) Other

N/A.

(13) Elevator Cabs:

(i) Kind

N/A.

(ii) Floor

N/A.

(iii) Walls

N/A.

(iv) Ceiling

N/A.

(v) Lighting

N/A.

(vi) Alarm, safety system

N/A.

(i) *Auxiliary Facilities*

(1) Laundry Rooms

(i) Location and Number of Rooms

There are no laundry rooms in the Buildings.

(ii) Clothes Washers

N/A

(iii) Clothes Dryer

N/A

(iv) Room Ventilation

N/A

(v) Dryer Ventilation

N/A

(2) Refuse Disposal

(i) Incinerator

There are no incinerators in the Buildings.

(ii) Compactor

There are no compactors in the Buildings.

(iii) Approvals by Authority having Jurisdiction

None.

(iv) Initial Storage Location

The initial storage is located in the front areaways. Then it is collected by the Superintendent to the street level.

(v) Pick-up Schedule, and whether public or private provider

Regular refuse disposals are picked up every Monday, Wednesday, and Friday. Recycled disposals are picked up every Friday. Pick-up is performed by New York City Department of Sanitation.

(j) *Plumbing and Drainage*

(1) Water Supply:

Each Building is provided with a metered domestic water service. The services are provided by 1 ½" pipes for Building 411 and 417 and 2" for Building 421. The commercial space on the south corner of Building 411 is metered separately from the residential units and other commercial unit. They enter the basement level from Manhattan Avenue. Cold water services from the basement are partially insulated and are in good condition. Cold water piping from the water service supplies the domestic water system. There are no water pumps.

Risers are provided for hot water supply, cold water, waste, and vent piping. The majority of piping in the basement is not insulated (approximately 30 ft for Building 411, 125 ft for Building 417 and 200 ft for Building 421). The entire existing basement horizontal cold water piping was replaced with copper. Cold water supply from the services is distributed to copper and brass water supply and domestic water heater. New risers are copper and are in good condition (approximately 40%); old risers are brass, in fair condition (approximately 60%). The expected remaining life of the cold water piping system is approximately 25 years. According to the Building Superintendent, there have been no reported leaks recently.

Domestic hot water is generated by a gas fired water heater "Teledine Laars" model 151127 connected a 200 gallon storage tank "Laars" model A 2086000. A circulating hot water pump is integral to the water heater. A 3-way mixing valve is maintaining hot water temperature. Hot water temperature is manually adjusted. The capacity of the hot water heater is adequate. Approximately 40% of hot water risers have been replaced with copper piping. They are in good condition. The remaining 60% of risers are brass and are in fair condition. The expected remaining life of the hot water system is approximately 25 years. Leaks do not occur frequently.

A mix of brass and copper, hot and cold water supply pipes from risers extend to fixtures in the / Protection System

(i) Standpipes

There are no standpipes in the Building.

(ii) Hose Racks, Hoses and Nozzles

There are no hose racks, hoses or nozzles in the Building.

(iii) Sprinkler Heads

There are no sprinkler heads in the Building.

(iv) Siamese Connection

There are no Siamese connections in the system.

(2) Water Storage Tank and Enclosures

There are no water storage tanks in the Building.

(i) Number, Type, Location of each

N/A

(ii) Material

N/A

(iii) Access to Tank

N/A

(iv) Total Capacity

N/A

(v) Fire Reserve Capacity

N/A

(3) Water Pressure and how Maintained

Water pressure is provided from street pressure in Manhattan Avenue.

(4) Sanitary Sewage System

There is a combined sanitary and storm drainage system for each Building.

(i) Sewage Piping

The stacks and mains piping for the waste system are cast iron piping. Leaks do not occur frequently. The joints are in fair condition. The branch waste and vent piping at fixtures are in fair condition.

The system serves plumbing fixtures and equipment throughout the Building. Drainage and vent piping extends up the Building in shafts. This piping is from the original building installation and is in fair condition. Piping can continue to function for an additional 25 years, approximately. According to the Building Superintendent, there have been no reported leaks recently. The drains located in the basement are cleaned out regularly.

(ii) Sewage Pumps

There are no sewage pumps in the Building.

(iii) Sewage Disposal

The combined house sewer connects to the street sewer. The sanitary drainage and vent system is conventional gravity drainage system which flows from the vertical stacks to house sewer at basement level which is piped to the street sewer after being combined with the Building storm drains. One (1) sewer exits each building at Manhattan Avenue.

Toilets are tank and flush valve type.

(5) Permit(s) required

All permits are to current date.

(6) Storm Drainage System

The combined sanitary and storm drainage system is described in section (j)(5).

(i) Catch Basins

There are no catch basins in the system.

(ii) Yard and Roof Drains

One (1) scupper with a new leader and yard drains are provided for each Building. The drains connect to the interior storm system. This storm piping connects to the sewer lines and exits the Buildings as a combined system.

(iii) Piping

Outdoor storm drain leaders for Buildings 411 and 417 are aluminum and are new, in good condition. Storm drain leader for Building 421 is cast iron and is in good condition.

(iv) Eject or Sump Pumps

There are no eject or sump pumps in the Building.

(k) *Heating*

(1) The heating system consists of five (5) modular steam boilers with one (1) boiler feed unit and cast iron radiators. All three (3) Buildings are master metered to provide heating to the commercial units. The boilers can use either oil or gas. Currently the Building boiler predominantly uses gas. The boilers and domestic hot water heater are adequate to maintain requirements of the Buildings during peak services. Anticipated weather conditions are 68 degrees Fahrenheit indoor temperature and 15 degrees Fahrenheit outdoor temperature.

(2) Number of Boilers and Description

There are five (5) modular dual fuel (oil/gas) boilers.

(3) Manufacturer and age of boiler

The heating system is comprised of five (5) cast iron modular dual gas/#2 oil fired steam boilers "Slant/Fin" model L-70CZ and a dual pump Boiler Feed unit. Each boiler module is rated for 233 MBH gas/244 MBH oil. Each module is equipped with dual fuel burner "John Zink-Gordon Platt" model AP 138040. The entire Boiler/Burner/Boiler feed unit system is one (1) year old and is in very good condition. The remaining useful life is approximately 35 years. Boiler operation is controlled by a Heat Timer panel. The boilers are provided with all required safety devices to maintain proper operation including low water cutout, smoke alarm and pressure relief. Water is introduced to the system manually. Combustion air is drawn into the basement boiler room with an opening to the rear yard.

A new double wall vertical combined flue for boilers and hot water heater has been installed in the courtyard between Buildings 411 and 417. Steam from the boilers is supplied to cast iron radiators by means of a one pipe distribution system. Steel piping extends vertically throughout the Buildings exposed or within concealed enclosures. Where exposed, steam piping heats kitchens and bathrooms. These risers were visually inspected in variety locations and can remain in service. Most of the steam piping within the basement is not provided with insulation. Steam distribution piping can remain in service with periodic repairs as warranted.

(4) Manufacturer and age of burners

Burner are Gordon Platt dual fuel (gas/#2 oil) Model No. AP138040, with approximately 25 years remaining useful life.

(5) Type of controls

A Heat Timer control panel is provided to cycle boiler operation.

(6) Radiators, piping, insulation, valves, pumps

Radiators typically are located beneath windows. Each radiator is coupled with an air vent and shut-off valve. The units themselves are in fair condition and can remain in use. Additionally, some rooms (i.e. kitchen and some bathrooms) are provided with a single exposed steam riser. With systems of this vintage and configuration, knocking and banging of steam pipes will occur during heating cycles. Individual radiators, branch piping, valves and air vents should be examined and adjusted or repaired on an individual basis to reduce noise levels. In Building 421, approximately 50% of the horizontal steam and condensate return piping distribution has been replaced with new copper piping and traps to minimize pipe banging and knocking.

(7) Fuel

No. 2 oil and gas.

(8) Location of Oil Tank, materials, enclosure

Since our initial inspection, the oil tank was removed when new gas boilers were installed under DOB Permit # 110354278 in October 2008.

(9) Capacity of oil tank

N/A

(10) For gas

Gas service is provided to the Buildings by 3" pipes.

(l) *Gas Supply*

(1) Type

Consolidation Edison Company provides a separate gas supply for each Building as follows: 3" for Building 411 and 4" for Buildings 417 and 421. Gas services enter the Buildings from Manhattan Avenue. In the basement there is gas piping which extends to Consolidation Edison meters. Each Building is master metered.

(2) Meters

Gas meters are provided for boilers, hot water heater and the apartments. All individual gas meters are located in the basement.

(3) Piping

Exposed black steel gas piping is in fair condition and can remain in use.

(m)*Air Conditioning*

(1) Type of system

Air conditioning for apartments is provided as need basis by individual tenants who purchase their own window type units.

(2) Central System

There is no central air conditioning system.

(3) Cooling Towers, Condensers

There are no cooling towers or condensers in the Building.

(4) Individual Units Covered by the offer

N/A

(n) *Ventilation*

The majority toilets and kitchens are provided with windows. Units 7 and 10 in Building 421 have one (1) interior bathroom without ventilation. This is a NYC code violation. Sponsor stated that they are currently working on addressing this issue.

(o) *Electrical System*

(1) Service from main service switchgear

Each Building has one (1) new electrical service rated at 120/208 volts, 3 phase, 4 Wire, 60 Hz supplied by Consolidation Edison Company. It consists of a 400 Amp main service switch fused at 400 Amps. The service switch serves Building distribution equipment consisting of a main wiring through with apartment, house and commercial meters and circuit breakers. Commercial units are separately metered. Service description is as follows:

(i) Building 411

(a) Individual apartment meters with 80 Amp circuit breakers and a house meter servicing a panel with three (3) 2 pole circuit breakers: 15 Amps, 20 Amps and 80 Amps.

(b) Risers extend from circuit breakers to a junction box and from there in BX cable to apartment panels. Risers were not visible 5' downstream of junction box.

(ii) Building 417

(a) Individual apartment meters with 60 Amp circuit breakers and a house meter connected to a 50 Amp service switch fused at 50 Amps servicing a panel with the following circuit breakers: one (1) 3 pole 40 Amps, one (1) 3 pole 20 Amps, one (1) 2 pole 40 Amps, one (1) 2 pole 20 Amps, and two (2) 2 pole 15 Amps.

(b) Risers extend from apartment circuit breakers to apartment panels.

(c) Approximate 50' of BX cable has been observed connected from the house panel (in the basement).

(iii) Building 421

(a) Individual apartment meters with 70 Amp circuit breakers, a house meter connected to a 125 Amp breaker in the house panel and a commercial tenant meter connected to a 3 pole 100 Amp fused switch serving as a 2 pole 100 Amp fused switch. A 3 pole fused switch operating as a 2 pole fused switch is not allowed by NEC and NYC Code.

(b) Risers extend from circuit breakers to apartment panels, house and commercial services.

(2) Service to individual units

Electric service from the main distribution is extended to risers which connect to individual apartment panels.

(3) Compartment switchgear

Switchgear is located in the basement of each Building.

(4) Unit Service

(i) 411 Building: 80 amps 2 pole. Typical apartments are provided with a panel in good condition. The panel serves lighting, appliances and outlets. Wiring through the apartment is in fair condition. Some bathrooms and kitchens are not equipped with GFI outlets. Only one (1) apartment, Unit 3, has been renovated and has been fitted with GFI outlets for kitchen and bathroom and dedicated outlets for window A/C units. Approximately (8) existing bathrooms and (2) kitchens are equipped with GFI outlets.

(ii) 417 Building: 50 amps 2 pole. Typical apartments are provided with a panel in good condition. The panel serves lighting, appliances and outlets. Wiring through the apartments is in fair condition. Some bathrooms and kitchens are not equipped with GFI outlet. Only four (4) apartments, Units

5, 6, 7 and 8, have been renovated and been fitted with GFI outlets for kitchen and bathroom and dedicated outlets for window A/C units. Approximately (5) existing bathrooms and (3) kitchens are equipped with GFI outlets.

(iii) 421 Building: 70 amps 2 pole. Typical apartments are provided with a panel in good condition. The panel serves lighting, appliances and outlets. Wiring through the apartment is in fair condition. Some bathrooms and kitchens are not equipped with GFI outlets. Only five (5) apartments, Units 3, 4, 7, 10, and 16, have been renovated and have been fitted with GFI kitchens and bathrooms and dedicated outlets for window A/C units. Approximately ten (10) kitchens and eight (8) bathrooms are equipped with GFI outlets.

(5) Adequacy

(i) Service

All the apartments have circuit breaker panels. Wiring within the unrenovated apartments is in poor to fair condition. The existing wiring is not adequate for modern usage. Some bathrooms and kitchens are not equipped with GFI outlets. While this is not a NYC Building Code violation, the National Electrical Code and the National Fire Protection Association require Ground Fault Circuit Interrupters (GFCI's) within 6 feet of wet sinks for circuits located in the bathrooms, kitchens, unfinished basements and outdoors. Wiring within unrenovated apartments is in poor to fair condition. The existing wiring is not adequate for modern usage. Simultaneous use of modern appliances such as air conditioners, multiple kitchen appliances and other appliances which draw significant electricity may stress the system excessively, which could lead to further deterioration including short circuits and other fire hazards. Smoke detectors are provided within apartments.

(ii) Lighting and Fixtures

Lighting in typical corridors and stairway is fluorescent type. Exterior lighting is provided.

(iii) Convenience outlets, appliance outlets

Convenience outlets are scattered throughout apartments. Renovated apartments are provided with dedicated appliance outlets.

(p) *Intercommunication and/or door signal systems, security closed circuit TV*

There is a simple closed circuit push button buzzing and intercom system with one (1) buzzer panel at each front entrance and buzzers in all apartments. The buzzer panel and the buzzers in the inspected apartments are in fair condition.

Time Warner Cable Company provides cable television and internet service to the Building.

(q) *Public Area Lighting*

Basement and central stairs are not provided with emergency lighting. The hallways on each floor, the lobbies, and the vestibules have ceiling mounted light fixture with fluorescent lamps. All lightings appear to be adequate.

(r) *Garages and Parking Areas*

There are no garages or parking areas on the premises.

(s) *Swimming Pools*

There are no swimming pools on the premises.

(t) *Tennis Courts, Playgrounds and Recreation Facilities*

There are no tennis courts, playgrounds, or recreation facilities on the premises.

(u) *Permits and Certificates*

Inspections:

- Low pressure boiler annual inspection

(v) *Violations*

The following open violations were found as of 02/25/11:

Department of Buildings: 0 open violation, 1 open complaint.

Environment Control Board: 3 open violations

Violation No.	Issued Date	Description
34616019R	10/30/07	FAILURE TO MAINTAIN EXTERIOR BLDG WALL NOTED: TWO WINDOW MOUNTED A/C UNITS AT 2ND FL S/ELEVATION NEAR S/E CORNER AND 2ND FL E/ELEVATION W/ BRIK PROJECTING FROM UNDER A/C AND 2" APPROX BEYOND WINDOW SILL W/O
34616234J	02/12/08	FAILURE TO MAINTAIN EXTERIOR BLDG WALL NOTED IMPROPERLY INSTALLED WINDOW MOUNTED A/C UNITS AT FOLLOWING LOCATIONS EAST ELEVATION FACADE AT 2ND 4TH AND 5TH FLRS SOUTH ELEVATION FACADE AT 2ND FL

		REMEDY
34624182R	04/29/08	FAILURE TO MAINTAIN EXTERIOR BUILDING WALL. NOTED 2 WINDOW MOUNTED A/CUNITS AT 2ND FL SOUTH ELEVATOR. IMPROPERLY SUPPORTED WITH BRICKS.REMEDY: PROVIDE PROPER BRACKETS OR REMOVE IMMEDIATELY.

Bureau of Electrical Control: 8 open

Complaint No.	Description
Z112336	
Z097347	TEMPORARY CONSTRUCTION
Z096142	
Z112210	
Z104022	
Z097177	TEMPORARY CONSTRUCTION
Z025372	9-OTHER
Z019938	

New York City Fire Department: 1 open

Violation No.	Issued Date	Description
10975950Y	01/20/10	

Department of Housing Preservation and Development (HPD): 48 open violations exist.

Department of Transportation: 1 open (as of 05/01/10)

Violation No.	Issued Date	Description
20751	3/11/04	BROKEN/TRIP HAZARD/PATCHWORK REQUIRED FOR SIDEWALK

(w) *Unit Information*

There are eleven (11) apartments in the Building 411 Manhattan Avenue. Apartments 1 and 2 are one-bedroom apartments. Apartment 3 is a 3-bedroom apartment. Apartments 4, 5, 6, 7, 8, 9, 10, and 11 are four-bedroom apartments.

There are eleven (11) apartments in the Building 417 Manhattan Avenue. Apartments 1 and 2 are one-bedroom apartments. Apartments 4, 5, 6, 7, 8, & 9 are 3-bedroom apartments. Apartments 3, 10 and 11 are four-bedroom apartments. There is also a one - bedroom apartment designated for the Superintendent.

There are seventeen (17) apartments in the Building 421 Manhattan Avenue. Apartments 3 and 4 are Studios. Apartments 2, 7, 10, 16, and 12A are 2-bedroom apartments. Apartments 5, 6, 8, 9, 11, 12, 14, 15, and 17 are 3-bedroom apartments.

Recent renovation work includes kitchen and bathroom renovation with new appliances, flooring and wall repair and replacement where necessary, and re-painting of the entire apartment. In Building 411 Manhattan Avenue, Unit 3 is renovated. In Building 417 Manhattan Avenue, Units 5, 6, 7, and 8 are renovated. In Building 421 Manhattan Avenue, Units 3, 4, 7, 10, and 16 are renovated.

(1) Type and grade of finish material used in each type of unit or equal.

The condition of the finishes varies, based on the age and the use by the tenants.

Room	Floor	Walls	Ceiling
Corridor	2 ½" Strip Oak Flooring/VCT Flooring	Painted Plaster	Painted Plaster
Kitchen	Ceramic Tiles/VCT Flooring	Ceramic Tiles/Painted Plaster	Painted Plaster

Bathroom	Ceramic Tiles/VCT Flooring	Ceramic Tiles/Painted Plaster	Painted Plaster
Living room	2 ½" Strip Oak Flooring/Carpet/ VCT Flooring	Painted Plaster	Painted Plaster
Bedroom	2 ½" Strip Oak Flooring/Carpet/ VCT Flooring	Painted Plaster	Painted Plaster

(2) Presence, type and condition of all bathroom fixtures or equal.

Bathroom fixtures in typical apartments include combination of cast iron sink and bath tub, gel-coated fiberglass or porcelain enamel tubs, single molded lavatory counters set on top of plywood vanities or porcelain lavatory basins, two-piece tank water closets, and two-piece tank type toilets. The condition of the fixtures varies based on the age and the use by the tenants. The renovated Units are currently occupied and it is undeterminable as to the specific manufacturer and finish of the bathroom fixtures.

(3) Presence, type and condition of kitchen and laundry equipment or equal.

Kitchen equipment in typical apartments include generic plastic laminate/plywood over-counter cabinets, under-counter cabinets, stainless steel kitchen sinks, marble/plastic laminate counters, 4-burner gas stoves/ovens, dishwasher, and 5-feet refrigerators. Laundry equipment is not observed in the inspected units. The condition of the equipment varies based on the age and the use by the tenants. The renovated Units are currently occupied and it is undeterminable as to the specific manufacturer, however all kitchen equipment has stainless steel finishes.

(x) *Finish Schedule of Spaces Other Than Units*

Room	Floor	Walls	Ceiling	Condition
Storage	Painted Concrete/Painted PVC Tiles	Painted Brick/Painted Plaster	Painted Plaster	Fair

Boiler Room	Concrete	Painted Brick/ Coarse Rubble	Painted Concrete	Acceptable
Cellar Corridor	Concrete	Painted Brick/ Coarse Rubble	Painted Plaster	Acceptable
Lobby	Ceramic Mosaic Tiles	Painted Plaster	Painted Plaster	Acceptable
Stairwell	Marble Platforms/ Marble Treads/ Wood Treads	Painted Plaster	Painted Plaster	Acceptable
Hallway ($1^{st} - 6^{th}$ Floor)	Ceramic Tiles	Painted Plaster	Painted Plaster	Acceptable

(y) *Safety and Warning Devices*

New smoke/carbon monoxide (CO) detectors that are required by the new regulation were installed in all apartments in 2005. New battery powered dual smoke and Carbon Monoxide detectors (First Alert model no: SC05B) were installed in the common areas in July 2007.

(z) *Additional Information Required*

(1) Site Plan

See Appendix 1.

(2) Area Map

N/A. It is only required if the buildings are not located in highly urban areas.

(3) Floor plan

See Appendix 2

(4) Floor to ceiling heights of units

Units at all levels are approximately 9.8' high.

(5) Approximate total area of each unit

The total area of each unit was calculated from the center line of the unit's exterior walls.

411 Manhattan Avenue

Apartment	Approximate Total Area (SF)
1	332
2	417
3	923
4, 6, 8	887

Apartment	Approximate Total Area (SF)
5, 7, 9	851
10	855
11	881

417 Manhattan Avenue

Apartment	Approximate Total Area (SF)
1	450
2	497
3	869
4, 6, 8	860

Apartment	Approximate Total Area (SF)
5, 7, 9	875
10	881
11	879

421 Manhattan Avenue

Apartment	Approximate Total Area (SF)	Apartment	Approximate Total Area (SF)
2	614	6, 9, 12, 15	728
3	185	7, 10, 16	572
4	185	12A	572
5	850	8, 11, 14, 17	738

(6) Master floor plan

See Appendix 3.

(aa) *Further investigation*

Further investigation should be conducted to understand the material and the condition of the roof insulation.

(bb) *Further development*

No further development is anticipated at this time. The Sponsor reserves the future development rights for 417 Manhattan Avenue.

(cc) *Asbestos*

In our visual inspections we found no evidence of asbestos containing materials (ACM) such as insulation, VAT, fireproof materials, etc. However, further testing of specific materials at the roof level and caulking materials is recommended to confirm or deny the presence of ACM.

(dd) *Special Risks*

(1) Cold Water Service:

To insulate the cold water service in each Building, estimated cost is approximately $5,000.

(2) Outdoor Condensate Return Piping:

To insulate outdoor condensate return piping between Buildings 421 and 417, estimated cost is approximately $1,000.

(3) Interior Bathrooms:

To provide ventilation for interior bathrooms, estimated cost is approximately $10,000.

(4) Hot and Cold Piping:

To insulate the steam piping in the basement, estimated cost is approximately $10,000.

(5) Steam Piping:

To insulate the basement steam piping where missing, estimated cost is approximately $10,000.

(6) GFI Outlets:

To replace outlets in kitchens and bathrooms with GFI type, estimated cost is approximately $100/outlet.

(7) BX Wiring:

To replace exposed BX wiring in the basement with conduit, estimated cost is approximately $2,000.

(ee) *Reserve fund*

Base on today's pricing, the reserve fund is sufficient to pay for the major capital improvements and replacements which are reasonably foreseeable within three years.

Note:

The term "fair" used in the Report refers to the moderately good, satisfactory, and above average conditions with minor deteriorations that are mostly aesthetic and do not require repair.

The term "acceptable" used in the Report refers to the conditions that meet the minimum requirement of the performance and are judged to be in conformity with approved usage. The item may contain moderate deteriorations that require proper and continuous maintenance or minimal repair.

The term "poor" used in the Report refers to the under-satisfactory and inadequate conditions with deteriorations that require repair or replacement.



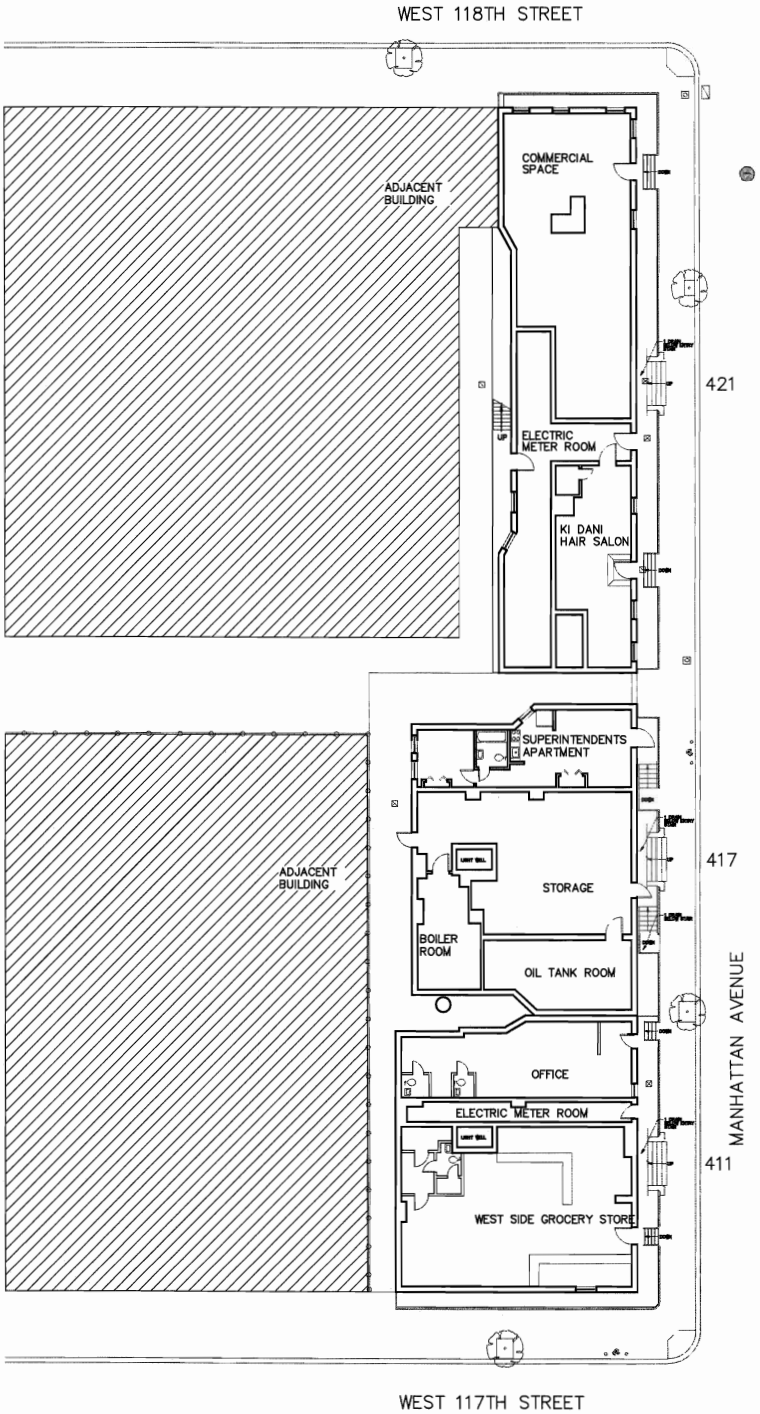
APPENDIX 1

SITE PLAN

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1 / A1-01 SITE PLAN

SCALE: 1/32"= 1'-0"



LEGEND	
STORM DRAIN	
FIRE HYDRANT	
MANHOLE COVER	
TREE	
STREET LIGHT	
DRAIN	
FENCE	
MAIL BOX	



NOTE:
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TYPICAL UNIT FLOOR PLANS & LAYOUTS
411-417-421 MANHATTAN AVENUE
NEW YORK, NY 10026

D–36

REVISED 12–11–08

SCALE: AS NOTED DATE: 02/18/11
JOB No. 06-411-417-421MANHATTAN AVE
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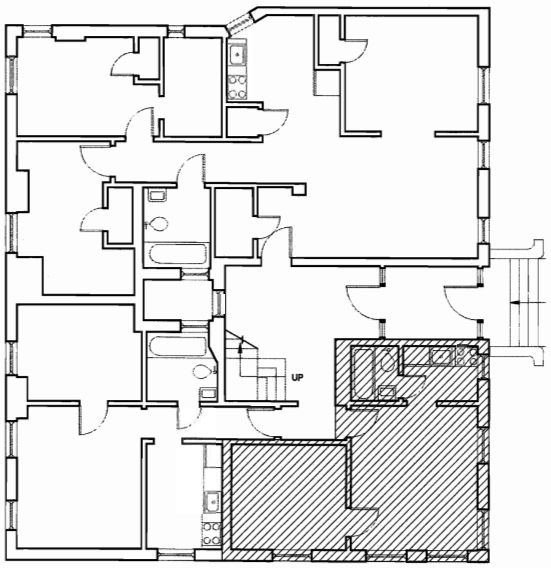
A1-01

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APPENDIX 2

FLOOR PLANS

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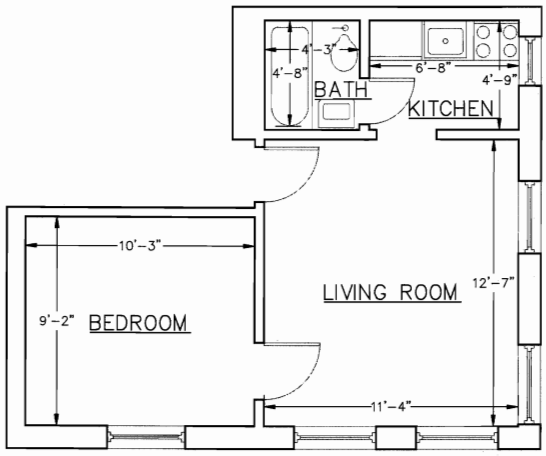


1 / A2–01 UNIT 1 @ 411

SCALE: 1/8"= 1'–0"

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411 MANHATTAN AVENUE
MAY 23RD, 2007



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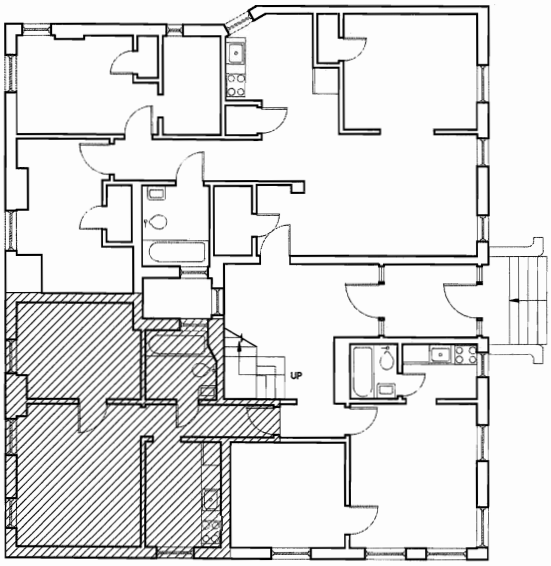
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TYPICAL UNIT FLOOR PLANS & LAYOUTS
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A2-01



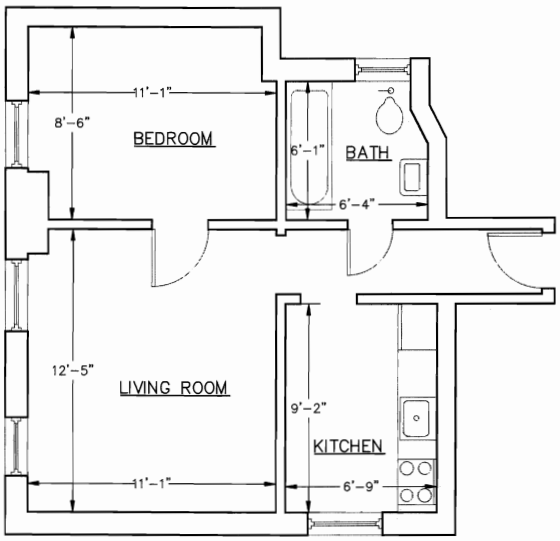
1 / A2-02 UNIT 2 @ 411

SCALE: 1/8"= 1'-0"

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411 MANHATTAN AVENUE
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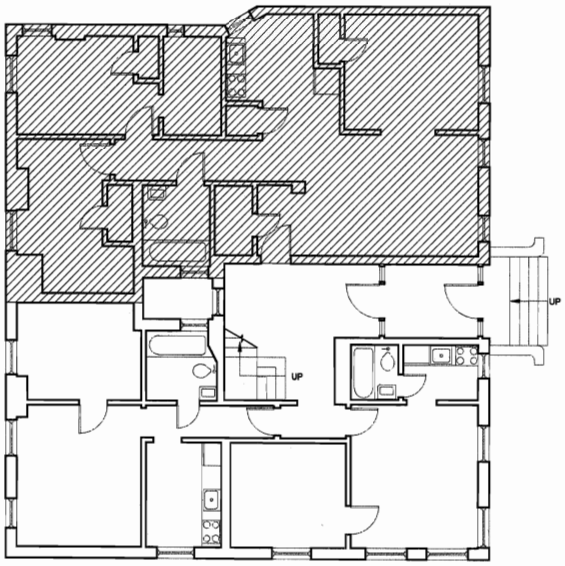
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TYPICAL UNIT FLOOR PLANS & LAYOUTS
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A2-02



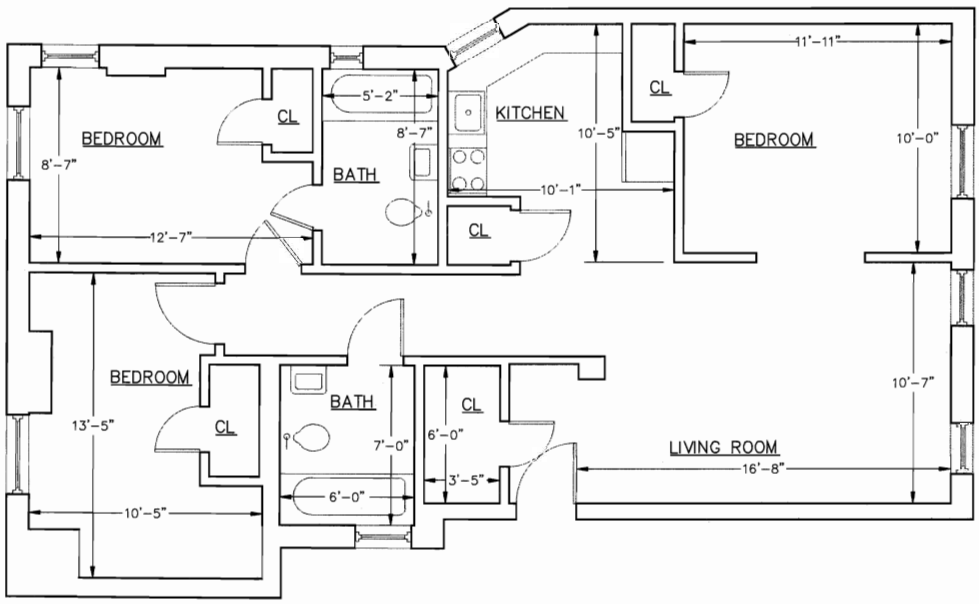
1 A2–03 UNIT 3 @ 411

SCALE: 1/8"= 1'–0"

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411 MANHATTAN AVENUE
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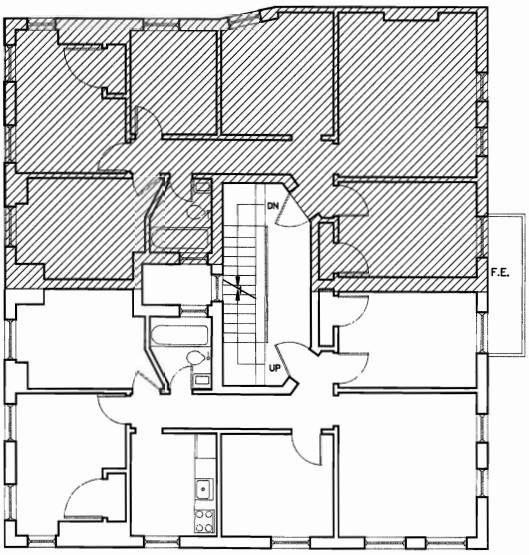
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TYPICAL UNIT FLOOR PLANS & LAYOUTS
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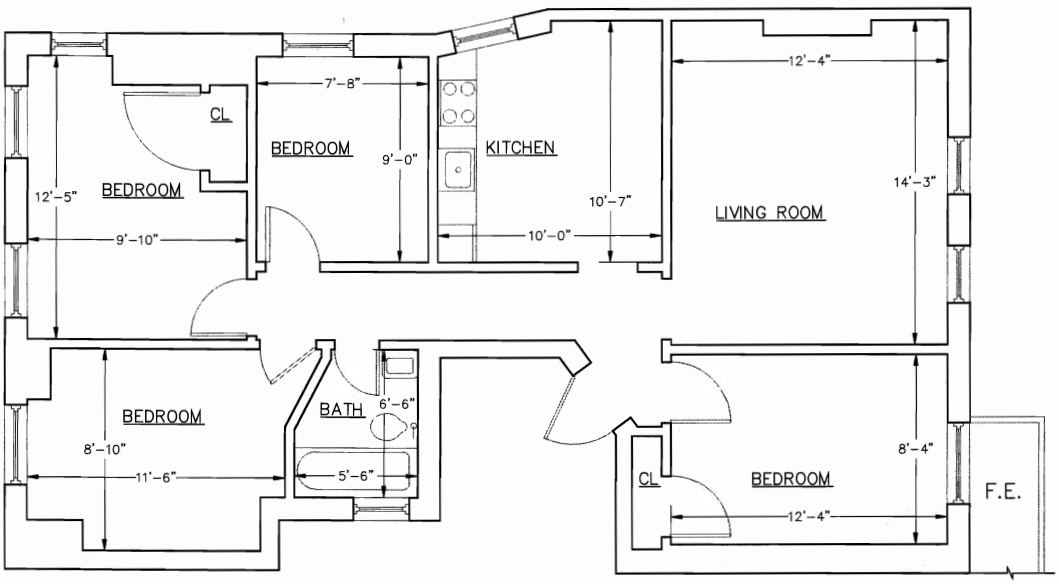


1 / A2–04 UNITS 4, 6, & 8 @ 411

SCALE: 1/8"= 1'–0"

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411 MANHATTAN AVENUE
MAY 23RD, 2007



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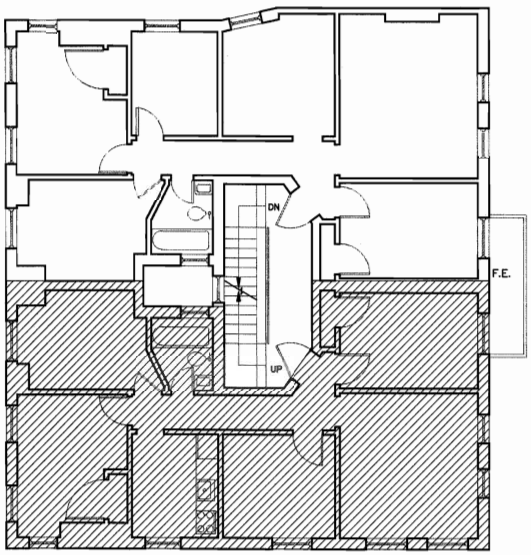
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TYPICAL UNIT FLOOR PLANS & LAYOUTS
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NEW YORK, NY 10026
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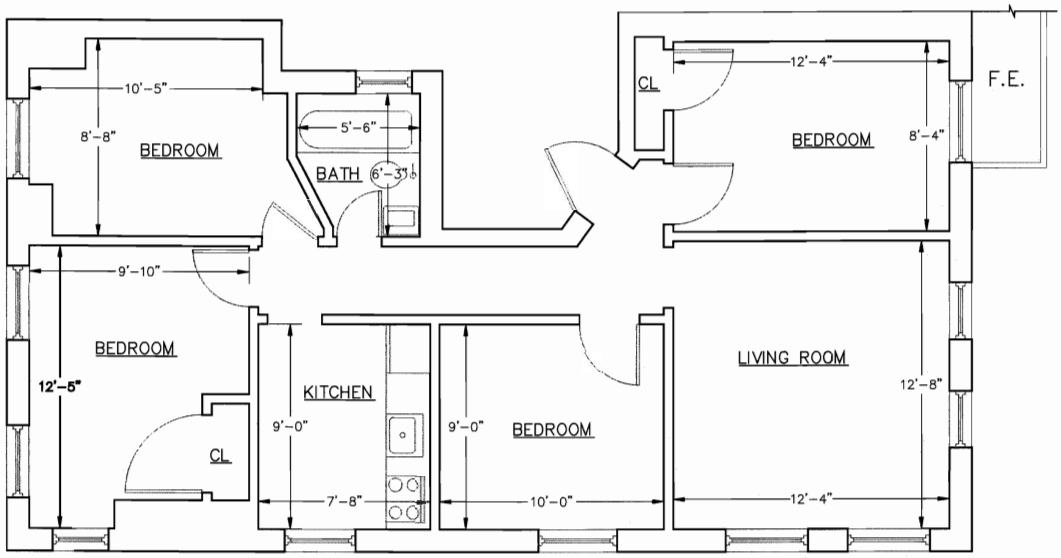


1 / A2–05 UNITS 5, 7, & 9 @ 411

SCALE: 3/16"= 1'–0"

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411 MANHATTAN AVENUE
MAY 23RD, 2007



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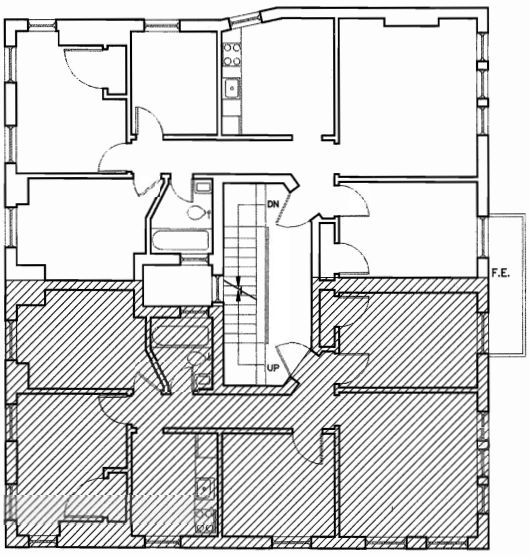
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TYPICAL UNIT FLOOR PLANS & LAYOUTS
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NEW YORK, NY 10026

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CHECKED BY: JL

A2-05

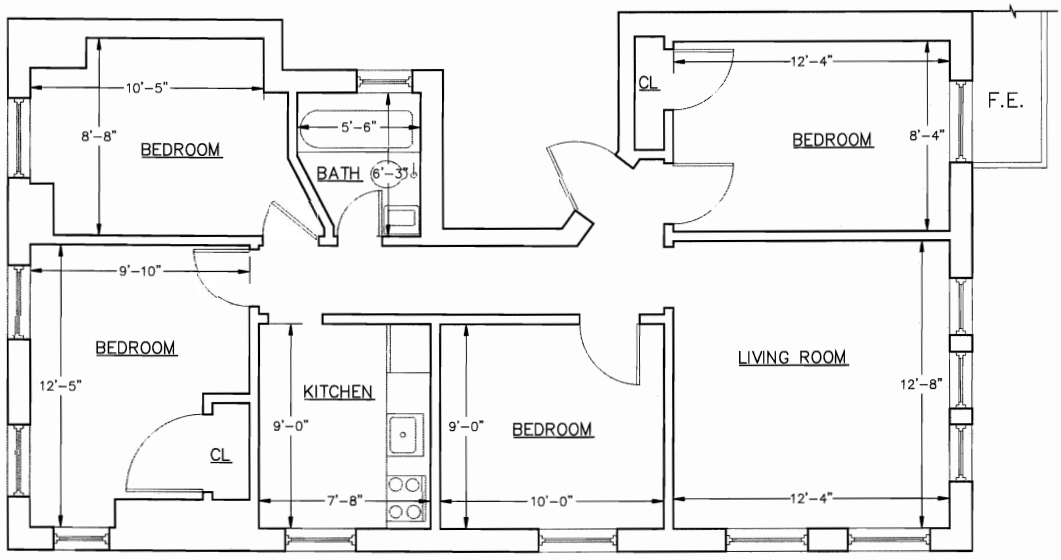


1 A2–06 UNIT 10 @ 411

SCALE: 1/8"= 1'–0"

NOTE:
THIS PLAN IS FOR GENERAL INFORMATION ONLY. THE INFORMATION SHOWN HERE IS APPROXIMATE.

