

THIS IS A NON-EVICTION PLAN

CONDOMINIUM OFFERING PLAN
THE 48-54 WEST 138TH STREET CONDOMINIUM
48-54 WEST 138TH STREET
NEW YORK, NEW YORK 10037

Residential Units.....89	\$20,210,000.00
Total Amount of Offering	\$20,210,000.00
Total Offering Price to Tenants in Occupancy	\$16,268,000.00
Reserve Fund to be retained by Condominium	\$ 488,040.00 *
Working Capital Fund	\$ 26,802.00

* The Reserve Fund may be larger or smaller in conformity with New York City Administrative Code Chapter 51. See section of the Plan entitled RESERVE FUND.

SPONSOR AND SELLING AGENT:
48-54 WEST 138 LLC
95-04 DELANCEY STREET
New York, New York 10002

Date of acceptance for filing of this Offering Plan is
This plan may not be used after unless
extended by a duly filed amendment.

THIS PLAN CONTAINS SPECIAL RISKS TO THE PURCHASER. SEE PAGE 1.
THIS IS A NON-EVICTION PLAN. NO NON-PURCHASING TENANT WILL BE EVICTED
BY REASON OF CONVERSION TO CONDOMINIUM OWNERSHIP.

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 GOVERNMENTAL AGENCY HAS APPROVED THIS OFFERING.

BECAUSE THE 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 SPECIAL RISKS SECTION OF THE
PLAN.)

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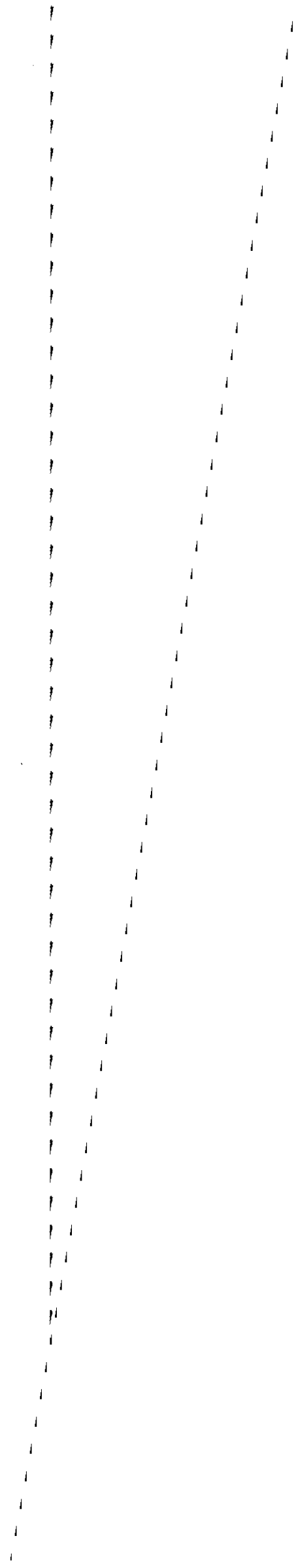


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SPECIAL RISKS

1) There are numerous time constraints imposed in the Purchase Agreement set forth in Part II of this Offering Plan. **Time is of the essence** as to all such time constraints. This means that if the Purchaser fails to perform within the applicable time frame, he may waive substantive rights, or incur a forfeiture of substantial sums of money. Purchasers are advised to consult with their attorney concerning all terms of this offering. Please see sections of this Plan entitled PROCEDURE TO PURCHASE and the PURCHASE AGREEMENT, set forth in Part II, for a statement of all applicable time limitations.

2) The terms of this Offering Plan transfer the statutory obligation to pay New York City Real Property transfer taxes (1% of purchase price for residential units, and New York State Documentary Stamp Taxes (\$4.00 per thousand) to the Purchaser, so that the cost of such taxes represent an additional closing cost to the Purchaser; and, insofar as such taxes will be considered part of the total consideration paid for the unit, transfer tax will be due on such additional taxes as well and will amount to a tax on a tax. Additionally, the Purchaser is responsible for paying to the Sponsor's attorney a document preparation fee of \$1,100.00, and may be responsible for certain other fees such as travel fees and default fees. Purchasers will also be responsible for paying the sponsor the sum of \$2,500.00 as partial reimbursement for the cost of preparing this Offering Plan. See section of the Offering Plan entitled CLOSING COSTS AND ADJUSTMENTS.

3) No warranty or representation is made that the reserve fund set forth in this Offering Plan is sufficient to provide for needed expenditures within 5 years following the first closing under the Plan. Additionally, no warranty or representation is made that the reserve fund is sufficient to pay for major capital improvements and replacements which are reasonably foreseeable within three years from the date hereof. Please see RESERVE FUND section of this Offering Plan for a more complete explanation.

4) At the earlier of the fifth anniversary of the first closing date, or such time as less than fifty percent of the units of the Condominium constitute unsold units, control of the Condominium shall be transferred to a Board of Managers elected by unit owners other than Sponsor. Prior to that time, the Condominium will be controlled by a Board of Managers elected by the Sponsor. During the period of control by Sponsor, certain actions may not be undertaken by the Board, which proscriptions are set forth in the CONTROL BY THE SPONSOR section of this Offering Plan. Notwithstanding the foregoing, even after the Sponsor surrenders

control of the Board of Managers to unit owners, the Sponsor may continue to vote his shares for the unit owner of his choice.

Until the earlier of five (5) years from the date of closing, or at the time at which the Sponsor or other Holder of Unsold Units owns units consisting of less than 25% of the common interest of the Condominium, Sponsor may exercise veto power over any expenses other than those described in Item 3 of the section entitled CONTROL BY THE SPONSOR in the Offering Plan. Additionally, so long as the Sponsor retains ownership of at least one unit in the building, the By-Laws, Declaration, and Rules and Regulations of the Condominium, may not be amended or modified in any way so as to adversely affect the Sponsor without written consent by the Sponsor.

See section of the Offering Plan entitled CONTROL BY THE SPONSOR for a more complete explanation.

5) Sponsor is liable for all common charges, special assessments, and real estate taxes with respect to unsold units, and represents that Sponsor has financial resources to meet these obligations. However, no bond, escrow deposit, or other security has been furnished to secure the Sponsor's obligations. Please see section of the Offering Plan entitled RIGHTS AND OBLIGATIONS OF THE SPONSOR for a more detailed explanation.

6) Pursuant to existing law and regulation, the Sponsor may declare the plan effective by selling a minimum of fifteen (15%) percent of the apartments in the building. 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 building with fewer than the minimum number of sales, if purchasers counted towards effectiveness do not ultimately purchase an apartment. See EFFECTIVE DATE section of the Offering Plan for a more complete explanation.

7) 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 70% 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 after 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 an apartment if prospective buyers are unable to obtain a loan due to such minimum sales requirements.

8) All funds received by the Sponsor for upgrades or extras must initially be placed in the escrow account set forth herein. However, Purchaser should not that such funds may be released from the escrow account by the escrow agent as long as the Sponsor uses the funds for such upgrades or extras. As a result, in the event the Purchaser is entitled to a rescission, the Purchaser will not receive a refund of any funds used for upgrades or extras. Please see PROCEDURE TO PURCHASE section of the Offering Plan for a more complete explanation.

9) The 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 15% necessary to declare the plan effective. Owner-Occupants, therefore, may never gain effective control and management of the condominium. See the INTRODUCTION, RIGHTS AND OBLIGATIONS OF THE SPONSOR, CONTROL BY SPONSOR and BOARD OF MANAGERS sections of this Offering Plan for a more complete explanation.

10) The By-Laws do not include a provision that after the end of the initial Sponsor control period, a majority of the Board of Managers must be Owner-Occupants or member of an owner occupant's household, who are unrelated to the Sponsor and its Principals. Owner-Occupants and non-resident owners, including the Sponsor, may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing, i.e., purchase as a home, as opposed to purchase as an investment. See the INTRODUCTION, RIGHTS AND OBLIGATIONS OF THE SPONSOR, CONTROL BY SPONSOR and BOARD OF MANAGERS sections of this Offering Plan for a more complete explanation.

11) Condominium Board does not have the right to approve or disapprove purchasers. Therefore, there is no limit on the number of owners who may purchase for investment rather than for personal occupancy and there may always be a substantial percentage who are non-residents.

12) All down payments will be placed in an IOLA account. The account will be federally insured up to \$250,000.00; except to the extent that the total deposits maintained in an account by one purchaser exceed \$250,000.00, they will not be federally insured. All deposits by a single purchaser maintained at an institution will be aggregated for the purposes of the \$250,000.00 limit set forth above. IOLA stands for "interest on lawyer accounts," and is a special segregated escrow account maintained by an attorney. Interest earned on an IOLA account does not accrue to the benefit of either the buyer or the seller but is paid over to the state of New York. Please see PROCEDURE TO PURCHASE section of this Offering Plan.

13) The projected insurance coverage for the building does not include officers and director's liability. Officer's and director's liability is a type of coverage which protects members of the Board of Managers, or officers of the condominium, from any liability engendered by performance of their functions, to the extent such activities are within the scope of their designated capacity, and does not constitute a criminal act by such officer or manager. In the event the condominium wishes to extend such insurance coverage to its directors and managers, this will represent an additional cost on the amount projected for insurance coverage in Schedule B. Please see SCHEDULE B and FOOTNOTES thereto for a more complete explanation.

14) No officer or member of the Board of Managers of the Condominium shall be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise, except for willful misconduct or bad faith. The Unit Owners shall severally indemnify the members of the Board against any liability or claims or contractual liability except those arising out of the bad faith or willful misconduct of an officer. It is intended that the members of the Board shall have no personal liability with respect to any contract made by them on behalf of the Condominium. It is and shall be permissible for each officer who is appointed by the original Board of Managers, who are designees of the Sponsor, to contract with the Sponsor and affiliated corporations without fear of being charged with self-dealing. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Managers shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the aggregate interest in the Common Elements of all the Unit Owners. Every agreement made by an office on behalf of the Condominium shall provide that each officer is acting only as agent for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners, except for willful misconduct or bad faith), and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the aggregate interest in the Common Elements of all Unit Owners.

15) This is an existing building which predates the inception of the Energy Construction Code of the State of New York. The amount of insulation in sealed areas of the roof and walls cannot be determined. Such insulation may not be consonant with current standards of building insulation. As a result, the building may consume more energy for heating per square foot than new construction built to current energy construction standards.

16) Sponsor has not made an examination of unit surfaces for the presence of lead paint. Pursuant to the Offering Plan, each

Purchaser shall have the opportunity, if they so desire, to conduct an examination of their unit for the presence of lead paint. Purchasers are cautioned that the presence of lead paint may present substantial health dangers, particularly if young children live in or visit the unit.

17) The Sponsor gives no warranty as to materials or workmanship that shall survive sale of a unit. Sponsor will have no liability of any kind for any visible damage to a unit which might be readily ascertained by a visual inspection of the property, and which is not reported prior to closing. A purchaser is under the obligation to inspect the unit prior to closing. Each prospective purchaser may have the building and apartments therein inspected by an architect or engineer of their own choosing, and at their own expense, to determine the quality of materials and workmanship. Notwithstanding anything stated previously, Sponsor has an absolute duty to rehabilitate the premises in accordance with all applicable codes and filed plans and specifications.

18) In the event that a child under the age of 11 lives or resides temporarily in a unit, the owner of such unit must notify the Board of Managers in writing of such a fact. Such unit owner shall be obligated, at their own cost and expense, to install window guards in all windows of the unit, and may not remove them until such child ceases to reside, or dwell in the unit. Failure to do so is not only a safety hazard, but is a violation of the New York City Administrative Code, and may result in a violation being placed against the building, which would be the responsibility of the individual unit owner to remove at their sole cost and expense. Please see the ARCHITECT'S REPORT section in Part II of this Offering Plan for a more complete explanation.

19) Pursuant to Clause #22 of the Purchase Agreement in PART II of this Offering Plan, contracts will be contingent on Purchaser obtaining mortgage financing. Purchasers will have five (5) days after receipt of a fully executed copy of the contract to apply for a loan, and shall thereafter have forty (40) days from the signing of said contract to obtain the loan. If Purchaser fails to obtain the loan, and Sponsor does not extend the mortgage contingency period, the Purchaser may cancel the contract and receive return of the downpayment. However, in order to avail himself of this protection, Purchaser must meet certain responsibilities to wit:

- a. Purchaser must apply to an institutional lender.
- b. Purchaser must apply for a loan in the amount set forth in Clause #22.
- c. Purchaser must comply with all requests for information or documentation of the lender.
- d. Purchaser must make such application within five (5) days after receipt of the executed contract.

e. If the loan is not obtained within the aforementioned forty (40) day period, Purchaser must notify the Sponsor within five (5) days after the expiration of said period.

In the event Purchaser fails to comply with any of the foregoing requirements, Purchaser will be deemed to have waived the mortgage contingency and may be required to proceed to closing or lose their downpayment.

Additionally, once Purchaser has obtained a mortgage commitment, Purchaser will be required to use due diligence in obtaining any and all extensions necessary to maintain such commitment in force, notwithstanding that such extension may be at a higher interest rate or require payment of additional fees to obtain the extension.

20) During any period that the Sponsor controls the Board, while the Board of Managers elected or appointed by the Sponsor is under a good faith duty to enforce all of the obligations of the Sponsor under the Offering Plan or as required by law, in the event the Board fails to enforce such obligations as a result of the Sponsor's control thereof, the Unit Owners may have to undertake, at their own expense, enforcement of the obligations of the Sponsor. With respect to any obligation of the Sponsor which is not being enforced by the Board of Managers during the period that the Sponsor controls the Board, the Sponsor agrees that it will enforce such obligations of the Sponsor upon the passage of a resolution duly passed by a majority of the Unit Owners, excluding the Sponsor, at a special meeting of the Unit Owners for such purpose.

21) Portions of the roof, exterior walls and basement of the subject premises are currently leased, respectively, to Nextel Communications and Metro PCS New York for the purpose of maintaining equipment for the provision of communication services. The communications equipment, which includes cell phone transmitting towers, does not exclusively serve the condominium. Each lease is for an initial five-year term; and may be extended for three additional five-year terms (Nextel) or four additional five-year terms (Metro PCS). The Sponsor will provide the Condominium Board of Managers with a copy of these leases, and with copies of any subsequent amendments to the leases. The Condominium Declaration shall include an easement to the Sponsor for use of the area currently occupied by the lessees named in said leases, together with the right to modify, sell, transfer or assign the lease, or re-lease said area to the current lessee or any other party. Please see the TERMS OF SALE section of this Offering Plan for a complete explanation.

22) Purchasers of studio units should be aware that these units do not have mechanical ventilation and a drop-soffit around the kitchenette. The lack of mechanical ventilation and a drop-soffit

may not be consonant with the New York City Multiple Dwelling Law. As a result, there may not be proper ventilation between the sleeping area and the kitchenette. Please see the ARCHITECT'S REPORT section in Part II of this Offering Plan for a more complete explanation.

23) One unit at the subject premises consists of the superintendent's apartment located in the cellar of the subject premises. The superintendent's apartment will only be for sale to the resident superintendent of the premises. If the superintendent does not purchase his apartment, the apartment will be retained by the Sponsor. In the event the current resident superintendent leaves the building, the Condominium may continue to allow the new superintendent to reside in the superintendent's apartment. During any period when the apartment is occupied by the resident building superintendent, the common charges for that apartment will abate.

24) While there are eighty-nine (89) residential units located on the subject premises, there are only thirty-one (31) storage units available for purchase by license from the Sponsor. Thus, the storage units will be available on a first-come, first-served basis. Please see the STORAGE UNIT section in Part I, and the ARCHITECT'S REPORT, FLOOR PLANS, and STORAGE UNIT LICENSE AGREEMENT in Part II of this Offering Plan for a more complete explanation.

INTRODUCTION

This is an Offering Plan for the sale of condominium apartments at 48-54 West 138th Street, New York, New York. The Plan delivered to tenants and prospective purchasers contains all of the material terms of this transaction. This plan may be amended from time to time, if such amendment is filed with the New York State Department of Law. Any such amendments will be served on all prospective Purchasers who have executed a Purchase Agreement for any apartment, all unit owners, any tenant, and all other persons entitled to service pursuant to local law or statute.

The Sponsor of this offering is 48-54 West 138 LLC. The principals of the Sponsor are Jason Behfarin, Louis Silverman and Robyn Sorid. The Sponsor acquired title to the property on August 16, 2011. Units will be conveyed free and clear of any mortgages, liens, or other encumbrances. Units will be conveyed by delivery of a UNIT DEED set forth in Part II of this Offering Plan.

The prices contained in this offering, as set forth in SCHEDULE A, are set by the Sponsors, and are not subject to approval by the New York State Department of Law, or any other governmental agency.

This Condominium will be subject to, and in compliance with, the New York State Condominium Act, Article 9-B of the New York Real Property Law.

This plan, including all schedules and exhibits submitted herewith, constitutes the entire Offering Plan. Copies of the plan and Parts A, B, C and D of the exhibits will be available for inspection, and for copying at a reasonable charge, to potential purchasers and their attorneys at the office of the Sponsor indicated on the front cover of this Offering Plan; and at the office of the New York State Department of Law, Real Estate Finance Bureau, 120 Broadway, New York, New York.

The premises are composed of a single building comprised of six stories and a cellar, and containing, in aggregate, eighty-nine (89) residential units. Twenty-nine (29) units are unregulated; fifty-six (56) units are subject to rent stabilization; four (4) units are rent controlled. One unit consists of the superintendent's apartment located in the cellar of the subject premises. The superintendent's apartment will only be for sale to the resident superintendent of the premises. If the superintendent does not purchase his apartment, the apartment will be retained by the Sponsor. In the event the current resident superintendent leaves the building, the Condominium may continue to allow the new superintendent to reside in the superintendent's apartment. During

any period when the apartment is occupied by the resident building superintendent, the common charges for that apartment will abate.

There will be no on-site parking or recreational facilities. There will be a laundry room containing 4 washers and 4 dryers located in the basement of the premises; there are no laundry hook-ups in the individual apartments. There is communication equipment (cell phone transmitting towers, GPS location system, etc.) located on the roof of the subject premises, which equipment also uses additional portions of premises. This property is located in the Central Harlem section of Manhattan.

There will be thirty-one (31) storage units located in the cellar of the premises. The owner of a residential unit may purchase a Storage Unit License Agreement from the Sponsor for a one-time payment of \$10,000.00. There will not be sufficient storage units for all residential units in the building; thus, the storage units will be available for sale by license to residential unit owners on a first-come, first-served basis. Please see the ARCHITECT'S REPORT, FLOOR PLANS, and STORAGE UNIT LICENSE AGREEMENT sections in Part II of this Offering Plan for a more complete explanation.

Tenants in occupancy on the date the Plan is accepted for filing shall have an exclusive right to purchase their apartment for a period ninety (90) days. During such ninety (90) day period there will be no increase in prices to tenants in occupancy. Sponsor will not accept purchase agreements from non-tenant purchasers for occupied apartments during the aforementioned exclusive period. This offering is made only to individuals over the age of 18.

In accordance with the provisions of the Laws of the City of New York, the Sponsor represents that neither the Sponsor, nor the Condominium nor the Selling Agent will discriminate against any person because of his race, creed, color, sex or sexual orientation, national origin, ancestry, or any other reason prohibited by civil rights law in the sale of apartments offered by this Plan, or in the leasing of any apartment in the Building. Unit owners have an unrestricted right to sell or lease units.

This is an existing building built approximately in the year 1940. A Certificate of Occupancy was issued in 1931. The existing and proposed uses comply with the legally allowed use of the building.

Ownership of a Condominium Unit resembles in many ways ownership of a private home. Basic aspects of condominium ownership include:

- (1) Each purchaser owns his unit outright and is entitled to exclusive possession of his unit. Each purchaser also has an interest, and a right to use common elements and limited common elements of the building.

(2) Common elements are parts of the Property, in addition to his/her own Unit, which a Unit Owner owns in common with the owners of all other Units in the Condominium such as entry ways, stairways, hallways, utility areas, and similar elements of the building which may serve and benefit all Unit Owners, a Unit Owner will share the non-exclusive right to use the Common Elements, with all other unit owners.

Limited Common Elements are those areas appurtenant to a particular Unit or Units, the use of which is restricted to the owner(s) of such Unit or Units, but which are not owned by that unit owner. Thus, in this condominium, there are no limited common elements.

(3) After filing of the Declaration, each unit will be separately taxed and may be separately mortgaged; each unit owner may deduct from adjusted gross income for income tax purposes real estate taxes and mortgage interest. No unit owner will be responsible for payment of, or any lien arising out of non payment of, real estate taxes assessed against any other unit in the building.

(4) Each Unit Owner may vote for the members of the Board of Managers, which is the group elected by unit owners to operate the Condominium. The Board of Managers will set common charges based on cash needs of building operation, decide on special assessments, and, in general, make all decisions necessary to run the building.

(5) Each unit owner must pay common charges in accordance with the New York Condominium Act (Real Property Law Sections 339 (i) and (m)), and any applicable state or local law. The common charges payable under the By-Laws will be based strictly on the projected cash requirements of ownership and operation of the Property and may include an allowance for contingencies, replacements, and/or repairs. Furthermore, the Board of Managers may impose special assessments in order to meet emergencies, contingencies, or other unforeseen events, which will become the financial obligation of each purchaser of a Condominium Apartment. These assessments will be levied in direct proportion to the percentage of common interest allocated to each apartment.

(6) Individual purchasers should explore obtaining insurance coverage, which would be at their own cost and expense, to insure them for such risks as fire and casualty losses in their apartments to their personal contents therein, as well as liability insurance for each occurrence which might occur within their respective apartments.

(7) Unit owners are responsible for maintenance and repairs to their individual units.

(8) The condominium board does not have the right to approve or disapprove purchasers. Therefore there is no limit on the number of owners who may purchase for investment rather than for personal occupancy and there may always be a substantial percentage of owners who are non-residents.

(9) Each unit owner is obligated to comply with the DECLARATION, the BYLAWS, rules and regulations, and any other requirements of the Board of Managers.

The purchase prices, estimated common charges and estimated real estate taxes for the first year of Condominium operation are set forth in SCHEDULE A. The projected budget for the first year of Condominium operation is set forth in SCHEDULE B.

This is a non-eviction plan. Non-purchasing tenants may not be evicted from their apartment for any reason other than violation of their lease terms.

While the Sponsor will endeavor in good faith to sell rather than rent, currently vacant units; Sponsor will also endeavor in good faith to sell units which subsequently become vacant. However, the 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 15% necessary to declare the plan effective. Owner-Occupants, therefore, may never gain effective control and management of the condominium. Additionally, the By-Laws do not include a provision that after two years, a majority of the Board of Managers must be Owner-Occupants or member of an owner occupant's household, who are unrelated to the Sponsor and its Principals. Owner-Occupants and non-resident owners, including the Sponsor, may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing, i.e., purchase as a home, as opposed to purchase as an investment.

Additionally, since the plan can be declared effective based on sales of 15% of the units to tenants or bona fide purchasers for their own occupancy, purchasers may be living in a mixed rental/owner occupied building for an indeterminant period of time. The non-purchasing tenants in this building have a right to continue to occupancy of their apartment even after the building is converted to condominium status. This means that the building will remain a mixed owner/renter building for the lifetime of existing tenants, and possibly beyond. This may result in conflicts between owners and renters as to the nature and extent of services required; the nature and extent of participation in building-wide maintenance

activities by apartment owners and occupants; and in many other aspects of building operation, maintenance, and treatment in which owners and renters may not share concurrent opinions, attitudes, or interests. Additionally, since the Sponsor or other holder of unsold shares will be responsible for the units in which non-purchasing tenants remain as renters, there may be substantial participation by non-occupant owners in the affairs of the condominium for an extended period of time, which again, may create conflicts in terms of building management and operation.

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

LOCATION AND AREA INFORMATION

The premises are located in the Central Harlem section of Manhattan. This is a highly developed area essentially residential in character, but served by a rich and diverse assortment of shopping, recreational, medical, religious, and educational facilities, as well as a network both of streets and roads, and urban transportation. Police, Fire, Water, Sanitation, snow removal, and road maintenance are provided by the City of New York. The subject premises are served by the 32nd Police Precinct located approximately 1/3 mile from the premises at 242 West 135th Street. The local fire station is 1/2 mile from the premises at 111 West 133rd Street. The local Medical centers are the Harlem Hospital Center, which is located just 2 blocks from the premises; North General Hospital and Lincoln Medical & Mental Health Center, each located approximately xx miles from the premises.

The premises are located in School District 5. Students living in the premises will be eligible to attend one of several elementary schools located less than 1/3 mile from the building, including P.S. 197 John B. Russwurm at 2230 5th Avenue, or P.S. 175 Henry H. Garnet at 175 West 134th Street. There is a campus located at 222 West 134th Street which houses elementary school P.S. 92 Mary McLeod Bethune, and middle school Academy of Collaborative Education. The Thurgood Marshall Academy for Learning & Social Change is located at 200-214 West 135th Street serves both high school and middle school students. In addition, there are also numerous charter, religious and private schools located within 1/2 mile of the premises. The 2 and 3 subway lines serve the area with stops at West 137th Street and at West 145th Street. The M4 and M5 bus lines serve the immediate area, while the M11, M100 and M101 buses also run nearby.

Zoning of the site is R7-2 which is a general residence district zone. There are no adjoining undeveloped areas of the site. Neither the Sponsor, nor any principals of the Sponsor, own in whole or in part, or have an option or right to acquire in whole or in part, any adjacent areas which are not fully developed.

SCHEDULE A
PURCHASE PRICE AND ALLOCATION OF COMMON INTEREST
First Year of Operation
January 1, 2013 - December 31, 2013

Unit	Sq. Ftg. (1)	Bdrms/ Bths (2)	% of Common Interest (3)	Purchase Price (4a)	Purchase Price To Tenants In Occupancy (4b)	Monthly Common Charges (5)	Monthly Real Estate Taxes (6)	Monthly Carrying Charges (7)	Rent Regulatory Status (8)
Supr	625	1/1	0.62%	\$ -	\$ 100,000	\$166.17	\$119.55	\$285.73	RS
1A	580	1/1	1.48%	\$ 300,000	\$ 240,000	\$395.41	\$284.48	\$679.89	RS
1B	470	1/1	1.29%	\$ 260,000	\$ 208,000	\$345.75	\$248.75	\$594.50	RS
1C	455	1/1	1.25%	\$ 255,000	\$ 204,000	\$336.10	\$241.81	\$577.90	RS
1D	284	0/1	0.93%	\$ 190,000	\$ 152,000	\$250.42	\$180.17	\$430.60	RS
1E	440	1/1	1.23%	\$ 250,000	\$ 200,000	\$329.51	\$237.07	\$566.57	RS
1F	306	0/1	0.93%	\$ 190,000	\$ 152,000	\$250.42	\$180.17	\$430.60	Unregulated
1G	291	0/1	0.93%	\$ 190,000	\$ 152,000	\$250.42	\$180.17	\$430.60	Vacant/RS
1H	476	1/1	1.29%	\$ 260,000	\$ 208,000	\$345.75	\$248.75	\$594.50	RS
1I	500	1/1	1.35%	\$ 275,000	\$ 220,000	\$362.46	\$260.77	\$623.23	Unregulated
1J	284	0/1	0.93%	\$ 190,000	\$ 152,000	\$250.42	\$180.17	\$430.60	RS
1K	455	1/1	1.25%	\$ 255,000	\$ 204,000	\$336.10	\$241.81	\$577.90	Rent Contr.
1L	470	1/1	1.29%	\$ 260,000	\$ 208,000	\$345.75	\$248.75	\$594.50	RS
1M	580	1/1	1.48%	\$ 300,000	\$ 240,000	\$395.41	\$284.48	\$679.89	Unregulated
2A	357	0/1	1.08%	\$ 220,000	\$ 176,000	\$289.97	\$208.62	\$498.58	RS
2B	470	1/1	1.29%	\$ 260,000	\$ 208,000	\$345.75	\$248.75	\$594.50	RS
2C	455	1/1	1.25%	\$ 255,000	\$ 204,000	\$336.10	\$241.81	\$577.90	RS
2D	284	0/1	0.93%	\$ 190,000	\$ 152,000	\$250.42	\$180.17	\$430.60	RS
2E	440	1/1	1.23%	\$ 250,000	\$ 200,000	\$329.51	\$237.07	\$566.57	Unregulated
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2M	357	0/1	1.08%	\$ 220,000	\$ 176,000	\$289.97	\$208.62	\$498.58	Unregulated
2N	317	0/1	0.98%	\$ 200,000	\$ 160,000	\$263.60	\$189.65	\$453.26	RS
2O	317	0/1	0.98%	\$ 200,000	\$ 160,000	\$263.60	\$189.65	\$453.26	RS
3A	357	0/1	1.08%	\$ 220,000	\$ 176,000	\$289.97	\$208.62	\$498.58	RS
3B	470	1/1	1.29%	\$ 260,000	\$ 208,000	\$345.75	\$248.75	\$594.50	RS

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Unit	Sq. Ftg. (1)	Bdrms/ Bths (2)	% of Common Interest (3)	Purchase Price (4a)	Purchase Price To Tenants In Occupancy (4b)	Monthly Common Charges (5)	Monthly Real Estate Taxes (6)	Monthly Carrying Charges (7)	Rent Regulatory Status (8)
3C	455	1/1	1.25%	\$ 255,000	\$ 204,000	\$336.10	\$241.81	\$577.90	RS
3D	284	0/1	0.93%	\$ 190,000	\$ 152,000	\$250.42	\$180.17	\$430.60	Rent Contr.
3E	440	1/1	1.23%	\$ 250,000	\$ 200,000	\$329.51	\$237.07	\$566.57	Unregulated
3F	306	0/1	0.93%	\$ 190,000	\$ 152,000	\$250.42	\$180.17	\$430.60	RS
3G	291	0/1	0.93%	\$ 190,000	\$ 152,000	\$250.42	\$180.17	\$430.60	Vacant/Unreg.
3H	476	1/1	1.29%	\$ 260,000	\$ 208,000	\$345.75	\$248.75	\$594.50	Unregulated
3I	500	1/1	1.35%	\$ 275,000	\$ 220,000	\$362.46	\$260.77	\$623.23	Unregulated
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4A	357	0/1	1.08%	\$ 220,000	\$ 176,000	\$289.97	\$208.62	\$498.58	RS
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4O	317	0/1	0.98%	\$ 200,000	\$ 160,000	\$263.60	\$189.65	\$453.26	RS
5A	357	0/1	1.08%	\$ 220,000	\$ 176,000	\$289.97	\$208.62	\$498.58	Unregulated
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5C	455	1/1	1.25%	\$ 255,000	\$ 204,000	\$336.10	\$241.81	\$577.90	Unregulated
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5H	476	1/1	1.29%	\$ 260,000	\$ 208,000	\$345.75	\$248.75	\$594.50	RS
5I	500	1/1	1.35%	\$ 275,000	\$ 220,000	\$362.46	\$260.77	\$623.23	Unregulated
5J	284	0/1	0.93%	\$ 190,000	\$ 152,000	\$250.42	\$180.17	\$430.60	Vacant/Unreg.
5K	455	1/1	1.25%	\$ 255,000	\$ 204,000	\$336.10	\$241.81	\$577.90	Vacant/Unreg.
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5M	357	0/1	1.08%	\$ 220,000	\$ 176,000	\$289.97	\$208.62	\$498.58	Rent Contr.
5N	317	0/1	0.98%	\$ 200,000	\$ 160,000	\$263.60	\$189.65	\$453.26	RS
5O	317	0/1	0.98%	\$ 200,000	\$ 160,000	\$263.60	\$189.65	\$453.26	RS
6A	357	0/1	1.08%	\$ 220,000	\$ 176,000	\$289.97	\$208.62	\$498.58	RS
6B	470	1/1	1.29%	\$ 260,000	\$ 208,000	\$345.75	\$248.75	\$594.50	RS
6C	455	1/1	1.25%	\$ 255,000	\$ 204,000	\$336.10	\$241.81	\$577.90	RS
6D	284	0/1	0.93%	\$ 190,000	\$ 152,000	\$250.42	\$180.17	\$430.60	RS
6E	440	1/1	1.23%	\$ 250,000	\$ 200,000	\$329.51	\$237.07	\$566.57	Unregulated
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6G	291	0/1	0.93%	\$ 190,000	\$ 152,000	\$250.42	\$180.17	\$430.60	RS
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6J	284	0/1	0.93%	\$ 190,000	\$ 152,000	\$250.42	\$180.17	\$430.60	RS
6K	455	1/1	1.25%	\$ 255,000	\$ 204,000	\$336.10	\$241.81	\$577.90	RS
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6M	357	1/1	1.08%	\$ 220,000	\$ 176,000	\$289.97	\$208.62	\$498.58	Unregulated
6N	317	1/1	0.98%	\$ 200,000	\$ 160,000	\$263.60	\$189.65	\$453.26	RS
6O	317	1/1	0.98%	\$ 200,000	\$ 160,000	\$263.60	\$189.65	\$453.26	RS
TOTALS	35,111		100.00%	\$ 20,210,000	\$ 16,268,000	\$26,802.00	\$19,283.00	\$46,182.14	

Notes:

- 1) In addition to the purchase price, there are additional closing costs assessed against each unit, such as document preparation fee (\$1,100.00), reimbursement fee (\$2,500.00), a working capital fund contribution equal to one month's common charges, a capital reserve fund contribution equal to two month's common charges, a title clearance fee (\$350.00), and payment of transfer taxes. Additionally, Purchaser will pay their own title insurance costs, recording charges and mortgage recording taxes. Please see the CLOSING COSTS & ADJUSTMENTS section of this Offering Plan for a more complete explanation.
- 2) The following units are currently vacant: 1G, 3G, 3O, 5J, 5K and 6L.
- 3) RS - Rent Stabilized; Rent Contr. - Rent Controlled; Unreg./Unregulated - No rent regulatory scheme.