411 MANHATTAN AVENUE
MAY 23RD, 2007



APPROXIMATE SQ. FT, = 855

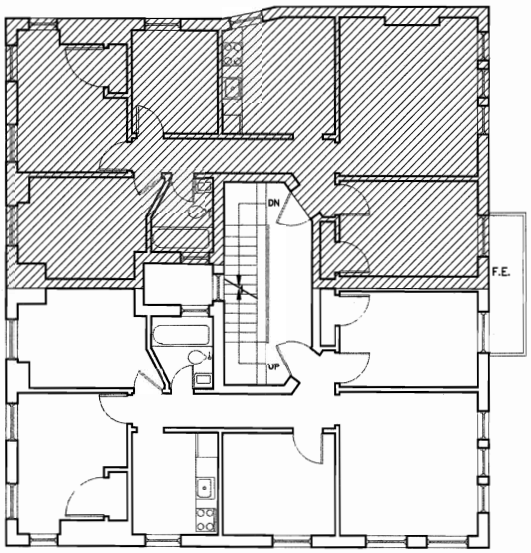
HOWARD L. ZIMMERMAN
ARCHITECTS, P.C.

11 West 30th Street, New York, N.Y. 10001
Phone 212.564.9393; Fax 212.564.9032

TYPICAL UNIT FLOOR PLANS & LAYOUTS
411-417-421 MANHATTAN AVENUE
NEW YORK, NY 10026
D–43

SCALE: AS NOTED DATE: 02/18/11
JOB No. 06-411-417-421MANHATTAN AVE
DRAWN BY: AH CHECKED BY: JL

A2-06



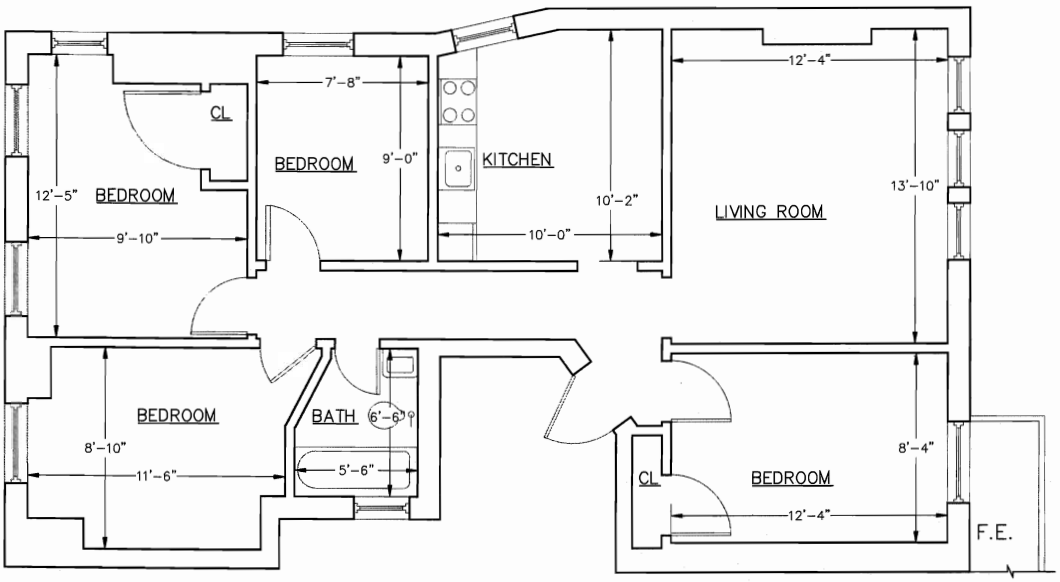
1 / A2-07 UNIT 11 @ 411

SCALE: 1/8"= 1'-0"

NOTE:
THIS PLAN IS FOR GENERAL INFORMATION ONLY. THE INFORMATION SHOWN HERE IS APPROXIMATE.



411 MANHATTAN AVENUE
MAY 23RD, 2007



APPROXIMATE SQ. FT, = 881

HOWARD L. ZIMMERMAN
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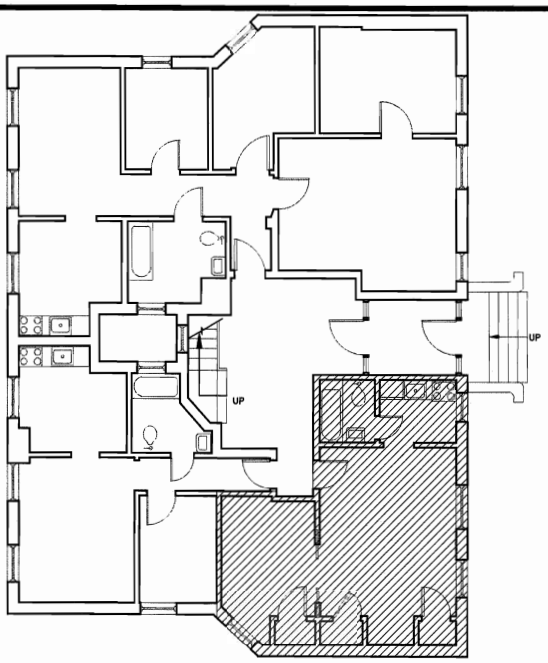
11 West 30th Street, New York, N.Y. 10001
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TYPICAL UNIT FLOOR PLANS & LAYOUTS
411-417-421 MANHATTAN AVENUE
NEW YORK, NY 10026

D–44

SCALE: AS NOTED DATE: 02/18/11
JOB No. 06-411-417-421MANHATTAN AVE
DRAWN BY: AH CHECKED BY: JL

A2-07

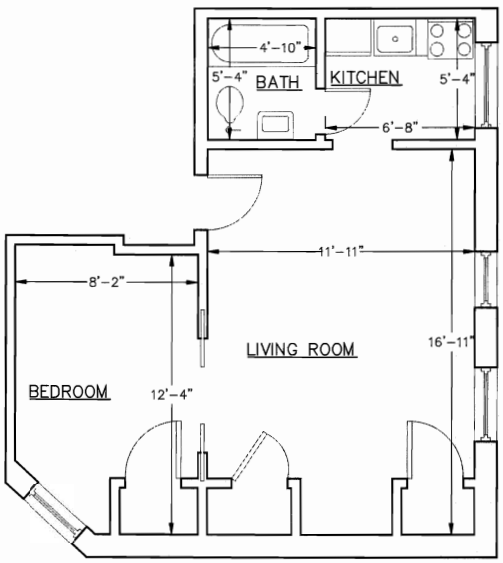


417 MANHATTAN AVENUE
MAY 23RD, 2007

1 / A2-08 UNIT 1 @ 417

SCALE: 1/8"= 1'-0"

NOTE:
THIS PLAN IS FOR GENERAL INFORMATION ONLY. THE INFORMATION SHOWN HERE IS APPROXIMATE.



APPROXIMATE SQ. FT, = 450

HOWARD L. ZIMMERMAN
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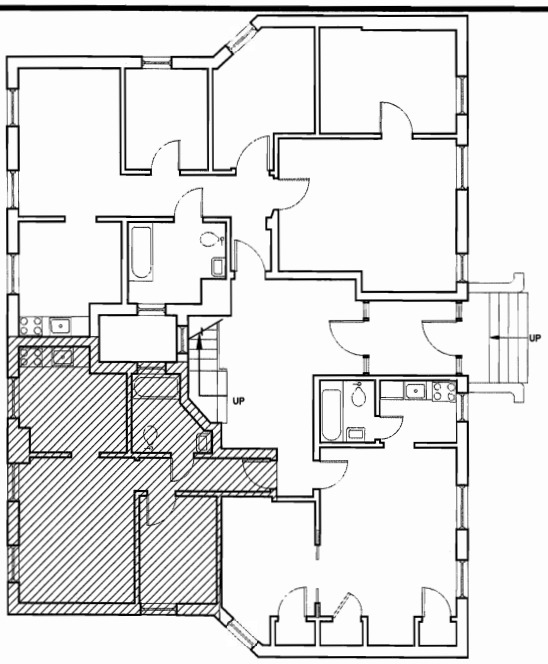
11 West 30th Street, New York, N.Y. 10001
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TYPICAL UNIT FLOOR PLANS & LAYOUTS
411-417-421 MANHATTAN AVENUE
NEW YORK, NY 10026

D–45

SCALE: AS NOTED DATE: 02/18/11
JOB No. 06-411-417-421MANHATTAN AVE
DRAWN BY: AH CHECKED BY: JL

A2-08



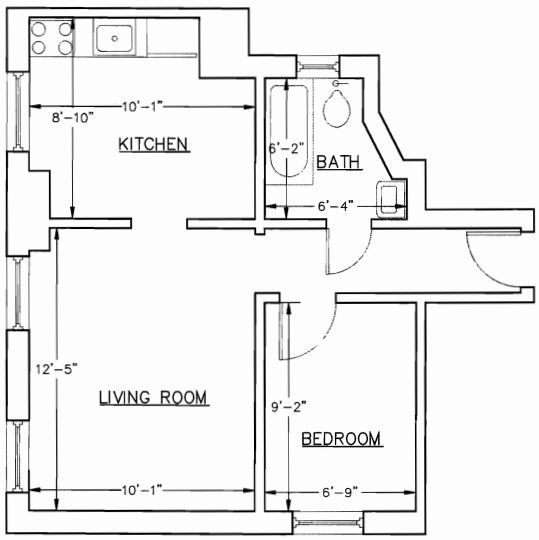
417 MANHATTAN AVENUE
MAY 23RD, 2007

1 / A2-09 UNIT 2 @ 417

SCALE: 1/8"= 1'-0"

NOTE:
THIS PLAN IS FOR GENERAL INFORMATION ONLY. THE INFORMATION SHOWN HERE IS APPROXIMATE.





APPROXIMATE SQ. FT, = 497

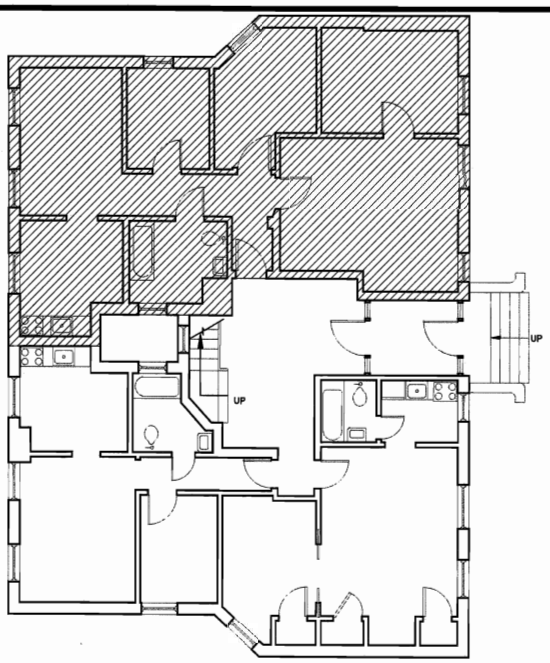
HOWARD L. ZIMMERMAN
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TYPICAL UNIT FLOOR PLANS & LAYOUTS
411-417-421 MANHATTAN AVENUE
NEW YORK, NY 10026

SCALE: AS NOTED DATE: 02/18/11
JOB No. 06-411-417-421MANHATTAN AVE
DRAWN BY: AH CHECKED BY: JL

A2-09



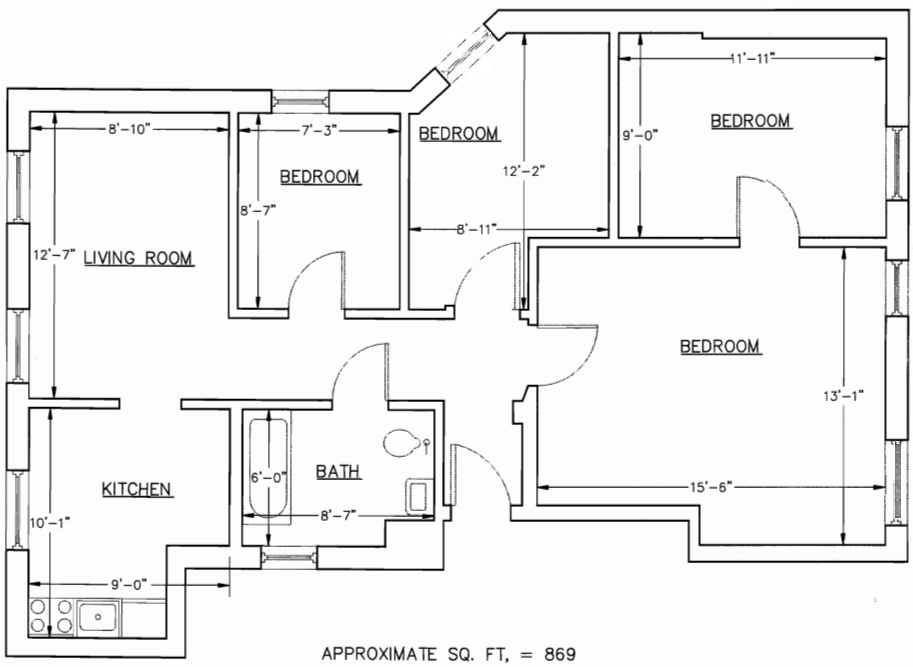
417 MANHATTAN AVENUE
MAY 23RD, 2007

1 / A2–10 UNIT 3 @ 417

SCALE: 1/8"= 1'–0"

NOTE:
THIS PLAN IS FOR GENERAL INFORMATION ONLY. THE INFORMATION SHOWN HERE IS APPROXIMATE.





APPROXIMATE SQ. FT, = 869

HOWARD L. ZIMMERMAN
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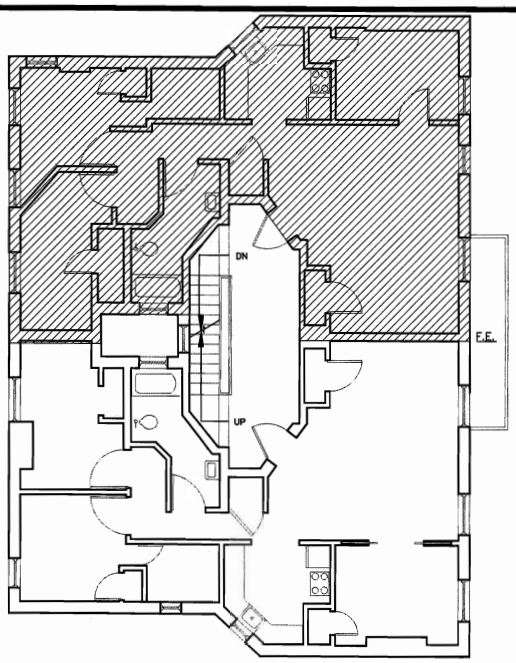
11 West 30th Street, New York, N.Y. 10001
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TYPICAL UNIT FLOOR PLANS & LAYOUTS
411-417-421 MANHATTAN AVENUE
NEW YORK, NY 10026

D–47

SCALE: AS NOTED DATE: 02/18/11
JOB No. 06-411-417-421MANHATTAN AVE
DRAWN BY: AH CHECKED BY: JL

A2-10

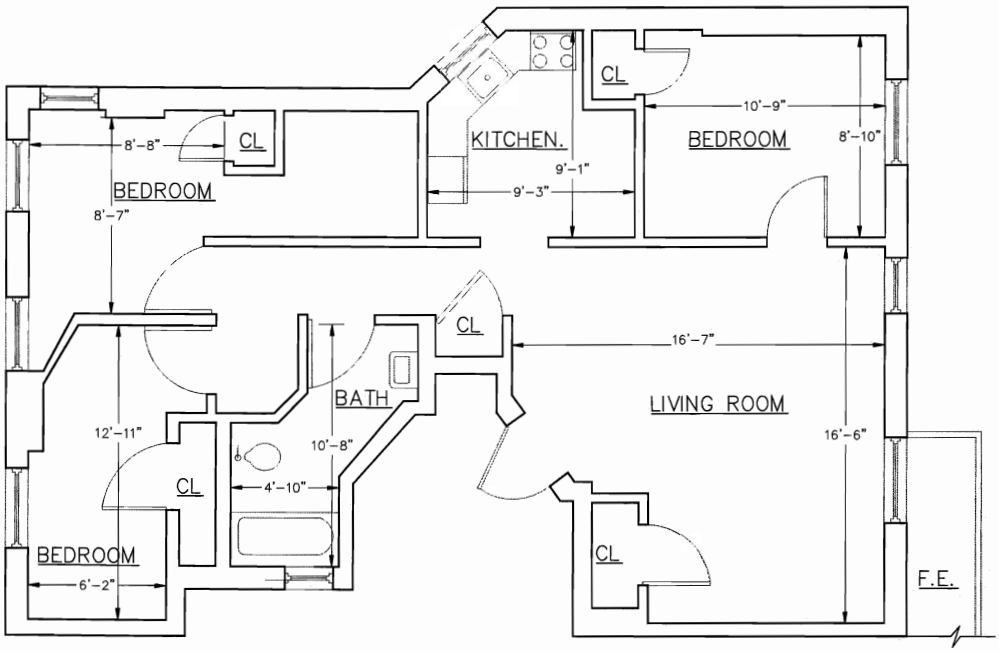


417 MANHATTAN AVENUE
MAY 23RD, 2007

1 / A2–12 UNITS 5, 7, & 9 @ 417

SCALE: 1/8"= 1'–0"

NOTE:
THIS PLAN IS FOR GENERAL INFORMATION ONLY. THE INFORMATION SHOWN HERE IS APPROXIMATE.



APPROXIMATE SQ. FT, = 875

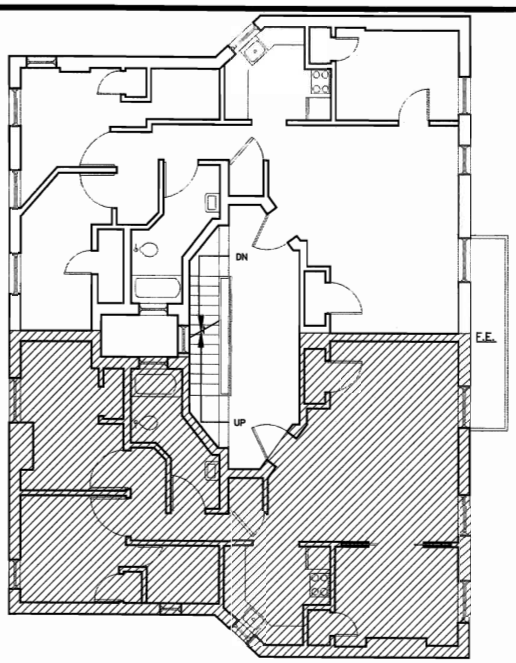
HOWARD L. ZIMMERMAN
ARCHITECTS, P.C.

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TYPICAL UNIT FLOOR PLANS & LAYOUTS
411-417-421 MANHATTAN AVENUE
NEW YORK, NY 10026
D–48

SCALE: AS NOTED
DATE: 02/18/11
JOB No. 06-411-417-421MANHATTAN AVE
DRAWN BY: AH
CHECKED BY: JL

A2-11



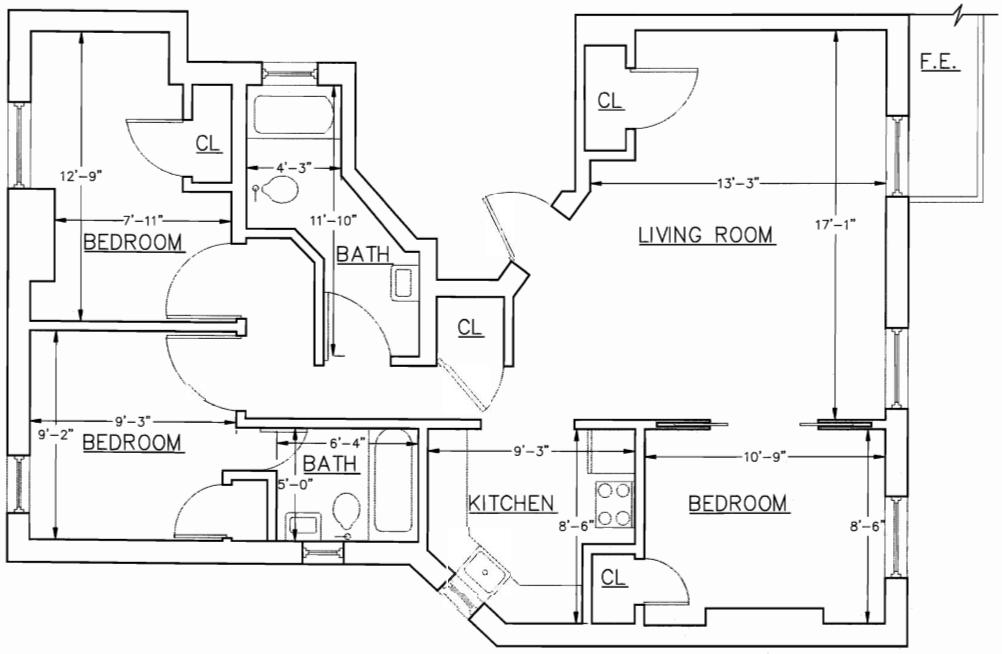
417 MANHATTAN AVENUE
MAY 23RD, 2007

1
A2–11

UNITS 4, 6 & 8 @ 417

SCALE: 1/8"= 1'-0"

NOTE:
THIS PLAN IS FOR GENERAL INFORMATION ONLY. THE INFORMATION SHOWN HERE IS APPROXIMATE.



APPROXIMATE SQ. FT, = 860

HOWARD L. ZIMMERMAN
ARCHITECTS, P.C.

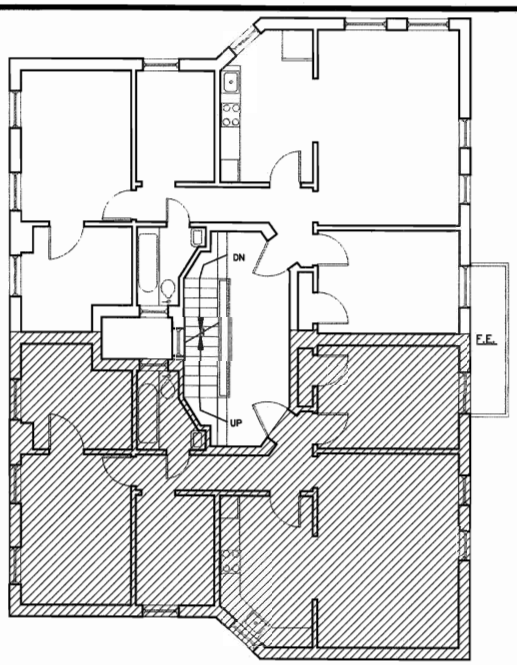
11 West 30th Street, New York, N.Y. 10001
Phone 212.564.9393; Fax 212.564.9032

TYPICAL UNIT FLOOR PLANS & LAYOUTS
411-417-421 MANHATTAN AVENUE
NEW YORK, NY 10026

D–49

SCALE: AS NOTED
DATE: 02/18/11
JOB No. 06-411-417-421MANHATTAN AVE
DRAWN BY: AH
CHECKED BY: JL

A2-12



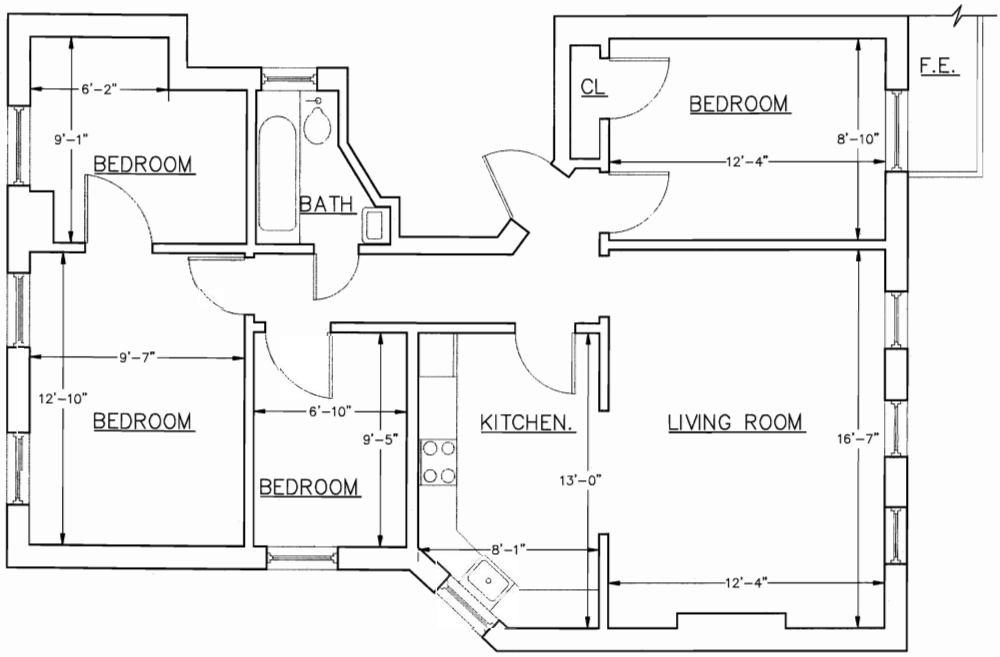
417 MANHATTAN AVENUE
MAY 23RD, 2007

1
A2–13

UNIT 10 @ 417

SCALE: 1/8"= 1'–0"

NOTE:
THIS PLAN IS FOR GENERAL INFORMATION ONLY. THE INFORMATION SHOWN HERE IS APPROXIMATE.



APPROXIMATE SQ. FT, = 881

HOWARD L. ZIMMERMAN
ARCHITECTS, P.C.

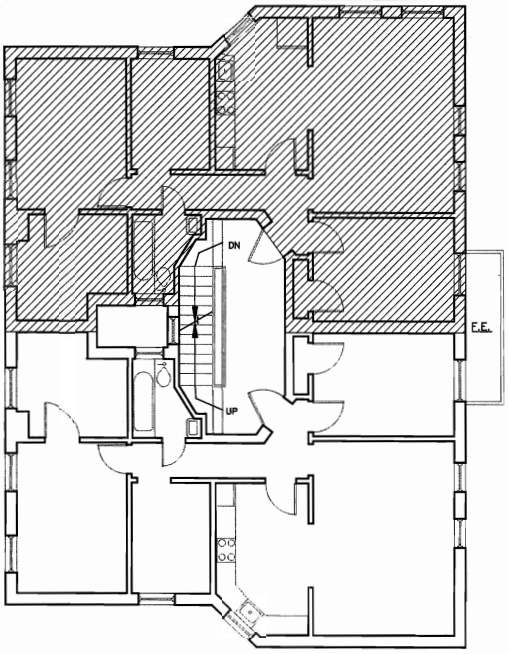
11 West 30th Street, New York, N.Y. 10001
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TYPICAL UNIT FLOOR PLANS & LAYOUTS
411-417-421 MANHATTAN AVENUE
NEW YORK, NY 10026

D–50

SCALE: AS NOTED
DATE: 02/18/11
JOB No. 06-411-417-421MANHATTAN AVE
DRAWN BY: AH
CHECKED BY: JL

A2-13



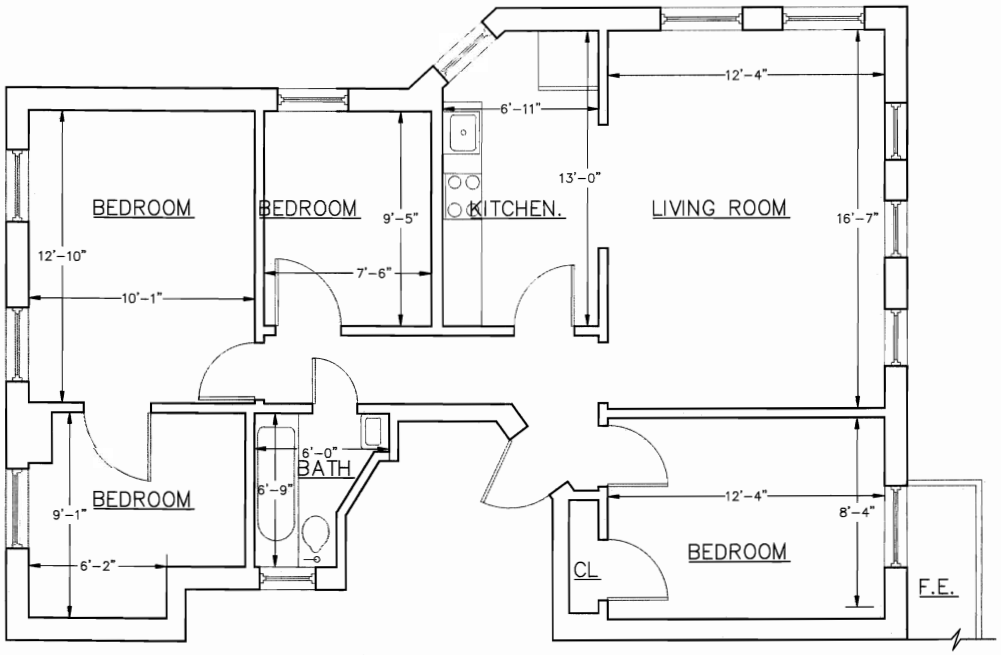
417 MANHATTAN AVENUE
MAY 23RD, 2007

1 / A2–14 UNIT 11 @ 417

SCALE: 1/8"= 1'–0"

NOTE:
THIS PLAN IS FOR GENERAL INFORMATION ONLY. THE INFORMATION SHOWN HERE IS APPROXIMATE.





APPROXIMATE SQ. FT, = 879

HOWARD L. ZIMMERMAN
ARCHITECTS, P.C.

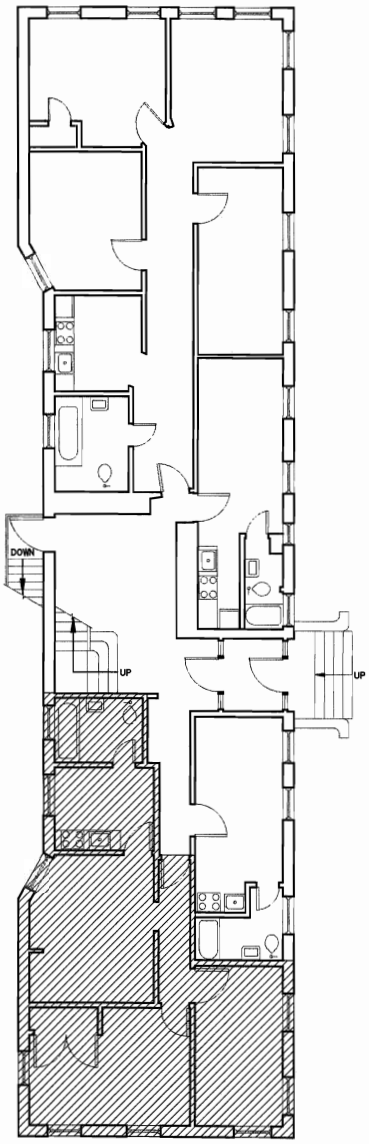
11 West 30th Street, New York, N.Y. 10001
Phone 212.564.9393; Fax 212.564.9032

TYPICAL UNIT FLOOR PLANS & LAYOUTS
411-417-421 MANHATTAN AVENUE
NEW YORK, NY 10026

D–51

SCALE: AS NOTED DATE: 02/18/11
JOB No. 06-411-417-421MANHATTAN AVE
DRAWN BY: AH CHECKED BY: JL

A2-14



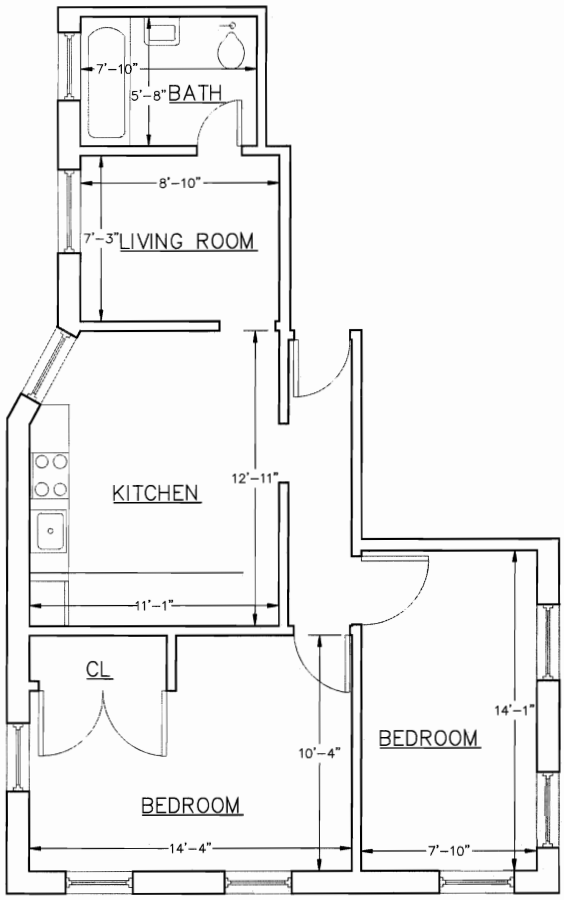
421 MANHATTAN AVENUE
MAY 23RD, 2007

1 / A2–15 UNIT 2 @ 421

SCALE: 1/8"= 1'–0"

NOTE:
THIS PLAN IS FOR GENERAL INFORMATION ONLY. THE INFORMATION SHOWN HERE IS APPROXIMATE.





APPROXIMATE SQ. FT, = 614

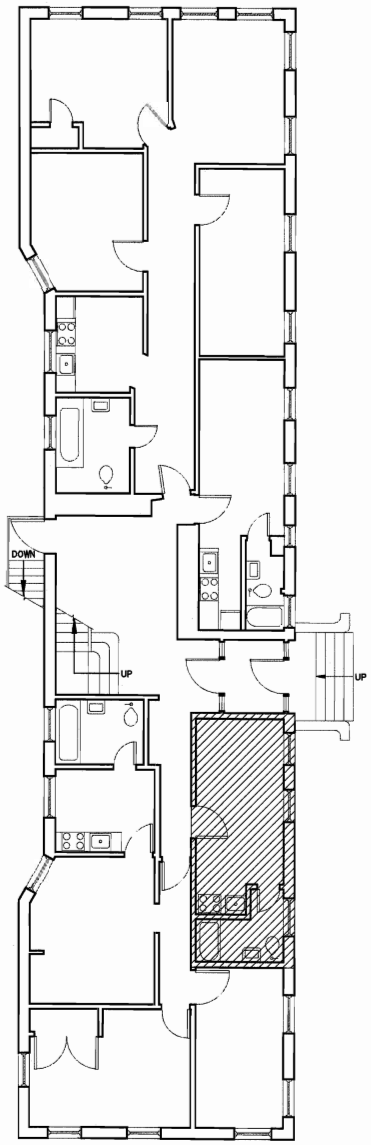
HOWARD L. ZIMMERMAN
ARCHITECTS, P.C.

11 West 30th Street, New York, N.Y. 10001
Phone 212.564.9393; Fax: 212.564.9032

TYPICAL UNIT FLOOR PLANS & LAYOUTS
411-417-421 MANHATTAN AVENUE
NEW YORK, NY 10026
D–52

SCALE: AS NOTED DATE: 02/18/11
JOB No. 06-411-417-421MANHATTAN AVE
DRAWN BY: AH CHECKED BY: JL

A2-15

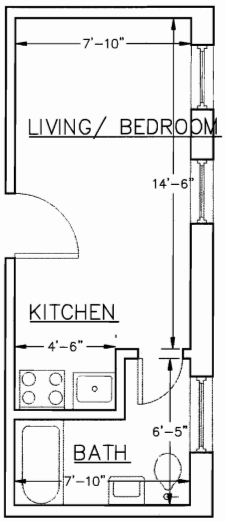


1 / A2–16 UNIT 3 @ 421

SCALE: 1/8"= 1'-0"

NOTE:
THIS PLAN IS FOR GENERAL INFORMATION ONLY. THE INFORMATION SHOWN HERE IS APPROXIMATE.





421 MANHATTAN AVENUE
MAY 23RD, 2007

APPROXIMATE SQ. FT, = 185

HOWARD L. ZIMMERMAN
ARCHITECTS, P.C.

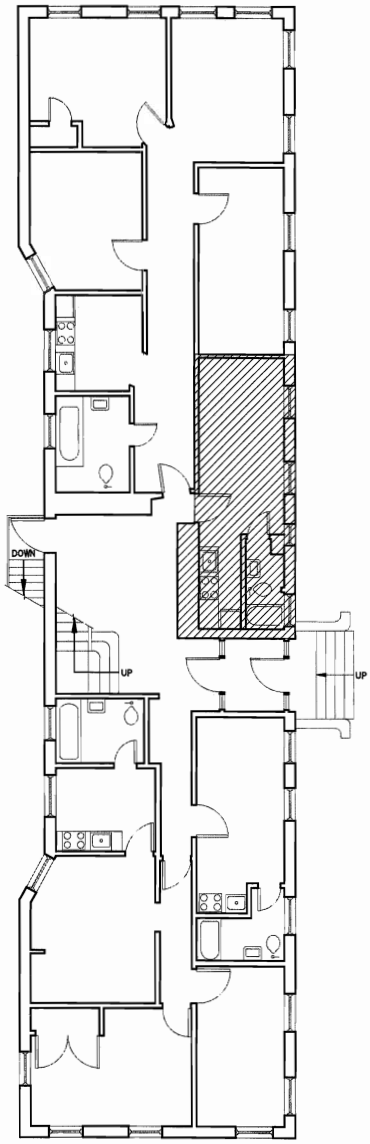
11 West 30th Street, New York, N.Y. 10001
Phone 212.564.9393; Fax 212.564.9032

TYPICAL UNIT FLOOR PLANS & LAYOUTS
411-417-421 MANHATTAN AVENUE
NEW YORK, NY 10026

D–53

SCALE: AS NOTED DATE: 02/18/11
JOB No. 06-411-417-421MANHATTAN AVE
DRAWN BY: AH CHECKED BY: JL

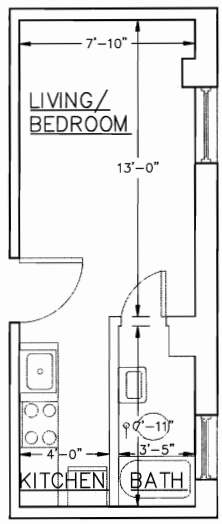
A2-16



1 A2–17 UNIT 4 @ 421

SCALE: 1/8"= 1'–0"

NOTE:
THIS PLAN IS FOR GENERAL INFORMATION ONLY. THE INFORMATION SHOWN HERE IS APPROXIMATE.



421 MANHATTAN AVENUE
FEBRUARY 24TH, 2010

APPROXIMATE SQ. FT, = 185

HOWARD L. ZIMMERMAN
ARCHITECTS, P.C.