- 4) Annual Real Estate Taxes are listed on the attached EXHIBIT I.
- 5) One unit at the subject premises consists of the superintendent's apartment located in the cellar of the subject premises. The superintendent's apartment will only be for sale to the resident superintendent of the premises. If the superintendent does not purchase his apartment, the apartment will be retained by the Sponsor. In the event the current resident superintendent leaves the building, the Condominium may continue to allow the new superintendent to reside in the superintendent's apartment. During any period when the apartment is occupied by the resident building superintendent, the common charges for that apartment will abate.

SCHEDULE A - EXHIBIT I

January 1, 2013 - December 31, 2013

<u>Unit</u>	<u>Monthly Real Estate Taxes</u>	<u>Annual Real Estate Taxes</u>
Supr	\$119.55	\$1,434.66
1A	\$284.48	\$3,413.76
1B	\$248.75	\$2,985.01
1C	\$241.81	\$2,901.70
1D	\$180.17	\$2,162.05
1E	\$237.07	\$2,844.80
1F	\$180.17	\$2,162.05
1G	\$180.17	\$2,162.05
1H	\$248.75	\$2,985.01
1I	\$260.77	\$3,129.28
1J	\$180.17	\$2,162.05
1K	\$241.81	\$2,901.70
1L	\$248.75	\$2,985.01
1M	\$284.48	\$3,413.76
2A	\$208.62	\$2,503.42
2B	\$248.75	\$2,985.01
2C	\$241.81	\$2,901.70
2D	\$180.17	\$2,162.05
2E	\$237.07	\$2,844.80
2F	\$180.17	\$2,162.05
2G	\$180.17	\$2,162.05
2H	\$248.75	\$2,985.01
2I	\$260.77	\$3,129.28
2J	\$180.17	\$2,162.05
2K	\$241.81	\$2,901.70
2L	\$248.75	\$2,985.01
2M	\$208.62	\$2,503.42
2N	\$189.65	\$2,275.84
2O	\$189.65	\$2,275.84
3A	\$208.62	\$2,503.42
3B	\$248.75	\$2,985.01
3C	\$241.81	\$2,901.70
3D	\$180.17	\$2,162.05
3E	\$237.07	\$2,844.80
3F	\$180.17	\$2,162.05
3G	\$180.17	\$2,162.05
3H	\$248.75	\$2,985.01
3I	\$260.77	\$3,129.28
3J	\$180.17	\$2,162.05

SCHEDULE A - EXHIBIT I

January 1, 2013 - December 31, 2013

<u>Unit</u>	<u>Monthly Real Estate Taxes</u>	<u>Annual Real Estate Taxes</u>
3K	\$241.81	\$2,901.70
3L	\$248.75	\$2,985.01
3M	\$208.62	\$2,503.42
3N	\$189.65	\$2,275.84
3O	\$189.65	\$2,275.84
4A	\$208.62	\$2,503.42
4B	\$248.75	\$2,985.01
4C	\$241.81	\$2,901.70
4D	\$180.17	\$2,162.05
4E	\$237.07	\$2,844.80
4F	\$180.17	\$2,162.05
4G	\$180.17	\$2,162.05
4H	\$248.75	\$2,985.01
4I	\$241.81	\$2,901.70
4J	\$180.17	\$2,162.05
4K	\$241.81	\$2,901.70
4L	\$248.75	\$2,985.01
4M	\$208.62	\$2,503.42
4N	\$189.65	\$2,275.84
4O	\$189.65	\$2,275.84
5A	\$208.62	\$2,503.42
5B	\$248.75	\$2,985.01
5C	\$241.81	\$2,901.70
5D	\$180.17	\$2,162.05
5E	\$237.07	\$2,844.80
5F	\$180.17	\$2,162.05
5G	\$180.17	\$2,162.05
5H	\$248.75	\$2,985.01
5I	\$260.77	\$3,129.28
5J	\$180.17	\$2,162.05
5K	\$241.81	\$2,901.70
5L	\$248.75	\$2,985.01
5M	\$208.62	\$2,503.42
5N	\$189.65	\$2,275.84
5O	\$189.65	\$2,275.84
6A	\$208.62	\$2,503.42
6B	\$248.75	\$2,985.01
6C	\$241.81	\$2,901.70
6D	\$180.17	\$2,162.05

SCHEDULE A - EXHIBIT I

January 1, 2013 - December 31, 2013

<u>Unit</u>	<u>Monthly Real Estate Taxes</u>	<u>Annual Real Estate Taxes</u>
6E	\$237.07	\$2,844.80
6F	\$180.17	\$2,162.05
6G	\$180.17	\$2,162.05
6H	\$248.75	\$2,985.01
6I	\$241.81	\$2,901.70
6J	\$180.17	\$2,162.05
6K	\$241.81	\$2,901.70
6L	\$248.75	\$2,985.01
6M	\$208.62	\$2,503.42
6N	\$189.65	\$2,275.84
6O	\$189.65	\$2,275.84

FOOTNOTES TO SCHEDULE A

1. The square footage indicated in SCHEDULE A is a "gross" square footage figure, and is calculated by the standard mathematical formula of multiplying the length of an area by the width of an area; and adding together for each apartment all of the areas contained therein. The unit boundaries used for calculating the foregoing square footages are "exterior" boundaries, and include as part of the unit the entirety of any exterior walls or walls dividing the unit from common areas; and one-half of any walls dividing the unit from another unit. As a result, the usable floor area of the apartment may be significantly less than the measurements set forth in SCHEDULE A. The estimated square footage of each unit is based on the FLOOR PLANS and ARCHITECT'S REPORT set forth in Part II of this Offering Plan, and may vary, within reasonable tolerances, from the "as-built" square footage as subsequently described in the condominium Declaration.

2. The room count is based on the method suggested by the Real Estate Board of New York. This method counts each fully partitioned room as one room, and each bathroom containing a sink, toilet, and shower or bath as a full bathroom. Multi-use rooms, such as living/dining rooms are counted as a single room. Baths which do not include a tub or shower are counted as half baths. See the section entitled ARCHITECT'S REPORT and FLOOR PLANS, both of which are included in Part II of this Offering Plan, for a more complete description of each apartment. Additionally, the square footage set forth in SCHEDULE A is approximate, within reasonable tolerances, and may differ, from the square footage specified for this unit in Schedule B to the Condominium Declaration.

3. The determination of percentages of Common Interest allocated to each unit is 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 a particular unit, as per Section 339(i)(1)(iv) of the New York State Real Property Law.

4. Across-the-board changes in unit prices, advertised price changes, and increases in individual unit prices may be made by duly-filed amendments only; however, individually negotiated reductions in the purchase price of a unit may be made without prior amendment. See CHANGES IN PRICES AND UNITS.

5. Projected Common Charges for the first year of operation include only those expenses which are enumerated in SCHEDULE B. Maintenance charges do not include such expenses as repairs to the interior of the owner's unit, and the owner's individual gas,

electricity, and telephone expenses. Moreover, if the purchaser should obtain financing for the purchase, the debt service on that loan will be an additional expense not covered by the Common Charges. Common Charges are arrived at by allocating to each unit a share of the Monthly Charges proportionate to the Common Interest which that unit bears in the condominium.

6. After the condominium is divided into individual tax lots, each lot will be separately taxed for New York City property tax purposes. A unit owner will not be responsible for the payment of, nor will the unit be subject to, any lien arising from the nonpayment of taxes on other units. The real property tax payable with regards to the property is determined by applying the tax rate to the assessed value. The estimated assessments for individual units are arrived at by allocating to such units a share of the real estate taxes assessable against the building proportionate to that unit's percentage of common interest in the building.

The first year of condominium operation is comprised of the two tax years 2012-2013 and 2013-2014. The projection of taxes due for the first year of condominium operation in SCHEDULE A is based on the actual assessed valuation of \$1,656,360.00 for 2012-2013, and on the projected assessed valuation of \$1,788,868.80 for 2013-2014. The projection assumes a current tax rate of 13.433%, and includes the maximum allowable increase of 8.0%.

7. Monthly carrying charges are composed of the monthly common charges and the monthly real estate taxes projected against each unit. Individual unit purchasers should be able to deduct for federal income tax purposes, all real estate taxes and mortgage interest paid with regards to their unit. Such deductions may vary in future years because in changes in mortgage amortization or the amount of such real estate taxes. Please see section of the Offering Plan entitled DEDUCTIONS TO UNIT OWNERS AND TAX STATUS OF THE CONDOMINIUM for a more complete explanation.

8. The aggregate monthly rents for all the residential units at the premises total \$81,370.21.

SCHEDULE B

BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION
January 1, 2013 - December 31, 2013

INCOME

Common Charges	\$321,614
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EXPENSES

Labor (1)	\$48,000
Heat and Hot Water (2)	\$73,330
Electricity (3)	\$17,700
Water and Sewer (4)	\$68,334
Repairs, Maintenance and Supplies (5)	\$ 8,000
Insurance (6)	\$28,350
Legal and Audit (7)	\$ 2,900
Management (8)	\$36,000
Miscellaneous (9)	\$ 5,000
Capital Reserve (10)	<u>\$34,000</u>
Total	\$321,614

Note: All figures are rounded to the nearest dollar.

IF THE ACTUAL OR ANTICIPATED DATE OF COMMENCEMENT OF CONDOMINIUM OPERATION IS TO BE DELAYED MORE THAN SIX (6) MONTHS BEYOND THE BUDGET YEAR PROJECTED IN THE OFFERING PLAN, THE PLAN WILL BE AMENDED TO INCLUDE A REVISED BUDGET DISCLOSING CURRENT PROJECTIONS. IF SUCH AMENDED PROJECTION EXCEEDS ORIGINAL PROJECTIONS BY 25% OR MORE, THE SPONSOR MUST OFFER ALL PURCHASERS THE RIGHT TO RESCIND IN A REASONABLE PERIOD OF TIME THAT IS NOT LESS THAN 15 DAYS AFTER THE DATE OF PRESENTATION OF SAID AMENDED BUDGET, TO EXERCISE SAID RIGHT, WHETHER OR NOT SPONSOR OFFERS TO GUARANTEE THE PREVIOUS BUDGET PROJECTION. SPONSOR MUST RETURN ANY DEPOSIT OR DOWN-PAYMENT TO A PURCHASER WHO RESCINDS WITHIN 10 DAYS AFTER RECEIPT OF NOTICE OF RESCISSION.

ADDITIONALLY, PURCHASERS WILL BE OFFERED THE OPPORTUNITY TO RESCIND THEIR PURCHASE AGREEMENT IN THE EVENT CLOSING DOES NOT OCCUR WITHIN 12 MONTHS FROM THE COMMENCEMENT DATE OF THE PROJECTED BUDGET.

FOOTNOTES TO SCHEDULE B

1. The projected figure anticipates one full time superintendent working at an annual rate of \$48,000.00 year. The budgeted staffing does not anticipate the use of union personnel. This figure includes all applicable FICA, disability, workers' compensation and unemployment insurance taxes, and complies with all applicable housing and labor laws. The superintendent will be available 24 hours per day, seven days per week for emergency purposes. However, use of superintendent services beyond the standard forty hour work week may result in additional charges which, if they exceed the miscellaneous budget item, may require an assessment of individual unit owners or an increase in common charges.

2. Heat and hot water shall be provided by a common gas-fired boiler located in the basement of the subject premises. The estimate for gas and oil for home heating and hot water has been provided by Oscar P. Walters, Jr., P.E. of Demerara Engineering, PLLC, 160 Pearl Street, 2nd Floor, New York, New York. Based on the current National Grid rate of \$1.53 per therm inclusive of taxes, it is estimated that the heating cost will be \$73,330.00 per year. While there are individual meters for gas consumption for each unit, the cost of heat and hot water shall be paid by the unit owners as part of the unit owner's common charges.

3. The Sponsor has obtained an estimate from Oscar P. Walters, Jr., P.E. of Demerara Engineering, PLLC, 160 Pearl Street, 2nd Floor, New York, New York, of approximately 66,830 kilowatt hours per year of electrical usage for the common areas of the buildings. The projected cost in SCHEDULE B is based on a current Con Edison rate of approximately 26.5 cents per kwh and includes a 10% allowance for inflation, and the cost of all applicable state and local taxes. Purchasers shall be responsible for individual electrical costs for their own apartments.

4. Water is supplied to the buildings by the City of New York through a single water meter serving the entire building. Projected water and sewer costs are based upon a current New York City estimate of 400 gallons, or 53 cubic feet per day per residential unit, current charges of \$2.31 per 100 cubic feet of water consumed, and sewer charges of \$3.67 per 100 cubic feet of water consumed. Projected figure also includes a 10% allowance for inflation.

5. Repairs and maintenance to building: This includes such items as minor interior repairs, painting, minor plumbing repairs and the supplies therefore. The figure also includes an elevator service contract at an estimated cost of \$500.00 per month. The budgeted

figure is based on the first year operating history of the building and includes an allowance for a 10% increase.

6. Insurance: At closing, the Sponsor will deliver to the Condominium a special multi-peril insurance policy issued by JNR Associates Insurance Coverage, 426 North Lake Drive, Suite 3B3, Lakewood, New Jersey 08701 in the following coverage amounts per building:

Building.....	\$6,300,000 "All Risk" agreed Amount Replacement Value
Liability.....	\$1,000,000 Per Occurrence \$2,000,000 Aggregate
Deductible.....	\$1,000

The foregoing insurance, including the public liability coverage included therein, will be in effect at the time of closing. The insurance company has advised the Sponsor via letter that in its opinion, the amount of coverage is adequate to rebuild the building structure if totally destroyed by any insured peril; however, the policy does not guaranty the replacement of individual fixtures and improvements installed by individual unit owners. This policy waives a standard co-insurance clause, so that no insured thereunder shall be a co-insurer. The policy will provide that:

- (i) each unit owner will be an additional insured;
- (ii) there will be no cancellation without notice to the board of managers and individual unit owners;
- (iii) will waive subrogation;
- (iv) will waive invalidity because of the acts of the insured and individual unit owners;
- (v) and, will waive pro rata reduction if individual unit owners obtain additional individual coverage.

The policy does not include officers and directors' liability, umbrella coverage, or blanket fidelity, which can be provided at extra cost. Purchasers are advised of the desirability of obtaining additional insurance, at their own cost and expense, to cover such risk as fire and casualty losses to unit contents, replacements, additions, up-graded fixtures and improvements, and liability coverage for occurrences within the unit or, where applicable, on the limited common elements pertinent to the units.

7. Legal and Accounting Fees: This figure is based on the estimate received from Mozes Guttman, CPA, 741 Wythe Avenue, Brooklyn, New York 11211, for preparation of a certified financial statement for the first year of operation and City, State and Federal tax returns, which estimate was \$1,400.00. The balance of

the budgeted figure, \$1,500.00, anticipates minor legal services during the first year of operation, but would be insufficient to cover any substantial litigation.

8. The Sponsor of this offering, 48-54 West 38 LLC, is also the managing agent of the building. The offices of the Sponsor and managing agent are located at 95-04 Delancey Street, New York, New York 10002. The managing agent and the principals of the managing agent have served in their current capacity as managers of real property since 2005. The managing agent is expected to continue providing services for the first year of condominium operation at the rate of \$3,000.00 per month. This fee is at the prevailing rate for such services.

Activities normally performed by the managing agent include maintenance of checking and savings accounts for the condominium; collection of monthly common charges; payment of all condominium common charges; processing of all individual unit sales; supervision and payment of building employees; building maintenance; review and resolution of any problems arising in the day-to-day operation of the building; compliance with all government laws and regulations affecting building operation, ownership and maintenance; filing of annual tax returns; enforcement of condominium-adopted rules and regulations including enforcement of maintenance obligations; seizure and sale of delinquent units; and response to individual unit owner complaints, questions or issues. In addition to the foregoing, any additional issues or problems arising out of operation, maintenance, ownership and occupancy of the building will need to be dealt with by the Board of Managers.

9. The miscellaneous budgeted item is intended to provide a cushion for unforeseen costs.

10. The projected item represents a reserve for repair or replacement of major mechanical systems or structural elements of the building. The capital reserve fund may not be used for regular operating expenses or to reduce the monthly common charges.

MANAGEMENT AGREEMENT

On closing, the condominium Board of Managers will enter into a management agreement with the Sponsor for an initial period of five (5) years from the date of closing. The agreement will provide that it shall be automatically renewed at the expiration of each five year period unless either party has notified the other in writing not less than 90 days prior to the expiration of the agreement term that the agreement will not be renewed. In addition, during the term of the agreement, the managing agent shall have the right to terminate same on 90 days written notice to the condominium; the condominium shall have the right to terminate same with or without cause on 30 days written notice to the managing agent. Upon termination of the managing agreement by either party, for any reason whatsoever, the managing agent shall be required to transfer all books and records in its possession to the condominium Board of Managers or to any successor managing agent named by the condominium Board of Managers.

In consideration of managing the premises, the managing agent shall receive monthly compensation of \$3,000.00. In addition, the managing agent shall have the right to establish reasonable fees for the processing of lease or sale applications, review of requests for permission to make improvements on individual units, and any other activity outside the normal course of building management. In addition, the managing agent shall be entitled to provide services (such as repair and maintenance) to individual unit owners where requested, and shall be entitled to charge such individual unit owners (but not the condominium) for such services.

The major duties to be provided by the managing agent shall include, but not be limited to maintenance of all condominium books and records; collection of monthly common charges and any special assessments levied by the condominium; payment of all condominium expenses from condominium funds; maintenance of condominium checking accounts; or keeping, payroll and tax reporting functions; repair and maintenance of common elements; and the hiring and firing of condominium employees. In addition, the managing agent shall be entitled to, where in its sole and exclusive discretion such is needed, retain the services of outside professionals such as accountants, attorneys, etc., which expense shall be borne by the condominium. Additionally, where required items of repair or

maintenance exceed the capabilities of building employees, the managing agent shall be entitled to contract for such services, which shall be paid for from condominium funds.

In addition to the compensation set forth above, the managing agent shall be entitled to reimbursement for expenses incurred in the normal course of its functions, such as messenger and delivery charges, travel expenses, etc. In addition, the condominium shall indemnify the managing agent against any liability or obligation incurred for acts properly performed by it pursuant to the management agreement.

The management agreement may not be assigned by the agent except to a successor entity composed of the same principals as the current management agent.

CHANGES IN PRICES AND UNITS

The offering prices, as set forth in SCHEDULE A, may only be increased or decreased by a duly filed amendment to the plan when the change in price is an across-the-board change affecting one or more lines of units, or unit models, or is to be advertised, or represents a price increase for any individual unit. However, prices are negotiable, and Sponsor may enter into an agreement with a purchaser to sell one or more units at prices lower from those set forth in SCHEDULE A without filing an amendment prior to entering such agreement, as per FOOTNOTES TO SCHEDULE A.

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. Unless an effected purchaser consents, no material change will be made in unit size, layout or percentage of common interest, if a Purchase Agreement has been executed and delivered to the Sponsor for that unit. Unless all purchasers consent, no material change will be made in the size, and no material adverse change will be made in the quality, of common elements. No change of any type set forth in this paragraph shall be made except by amendment duly filed with the New York State Department of Law.

Notwithstanding the foregoing, the price at which units are offered to tenants in occupancy will not be increased during any period during which such tenants in occupancy have the exclusive right to purchase their unit.

King David international Realty

Licensed Real Estate Broker

616 Williamsburg Station

Brooklyn, N.Y. 11211

Tel. (718) 222-1500 Fax. (718) 624-1497

06/04/12

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

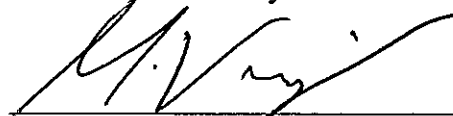
RE: 48-54 West 138th Street, Manhattan, New York

Dear Sirs:

You have requested an opinion from us with regards to your allocation of common interest to units in your proposed condominium at 48-54 West 138th Street, Manhattan, New York, with Section 339-i (1) (iv) of the New York Real Property Law. You have informed us that common interest is allocated based on floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for shared or exclusive use, and the overall dimensions of the particular Unit. Based on our review of the foregoing factors, we have concluded that the proposed allocation of common interest to individual units is in compliance with Section 339-i (1) (iv) of the New York Real Property Law.

I have been a licensed real estate broker for in excess of Five years and have managed approximately Ten buildings in this area with extensive experience in the sale, management, and rental of cooperative and condominium units in Kings County. We have previously participated in the preparation of individual unit value appraisals for the purpose of inclusion in offering plans for the sales thereof. We are not, in any way, associated with you or any other participant in the project, and have no beneficial interest in your business, or in profitability of the project. This is an opinion only as to the relative value of each unit in relation to the value of the project as a whole; is strictly based on the information provided to us in such reasonable inquiries as to the validity thereof as we deemed appropriate under the circumstances; and, is not intended as a guarantee of the actual value of any individual unit. We consent to the inclusion of this letter in your offering plan.

Sincerely



GIORGIO MAYER

Licensed Real Estate Broker

54 WEST 138, LLC
STATEMENT OF INCOME AND SELECTED EXPENSES
FOR THE YEARS ENDING DECEMBER 31, 2009 AND 2010

54 WEST 138, LLC

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101 Broadway Suite 402 - Brooklyn NY 11211
t. (718)887-9112 f. (718)887-9113 e. info@kahancpa.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of 54 West 138, LLC.

We have audited the accompanying Historical Summaries of Gross Income and Direct Operating Expenses of 54 West 138, LLC for the years ending December 31, 2009 and December 31, 2010. Management is responsible for the preparation and fair presentation of these historical summaries in accordance with accounting principles generally accepted in the United States of America. Our responsibility is to express an opinion on the historical summaries 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 historical summaries are free from 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 audits provide a reasonable basis for our opinion.

In our opinion, the historical summaries referred to above presents fairly, in all material respects, the gross income and direct operating expenses of 54 West 138, LLC for each of the two years ending December 31, 2009, and December 31, 2010 in accordance with accounting principles generally accepted in the United States of America.

A. Kahan CPA

A Kahan CPA PC
October 12, 2011

54 WEST 138, LLC
STATEMENT OF INCOME AND SELECTED EXPENSES
FOR THE YEARS ENDING DECEMBER 31, 2009 AND 2010

	<u>2009</u>	<u>2010</u>
<u>REVENUE</u>		
Rental Income	\$ 902,217	\$ 837,058
Other Income	-	14,154
Interest Income	<u>6,911</u>	<u>342</u>
Total	<u>\$ 909,128</u>	<u>\$ 851,554</u>
<u>EXPENSES</u>		
Electricity	\$ 15,993	\$ 16,152
Gas and Heating Oil	59,740	66,663
Insurance	17,976	19,553
Management Fees	36,316	38,345
Real Estate Taxes	106,842	122,788
Repairs and Maintenance (capital reserve)	24,812	28,530
Wages and Salaries	43,655	48,181
Water and Sewer	<u>51,203</u>	<u>58,586</u>
Total	<u>\$ 356,537</u>	<u>\$ 398,798</u>

54 WEST 138, LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2010

Note A - Basis of Accounting

The Partnership prepares their Financial Statements on accrual basis in accordance to generally accepted accounting principles. Under the accrual basis of accounting, revenues are reported when earned. Expenses are recorded when the goods are received or services are rendered.

Note B - Related Parties

Management Fees - The property is managed by an affiliate of a member of the partnership through common ownership.

48 - 54 WEST 138, LLC
STATEMENT OF INCOME AND SELECTED EXPENSES
DECEMBER 31, 2011

48 - 54 WEST 138, LLC

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101 Broadway Suite 402 - Brooklyn NY 11211
t. (718)887-9112 f. (718)887-9113 e. info@kahancpa.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of 48-54 West 138, LLC.

We have audited the accompanying Historical Summaries of Gross Income and Direct Operating Expenses of 48-54 West 138, LLC for the year ended December 31, 2011. Management is responsible for the preparation and fair presentation of these historical summaries in accordance with accounting principles generally accepted in the United States of America. Our responsibility is to express an opinion on the historical summaries 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 historical summaries are free from 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 audits provide a reasonable basis for our opinion.

In our opinion, the historical summaries referred to above presents fairly, in all material respects, the gross income and direct operating expenses of 48-54 West 138, LLC for each of the year ended December 31, 2011 in accordance with accounting principles generally accepted in the United States of America.

A. Kahan CPA

A Kahan CPA PC
June 10, 2012

48 - 54 WEST 138, LLC
STATEMENT OF INCOME AND SELECTED EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2011

REVENUE

Rental Income	\$ 851,500
Other Rental Income	<u>47,729</u>
Total	<u>\$ 899,229</u>

EXPENSES

Electricity	\$ 12,124
Gas and Heating Oil	130,953
Insurance	22,364
Management Fees	25,700
Real Estate Taxes	166,280
Repairs and Maintenance (capital reserve)	35,077
Wages and Salaries	45,782
Water and Sewer	<u>64,461</u>
Total	<u>\$ 502,741</u>

48 - 54 WEST 138, LLC
SELECTED NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011

Note A - Basis of Accounting

The Partnership prepares their Financial Statements on accrual basis in accordance to generally accepted accounting principles. Under the accrual basis of accounting, revenues are reported when earned. Expenses are recorded when the goods are received or services are rendered.

Note B - Related Parties

Management Fees - The property is managed by an affiliate of a member of the partnership through common ownership.

Note C - Ownership

On September 14, 2011 the deed was transferred from 54 West 138 LLC, in an arm's length transaction to, 48 - 54 West 138 LLC.

RIGHTS OF EXISTING TENANTS

All bona fide tenants in occupancy, tenants with rights to continued occupancy, tenants with rights to renew a lease the date the plan is accepted for filing, shall have the exclusive right to purchase their apartment for a period of 90 days after the plan is presented. Any purchase agreement executed during the exclusive purchase period by a tenant in occupancy shall have priority over and shall pre-empt any purchase agreement from a non tenant, which will not be accepted during the exclusive purchase period. A bona fide tenant of record with an unexpired lease on the date the plan is accepted for filing shall be presumed to be a "tenant in occupancy" even if the tenant has sublet the apartment or the apartment is not the tenant's primary residence. A bona fide sub lessee in occupancy on the date the plan is accepted for filing has the right to purchase during the exclusive period if sublet from a non bona fide tenant, or has obtained written permission to purchase the unit from the bona fide tenant of record.

Any person enumerated above who executes a purchase agreement during the 90-day exclusive period shall have the right to withdraw said agreement and execute a new one on current insider terms, if the terms to insiders are changed to reflect a more favorable offer to such insiders. Following the expiration of said 90-day period, any of the above-enumerated individuals shall have a period of ten days from the execution of a purchase agreement by an outside purchaser to match said offer and execute a subscription agreement on such terms. Finally, if the Sponsor amends the terms and conditions of the offering prior to the closing of the first unit to be more favorable to non-purchasing tenants, any person enumerated above who has executed a purchase agreement and who 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. This provision shall apply to tenants who have purchased units other than their own, but shall not apply to assignees of tenants' purchase agreements.

Tenants in occupancy may subscribe for vacant apartments at the insider price (if any) and on insider terms (if any) for such apartments, provided that they execute an affidavit that said purchase is for their own use and occupancy, and further provided that they agree to vacate their existing apartment upon closing of the sale of the apartment subscribed for. A tenant who subscribes for his own apartment may not subscribe for any other apartment on

insider terms. In the event two tenants in occupancy wish to purchase an existing apartment, the first to execute a subscription agreement and deliver the appropriate down-payment shall have priority. Sponsor will allow assignment of subscription agreements on such terms and conditions as are outlined in the section of this plan entitled ASSIGNMENT OF PURCHASE AGREEMENTS.

This is a non-eviction plan. Therefore, no tenant will be subject to eviction by either the Sponsor or a purchaser of his apartment, except for failure to pay rent or any other violation or their lease, or their obligations as tenants under applicable law, which would permit an eviction were the building not converted to condominium ownership. Tenants who are currently subject to rent control or rent stabilization (if any) remain so subject, and may not have their rents raised in excess of the legal rents under said rent regulatory schemes. Tenants not subject to such to rent regulatory laws may not be subject to unconscionable rent increases. Complaints regarding unconscionable rent increases prescribed by law may be referred to the New York State Department of Law, Real Estate Finance Bureau, 120 Broadway, 23rd Floor, New York, New York, New York 10271, 212-416-8123. The foregoing rights shall only attach as of the date this plan is accepted for filing by the Department of Law. Prior to that date, there is no right to a lease renewal or right to extension of an existing right of occupancy which attaches to any tenancy and any such right of occupancy may be terminated and the tenant removed from possession for any reason for which landlord would otherwise be entitled to do so under existing law.

All dwelling units occupied by non-purchasing tenants shall be managed by the same managing agent who manages all other units in the building, and he shall provide to non-purchasing tenants, on a non-discriminatory basis, all services and facilities required by law. Sponsor guarantees this obligation on the part of the managing agent until such time as the Sponsor surrenders control to the Board of Managers; however, it shall remain the obligation of the Board of Managers to insure that the same managing agent manages all units in the premises even after Sponsor surrenders control. (See section entitled OBLIGATION OF PURCHASERS OF OCCUPIED DWELLING UNITS). 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 materially interferes with any tenant in the use or occupancy of his dwelling or facilities related thereto. No tenant currently has access to, or an exclusive right to use, any portion of the common elements, such as garage spaces, roofs, and or gardens; there is therefore no

issue with regards to the protection of use of such areas under applicable law.

The Condominium By-Laws provide that non-purchasing tenants will be notified of changes in ownership of dwelling units which they occupy within 30 days of such change, by ordinary mail. Such service will be deemed complete three days after the mailing of such notice. In addition, the Board of Managers of the condominium will retain and make available such information.

On the 30th, 60th, 88th, and 90th days after the acceptance for filing of this plan by the Attorney General, and once every 30 days thereafter until this plan is declared effective, and on the tenth and second days prior to the expiration of any exclusive period, before noon on such day, the Sponsor shall post in a prominent place accessible to all tenants in the building a sworn written statement listing the percentage of dwelling units in the building subscribed for by bona fide tenants in occupancy or purchasers who represent that they or one or more members of their immediate family intend to occupy such dwelling. The percentage shall be computed in the same manner as the minimum percentage needed to declare the plan effective. The notice shall remain posted until the next required posting. The obligation to post this information shall cease upon the plan being declared effective.

In October, 2009, the New York State Court of Appeals ruled in the case, Roberts v. Tishman Speyer Properties, L.P., N.Y.3d 270,890 N.Y.S.2d 388(2009) ("Roberts"), that during any period a building is receiving J-51 real estate tax benefits, rent stabilized tenants, whether they were rent stabilized before the building's receipt of J-51 real estate tax 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 ("High Rent Deregulation Provisions").