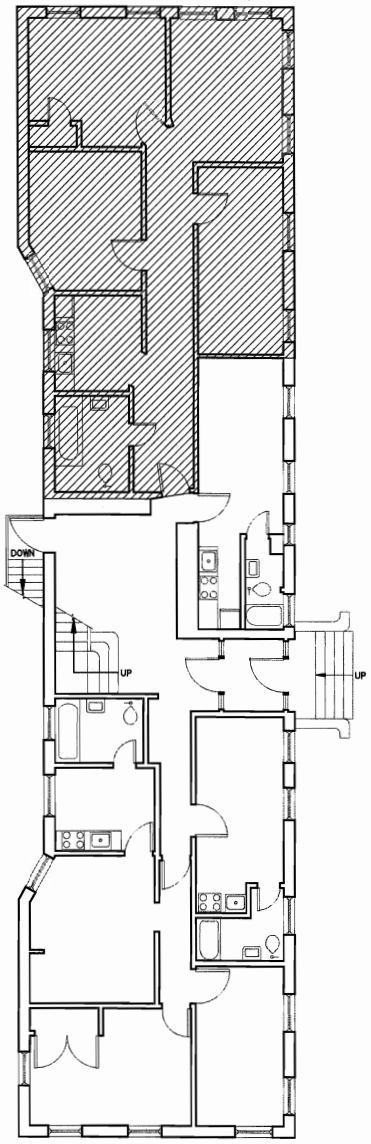
11 West 30th Street, New York, N.Y. 10001
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TYPICAL UNIT FLOOR PLANS & LAYOUTS
411-417-421 MANHATTAN AVENUE
NEW YORK, NY 10026

D–54

SCALE: AS NOTED
DATE: 02/18/11
JOB No. 06-411-417-421MANHATTAN AVE
DRAWN BY: AH
CHECKED BY: JL

A2-17

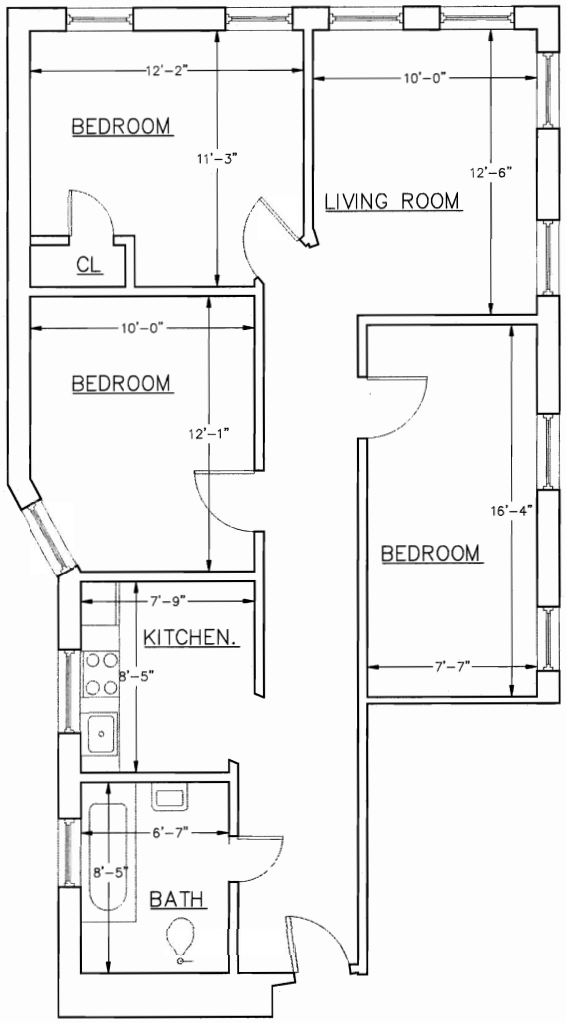


1 / A2–18 UNIT 5 @ 421

SCALE: 1/8"= 1'-0"

NOTE:
THIS PLAN IS FOR GENERAL INFORMATION ONLY. THE INFORMATION SHOWN HERE IS APPROXIMATE.

NOTE:
ACCESS TO THE APARTMENT WAS NOT PERMITTED. DRAWING IS BASED OFF OF DIAGRAMS AND DESCRIPTION FROM THE SUPERINTENDENT.



421 MANHATTAN AVENUE
MAY 23RD, 2007

APPROXIMATE SQ. FT, = 850

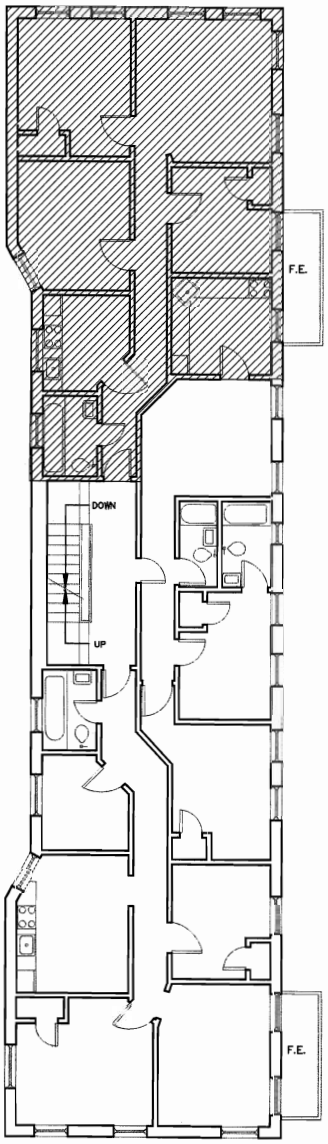
HOWARD L. ZIMMERMAN
ARCHITECTS, P.C.

11 West 30th Street, New York, N.Y. 10001
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TYPICAL UNIT FLOOR PLANS & LAYOUTS
411-417-421 MANHATTAN AVENUE
NEW YORK, NY 10026
D–55

SCALE: AS NOTED DATE: 02/18/11
JOB No. 06-411-417-421MANHATTAN AVE
DRAWN BY: AH CHECKED BY: JL

A2-18



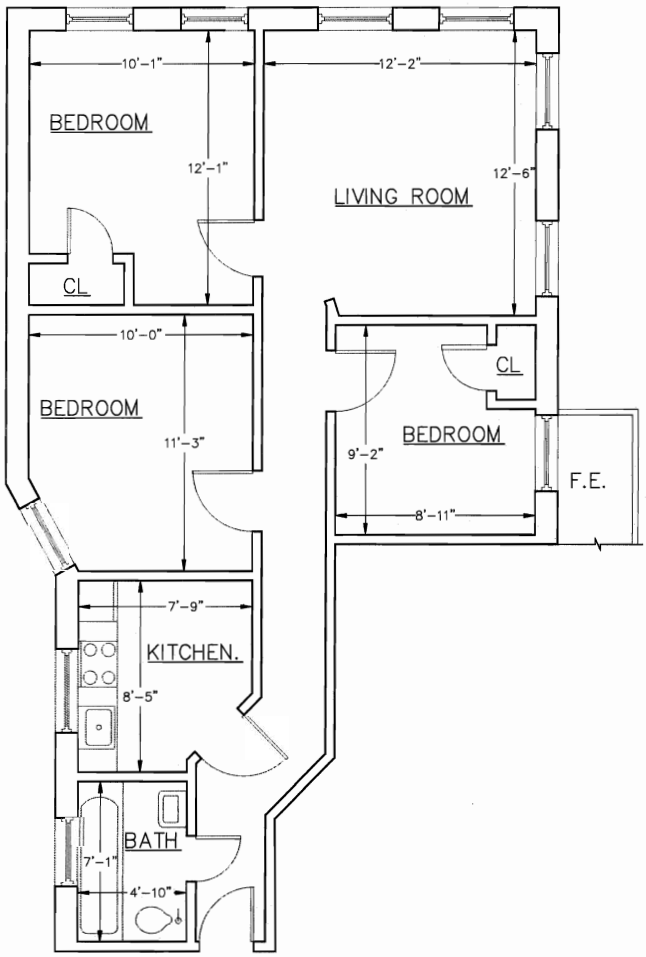
421 MANHATTAN AVENUE
AUGUST 20TH, 2007

1 / A2–19 UNIT 6, 9, 12, &15 @ 421

SCALE: 1/8"= 1'–0"

NOTE:
THIS PLAN IS FOR GENERAL INFORMATION ONLY. THE INFORMATION SHOWN HERE IS APPROXIMATE.





APPROXIMATE SQ. FT, = 728

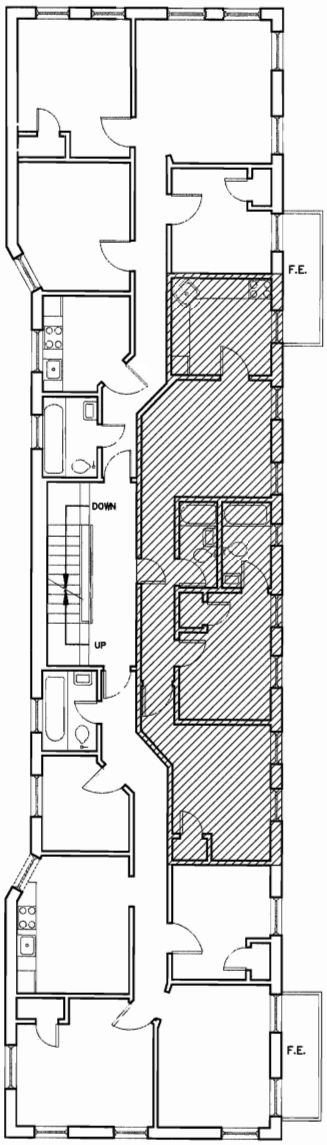
HOWARD L. ZIMMERMAN
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TYPICAL UNIT FLOOR PLANS & LAYOUTS
411-417-421 MANHATTAN AVENUE
NEW YORK, NY 10026
D–56

SCALE:	AS NOTED
DATE:	02/18/11
JOB No.	06-411-417-421MANHATTAN AVE
DRAWN BY:	AH
CHECKED BY:	JL

A2-19



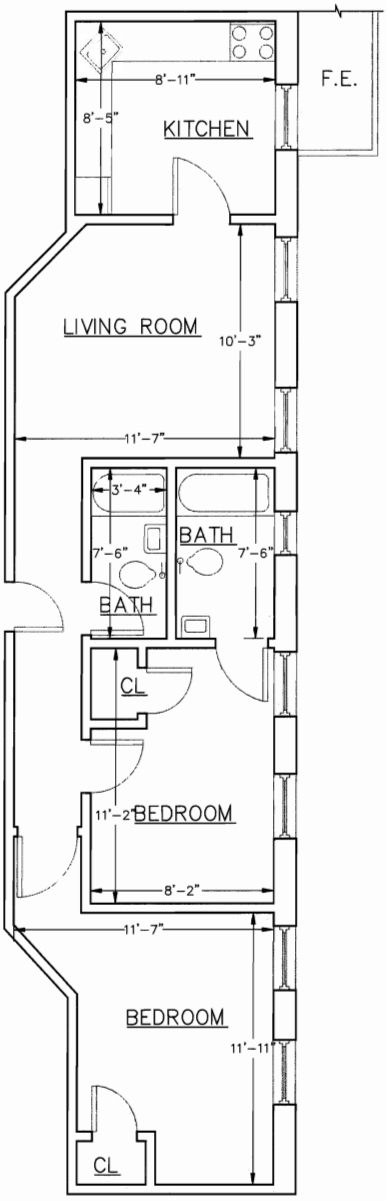
421 MANHATTAN AVENUE
MAY 23RD, 2007

1
A2–20

UNIT 7, 10, & 16 @ 421

SCALE: 1/8"= 1'-0"

NOTE:
THIS PLAN IS FOR GENERAL INFORMATION ONLY. THE INFORMATION SHOWN HERE IS APPROXIMATE.



APPROXIMATE SQ. FT, = 572

HOWARD L. ZIMMERMAN
ARCHITECTS, P.C.

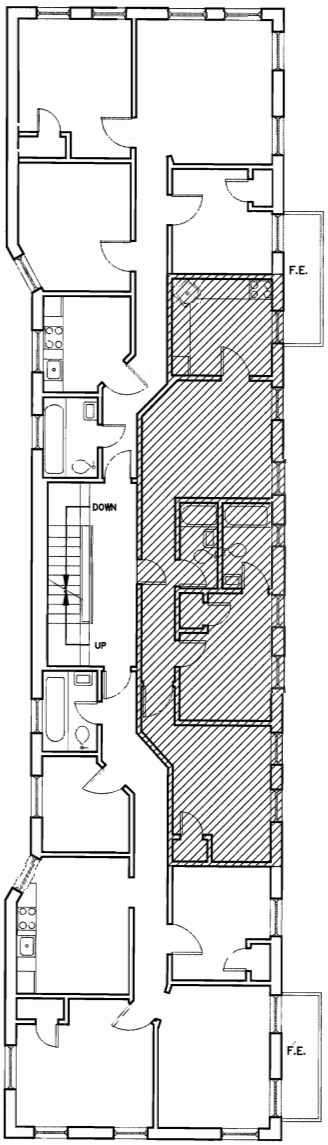
11 West 30th Street, New York, N.Y. 10001
Phone 212.564.9393; Fax: 212.564.9032

TYPICAL UNIT FLOOR PLANS & LAYOUTS
411-417-421 MANHATTAN AVENUE
NEW YORK, NY 10026

D–57

SCALE:	AS NOTED
DATE:	02/18/11
JOB No.	06-411-417-421MANHATTAN AVE
DRAWN BY:	AH
CHECKED BY:	JL

A2-20



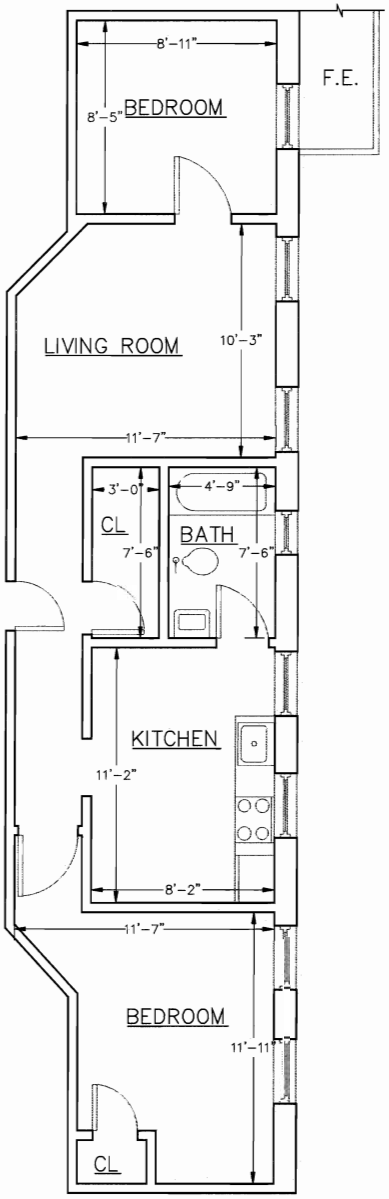
421 MANHATTAN AVENUE
MAY 23RD, 2007

1
A2-21

UNIT 12A @ 421

SCALE: 1/8"= 1'-0"

NOTE:
THIS PLAN IS FOR GENERAL INFORMATION ONLY. THE INFORMATION SHOWN HERE IS APPROXIMATE.



APPROXIMATE SQ. FT, = 572

HOWARD L. ZIMMERMAN
ARCHITECTS, P.C.

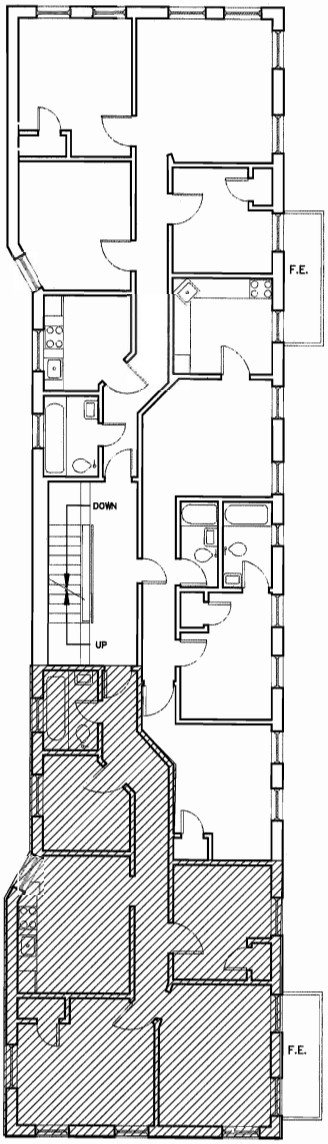
11 West 30th Street, New York, N.Y. 10001
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TYPICAL UNIT FLOOR PLANS & LAYOUTS
411-417-421 MANHATTAN AVENUE
NEW YORK, NY 10026

D-58

SCALE: AS NOTED
DATE: 02/18/11
JOB No. 06-411-417-421MANHATTAN AVE
DRAWN BY: AH
CHECKED BY: JL

A2-21



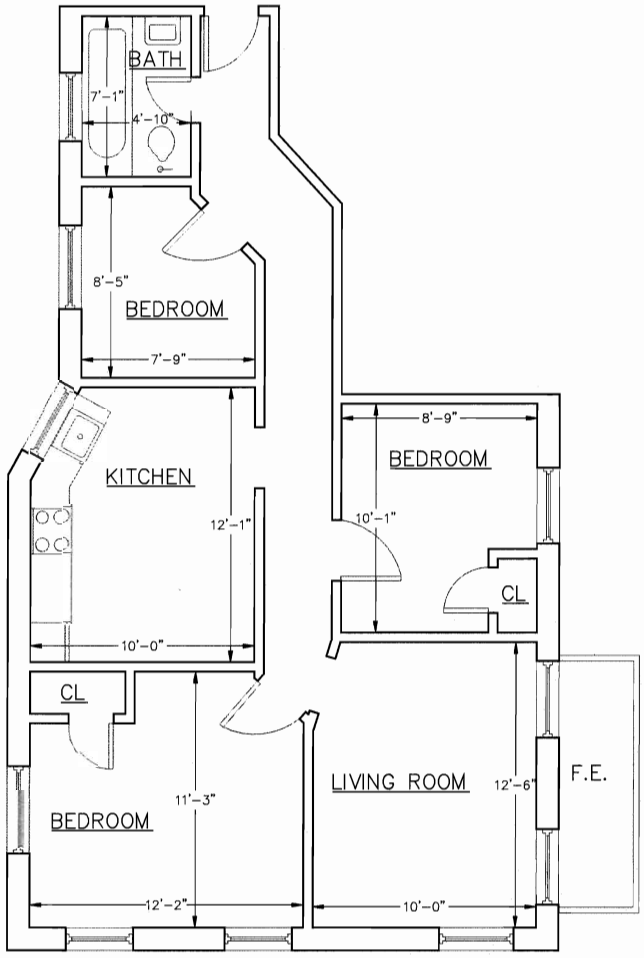
421 MANHATTAN AVENUE
MAY 23RD, 2007

1
A2–22

UNIT 8, 11, 14, & 17 @ 421

SCALE: 1/8"= 1'–0"

NOTE:
THIS PLAN IS FOR GENERAL INFORMATION ONLY. THE INFORMATION SHOWN HERE IS APPROXIMATE.



APPROXIMATE SQ. FT, = 738

HOWARD L. ZIMMERMAN
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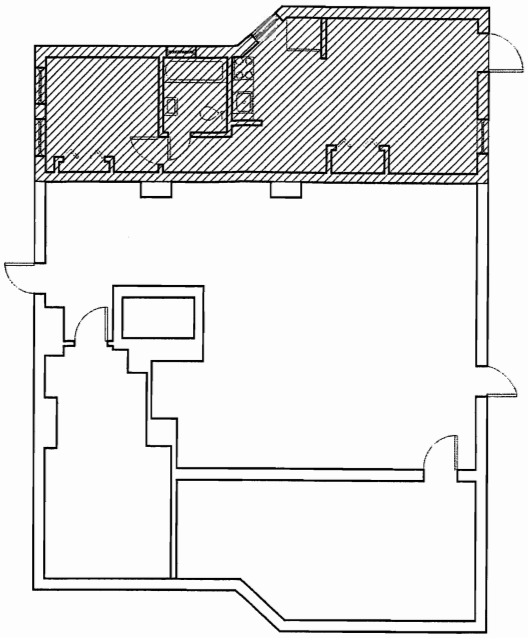
TYPICAL UNIT FLOOR PLANS
411-417-421 MANHATTAN AVENUE
NEW YORK, NY 10026
D–59

SCALE: AS NOTED
DATE: 02/18/11
JOB No. 06-411-417-421MANHATTAN AVE
DRAWN BY: AH
CHECKED BY: JL

A2-22

1 / A2-23 SUPERINTENDENTS APT.

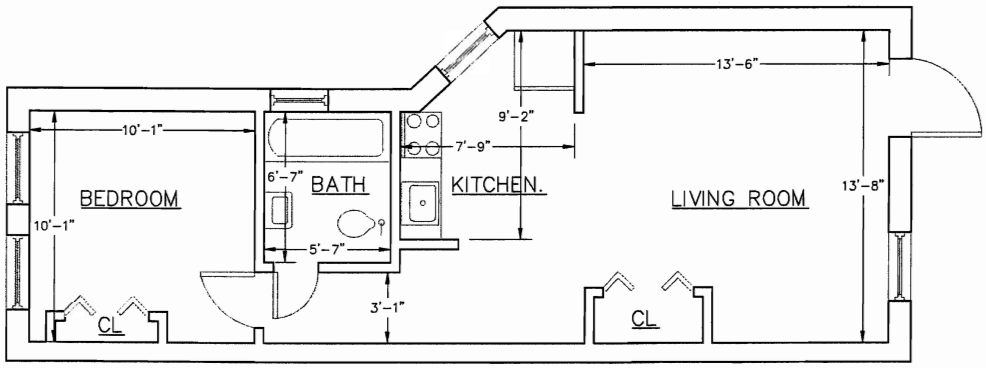
SCALE: 1/8"= 1'-0"



NOTE:
THIS PLAN IS FOR GENERAL INFORMATION ONLY. THE INFORMATION SHOWN HERE IS APPROXIMATE.



417 MANHATTAN AVENUE
MAY 23RD, 2007



APPROXIMATE SQ. FT, = 495

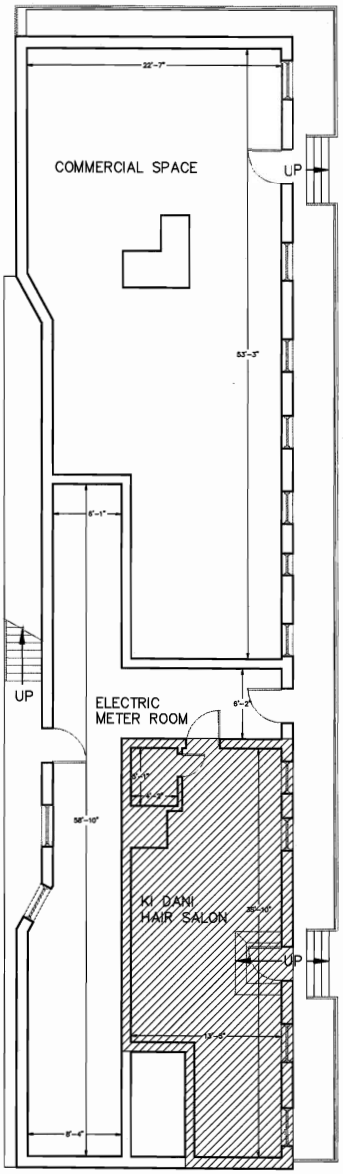
HOWARD L. ZIMMERMAN
ARCHITECTS, P.C.

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TYPICAL UNIT FLOOR PLANS & LAYOUTS
411-417-421 MANHATTAN AVENUE
NEW YORK, NY 10026
D-60

SCALE: AS NOTED DATE: 02/18/11
JOB No. 06-411-417-421MANHATTAN AVE
DRAWN BY: AH CHECKED BY: JL

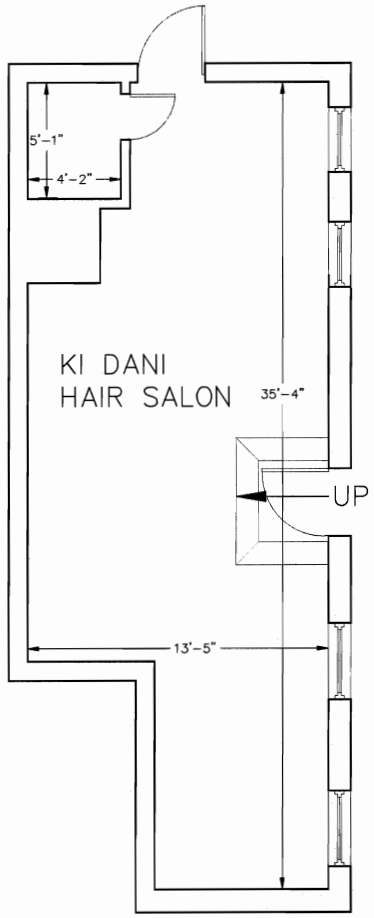
A2-23



1 / A2–24 KI DANI HAIR SHOP

SCALE: 1/8"= 1'–0"

NOTE:
THIS PLAN IS FOR GENERAL INFORMATION ONLY. THE INFORMATION SHOWN HERE IS APPROXIMATE.



421 MANHATTAN AVENUE
DECEMBER 11, 2008

APPROXIMATE SQ. FT, = 435

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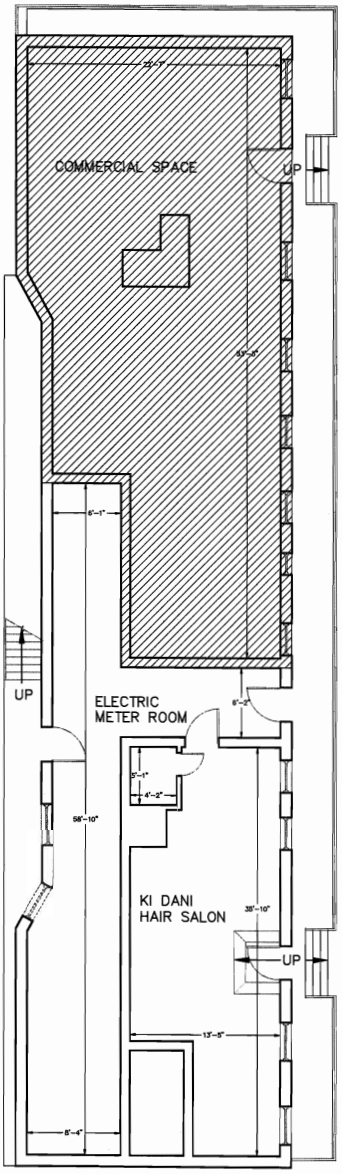
11 West 30th Street, New York, N.Y. 10001
Phone 212.564.9393; Fax 212.564.9032

TYPICAL UNIT FLOOR PLANS & LAYOUTS
411-417-421 MANHATTAN AVENUE
NEW YORK, NY 10026

D–61

SCALE: AS NOTED
DATE: 02/18/11
JOB No. 06-411-417-421MANHATTAN AVE
DRAWN BY: AH
CHECKED BY: JL

A2-24

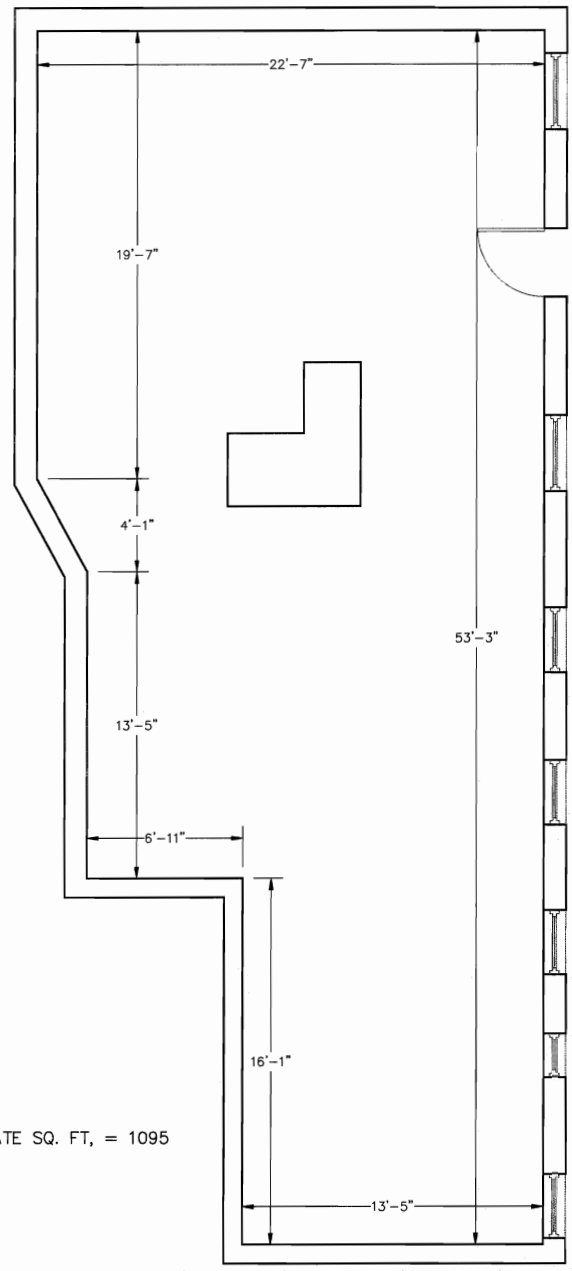


421 MANHATTAN AVENUE
JUNE 4TH, 2007

1 / A2–25 COMMERCIAL SPACE

SCALE: 1/8"= 1'–0"

NOTE:
THIS PLAN IS FOR GENERAL INFORMATION ONLY. THE INFORMATION SHOWN HERE IS APPROXIMATE.



APPROXIMATE SQ. FT, = 1095

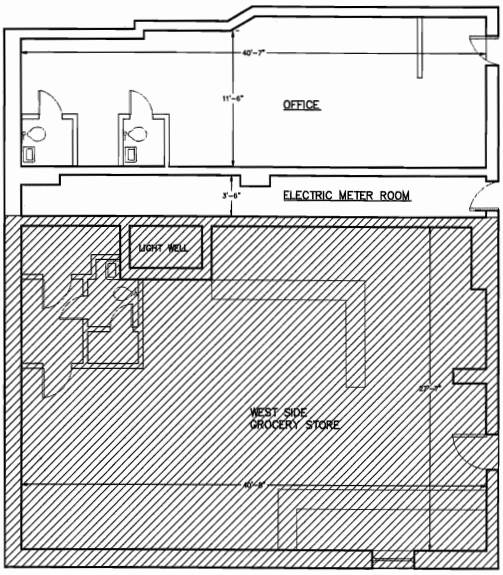
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TYPICAL UNIT FLOOR PLANS & LAYOUTS
411-417-421 MANHATTAN AVENUE
NEW YORK, NY 10026
D–62

SCALE: AS NOTED DATE: 02/18/11
JOB No. 06-411-417-421MANHATTAN AVE
DRAWN BY: AH CHECKED BY: JL

A2-25



1
A2-26

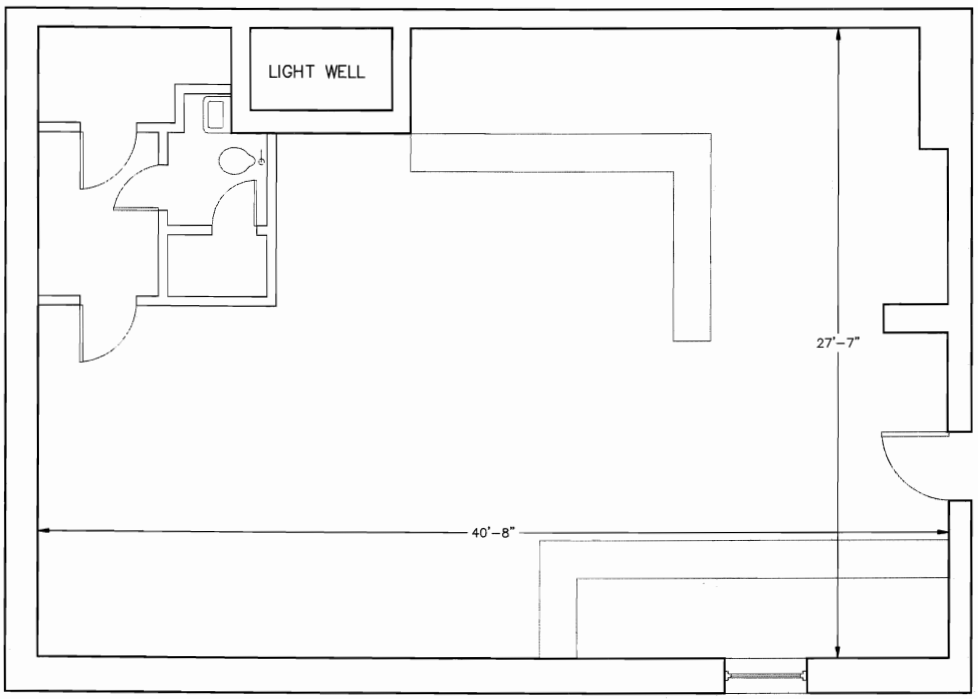
WEST SIDE GROCERY

SCALE: 1/8"= 1'-0"

NOTE:
THIS PLAN IS FOR GENERAL INFORMATION ONLY. THE INFORMATION SHOWN HERE IS APPROXIMATE.



411 MANHATTAN AVENUE
JUNE 4TH, 2007



APPROXIMATE SQ. FT, = 1205

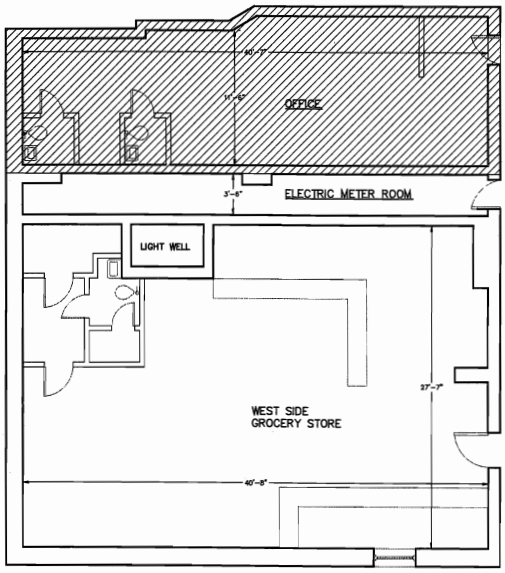
HOWARD L. ZIMMERMAN
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TYPICAL UNIT FLOOR PLANS & LAYOUTS
411-417-421 MANHATTAN AVENUE
NEW YORK, NY 10026
D–63

SCALE: AS NOTED
DATE: 02/18/11
JOB No. 06-411-417-421MANHATTAN AVE
DRAWN BY: AH
CHECKED BY: JL

A2-26



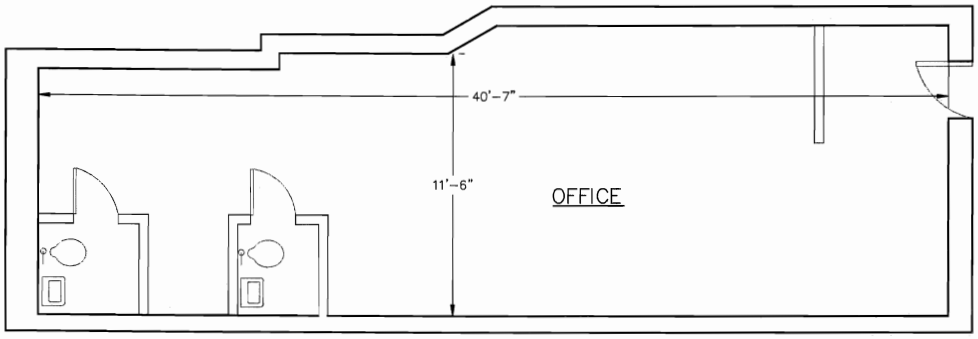
1 / A2-27 OFFICE

SCALE: 1/8"= 1'-0"

NOTE:
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411 MANHATTAN AVENUE
JUNE 8TH, 2007



APPROXIMATE SQ. FT, = 528

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TYPICAL UNIT FLOOR PLANS & LAYOUTS
411-417-421 MANHATTAN AVENUE
NEW YORK, NY 10026

D-64

SCALE: AS NOTED DATE: 02/18/11
JOB No. 06-411-417-421MANHATTAN AVE
DRAWN BY: AH CHECKED BY: JL

A2-27

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APPENDIX 3

MASTER FLOOR PLANS

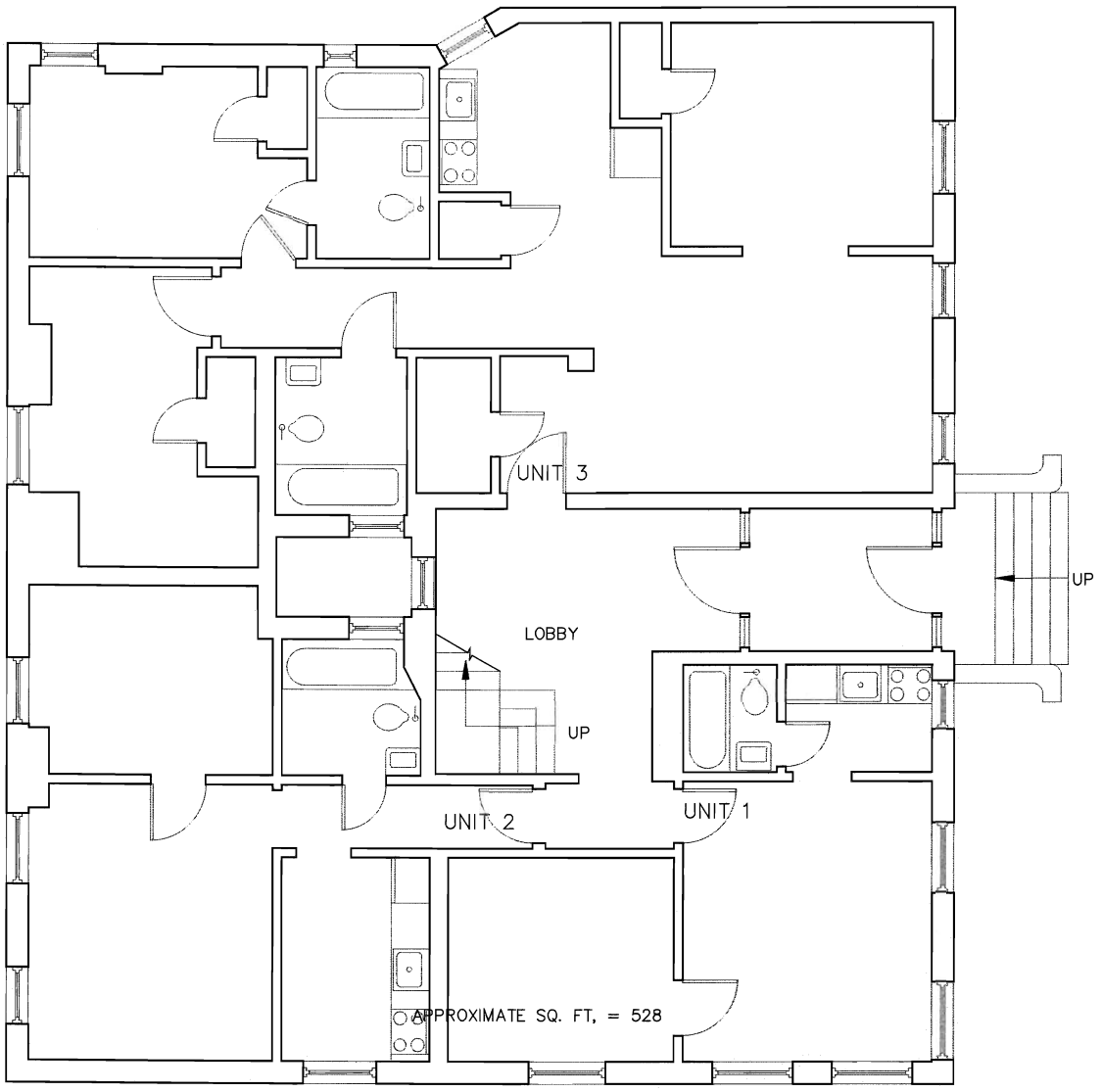
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1 / A3-01 1ST FLOOR PLAN @ 411

SCALE: 1/8"= 1'-0"

NOTE:
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411 MANHATTAN AVENUE
MAY 23RD, 2007



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TYPICAL UNIT FLOOR PLANS & LAYOUTS
411-417-421 MANHATTAN AVENUE
NEW YORK, NY 10026

D–66

SCALE: AS NOTED DATE: 02/18/11
JOB No. 06-411-417-421MANHATTAN AVE
DRAWN BY: AH CHECKED BY: JL

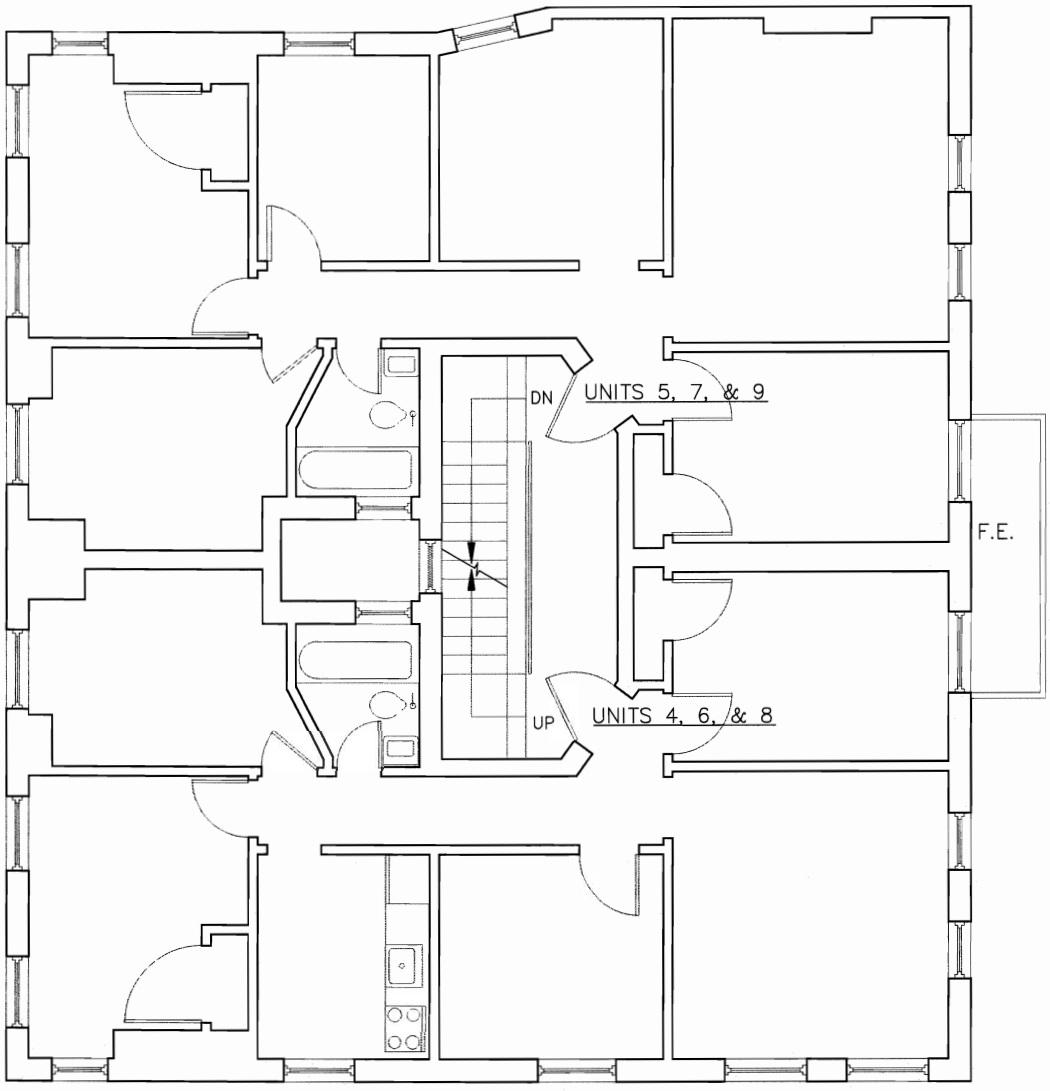
A3-01

1 / A3-02 2–4 FLOOR PLAN @ 411

SCALE: 1/8"= 1'-0"