The building has not previously received J-51 tax benefits. The Sponsor has not made an application for tax benefits under a New York State or City program, and no such tax benefits are currently anticipated. If in the future, however, the building receives such benefits, rent regulated non-purchasing tenants (as defined under General Business Law Section 352eeee) are entitled to protection from deregulation under the High Rent Deregulation Provisions of the rent laws while the building receives J-51 tax benefits. Prospective purchasers of occupied units and non-purchasing tenants should consult with their respective counsels 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 unit which may be affected by the Roberts decision.

Non-purchasing tenants are subject to rent increases as a result of capital improvements made by the Sponsor, the Board of Managers or the unit owners. No such capital improvements are currently anticipated. However, if they are made by the Sponsor, the nature and cost of such improvements, the amount by which the reserve fund will be reduced to pay for such improvements, the amount of the prospective rent pass-along to each non-purchasing tenant, and the procedure which must be followed for each tenant before such rent increase may be collected, will be disclosed in an amendment. Please see the RESERVE FUND section at Pages 85-86 for additional information.

Any tenant, or their representatives, or the representatives of any tenant association, shall have the right to inspect the building at their own cost and expense. If required by the Department of Law, the results of such inspection may be disclosed in a subsequent amendment to the Offering Plan.

**OBLIGATIONS OF OWNERS OF DWELLING UNITS OCCUPIED
BY NON-PURCHASING TENANTS**

The Purchaser of an apartment occupied by another will purchase same and receive a deed therefore subject to the rights of the existing tenant, as those as described in the section of the Plan entitled RIGHTS OF EXISTING TENANTS. Such a purchaser is advised to examine the lease of said apartment if any and to consult his own attorney concerning the effects of any rent regulatory laws on such apartment. Twenty-nine (29) units are unregulated; fifty-five (55) units are subject to rent stabilization; the remaining four (4) units are rent controlled. The purchaser of an occupied apartment has the obligation to pay the amount due as common charges thereon, special assessments, and real estate taxes even if the amount due is more than the rent received from the non-purchasing tenant. This obligation continues even if the non-purchasing tenant ceases to meet their obligations under their lease. In the event the owner of an occupied apartment fails to pay common charges as due, the Board of Managers shall have all the rights set forth in New York Real Property Law Section 339kk, which is set forth in Part II of this Plan.

The Condominium By-Laws provide, and purchase agreements for dwelling units occupied by non purchasing tenants shall include, an agreement by the purchaser to appoint irrevocably the Condominium's managing agent (or the Board of Managers if there is no managing agent) as agent to provide the non purchasing tenant all services and facilities required by law. The purchasers of occupied apartments shall deposit with the managing agent or Board of Managers at the closing an amount not less than the greater of two months rent, to be used as working capital to furnish services required under the existing lease and applicable laws and regulations. Upon notice by the managing agent or Board of Managers that the deposit has been diminished, the funds shall be replenished by the unit owner within a specified period of time. The Declaration and By-Laws shall provide that the failure of the unit owner to replenish the funds in a timely manner shall result in the Board of Managers, on behalf of the unit owners, having a lien against the dwelling unit. Interest, if any earned on the fund shall be the property of the unit owner. Purchasers of occupied units shall be required to keep security deposits in a special segregated escrow account and pay interest on them as required by GBL Section 7-103.

The purchaser of a unit occupied by non-purchasing tenants has the obligation to comply with the specific laws and rent regulations that will apply to the tenancy of a dwelling unit, such as the New York City Rent Stabilization Law and Code, New York City and State

Rent Control Law, the Emergency Tenant Protection Act, the Multiple Dwelling Law, and the Multiple Residence Law. The purchaser of a unit occupied by non-purchasing tenants also has the obligation to provide to the non-purchasing tenant all services required by law, including the obligation to make all repairs to the unit which are not the responsibility of the Board of Managers of the condominium. These services may include but are not limited to painting, repairs to interior plumbing and wiring, and replacement of fixtures and appliances, doors, hardware, and windows. While Sponsor is in control of the Board of Managers the Sponsor guarantees that these services will be provided if required by applicable law. All litigation costs, fees, and any dues related to the tenancy are the sole responsibility of the purchaser.

PROCEDURE TO PURCHASE

Persons desiring to purchase condominium units will be required to execute a Purchase Agreement in the form contained in Part II of this Plan and return it to the selling agent, together with a check in the amount of 10% of the purchase price, as a down-payment, drawn to the order of MORRIS E. BARENBAUM, ESQ., AS ATTORNEY. Sponsor reserves the right to accept a lesser downpayment to accommodate Purchasers, but in no case will downpayment be less than \$1,000.00.

The prospective purchaser must have the Offering Plan and all filed amendments in his possession at least three (3) business days prior to executing the Purchase Agreement. In the event Purchaser has not had said Offering Plan in his possession for at least three (3) business days prior to execution, Purchaser may rescind the Purchase Agreement by mailing Notice of Rescission to Sponsor or selling agent, or by hand delivering notice, within seven (7) days after executing same. Notice by mail will be effective if it postmarked within seven (7) days of executing Purchase Agreement. Purchase Agreement shall not be binding on any party until accepted by the Sponsor. Within fifteen (15) days after the prospective purchaser has delivered to the selling agent a signed Purchase Agreement, together with the required downpayment, the Sponsor must either accept the Purchase Agreement and return a fully executed counterpart, or reject the Purchase Agreement and refund in full any downpayment taken, and the unexpended portion of any sums paid for special orders. The Plan will expire twelve (12) months from the date on which it is accepted by the New York State Department of Law, unless extended by a duly filed amendment.

All downpayments will be placed in an account in conformity with the disclosure contained in this Plan.

The Sponsor will comply with the escrow and trust fund requirements of General Business Law Sections 352-3(2-b) and 352-h, and the Attorney General's regulations promulgated pursuant thereto.

Any provision of any contract or agreement, whether oral or in writing, by which a purchaser purports to waive or indemnify any obligation of the escrow agent holding trust funds is absolutely void. The provisions of the Attorney General's regulations concerning escrow/trust funds shall prevail over any purchase. Purchasers shall not be obligated to pay any legal or other expense of the Sponsor in connection with the establishment, maintenance, or defense of obligations arising from the handling or disposition of trust funds. Any conflict between the Offering Plan and the Purchase Agreement will be resolved according to the terms of the Offering Plan.

All deposits, downpayments, or advances, made by purchasers prior to closing of each individual transaction, whether received before or after the date of consummation of the Plan, will be placed, within five (5) business days after the agreement is signed by all necessary parties, in a segregated special escrow account of Morris E. Barenbaum, Esq. whose address is 1205 47th Street, Brooklyn, New York 11219, and whose telephone number is (718) 871-8700. The signatory on this account authorized to withdraw funds is: Morris E. Barenbaum, Esq., 1205 47th Street, Brooklyn, New York 11219. The name of the account is Morris E. Barenbaum, Esq. IOLA Account, located at Capital One Bank, 4612 13th Avenue, Brooklyn, New York 11219. Deposits will be insured by the Federal Deposit Insurance Corporation to a maximum of \$250,000.00 per deposit. All funds maintained by a depositor at an institution will be aggregated for purposes of the \$250,000.00 threshold. If the escrow agents are replaced or funds are transferred to a new escrow account, the Plan will be amended to provide the same full disclosure with respect to the new account, escrow agent and escrow agreement as was originally provided. No transfer of funds or change of escrow agent will be made until such amendment is accepted for filing by the Department of Law.

This account will be an IOLA account with no interest accrued to the benefit of either the purchaser or the Sponsor. An IOLA is a special segregated escrow account maintained by an attorney. Interest on an IOLA account is paid to the State of New York.

All instruments shall be made payable to or endorsed to the order of MORRIS E. BARENBAUM, ESQ., As Attorney, as escrow agent.

Within ten (10) business days after tender of the deposit submitted with the Purchase Agreement, the escrow agent will notify the purchaser that such funds have been deposited into the escrow account and will provide the account number and the initial interest rate, if applicable. If the purchaser does not receive notice of such deposit within fifteen (15) business days after tender of the deposit, the purchaser may cancel the purchase and rescind so long as the right to rescind is exercised within ninety (90) days after tender of the deposit. Such purchaser may also apply to the Attorney General for relief. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the escrowed funds were timely deposited and requisite notice was timely mailed to the purchaser in conformity with the Attorney General's regulations.

Since all contracts are contingent upon the Plan becoming effective, under no circumstances shall Sponsor apply for release of the escrowed funds of a defaulting purchaser until after consummation of the Plan.

The escrow agent will hold funds in escrow until otherwise directed in:

- (i) a writing signed by both Sponsor and Purchaser; or,
- (ii) a determination of the Attorney General pursuant to the dispute resolution procedures contained in the Attorney General's regulations; or,
- (iii) a judgment or order of a court of competent jurisdiction.

If there is no written agreement between the parties to release the escrowed funds, the escrow agent will not pay the funds to the Sponsor until the escrow agent has given the purchaser written notice of not fewer than ten (10) business days. Thereafter, the funds may be paid to the Sponsor unless the purchaser has already made application to the Department of Law pursuant to the dispute resolution provisions of the Attorney General regulations and has so notified the escrow agent in accordance with such provisions; or has notified the Sponsor of its objection to the Sponsor's retention of the down payment.

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

- (i) a purchaser who timely rescinds in accordance with an offer of rescission contained in the Plan, or an amendment to the Plan;
- (ii) all purchasers after an amendment abandoning the plan is accepted for filing by the Department of Law.

Any notice required to be given hereunder may be given to the Attorney for the respective parties if an attorney is designated in the contract of sale. A notice may also be given by fax and regular mail, or by overnight delivery service, and will be deemed given when actually received or when delivery is attempted. Contracts may not be assigned or recorded. Any attempt to assign or record a contract will be a breach thereunder, entitling the Seller to cancel the contract and retain the downpayment deposited pursuant thereto.

Purchasers and escrow agent may apply to the Attorney General in the event of a dispute for a determination on the disposition of the downpayment and any interest thereon. The Sponsor must avail itself of this procedure if there is a dispute which needs to be resolved. A form for this purpose is included in Part II of this

Offering Plan, and is also available at the New York State Department of Law, 120 Broadway, New York, NY. A party applying to the Department of Law for determination on the disposition of a downpayment must also contemporaneously send a copy of the application to all other parties.

Pending the determination of the Attorney General to grant or deny the application, the Sponsor, the purchaser, and the escrow agent shall abide by any interim directive issued by the Attorney General. If the application permitting release of funds is granted, the deposit and interest earned thereon shall be disposed of in accordance with the determination of the Attorney General, subject to any court action from which preliminary relief is granted. The Attorney General shall act on the application within 30 days after its submission to the Department of Law by either making a determination or notifying the parties that an extension of time in which to do so is necessary for stated reasons. If the application seeking release of funds is denied the escrow agent shall continue to hold the deposit and any interest earned thereon until: i) both the Sponsor and Purchaser direct payment to a specified party in accordance with the written direction signed by both Sponsor and Purchaser; or ii) judgment or order of a court of competent jurisdiction is served on the escrow agent; or iii) escrow agent deposits the disputed amount with the court.

In no event shall the escrow agent release funds in dispute, other than a payment of such funds with the court, until such dispute is finally resolved either by determination of the Attorney General, or by order of a court of competent jurisdiction, or by written agreement with the Sponsor and Purchaser.

Set forth in Part II of this Offering Plan is a copy of the escrow agreement between the Sponsor and the Escrowee which incorporates the terms of the Attorney General's regulations.

The escrow agent will maintain all records concerning the escrow account for seven years after the release of funds. The Department of Law may perform random reviews and audits of all such records involving escrow accounts to determine compliance with the statute and regulations.

The Sponsor may apply to the Attorney General to use security in the form of surety bonds or a letter of credit, in accordance with the regulations of New York State Department of Law, in lieu of escrow of such funds. In the event the Sponsor elects to use such alternative security, an amendment to that effect will be filed in the Offering Plan fully complying with all provisions of the Department of Law for proof of satisfactory insurance of said funds.

Risk of loss from fire or other casualty remains with the Sponsor until title has passed unless and until the purchaser is given the right of possession of that unit pursuant to a written agreement with the Sponsor. Upon Purchaser acquiring right of possession of the unit, all risk of loss, to the extent not covered by building insurance, passes to Purchaser, and Sponsor shall not thereafter be responsible to repair any damage which occurs after possession but before closing. Purchasers are strongly advised to obtain their own contents, fixtures, and equipment insurance prior to obtaining possession or closing on a Unit. However, the foregoing shall not apply to a tenant in occupancy; risk of loss does not pass to a tenant in occupancy under any circumstances until closing.

Purchase Agreements will be contingent on Purchaser obtaining a firm written commitment for financing, , provided that Purchaser applies for mortgage financing within five (5) days after receipt of a fully executed copy of the contract of sale. Purchaser shall have 40 days from the date on which a signed and executed Purchase Agreement is delivered to such Purchaser within which to obtain such financing. If a Purchaser fails to obtain a firm written commitment for financing within such 40 day period, and fails to notify Sponsor's attorney within 5 business days thereafter, time being of the essence thereto, Purchaser shall conclusively be deemed to have waived the financing contingency and will be required to proceed to closing, or forfeit his downpayment, whether or not a mortgage commitment is obtained. If Purchaser, after a good faith attempt to do so, fails to obtain a firm written commitment for financing, and notifies Sponsor within the prescribed time period, then Sponsor will return the downpayment or deposit within 10 days after receipt of such notice. In the event Purchaser obtains a firm written commitment for financing, and the terms of such commitment are changed prior to closing, such change in terms shall not be an allowable reason for Purchaser to cancel the contract. Similarly, if the commitment expires prior to closing, Purchaser shall be under a good faith duty to take all required actions necessary to extend such commitment, including the payment of any extension fee required by the lending institution; however, in the event Purchaser has made such good faith effort to extend the commitment, and is unable to do so, then, provided that Purchaser notifies Sponsor within 5 days after receipt of a notice from a lending institution that it will not under any circumstances extend the commitment, that Purchaser is exercising his right to rescind the contract, Sponsor will return the downpayment.

Similarly, if the commitment expires prior to closing, Purchaser shall be under a good faith duty to take all required actions necessary to extend such commitment, including the payment of any extension fee required by the lending institution; however in the event Purchaser has made such good faith effort to extend the commitment, and is unable to do so, then, provided that Purchaser

notifies Sponsor within 10 days after receipt of a notice from a lending institution that it will not under any circumstances extend the commitment, that Purchaser is exercising his right to rescind the contract, Sponsor will return the downpayment.

Sponsor will notify purchaser within ten (10) days after receipt of notice of casualty damage to a unit prior to closing whether or not Sponsor will repair such damage. If Sponsor does not repair such damage, purchaser will be offered a right of rescission. If the Sponsor elects to repair the damage, it will do so as promptly as possible and restore the unit/common elements to substantially the same condition immediately prior to the casualty and its essential services (such as utilities and heat) and a reasonable means of ingress and egress to the street have been restored. Additionally, a Purchaser will be required to make a good faith effort to extend the term of the commitment to enable the Sponsor to repair the damage but in the event that an extension is not obtained, the purchaser will be offered a right of rescission, the downpayment will be returned to purchaser within ten (10) days after Purchaser notifies Sponsor that it is validly terminating the contract pursuant to the foregoing representation.

Certain provisions of the Purchase Agreement are "time of the essence". This means that failure to strictly comply with the time requirements of said provisions may result in the Purchaser losing his right to complete the purchase, and forfeiting his downpayment hereunder. Thus, a Purchaser who fails to cure a default within thirty (30) days after receipt of written notice of said default, will both have the Contract canceled, and lose his downpayment; however, Sponsor must make written demand for payment after default at least 30 days before forfeiture the deposit may be declared. Similarly, a Purchaser who fails to notify the Sponsor in the event he has failed to obtain mortgage financing within forty (40) days after Purchaser receives a fully executed Purchase Agreement, will be required to proceed to closing, notwithstanding the fact that purchaser has failed to obtain mortgage financing; and, if such purchaser fails to proceed to closing, the down payment may be retained by the Sponsor.