NOTE:
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411 MANHATTAN AVENUE
MAY 23RD, 2007



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TYPICAL UNIT FLOOR PLANS & LAYOUTS
411-417-421 MANHATTAN AVENUE
NEW YORK, NY 10026

D–67

SCALE: AS NOTED DATE: 02/18/11
JOB No. 06-411-417-421MANHATTAN AVE
DRAWN BY: AH CHECKED BY: JL

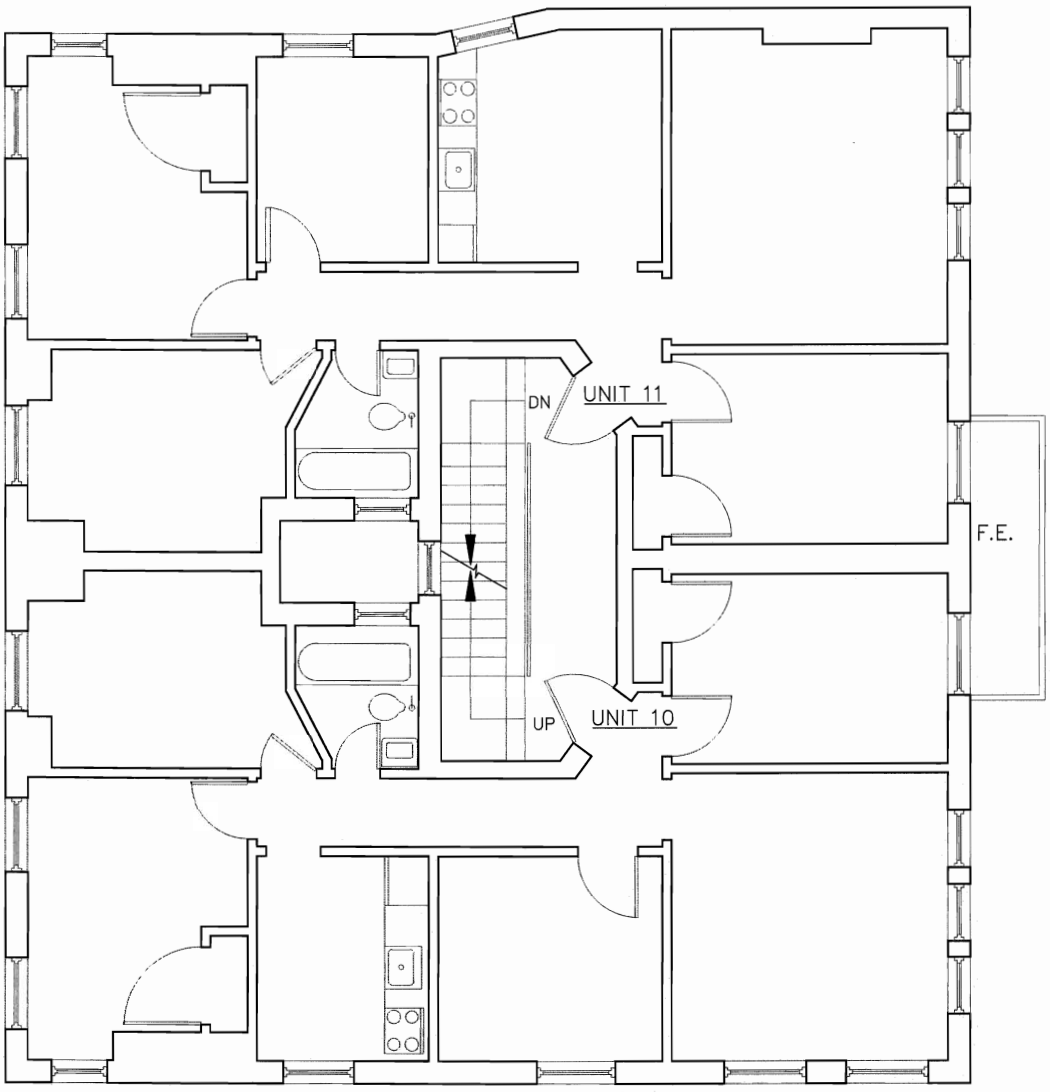
A3-02

1 / A3-03 5TH FLOOR @ 411

SCALE: 1/8"= 1'-0"

NOTE:
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411 MANHATTAN AVENUE
MAY 23RD, 2007



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TYPICAL UNIT FLOOR PLANS & LAYOUTS
411-417-421 MANHATTAN AVENUE
NEW YORK, NY 10026

D–68

SCALE: AS NOTED DATE: 02/18/11
JOB No. 06-411-417-421MANHATTAN AVE
DRAWN BY: AH CHECKED BY: JL

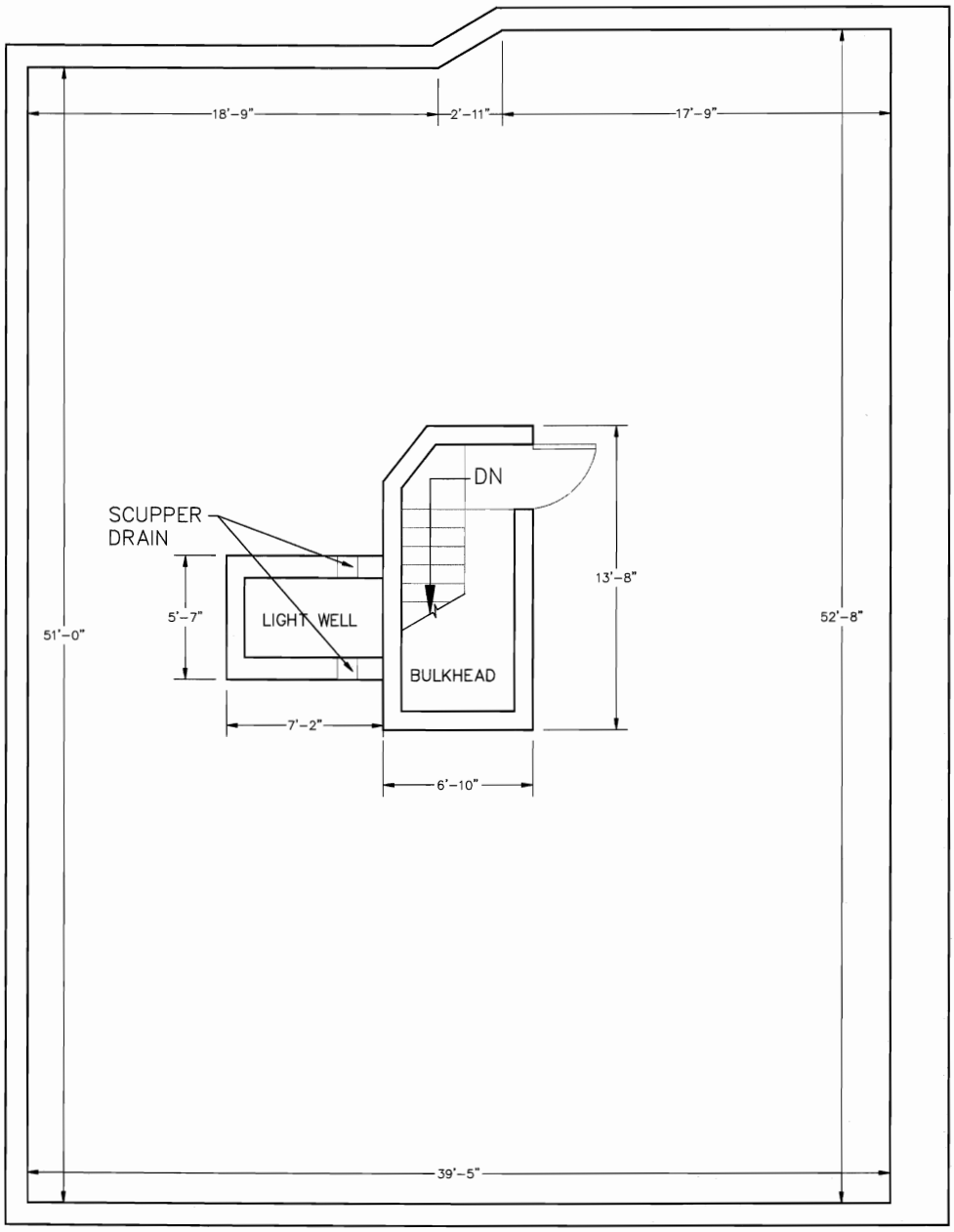
A3-03

1 / A3-04 ROOF @ 411

SCALE: 1/8"= 1'-0"

NOTE:
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411 MANHATTAN AVENUE
MAY 23RD, 2007



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TYPICAL UNIT FLOOR PLANS & LAYOUTS
411-417-421 MANHATTAN AVENUE
NEW YORK, NY 10026
D–69

SCALE: AS NOTED DATE: 02/18/11
JOB No. 06-411-417-421MANHATTAN AVE
DRAWN BY: AH CHECKED BY: JL

A3-04

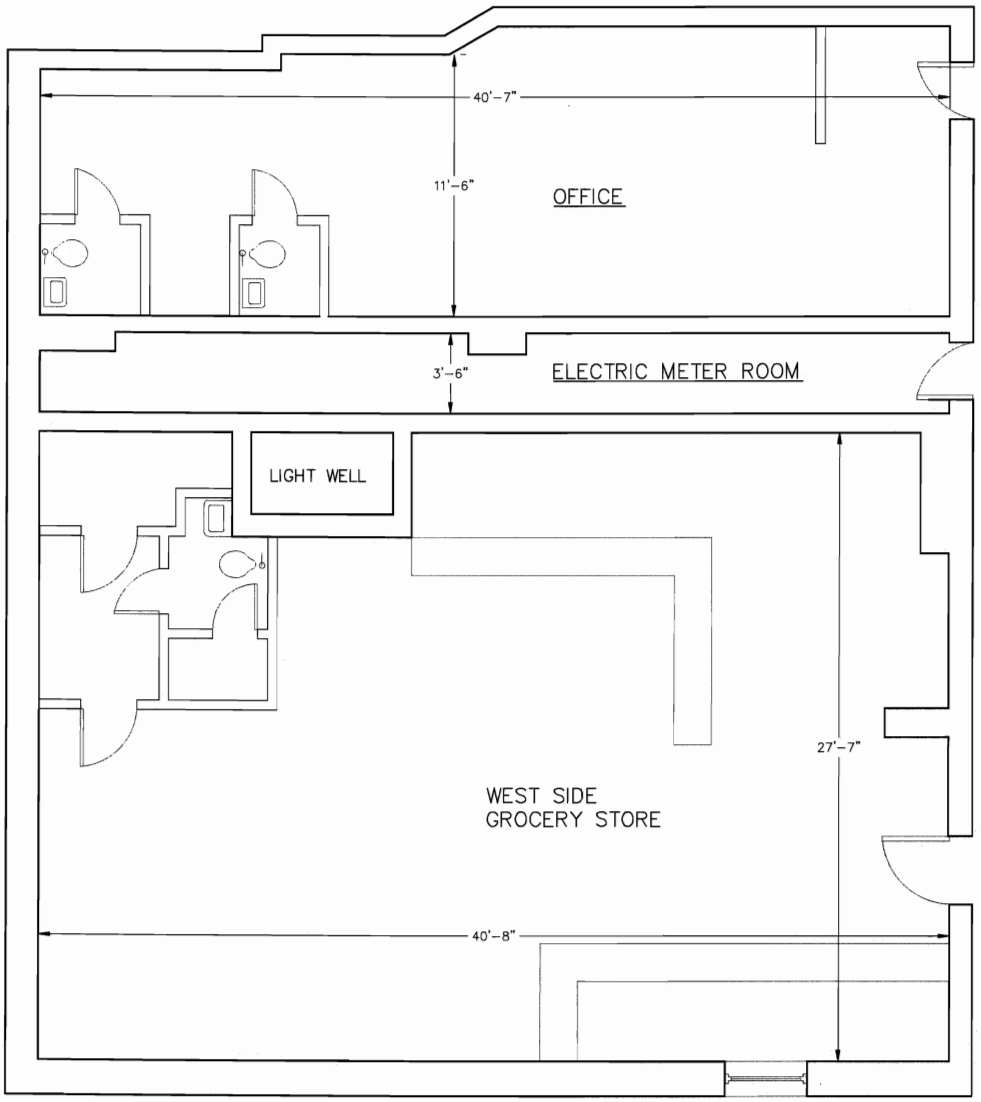
1
A3–05

BASEMENT @ 411

SCALE: 1/8"= 1'–0"

NOTE:
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411 MANHATTAN AVENUE
MAY 23RD, 2007



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TYPICAL UNIT FLOOR PLANS & LAYOUTS
411-417-421 MANHATTAN AVENUE
NEW YORK, NY 10026

D–70

SCALE: AS NOTED
DATE: 02/18/11
JOB No. 06-411-417-421MANHATTAN AVE
DRAWN BY: AH
CHECKED BY: JL

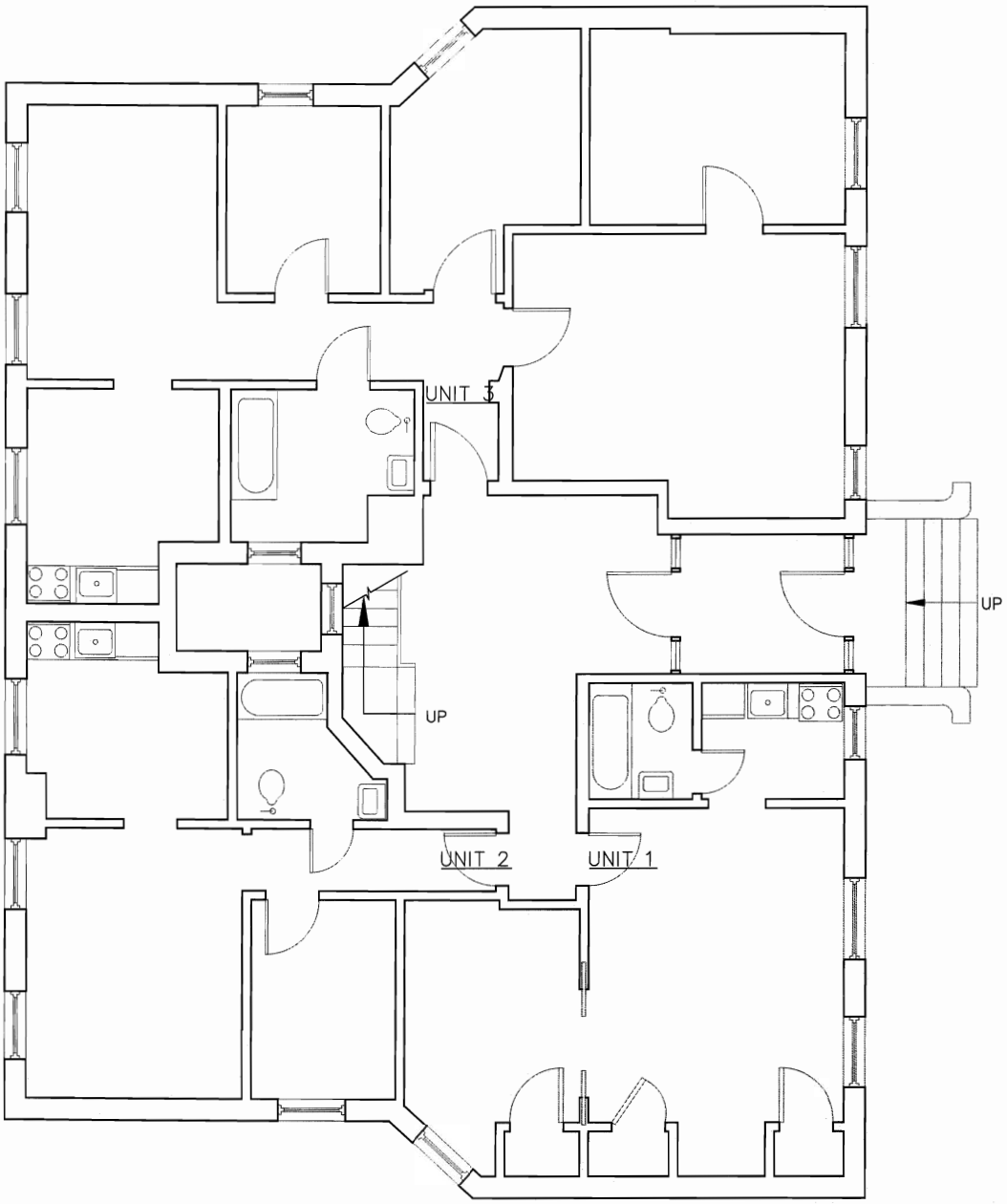
A3-05

1 / A3–06 1ST FLOOR @ 417

SCALE: 1/8"= 1'–0"

NOTE:
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417 MANHATTAN AVENUE
MAY 23RD, 2007



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TYPICAL UNIT FLOOR PLANS & LAYOUTS
411-417-421 MANHATTAN AVENUE
NEW YORK, NY 10026
D–71

SCALE: AS NOTED DATE: 02/18/11
JOB No. 06-411-417-421MANHATTAN AVE
DRAWN BY: AH CHECKED BY: JL

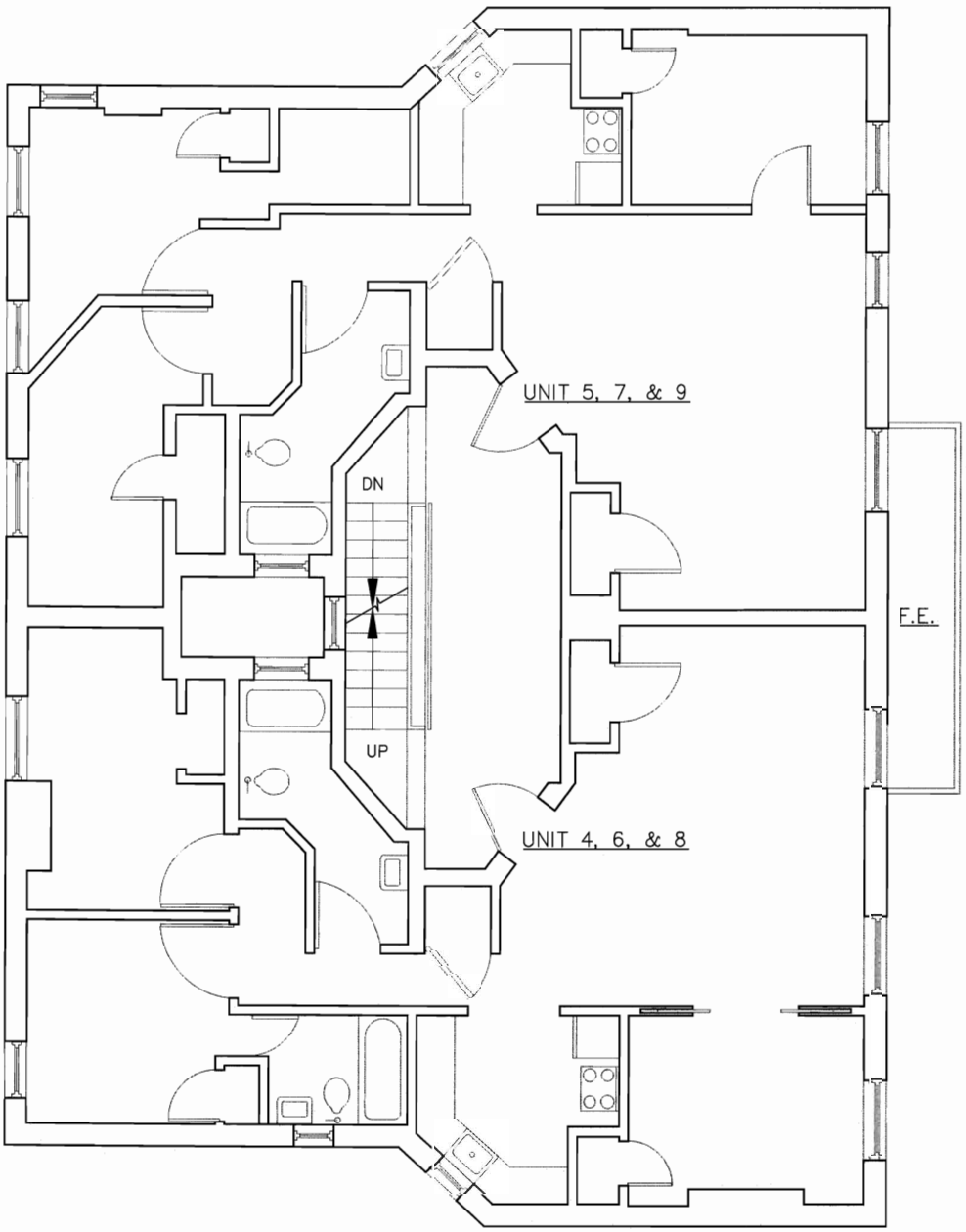
A3-06

1 / A3-07 2ND – 4TH FLOORS @ 417

SCALE: 1/8"= 1'-0"

NOTE:
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417 MANHATTAN AVENUE
MAY 23RD, 2007



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TYPICAL UNIT FLOOR PLANS & LAYOUTS
411-417-421 MANHATTAN AVENUE
NEW YORK, NY 10026

D–72

SCALE: AS NOTED DATE: 02/18/11
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DRAWN BY: AH CHECKED BY: JL

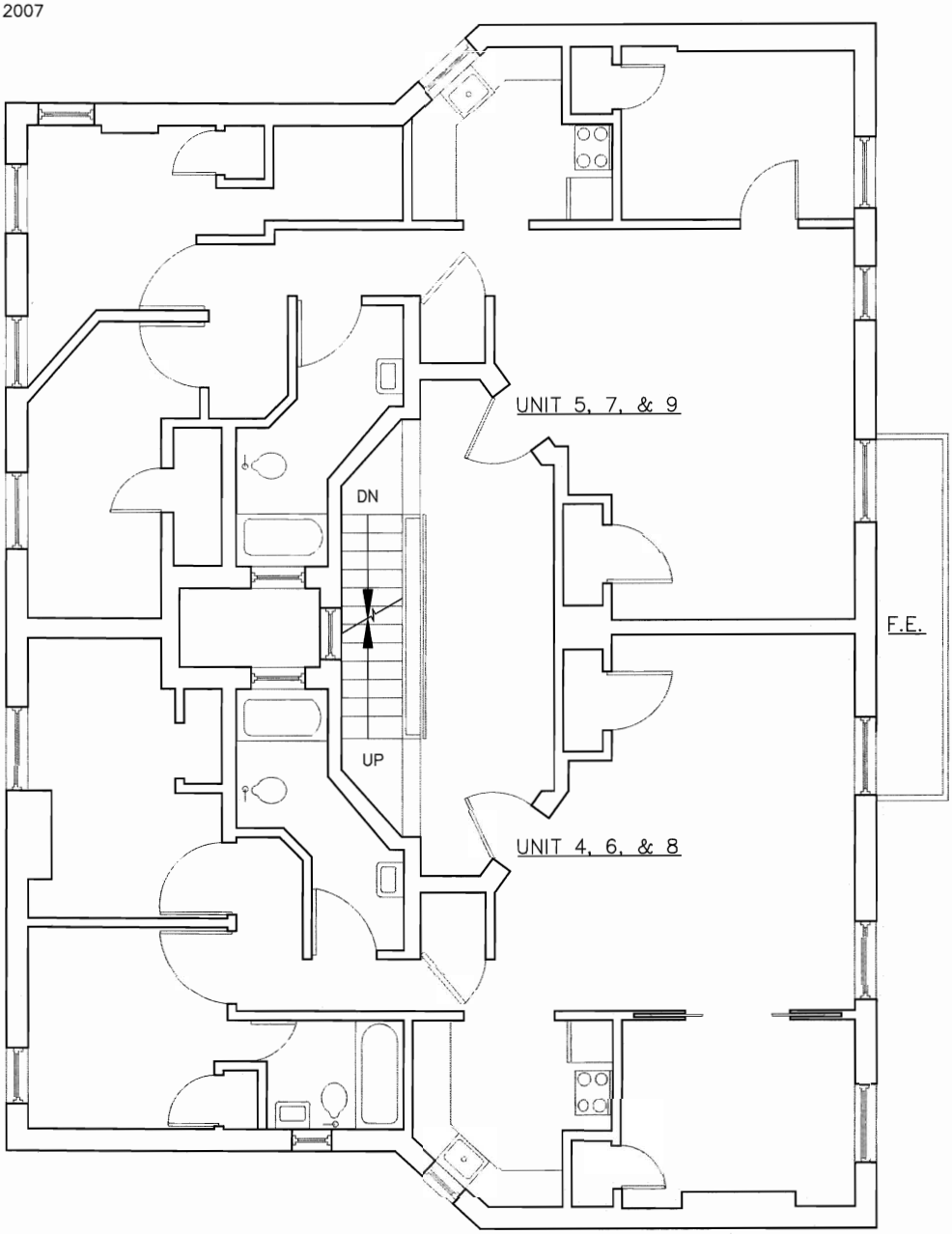
A3-07

1 / A3-08 5TH FLOOR @ 417

SCALE: 1/8"= 1'-0"

NOTE:
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417 MANHATTAN AVENUE
MAY 23RD, 2007



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TYPICAL UNIT FLOOR PLANS & LAYOUTS
411-417-421 MANHATTAN AVENUE
NEW YORK, NY 10026

D-73

SCALE:	AS NOTED
DATE:	02/18/11
JOB No.	06-411-417-421MANHATTAN AVE
DRAWN BY:	AH
CHECKED BY:	JL

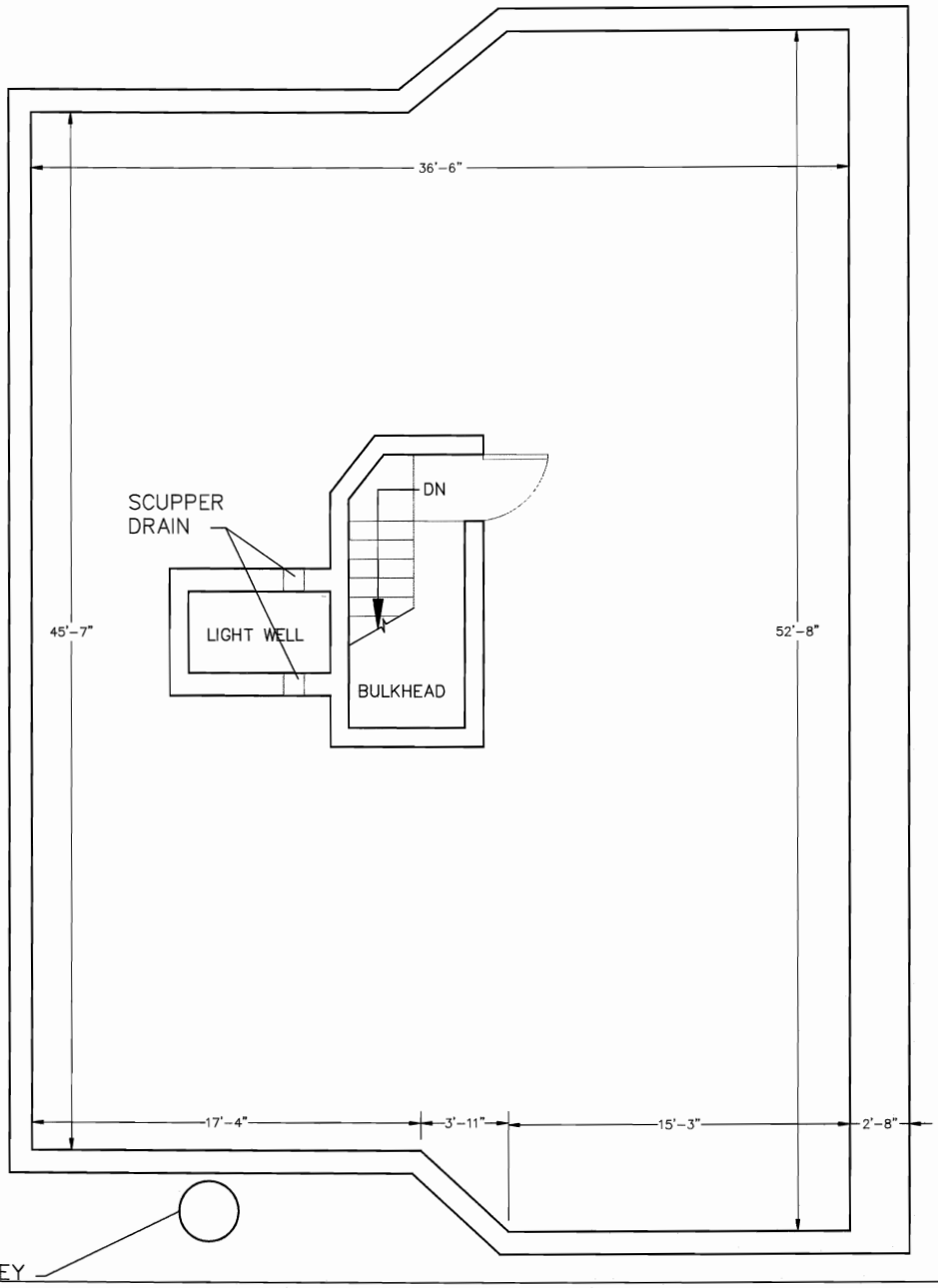
A3-08

1 / A3–09 ROOF @ 417

SCALE: 1/8"= 1'–0"

NOTE:
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417 MANHATTAN AVENUE
MAY 23RD, 2007



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TYPICAL UNIT FLOOR PLANS & LAYOUTS
411-417-421 MANHATTAN AVENUE
NEW YORK, NY 10026
D–74

SCALE: AS NOTED DATE: 02/18/11
JOB No. 06-411-417-421MANHATTAN AVE
DRAWN BY: AH CHECKED BY: JL

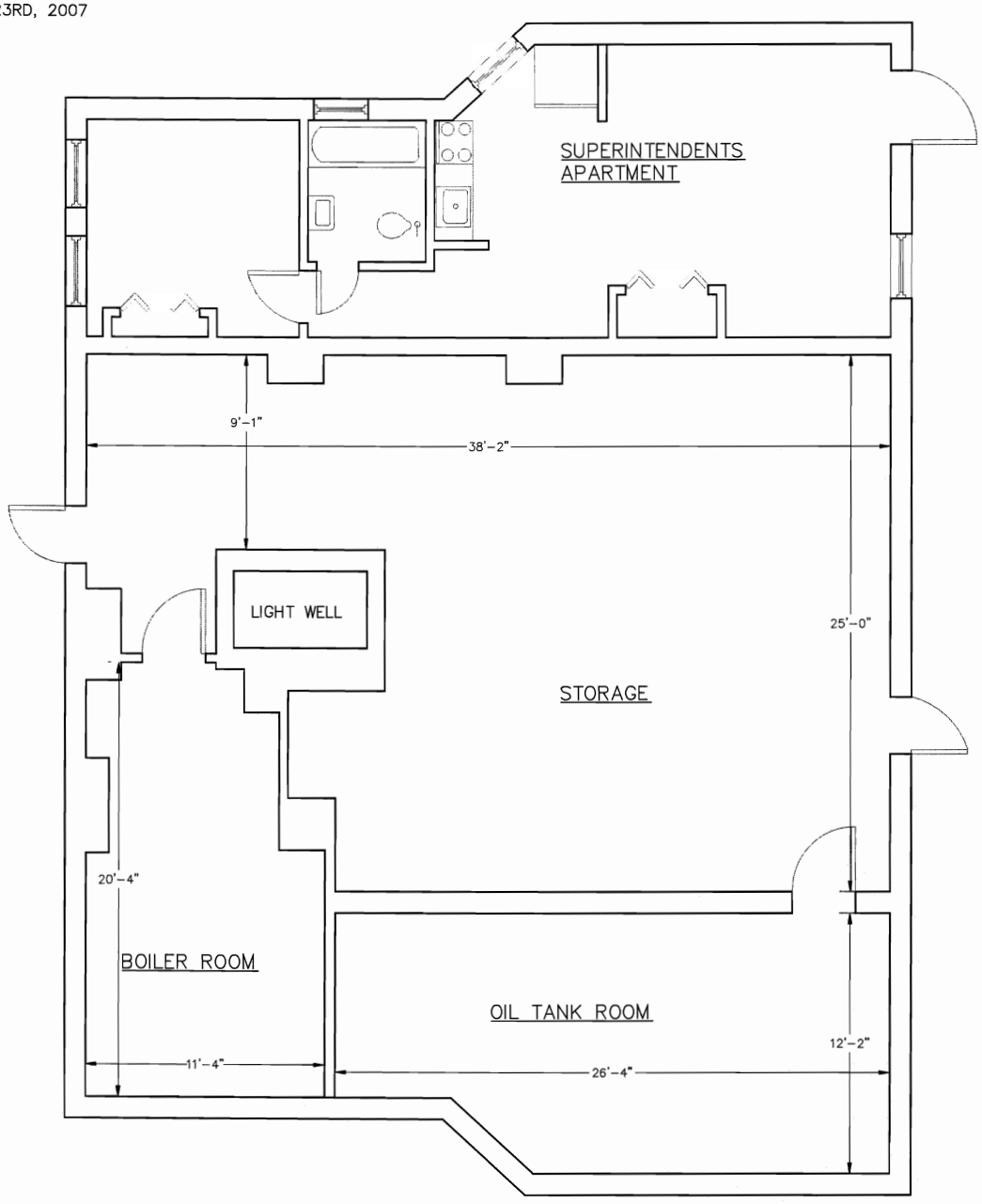
A3-09

1 / A3–10 BASEMENT @ 417

SCALE: 1/8"= 1'–0"

NOTE:
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417 MANHATTAN AVENUE
MAY 23RD, 2007



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TYPICAL UNIT FLOOR PLANS & LAYOUTS
411-417-421 MANHATTAN AVENUE
NEW YORK, NY 10026
D–75

SCALE: AS NOTED DATE: 02/18/11
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DRAWN BY: AH CHECKED BY: JL

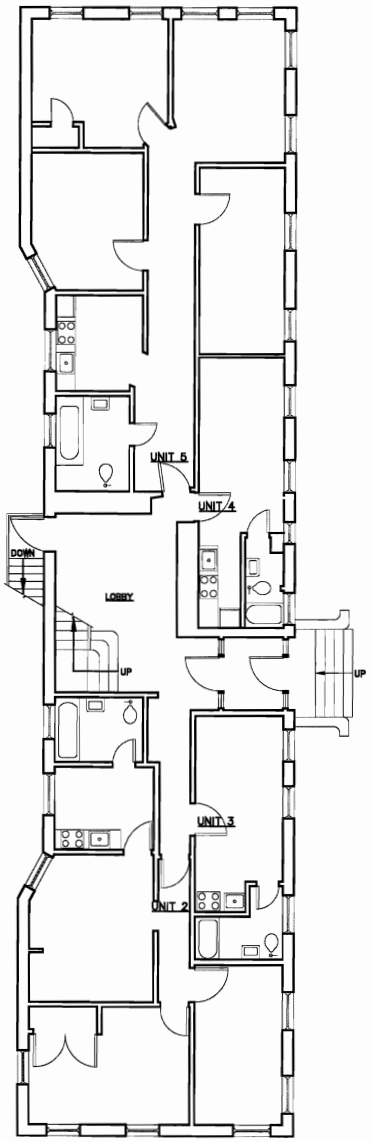
A3-10

1 / A3–11 1ST FLOOR @ 421

SCALE: 3/32"= 1'-0"

NOTE:
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421 MANHATTAN AVENUE
MAY 23RD, 2007



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TYPICAL UNIT FLOOR PLANS & LAYOUTS
411-417-421 MANHATTAN AVENUE
NEW YORK, NY 10026
D–76

SCALE: AS NOTED DATE: 02/18/11
JOB No. 06-411-417-421MANHATTAN AVE
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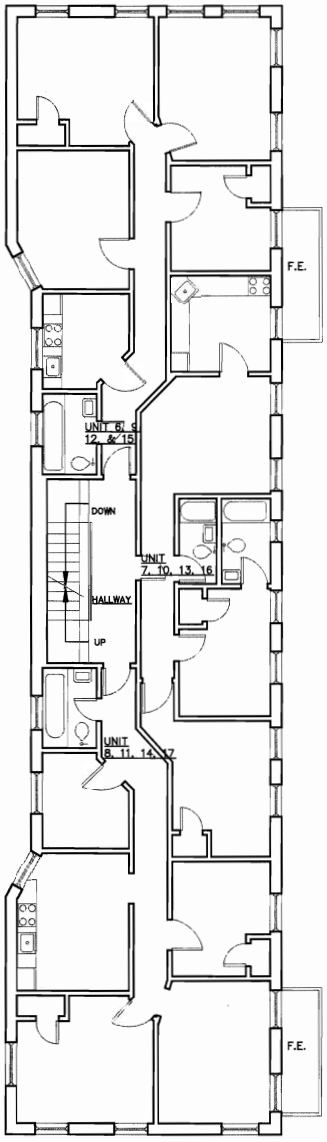
A3-11

1 / A3–12 2ND – 5TH FLOOR @ 421

SCALE: 1/16"= 1'–0"

NOTE:
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421 MANHATTAN AVENUE
MAY 23RD, 2007



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ARCHITECTS, P.C.

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TYPICAL UNIT FLOOR PLANS & LAYOUTS
411-417-421 MANHATTAN AVENUE
NEW YORK, NY 10026
D–77

SCALE: AS NOTED DATE: 02/18/11
JOB No. 06-411-417-421MANHATTAN AVE
DRAWN BY: AH CHECKED BY: JL

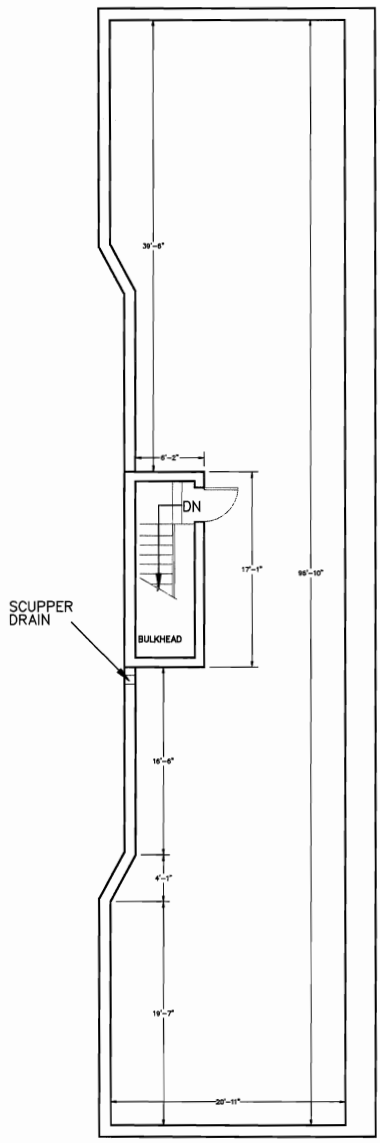
A3-12

1 / A3-13 ROOF @ 421

SCALE: 1/16"= 1'-0"

NOTE:
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421 MANHATTAN AVENUE
MAY 23RD, 2007



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ARCHITECTS, P.C.

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TYPICAL UNIT FLOOR PLANS & LAYOUTS
411-417-421 MANHATTAN AVENUE
NEW YORK, NY 10026
D–78

SCALE: AS NOTED DATE: 02/18/11
JOB No. 06-411-417-421MANHATTAN AVE
DRAWN BY: AH CHECKED BY: JL

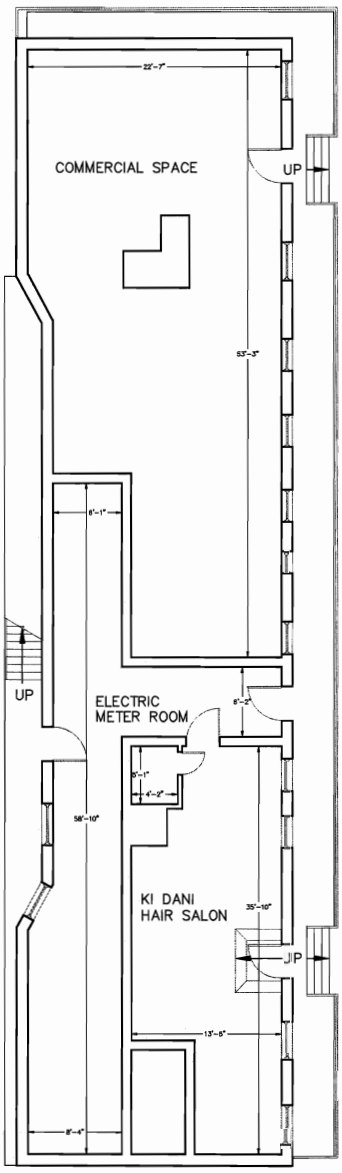
A3-13

1 / A3–14 BASEMENT @ 421

SCALE: 1/16"= 1'–0"

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421 MANHATTAN AVENUE
DECEMBER 11, 2008



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TYPICAL UNIT FLOOR PLANS & LAYOUTS
411-417-421 MANHATTAN AVENUE
NEW YORK, NY 10026

D–79

SCALE: AS NOTED DATE: 02/18/11
JOB No. 06-411-417-421MANHATTAN AVE
DRAWN BY: AH CHECKED BY: JL

A3-14

DECLARATION OF CONDOMINIUM

THE MANHATTAN CONDOMINIUM

ESTABLISHING A PLAN OF CONDOMINIUM OWNERSHIP OF PREMISES LOCATED AT
411-417-421 MANHATTAN AVENUE, NEW YORK, NEW YORK
PURSUANT TO ARTICLE 9-B OF THE REAL PROPERTY LAW
OF THE STATE OF NEW YORK

DATE OF DECLARATION: _____, 2010

The land affected by the within instrument lies in
Block 1822 on the Tax Map of the Real Property Assessment Department
of the City of New York, Borough of Manhattan, County of New York and State of New York
In Lots f/k/a 13, 14 and 51 n/k/a Lots ____ through ___

SPONSOR:
411-417-421 Manhattan Avenue Associates LLC
c/o Tahl-Propp Equities
405 Park Avenue, Suite 1103
New York, New York 10022

Record and Return to:
Kenneth Jacobs
Smith, Buss & Jacobs, LLP
733 Yonkers Avenue, Suite 200
Yonkers, New York 10704

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

In the City of New York, County of New York and State of New York as of this ___ day of _____, 20__, 411-417-421 Manhattan Avenue Associates LLC, a limited liability company organized and existing under the laws of the State of New York, whose principal office is situated at c/o Tahl-Propp Equities, 405 Park Avenue, Suite 1103, New York, New York 10022, hereinafter referred to as the "Sponsor," does hereby state:

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

SECOND: Description of Property. The Sponsor owns all that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situated, lying and being in the City of New York, County of New York, and State of New York and more particularly described on Schedule B annexed hereto (the "Property").

THIRD: Certain Definitions.

(a) "Buildings" as hereinafter referred to shall be defined as a number of Units, all of which are constructed under three separate roof structures located on three adjacent lots. The Condominium will contain three five-story building structures that are composed of wood frames with masonry façades, with a cellar in each building.

(b) "Condominium" as hereinafter referred to shall mean THE MANHATTAN CONDOMINIUM which is composed of the unit owners.

(c) "Repair" or "Repairs" means "repair, maintain or replace."

(d) "Sponsor" as used herein refers to (i) 411-417-421 Manhattan Avenue Associates LLC, the Sponsor of an offering plan (the "Plan") for the conversion of the Property to condominium ownership; (ii) any person deemed a Sponsor under the applicable definition under 13 NYCRR Part 23; or (iii) any person or entity designated by Sponsor to acquire title to a unit and which is specifically designated by Sponsor at the time of acquisition of such a unit to succeed to the rights and obligations of Sponsor in place of the former Sponsor under this Declaration with regard to any such unit, and any successor in interest to such a Sponsor-designee who is specifically designated by the then current Sponsor to succeed to the rights and obligations of Sponsor under this Declaration with respect to a unit. With regard to a unit owned by it, a Sponsor-designee shall have all rights and obligations as are set forth in this Declaration and the Plan for Sponsor.

(e) The owner of each unit is hereinafter referred to as the "Unit Owner." Every Unit Owner shall be treated for all purposes as a single owner, irrespective of whether such ownership is joint, in common, or by the entirety. Where such ownership is joint, in common, or by the entirety, the majority vote of such owners shall be necessary to cast the Unit Owner's vote referred to in Article Tenth of this Declaration.

(f) (i) A "Unit," as hereinafter referred to, shall include, individually and collectively, the Residential Units and the Commercial Units. Any Commercial Unit resulting from the subdivision or combination of one or more Commercial Units shall also be a Commercial Unit. Each Unit is defined as consisting of the area measured horizontally from the inside surface of the exterior walls, the Unit side of any window glass, and the unfinished inside surface of any exterior wall door or window frame to the midpoint of the opposite interior walls, and from the midpoint of demising walls between Units to the midpoint of the opposite wall, while square footage is measured vertically from the underside of the Unit's finished flooring to the exposed painted face of a concrete ceiling or the unexposed side of the Unit's drywall or plaster ceiling, as applicable. Certain doors, windows, and interior walls are part of the Unit, as specified more particularly in the definition of the common elements set forth herein. The description of the Units set forth herein pertains to the location of the walls, floors and roof and boundaries of the Units as they are finally set forth in the floor plans to be filed simultaneously with the recording of this Declaration.

(ii) Each Unit includes, and each Unit Owner shall be responsible for any doors to or within such Unit (other than the front entrance door), smoke detectors, for cleaning purposes, the exterior glass surfaces of all windows, all plumbing, gas and heating fixtures and equipment, such as, refrigerators, dishwashers, heating, ventilating and air conditioning ("HVAC") units, heating equipment, ranges and other appliances, as may be affixed, attached or appurtenant to such Unit and serving such Unit exclusively. Plumbing, gas and heating fixtures and equipment as used in the preceding sentence shall include exposed gas and water pipes from branch or fixture shut-off valves attached to fixtures, appliances and equipment and the fixtures, appliances and equipment to which they are attached, and any special pipes or equipment which a Unit Owner may install within a wall or ceiling, or under the floor, but (subject to the following sentence) shall not include gas, water or other pipes, conduits, wiring or ductwork within the walls, ceilings or floors. Each Unit shall also include (i) all lighting and electrical fixtures and appliances within the Unit, (ii) any special equipment or fixtures affixed, attached or appurtenant to the Unit, and (iii) any wiring for such appliances or fixtures to the extent that such wiring runs from a panel or junction box serving or benefiting only that Unit. The front entrance doors to Units shall be deemed Residential Limited Common Elements (as described further in this Declaration), but a Unit Owner will nevertheless be responsible for repairing and maintaining the interior surface of the front entrance door to the Unit, and any locks, bells or peepholes within the front entrance door. Notwithstanding anything contained in this Article to the contrary, each Unit Owner will have the right, exercisable at any time, to install, at such Unit Owner's sole cost and expense, decorations, fixtures and coverings (including, without limitation, painting, finishing, wallpaper, carpeting, pictures, mirrors, shelving and lighting fixtures) on the surfaces of the walls, ceilings and floors that face the interior of such Unit Owner's Unit and to a depth of one inch behind such surfaces for the purposes of installing nails, screws, bolts and the like, provided that no such installation shall impair the structural integrity and mechanical and electrical systems of such Unit of the Buildings.

(g) The term "Unit" and "Unit Owner" as used herein shall be construed to mean Unit and Unit Owner as defined in Section 339-e of Article 9-B of the Real Property Law of the State of New York.

FOURTH: Community. The Sponsor is converting the Buildings on the parcel of land described above and establishing a Condominium community known as THE MANHATTAN CONDOMINIUM (the "Community") according to the plans filed simultaneously with the recording of this Declaration in the office of the Register of the County of New York, which plans set forth a description of the Buildings stating the number of stories and the number of Units.

The Community will consist of thirty-eight (38) Residential Units and four (4) Commercial Units located in three five-story Buildings and the common elements appurtenant thereto, as set forth on the Plot Plan filed simultaneously herewith. Under the provisions of the New York State Building and Fire Prevention Code, the Buildings are classified as Class C7 walk up structures. A more detailed description of the Buildings is annexed hereto and made part hereof as Schedule B. For the purposes of describing the location, approximate area, type and number of rooms of each Unit, and the common elements to which each Unit has immediate access, each Unit is numerically designated as set forth on Schedule A annexed hereto. Each Unit will be sold to one or more owners, each owner obtaining fee ownership in, and exclusive right of occupancy and possession of the Unit, together with an undivided interest in the common elements of the Community, as listed hereinafter in this Declaration and referred to as the "Common Elements", all of the above in accordance with Article 9-B of the Real Property Law of the State of New York.

FIFTH: Common Elements.

(a) The Common Elements of the Condominium consist of the entire Property, including the land and all parts of the Buildings and improvements thereon, other than the Units. The Common Elements include, but are not limited, to those rooms, areas, corridors, spaces and other parts of the Buildings and all 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 limited Common Elements of the Condominium (the "Limited Common Elements") consist of those Common Elements which serve or benefit exclusively (a) more than one Residential Unit or Residential Unit Owner (in which event they are called "Residential Limited Common Elements") or (b) a Commercial Unit or Commercial Unit Owner (in which event they are called "Commercial Limited Common Elements"). Within the category of Residential Limited Common Elements is the subcategory of "Restricted Residential Limited Common Elements", which are Residential Limited Common Elements appurtenant to a particular Residential Unit, the use of which is restricted to the owner of such Residential Unit. In addition, if a Commercial Unit is subdivided into two or more Commercial Units, the Commercial Unit Owner will have the right to convert any Commercial Limited Common Element into a "Restricted Commercial Limited Common Element," which is a Commercial Limited Common Element appurtenant to a particular Commercial Unit, the use of which is restricted to the owner of such Commercial Unit. A Common Element which is not a Limited Common Element is a "General Common Element."

(b) (i) The General Common Elements include the following:

1. The land on which the Buildings stand and all other land within the boundaries of the Property, together with all easements, rights and privileges appurtenant thereto (except as otherwise expressly provided in this Article);

2. All foundations, columns, beams, supports, bearing walls; those portions of the exterior walls and insulation beyond the unexposed face of the dry wall at the exterior face of the Buildings or, where applicable, those portions of the exterior walls beyond the interior face of the exterior wall; those portions of the walls and partitions dividing the Units from corridors, lobby and stairs located beyond the unexposed face of the dry walls enclosing the Unit; the subfloor and framing joists, including any framing attached to such joists from which the dry wall ceiling of the Unit below is attached; corridors, halls, stairs and stairway areas located beyond the unexposed face of the dry walls enclosing a Unit; storage and utility areas located beyond the unexposed face of the dry walls enclosing a Unit; all cellar areas which are not included within a particular Unit and are used for the benefit of all Unit Owners; the entrances to and exits from the Buildings; and mail rooms or mailboxes. Notwithstanding the above, the foregoing excludes all windows and window frames of the Residential Units (which are considered Residential Limited Common Elements), and all doors, windows and window frames of the Commercial Units (which are considered part of the Commercial Unit);

3. All central and appurtenant installations for services such as power, light, intercom, telephone, television, gas, hot and cold water, heat (including all pipes, ducts, wires, shoots, cables and conduits used in connection therewith) and all other mechanical equipment spaces, except that installations regarding such utilities and other services that have been or will be made by the owners or tenants of Commercial Units for the exclusive benefit of one or more Commercial Units shall be Commercial Limited Common Elements, and any such installations exclusively serving the Residential Units or the Residential Unit Owners shall be Residential Limited Common Elements;

4. Water service pipes and sewer pipes;

5. Any house tank providing water to all Units and the pipes used in connection therewith;

6. Portions of any steam riser and connections originating in the boiler room, together with any distribution piping;

7. Ventilation supply system consisting of motors, duct work, fans and controls serving General Common Elements, and steam and condensate return piping serving General Common Elements;

8. All passages and corridors, mechanical and other rooms, tank room, meter room, areas and indoor or outdoor spaces located at the Property serving or benefiting both the Commercial and Residential Units;

9. Roof framing joists, roof membrane, copings, flashings, leaders, gutters and parapets appurtenant to the roofs of the Buildings that are not otherwise designated as a Residential Limited Common Element or as a Commercial Limited Common Element;

10. Fireplaces, chimney flues and equipment; and

11. All other facilities of the Property, including (but not limited to) vaults, shafts, pipes, wires, ducts, vents, cables, conduits, lines, and the roofs of the Buildings, which serve or benefit, or are necessary or convenient for the existence, maintenance, operation or safety of both the Commercial Units and the Residential Units.

(ii) The expense for the repair and maintenance of General Common Elements shall be part of the common expenses, and shall be apportioned among Unit Owners as provided by this Declaration ("Common Expenses").

(c) (i) The Residential Limited Common Elements include the following:

1. All stairs in common area of the Buildings that (a) do not connect with the Commercial Units or (b) are located above the first floor of the any of the Buildings;

2. The main entrances to the Buildings, the lobbies, and those portions of the basement or cellar used solely for the benefit of the Residential Unit Owners, any vaults accessed only from the cellars of the Buildings, used solely for the benefit of the Residential Unit Owners, and other areas used in connection therewith;

3. The continuous yard located along the west façade of the Buildings:

4. Compactor room and boiler room (if any);

5. All fire escapes and landings in the Buildings to be used solely for the benefit of the Residential Unit Owners;

6. Passages and corridors above the first floor of the Buildings, including, any passages and corridors that do not serve or connect with any Commercial Unit;

7. Trash chutes, storage room(s), access doors, sanitizing units (if any) serving the Residential Units, and all passageways and ducts, chutes, or other facilities used in connection therewith;

8. Window glass and window frames located on the perimeter of (but not exclusively serving) a Residential Unit, and all other window frames and window glass in the Buildings. Notwithstanding the foregoing, window frames and window glass that are located within the Commercial Units are a part of the Commercial Units, and the window glass and window frames serving a particular Residential Unit are Restricted Residential Limited Common Elements for that particular Residential Unit;

9. Corridor supply risers and ducts, kitchen and toilet exhaust risers and ducts, kitchen and toilet water vents, gas risers, electric risers and shafts serving Residential Units;

10. Gas piping serving Residential Limited Common Elements and Residential Units;

11. All passages and corridors, mechanical and other rooms, areas and indoor and outdoor spaces located at the Property serving exclusively one or more Residential Units and which are not General Common Elements or part of any Unit;

12. All doors abutting on common areas other than entrance or exit doors to or from the Commercial Units, including, but not limited to, doors opening from Residential Units to corridors, and the entrance and exit doors to and from the Buildings. Any door leading to or from the Buildings or a General Common Element to the Commercial Units shall be deemed part of the Commercial Units. The front entrance doors to Residential Units shall be deemed Residential Limited Common Elements, but a Unit Owner will nevertheless be responsible for repairing and maintaining the interior surface of the front entrance door to the Unit, and any locks, bells or peepholes within the front entrance door.

13. Any portion of the cellars in the Property designated on the floor plans of the Condominium to be used for the residential occupants;

14. All other facilities of the Property (including, but not limited to, shafts, pipes, wires, ducts, vents, cables, conduits and lines) which serve or benefit, or are necessary or convenient for the existence, maintenance, operation or safety of the Residential Units;

15. Any portion of the roofs of the Buildings reserved for use by and serving all of the residential occupants, but excluding the underlying roof membrane of each Building;

16. All central and appurtenant installations for services such as power, light, intercom, telephone, television, gas, hot and cold water, heat (including all pipes, ducts, wires, shoots, cables and conduits used in connection therewith) and all other mechanical equipment spaces exclusively serving the Residential Units or the Residential Unit Owners;

17. All other Common Elements other than General Common Elements, Commercial Limited Common Elements or Restricted Residential Limited Common Elements.

(ii) Repairs in or to the Residential Limited Common Elements will be performed by, and at the expense of, the following persons under the following circumstances: (a) the Board of Managers as a part of the Residential Contribution, if such Residential Limited Common Element is for use by all Residential Unit Owners; (b) the Board of Managers at the expense of the Unit Owner, if it is a Restricted Residential Limited Common Element and the Repair involves structural or extraordinary maintenance, repairs or replacements (including, but not limited to, the Repair of leaks); (c) by the Unit Owner having direct and exclusive access to a Restricted Residential Limited

Common Element at his sole cost and expense, if involving nonstructural or ordinary Repairs; or (d) with respect to the Commercial Limited Common Elements, Repairs will be made by the Owners of the Commercial Units.

(d) Restricted Residential Limited Common Elements include the following:

(i) Certain portions of the Residential Limited Common Elements are limited and further restricted in use to the owners of particular Residential Units to which the Residential Limited Common Elements are appurtenant, subject to the right of the Board of Managers to enter upon any such Restricted Residential Limited Common Element to make repairs and replacements to such Restricted Residential Limited Element or any common element contained therein, and subject to the By-Laws and Rules and Regulations of the Condominium.

(ii) The Restricted Residential Limited Common Elements include, but are not limited to, the windows and window frames located on the boundary of a Residential Unit and serving exclusively that Unit.

(iii) The Board of Managers may establish rules and regulations governing the use of any Restricted Residential Limited Common Elements.

(e) Commercial Limited Common Elements.

(i) In addition to other references in this Declaration, the following shall be Common Elements which shall be Commercial Limited Common Elements which shall be allocated to the specific Commercial Unit having exclusive use thereof:

1. Any dividing wall or walls which are created in the event that a Commercial Unit is subdivided or combined which is for the exclusive use of the Commercial Unit Owners whose Unit is separated by such walls;

2. All drains, vents, flues or other mechanical equipment installed by the owner or tenant of a Commercial Unit solely for the use of the Commercial Unit; and

3. All other facilities of the Property (including, but not limited to, any shafts, pipes, wires, ducts, vents, cables, conduits and lines) which exclusively serve or benefit, or are necessary or convenient for the existence, maintenance, operation or safety of the Commercial Unit Owners.

(ii) All doors and all windows and window frames located on the boundary of a Commercial Unit, all doors leading from a Commercial Unit to other portions of the Property, and all street level doors and entrances to and exits from a Commercial Unit, shall be part of that Commercial Unit.

(iii) Commercial Limited Common Elements shall be maintained, repaired and replaced by the owner of the Commercial Unit who has use of or benefits from the particular Commercial Limited Common Element.

(f) Restricted Commercial Limited Common Elements.

(i) If a Commercial Unit is subdivided into two or more Commercial Units, the Commercial Unit Owner will have the right to convert any Commercial Limited Common Element into a "Restricted Commercial Limited Common Element", which is a Commercial Limited Common Element appurtenant to a particular Commercial Unit, the use of which is restricted to the owner of such Commercial Unit., subject to the right of the Board of Managers to enter upon any such Restricted Commercial Limited Common Element to make repairs and replacements to such Restricted Commercial Limited Element or any common element contained therein, and subject to the By-laws and Rules and Regulations of the Condominium.

(ii) The holders of a majority in interest of the percentage of common interest allocated to the Commercial Units shall have the right to designate any Commercial Limited Common Element as a Restricted Commercial Limited Common Element, and to allocate the responsibility for the Repair of any such Restricted Commercial Limited Common Element to one or more Commercial Units that utilize such common element, upon written notice to the Board of Managers. The Commercial Unit Owner shall amend the floor plans of the Condominium to reflect such change.

(g) The Common Elements shall remain undivided and no Unit Owner shall bring any action for partition or division unless otherwise provided by law. Notwithstanding the foregoing, the Board of Managers of the Condominium shall have the right to convey, lease and mortgage any Unit owned by the Condominium (including the Superintendent's residence located in the cellar of the building on 417 Manhattan Avenue) on behalf of all of the Unit Owners. If such Unit is conveyed by the Board of Managers, it shall no longer be deemed a common element of the Condominium and the floor plans appurtenant to the Declaration shall be amended accordingly.

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

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

SIXTH: Special Rights of Sponsor and Commercial Unit Owners.

(a) The Sponsor, its successors, assigns and purchasers, reserve the easements, licenses, rights and privileges of a right-of-way in, through, over, under and across the Common Elements of the Condominium for the purpose of the sale of a Unit in the Condominium, and towards this end, reserve the right to grant and reserve easements and rights-of-way in, through, under, over and across

the Common Elements for the installation, maintenance and inspection of lines and appurtenances for public or private water, sewer, drainage, cable television, and other utilities, and for any other materials or services necessary. For further easements in favor of the Condominium and Unit Owners, see Article Fifteenth.

(b) The Sponsor, its successors, assigns and purchasers, also reserves the right to connect with and make use of the utility lines, wires, pipes, conduits, cable television, sewers and drainage lines, which may from time to time, be in or along the streets and roads or other areas of the Common Elements.

(c) The Sponsor, its successors, assigns and purchasers, reserve the right to continue to use the Common Elements and any facilities, sales offices, model units, and signs located on the Common Elements, in its efforts to market Units in the Condominium.

(d) The Sponsor shall have the right, without the vote or consent of the Board of Managers, other Unit Owners or holders of Unit mortgages, to (i) make alterations, additions or improvements, structural and nonstructural, ordinary and extraordinary, interior and exterior, in, to and upon any Unit owned by it (provided that no such change may be made to the exterior of the Buildings, except in accordance with the laws governing changing the facades of landmark buildings, to the extent such laws actually apply to the Buildings); (ii) change the layout or number of rooms in the Unit; (iii) change the size or number of such Units by subdividing a Unit, combining separate Units (including those resulting from such subdivision or otherwise) into one or more Units, altering the boundary walls between Units, or otherwise; and (iv) reapportion among the Units affected by such change, their appurtenant interests in the Common Elements, provided that in each instance, Sponsor shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction, and shall agree to hold the Board of Managers and all other Unit Owners harmless from any liability arising therefrom. The Board of Managers shall sign any application or other document required to be filed with any governmental authority having or asserting jurisdiction in connection with any such structural change made by Sponsor to any Unit, provided, however, that neither the Board of Managers nor the Unit Owners shall be subjected to any expense or liability by virtue of the signing of the application or such other document. With respect to any such change, Sponsor shall have the right to require the Board of Managers to execute and record any appropriate amendment to this Declaration, and Sponsor shall also have the right to execute and record such amendment upon its own execution of such amendment. A copy of any such application or other documents required by Sponsor will be furnished to the Board of Managers.

(e) The owner of a Commercial Unit shall have the right, without the consent of the Board of Managers or other Unit Owners or holders of Unit mortgages, to (i) make alterations, additions or improvements, structural and non-structural, interior and exterior, ordinary and extraordinary, in, to and upon his Commercial Unit (provided that no such change may be made to the exterior of the Buildings, except in accordance with the laws governing changing the facades of landmark buildings, to the extent such laws actually apply to the Buildings); (ii) subdivide the Commercial Unit into separate Units and combine Units resulting from any subdivision of one or more Commercial Units into single Units; (iii) change the layout of his Unit and any boundary walls between one or more of the subdivided or combined Commercial Units; (iv) alter or improve any

Commercial Limited Common Element; and (v) apportion among the subdivided or combined Commercial Units their appurtenant interests in the Common Elements, provided that in each instance, the Commercial Unit Owner shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction, and shall agree to hold the Board of Managers and all other Unit Owners harmless from any liability arising therefrom. The Board of Managers shall sign any application or other document required to be filed with any governmental authority having or asserting jurisdiction in connection with any such structural change made by a Commercial Unit Owner, provided, however, that neither the Board of Managers or the Unit Owners shall be subjected to any expense or liability by virtue of the signing of the application or such other document. With respect to any such change, the owner of the appropriate Commercial Unit shall have the right to require the Board of Managers to execute and record any appropriate amendment to this Declaration, or such Commercial Unit Owner shall also have the right to execute and record such amendment upon his own execution of such amendment. A copy of any such applications or other documents required by a Commercial Unit Owner will be furnished to the Board of Managers. The provisions of this subsection (f) may not be amended, added to or deleted without the consent of all of the owners of the Commercial Units. For further easements in favor of the Commercial Unit Owners, see Article Fifteenth.

(f) The provisions of subsections (a) through (e) may not be added to, amended or deleted without the consent of Sponsor or the Commercial Unit Owners. For further easements in favor of the Sponsor, see Article Fifteenth

SEVENTH: Service of Process. Service of process on the Unit Owners in any action with relation to the Common Elements shall be made upon the Secretary of State of the State of New York as the agent for the Board of Managers of the Condominium. The Board of Managers shall file with the Secretary of State the name and post office address of the Condominium for purposes of receiving copies of any process served against the Board of Managers. Copies shall also be mailed attn: the President of the Board of Managers of The Manhattan Condominium at 411-417-421 Manhattan Avenue, New York, New York 10026. The Condominium's address for service of process may be changed by recording a Notice of Change of Address for service of process.

EIGHTH: Common Interest; Payment of Common Expenses.

(a) Each Unit Owner shall have such percentage interest in the Common Elements as is set forth on Schedule A attached hereto ("Common Interest") and shall bear such percentage of the Common Expenses of the Condominium. Each Unit Owner shall have one vote for each hundredth percentage (.01%) of that Unit Owner's Common Interest for all voting purposes at any meeting of the Unit Owners. The percentage of Common Interest of each Residential Unit and each Commercial Unit in the Common Elements is based on floor space, location and uniqueness as of the date of recording this Declaration.

(b) The contribution of the Residential Unit Owners to Common Expenses will be based on each Owner's share of the Residential Contribution, as set forth on Schedule C.

(c) (i) The contribution of the Commercial Unit Owners to Common Expenses will be based on each Commercial Unit Owner's share of the Commercial Contribution, as set forth on Schedule C. The Commercial Contribution of the Commercial Unit Owners to Common Expenses will be based on the percentage of Common Interest of the Commercial Unit Owners in the following expenses of the Condominium: labor (2%); gas for heat and hot water (10.89%); water and sewer rents (10.89%), repairs, maintenance and supplies to the General Common Elements (10.89%); insurance (2%); management fee (10.89%); legal and accounting fees (10.89%); and replacement reserve fund (10.89%). The Commercial Units will pay 0% of the cost associated with the service contract for extermination. Electricity usage is separately metered to the Commercial Units.

(ii) In addition to their obligations under part (i), the Commercial Unit Owners will also be obligated to pay for their respective shares of the Commercial Contribution toward the expenses incurred by the Condominium in operating, maintaining and repairing the Commercial Limited Common Elements.

(iii) No more frequently than once per year, the Board of Managers may seek to adjust the allocation of Common Expenses to reflect the proportions fairly attributable to the Residential and Commercial Units to the amount of usage fairly anticipated by such Unit Owners of the services and Common Elements in question during the following year, based on historical usage or (in the event of Repairs) anticipated costs. However, without the consent of the Commercial Unit Owners, the Board of Managers may not (1) modify its method of allocations and assessments, or increase the number of building employees servicing the Commercial Units or the categories of services, utilities or supplies provided to the Commercial Units, in such a manner as would increase the common charges otherwise payable by the Commercial Unit Owners or (2) increase the common charges payable by the Commercial Unit Owners beyond their percentage of Common Interest in any particular category of common charges, including charges for capital repair projects not otherwise reflected in the annual operating expense budget. Any allocation shall conform to Section 339-m of the Real Property Law of the State of New York. If any category of Unit Owner contends that any method of allocation determined by the Board is inequitable, the Board or a Commercial Unit Owner may submit the dispute to binding arbitration.

(iv) In the event that the use of a Commercial Unit is changed from its then existing use, the Board of Managers may allocate expenses or specific expense items and apportion common charges allocated to the Commercial Unit resulting solely from such changes in use.

(v) If a Commercial Unit Owner objects to any such allocation by the Board of Managers, the dispute shall be submitted to the American Arbitration Association for arbitration and the determination made in such arbitration shall be binding and conclusive on the parties. The cost of such arbitration shall be borne equally by the parties. Any allocation shall conform to Section 339-m of the Real Property Law of the State of New York.

(vi) Either the of Managers or Commercial Unit Owners shall have the right to require that any utility used in common by the Residential and Commercial Units be separately metered or (if separate metering is not economically feasible) submetered. In such case, the cost of

such utility will be payable based on actual usage rather than percentage of Common Interest. The ongoing cost of reading or repairing any submeter will be split equally between the Residential Units and a Commercial Unit whose consumption is being measured. The initial cost of installing any meter or submeter will be split equally between the Residential and Commercial Units. The ongoing cost of any separate meter (as opposed to submeter) shall be paid for by the Unit whose consumption is being measured.

(vii) If the Condominium contains a vault, the Board of Managers shall allocate any fees charged by the City of New York in connection with the use of the vault between the Residential and Commercial Unit Owners on the basis of the square footage of the vault actually used by each Unit Owner. If any portion of the vault is used in common by the Residential Unit Owners, the allocable portion of such fees shall be borne by the Residential Unit Owners as a Common Expense.

(viii) The provisions of this subsection (c) may not be amended without the consent of the affected Unit Owner.

NINTH: Administration. The administration of the Condominium, the Community and parcel of land described herein shall be in accordance with the provisions of this Declaration and with the provisions of the By-Laws which are made a part of this Declaration and are attached hereto.

TENTH: Amendment and Withdrawal.

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

(b) Subject to the rights of the Sponsor or Commercial Unit Owners, as set forth in this Declaration, the provisions of this Declaration may be modified or amended by an instrument executed by the Board of Managers upon a vote of sixty-seven percent (67%) of the Unit Owners in number and Common Interest, held at a duly called meeting of the Unit Owners, provided however, that:

(i) No amendment shall change any Condominium parcel, or a Unit Owner's proportionate share of the common charges, or the voting rights appurtenant to any Unit, unless all Unit Owners affected in number and Common Interest thereof and the first mortgagees, if any, of each of those same Units, agree(s) to such revocation by recorded instrument.

(ii) No amendment shall be passed which shall impair or prejudice the rights and priorities of mortgagees, or the rights and privileges granted or reserved to the Sponsor and the Commercial Unit Owners hereunder.

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

(d) No amendment to this Declaration shall take effect until it is recorded in the Office of the City Register of the County of New York, New York.

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

(f) The Sponsor and any Commercial Unit Owner shall have the right, without the vote or consent of other Unit Owners, the Board of Managers or holders of Unit mortgages, to execute or (on Sponsor's request) to require the Board of Managers to execute and record in the Office of the Register of the City of New York, County of New York, and elsewhere if required by law, an amendment or amendments to this Declaration (together with such other documents, plans and maps as may be required to effectuate the same) to reflect any changes in Units and the reapportionment of the Common Interest resulting therefrom, made by Sponsor or a Commercial Unit Owner in accordance with this Declaration. All expenses in connection with the preparation, recording and filing of any such amendment shall be paid by Sponsor or the Commercial Unit Owner making such filing, as the case may be.

(g) Pursuant to Section 339-i(2) of the Real Property Law of the State of New York, where an owner of a Unit subdivides his Unit (provided that in no event such division results in a greater percentage of Common Interest for the total of the new Units than existed for the original Unit before division), an appropriate amendment to the Declaration may be filed by a new Unit Owner under the same file number and under the procedure set forth in Section 339-p of the Real Property Law of the State of New York, and the local tax authorities shall provide and certify upon the proposed amendment a conforming tax lot number upon the completion of new Units. Nothing in this subsection shall give any Residential Unit Owner the right to subdivide a Residential Unit without the consent of the Board of Managers in accordance with the By-Laws of the Condominium.

(h) Except as provided in this Article with regard to the right of Sponsor or its designee(s) to amend this Declaration, the following shall apply:

(i) Without the prior written consent of the affected Commercial Unit Owner(s), no amendment, modification, addition or deletion of or to the By-Laws, this Declaration or the Rules and Regulations of the Condominium modifying the permitted uses of any Commercial Unit or affecting the rights, privileges, easements, licenses or exemptions granted to any Commercial Unit Owner, shall be effective in any way against that Unit Owner. The Board of Managers will not adopt any rules or regulations or amend the Declaration or By-Laws in a manner which would adversely affect the operation of the Commercial Units.

(ii) Without the prior written consent of the Sponsor, no amendment, modification, addition or deletion of or to the By-Laws, this Declaration or the Rules and Regulations of the Condominium modifying the rights of the Sponsor or affecting the rights, privileges, easements, licenses or exemptions granted to the Sponsor, shall be effective in any way against the Sponsor. The Board of Managers will not adopt any rules or regulations or amend the Declaration or By-Laws in a manner which would adversely affect the sales, marketing or operations of the Sponsor.

(i) Any amendment materially adverse to mortgagees must be agreed to by mortgagees that represent at least 51% of the votes of Units subject to mortgages. A mortgagee's approval shall be implied when a mortgagee fails to respond after sixty (60) days written notice is given by the Board of Managers, provided the notice was delivered by certified or registered mail with return receipt requested.

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

TWELFTH: Common Charges. All sums assessed as common charges by the Board of Managers, but unpaid together with the maximum interest permitted in New York thereon, chargeable to any Unit Owner, shall constitute a lien on his Unit prior to all other liens except: (a) tax or assessment liens on the Unit by the taxing subdivision of any governmental authority, including, but not limited to, State, County and City taxing agencies; and (b) all sums unpaid on any first mortgage of record encumbering any Unit in excess of six (6) months of unpaid common charges and attorneys' fees incurred by the Condominium in collecting such charges. Such lien may be foreclosed when past due in accordance with the laws of the State of New York, by the Condominium, in like manner as a mortgage on real property, and the Condominium shall also have the right to recover all costs incurred, including reasonable attorneys' fees (but such right shall not be a lien against the Unit). In the event the proceeds of the foreclosure sale are not sufficient to pay such unpaid common charges, the unpaid balance shall be charged to all Unit Owners as a Common Expense. However, where the holder of an institutional first mortgage obtains title to the Unit as a result of foreclosure, or the institutional mortgage holder purchasing for its own account obtains title by conveyance in lieu of foreclosure, such acquirer of title, its successors or assigns, shall not be liable, and the Unit shall not be subject to a lien for the payment of common charges chargeable to such Unit, which were assessed and became due prior to the acquisition of title to such Unit by such mortgagee in excess of six months of Common Charges and attorney fees. In such event, the unpaid balance of common charges shall be charged to all other Unit Owners as a Common Expense. The term "institutional mortgage" herein used shall mean a first mortgage granted by a bank, savings and loan association, life insurance company, pension fund, trust company or other institutional lender, or a mortgage

granted by the Sponsor to a purchaser of a Unit or in which the Sponsor participates with one of the above. Every Unit Owner shall pay the common charges assessed against him when due and no Unit Owner may exempt himself from liability for the payment of the common charges assessed against him by waiver of the use or enjoyment of any of the Common Elements or by the abandonment of his Unit. In addition, every non-resident owner shall be subject to the provisions of Section 339-kk of the Real Property Law of the State of New York. However, no Unit Owner shall be liable for the payment of any common charges accruing subsequent to a sale, transfer or other conveyance by him of such Unit made in accordance with Section 339-x of the Real Property Law of the State of New York or in accordance with the provisions of this Declaration and the By-Laws. The By-Laws of the Condominium contain additional provisions regarding the right of the Board of Managers to collect common charges owed by a Unit Owner, which shall be deemed incorporated into this Declaration.

THIRTEENTH: Units Acquired by the Board. If any Unit Owner shall surrender, convey or lease his Unit to the Board of Managers or its designee in accordance with Section 339-x of the Real Property Law of the State of New York, or if the Board of Managers shall purchase any Unit at a foreclosure sale in accordance with Article X of the By-Laws, title to such Unit or the rights to the lease of such Unit, together with the Unit Owner's percentage of Common Interest, shall be held by the Board of Managers or its designee on behalf of all of the other Unit Owners in proportion to their percentage of Common Interest.

FOURTEENTH: Power of Attorney. Upon the transfer of title to any Unit, each Unit Owner shall, upon becoming such, be required to execute a Power of Attorney in favor of the following: (a) the Board of Managers to exercise certain rights on behalf of the Condominium, including (i) voting on, exercising or waiving any right of first refusal to purchase a Unit available to the Condominium under the By-Laws of the Condominium; or (ii) acquiring, in its own name or in the name of its designee or assignee by deed on behalf of all owners of Units in said Property, any Unit whose owner desires to abandon the same or whose owner desires to sell the same, or which shall be the subject of a foreclosure sale or in lieu of a foreclosure sale, at such price and on such terms as the said attorneys-in-fact shall, in their sole discretion, deem proper; and thereafter to convey, sell, lease, sublease, mortgage, vote or otherwise deal with such Unit so acquired on such terms as such attorneys-in-fact may in their sole discretion determine, and granting to said attorneys-in-fact the power to do all things in the said premises which the Unit Owner could do if he were personally present; (iii) execute, acknowledge and deliver (y) any declaration or other instrument affecting the Condominium that the Board of Managers deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution, or requirement of the Department of Buildings, the City Planning Commission, the Zoning Board and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Condominium, or (z) any consent, covenant, restriction, easement, or declaration, or any amendment to the Declaration or By-Laws affecting the Condominium or the Common Elements that the Board of Managers deems necessary or appropriate; (iv) file applications and protests (or employ persons to do same) in the Unit Owners' names and stead with respect to the assessed valuation of the Units and to execute all documents and pay all costs in connection therewith; (v) vote to supplement or amend any provision of the Declaration or By-Laws of the Condominium on behalf of the Unit Owners, as the Board of Managers may deem necessary or appropriate (except that nothing herein shall restrict the Unit Owners from amending the Declaration or By-Laws pursuant to a vote of Unit Owners in accordance

with the provisions of such documents), so long as no such amendment increases a Unit Owner's direct financial obligation to the Condominium if fewer than all other Unit Owners are similarly affected, or changes the percentage of Common Interest; and (vi) act as the agent and attorneys-in-fact on behalf of the Unit Owner, at the owner's expense, to take such action against any tenant or occupant of such owner's Unit, including (but not limited to) maintaining summary proceedings for eviction or engaging in other litigation, as the Board of Managers may deem necessary in order to protect the interests of the Condominium if (y) such tenant or occupant remains in possession of the Unit after any lease or occupancy agreement for the Unit has been terminated or expires; or (z) such tenant or occupant violates the terms of the Condominium Documents or any lease or occupancy agreement between the Unit Owner and such tenant or occupant and (b) in favor of the Sponsor to (i) amend from time to time the Declaration, By-Laws and the Rules and Regulations of the Condominium, or any of said documents, when such amendment (1) shall be required to reflect any changes in unsold Units or the reapportionment of the Common Interest of the affected unsold Units resulting therefrom made by the Sponsor in accordance with the Declaration; or (2) shall be required by (x) an institutional lender designated by Sponsor to make a mortgage loan secured by a mortgage on any Unit, (y) any governmental agency having regulatory jurisdiction over the Condominium, or (z) any title insurance company selected by Sponsor to insure title to any Unit; however, any amendment made pursuant to the terms of subdivision (1) or (2) of this subsection (b) shall not (i) change the Common Interest of another Unit Owner's Unit, (ii) require a material, physical modification to another Unit Owner's Unit, or (iii) adversely affect the priority or validity of the lien of any purchase money mortgage held by an institutional lender covering another Unit Owner's Unit, unless such Unit Owner (in the event described in subdivision (iii) immediately above) shall consent thereto by joining in the execution of such amendment. In addition, the Sponsor is designated as the attorney-in-fact for all Unit Owners and the Board of Managers to execute any documents that may be required to be filed with the City of New York in order to complete construction of the Common Elements of the Condominium or to make an alteration to an unsold Unit permitted under the Declaration and By-Laws of the Condominium. The terms, covenants and conditions contained in, and the powers granted pursuant to, this Article shall remain in full force and effect until such time as Sponsor shall cease to own any Unit in THE MANHATTAN CONDOMINIUM.

FIFTEENTH: Easement for Pipes, Ducts, Cable, Wires, Conduits, Public Utility Lines and Other Common Elements Located Inside of Units; Special Rights of Sponsor and the Commercial Unit Owners.

(a) Each Unit Owner shall have an easement in common with the owners of all other Units to use, in accordance with present use and present available facilities, all pipes, wires, ducts, cables, conduits, public utility lines and other Common Elements located in any of the other Units and serving his Unit. Each Unit shall be subject to an easement in favor of the owners of all other Units to use, in accordance with present use and present available facilities, the pipes, ducts, cables, wires, conduits, public utility lines and other Common Elements serving such other Units and located in such Unit. The Board of Managers shall have a right of access to each Unit to inspect the same, to remove violations therefrom and to maintain, repair or replace the Common Elements contained therein or elsewhere in the Buildings.

(b) In addition to the above, an easement in favor of the Board of Managers, their agents, contractors and employees shall exist providing for a right of access to the Units and to the Common Elements to inspect, maintain or Repair or make Repairs to the Units, to prevent damage to the Common Elements or to any other Units, to make Repairs to the Common Elements, any wires, pipes, conduits or cable television systems servicing any of the Units or to make Repairs to any other Units, or to perform such inspection, maintenance or Repair work as would be necessary for the purpose of removing violations or curing defaults by Unit Owners, or for the purpose of complying with any laws, orders, rules or regulations of any governmental body having jurisdiction thereof, provided such right of access shall be exercised in such a manner as will not unreasonably interfere with the normal conduct of business of the owner, tenant or other occupant of a Commercial Unit or with the use of the Residential Units for their permitted purposes. Such entry shall be permitted on not less than one (1) day's notice, except that notice will not be necessary in the case of an emergency condition that requires repair or replacement immediately necessary for the preservation or safety of the Buildings or for the safety of the occupants of the Buildings, or other persons, or as required to avoid the suspension of any necessary service in the Buildings. The right of access to the Board of Managers will be subject to other provisions of the By-Laws.

(c) The Sponsor, its designees, and their invitees, licensees, contractors and employees shall have an easement to erect, maintain, repair and replace, from time to time, one or more signs in or on the Property for the purposes of advertising the sale of the Units and the leasing of space in any Unit, as well as, an easement in and access to Units and Common Elements consistent with the purposes of the Plan, as same may be amended, and Sponsor's rights and obligations thereunder, including, without limitation, the right to develop, renovate, maintain, Repair, refurbish, offer, sell and lease Units.