After the Plan has been declared effective, the Sponsor will fix dates for closing title to all units for which Purchase Agreements have been executed by serving notice on each Purchaser stating the date of the first closing and setting such purchaser's closing date. Such notice will be served in compliance with the Attorney General's rules no less than 30 days prior to the closing date set therein. Sponsor will permit Purchasers to waive this 30 day provision by delivering to Sponsor's attorney written notice that Purchaser wishes to close prior to the expiration of the 30 day notice period.

The first closing of a Unit is expected to occur on or about January 1, 2013. If such closing is delayed more than twelve (12) months beyond the originally scheduled date, purchaser will be offered the right to rescind this contract. On closing, purchaser will be required to sign a Power of Attorney in favor of the Board of Managers as otherwise set forth in this Offering Plan.

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

ASSIGNMENT OF PURCHASE AGREEMENTS

Sponsor will permit the assignment or transfer of purchase agreements by tenants, subject to Sponsor's review and approval of the prospective assignee, and with payment of the assignment fee as set forth in the Purchase Agreement.

INTERIM LEASES

The Sponsor may, at Sponsor's option extend an interim lease to any Purchaser who has executed a contract of sale for a unit in the subject premises and is not in default thereon. It shall be in the Sponsor's sole and exclusive discretion as to whether or not to offer an interim lease. The Sponsor may for any reason, or for no reason, refuse to offer an interim lease to any Purchaser. Interim leases or short term leases shall not be offered to any party who has not executed a Purchase Agreement for a unit. The interim lease shall not create a landlord-tenant relationship but shall be deemed the use and occupancy agreement and part of the contract. No rental protection laws are applicable to the interim leases. The interim lease will provide that in the event the contract is cancelled, or the Plan is abandoned Interim Lessee will move out on 30 days written notice. Interim lease will further provide that an uncured default under the Purchase Agreement is a default under the interim lease, and that an uncured default under the interim lease is a default under the Purchase Agreement. Notwithstanding the foregoing, before the Sponsor can utilize a default under the interim lease to declare a default under the Purchase Agreement, the Sponsor must either obtain an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the interim lessee; unless the interim lessee has vacated the unit. Interim lessee has 30 days to vacate the unit after receipt of written notice of a default; after delivery to the Sponsor of written notice of exercise of right of rescission; or after delivery to the purchaser of written notice that the Plan has been abandoned.

EFFECTIVE DATE

The offer to sell embodied in this Offering Plan is contingent upon the Plan being declared effective in accord with its terms and conditions, and the terms and conditions imposed by law.

The Plan will only be declared effective by a duly filed amendment, or by personal service of notice to all Purchasers. If declared effective by notice, an amendment to that effect, specifying the date on which the plan was declared effective, shall be filed within five (5) days thereafter with the New York State Department of Law. No closing on any individual unit will be held prior to the acceptance for filing of such amendment by the New York State Department of Law.

The Plan may be declared effective upon the execution and delivery of written Purchase Agreements for 15% (in number, not common interest) of the units in the building to bona fide Purchasers who represent that they intend that they, or a specified member of their immediate family, intend to occupy the unit when it becomes vacant; or to bona fide tenants in occupancy. A minimum of fourteen (14) residential units must be sold to declare the Plan effective. The count of Purchase Agreements towards the minimum number for effectiveness shall not include those: signed by Purchasers granted a right of rescission which has neither expired nor been waived; a Purchaser who has not been afforded the protections required by 13NYCRR20.3(o)(15), to wit, the Purchaser must either have three (3) business days to review the Offering Plan and all the filed amendments prior to executing a Purchase Agreement, or seven (7) days after delivering an executed Purchase Agreement, together with the required deposit, to rescind the Purchase Agreement and have the full deposit refunded promptly; with any Purchaser who is the Sponsor, the selling agent, or the managing agent, or is a principal for the Sponsor, the selling agent, or the managing agent, or is related to the Sponsor, the selling agent, or the managing agent, or to any principal of the Sponsor, or the selling agent, or the managing agent by blood, marriage, or adoption, or as a business associate, employee, shareholder, or a limited partner; except that such a Purchaser, other than the Sponsor or a principal of the Sponsor, may be included if the Sponsor has submitted proof satisfactory to the Department of Law establishing that the Purchaser is bona fide. When calculating the percentage of sales to tenants or other purchasers needed to declare the plan effective, no more than one (1) purchase agreement by an outside Purchaser or by the tenant or tenants of a particular unit shall be counted. Only one (1) purchase agreement from a tenant who leases or occupies more than one (1) unit in the building shall be counted towards effectiveness. As to tenants who are in occupancy on the date the plan was accepted for filing, the purchase agreement shall

plan was accepted for filing, the purchase agreement shall be executed and delivered pursuant to an offering made without fraud and discriminatory re-purchase agreements, or other discriminatory inducements.

The Plan must be declared effective upon the execution of Purchase Agreements for 80% (in number, not common interest) of the units, which, in the case of this Plan means seventy-one (71) units. Prior to the sale of 80% of such Units, or prior to being declared effective, the Plan may be abandoned by the Sponsor at his option. In such case, the Sponsor will return all monies paid by Purchasers, together with interest earned, if any, within ten business days. The Sponsor will also file with the New York State Department of Law an amendment abandoning the Plan and form RS-3, detailing why the Plan was abandoned, and explaining all disbursements of funds. If payments under Purchase Agreements have been received, the amount of such funds and the manner and time when these funds will be returned to purchasers must be disclosed. The funds must be returned within five (5) days after the amendment abandoning the plan has been accepted for filing.

The Sponsor may not abandon the Plan after it has been declared effective for any reason other than: a defect in title which cannot be cured without litigation, or expenditure of an amount in excess of one-half ($1/2$) of one percent (1%) of the total offering price, or substantial damage or destruction of the building by fire or other casualty, which cannot be cured for less than one-half ($1/2$) of one percent (1%) of the total offering price, or the taking of any material portion of the property by condemnation or eminent domain; however, any stated dollar amount relied upon as a basis for abandonment after effectiveness must exclude any attorney's fees. Such title defects, violations, or substantial damage or destruction of the building by fire or other casualty, or determinations of any authority or regulatory association, which exist on the date of the presentation of the plan, and are either known to the Sponsor or are a matter of public record, shall be excluded from calculations under this section. Additionally, any dollar amount relied on as a basis for abandonment after effectiveness must exclude any attorney's fees. The Sponsor may also not abandon the plan on account of any judgments or liens against the property resulting from the acts of the Sponsor or any of its Principals, or which are known to the Sponsor or any of its Principals on the date of the Plan.

The plan will be deemed abandoned, void, and have no effect if it does not become effective within fifteen (15) months from the date of issuance of a letter by the Department of Law indicating that the plan has been accepted for filing; and in the event of such abandonment, no new plan for conversion of the building shall be submitted to the Department of Law for at least twelve (12) months

after such abandonment. Such fifteen (15) month limit shall not be extended even if the plan is amended from an eviction to a non-eviction plan. This plan may not be amended from a non-eviction to an eviction plan.

TERMS OF SALE

On closing, Sponsor will deliver to Purchaser a Bargain and Sale Deed with Covenants Against Grantor's Acts in the proper form for recording as set forth in Part II of this Offering Plan. Title, together with the appurtenant interest in the Common Elements will be conveyed at closing, free and clear of all liens, encumbrances, and title exceptions other than the Condominium Declaration, and any state of facts an accurate survey may show, provided same does not render title unmarketable. Except as set forth above, a Purchaser will not be obligated to close Title to his/her unit. The Title Company will affirmatively assure that no easements, covenants, or agreements affecting Title to the unit would prevent the use of the premises as a condominium.

Risk of loss from fire or other casualty remains with the Sponsor until title has passed, unless and until the Purchaser is given the right of possession of that unit pursuant to a written agreement with the Sponsor. Sponsor will notify Purchaser within ten (10) days after occurrence of any casualty damage to the Unit whether or not Sponsor will repair such damage. If the Sponsor elects to repair such damage, it will do so as promptly as possible and restore the Unit and common elements to substantially the same condition as prior to the casualty. While Purchaser will be under a duty to make a good faith effort to extend the term of any financing commitment during the period of Sponsor repair, if Purchaser is unable to extend the existing commitment on the existing terms, or if the Purchaser's lender will not close on this damaged unit, the Purchaser will be offered a right of rescission. If the Sponsor decides not to restore the Unit, the Purchaser in such case will have the right to rescind.

Upon Purchaser acquiring right of possession of the unit as an interim lessee, all risk of loss, to the extent not covered by building insurance, passes to Purchaser, and Sponsor shall not thereafter be responsible to repair any such damage which occurs after possession but before closing. The insurance set forth in SCHEDULE B and the FOOTNOTES thereto covers damage to the Unit, but does not cover damage to the contents of the Unit. Purchasers are strongly advised to obtain their own insurance for their contents, fixtures, and equipment prior to obtaining possession or closing on a Unit.

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, which property is owned by the Sponsor or the Owner of the property, is included in the conveyance unless specifically excepted elsewhere in this Offering Plan.

Portions of the roof, exterior walls and basement of the subject premises are currently leased, respectively, to Nextel Communications and Metro PCS New York for the purpose of maintaining equipment for the provision of communication services. The communications equipment, which includes cell phone transmitting towers, does not exclusively serve the condominium. Each lease is for an initial five-year term; and may be extended for three additional five-year terms (Nextel) or four additional five-year terms (Metro PCS). The Sponsor will provide the Condominium Board of Managers with a copy of these leases, and with copies of any subsequent amendments to the leases. The Condominium Declaration shall include an easement to the Sponsor for use of the area currently occupied by the lessees named in said leases, together with the right to modify, sell, transfer or assign the lease, or re-lease said area to the current lessee or any other party.

Until the Units are separately assessed for real estate tax purposes, the Sponsor will place in escrow, in the name of the Board of Managers, an amount equal to the unpaid real estate taxes (or estimates thereof based on current assessments) due for the next ensuing six months, or until the Units are separately assessed, whichever is shorter. However, as closings occur, the pro-rata amount of such funds held in escrow allocable to the Unit being sold shall be adjusted between the Sponsor and the Unit Owner at the time of closing; and interest accrued on such escrow, if any, shall inure to the benefit of, and belong to, the Sponsor. The amount of the escrow that the Sponsor deposits with the Board of Managers for unsold units will be disclosed in the initial post-closing amendment to the Offering Plan.

The Declaration, By-Laws, and Floor Plans for the Condominium, and such other documents as are required by law, will be recorded with the New York City Register for the County of New York in accordance with the New York Condominium Act prior to the first conveyance of title to a unit.

With regard to the mortgages encumbering the property, each mortgagee will, at the time of the conveyance of the first unit, release each unit, together with that unit's common interest from the lien of said mortgages, at the time of each closing.

CLOSING COSTS AND ADJUSTMENTS

As set forth in the Purchase Agreement, the Purchaser will pay the following estimated closing costs at the time of Closing of Title for the Purchaser's Unit. These estimates are based on current costs and charges, which are subject to change:

(a) If a Purchaser elects to obtain fee title insurance, the Purchaser will pay the premium thereof which will vary depending upon the Purchase Price of the Unit. Rates set by the New York Board of Title Underwriters of are currently \$723.00 on a Purchase Price up to \$200,001.00 and approximately \$2.60 for each additional thousand dollars or fraction thereof. Mortgage title insurance is currently \$137.00 on a mortgage of \$100,001.00 and \$0.77 for each additional thousand dollars or fraction thereof; however, where mortgage and fee title are obtained simultaneously the charge for mortgage insurance is reduced to 30% of the usual applicable rate, up to the amount of the fee insurance.

(b) Fees for recording the Deed and Power of Attorney are \$42.00 for the first two pages, plus \$5.00 per page for every page thereafter, and a \$50.00 service charge per instrument. Additionally, there is a \$25.00 charge for recording the Real Property Transfer Tax Return along with the deed.

(c) If the Purchaser obtains a mortgage loan, the Purchaser will pay a mortgage tax of 2.05% of the principal amount of the mortgage if the mortgage is under \$500,000.00; and 2.175% if the mortgage is over \$500,000.00. If the mortgage is from an institutional lender, the lender will be required to pay a portion of that mortgage tax equal to 0.25%, thus reducing the effective mortgage tax to 1.80% on a mortgage of \$500,000.00 or under; and 1.925% on a mortgage which is over \$500,000.00. If a mortgage tax credit is or becomes available pursuant to Section 339-ee(2) of the Condominium Act, such credit will inure to the benefit of the Sponsor. Accordingly, at closing, the Purchaser will reimburse the Sponsor for any mortgage tax credit allowed; and will pay the balance of the mortgage recording tax as provided by law.

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

(e) New York City Real Property Transfer taxes, currently one (1%) percent of the Purchase Price of a unit up to \$499,999.00, and 1.425% for those priced \$500,000.00 or above, will be the sole responsibility of the Purchaser. Payment of the New York

City Real Property transfer tax by the Purchaser is deemed an additional consideration to the Seller, and so is in and of itself taxable, which will result in a "tax on a tax" effect.

(f) New York State Documentary Stamp taxes, presently \$4.00 per \$1,000.00 of the Purchase Price of a Unit less existing and continuing mortgage, will be the sole responsibility of the Purchaser. Payment of the New York State Documentary tax stamps by the Purchaser is deemed an additional consideration to the Seller, and so is in and of itself taxable, which will result in a "tax on a tax" effect.

(g) Each Purchaser will be required to make a contribution to the Working Capital Fund in an amount equal to one month's Common Charges for his unit; and a contribution to the Capital Reserve Fund in an amount equal to two month's common charges.

(h) All costs with regard to any mortgage that the Purchaser will place on his/her Unit (i.e., loan origination fees, commitment fees, application fees, appraisal fees, credit reports, survey fees, bank attorney fees, tax service fees, bank document preparation fees, etc.) will be his own and sole responsibility.

(i) All Purchasers will be required to make a \$2,500.00 payment to the Sponsor at closing as partial reimbursement for costs which Sponsor has incurred in preparing and submitting the Offering Plan, including preparation fees filing fees, registration fees, recording fees, etc.

(j) All closings will occur at the office of the Sponsor's Attorney. Under no circumstances will Sponsor be required to close at any place other than the offices of Sponsor's Attorney. In the event that Sponsor consents to a closing outside of the office of Sponsor's Attorney, there will be an attendance fee of \$500.00 for closings in Kings or New York counties; \$850.00 for closings in any other location.

ALL COSTS FOR RECORDING CHARGES, MORTGAGE, TRANSFER, AND OTHER TAXES, ARE SUBJECT TO CHANGE. THESE CHARGES ARE NOT SET BY THE SPONSOR, AND SPONSOR SHALL NOT BE LIABLE ON ACCOUNT OF ANY INCREASE IN SUCH CHARGES.

Purchasers shall pay to the Sponsor's Attorney at closing a fee of \$1,100.00 for the preparation of closing documents. If a Purchaser, through no fault of the Sponsor or the Sponsor's attorney, fails to close on the date set for first closing, or adjourns a scheduled closing date on less than three (3) days notice, there shall be a late closing adjournment fee of \$150.00 added to the above. There will be a title clearance fee of \$350.00. In the event Purchaser

fails to fulfill their terms of the Purchase Agreement and Sponsor's Attorney mails a Notice of Default, there will be a \$100.00 charge for such notice. Purchaser will also pay to the Sponsor \$2,500.00 as partial reimbursement for the cost of preparing the Offering Plan. The above closing fees are cumulative to the extent applicable to an individual closing.

If the Units have not been separately assessed for real estate tax purposes prior to the Closing of Title to the first Unit, the Sponsor will place in escrow, in the name of the Board of Managers, an amount equal to the unpaid real estate taxes (or estimates thereof based on current assessments) due for the next ensuing six months (or until the Units are separately assessed, whichever is shorter), provided, however, that as closings occur, the portion of such funds held in escrow which represent the portion allocable to the Unit being sold shall be released; and interest accrued on such escrow, if any, shall inure to the benefit of, and belong to, the Sponsor. Purchasers should also be aware that if the Units have not been separately assessed for real estate tax purposes prior to the Closing of Title to the first Unit, the Unit Owner's lender may also require an escrow for taxes. The Board of Managers will pay the real estate taxes from the escrow account when taxes are due and payable; the Sponsor shall be entitled to reimbursement from unit owners for any taxes paid on their behalf. The amount of the escrow that the Sponsor deposits with the Board of Managers for unsold units will be disclosed in the initial post-closing amendment to the Offering Plan. Under such circumstances, the unit owner's lender may also require an escrow for taxes.