(d) Sponsor and its agents shall have an easement to maintain general and sales and leasing offices and personnel on the premises of the Property, to erect, repair, maintain, replace and post signs on the Property and to conduct other activities connected with promotion, sales or leasing, such as allowing inspections by invitees of Sponsor and the display of vacant Units or leased Units owned by Sponsor, as well as, Common Elements.

(e) Sponsor shall have the right to renovate and/or decorate and perform any construction work within or to any Unit owned by it or in connection with the subdivision or combination of any Units owned by Sponsor. In accordance with this right, Sponsor shall have a right of access and all necessary easements to perform any such work, including, but not limited to, access to the Buildings, corridors, hallways, elevators and all other Common Elements. Sponsor and its designee shall also have the right to store construction and renovation materials in any Unit owned by it. Sponsor's rights in accordance with the foregoing paragraph are subject to the obligation of Sponsor to comply with all appropriate laws and regulations of governmental agencies and the obligation not to prevent or unreasonably interfere with the normal conduct of business of the tenants and occupants of any Commercial Unit, or with the use of the Residential Units for their permitted purposes.

(f) Sponsor shall have for itself, its invitees, contractors, agents, employees and tenants, any and all easements and rights of access, in and to Units and the Common Elements as are consistent with the purposes of the Plan and Sponsor's rights and obligations thereunder.

(g) Sponsor and the Board of Managers shall have the right to grant such additional electric, gas, steam or other utility easements or relocate any existing utility easements on any portion of the Property as Sponsor or its designee, or the Board of Managers, as the case may be, shall deem necessary or desirable for the proper operation and maintenance of the Buildings or any portion thereof, or for the general health or welfare of the owners, tenants and occupants of the appropriate Units, provided that such additional utilities or the relocation of existing utilities does not prevent or unreasonably interfere with the normal conduct of business of the tenants and occupants of a Commercial Unit, or with the use of the Residential Units for their permitted purposes. Any utility company and its employees and agents shall have the right of access to any Units or the Common Elements in furtherance of any such easement, provided such right of access shall be exercised in such a manner as shall not unreasonably interfere with the normal conduct of business of the tenants and occupants of a Commercial Unit or with the use of the Residential Units for their permitted purposes.

(h) The owner of a Commercial Unit will have the right to grant such additional electric, gas, steam or other utility easements or relocate any existing utility easements in any portion of a Commercial Unit or a Commercial Limited Common Element, or any portion of the Common Elements in connection with the subdivision or combination of Commercial Units, provided that such additional utilities or the relocation of existing utilities will not prevent or unreasonably interfere with the normal conduct of business of the tenants and occupants of other Commercial Units, or with the use of the Residential Units for their permitted purposes.

(i) A utility company and its employees and agents shall have the right of access to any Units or the Common Elements in furtherance of such easement, provided such right of access shall be exercised in such a manner as shall not unreasonably interfere with the normal conduct of business of the tenants and occupants of a Commercial Unit, or with the use of the Residential Units for their permitted purposes.

(j) Any owner of a Commercial Unit shall have an easement for any installation, maintenance, repair or replacement work performed in accordance with the combination or subdivision of any Commercial Units, and any such owner shall have the right to install, maintain, repair and replace separate mechanical systems, such as heating systems and all necessary pipes, lines, conduits, ducts, water lines, flues, etc. in connection with the subdivision, combination or operation of Commercial Units, and such easements shall run through the Buildings, its walls and common areas.

(k) Each Commercial Unit Owner shall, to the extent permitted by law, have an easement to erect, maintain, repair and replace, from time to time, one or more signs on the Property for the purposes of advertising the sale or lease of all or any portion of his Commercial Unit and the operation of any business of a tenant or occupant of all or any portion of the Commercial Unit. Each Commercial Unit Owner shall have an easement to install, create, alter, repair, replace and maintain such signs and displays, as may be permitted by law, on or in the exterior wall of the Buildings to the height and width of the Commercial Unit bounded on the interior side of such wall.

(l) Notwithstanding any other provisions of this Declaration, each Unit Owner shall have in common with all other Unit Owners, an easement for ingress and egress through any Unit or the Common Elements to the extent necessitated by an emergency.

(m) Each Unit shall have an easement of support and of necessity and shall be subject to an easement of support and necessity in favor of all other Units and the Common Elements.

(n) In order to carry out the provisions of this Article FIFTEENTH and to facilitate the proper operation of the Condominium, each Unit Owner shall, upon becoming such, grant an irrevocable power of attorney, coupled with an interest, to the Sponsor to exercise the rights granted to Sponsor under this Declaration and to its successors and assigns.

(o) The Sponsor and the Commercial Unit Owners shall have easements over the Common Elements for access to and to use, maintain, repair, alter, change or improve any installations now or hereafter installed in the Buildings and serving their Units, and to connect such installation to equipment located within their Units and to any public utility lines or facilities serving the Commercial Units. Such access will be subject to the reasonable regulations of the Board of Managers regarding hours of work, access, and interference with the Residential Units. Such right shall be exercised in such a manner as will not unreasonably interfere with the use of the Units for their existing use. Nothing in this Section shall be deemed to grant to any Unit Owner an easement to install any additional installations outside of his Unit except in connection with a repair or replacement of an existing installation.

(p) (i) Until such time as the Sponsor or its affiliates cease to own a Unit, the Condominium hereby grants to the Sponsor the right to make installations or improvements to any portion of the General Common Elements; to install additional wiring, pipes or conduits, and to penetrate, use and alter such portions of the General Common Elements as may be necessary to make, change or Repair such installations; to make any applications with, and obtain permits from, governmental bodies to install, change or Repair such installations; to freely enter onto the Common Elements for such purposes; and the right to license, convey, or grant such rights to one or more Unit Owners in Sponsor's good faith discretion. At such time as Sponsor's rights expire under this subsection, the right to utilize any portion of the General Common Elements that has not previously been encumbered by grant or license shall be subject to control by the Board of Managers.

(ii) Sponsor shall have the right to designate any portions of the General Common Elements as Commercial Limited Common Elements in connection with the exercise of the foregoing rights.

(iii) In connection with the exercise of the foregoing rights, the Sponsor and any beneficiary of such rights shall have easements over the Common Elements for access to and to use, maintain, Repair, alter, change or improve any installations installed by such beneficiary, and to connect such installation to equipment located within its Unit and to any public utility lines or facilities serving the beneficiary. Such access will be subject to the reasonable regulations of the Board of Managers regarding hours of work, access, and interference with the Residential Units.

Such right shall be exercised in such a manner as will not unreasonably interfere with the use of the Units for their existing use.

(q) The beneficiary or user of any easement granted pursuant to this Article of the Declaration shall have the obligation of repairing any damage resulting from the use of such easement.

(r) The provisions of ARTICLE TENTH relating to the rights of the Sponsor and the Commercial Unit Owners may not be amended to abridge any rights of the Sponsor or the Commercial Unit Owners.

SIXTEENTH: Encroachments. The Unit Owners agree that if any portion of a Unit encroaches upon another Unit or the Common Elements, or if any portion of the Common Elements (whether restricted in use to an individual Unit Owner or not) shall hereinafter encroach upon a Unit as a result of original construction or settling of the Buildings, or by reason of the Repair, alteration or restoration by the Board of Managers of the Buildings, any Unit or the Common Elements, or by reason of the installation, maintenance, repair or replacement by the owner of a Commercial Unit or any Unit resulting from the subdivision or combination of a Commercial Unit of signs, flues, vents, air conditioning, heating, ventilating and water lines and other mechanical fixtures and equipment, a valid easement for the encroachment and the maintenance of the same, so long as it stands, shall and does exist. In the event the Buildings are partially or totally destroyed as a result of fire or other casualty, or as a result of condemnation or eminent domain proceedings and is rebuilt, the Unit Owners agree that encroachments of any portion of the Unit or the Common Elements as aforedescribed, due to construction, shall be permitted, and that a valid easement for said encroachment and the maintenance thereof shall exist so long as the Buildings or reconstructed Buildings shall stand.

SEVENTEENTH: Unit Ownership. Upon the closing of title to a Unit, a purchaser shall automatically become a Unit Owner in the Condominium and shall remain such, until such time as he ceases to own the Unit for any reason.

EIGHTEENTH: Conveyance of a Unit. In any conveyance of a Unit, either by voluntary instrument, operation of law or judicial proceeding in accordance with this Declaration or the By-Laws, the Grantee of the Unit shall be jointly and severally liable with the Grantor for any unpaid common charges against the latter assessed and due up to the time of the grant or conveyance, without prejudice to the Grantee's right to recover from the Grantor the amounts paid by the Grantee therefor. Any such Grantee shall be entitled to a statement from the Board of Managers setting forth the amount of the unpaid common charge against the Grantor and such Grantee shall not be liable for any unpaid common charge against the Grantor in excess of the amount set forth in such statement. Grantee as used herein shall not include either the holder of an institutional mortgage of record or other purchaser of a Unit at a foreclosure sale of an institutional mortgage.

NINETEENTH: Covenants and Restrictions and Statement of Permitted Uses. The use of the Unit by the Unit Owner or other occupant shall be subject to the rules, regulations and provisions of

this Declaration, the By-Laws and Rules and Regulations of the Condominium, and the following covenants and restrictions:

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

(b) No alterations to the exterior of the Unit or any part of the Common Elements may be made without the written consent of the Board of Managers. A Unit Owner may make a non-structural alteration to a Unit that does not affect the exterior of the Buildings, the utility systems of the Condominium, or the value of other Units without the consent of the Board. No Unit Owner, other than the Sponsor and the Commercial Unit Owners, may make a structural alteration in a Unit, install any fixtures or appliances (other than electrical appliances) or make any alteration affecting the utility systems of the Buildings without the prior written approval of the Board, which approval shall not be unreasonably withheld, provided that the Unit Owner complies with all of the following regarding the improvement: (i) applicable rules; (ii) conditions established by the Board regarding the quality of the work, contractor selection, necessary insurance coverage and access; (iii) applicable laws; (iv) assumes all ownership of all improvements unless otherwise determined by the Board and (v) pays all expenses associated with the improvement and the Board's review of the same. Consent may be requested in writing sent by certified mail or overnight carrier to the Managing Agent, if any, or to the President of the Board, if no Managing Agent is employed. The Board shall have the obligation to answer within forty-five (45) days and failure to do so within the stipulated time shall mean that there is no objection to the proposed modification or alteration. The provisions of this paragraph shall not apply to the Sponsor or the Commercial Unit Owners, provided that any such alterations do not materially adversely affect the structure or utility systems of the Buildings.

(c) Any Unit Owner who mortgages his Unit shall notify the Board of Managers prior to the date of the mortgage providing the name and address of his mortgagee. No mortgage will be permitted unless all common charges have been paid up to the date of the mortgage.

(d) At the request of the mortgagee of the Unit, the Board of Managers shall report any unpaid common charges due from the Unit Owner of such Unit, at a charge to the Unit Owner of Fifty Dollars ($50.00) for each such request.

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

(f) No immoral, improper, offensive or unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed.

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

(h) The common charges shall be paid when due.

(i) Occupancy of the Residential Units shall be restricted to residential occupancy, home occupation and professional use in accordance with the applicable zoning regulations of the municipality having jurisdiction over the Community.

(j) The Commercial Units and any Units resulting from the subdivision or combination thereof may be used for any lawful commercial purpose, including, but not limited to, professional offices or for any other lawful purpose, provided, however, that the Commercial Units (and any Units resulting from the subdivision or combination thereof) may not be used for (i) any obscene or pornographic use or any sort of commercial sex establishment or for any nude or semi-nude live performance, such as modeling, rap sessions, or a so-called rubber goods shop or as a sex club; (ii) a dry cleaner with on-site cleaning; (iii) any form of gambling establishment, including, but not limited to, "Off-Track Betting (OTB)"; (iv) a billiard parlor or pool hall; (v) an amusement arcade or center having income from coin-operated games or other electronic devices; (vi) massage parlor; (vii) suntan parlor; (viii) a store selling motorcycles or other like transportation; and (ix) facility with a primary use as a bar, nightclub, cabaret, lounge, discotheque or dance club. The use of the Commercial Units (and any Units resulting from the subdivision or combination thereof) must conform to all applicable governmental and municipal regulations, including any applicable zoning requirements.

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

Declarant: 411-417-421 Manhattan Avenue Associates LLC
By: Tahl-Propp Manhattan North Investors II LLC, Sole Member,
By: Tahl-Propp Manhattan North Corp. II, Managing Member

By: _____
Joseph A. Tahl, Member

By: _____
Rodney M. Propp, Member

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

On the ____ day of _____ in the year 20___ before me, the undersigned, a Notary Public in and for said State, personally appeared Joseph A. Tahl, 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

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

On the ____ day of _____ in the year 20___ before me, the undersigned, a Notary Public in and for said State, personally appeared Rodney M. Propp, 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

Unit	Tax Lot	Percentage of Common Interest	Approx. Unit Area in Square Feet	Number of Rooms	Common Elements to Which Unit Has Access
					Hallway, Lobby, Yard and Stairway
					Hallway, Lobby, Yard and Stairway
					Hallway, Lobby, Yard and Stairway
					Hallway, Lobby, Yard and Stairway
					Hallway, Lobby, Yard and Stairway
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C1					Sidewalk
C2					Sidewalk
C3					Sidewalk
C4					Sidewalk
Totals		100.00%			

SCHEDULE B
LEGAL DESCRIPTION

SCHEDULE C
RESIDENTIAL AND COMMERCIAL CONTRIBUTIONS

Unit	Percentage Share of Residential Contribution
Totals	100.00%
Commercial Unit	Percentage Share of Commercial Contribution
Commercial Unit AC 1	
Commercial Unit AC 2	
Commercial Unit CC 1	
Commercial Unit CC 2	
Totals	100.00%

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BY-LAWS
OF
THE MANHATTAN CONDOMINIUM

ARTICLE I
PLAN OF UNIT OWNERSHIP

Section 1. Unit Ownership. The property located at 411-417-421 Manhattan Avenue, New York, New York, County of New York, specifically set forth in the Declaration and more commonly known as "The Manhattan Condominium" has been submitted to the provisions of Article 9-B of the Real Property Law of the State of New York.

Section 2. By-Laws Applicability. The provisions of these By-Laws are applicable to the Condominium. The term "Condominium" or "Property" as used herein shall include the land and all buildings and improvements thereon, including the Condominium Units (as defined below) and the common elements and the use and occupancy thereof. The term "Buildings" as hereinafter used shall be defined as the exterior walls and roof of a Unit or number of Units all of which are constructed under a continuous roof or the entire interior and exterior of any building or structure which shall form a portion of the Condominium, but which does not contain any of the Units. The Units referred to as the "Commercial Units" consist of four (4) commercial units, two (2) of which are located on the first floor at the ground level of the building located at 411 Manhattan Avenue and the other two (2) of which are located on the first floor at the ground level of the building located at 421 Manhattan Avenue. All other Units are referred to as the "Residential Units." Any Unit resulting from the subdivision of the Commercial Units shall also be a Commercial Unit. The Commercial Units and the Residential Units are sometimes hereinafter collectively referred to as "Units." The "Sponsor" means 411-417-421 Manhattan Avenue Associates LLC and any successor Sponsor.

Section 3. Personal Application. All present or future Unit Owners, mortgagees and lessees, or their employees, guests or any other person that might use the facilities of the Condominium in any manner are subject to these By-Laws, the Declaration and any rules and regulations established by the Board of Managers ("Board of Managers" or "Board"). The mere acquisition or rental of any of the Units or the mere act of occupancy of any of said Units will signify that these By-Laws, the Declaration and the Rules and Regulations are accepted, ratified, and will be complied with.

ARTICLE II
CONDOMINIUM, VOTING, QUORUM, PROXIES AND WAIVERS

Section 1. Condominium. The Condominium shall be limited to Unit Owners. "Unit Owner" as referred to herein shall mean all of the owners of each Unit.

Section 2. Voting. Each Unit Owner (including the Sponsor and the Board of Managers if the Sponsor or the Board of Managers shall then own or hold title to one or more Units) shall be

entitled to cast one vote at all Unit Owners' meetings for each hundredth percent (.01%) of common interest in the common elements appurtenant to his or her Unit, but the Board of Managers shall not cast any of its votes for the election of any member to the Board. The total number of votes available shall be 10,000. For voting purposes, Units held jointly shall be deemed to be owned by a single Unit Owner. The number of votes available to each Unit Owner pursuant to the above formula shall be referred to in these By-Laws as the Unit Owner's "voting interest".

Section 3. Quorum. Provided a majority in voting interest of all Unit Owners is present in person or represented by written proxy at the meeting, so many Unit Owners as shall represent at least 50.01% of the total voting interest of all Unit Owners shall constitute a quorum at all meetings of the Unit Owners for the transaction of business, except as otherwise provided by Statute, or by the Declaration, or by these By-Laws. If, however, such quorum shall not be present or represented at any meeting of the Unit Owners, the Unit Owners entitled to vote thereat, present in person or represented by written proxy, may adjourn the meeting from time to time, without notice other than an announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting originally called.

Section 4. Vote Required to Transact Business. When a quorum is present at any meeting, the vote of a majority in voting interest of the Unit Owners present in person or represented by written proxy shall decide any question brought before such meeting and such vote shall be binding upon all Unit Owners, unless the question is one upon which, by express provisions of the Declaration, Statute or of these By-Laws, a different vote is required, in which case such express provisions shall govern and control the decision of such question.

Section 5. Right to Vote. At any meeting of Unit Owners, every Unit Owner having the right to vote shall be entitled to vote in person or by proxy. Such proxy shall only be valid for such meeting or subsequent adjourned meetings thereof.

Section 6. Proxies. All proxies shall be in writing and shall be filed with the Secretary prior to the meeting at which the same are to be used. A notation of such proxies shall be made in the minutes of the meeting.

Section 7. Waiver and Consent. Whenever any vote of Unit Owners is required at a meeting or permitted by any provisions of the Declaration, Statute or of these By-Laws to be taken in connection with any action of the Condominium, the meeting and vote of Unit Owners may be dispensed with if all Unit Owners, who would have been entitled to vote upon the action, if such meeting were held, shall consent in writing to such action being taken.

Section 8. Place of Meetings. Meetings shall be held at such suitable place convenient to the Unit Owners as may be designated by the Board of Managers.

Section 9. Annual Meetings. Within thirty (30) days of the trigger event (as defined below), the Sponsor shall call the first annual Unit Owners meeting. At such meeting a new Board of

Managers shall be elected by the Unit Owners and the former members of the Board shall thereupon resign. Thereafter, annual meetings shall be held on or about the anniversary of such date each succeeding year. At such meetings there shall be elected by ballot of the Unit Owners, a Board of Managers in accordance with the requirements of Article III of these By-Laws. The Unit Owners may also transact such other business of the Condominium as may properly come before them.

Section 10. Special Meetings. It shall be the duty of the President to call a special meeting of the Unit Owners as directed by the Board of Managers or upon a petition signed by a majority of the Unit Owners having been presented to the Secretary.

Section 11. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof, as well as, the time and place where it is to be held to each Unit Owner of record, at least ten (10) but not more than fifty (50) days prior to such meeting. The mailing of a notice in the manner provided in the By-Laws shall be considered notice served.

Section 12. Order of Business. The order of business at all meetings shall be as follows:

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

ARTICLE III
BOARD OF MANAGERS

Section 1. Number and Term.

(a) The number of Managers which shall constitute the whole Board shall not be less than three (3) and not more than seven (7). Until succeeded by the Managers elected at the first meeting of Unit Owners called for such purpose, Managers need not be Unit Owners; thereafter all Managers, other than representatives of the Sponsor or the Commercial Unit Owners, shall be Unit Owners, the principal or officer of a Unit Owner, or the spouse, son or daughter of a Unit Owner. The number of Managers elected at the first such meeting shall be three (3), including the designee of the Commercial Unit Owners. Thereafter, within the limits above specified, the number of Managers may be changed by a vote of the Unit Owners at their annual meetings prior to the election of the next Board of Managers. To the extent that the Sponsor or the Commercial Unit Owners are entitled to designate members of the Board of Managers as set forth in

subsection (b), such designation shall reduce the number of Managers elected by the Unit Owners during that year.

(b) (i) The Managers shall hold office until their successors have been elected and hold their first meeting. Until fifty-one (51%) of all Units in percentage of common interest have been sold, or five (5) years from the first Unit closing, whichever comes first, ("triggering event''), the Sponsor will retain the right to designate the Board of Managers. The Sponsor will relinquish control at the first annual meeting to occur after the triggering event.

(ii) To assure the Sponsor of minimum representation on the Board of Managers after it turns over control of the Board to Unit Owners independent of the Sponsor, the Sponsor shall have the right to designate one member of the Board, so long as, the Sponsor continues to own one or more Residential Units. In addition, the Commercial Unit Owners shall have the right to designate one member of the Board of Managers at all times, in addition to any Sponsor designee, and notwithstanding whether the Sponsor has the right to designate a Manager due to its ownership of a Residential Unit.

Section 2. Vacancy and Replacement. If the office of any Manager or Managers becomes vacant by reasons of death, resignation, retirement, disqualification, removal from office or otherwise, a majority of the remaining Managers, though less than a quorum, at a special meeting of Managers duly called for this purpose, shall choose a successor or successors, who shall hold office for the unexpired term with respect to such vacancy. If the vacancy occurs with respect to any member of the first Board of Managers (see Section 4 of this Article III) who has been designated by the Sponsor, the Sponsor shall have the sole right to choose such manager's successor to fill the unexpired portion of his term. In addition, only the Commercial Unit Owners may designate a successor to fill a vacancy relating to the Manager designated by the Commercial Unit Owners.

Section 3. Removal. Except for a member of the Board of Managers designated by Sponsor or the Commercial Unit Owners, a member of the Board of Managers may be removed from office with or without cause by the affirmative vote of Unit Owners owning in the aggregate a percentage of common interest in excess of fifty percent (50%) of the common interest of the Condominium. A member of the Board of Managers designated by the Sponsor or Commercial Unit Owners may only be removed for cause or by the Sponsor or Commercial Unit Owners, and in either event, only the Sponsor or Commercial Unit Owners, as applicable, shall have the right to designate a replacement.

Any member of the Board of Managers whose removal has been proposed by the Unit Owners shall be given an opportunity to be heard at the meeting at which his proposed removal is to be acted upon. If a member of the Board of Managers ceases to be a Unit Owner or mortgagee (or a partner, officer, director, stockholder or employee of a partnership or corporate owner or mortgagee or fiduciary owner or mortgagee), unless such member is a designee of the Sponsor or Commercial Unit Owners, he shall be deemed to have resigned effective as of the date such ownership or mortgage interest ceased.

Section 4. First Board of Managers. The first Board of Managers shall consist of Joseph A. Tahl, Rodney M. Propp and Neda Barzideh who shall all have the right to hold office and exercise all powers of the Board of Managers until the first annual meeting of Unit Owners. Any or all of said Managers shall be subject to replacement in the event of resignation or death in the manner set forth in Section 2 of this Article.

Section 5. Powers.

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

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

(ii) To collect, use and expend the assessments collected to maintain, care for and preserve the Units, Buildings and other common elements;

(iii) To make repairs, restore or alter any Units or the common elements after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings within the limitations of these By-Laws;

(iv) To enter into and upon the Units when necessary and at as little inconvenience to the Unit Owner as reasonably possible in connection with the maintenance, care and preservation of the Property;

(v) To open bank accounts on behalf of the Condominium and to designate the signatories to such bank accounts;

(vi) To insure and keep insured the common elements and Units in accordance with Article VII of these By-Laws, and settle claims;

(vii) To collect delinquent assessments by suit or otherwise, to abate nuisances and to enjoin or seek damages from the Unit Owner of the Property for violations of the house rules or rules and regulations herein referred to, and to levy such fines and late charges upon Unit Owners who fail to pay such rent or assessments in a timely manner or to comply with such rules and regulations in order to ensure compliance, in the reasonable judgment of the Board, and to assess individual Unit Owners for the legal or administrative costs of enforcing such rules and collecting such assessments;

(viii) To make reasonable rules and regulations and to amend the same from time to time, and such rules and regulations and amendments shall be binding upon the Unit

Owners when the Board has approved them in writing. A copy of such rules and all amendments shall be delivered to each Unit;

(ix) To employ and terminate the employment of employees and independent contractors and to purchase supplies and equipment, to enter into contracts, and generally, to have the powers of a Manager in connection with the matters hereinabove set forth;

(x) To bring and defend actions by or against more than one Unit Owner and pertinent to the operation of the Condominium, and to levy special assessments to pay for the cost of such litigation;

(xi) To exercise or waive a right of first refusal to purchase Units, to acquire Units in foreclosure or as a result of abandonment, by exercise of a right of first refusal on behalf of all Unit Owners, and to take any and all steps necessary to repair or renovate any Unit so acquired and to vote as Unit Owner, to offer such Unit for sale or lease, or take any other steps regarding such Unit as shall be deemed proper by the Board of Managers;

(xii) To hire a Managing Agent to perform the duties of the Board of Managers, provided that if such a contract is entered into with the Sponsor, the contract may not be for a period in excess of three (3) years and must contain a provision for termination by either party upon sixty (60) days written notice after the second year;

(xiii) To make additions, alterations, or improvements to the common elements of the Condominium, and to present to the Unit Owners the assignment of Common Charges or the placement of a lien on the common elements when such presentation is required by law;

(xiv) To borrow money on behalf of the Condominium when required in order to purchase a Unit in foreclosure, pursuant to the exercise of a right of first refusal, for Common Charges, and in connection with the operation, care, upkeep and maintenance of the common elements, provided, however, that if required by law, the consent of at least 50.01 % in percentage of common interest of all Unit Owners, obtained at a meeting duly called and held for such purpose in accordance with the provisions of these By-Laws, shall be required for the borrowing of any sum (except sums required to comply with applicable law or a work order of an insurance carrier) which is to be secured by an assignment of income under Section 339-jj of the Real Property Law of the State of New York . Except as required by law, the consent of the Unit Owners shall not be required to borrow unsecured funds to be used for the benefit of the Condominium, or to borrow funds by placing a lien on the Common Charge payments of the Unit Owners; and

(xv) To request a reduction in the taxable assessed valuation of the Condominium on behalf of all Unit Owners.

(b) The Board of Managers may, by resolution or resolutions passed by a majority of the whole Board, designate one or more committees, each of such committees to consist of at least one (1) Manager (but the committee may also have non-Manager Unit Owners on it) which, to the extent provided in said resolution or resolutions, shall advise the Board of Managers in the

management of the Condominium. The Manager who is a member of any such committee, acting on behalf of the Board of Managers, or (to the extent permitted by law) any other available member, shall also have and may exercise the powers of the Board of Managers in the management of the business and affairs of the Condominium, and may have power to sign all papers which may be required, provided the said resolutions shall specifically so provide. Such committee or committees shall have such name or names as may be determined by the Board of Managers. Committees established by resolution of the Board of Managers shall keep regular minutes of their proceedings and shall report the same to the Board as required.

(c) Notwithstanding anything to the contrary contained in these By-Laws, so long as the Sponsor or its designee shall continue to own twenty-five percent (25%) of the Units, but in no event later than five (5) years from the closing of title to the first Unit, the Board of Managers may not, without the Sponsor's prior written consent: (i) make any addition, alteration or improvements to the common elements or to any Unit, at the expense of the Condominium, the foregoing not to include necessary repairs and maintenance work; or (ii) assess any Common Charges for the creation of, addition to, or replacement of all or part of a reserve, contingency or surplus fund, except to the extent that the aggregate amount of such fund does not exceed five percent (5%) of the budgeted expenses of the Condominium; or (iii) hire any employee in addition to the employees referred to in the Plan of Condominium Ownership (the "Plan"); or (iv) enter into any service or maintenance contract for work not covered by contracts in existence on the date the said Plan is declared effective; or (v) borrow money on behalf of the Condominium (except where necessary to perform work required by law to the extent that existing reserves are insufficient). The provisions of this paragraph may not be amended without the written consent of Sponsor.

(d) Notwithstanding subsection (c), 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 a work order of an insurance carrier.

Section 6. Managing Agent. The Board of Managers may employ a Managing Agent for the Condominium under a term contract or otherwise at compensation established by the Board, to perform such duties and services as the Board shall authorize, including, but not limited to, all of the duties of the Board listed in this Article which may be delegated under law.

Section 7. Compensation. Managers and officers as such, shall receive no compensation for their services.

Section 8. Meetings.

(a) The first meeting of each Board newly elected by the Unit Owners shall be held immediately, upon adjournment of the meeting at which they were elected, provided a quorum shall then be present, or as soon thereafter as may be practicable. The annual meeting of the Board of Managers shall be held at the same place as the Unit Owners meetings, and immediately after the adjournment of same, at which time, the dates, places and times of regularly scheduled meetings of the Board shall be set.

(b) Regularly scheduled meetings of the Board may be held without special notice.

(c) Special meetings of the Board may be called by the President on two (2) days notice to each Manager either personally or by mail, telegram, facsimile or e-mail. Special meetings shall be called by the President or Secretary in a like manner and on like notice on the written request of at least two (2) Managers.

(d) At all meetings of the Board, a majority of the Managers shall be necessary and sufficient to constitute a quorum for the transaction of business, and an act of the majority of the Managers present at any meeting at which there is a quorum shall be the act of the Board of Managers, except as may be otherwise specifically provided by Statute or by the Declaration or by these By-Laws. If a quorum shall not be present at any meeting of Managers, the Managers present thereat may adjourn the meeting from time to time, without notice other than an announcement at the meeting, until a quorum shall be present.

(e) Before or at any meeting of the Board of Managers, any Manager may in writing waive notice of such meeting, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Manager at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Managers are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 9. Annual Statement. The Board of Managers shall furnish to all Unit Owners, their mortgagees and the Department of Law (if required) of the State of New York, and shall present annually (at the annual meeting, but in no event later than four (4) months after the close of the fiscal year) and when called for by a vote of the Unit Owners at any special meeting of the Unit Owners, a full and clear statement of the business conditions and affairs of the Condominium, including a balance sheet and profit and loss statement verified by an independent public accountant and a statement regarding any taxable income attributable to the Unit Owner and a notice of the holding of the annual Unit Owners meeting.

Section 10. Fidelity Bonds. The Board of Managers may elect to obtain fidelity bonds for all officers and employees of the Condominium who handle or are responsible for Condominium funds. The premiums on such bonds shall be a common expense.

Section 11. Liability of the Board of Managers and Unit Owners. In order to limit the liability of the Unit Owners, the members of the Board of Managers, the managing agent, if any, and any officers of the Condominium, any contract or other commitment shall be made by the Board of Managers or the managing agent or an officer of the Condominium, as the case may be, only as agent for the Unit Owners. The members of the Board of Managers, the managing agent or the officer, as the case may be, shall have no personal liability on any such contract or commitment (except as Unit Owners), and the liability of any Unit Owner on any such contract or commitment shall be limited to such proportionate share of the total liability thereunder as the Common Interest of such Unit Owner bears to the aggregate Common Interest of all Unit Owners. The Board of Managers and the officers of the Condominium shall have no liability to the Unit Owners for errors of judgment, negligence, or otherwise, except for willful misconduct or bad faith. The Unit Owners shall severally indemnify the members of the Board of Managers

and the officers of the Condominium against any liability or claims, except those arising out of the bad faith or willful misconduct of the members of the Board of Managers or the officers of the Condominium, but the liability of any Unit Owner on account of such indemnification shall be limited to such proportionate share thereof as the Common Interest of such Unit Owners bears to the aggregate Common Interest of all Unit Owners. Members of the Board of Managers and any officers of the Condominium who handle or are responsible for Condominium funds shall be bonded.

ARTICLE IV
OFFICERS

Section 1. Elective Officers. The officers of the Condominium shall be chosen by the Board of Managers and there shall be a President, a Vice President, a Secretary and a Treasurer. The President must be a member of the Board of Managers and either a Unit Owner, the principal or officer of a Unit Owner, or the spouse of a Unit Owner. Other officers are not so restricted. The Board of Managers may also choose one or more assistant secretaries and assistant treasurers, and such other officers as in their judgment may be necessary. The President and Treasurer may not be the same person.

Section 2. Election. The Board of Managers at its first meeting after each annual Unit Owners meeting shall elect a President, a Vice President, a Secretary and a Treasurer. Only the President must be a member of the Board.

Section 3. Appointive Officers. The Board may appoint such other officers and agents as it shall deem necessary, who shall hold their offices for such terms and shall exercise such powers and perform such duties, as shall be determined from time to time by the Board.

Section 4. Term. The officers shall hold office until their successors are chosen and qualify in their stead. Any officer elected or appointed by the Board of Managers may be removed with or without cause, at any time, by the affirmative vote of a majority of the whole Board of Managers, other than a member designated by the Sponsor, who may be removed only for cause. If the office of any officer becomes vacant for any reason, the vacancy shall be filed by the Board of Managers.

Section 5. The President. The President shall be the chief executive officer of the Condominium; he shall preside at all meetings of the Unit Owners and Managers; shall be an ex-officio member of all standing committees, shall have general and active management of the business of the Condominium, shall see that all orders and resolutions of the Board are carried into effect, and shall have such other powers and duties as are usually vested in the office of the President of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 6. The Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act, and shall have such other powers and duties as are usually vested in the office of Vice President of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 7. The Secretary. The Secretary and/or Assistant Secretary shall attend all sessions of the Board and all Unit Owners meetings and record all votes and the minutes of all proceedings in a book to be kept for that purpose, and shall perform like duties for the standing committees when required. He shall give, or cause to be given, notice of all Unit Owners meetings and special meetings of the Board of Managers, and shall perform such other duties as may be prescribed by the Board of Managers, or by the President, under whose supervision he shall be.

Section 8. The Treasurer. The Treasurer shall have custody of the Condominium funds and securities, and shall keep full and accurate chronological accounts of receipts and disbursements in books belonging to the Condominium, including the vouchers for such disbursements, and shall deposit all monies and other valuable effects in the name and to the credit of the Condominium in such depositories as may be designated by the Board of Managers.

He shall disburse the funds of the Condominium as he may be ordered by the Board, making proper vouchers for such disbursements and shall render to the President and Managers, at the regular meetings of the Board or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Condominium.

He shall keep detailed financial records and books of account of the Condominium, including a separate account for each Unit which, among other things, shall contain the amount of each assessment of Common Charges against such Unit, the date when due, the amounts paid thereon and the balance remaining unpaid.

The foregoing shall not bar the Board of Managers from employing personnel to perform the administrative duties consistent with the execution of their responsibilities set forth above.

Section 9. Agreements, etc. All agreements and other instruments shall be executed by the President or such other person as may be designated by the Board of Managers.

ARTICLE V
NOTICES

Section 1. Definitions. Whenever under the provisions of the Declaration or of these By-Laws, notice is required to be given to the Board of Managers, any Manager or Unit Owner, it shall not be construed to mean personal notice; but such notice may be given in writing, by mail, by depositing the same in a post office or letter box in a postpaid sealed wrapper, addressed to the Board of Managers, to such Manager or Unit Owner at such address as appears on the books of the Condominium.

Section 2. Service of Notice-Waiver. Whenever any notice is required to be given under the provisions of the Declaration or of these By-Laws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE VI
OPERATION OF THE PROPERTY

Section 1. Checks. All checks or demands for money and notes of the Condominium shall be signed by the President and Treasurer, or by such other officer or officers, or such other person or persons as the Board of Managers may from time to time designate. The Board of Managers may establish other requirements for signing checks and the disbursement of funds by resolution.

Section 2. Assessments.

(a) The Board of Managers shall, from time to time, but at least annually, fix and determine the budget representing the sum or sums necessary and adequate for the continued operation of the Condominium, and shall send a copy of the budget and any supplement to the budget to every Unit Owner at least 15 days before the date set for adoption of the budget by the Board. The Board shall determine the total amount required, including the operational items, such as insurance, repairs, reserves, betterments, maintenance of the common elements and other operating expenses, as well as, charges to cover any deficits from prior years. The total annual requirements shall be assessed as a single sum against all Units and prorated against each of said Units according to the respective common interest appurtenant to such Units. This proration of assessments shall remain constant regardless of the percentage of the Buildings' square footage included in each Unit or the common elements restricted for the use of the Unit Owner of said Unit. Said assessments shall be payable monthly in advance as ordered by the Board of Managers. The Unit Owner agrees to pay promptly when due the monthly and all special assessments assessed against his own Unit. The Board of Managers may impose administrative fees, late charges, and interest on unpaid Common Charges as described in Article VIII. Special assessments, should such be required, shall be levied and paid in the same manner as hereinabove provided for regular assessments. The Board may take action to collect any Common Charges due from any Unit Owner which remains unpaid thirty (30) days from its due date by way of foreclosure of the lien on such Unit in accordance with Section 339-aa of the Real Property Law of the State of New York or otherwise. In addition, every non-resident owner shall be subject to the provisions of Section 339-kk of the Real Property Law of the State of New York.

(b) Until the Units are separately assessed for tax purposes by the City of New York, real estate taxes on the Property will be collected as part of the Common Charges. The Board of Managers of the Condominium will hold these payments in escrow and apply these payments to pay the real estate taxes for the Property. Until the date of such separate assessment, each Unit Owner will be assessed at the closing of title to his or her Unit for an amount equal to the projected real estate taxes for the fiscal year commencing after the date in which his or her closing occurs. If all Units have not been sold by the due date of the next installment of real

estate taxes for the Property, the Sponsor will fund the real estate tax payment for any unsold Units to the Condominium at that time. After the Units are separately assessed, any amounts previously collected and not used for the payment of real estate taxes will be reimbursed to the Unit Owners

Section 3. Statement of Common Charges. Upon the written request of any Unit Owner or his mortgagee, the Board shall promptly furnish such Unit Owner or his mortgagee with a written statement of the unpaid Common Charges due from such Unit Owner.

Section 4. Liability for Electricity. All electricity consumed in the Units shall be the expense of the individual Unit Owner.

Section 5. Operating Account. There shall be established and maintained a cash deposit account to be known as the "Operating Account", into which shall be deposited the operating portion of all monthly and special assessments as fixed and determined for all Units. Disbursements from said account shall be for the general needs of the operation, including, but not limited to, wages, repairs, betterments, maintenance and other operating expenses of the common elements and for the purchase, lease, sale or other expenses resulting from the purchase or lease of Units.

Section 6. Other Accounts. The Board shall maintain any other accounts as it shall deem necessary to carry out its purposes.

Section 7. Repairs and Maintenance of Units and Common Elements.

(a) All maintenance of and repairs to any Unit, ordinary or extraordinary, and to the doors (except painting the exterior side of a Unit entrance door), windows (except painting the exterior side of windows), electrical (except common elements), plumbing (except common elements) and heating fixtures and air conditioning units within the Unit or belonging to the Unit Owner shall be made at the Unit Owner's expense, except as otherwise specifically provided in the By-Laws. Non-Residential Unit Owners must keep their thermostats at a minimum of 50 degrees to prevent freezing of pipes. Otherwise they may be liable for damage caused to the Condominium or other Units for failing to adhere to this requirement.

(b) All maintenance, repairs and replacements (individually and collectively, "Repairs") to the General Common Elements (as defined in the Declaration) and the painting and decorating of the exterior side of Unit entrance doors and windows shall be made by the Board of Managers and charged to all the Unit Owners as a common expense, except if the Repairs are necessitated by the negligence, misuse or neglect of a Unit Owner, in which case, the expense shall be charged to such Unit Owner. Repairs in or to the Residential Limited Common Elements (as defined in the Declaration) will be performed by, and at the expense of, the following persons under the following circumstances: (i) the Board of Managers as a part of the Residential Contribution, if such Residential Limited Common Element is for use by all Residential Unit Owners; (ii) the Board of Managers at the expense of the Unit Owner, if it is a Restricted Residential Limited Common Element and the Repair involves structural or extraordinary maintenance, repairs or replacements (including, but not limited to, the Repair of leaks); (iii) by the Unit Owner having direct and exclusive access to a Restricted Residential

Limited Common Element at his sole cost and expense, if involving nonstructural or ordinary Repairs; or (iv) with respect to the Commercial Limited Common Elements, by the Commercial Unit Owners. The Board of Managers will have the right to establish rules and regulations regarding the approval of contractors, and the nature and standard of repair for any Residential Limited Common Element. Notwithstanding the foregoing, the Condominium shall also have the right to make a Repair under subsection (iii) at the expense of the Unit Owner and to charge the cost back to the Unit Owner.

(c) Until all Units have been sold by the Sponsor, all Repairs, painting or maintenance, whether made by the Unit Owner or by the Board of Managers to the doors, windows, or the exterior surface of the Buildings, including roofs, or to any generally visible portion of the common elements, shall be carried out in such a manner so as to conform to the materials, style and color initially provided by the Sponsor.

(d) The Condominium will have the right to enter any Unit upon reasonable notice for the purpose of making Repairs in an emergency, or if the Condominium determines (in its sole discretion) that it is necessary or appropriate for the Condominium to make the Repair, whether or not for the account of the Unit Owner, and to charge the cost thereof to the appropriate person under the Condominium Documents. The Condominium will also have the right, but not the obligation, to require a Unit Owner to make a Repair to a Restricted Residential Limited Common Element (also at the expense of the Unit Owner) in the sole discretion of the Board. The Commercial Unit Owners will have the right to Repair any Commercial Limited Common Element upon reasonable prior notice to the Board except in an emergency, in which case, such Repair may be made as needed. If the Board of Managers charges a Unit Owner for repairs or maintenance to his Unit or for Repairs to any common element restricted in use to such Unit Owner, and the Unit Owner fails to make prompt payment, the unpaid amount will bear interest at the maximum legal rate, and the Board of Managers shall be entitled to bring suit thereon as additional Common Charges and, in such event, the Unit Owner shall be liable for the reasonable attorneys' fees and costs of such suit or proceeding together with interest on all sums due.

(e) The Board of Managers and its agents, employees and contractors shall have a right of access to any Unit and to all portions of the common elements for the purpose of carrying out any of its obligations under these By-Laws or the Declaration. These purposes include (but are not limited to) making inspections, correcting any condition originating in his or her Unit and threatening another Unit or a Common Element, performing installations, alterations or Repairs to the mechanical or electrical services or other common elements in his or her Unit or elsewhere in the Buildings and correcting any condition which violates the provisions of any mortgage covering another Unit. Requests for entry shall be made in advance at a time reasonably convenient to the Unit Owner. Such right shall be exercised in such a manner as will not unreasonably interfere with the normal conduct of business by the occupants of the Commercial Units or with the use of the Residential Units for residential purposes. Notwithstanding the above, no prior notice shall be required if the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Buildings, or for the safety of the residents of the Condominium or other persons, or required to avoid the suspension of any necessary service to the Condominium.

(f) Notwithstanding the other provisions of this Section 7, if any painting, decorating, maintenance, repairs or replacements to the Property or any part hereof is necessitated by the negligence, misuse or neglect of any Unit Owner, the entire cost thereof shall be borne by such Unit Owner. Each Unit Owner shall be responsible for all damage to any and all other Units or to the common elements by reason of his negligence, misuse or neglect.

Section 8. General Restrictions on Use and Occupancy of Units.

(a) Each of the Residential Units in the Buildings shall be used as a residence only, except (i) a Residential Unit may be used for any home occupation or professional use as permitted under local zoning laws, and provided further, that the prior written consent of the Board of Managers to such professional use is obtained (ii) a Residential Unit may be used for any permitted home occupation or professional use under applicable law, and (iii) that Sponsor, regardless of the number of Units unsold, shall have the right to use any Unit owned by it for general and sales office purposes, as models and for other promotional purposes in connection with the sale or lease of Units, and to erect and maintain signs at or on the Buildings, and to use Units and the common elements in any other manner permitted to Sponsor pursuant to the provisions of the Declaration or these By-Laws.

(b) The Commercial Units and any Units resulting from the subdivision or combination thereof may be used for any lawful commercial purposes, including, but not limited to, professional offices or for any other lawful purpose, provided, however, that the Commercial Units (and any Units resulting from the subdivision or combination thereof) may not be used for (i) any obscene or pornographic use or any sort of commercial sex establishment or for any nude or semi-nude live performance, such as modeling, rap sessions, or a so-called rubber goods shop or as a sex club; (ii) a dry cleaner with on-site cleaning; (iii) any form of gambling establishment, including, but not limited to, "Off-Track Betting (OTB)"; (iv) a billiard parlor or pool hall; (v) an amusement arcade or center having income from coin-operated games or other electronic devices; (vi) massage parlor; (vii) suntan parlor; (viii) a store selling motorcycles or other like transportation; and (ix) facility with a primary use as a bar, nightclub, cabaret, lounge, discotheque or dance club. The use of the Commercial Units (and any Units resulting from the subdivision or combination thereof) must conform to all applicable governmental and municipal regulations, including any applicable zoning requirements.

(c) The use of any Unit must conform to the terms and conditions of the then existing Certificate of Occupancy for such Unit and any and all applicable governmental and municipal regulations, including any applicable zoning variance.

(d) The foregoing provisions in subsections (a), (b) and (c) of this Section 8 may not be amended, modified or deleted, except by an affirmative vote of one hundred percent (100%) in number and common interest of the Unit Owners and the Board of Managers. The Residential Unit Owners shall not have the right to approve any change in the use of the Commercial Units or any part thereof, or to approve any amendments to the Buildings' Certificate of Occupancy to authorize a different use for such Units.

(e) No immoral, improper, offensive, or unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. However, this provision shall not be in derogation of the right of a Commercial Unit Owner to use his Unit for the purposes allowed by the Declaration and these By-Laws. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property, shall be complied with by and at the sole expense of the Unit Owners or the Board of Managers, whichever shall have the obligation to maintain or repair such portion of the Property.

(f) Rules and regulations concerning the use of the Residential Units, and the common elements may be promulgated and amended from time to time by the Board of Managers, provided that copies are furnished to each Unit Owner not less than five (5) days prior to the time that they become effective. Any rule or regulation may be rescinded by vote of sixty-seven percent (67%) of the Unit Owners at a meeting duly called for that purpose. The initial rules and regulations ("Rules and Regulations") are attached hereto as Schedule A for the purpose of distribution, but not for recording as part of the Declaration and By-Laws.

Section 9. Additions, Alterations or Improvements by Board of Managers. Whenever in the judgment of the Board of Managers the common elements shall require additions, alterations or improvements, and the Board determines to require the placement of a lien on the common elements or an assignment of Common Charges payable by the Unit Owners, and (if required by law) the making of such additions, alterations or improvements shall have been approved by fifty percent (50%) in number and in common interest of the Unit Owners present in person and/or by proxy and voting at a meeting duly held in accordance with these By-Laws (and by the holders of Unit mortgages, if such approval is required), the Board of Managers shall have the right to proceed with such additions, alterations or improvements and to assess all Unit Owners for the cost thereof as a Common Charge. Any additions, alterations or improvements which do not require a lien to be placed on the common elements or an assignment of the Common Charges payable by the Unit Owners may be made by the Board of Managers, without approval of the Unit Owners or the holders of Unit mortgages, and the cost thereof (unless paid from the Working Capital Fund in accordance with the Plan) shall constitute part of the common expenses. So long as Sponsor or its designee shall own twenty-five percent (25%) of the Units in aggregate common interest, or for a period of five (5) years from the first closing of title to a Unit, whichever occurs sooner, the Board of Managers may not make any addition, alteration, or improvement to the common elements without Sponsor's prior written consent, unless required by law. In the event that the Board of Managers erects a sidewalk bridge or other scaffolding at the Building, the Board shall give due regard to the use of the Commercial Units at the time in question and shall use best efforts to (i) minimize any disruption to the use of such Commercial Units and (ii) not restrict ingress or egress through the exterior doorways to the Commercial Units. In furtherance thereof, the Board agrees to consult with the Commercial Unit Owners prior to the installation of such sidewalk, bridge or other scaffolding, and to permit the Non-Residential Unit Owners to install, at their cost and expense, signs upon the sidewalk bridge and scaffolding

Section 10. Additions, Alterations or Improvements by Unit Owners.

(a) A Residential Unit Owner may make a non-structural alteration to a Unit that does not affect the exterior of the Buildings, the utility systems of the Condominium, or the value of other Units without the consent of the Board of Managers. However, the Board of Managers may establish regulations governing access, insurance and other matters relating to the performance of any work within a Unit. No other installations or alterations may be made to a Unit without the consent of the Board of Managers as described below. No Unit Owner, other than the Sponsor or the Commercial Unit Owners, may make a structural alteration in a Unit, install any fixtures or appliances (other than electrical appliances), or make any alteration affecting the utility systems of the Buildings without the prior written approval of the Board of Managers, not to be unreasonably withheld. Any approval, if granted, shall provide that such alteration shall be at the Unit Owner's sole cost and expense, that work shall be done in accordance with all governmental or quasi-governmental laws, rules, regulations, codes and ordinances, that all work shall be done by reputable contractors with adequate liability, property damage and workmen's compensation insurances, (certificates for which shall be delivered to the Board of Managers prior to the commencement of construction), and that any additions shall be maintained in their entirety by said Unit Owner (who shall also be responsible for any Repairs, including structural Repairs, to such addition under all circumstances, and to the Unit and any common elements where such Repairs become necessary due to additional stresses caused by the structural alteration, or due to improper design or construction of the structural alteration). Such approval shall further provide that the Unit Owner shall reimburse the Board of Managers for any out-of-pocket expenses incurred by the Board of Managers in connection with the granting of such approval and in connection with any services provided due to such alteration. All alterations are subject to the regulations of the Condominium regarding the time and manner of performance, security, insurance, responsibility for interruption of services, and liability for future Repairs. Unit Owners may be required to execute an Alteration Agreement incorporating those terms and such other terms as the Condominium may require, which agreement may be recorded and will bind future owners of the Unit.

(b) Any application to any department of the City of New York or to any other governmental authority for a permit to make an installation, addition, alteration or improvement in or to any Residential Unit may be executed only by the Board of Managers without, however, incurring any liability on the part of the Board of Managers or any member thereof to any contractor, subcontractor, suppliers of material, architect or engineer on account of such installation, addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom.

(c) The Sponsor and the Commercial Unit Owners shall have the right, without the consent of the Board of Managers, other Unit Owners or the holders of Unit mortgages, to make alterations or additions to unsold Units or to the Commercial Units, whether or not such alterations are structural or nonstructural, ordinary or extraordinary, so long as, they do not materially adversely affect the structure or utility systems of the Buildings. The Condominium hereby appoints the Sponsor and the Commercial Unit Owners (severally) as its attorneys in fact, coupled with an interest, to execute such documents on behalf of the Condominium as may be required in order to obtain any necessary licenses or permits to make or complete an alteration, and grants to the Sponsor and the Commercial Unit Owners (severally) an easement of access,

ingress and egress to make any such alterations. The Commercial Unit Owners are appointed the agent and attorney in fact of the Condominium to apply for changes in the Certificate of Occupancy of the Commercial Units and to execute all documents that may be necessary in order to procure such change. However, the Commercial Unit Owners shall not be authorized to execute any application in regard to a variance with the Board of Standards and Appeals without the consent of the Condominium.

(d) With regard to any work that may result in the subdivision or combination of Units, the Sponsor or the Commercial Unit Owners, as the case may be, shall have the right, pursuant to Section 339-i (2) of the Real Property Law of the State of New York, to make and file an appropriate amendment to the Declaration under the same file number and procedure set forth in Section 339-p of the Real Property Law of the State New York, and the local tax authority shall provide and certify upon the proposed amendment a conforming tax lot number upon completion of the Unit. In no event shall the subdivision of a Unit and its common interest appurtenant thereto result in a greater percentage of common interest for the total to the new Unit than existed for the original Unit.

(e) The Board of Managers shall execute any application or other document required to be filed with any governmental authority having or asserting jurisdiction in connection with any such installation or structural addition, alteration or improvement made by Sponsor to any Residential Unit, provided, however, that neither the Board of Managers nor the Unit Owners shall be subjected to any expense or liability by virtue of the execution of the application or such other document.

(f) No Residential Unit Owner may alter, improve or enclose any portion of the common elements (including the Restricted Residential Limited Common Elements), without the consent of the Board of Managers.

(g) The Commercial Limited Common Elements may be altered or improved by the Commercial Unit Owners who have use of or derive benefit from the particular Commercial Limited Common Element. However, structural alterations or alterations which affect the utility systems of the Buildings require the consent of the Board of Managers, such consent not to be unreasonably withheld or delayed.

Section11. Contribution of Unit Owners to Common Expenses. The contribution of all Unit Owners to common expenses will be based on percentage of common interest of the Unit Owner.

ARTICLE VII
INSURANCE AND INSURANCE TRUSTEE

Section 1. Insurance to be carried by the Board. The Board of Managers shall be required to obtain and maintain, to the extent obtainable, the following insurance: fire insurance with extended coverage, water damage, vandalism and malicious mischief endorsements, insuring the Buildings (but not including furniture, furnishings or other personal property supplied or installed by the Unit Owners), together with all of the Buildings' heating, air conditioning and

other service machinery contained therein, covering the interest of the Condominium, the Board of Managers and all Unit Owners and their mortgagees as their interest may appear, in an amount equal to the full replacement value of the Buildings. Each of such policies shall contain a New York standard mortgagee clause in favor of each mortgagee of a Unit which shall provide that the loss, if any, thereunder shall be payable to such mortgagee, as its interest may appear, subject, however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee hereinafter set forth; and such other insurance as the Board of Managers may determine. All such policies shall provide that adjustment of loss shall be made by the Board of Managers, except that adjustments in excess of $250,000 will require the approval of the Insurance Trustee and that the net proceeds thereof, if $250,000 or less, shall be payable to the Board of Managers, and if more than $250,000 shall be payable to the Insurance Trustee.

The fire insurance will commence with the closing of title to the first Unit in an amount as required by the mortgagee of such Unit, and such amount will be increased upon the closing of title to all Units and until the first meeting of the Board of Managers following the first Unit Owners meeting.

All policies of physical damage insurance shall contain waivers of subrogation and of any reduction of pro rata liability of the insurer, as a result of any insurance carried by Unit Owners or of the invalidity arising from any acts of the insured or any Unit Owners, and shall provide that such policies may not be canceled or substantially modified without at least fifteen (15) days prior written notice to all of the insureds, including all mortgagees of Units. Duplicate originals of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all mortgagees of Units at least fifteen (15) days prior to the expiration of then current policies. Prior to obtaining any policy of fire insurance or any renewal thereof, the Board of Managers shall obtain an appraisal from a fire insurance company or otherwise of the full replacement value of the Buildings, including all of the common elements appurtenant thereto, for the purpose of determining the amount of fire insurance to be effected pursuant to this Section.

The Board of Managers shall also be required to obtain and maintain, to the extent obtainable, public liability insurance in such limits as the Board of Managers may from time to time determine, covering each member of the Board of Managers, the Managing Agent and each Unit Owner. Such public liability coverage shall also cover cross liability claims of one insured against another. Until the first meeting of the Board of Managers following the first annual Unit Owners meeting, such public liability insurance shall have a minimum single limit of $1,000,000 covering all claims for bodily injury and for property damage arising out of one occurrence. Such public liability insurance shall commence on the closing of title to the first Unit.

Unit Owners shall not be prohibited from carrying other insurance for their own benefit, provided that such policies contain waivers of subrogation and further provided, that the liability of the carriers issuing insurance procured by the Board of Managers shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner.

Section 2. Insurance Trustee. The Insurance Trustee shall be a bank, savings and loan association, insurance company or trust company located in the State of New York designated by

the Board of Managers. All fees and disbursements for the Insurance Trustee shall be paid by the Board of Managers and shall constitute a common expense of the Condominium. In the event the Insurance Trustee resigns or fails to qualify, the Board of Managers shall designate a new Insurance Trustee which shall be a bank or trust company located in the State of New York.

Section 3. Restoration or Reconstruction After Fire or Other Casualty. In the event of damage to or destruction of the Buildings as a result of fire or other casualty (unless seventy-five percent (75%) or more of the Units are destroyed or substantially damaged and 75% or more of the Unit Owners do not duly and promptly resolve to proceed with repair or restoration), the Board of Managers shall arrange for the prompt repair and restoration of the Buildings (including any heating, air conditioning or other service machinery which is covered by insurance, but not including, any wall, ceiling or door decorations or coverings or other furniture, furnishings, fixtures or equipment installed by Unit Owners in the Units), and the Board of Managers or the Insurance Trustee, as the case may be, shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progressive payments. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a common expense and the Board of Managers may assess all Unit Owners for such deficit as part of the Common Charges.

If seventy-five percent (75%) or more of the Units are destroyed or substantially damaged and 75% or more of the Unit Owners do not duly and promptly resolve to proceed with repair or restoration, the Property shall be subject to an action for partition at the suit of any Unit Owner or lienor or, as if owned in common, in which event the net proceeds of sale, together with the net proceeds of insurance policies (or if there shall have been a repair or restoration pursuant to the first paragraph of this Section 3, and the amount of insurance proceeds shall have exceeded the cost of such repair or restoration) then the excess of such insurance proceeds shall be divided by the Board of Managers or the Insurance Trustee, as the case may be, among all Unit Owners in proportion to their respective common interest, after first paying out from the share of each Unit Owner the amount of any unpaid liens on his Unit, in the order of the priority of such liens.

ARTICLE VIII
DEFAULTS

Section 1. Collection of Assessments. The Board of Managers shall take prompt action to collect any Common Charge due from any Unit Owner which remains unpaid for more than thirty (30) days from the due date for payment thereof. Upon the failure of a Unit Owner to pay any element of Common Charges for the Unit within fifteen (15) days of the same becoming due and payable, the Board of Managers shall have the right to place a lien against the Unit Owner's Unit for the unpaid Common Charges as set forth above, and impose late fees and administrative fees of up to $100 as additional Common Charges with respect to each new violation to cover the additional costs of administration. Failure by the Board of Managers to place such a lien or impose such charges shall not constitute a waiver of the right to do so at a later date or with respect to a subsequent failure to pay within the designated time. Common Charges which remain unpaid for more than thirty (30) days shall bear interest at the maximum rate permitted by

law. The lien of the Condominium shall be subordinate only to liens for real estate taxes on the Unit and to any sums unpaid on a first mortgage of record thereon in excess of six (6) months Common Charges and attorneys' fees for collection thereof. Any person placing a lien against a Unit shall be deemed to have notice of the foregoing and to have waived any claim to the contrary under Section 339-z of the Real Property Law of the State of New York.

If any Unit Owner owns a Unit occupied by a Non-Purchasing Tenant as to which the Unit Owner is obligated to pay a security deposit to the Condominium, the Board of Managers of the Condominium will also have a lien on the Unit for the replenishment of such funds if any amounts are drawn down from it. The lien may be enforced in the same manner as a lien for nonpayment of Common Charges.

The Board of Managers shall provide timely written notice to mortgagees of any sixty (60) day delinquency in the payment of assessments or Common Charges owed by a Unit Owner of a Unit on which a mortgagee holds a mortgage.

Section 2. Default in Payment of Common Charges and Assessments. If any Unit Owner defaults in paying to the Board of Managers the Common Charges or any other amounts determined by the Board of Managers to be due, including (but not limited to) Common Charges, late payment charges, fees and expenses of collection or enforcement of the Condominium Documents (including attorneys' fees), interest or fines (individually and collectively, "Charges"), such Unit Owner shall be obligated to pay interest at the maximum legal rate on such Charges from the due date thereof, together with all expenses, including attorneys' fees, incurred by the Board of Managers in any proceeding brought to collect such unpaid Charges (which shall also be deemed Charges). Except as otherwise expressly set forth in these By-Laws, all Charges shall be payable within five (5) days after demand is made. The Board of Managers shall have the right and duty to attempt to recover such Charges, together with interest thereon, and the expenses of the proceeding, including attorneys' fees, in an action to recover the same brought against the Unit Owner, or by foreclosure of the lien on such Unit granted by Section 339-z of the Real Property Law of the State of New York and Article Twelfth of the Declaration, in the manner provided in Section 339-aa thereof. For purposes of this Section, all Charges shall be deemed Common Charges under Section 339-z.

Section 3. Foreclosure of Liens for Unpaid Common Charges. All Charges assessed against a Unit Owner shall be a lien against a Unit upon the expiration of any grace period provided herein. In any action brought by the Board of Managers to foreclose a lien on a Unit because of unpaid Charges, the Unit Owner shall be required to pay a reasonable rental payments for the use of his Unit from and after the date of commencement of the foreclosure action, and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. A suit to recover a money judgment for unpaid Charges shall be maintainable without foreclosing or waiving the lien securing the same.

Section 4. Assignment of Rents. In addition to any other remedies available to the Condominium, if a Unit Owner defaults in the payment of Common Charges, the Board of Managers may take an assignment of all rents payable by any tenant or occupant of a Unit upon

notice to the tenant, and payment of such amounts to the Board by the tenant shall be a complete defense to any action for collection by the Unit Owner against the tenant.

Section 5. Abatement and Enjoinment of Violations by Unit Owners; Imposition of Fines. The violation of any rule or regulation adopted by the Board of Managers, or the breach of any By-Law contained herein, or the breach of any provision of the Declaration, shall give the Board of Managers the right, in addition to any other rights set forth in these By-Laws: (a) to enter the Unit in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board of Managers shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity the continuance of any such breach. All costs of enforcement shall be deemed Common Charges. In addition, the Board of Managers may impose fines on Unit Owners violating the Declaration, By-Laws, or Rules and Regulations in its reasonable discretion.

ARTICLE IX
AMENDMENTS

(a) Except as set forth below, these By-Laws may be altered, amended or added to at any duly called Unit Owners meeting provided: (i) that the notice of meeting shall contain a full statement of the proposed amendment; (ii) that the amendment shall be approved by sixty-seven percent (67%) of the Unit Owners in number and common interest; (iii) If the amendment is materially adverse to mortgagees, such amendment must be agreed to by mortgagees that represent at least 51% of the votes of Units subject to mortgages. However, a mortgagee's approval shall be implied when a mortgagee fails to respond after sixty (60) days written notice is given by the Board of Managers, provided the notice was delivered by certified or registered mail with return receipt requested; and (iv) said amendment shall be set forth in a duly recorded amendment to the Declaration. However, no amendment will affect or impair the validity or priority of a Unit Owner's interest and the interests of holders of a mortgage encumbering a Unit or Units.

(b) Sponsor and the Commercial Unit Owners shall have the right, without the vote or consent of other Unit Owners, the Board of Managers or the holders of Unit mortgages, to execute or (on its request) to require the Board of Managers to execute and record in the Office of the Register of the City of New York, County of New York and elsewhere, if required by law, all amendments to these By-Laws (together with such other documents as may be required to effectuate the same) to reflect any changes in unsold Units and the reapportionment of the common interest resulting therefrom, made by Sponsor in accordance with Article VI, Section 10 and the Declaration. All expenses in connection with the preparation, recordation and filing of any such amendment shall be paid by Sponsor or its designee.

(c) So long as the Sponsor continues to own a Unit, the provisions of these By-Laws may not be amended to adversely affect the rights of the Sponsor, without the consent of the Sponsor.

(d) These By-Laws may not be amended, modified or supplemented without the prior written consent of the affected Commercial Unit Owner(s) to the extent that such amendment, modification, addition, or deletion of or to these By-Laws, the Declaration or the Rules and Regulations modifies the permitted uses of any Commercial Unit or affects the rights, privileges, easements, licenses or exemptions granted to any Commercial Unit Owner.

(e) The following provisions of these By-Laws may not be amended without the consent in writing of Sponsor, so long as Sponsor or its designee shall be the owner of one or more Residential Units, or the Commercial Unit Owner, insofar as such amendment may affect the rights of the Commercial Unit Owners:

(i) Section 1 (b) of Article III with respect to the rights of the Sponsor and Commercial Unit Owners to designate a certain number of the members of the Board of Managers;

(ii) Section 5(c) of Article III insofar as it provides that, so long as, Sponsor shall continue to own twenty-five percent (25%) or more interest in the Common Elements, the Board of Managers may not exercise certain powers without Sponsor's prior written consent;

(iii) Sections (2) and (3) of Article III with respect to the rights of the Sponsor and Commercial Unit Owners with respect to removal of their designated member of the Board of Managers and their designation of a new member upon such removal or in the case of a vacancy;

(iv) Section 8(d) of Article VI;

(v) Section 8 of Article X insofar as it provides that the provisions of Section 1 of Article X shall not apply with respect to a sale or lease of any Residential Unit owned by Sponsor or to a sale or lease of the Commercial Units or any Units resulting from the subdivision thereof; and

(iv) This Article IX.

ARTICLE X
SALES, LEASES AND MORTGAGES OF UNITS

Section 1. Sales and Leases. Except as set forth in Section 8, no Residential Unit Owner may sell his Residential Unit or any interest therein except by complying with the following provisions:

(a) Any Residential Unit Owner who receives a bona fide offer which he intends to accept (hereinafter called an "Outside Offer") for the sale of his Unit together with: (i) the undivided interest in the common elements appurtenant thereto; (ii) the interest of such Unit Owner in any Units previously acquired by the Board of Managers, or its designee, on behalf of

all Unit Owners, or the proceeds of the sale or lease thereof, if any, and (iii) the interest of such Unit Owner in any other assets of the Condominium (the interests in subsections (i), (ii) and (iii) are hereinafter collectively called the "Appurtenant Interests"), shall give notice to the Board of Managers of such offer and of such intention, the name and address of the proposed purchaser, 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, together with the Appurtenant Interests, to the Board of Managers or its designee, on behalf of the owners of all other Units, 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 such 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. The Board of Managers may request reasonable additional information relating to the Outside Offer at any time after reviewing the initial notice and any additional information previously supplied by the Unit Owner, and may schedule a personal interview to obtain additional information regarding a prospective purchaser. Within thirty (30) days after receipt of such notice and all additional information that had been reasonably requested by the Board, the Board of Managers may elect by notice to such Unit Owner, either (a) to purchase such Unit, together with the Appurtenant Interests (or to cause the same to be purchased by its assignee or designee, corporate or otherwise), 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 or (b) to produce a purchaser who will purchase such Unit, together with the Appurtenant Interests, on the same terms and conditions as contained in the Outside Offer and as stated in the notice from the offering Unit Owner. The Board of Managers may assign their right to purchase the Unit, on behalf of all Unit Owners at any time without liability, to the offering Unit Owner. If the Board of Managers shall elect to purchase such Unit, together with the Appurtenant Interests, or to cause the Unit to be purchased by its designee, title shall close at the office of the attorneys for the Condominium in accordance with the terms of the offer, but not less than forty five (45) days after the giving of notice by the Board of Managers of its election to accept such offer. At the closing, the Unit Owner shall convey the Unit (and Appurtenant Interests) to the Board of Managers or to its designee on behalf of all other Unit Owners, by deed in the form required by Section 339-o of the Real Property Law of the State of New York, with all transfer stamps affixed, and shall pay all other taxes arising out of such sale. Real estate taxes, mortgage interest and Common Charges and expenses shall be apportioned between the Unit Owner and the Board of Managers or its designee as of the closing date. If the Board of Managers or its designee shall fail to accept such offer or to produce a purchaser within thirty (30) days as aforesaid or fails to act within the 30-day period, the offering Unit Owner shall be free to contract to sell the Unit to the Outside Offeror, together with the Appurtenant Interests, within sixty (60) days after the expiration of the period in which the Board of Managers or its designee might have accepted such offer, on the terms and conditions set forth in the notice of such Outside Offer from the offering Unit Owner to the Board of Managers. 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. If the offering Unit Owner shall not convey such Unit within such 60-day period to the Outside Offeror, on the terms and conditions contained in the Outside Offer, then should the offering Unit Owner thereafter elect to sell the Unit, together with the Appurtenant Interests, to the same or to another Outside Offeror, on the same or other terms and conditions, the offering

Unit Owner shall be required to again comply with all of the terms and provisions of this Section 1 of this Article X.

Any purported sale of a Residential Unit in violation of this Section shall be voidable at the election of the Board of Managers by notice given to the person claiming to be the Unit Owner and the Board's right of first refusal shall be deemed reinstated.

(b) Except as set forth in Section 8, no Residential Unit Owner may lease his Unit except by complying with the following provisions:

(i) All leases are subject to the consent of the Board of Managers, such consent not to be unreasonably withheld. All leases must be for a minimum period of one (1) year (with each such lease being to a specific named tenant and with no right to substitute any other tenant during the term of the lease). All leases shall be consistent with these By-Laws and shall contain such reasonable conditions as the Board of Managers may impose in order to protect the physical and financial security and continuity of the Condominium, including (but not limited to) provisions that a lease 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; that the Board of Managers shall have power to terminate such lease and 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; that in case of default by the Unit Owner, the Board of Managers shall have the right to require the tenant to pay its rent to and attorn to the Board on demand; that the Unit Owner or tenant will maintain liability insurance naming the Condominium as an additional insured party, if available; that the tenant consents to personal jurisdiction in New York State; that the tenant waives diplomatic immunity; and that the Board of Managers shall have the right to terminate the lease on not less than thirty (30) days prior written notice upon foreclosure of the lien granted by Section 339-z of the Real Property Law of the State of New York. Except as set forth above, the form of any such lease shall be substantially the then current form of apartment lease recommended by The Real Estate Board of New York, Inc. with such modifications as may be approved in writing by the Board of Managers. The Board of Managers may establish other reasonable regulations governing leases of Units from time to time.

(ii) Any purported lease of a Residential Unit in violation of this Section shall be voidable at the election of the Board of Managers, and if the Board shall so elect, the Unit Owner shall be deemed to have authorized and empowered the Board of Managers to institute legal proceedings to evict the purported tenant in the name of the said Unit Owner as the purported landlord at the expense of the Unit Owner.

(iii) The Unit Owner shall execute an assignment of lease in favor of the Condominium as security for the payment of Common Charges, special assessments and all sums due from the Unit Owner to the Condominium or the Board of Managers.

(iv) Any purported lease of a Unit in violation of this Section shall be voidable at the election of the Board of Managers, and if the Board shall so elect, the Unit Owner shall be

deemed to have authorized and empowered the Board of Managers to institute legal proceedings to evict the purported tenant in the name of the said Unit Owner as the purported landlord at the expense of the Unit Owner.

(v) Except for a Unit owned by Sponsor, or the Commercial Unit Owners or a Unit owned by a mortgagee who took title in foreclosure or by deed in lieu of foreclosure, any lease for a Unit must be for a minimum period of one (1) year (with each such lease being to a specific named tenant and with no right to substitute any other tenant during the term of the lease).

(c) The Commercial Unit Owners are not required to obtain the approval of the Board of Managers or to meet certain requirements imposed upon other Unit Owners, such as, the right to transfer the Commercial Units without offering the Board of Managers the right of first refusal and the right to alter and subdivide a Commercial Unit without obtaining the prior consent of the Board of Managers. In addition, no amendment, modification, addition or deletion of or to these By-Laws, the Declaration, or the Rules and Regulations of the Condominium modifying the permitted uses of the Commercial Units or affecting the rights, privileges, easements, licenses or exemptions granted to the Commercial Unit Owners, shall be effective in any way against the Commercial Unit Owners, without the written consent of the Commercial Unit Owners.

Section 2. Consent of Unit Owners to Purchase or Lease of Units by Board of Managers. The Board of Managers shall not actually purchase or lease any Unit without the approval of a majority in voting interest of the Unit Owners, except to the extent the right to conclude such sale or lease has been delegated to the Board pursuant to a Power of Attorney executed by a Unit Owner.

Section 3. No Severance of Ownership. No Unit Owner shall execute any deed, mortgage, or other instrument conveying or mortgaging title to his Unit without including therein the Appurtenant Interests, 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 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, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of the Unit to which such interests are appurtenant, or as part of a sale, transfer or other disposition of such part of the Appurtenant Interests of all Units.

Section 4. Release by Board of Managers of Right of First Refusal. The right of first refusal contained in Section 1 of this Article X may be released or waived by the Board of Managers, in which event, the Residential Unit, together with the Appurtenant Interests, may be leased, sold or conveyed, free and clear of the provisions of such Section.

Section 5. Certificate of Termination of Rights of First Refusal. A certificate, executed and acknowledged by the Secretary of the Condominium, stating that the provisions of Section 1 of this Article X have been met by a Unit Owner, or have been duly waived by the Board of Managers, and that the rights of the Board of Managers thereunder have terminated, shall be

conclusive upon the Board of Managers and the Unit Owners in favor of all persons who rely thereon in good faith. Such certificate shall be furnished to any Unit Owner who has in fact complied with the provisions of Section 1 of this Article X or with respect to whom the provisions of such Section have been waived, upon request.

Section 6. Financing of Purchase of Units by Board of Managers. Acquisition of Units by the Board of Managers or its designee, on behalf of all Unit Owners, may be made from working capital and Common Charges in the hands of the Board of Managers, or if such funds are insufficient, the Board of Managers may levy an assessment against each Unit Owner in proportion to his ownership in the common elements, as a Common Charge, which assessment shall be enforceable in the same manner as provided in Article VI, or the Board of Managers, in its sole discretion, may borrow money to finance the acquisition of such Unit, provided, however, that no financing, may be secured by an encumbrance or hypothecation of any property, other than the Unit, together with the Appurtenant Interests, to be acquired by the Board of Managers.

Section 7. Payment of Common Charges and Assessments. No Unit Owner shall be permitted to convey, mortgage, pledge, hypothecate, sell or lease his Unit, unless and until he shall have paid in full to the Board of Managers all unpaid Common Charges and assessments and expenses theretofore assessed by the Board of Managers against his Unit, and until he shall have satisfied all unpaid liens against such Unit, except permitted mortgages.

Section 8. Exceptions to Restrictions on Sales and Leases. The provisions of Section 1 of this Article X shall not apply with respect to (a) any sale, conveyance or lease by a Unit Owner of his Unit and Appurtenant Interests to his spouse or to any of his children over the age of 18 years, or to his parent or parents or to his brothers or sisters, or to any one or more of them, or to a trust established for the benefit of any of them; or (b) a sale or lease of a Unit and Appurtenant Interests owned by the Sponsor or any principal thereof (as defined in the Plan); or (c) the sale or lease of a Commercial Unit or any part thereof by a Commercial Unit Owner; or (d) the acquisition, sale or lease of a Unit, together with the Appurtenant Interests, by a mortgagee who shall acquire title to such Unit by foreclosure or by deed in lieu of foreclosure; or (e) a conveyance or transfer by gift during a Unit Owner's lifetime; or (f) the devise of a Unit by will or intestacy. However, the Board of Managers must be given written notice of every sale or lease of a Unit.

Section 9. Waiver of Partition Rights. The Unit Owners waive all of their voting rights concerning partition with respect to any Unit acquired by the Board of Managers in accordance with this Article.

Section 10. Consent to Jurisdiction and Venue in Lease. By virtue of acquiring title to a Unit or executing a lease, all Unit Owners, tenants and occupants irrevocably submit to personal jurisdiction in the State of New York and venue in New York County in any action commenced by the Board of Managers.

Section 11. Mortgages of Units. Each Unit Owner is free to mortgage his Unit. Prior to or simultaneously with the closing of any mortgage transaction, the Unit Owner must satisfy all

arrearage for any unpaid Common Charges and assessments owed by such Unit Owner and discharge any liens therefor. The Board of Managers may request of a Unit mortgagee that it be notified by a Unit mortgagee of any default under a mortgage on a Unit.

ARTICLE XI
CONDEMNATION

If all or part of the common elements are taken in condemnation or eminent domain proceedings, the award from such proceedings shall be paid to the Insurance Trustee if the award is more than $250,000 and to the Board of Managers if the award is $250,000 or less, to be distributed in accordance with Section 1 of Article VII, but in the following amounts;

(a) so much of the award as is applicable to unrestricted common elements, to the Unit Owners pro rata according to the respective common interest appurtenant to the Units owned by such Unit Owners.

(b) so much of the award as is applicable to irrevocably restricted common elements to the Unit Owner having general use of such common element.

In such eminent domain or condemnation proceeding, the Board shall request that the award shall set forth the amount allocated to unrestricted common elements and to each irrevocably restricted common element. In the event the award does not set forth such allocation, then the question of such allocation shall be submitted to arbitration in accordance with the rules of the American Arbitration Association.

The Condominium shall give notice to mortgagees of any condemnation or casualty loss that affects either a material portion of the Condominium or a Unit securing such lender's mortgage. The Condominium may not terminate or dissolve after substantial destruction or condemnation, or for any other reason, unless such action is agreed to by mortgagees representing at least 51% of the votes of the Unit Owners subject to mortgages.

ARTICLE XII
EXPEDITED ARBITRATION

For disputes arising between the Commercial Unit Owner and the Board of Managers (other than disputes with the Sponsor) in connection with special allocations shall be settled by expedited arbitration conducted in accordance with the rules of the American Arbitration Association (the "AAA"). Either party shall submit the dispute for resolution by arbitration in the City of New York in accordance with the Arbitration Rules (Expedited Procedures) of the AAA, except that the terms of this Section shall supersede any conflicting or otherwise inconsistent rules. Provided the rules and regulations of the AAA so permit, (i) the AAA shall, within five (5) days after a submission or application by a party, select a single independent arbitrator, (ii) the arbitration shall commence fourteen (14) days thereafter and shall be limited to a total of ten hours on the date of commencement until completion, with each party having a total

of five (5) hours to present its case and to cross-examine or interrogate persons supplying information or documentation on behalf of the other party, and (iii) the arbitrator shall make a determination within fourteen (14) days after the conclusion of the presentation of both parties' cases, which determination shall be limited to the specific dispute presented to the arbitrator. The arbitrator shall have at least ten (10) years experience in condominium management. The arbitrator shall be governed by applicable law. All actions necessary to implement such decision shall be undertaken as soon as possible, but in no event later than ten (10) business days after the rendering of such decision. All fees payable to the AAA for services rendered in connection with the resolution of the dispute shall be paid by the unsuccessful party.

ARTICLE XIII
MISCELLANEOUS

Section 1. Insurance. Under no circumstances shall a Unit Owner permit or suffer anything to be done or left in his Unit which will increase the insurance rates for his Unit or any other Unit or the common elements.

Section 2. Severability. Should any of the covenants, terms or provisions herein imposed be void or be or become unenforceable at law or in equity, the remaining provisions of these By-Laws shall, nevertheless, be and remain in full force and effect.

Section 3. Notice to Condominium. A Unit Owner who mortgages his Unit, shall notify the Condominium through the Managing Agent, if any, or the President of the Board of Managers if there is no Managing Agent, of the name and address of his mortgagee; and the Board of Managers shall maintain such information in a book entitled "Mortgages of Units".

Section 4. Notice of Unpaid Assessments. The Board of Managers shall at the request of a mortgagee of a Unit, report any unpaid assessments due from owner of such Unit.

Section 5. Examination of Books and Records. Every Unit Owner or his representative and mortgagee shall be entitled to examine the books and records of the Condominium on reasonable notice to the Board.

Section 6. Notice to Non-Purchasing Tenants. A ll Unit Owners owning Units occupied by "Non-Purchasing Tenants" (as such term is defined in Section 352-eeee of the General Business Law) shall notify such tenants of changes in ownership of the dwelling Units that they occupy by written notice by ordinary mail within thirty (30) days after the date of such transfer. The Board of Managers of the Condominium will retain and make available such information to Non-Purchasing Tenants upon request.

Section 7. Notice to Mortgagees. The Board of Managers shall provide timely written notice to mortgagees of any proposed action that requires the consent of a specified percentage of mortgagees. However, a mortgagee's approval (to the extent required) shall be implied when a mortgagee fails to respond after sixty (60) days written notice is given by the Board of

Managers, provided the notice was delivered by certified or registered mail with return receipt requested.

Section 8. Construction. Wherever the masculine singular form of the pronoun is used in the By-Laws, it shall be construed to mean the masculine, feminine or neuter; singular or plural, wherever the context so requires.

Section 9. Compliance with Article 9-B. These By-Laws are set forth to comply with the requirements of Article 9-B of the Real Property Law of the State of New York. In case any of these By-Laws conflict with the provisions of said Statue or of the Declaration, the provisions of the Statute or the Declaration, whichever the case may be, shall control.

SCHEDULE A
RULES AND REGULATIONS
THE MANHATTAN CONDOMINIUM

1. Except as permitted under the By-Laws, no industry, business, trade, occupation or profession of any kind, commercial, religious, educational or otherwise, designed for profit, altruism, or otherwise, shall be conducted, maintained or permitted in any part of the Units or common elements, nor shall any "For Sale", "For Rent", or "For Lease" signs or other window displays or advertising be maintained or permitted in any Unit therein or adjoining common elements, nor shall any Unit be rented for transient, hotel or motel purposes. The right is reserved by the Sponsor, its designee and the Board of Managers, or its agent, to place "For Sale," "For Rent," or "For Lease" or similar signs on any unsold or unoccupied Units, and the right is hereby given to any mortgagee, who may become the owner of any Unit, to place such signs on any Unit owned by such mortgagee. Additionally, the right is reserved by Sponsor and its designee to maintain and staff one or more vacant and unsold Units in the Buildings as a sales office and/or model Unit. Sponsor and its designee shall have the right to place "For Sale," "For Rent," or "For Lease" signs or similar signs on or in the vicinity of the Buildings without regard to size.

2. No exterior of any Residential Unit or the windows or doors thereof or any other portions of the common elements shall be painted or decorated by any Unit Owner or in any manner without the prior written consent of the Board of Managers.

3. No furniture, equipment, or other personal articles shall be placed in entrances, hallways, stairways, or in other common elements.

4. No Unit Owner shall make or permit any noise or objectionable odor that will disturb or annoy the occupants of any of the Units in the Buildings, or do or permit anything to be done therein which will interfere with the rights, comfort, or convenience of other Unit Owners.

5. Each Unit Owner shall keep his Unit in a good state of preservation and cleanliness and shall not sweep, or throw or permit to be swept or thrown therefrom, or from the doors or windows of a Unit, any dirt or other substances.

6. No exterior shades, awnings, window guards, ventilators, fans or air-conditioning devices shall be used on or about the Buildings or common elements, except such as shall have been approved by the Board of Managers.

7. Except for the Commercial Units, no sign, notice, lettering, or advertisement shall be inscribed or exposed on or at any window, door, or other part of the Buildings, except such as shall have been approved in writing by the Board of Managers, nor shall anything project out of any window of the Buildings without the approval of the Board of Managers.

8. All garbage and refuse from the Buildings shall be deposited with care into plastic bags or into other suitable receptacles intended for such purpose only at such times and in such manner as the Board of Managers may direct.

9. Water closets and other water apparatus in the Buildings shall not be used for any purposes other than those for which they were constructed; nor shall any sweepings, rubbish, rags, papers, ashes, or any other article be thrown into the same. Any damage resulting from misuse of any water closet or other apparatus shall be paid for by the Unit Owner causing such damage.

10. No Unit Owner shall engage any employee of the Condominium to perform tasks outside their stated job description for any private business of the Unit Owner without the prior written consent of the Board of Managers,

11. Not more than two (2) pets may reside in any one Residential Unit and the Board of Managers may establish reasonable Rules and Regulations regarding the type, size and weight of animals. In no event shall animals be permitted in any of the public portions of the Buildings, unless carried or on a leash. The individual Unit Owners who keep an animal in the Buildings shall each indemnify the Board of Managers and hold it harmless against any loss or liability of any kind or character whatsoever arising from or as a result of the Unit Owner having any animal in the Buildings.

12. No radio or television serial antenna shall be attached to or hung from the exterior of the Buildings without the written approval of the Board of Managers. The Board of Managers, upon the request of any Unit Owner, shall allow the installation of any hook-up necessary to provide cable television service to the Units.

13. The agents of the Board of Managers, and any contractor or workman authorized by them, may enter any Unit at reasonable hours, on reasonable notice, for any purpose permitted under the terms of the Declaration, By-Laws, or Rules and Regulations of the Condominium.