Except as specifically set forth herein, the Sponsor will pay all costs and expenses incurred in connections with this Plan, the creation of the Condominium and the initial sale of units.

A numerical example of closing costs allocable to a typical Unit is set forth below.

SAMPLE CLOSING COSTS

Unit 2E

\$250,000.00 Purchase Price
\$200,000.00 Mortgage

A. Mortgage and Fee Title Insurance	\$ 1,067.00
B. Deed and Power of Attorney Recording	\$ 223.00
C. Mortgage Recording Tax	\$ 3,600.00
D. New York City Transfer Tax	\$ 3,562.50
E. New York State Documentary Stamp Tax	\$ 1,000.00
F. Working Capital Fund Contribution	\$ 329.51
G. Reserve Fund Contribution	\$ 659.02
H. Document Preparation Fee	\$ 1,100.00

I. Reimbursement Fee	\$ 2,500.00
J. Title Clearance Fee	\$ 350.00
Total	\$14,391.03

In addition to the foregoing, the Purchaser will, of course, be responsible for any fees charged by his own bank; his own Attorney; and additional fees incurred because of Default or failure to close at the scheduled time or place. Purchaser will also be responsible for the mortgage recording charge which is calculated on the basis of \$42.00 for the first two pages, plus \$5.00 per page for every page thereafter, and a \$50.00 service charge.

RIGHTS AND OBLIGATIONS OF THE SPONSOR

Sponsor will continue to maintain and operate the buildings in their present condition as described herein until closing of units hereunder. All housing, building, or fire department violations, if any, will be cured prior to closing, to the extent access is given by the occupant of a unit. The Sponsor may make changes in design, layout, and arrangement of apartments, and substitute equipment and materials, except that the Sponsor may not (i) substitute materials or equipment of lesser quality or design, or (ii) change the size, location, or value of any units, or of other improvements or public areas, if such changes adversely affect the public areas, or adversely affect the value, or allocation of common interest, of any unit for which title has been closed, or for which a Purchase Agreement has been fully executed and is in effect, unless all affected purchasers consent in writing to such change, and all affected contract vendees are given the opportunity to rescind their contracts and receive a refund of the deposit or downpayment given to the Sponsor. All representations under the Offering Plan, and all obligations pursuant to the GBL, and any additional obligations under the Offering Plan which are to be performed subsequent to the closing date, will survive delivery of the Deed.

These are existing buildings that were constructed prior to the enforcement of Certificate of Occupancy requirements. The building currently contains eighty-nine (89) units. No change in that use is anticipated; and no new Certificate of Occupancy will be obtained.

The Sponsor gives no warranty as to materials or workmanship that shall survive sale of a unit. Sponsor will have no liability of any kind for any visible damage to a unit which might be readily ascertained by a visual inspection of the property, and which is not reported prior to closing. A purchaser is under the obligation to inspect the unit prior to closing. Each prospective purchaser may have the building and apartments therein inspected by an architect or engineer of their own choosing, and at their own expense, to determine the quality of materials and workmanship. Notwithstanding anything stated previously, Sponsor has an absolute duty to rehabilitate the premises in accordance with all applicable codes and filed plans and specifications.

All mechanics liens that are lodged against the property by virtue of work done by the Sponsor, or in the Sponsor's behalf, will be promptly discharged or appropriately bonded. Sponsor guarantees payment of all common charges and assessments with respect to unsold units. Such guarantees will remain in effect until all units are sold, and will apply both to the Sponsors and any subsequent Sponsor. Sponsor warrants and represents that he has

subsequent Sponsor. Sponsor warrants and represents that he has adequate financial resources to meet its obligations with respect to any unsold unit.

The Sponsor agrees to pay all common charges, special assessments, and real estate taxes with regards to unsold units, and has financial resources to meet its obligations with respect to such unsold units, which source of funding includes both proceeds of the sale of units and existing financial resources of the Sponsor. No bond or other security has been furnished to secure Sponsor's obligations. In the event of dissolution or liquidation of the Sponsor, or transfer of 20% or more of the total number of residential units in the condominium the principals of the Sponsor will provide financially responsible entities or individuals who will assume the status and all of the obligations of the Sponsor for those units under the Offering Plan, applicable laws, or regulations; and in the event of dissolution or liquidation of the Sponsor or any substitute Sponsor, the principals of the Sponsor shall guaranty all such obligations.

Any suits or proceedings instituted against the Sponsor, which may result in a lien against the property and any suits or proceedings against the condominium arising from the Sponsor's acts or omissions, will be defended by the Sponsor, and the Sponsor does hereby indemnify the condominium therefore. Nothing contained herein shall limit the rights of the condominium which are granted pursuant to law and statute.

Sponsor will secure, and provide at closing, an agreed amount replacement value multi-peril hazard policy which will prevent the Condominium from being a co-insurer. The cost of such policy will be paid by the Condominium, and is provided for in SCHEDULE B. Sponsor also agrees to deliver a set of "as built" plans to the Board of Managers upon election of the first Board of Managers after closing of the first unit. Sponsor will assign any manufacturer's warranties with respective equipment and appliances installed in any individual unit to the unit owner; and with respect to equipment and appliances installed in the common elements, same will be assigned to the Board of Managers.

The property will be conveyed free and clear of all liens. The Sponsor will not dissolve or liquidate for a minimum of six (6) years. Copies of the plans, exhibits and documents referred to herein shall be kept on file at the office of the Attorney for the sponsor for a period of six years after filing of the Declaration of Condominium. No bond or other security has been furnished to secure Sponsor's obligations hereunder. The Sponsor will repair any damage from a casualty or other cause that occurs prior to the closing of any unit; and no Purchaser shall be required to accept a damaged unit.

Sponsor is retaining the unconditional right to rent rather than sell units. Thus, Sponsor may never sell more than the 15% of units required to declare the plan effective. As a result of this, the plan may not result in the creation of a condominium in which a majority of the units are owned by Owner-Occupants, or investors unrelated to the Sponsor. The condominium Board does not have the right to approve or disapprove Purchasers, so that there is no limit on the number of owners who may purchase for investment rather than personal occupancy. There may always be a substantial percentage of owners who are non-residents. Owner occupants and non-resident owners, including the Sponsor, may have inherent conflicts on how the Condominium should be managed because of their difficult reasons for purchasing (i.e., purchases a home as opposed to purchases as an investment). Sponsor will endeavor in good faith to sell rather than rent units, however Sponsor is retaining the unconditional right to rent rather than sell units.

CONTROL BY THE SPONSOR

The Sponsor's Control of the Board of Managers of the Condominium will be subject to the following:

The By-Laws are reproduced in Part II, beginning on page BL-1. A summary of certain pertinent provisions of these By-Laws is set forth below. The By-Laws limit the number of Board of Managers (hereinafter called "Managers") to not less than three (3). The first Board of Managers to be elected by the Unit Owners shall consist of three (3) members.

At the time of the First Closing, the first Board of Managers shall consist of Jason Behfarin and Louis Silverman, who are each principals of the Sponsor, and Steven Neuman who is a business associate of the principals of the Sponsor. However, these Managers will resign in favor of Managers who will be elected by the purchasers at a meeting to be convened within 60 days after First Closing. If the Sponsor still owns 50% or more of the units in the building at this time, a majority of the new Board of Managers may be Sponsor-appointees.

The By-Laws provide that at such time as the Unsold Units constitute less than Fifty (50%) percent of the Condominium, but in no event later than the fifth anniversary of the Closing Date, not less than a majority of Managers to be elected at all subsequent annual meetings of Unit Owners shall be elected by Unit Owners other than the Sponsor. Notwithstanding the foregoing the Sponsor may vote for the unit owner of his choice. A meeting to elect a new Board of Managers will be held within thirty (30) days of 50% of the units being sold, or within thirty (30) days of the fifth anniversary of the Closing Date, whichever is sooner.

So long as a majority of the Board of Managers consists of managers elected by the Sponsor or holders of unsold units, the Board:

1. Shall not eliminate or reduce the number of employees, insurance coverages or any service to a level less than that provided in Schedule B unless a majority of board members elected by bona fide unit purchasers vote in favor thereof.

2. Shall, to the extent of their authority as Board Members, use all reasonable efforts to cause the Building (including its equipment, services and installations) to be kept operational, clean, and, in a good state of repair and condition;

3. Shall not veto expenditures required to comply with applicable laws or regulations and/or expenses necessary to remedy notice of violations of law, or order of an insurance carrier.

4. Shall not veto any expenditure necessary for the preservation or the safety of the building, or the safety of its occupants.

Until such time as the Sponsor has sold more than 50% of the units in the subject premises, or five years subsequent to the first closing (whichever is earlier), Sponsor may control the Board of Managers. The Sponsor may exercise veto power, except as set forth in items #1-4 above, over other expenses for a period ending not more than five (5) years after the closing of the first unit, or whenever the unsold units constitute less than 25% of the common interest, whichever is sooner. Additionally, the By-Laws do not include 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 Principal after the end of the initial Sponsor control period.

Until the earlier of five years from the date of closing, or at the time at which the Sponsor or other Holder of Unsold Units owns units consisting of less than 25% of the common interest of the Condominium, Sponsor may exercise veto power over any expenses other than those described in Schedule B, or which are required to comply with applicable laws or regulations; remedy any notice of a violation; remedy any work order from an insurer; or for any repair or replacement necessary for the preservation or safety of the building, or for the safety of occupants of the building, or as required to avoid the suspension of any necessary service to the building. Additionally, so long as the Sponsor retains ownership of at least one unit in the building, the By-Laws, Declaration, and Rules and Regulations of the Condominium, may not be amended or modified in any way so as to adversely affect the Sponsor without written consent by the Sponsor.

All Board Members shall serve without compensation. Any member of the Board of Managers, who is a designee of the Sponsor, may contract or deal with Sponsor, or a partner, affiliate or entity controlled by the Sponsor; however, such Board members shall remain under a fiduciary duty to act in the best interest of the condominium. Additionally, such Board Members shall be required to disclose the nature of their relationship in dealing with the Sponsors to all unit owners. Sponsor designated Board members are also required to disclose to unit owners the terms of contracts and/or transactions/contracts entered into when dealing with Sponsor or Sponsor affiliate.

BOARD OF MANAGERS

The Condominium shall be governed according to the By-Laws in Part II, beginning on page BL-1.

The By-Laws limit the number of Managers to not less than three (3) members. The first Board of Managers shall consist of Jason Behfarin and Louis Silverman, who are each principals of the Sponsor, and Steven Neuman who is a business associate of the principals of the Sponsor. However, these Officers and Managers will resign in favor of Officers and Managers which will be elected by the Unit Owners at a meeting to be convened within 60 days after the First Closing; they may however, be re-elected at such time. The By-Laws do not include 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 Principal after the end of the initial Sponsor control period.

Managers shall be elected by a plurality of the votes at a meeting at which a quorum shall be present. When voting for Managers, each Unit Owner shall be entitled to cast one vote for each .01% of common interest in the condominium appurtenant to such Owner's Unit, which may be cast all for one nominated manager or divided among any number of candidates. At such time as the Unsold Units constitute less than fifty percent of the Condominium, but in no event later than the fifth anniversary of the Closing Date, not less than a majority of Managers shall be residents of the Building and unrelated to the Sponsor. Members of the Board of Managers shall serve without compensation, except for reimbursement for expenses actually incurred in the course of any furtherance of business for the Board of Managers.

The Board of Managers shall meet at least annually, and at such regularly scheduled times as shall be adopted by resolution by the Board. Special meetings may be called on five (5) days written notice by any two Managers.

The Board Managers will be responsible for the operations of the affairs of the Condominium including, but not limited to, the fiscal operation, repairs and maintenance of the common areas of the Property, replacement and capital improvements to the common areas of the Property; the hiring, supervision and discharging of employees and Managing Agent (if any), and the enforcement of the provisions of the By-Laws, and shall have the powers and duties necessary for the administration of such affairs. The Managers shall serve without compensation or remuneration.

Any Manager may be removed from office at any time with or without cause upon the affirmative vote of the Unit Owners whose aggregate

votes are at least 51% of the votes of the Condominium at a Unit Owner's meeting duly called for the purpose; provided, however, that the Manager(s) elected by the Holder(s) of Unsold Units can be removed only for cause by vote of a majority of the Unit Owners or without cause by the Holder(s) of the Unsold Units. In the case of a Sponsor-designated member of the Board of Managers, the Sponsor will only have the right to replace this member if the appointment takes place during the initial Sponsor control period.

The members of the Board of Managers shall not be liable to the Unit Owners for any mistake 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 against any liability or claims except those arising out of the bad faith or willful misconduct of a member of members of the Board of Managers. It is intended that the members of the Board of Managers shall have no personal liability with respect to any contract made by them on behalf of the Condominium. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Managers, or out of the aforesaid indemnity in favor of the members of the Board of Managers, shall be limited to such proportion of the total liability thereunder as his/her interest in the Common Elements of all Unit Owners.

The principal officers of the Condominium shall be the President, the Vice President, Secretary and Treasurer, all whom shall be elected by the Board of Managers. All officers shall serve without compensation or remuneration. The officers shall be elected annually by the Board of Managers; and, each officer shall hold office at the pleasure of the Board of Managers or until succession, resignation, or death. Upon the vote of a majority of the Board of Managers, any officer may be removed, with or without cause.

The President shall be the chief executive officer of the Condominium, and shall have all of the general powers and duties which are incident to the office of a president pursuant to Section 9B of the Real Property Law of the state of New York (New York's Condominium Act).

The Vice-President shall take the place of the President and perform his/her duties whenever the President shall be absent or unable to act. The Vice President shall also perform such other duties as shall from time to time be imposed upon his/her by the Board of Managers or by the President.

The Secretary shall keep the minutes of all meetings of the Unit Owners and of the Board of Managers, and shall have charge of such books and papers as the Board of Managers may direct; and shall, in general, perform all the duties incident to the office of a

secretary pursuant to Section 9B of the Real Property Law of the state of New York (New York's Condominium Act).

The Treasurer shall have the responsibility for Condominium funds and securities and shall be responsible for: keeping full and accurate financial records and books of account; and, deposit of all moneys and other valuable effects in the name of the Board of Managers, or the Managing Agent, in such depositories as may from time to time be designated by the Board of Managers.

The Board of Managers, or the Secretary, shall keep detailed records of the actions and minutes of the meetings of the Board of Managers, minutes of the meetings of the Unit Owners, and, financial records and books of account of the Condominium. In addition, an annual audited financial statement of the Condominium, and an income tax deduction statement certified by an independent Certified Public Accountant, shall be rendered by the Board of Managers to all Unit Owners March 1 of each calendar year.

The Secretary shall mail a notice of each annual or special meeting to all Unit Owners of record. The notice shall state the purpose of the meeting as well as the time and place where it is to be held, and the notice will be given at least ten (10), but not more than forty (40) days prior to such meeting.

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

Both the Declaration and the By-Laws may be modified or amended by the vote of two-thirds (2/3) in number and common interest of the Unit Owners, as that term is defined in Article II, Section 8 of the By-Laws, at a meeting of Unit Owners duly held for such purpose. Two-thirds of Unit Owners shall mean those Unit Owners having greater than 66-2/3% of the total authorized vote of all Unit Owners present in number and common interest in person or by proxy, and voting at any meeting of the Unit Owners. Anything herein contained to the contrary notwithstanding, so long as the Sponsor is the owner of one or more unsold units, the By-Laws may not be altered, amended, repealed, or added to, without the consent of the Sponsor.

The Board of Managers shall be required to maintain hazard and casualty insurance on the building in an amount sufficient to ensure that the condominium shall not be a co-insurer (which generally means that the policy must be retained at replacement value); and it shall also maintain liability insurance in an amount which it deems appropriate. The proceeds of the hazard and fire insurance policy shall be payable to the condominium Board in the

event of a loss amounting to \$100,000.00 or less and to the insurance trustee, if the loss exceeds \$100,000.00. Such proceeds shall be applied to the repairing, restoring or rebuilding the building unless otherwise determined by unit owners. In no event shall the proceeds of any such insurance policy be paid to the holder of any mortgage on a unit unless there has been a determination by unit owners not to rebuild the building. The insurance trustee, if any, shall be a bank or trust company having an office in the city and state of New York.