14. No Unit Owner shall alter any lock on any door leading into his Residential Unit, unless the Residential Unit Owner shall also provide the Board of Managers with a key for its use.

15. No Unit Owner or any contractor, visitor, guest, patient, employee or any client of a Unit Owner shall be allowed in the heating, electrical or mechanical equipment areas without the express permission of the Board of Managers.

16. All damage to the Buildings or common elements caused by the moving or carrying of any article therein shall be paid by the Unit Owner responsible for the presence of such article.

17. No Unit Owner shall interfere in any manner with any portion of the heating or lighting apparatus which are part of the common elements and not part of the Unit Owner's Unit.

18. No Unit Owner shall use or permit to be brought into the Buildings any flammable oils or fluids such as gasoline, kerosene, naphtha, benzene, or other explosives or articles deemed extra hazardous to life, limb or property without in each case obtaining the written consent of the Board of Managers.

19. The Unit Owner shall not be allowed to put his name on any entry to the Buildings or entrance to any Unit, except in the proper places approved by the Board of Managers for such purposes.

20. Any damage to the Buildings or equipment caused by Unit Owners, their guests, visitors, clients, patients or employees shall be repaired at the expense of said Unit Owner.

21. Complaints regarding the management of the Buildings and grounds or regarding the actions of other Unit Owners shall be made in writing to the Board of Managers.

22. No Unit shall be used or be occupied in such manner as to obstruct or interfere with the enjoyment of occupants or owners of adjoining Units; nor shall any nuisance or immoral or illegal activity be committed or permitted to occur in or about any Unit or upon any part of the common elements.

23. Certain parts of the common elements are intended for the purpose of affording pedestrian movement within the Condominium and providing access to the Units. No part of the common elements shall be obstructed so as to interfere with its use for the purposes hereinabove recited; nor shall any part of the common elements be used for general storage purposes, except maintenance storage; nor shall anything be done thereon in any manner which shall increase the rate of hazard and liability insurance covering said area and improvements situated thereon.

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

25. In addition to any other remedies available to the Condominium, the Board of Managers may impose fines on Unit Owners who violate these Rules and Regulations. The amount and administration of such fines shall be established in the Board's reasonable discretion. Such fines shall be deemed additional Common Charges.

26. Guests of Unit Owners may occupy Units for up to thirty (30) days at a time, without a Unit Owner being required to comply with the consent provisions and minimum term requirements described in Article X of the By-laws, provided that the Unit Owner advises the Managing Agent of the identity of the guest and the length of the stay. However, the Board of Managers may establish additional restrictions on short-term occupancy of Units, whether or not consideration is being paid by the guest to a Unit Owner.

27. Subject to the provisions of the By-Laws, these Rules and Regulations may be added to or repealed at any time by the Board of Managers.

ESCROW AGREEMENT

AGREEMENT made this ____ day of _____, 2010, among and between 411-417-421 Manhattan Avenue Associates LLC ("Sponsor") as sponsor of the offering plan and Smith, Buss & Jacobs, LLP ("Escrow Agent") as escrow agent.

WHEREAS, 411-417-421 Manhattan Avenue Associates LLC is the SPONSOR of an offering plan to convert to condominium ownership the premises located at 411-417-421 Manhattan Avenue, New York, New York, which premises are known as The Manhattan Condominium; and

WHEREAS, Smith, Buss & Jacobs, LLP is authorized to act as an ESCROW AGENT hereunder in accordance with General Business Law ("GBL") Section 352-e (2-b) and the Attorney General's regulations promulgated thereunder; and

WHEREAS, SPONSOR desires that ESCROW AGENT act as escrow agent for deposits and payments by purchasers and subscribers, pursuant to the terms of this Agreement.

NOW, THEREFORE, in consideration of the covenants and conditions contained herein and other good and valuable consideration, the parties hereby agree as follows:

1. ESTABLISHMENT OF THE ESCROW ACCOUNT.

1.1 SPONSOR and ESCROW AGENT hereby establish an escrow account with ESCROW AGENT for the purpose of holding deposits or payments made by purchasers or subscribers. The escrow account has been opened with The Westchester Bank at its branch located at 2001 Central Avenue, Yonkers, New York 10710. The account number is _____.

1.2 The name of the account is Smith, Buss & Jacobs, LLP Special Escrow Account for The Manhattan Condominium.

1.3 ESCROW AGENT is the sole signatory on the account.

1.4 The escrow account shall be an interest-bearing account as disclosed in the offering plan.

1.5 The escrow account is not an IOLA established pursuant to Judiciary Law Section 497.

2. DEPOSITS INTO THE ESCROW ACCOUNT.

2.1 All funds received from prospective purchasers or subscribers prior to closing, whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payer, 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 Smith, Buss & Jacobs, LLP Special Escrow Account for The Manhattan Condominium offering plan. Any instrument payable or endorsed other than as required hereby, and which cannot be deposited into such escrow account, shall be returned to the prospective purchaser or subscriber promptly, but in no event more than five (5) business days following receipt of such instrument by ESCROW AGENT. In the event of such return of funds, the instrument shall be deemed not to have been delivered to ESCROW AGENT pursuant to the terms of this Agreement.

2.2 Within ten (10) business days after tender of the deposit submitted with the subscription or purchase agreement, ESCROW AGENT shall notify the purchaser of the deposit

of such funds in the bank indicated in the offering plan, provide the account number, and disclose the initial interest rate.

3. RELEASE OF FUNDS.

3.1 ESCROW AGENT shall not release the escrowed funds of a defaulting purchaser until after consummation of the offering plan as defined in the Attorney General's regulations. Consummation of the offering plan shall not relieve SPONSOR of its fiduciary obligations pursuant to GBL Section 352-h.

3.2 ESCROW AGENT shall continue to hold the funds in escrow until otherwise directed in (a) a writing signed by both SPONSOR and purchaser or (b) a determination of the Attorney General or (c) a judgment or order of a court of competent jurisdiction or until released pursuant to the regulations of the Attorney General pertaining to release of escrowed funds.

3.3 SPONSOR shall not object to the release of the escrowed funds to (a) a purchaser who timely rescinds in accordance with an offer of rescission contained in the offering plan or an amendment to the offering plan or (b) all purchasers after an amendment abandoning the offering plan is accepted for filing by the Department of Law.

3.4 If there is no written agreement between the parties to release the escrowed funds, ESCROW AGENT shall not pay the funds to SPONSOR until ESCROW AGENT has given the purchaser written notice of not fewer than ten (10) business days. Thereafter, the funds may be paid to SPONSOR unless the purchaser has made application to the Department of Law pursuant to the dispute resolution provisions contained in the Attorney General's regulations and has so notified ESCROW AGENT in accordance with such provisions.

3.5 All funds received by SPONSOR for upgrades or extras will initially be placed in the escrow account. However, such funds may be released from the escrow account by the ESCROW AGENT upon request, 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.

4. RECORD KEEPING.

4.1 ESCROW AGENT shall maintain all records concerning the escrow account for seven (7) years after release of the funds.

4.2 Upon the dissolution of a law firm which was ESCROW AGENT, the former partners or members of the firm shall make appropriate arrangements for the maintenance of these records by one of the partners or members of the firm or by the successor firm and shall notify the Department of Law of such transfer.

4.3 ESCROW AGENT shall make available to the Attorney General, upon his request, all books and records of ESCROW AGENT relating to the funds deposited and disbursed hereunder.

5. GENERAL OBLIGATIONS OF ESCROW AGENT.

5.1 ESCROW AGENT shall maintain the accounts called for in this Agreement under the direct supervision and control of ESCROW AGENT.

5.2 A fiduciary relationship shall exist between ESCROW AGENT and purchasers, and ESCROW AGENT acknowledges its fiduciary obligations.

6. RESPONSIBILITIES OF SPONSOR.

6.1 SPONSOR agrees that SPONSOR and its agent, including any selling agent, shall immediately deliver all deposits and payments received by them prior to closing of an individual transaction to ESCROW AGENT.

6.2 SPONSOR agrees that it shall not interfere with ESCROW AGENT'S performance 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 with the Department of Law providing for a successor ESCROW AGENT; or

(b) The resignation of ESCROW AGENT upon giving notice to SPONSOR of its desire to so resign, which resignation shall take effect only upon the filing of an amendment with the Department of Law providing for a successor ESCROW AGENT; or

(c) All shares or units offered pursuant to the offering plan have been sold and all sales transactions have been consummated.

7.2 Upon termination of the duties of ESCROW AGENT as described in paragraph 7.1 above, ESCROW AGENT shall deliver any and all funds held by it in escrow and any and all contracts or documents maintained by ESCROW AGENT to the new escrow agent.

8. SUCCESSORS AND ASSIGNS.

8.1 This Agreement shall be binding upon SPONSOR and ESCROW AGENT and their successors and assigns.

9. GOVERNING LAW.

9.1 This Agreement shall be construed in accordance with and governed by the laws of the State of New York.

10. ESCROW AGENT'S COMPENSATION.

10.1 SPONSOR agrees that ESCROW AGENT'S compensation shall not be paid from escrowed principal nor from any interest accruing thereon and that compensation to ESCROW AGENT, if any, shall not be deducted from escrowed funds by any financial institution under any circumstances.

11. SEVERABILITY.

11.1 If any provision of this Agreement or the application thereof to any person or circumstances 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's regulations, constitutes the entire agreement between the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first written above.

ESCROW AGENT: Smith, Buss & Jacobs, LLP

By: _____
Thomas W. Smith, Managing Partner

SPONSOR: 411-417-421 Manhattan Avenue Associates LLC
By: Tahl-Propp Manhattan North Investors II LLC, its Sole Member
By: Tahl-Propp Manhattan North Management II LLC, its Managing Member

By: _____
Rodney Propp, Managing Member

By: _____
Joseph A. Tahl, Managing Member

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Chapter 20. Of the Consolidated Laws
Article 23-A. Fraudulent Practices in Respect to Stocks, Bonds and Other Securities
→ § 352-eeee. Conversions to cooperative or condominium ownership in the city of New York

<[Eff. until and including June 15, 2015, pursuant to L.1982, c. 555, § 10.]>

1. As used in this section, the following words and terms shall have the following meanings:

(a) "Plan". Every offering statement or prospectus submitted to the department of law pursuant to section three hundred fifty-two-e of this article for the conversion of a building or group of buildings or development from residential rental status to cooperative or condominium ownership or other form of cooperative interest in realty, other than an offering statement or prospectus for such conversion pursuant to article two, eight or eleven of the private housing finance law.

(b) "Non-eviction plan". A plan which may not be declared effective until written purchase agreements have been executed and delivered for at least fifteen percent of all dwelling units in the building or group of buildings or development by bona fide tenants in occupancy or bona fide purchasers who represent that they intend that they or one or more members of their immediate family intend to occupy the unit when it becomes vacant. As to tenants who were in occupancy on the date a letter was issued by the attorney general accepting the plan for filing, the purchase agreement shall be executed and delivered pursuant to an offering made in good faith without fraud and discriminatory repurchase agreements or other discriminatory inducements.

(c) "Eviction plan". A plan which, pursuant to the provisions of this section, can result in the eviction of a non-purchasing tenant by reason of the tenant failing to purchase pursuant thereto, and which may not be declared effective until at least fifty-one percent of the bona fide tenants in occupancy of all dwelling units in the building or group of buildings or development on the date the offering statement or prospectus was accepted for filing by the attorney general (excluding, for the purposes of determining the number of bona fide tenants in occupancy on such date, eligible senior citizens and eligible disabled persons) shall have executed and delivered written agreements to purchase under the plan pursuant to an offering made in good faith without fraud and with no discriminatory repurchase agreements or other discriminatory inducements.

(d) "Purchaser under the plan". A person who owns the shares allocated to a dwelling unit or who owns such dwelling unit itself.

(e) "Non-purchasing tenant". A person who has not purchased under the plan and who is a tenant entitled to possession at the time the plan is declared effective or a person to whom a dwelling unit is rented subsequent to the effective date. A person who sublets a dwelling unit from a purchaser under the plan shall not be deemed a non-purchasing tenant.

(f) "Eligible senior citizens". Non-purchasing tenants who are sixty-two years of age or older on the date the attorney general has accepted the plan for filing, and the spouses of any such tenants on such date, and who have elected, within sixty days of the date the attorney general has accepted the plan for filing, on forms promulgated by the attorney general and presented to such tenants by the offeror, to become non-purchasing tenants under the provisions of this section; provided that such election shall not preclude any such tenant from subsequently purchasing the dwelling unit on the terms then offered to tenants in occupancy.

(g) "Eligible disabled persons". Non-purchasing tenants who have an impairment which results from anatomical, physiological or psychological conditions, other than addiction to alcohol, gambling, or any controlled substance, which are demonstrable by medically acceptable clinical and laboratory diagnostic techniques, and which are expected to be permanent and which prevent the tenant from engaging in any substantial gainful employment on the date the attorney general has accepted the plan for filing, and the spouses of any such tenants on such date, and who have elected, within sixty days of the date the attorney general has accepted the plan for filing, on forms promulgated by the attorney general and presented to such tenants by the offeror, to become non-purchasing tenants under

the provisions of this section; provided, however, that if the disability first occurs after acceptance of the plan for filing, then such election may be made within sixty days following the onset of such disability unless during the period subsequent to sixty days following the acceptance of the plan for filing but prior to such election, the offeror accepts a written agreement to purchase the apartment from a bona fide purchaser; and provided further that such election shall not preclude any such tenant from subsequently purchasing the dwelling unit or the shares allocated thereto on the terms then offered to tenants in occupancy.

2. The attorney general shall refuse to issue a letter stating that the offering statement or prospectus required in subdivision one of section three hundred fifty-two-e of this chapter has been filed whenever it appears that the offering statement or prospectus offers for sale residential cooperative apartments or condominium units pursuant to a plan unless:

(a) The plan provides that it will be deemed abandoned, void and of no effect if it does not become effective within fifteen months from the date of issue of the letter of the attorney general stating that the offering statement or prospectus has been accepted for filing and, in the event of such abandonment, no new plan for the conversion of such building or group of buildings or development shall be submitted to the attorney general for at least twelve months after such abandonment.

(b) The plan provides either that it is an eviction plan or that it is a non-eviction plan.

(c) The plan provides, if it is a non-eviction plan, as follows:

(i) The plan may not be declared effective until written purchase agreements have been executed and delivered for at least fifteen percent of all dwelling units in the building or group of buildings or development subscribed for by bona fide tenants in occupancy or bona fide purchasers who represent that they intend that they or one or more members of their immediate family occupy the dwelling unit when it becomes vacant. As to tenants who were in occupancy on the date a letter was issued by the attorney general accepting the plan for filing, the purchase agreement shall be executed and delivered pursuant to an offering made without discriminatory repurchase agreements or other discriminatory inducements.

(ii) No eviction proceedings will be commenced at any time against non-purchasing tenants for failure to purchase or any other reason applicable to expiration of tenancy; provided that such proceedings may be commenced for non-payment of rent, illegal use or occupancy of the premises, refusal of reasonable access to the owner or a similar breach by the non-purchasing tenant of his obligations to the owner of the dwelling unit or the shares allocated thereto; and provided further that an owner of a unit or of the shares allocated thereto may not commence an action to recover possession of a dwelling unit from a non-purchasing tenant on the grounds that he seeks the dwelling unit for the use and occupancy of himself or his family.

(iii) Non-purchasing tenants who reside in dwelling units subject to government regulation as to rentals and continued occupancy prior to the conversion of the building or group of buildings or development to cooperative or condominium ownership shall continue to be subject thereto.

(iv) The rentals of non-purchasing tenants who reside in dwelling units not subject to government regulation as to rentals and continued occupancy and non-purchasing tenants who reside in dwelling units with respect to which government regulation as to rentals and continued occupancy is eliminated or becomes inapplicable after the plan has been accepted for filing by the attorney general shall not be subject to unconscionable increases beyond ordinary rentals for comparable apartments during the period of their occupancy. In determining comparability, consideration shall be given to such factors as building services, level of maintenance and operating expenses.

(v) The plan may not be amended at any time to provide that it shall be an eviction plan.

(vi) The rights granted under the plan to purchasers under the plan and to non-purchasing tenants may not be abrogated or reduced notwithstanding any expiration of, or amendment to, this section.

(vii) After the issuance of the letter from the attorney general stating that the offering statement or prospectus required in subdivision one of section three hundred fifty-two-e of this article has been filed, the offeror shall, on the thirtieth, sixtieth, eighty-eighth and ninetieth day after such date and at least once every thirty days until the plan is declared effective or is abandoned, as the case may be, and on the second day before the expiration of any exclusive purchase period provided in a substantial amendment to the plan, (1) file with the attorney general a written statement, under oath, setting forth the percentage of the dwelling units in the building or group of buildings or development subscribed for by bona fide tenants in occupancy or bona fide purchasers who represent that they intend that they or one or more members of their immediate family occupy the dwelling unit when it becomes vacant as of the date of such statement and, (2) before noon on the day such statement is filed post a copy of such statement in a prominent place accessible to all tenants in each building covered by the plan.

(d) The plan provides, if it is an eviction plan, as follows:

(i) The plan may not be declared effective unless at least fifty-one percent of the bona fide tenants in occupancy of all dwelling units in the building or group of buildings or development on the date the offering statement or prospectus was accepted for filing by the attorney general (excluding, for the purposes of determining the number of bona fide tenants in occupancy on such date, eligible senior citizens and eligible disabled persons) shall have executed and delivered written agreements to purchase under the plan pursuant to an offering made in good faith without fraud and with no discriminatory repurchase agreements or other discriminatory inducements.

(ii) No eviction proceedings will be commenced against a non-purchasing tenant for failure to purchase or any other reason applicable to expiration of tenancy until the later to occur of (1) the date which is the expiration date provided in such non-purchasing tenant's lease or rental agreement, and (2) the date which is three years after the date on which the plan is declared effective. Non-purchasing tenants who reside in dwelling units subject to government regulation as to rentals and continued occupancy prior to conversion shall continue to be subject thereto during the period of occupancy provided in this paragraph. Thereafter, if a tenant has not purchased, he may be removed by the owner of the dwelling unit or the shares allocated to such dwelling unit.

(iii) No eviction proceedings will be commenced, except as hereinafter provided, at any time against either eligible senior citizens or eligible disabled persons. The rentals of eligible senior citizens and eligible disabled persons who reside in dwelling units not subject to government regulation as to rentals and continued occupancy and eligible senior citizens and eligible disabled persons who reside in dwelling units with respect to which government regulation as to rentals and continued occupancy is eliminated or becomes inapplicable after the plan has been accepted for filing shall not be subject to unconscionable increases beyond ordinary rentals for comparable apartments during the period of their occupancy considering, in determining comparability, such factors as building services, level of maintenance and operating expenses; provided that such proceedings may be commenced against such tenants for non-payment of rent, illegal use or occupancy of the premises, refusal of reasonable access to the owner or a similar breach by the tenant of his obligations to the owner of the dwelling unit or the shares allocated thereto.

(iv) Eligible senior citizens and eligible disabled persons who reside in dwelling units subject to government regulation as to rentals and continued occupancy shall continue to be subject thereto.

(v) The rights granted under the plan to eligible senior citizens and eligible disabled persons may not be abrogated or reduced notwithstanding any expiration of, or amendment to, this section.

(vi) Any offeror who disputes the election by a person to be an eligible senior citizen or an eligible disabled person must apply to the attorney general within thirty days of the receipt of the election forms for a determination by the attorney general of such person's eligibility. The attorney general shall, within thirty days thereafter, issue his determination of eligibility. The foregoing shall, in the absence of fraud, be the sole method for determining a dispute as to whether a person is an eligible senior citizen or an eligible disabled person. The determination of the attorney general shall be reviewable only through a proceeding under article seventy-eight of the civil practice law and rules, which proceeding must be commenced within thirty days after such determination by the attorney general becomes final.

(vii) After the issuance of the letter from the attorney general stating that the offering statement or prospectus required in subdivision one of section three hundred fifty-two-e of this article has been accepted for filing, the offeror shall, on the thirtieth, sixtieth, eighty-eighth and ninetieth days after such date and at least once every thirty days until the plan is declared effective or abandoned, as the case may be, and on the second day before the expiration of any exclusive purchase period provided in a substantial amendment to the plan, (1) file with the attorney general a written statement, under oath, setting forth the percentage of bona fide tenants in occupancy of all dwelling units in the building or group of buildings or development on the date the offering statement or prospectus was accepted for filing by the attorney general who have executed and delivered written agreements to purchase under the plan as of the date of such statement, and (2) before noon on the day such statement is filed post a copy of such statement in a prominent place accessible to all tenants in each building covered by the plan.

(viii) If the plan is amended before it is declared effective to provide that it shall be a non-eviction plan, any person who has agreed to purchase under the plan prior to such amendment shall have a period of thirty days after receiving written notice of such amendment to revoke his agreement to purchase under the plan.

(ix) The tenants in occupancy on the date the attorney general accepts the plan for filing shall have the exclusive right to purchase their dwelling units or the shares allocated thereto for ninety days after the plan is accepted for filing by the attorney general, during which time a tenant's dwelling unit shall not be shown to a third party unless he has, in writing, waived his right to purchase; subsequent to the expiration of such ninety day period, a tenant in occupancy of a dwelling unit who has not purchased shall be given the exclusive right for an additional period of six months from said expiration date to purchase said dwelling unit or the shares allocated thereto on the same terms and conditions as are contained in an executed contract to purchase said dwelling unit or shares entered into by a bona fide purchaser, such exclusive right to be exercisable within fifteen days from the date of mailing by registered mail of notice of the execution of a contract of sale together with a copy of said executed contract to said tenant.

(e) The attorney general finds that an excessive number of long-term vacancies did not exist on the date that the offering statement or prospectus was first submitted to the department of law. "Long-term vacancies" shall mean dwelling units not leased or occupied by bona fide tenants for more than five months prior to the date of such submission to the department of law. "Excessive" shall mean a vacancy rate in excess of the greater of (i) ten percent and (ii) a percentage that is double the normal average vacancy rate for the building or group of buildings or development for two years prior to the January preceding the date the offering statement or prospectus was first submitted to the department of law.

(f) The attorney general finds that, following the submission of the offering statement or prospectus to the department of law, each tenant in the building or group of buildings or development was provided with a written notice stating that such offering statement or prospectus has been submitted to the department of law for filing. Such notice shall be accompanied by a copy of the offering statement or prospectus and a statement that the statements submitted pursuant to subparagraph (vii) of paragraph (c) or subparagraph (vii) of paragraph (d) of this subdivision, whichever is applicable, will be available for inspection and copying at the office of the department of law where the submission was made and at the office of the offeror or a selling agent of the offeror. Such notice shall also be accompanied by a statement that tenants or their representatives may physically inspect the premises at any time subsequent to the submission of the plan to the department of law, during normal business hours, upon written request made by them to the offeror, provided such representatives are registered architects or professional engineers licensed to practice in the state of New York. Such notice shall be sent to each tenant in occupancy on the date the plan is first submitted to the department of law.

3. All dwelling units occupied by non-purchasing tenants shall be managed by the same managing agent who manages all other dwelling units in the building or group of buildings or development. Such managing agent shall provide to non-purchasing tenants all services and facilities required by law on a non-discriminatory basis. The offeror shall guarantee the obligation of the managing agent to provide all such services and facilities until such time as the offeror surrenders control to the board of directors or board of managers, at which time the cooperative corporation or the condominium association shall assume responsibility for the provision of all services and facilities required by law on a non-discriminatory basis.

4. It shall be unlawful for any person to engage in any course of conduct, including, but not limited to, interruption

or discontinuance of essential services, which substantially interferes with or disturbs the comfort, repose, peace or quiet of any tenant in his use or occupancy of his dwelling unit or the facilities related thereto. The attorney general may apply to a court of competent jurisdiction for an order restraining such conduct and, if he deems it appropriate, an order restraining the owner from selling the shares allocated to the dwelling unit or the dwelling unit itself or from proceeding with the plan of conversion; provided that nothing contained herein shall be deemed to preclude the tenant from applying on his own behalf for similar relief.

5. Any local legislative body may adopt local laws and any agency, officer or public body may prescribe rules and regulations with respect to the continued occupancy by tenants of dwelling units which are subject to regulation as to rentals and continued occupancy pursuant to law, provided that in the event that any such local law, rule or regulation shall be inconsistent with the provisions of this section, the provisions of this section shall control.

6. Any provision of a lease or other rental agreement which purports to waive a tenant's rights under this section or rules and regulations promulgated pursuant hereto shall be void as contrary to public policy.

7. The provisions of this section shall only be applicable in the city of New York.

CREDIT(S)

(Added L.1982, c. 555, § 2. Amended L.1988, c. 685, § 2.)

Current through L.2011, chapters 1 to 54 and 57 to 495.

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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: _____
Address of Building or Name of Project

File Number: _____

Application is made to the Attorney General to consider and determine the disposition of down payments held pursuant to GBL Sections 352-e(2-b) and 352-h. The following information is submitted in support of this application:

1. Name of Applicant _____

2. Address of Applicant _____

3. Name, Address, and Telephone Number of Applicant's Attorney (if any) _____

_____

4. This is an application for
   - [ ] return of 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: _____

2/6/92

7. Name and Address of Sponsor: _____

_____

8. Name and Address of Escrow Agent: _____

_____

9. If downpayments are maintained in an escrow account:

   (a) Name of account _____

   (b) Name and address of bank _____

   (c) Account number (if known) _____

   (d) Initial interest rate (if known) _____

10. If downpayments have been secured by bonds:

   (a) Name and address of bond issuer or surety: _____

   _____

   (b) Copy of bond included in this application. (DO NOT SEND ORIGINAL BOND). If not included, explain:

   _____

   _____

11. If downpayments have been secured by a letter of credit:

   (a) Name and address of bank which issued the letter of credit: _____

   _____

   (b) Date of expiration of the letter of credit, if known:

   _____

12. Plan information:

   (a) Date of filing of plan: _____

(b) Plan

[ ] has been declared effective. Approximate date: _____

[ ] has not been declared effective.

(c) If effective, the plan

[ ] has closed or the first unit has closed. Approximate date: _____

[ ] has not closed.

[ ] don't know.

(d) Downpayments are secured by

[ ] escrow account.

[ ] bonds.

[ ] letter of credit.

13. Contract information:

(a) Copy of contract and 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

SPONSOR'S CERTIFICATION

New York State Department of Law
120 Broadway, 23rd Floor
New York, New York 10271
Attention: Real Estate Financing Bureau

Re: The Manhattan Condominium
411-417-421 Manhattan Avenue
New York, New York 10026

Ladies and Gentlemen:

We are the sponsor and the principals of the sponsor of the condominium offering plan for the captioned property.

We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Attorney General in Part 23 and such other laws and regulations as may be applicable.

We have read the entire offering plan. We have investigated the facts set forth in the offering plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the offering plan does, and that documents submitted hereafter by us which amend or supplement the offering plan will:

(i) set forth the detailed terms of the transaction and be complete, current and accurate;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;

(iii) not omit any material fact;

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

(v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;

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

(vii) not contain any representation or statement which is false, where we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the 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 the violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

411-417-421 Manhattan Avenue Associates LLC,
a New York limited liability company

By: Tahl-Propp Manhattan North Investors II LLC,
its Sole Member,

By: Tahl-Propp Manhattan North Management II LLC,
its Managing Member,

By: _____
Joseph A. Tahl, Managing Member

By: _____
Rodney Propp, Managing Member

_____
Joseph A. Tahl (individually)

_____
Rodney Propp (individually)

Sworn to before me
this 7th day of June, 2010

_____
Notary Public

SHANA SEWELL
Notary Public, State of New York
No. 01SE6116028
Qualified in Dutchess County
Commission Expires: 9/20/12

ARCHITECT'S CERTIFICATION

New York State Department of Law
120 Broadway, 23rd Floor
New York, New York 10271
Attention: Real Estate Financing Bureau

Re: The Manhattan Condominium
411-417-421 Manhattan Avenue
New York, New York 10026

Ladies and Gentlemen:

The sponsor of the offering plan to convert the captioned property to condominium ownership retained our firm to prepare a report disclosing the condition of the property (the "Report"). Our firm visually inspected existing portions of the renovated property, if any, on September 22, 2006, October 20, 2006, October 27, 2006, January 23, 2007, February 23, 2007, March 26, 2007, May 25, 2007 and February 24, 2010. I prepared the Report dated August 20, 2007, and revised the Report on July 16, 2010 and on October 3, 2011, 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 Department of Law in Part 23 insofar as they are applicable to this Report.

I have read the entire Report and investigated the facts set forth in the Report and the facts underlying it and conducted the visual inspection referred to above with due diligence in order to form a basis for this certification. I certify that the report and all documents prepared by me disclose all the material facts, which were then discernable from a visual inspection of the property. This certification is made for the benefit of all persons to whom this offer is made.

I certify that the Report based on my visual inspection:

(i) sets forth in narrative form the description and/or physical condition of the entire property and is current and accurate as of the date of inspection;

(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;

(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; and

(viii) it is to be understood that all aspects of the physical condition of the property cannot be determined by a visual inspection and that all statements contained in this certification are premised on and limited to such visual inspection.

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.

Howard L. Zimmerman Architect, P.C.

By: _____ PRINCIPAL
Name:
Title:

Sworn to before me this
12 day of October, 2011

_____
Notary Public

ANTOINETTE BREE
Notary Public, State of New York
No.01BR6089968
Qualified in Westchester County
Commission Expires March 31, 2015

PRIME LOCATIONS, INC.
Real Estate Management, Leasing & Sales
www.plimanagement.com

CERTIFICATION OF EXPERT BY EXPERT OF THE ADEQUACY OF SCHEDULE B
PURSUANT TO SECTION 23.4(d)

June 10, 2011

New York State Department of Law
Real Estate Financing Bureau
120 Broadway, 23rd Floor
New York, New York 10271

Re: The Manhattan Condominium
411-417-421 Manhattan Avenue
New York, New York 10026

The sponsor of the condominium offering plan for the captioned property retained my firm to review or prepare Schedule B containing projections of income and expenses for the first year of condominium operation. My experience in this field is as follows:

As President of Prime Locations, Inc., I have been involved with the management and development of residential and commercial properties in the New York area. I have been involved with the management of at least forty (30) of these properties for a minimum period of eighteen (18) years. Prime Locations, Inc. was founded in 1988 and has managed rental, cooperative and condominium buildings in the New York area for the past twenty-three (23) 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 23 insofar as they are applicable to Schedule B.

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

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

733 YONKERS AVENUE ▪ YONKERS, NEW YORK 10704 ▪ 914•963•7400 ▪ 914•963•2279 FAX
50 WASHINGTON ST. ▪ NORWALK, CONNECTICUT 06854 ▪ 203•838•4400 ▪ 203•853•8251 FAX

I certify that the Schedule:

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

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

(iii) does not omit any material fact;

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

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

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

(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 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 or second 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.

Prime Locations, Inc.

By: _____
David J. Amster, President

Sworn to before me
this 10th day of ~~August,~~ June 2010

_____
Notary Public

ZACHA GARCIA
NOTARY PUBLIC-STATE OF NEW YORK
NO. 01GA6063152
QUALIFIED IN WESTCHESTER COUNTY
MY COMMISSION EXPIRES 1-2-15

733 YONKERS AVENUE ▪ YONKERS, NEW YORK 10704 ▪ 914•963•7400 ▪ 914•963•2279 FAX
50 WASHINGTON ST. ▪ NORWALK, CONNECTICUT 06854 ▪ 203•838•4400 ▪ 203•853•8251 FAX

PRIME LOCATIONS, INC.
Real Estate Management, Leasing & Sales
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CERTIFICATION OF EXPERT
ADEQUACY OF COMMERCIAL COMMON CHARGES

June 7, 2011

New York State Department of Law
Bureau of Real Estate Financing
120 Broadway, 23rd Floor
New York, New York 10271

Re: The Manhattan Condominium
411-417-421 Manhattan Avenue
New York, New York 10026

The sponsor of the condominium offering plan for the captioned property retained my firm to review or prepare Schedule B which includes projections of common charges payable by the owners of the commercial units(s). My experience in this field is as follows:

As a licensed Real Estate Broker with Prime Locations, Inc. I have been involved with the management and development of over 30 residential properties in the New York area for more than 18years. Prime Locations, Inc. was founded in 1988 and has managed rental, co-op and condominium buildings in the New York Area for the past 23 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 23 insofar as they are applicable to the commercial unit(s) listed in Schedule B.

I have reviewed the Schedule as it impacts upon the commercial unit(s) and investigated the facts underlying it with due diligence in order to form a basis for this certification. I have also relied on my experience in managing residential buildings.

I certify that the projections in Schedule(s) B for common charges payable by the owners of the commercial unit(s) appear reasonable and adequate under existing circumstances to meet the anticipated operating expenses fairly attributable to such commercial unit(s) for the projected first year of condominium operation, and that the allocation of common charges attributable to the commercial unit(s) 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 unit(s):

733 YONKERS AVENUE ▪ YONKERS, NEW YORK 10704 ▪ 914•963•7400 ▪ 914•963•2279 FAX
50 WASHINGTON ST. ▪ NORWALK, CONNECTICUT 06854 ▪ 203•838•4400 ▪ 203•853•8251 FAX

(i) sets forth in detail the projected common charges for the commercial units(s) for the first year of condominium operation;

(ii) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the common charges payable by the owners of the commercial unit(s);

(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; and

(vii) 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 attributable to the commercial unit(s) 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.

PRIME LOCATIONS, INC.

BY: _____
DAVID J. AMSTER, PRESIDENT

Sworn to before me
this 7th day of June, 2011

_____

ZACHA GARCIA
NOTARY PUBLIC-STATE OF N.Y.
NO. 01GA6053162
QUALIFIED IN WESTCHESTER COUNTY
MY COMMISSION EXPIRES 1-3-15

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THE COUNCIL

Int. No. 1328 September 30, 1982

Introduced by Council Members Manton, Dryfoos, Eisland, Orlow and Michels; also Council Members Foster, Friedlander, Gerges, Kaufman, Messinger, Pinkett, Ryan, Wallace, Stern, Alter, Leffler and Olmedo—read and referred to the Committee on Housing and Buildings. Ordered printed and laid over.

A LOCAL LAW

To amend the administrative code of the city of New York, in relation to the conversion of residential rental housing to cooperative or condominium ownership.

Be it enacted by the Council as follows:

Section 1. Legislative declaration. The council finds that the protection of the health, safety and welfare of persons within the city who reside in residential buildings being converted from rental status to cooperative or condominium ownership requires that such persons be informed of the physical condition of such buildings and of any outstanding notices of code violations issued with respect to such buildings. The council further finds that for the health, safety and welfare of residents of the city and for the preservation and improvement of this substantial and increasing form of housing accommodation it is essential that funds be set aside for the purpose of making capital repairs, replacements and improvements to such buildings.

§ 2. Chapter fifty-one of the administrative code of the city of New York is amended by adding a new title YYYY to read as follows:

TITLE YYYY
COOPERATIVE AND CONDOMINIUM CONVERSIONS

§YYYY51-1.0 Application. The provisions of this title shall apply to conversions from rental to cooperative or condominium status of a building or a group of buildings or a development for which a plan must be filed with the state department of law pursuant to section three hundred fifty-two-eeee of the general buisness law.

§YYYY51-2.0 Definitions.—As used in this title the following words shall mean:

a. "Building"—any building, group of buildings or development.

b. "Total price"—

(1) with respect to cooperative conversions, the number of all shares in the offering multiplied by the last price per share which was offered to tenants in occupancy prior to the effective date of the plan regardless of number of sales made:

(2) with respect to condominium conversions, the sum of the cost of all units in the offering at the last price which was offered to tenants in occupancy prior to the effective date of the plan regardless of number of sales made.

c. "Capital replacement"—a building-wide replacement of a major component of any of the following systems:

(1) elevator;

(2) heating, ventilation and air conditioning;

(3) plumbing;

(4) wiring;

(5) window;

or, a major structural replacement to the building; provided, however, that replacements made to cure code violations of record shall not be included.

d. "Offeror"—the offeror, his nominees, assignees and successors in interest.

§YYYY51-3.0 Establishment of reserve fund.—a. Within thirty days after the closing of a conversion pursuant to an offering plan the offeror shall establish and transfer to the cooperative corporation or condominium board of managers a reserve fund to be used exclusively for making capital repairs, replacements and improvements necessary for the health and safety of the residents of such buildings. Such reserve fund shall be exclusive of any other funds required to be reserved under the plan or applicable law or regulation of the

state attorney general, except a fund for capital repairs, replacements and improvements, substantially similar in purpose to and in an amount not less than the reserve fund mandated by this section. Such reserve fund also shall be exclusive of any working capital fund and shall not be subject to reduction for closing apportionments.

b. Such fund shall be established in an amount equal to either (i) three per cent of the total price or, (ii) (A) three per cent of the actual sales price of all cooperative shares or condominium units sold by the offeror at the time the plan is declared effective, provided, however, that if such amount is less than one per cent of the total price, then the fund shall be established as a minimum of one per cent of the total price; plus (B) supplemental contributions to be made by the offeror at a rate of three per cent of the actual sales price of cooperative shares or condominium units for each unit or its allocable shares held by the offeror and sold to bona fide purchasers subsequent to the effective date of the plan and within 5 years of the closing of the conversion pursuant to such plan notwithstanding that the total amount contributed may exceed three per cent of the total price; and provided, further, that if five years from thirty days after the closing of the conversion pursuant to such plan the total contributions by the offeror to the fund are less than three per cent of the total price the offeror shall pay the difference between the amount contributed and three per cent of the total price. Supplemental contributions shall be made within 30 days of each sale.

c. The contributions required pursuant to this section may be made earlier or in an amount greater than so provided. An offeror may claim and receive credit against the mandatory initial contribution to the reserve fund for the actual cost of capital replacements which he has begun after the plan is submitted for filing to the state department of law and before the plan is declared effective; provided, however, that any such replacements must be set forth in the plan together with their actual or estimated costs and further provided, that such credit shall not exceed the lesser of the actual cost of the capital replacements or one per cent of the total price.

d. Any building, construction of which was completed within three years prior to the closing of a conversion pursuant to an offering plan, shall be exempt from the requirements of this section.

§YYYY51-4.0 Report on status of reserve fund.—The cooperative corporation or condominium board of managers shall report to shareholders and unit owners on a semi-annual basis with respect to all deposits into and withdrawals from the reserve fund mandated by section YYYY51-3.0.

§YYYY51-5.0 Posting of violations.—The offeror, not later than the thirtieth day following the acceptance of a plan for filing by the state department of law pursuant to section three hundred fifty-two-eeee of the general business law and until the closing of the conversion pursuant to such plan, shall post and maintain in a prominent place, accessible to all tenants in each building covered by the plan, a listing of all violations of record against such buildings as determined by the department of buildings and the department of housing preservation and development. All newly issued violations shall be posted within forty-eight

hours of their issuance and maintained as described above. The offeror may satisfy the requirements of this section by designating an agent on the premises with whom such listing shall be made available for inspection by the tenants.

§YYYY51-6.0 Report on condition of premises.—Where, pursuant to law or regulation of the state attorney general, an offeror is required to file a report with the state department of law describing the condition of the physical aspects of the premises to be converted and the surrounding neighborhood a copy of such report shall be submitted simultaneously to the commissioner of buildings.

§YYYY51-7.0 No waiver of rights.—Any provision purporting to waive the provisions of this title in any contract to purchase or agreement between an offeror and the cooperative corporation or the condominium board of managers pursuant to a conversion plan shall be void as against public policy.

§YYYY51-8.0 Criminal and civil penalties; enforcement.—a. Except as otherwise provided in subdivision b of this section, any person who knowingly violates or assists in the violation of any section of this title shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of not less than one hundred nor more than one thousand dollars. Except as otherwise provided in subdivision b of this section, any person who violates or assists in the violation of any section of this title shall be subject to a civil penalty of one hundred dollars per day per unit for each day that a building is not in compliance with the provisions of such sections; provided, however, that such civil penalty shall not exceed one thousand dollars per unit.

b. Any person who knowingly violates or assists in the violation of section YYYY51-3.0 shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine not more than two times the amount required to be reserved by section YYYY51-3.0 which was not so reserved. Any person who violated or assists in the violation of section YYYY 51-3.0 shall also be subject to a civil penalty of one thousand dollars per day for each day that the reserve fund required by section YYYY51-3.0 is not established; provided, however, that such civil penalty shall not exceed the amount required to be reserved pursuant to section YYYY51-3.0.

c. In addition, any other action or proceeding in any court of competent jurisdiction that may be appropriate or necessary for the enforcement of the provisions of this title may be brought in the name of the city, including actions to secure permanent injunctions enjoining any acts or practices which constitute a violation of any provision of this title, mandating compliance with the provisions of this title or for such other relief as may be appropriate. In any such action or proceeding the city may apply to any court of competent jurisdiction, or to a judge or justice thereof, for a temporary restraining order or preliminary injunction enjoining and restraining all persons from violating any provision of this title, mandating compliance with the provisions of this title, or for such other relief as may be appropriate, until the hearing and determination of such action or proceeding and the entry of final judgment or order therein. The court, or judge or justice thereof, to whom such application is made, is hereby authorized forthwith to make any or all of the orders above

specified, as may be required in such application, with or without notice, and to make such other or further orders or directions as may be necessary to render the same effectual. No undertaking shall be required as a condition of the granting or issuing of such order, or by reason thereof.

d. Nothing contained in this section shall impair any rights, remedies or causes of action accrued or accruing to purchasers of cooperative shares or condominium units.

e. The department of housing preservation and development is empowered to enforce the provisions of this title.

§3. If any provision of this local law or the application of such provision to any person or circumstances shall be held invalid, the validity of the remainder of this local law and the applicability of such provision to any other person or circumstances shall not be affected thereby.

§4. This local law shall take effect February first nineteen hundred eighty-three and shall apply to all plans not yet accepted for filing by the state department of law pursuant to section three hundred fifty-two-eeee of the general business law as of that date.

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