The Condominium shall continue, unless terminated by reason of casualty, loss, or by condemnation, until such time as the Condominium shall be legally abandoned and terminated as a result of the vote of Unit Owners owning at least eighty (80%) percent of the total votes of the Condominium, at which time the Property shall be subject to an action for partition by any Unit Owner, or any lienor, as if owned in common, and the net proceeds of the sale resulting therefrom shall be divided among all Unit Owners in proportion to their respective interests in the Common Elements, after first applying the share of the net proceeds of such sale otherwise payable to each Unit Owner to the payment of any liens on his/her Unit in the order of the priority of such liens.

Copies of the Declaration and By-Laws are set forth in Part II of the Plan.

RIGHTS AND OBLIGATIONS OF UNIT OWNERS AND BOARD OF MANAGERS

Unit Owners will have the right to sell, lease, or mortgage units, without restriction, except as set forth herein, subject to the requirements that all Common Charges are current. A Unit Owner may only sell or lease the entire Unit. A Unit Owner may not sell or rent only a portion of a Unit. The Board of Managers does not have a right of first refusal with regards to the sale or lease of a unit. While lease of a condominium unit, like any other contract, is subject to regulation by certain state laws (General Obligations Law, Multiple Dwelling Law, etc.) the terms of the lease (including rent) will not be subject to any state or local rent regulatory laws. The Board of Managers does not have a right of first refusal with regards to the sale or lease of any unit.

The By-Laws provide that the use of the Units shall be restricted to and be in accordance with the following provisions:

(a) A Unit Owner may only use his/her Unit for a purpose consistent with any applicable ordinance or statute, or regulation of a government authority that has jurisdiction over the Condominium, but in no event for a use that violates the By-Laws of the Condominium.

(b) The Common Elements shall be used for the furnishing of services and facilities for which they are reasonably suited and capable, and which are incident to the use and occupancy of Units.

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

(d) No improper, offensive, or unlawful use shall be made of the Property nor any part thereof. 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 respective Unit Owners or by the Board of Managers, whichever shall have the obligation to maintain or repair such portion of the Property, or comply with such laws.

(e) Each Unit Owner shall keep his Unit in a good state of cleanliness and repair in accordance with the provisions of the By-Laws, and the rules and regulations of municipal departments or agencies having jurisdiction thereof.

Each Unit Owner will have an undivided interest in the Common Elements in the respective percentages set forth in SCHEDULE A in Part I. Subject to the provisions of the By-Laws and Rules and

Regulations, the Common Elements are appurtenant to, serve and benefit each Unit to the extent of such Unit's percentage share of the Common Elements, and the Common Elements are for the common use of all Unit Owners.

Further restrictions on the use of Units are set forth in the By-Laws, which are set forth in Part II of the Plan, and any Rules and Regulations made in accordance with the By-Laws. Rules and Regulations concerning the use of the Units may be promulgated and amended from time to time by the Board of Managers as provided in the By-Laws. Such restrictions include a restriction that the unit shall be used for private residence only, or any home occupation use permitted under applicable zoning law, ordinances, building codes or other governmental regulations. Units may also be used as a professional office by a resident thereof, provided such professional use does not violate zoning regulations. Units may not be used for any unlawful purpose and any use which amounts to a violation of law or to rules, regulations or requirements of any governmental agency having jurisdiction thereover shall be eliminated at the sole expense of the unit owner.

The Board of Managers shall from time to time, but at least annually, prepare a budget for the Condominium determining the amount of the Common Charges payable by the Unit Owners. Common charges will be established by determining the operating budget for the coming year of condominium operation and allocating to each unit owner a percentage of that budget in accordance with their percentage of ownership for common interest in the condominium. The Common expenses include, among other things, the cost of all insurance premiums on all policies of insurance required to be, or which have been, obtained by the Board of Managers. The Common Expenses may also include such amounts as the Board of Managers may deem proper for the operation and maintenance of the Property including, without limitation, an amount of working capital and a general operating reserve. The Board of Managers shall advise all Unit Owners promptly, in writing, of the amount of Common Charges payable by each of them, and shall furnish copies of each budget on which such Common Charges are based to all Unit Owners and to their mortgagees of record, if requested.

Under the provisions of Section 339-z of the Condominium Act, the Board of Managers on behalf of the Unit Owners shall have a lien on each Unit for unpaid Common Charges assessed against such Unit by the Board of Managers, together with interest thereon. Such lien shall be subordinate only to liens for real estate taxes on the Unit and to any sums unpaid on the first mortgage or record of such Unit. Any lien for unpaid Common Charges against a Unit shall be effective from and after the filing of a notice thereof in the New York County Office of the City Register, and until all sums secured thereby with the interest thereon shall have been fully paid, or

until six years from the date of filing (unless foreclosure of such lien is started within such six 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. In the event the Sponsor is more than thirty (30) days in arrears on Common Charges for any unsold Unit during the time the Sponsor is in control of the Board of Managers, Sponsor will cause the Board of Managers to file a lien as provided for in section 339-aa of the Real Property law.

Under section 339-kk of the Real Property Law, the board of managers has the right to require the tenant in an apartment owned by a non-occupying owner to make rental payments directly to the board of managers where such non-occupying owner is in default on payments of common charges, assessments or late fees for such unit for a period of 60 days after the expiration of any grace period after they are due. Payments by such rental tenant to the condominium pursuant to this statute relieves such rental tenant from the obligation to pay such rent to such non-occupying owner, and is an absolute defense in any nonpayment proceeding commenced by such non-occupying owner. The procedures by which the board of managers may enforce this right, including required notice, means of protest, and termination are set forth in the aforementioned section which is recited at page RE1 of this Offering Plan.

No Unit Owner may exempt himself from liability for Common Charges or Expenses by waiver of the use, or enjoyment of any of the Common Elements, or by abandonment of his Unit. The liability of each Unit Owner for the payment of the Common Charges and Expenses thereafter assessed or becoming due against the Unit shall terminate upon a permissible sale, transfer or other conveyance of such Unit, and the appurtenant interests in the Common Elements. In addition, any Unit Owner may, subject to the terms and conditions specified in the By-Laws, convey his/her Unit together with the said appurtenant interests to the Board of Managers or its nominee on behalf of all other Unit Owners, and in such event be exempt from all Common Charges and Expenses thereafter assessed.

All maintenance or any repair to any Unit, ordinary or extraordinary, and to the doors and windows, electrical (except Common Elements) within the Unit or belonging to the Unit Owner, shall be at the Unit Owner's expense, except for structural elements as specifically required herein. All maintenance, repairs, and replacements to the Common Elements (including the exterior walls of the Building) and the painting and decorating of the side of the elevator doors and hallway doors which do not face into a Unit shall be made at the direction of the Board of Managers, and

be proportionately charged to all the Unit Owners as a Common Expense, except to the extent that the same are necessitated by the negligence, misuse or neglect of a Unit Owner, in which case such expense shall be charged to such Unit Owner. Unit owners who enjoy use of a limited common element, if any, are responsible for regular repair and maintenance of such limited common element such as cleaning, painting, repair to surface damage, etc. Damage to the structural or mechanical systems serving such limited common element (except where directly caused by act or omission of the unit owner, their agents, employees or invitees) are the responsibility of the condominium through the Board of Managers.

No Unit Owner may make any structural addition, alteration or improvement in his Unit, except cosmetic work such as surface restoration or repainting, and replacement or repair of cabinetry and appliances, without the prior written approval of the Board of Managers. As a condition of the granting of its consent to the above acts, the Board of Managers may require the Unit Owner to execute an agreement in form and substance satisfactory to the Board of Managers setting forth the terms and conditions under which such alteration, addition, improvement, or repair, may be made, including without limitation, the days and hours during which any work may be done. No application shall be filed with any governmental authority for a permit covering an addition, alteration, or improvement to be made in a Unit, unless approved and executed by the Board of Managers; such approval, however, shall not result in liability on the part of the Board of Managers or any of them, to a contractor, subcontractor, materialman, architect or engineer, by reason of such addition, alteration, or improvement, or to any person having any claim for injury to person, or damage to property arising therefrom. The provisions of this paragraph shall not apply to an Unsold Unit, provided that any alterations to such Unsold Units shall be in accordance with, and only as permitted, by the Condominium Act and all governmental regulations. Non-structural alterations and improvements to Residential Units that do not affect the exterior of the Building, or the value of other Units, may be made without prior approval of the Board of Managers.

Unit owners may perform all standard repair and maintenance items within their apartment and standard home improvements items without permission of the Board of Managers. Thus, unit owners may repair or replace fixtures, equipment, cabinetry, flooring, sheetrock, etc., without permission of the Board of Managers. However, unit owners may not relocate plumbing, heating, electric or other service lines affecting other units in the building during the course of such repairs or improvements without receiving Board permission.

While the Sponsor controls the Board of Managers, the Board shall obtain and maintain as required; (1) hazard insurance, with extended coverage, insuring the Building and Units (but not including furniture, furnishings or other personal property supplied to, or installed by, Unit Owners), together with all service machinery contained therein covering the interests 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 insured property without deduction for depreciation; (2) machinery insurance; (3) water damage legal liability insurance; (4) liability insurance for personal injury or property damage in an amount not less than one million dollars; (5) officer's and director's insurance covering the board of managers; and (6) such other insurance as the Board of Managers may determine. Each of the policies shall contain a New York standard mortgage 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 interests may appear, subject, however, to the loss payment provisions in favor of the Board of Managers in the event of casualty or condemnation. Unit Owners shall be entitled to carry casualty insurance protection for their furniture and the interior of their Units and for personal liability coverage for their own benefit at their own expense, 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 other insurance carried by a Unit Owner. Please see note 6 in the FOOTNOTES TO SCHEDULE B section of this Offering Plan for the details of the insurance coverage.

The proceeds of the hazard and fire insurance policy shall be payable to the condominium Board of Managers in the event of a loss amounting to \$100,000.00 or less, and to the insurance trustee, if the loss exceeds \$100,000.00. Such proceeds shall be applied to the repairing, restoring, or rebuilding of the subject premises unless otherwise determined by unit owners. In no event shall the proceeds of any insurance policy be paid to the holder of any mortgage on a unit unless there has been a determination by unit owners not to rebuild the building. The insurance trustee, if any, shall be a bank or trust company having an office in the City and State of New York.

A Unit Owner by acceptance of a Deed for a Unit shall have granted a right of access to the Unit and to all appurtenant areas, if any, to the Managing Agent and/or any other person authorized by the Board of Managers of the Managing Agent, for the purposed of performing installations, alterations or repairs to the mechanical or electrical services of other Common Elements in his/her Unit or elsewhere in the Building in which the Unit is located, to remove violations, cure defaults by a Unit Owner, and for any other

purpose provided in the Plan, Declaration, or as may be required by law or governmental regulation, provided that requests for entry (except in emergency situations) is at a time reasonably convenient to the Unit Owner. In case of emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not. Provided reasonable care is exercised to safeguard the Unit Owner's property, such entry shall not render the Board of Managers or its authorized agents liable for damage incurred in connection with the exercise of such right of entry. Each Unit Owner will deposit with the President of the Board of Managers a key to his/her Unit to allow for entry in an emergency. The Board of Managers may designate responsible individual(s) to hold such keys.

Each Unit Owner shall be required to pay the Common Charges and Expenses levied by the Board of Managers. All Unit Owners, mortgagees, lessees and occupants of Units and their employees, and any other persons who may use the facilities of the Property in any manner, are subject to the By-Laws, the Declaration and the Rules and Regulations. A copy of the Declaration and By-Laws and Rules and Regulations appear in Part II of this Plan. The violation of any of the Rules and Regulations or the breach of any By-Laws or provision of the Declaration shall give the Board of Managers, in addition to other rights set forth in specific provisions of the By-Laws, the right to: (i) enter any Unit in which, or as to which, such violations or breach exists and to abate and/or remove same summarily, at the expense of the defaulting Unit Owner. The Board of Managers shall not thereby be deemed guilty or liable for trespass nor be liable for any damage to the Unit, nuisances or fixtures incurred in connection with such rights unless such damage is caused by negligence on the part of the Board of Managers; or (ii) enjoin, abate or remedy by appropriate legal proceedings, the continuance of any such violation or breach. The costs incurred by the Board by virtue of the exercise of its rights to correct such breaches or violations, including attorney's fees, shall be due upon demand from the Unit Owner in question, and shall constitute a Common Expense against his/her Unit.

No officer or member of the Board of Managers of the Condominium shall be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise, except for willful misconduct or bad faith. The Unit Owners shall severally indemnify the members of the Board against any liability or claims or contractual liability except those arising out of the bad faith or willful misconduct of an officer. It is intended that the members of the Board shall have no personal liability with respect to any contract made by them on behalf of the Condominium. It is and shall be permissible for each officer who is appointed by the original Board of Managers, who are designees of the Sponsor, to contract with the Sponsor and affiliated corporations without fear of being charged with self-dealing. It is also intended that the liability of any Unit

Owner arising out of any contract made by the Board of Managers shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the aggregate interest in the Common Elements of all the Unit Owners. Every agreement made by an officer on behalf of the Condominium shall provide that each officer is acting only as agent for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners, except for willful misconduct or bad faith), and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the aggregate interest in the Common Elements of all Unit Owners.

At the time of closing, Purchaser will be required to execute a broad Power of Attorney in favor of the Board of Managers of the Condominium. This Power of Attorney will give the Board of Managers the right to acquire and otherwise administer defaulted, abandoned or foreclosed units in the name of the Condominium. It will also give the Board of Managers the right to execute amendments to the Condominium Declaration, Deeds conveying condominium property, filing for severance of tax lots and other functions reasonable or necessary to effectuate the purposes set forth in the Condominium Declaration, on behalf of all of the unit Owners. Purchaser must sign the Power of Attorney at closing; failure to sign the Power of Attorney will be deemed a default and will result in cancellation of the transaction and possible loss of the downpayment. Please see the POWER OF ATTORNEY set forth in Part II of this Offering Plan.

DEDUCTIONS TO UNIT OWNERS, AND TAX STATUS OF CONDOMINIUM

Unit Owners who itemize their deductions should, for Federal Income Tax purposes, be entitled to a deduction for mortgage interest and real estate taxes in the year paid, or accrued, under Sections 163 and 164 of the IRS Code. These deductions are subject, however, to certain exceptions and limitations that are more particularly discussed in the COUNSEL'S TAX OPINION. Each individual Unit Owner should, for New York State and New York City Income Tax purposes, be entitled to similar deductions for the mortgage interest and real estate taxes paid, or accrued, during the taxable year.

The Condominium will be governed by a Board of Managers. The Board of Managers will assess and collect Common Charges from the Unit Owners, and will have certain discretionary powers over the operating expenses and the application of the assessments. While there is presently no direct authority as to the tax status of the Condominium for Federal Income Tax purposes, Sponsor's Counsel is of the opinion that the Condominium will not be treated as an association taxable as a corporation, due to the fact that it will qualify as an exempt homeowner's association under section 528 of the IRS code. As a result, the condominium may not be subject to Federal corporate income tax on its taxable income, if any.

The statements set forth herein are based upon an analysis of the Internal Revenue Code of 1986, as amended (the "Code"), New York State Tax Law, the Administrative Code of the City of New York, the applicable regulations promulgated or proposed thereunder, the current position of applicable administrative agency, in particular, the position of the IRS stated in published Revenue Rulings and Revenue Procedures, and judicial decisions. It is emphasized, however, that legislative, judicial or administrative changes may be made which would require modification of such statements, or that, the IRS or other applicable administrative agency may disagree with Counsel's interpretations and conclusions. A more detailed statement of the tax factors involved may be found in the COUNSEL'S TAX OPINION; however, each purchaser should consult with his or her own attorney with regard to tax consequences of this transaction.

HAROLD L. GRUBER, P.C.

ATTORNEY AT LAW

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COUNSEL'S TAX OPINION LETTER

October 18, 2011

48-54 West 138 LLC
95-04 Delancey Street
New York, New York 10002

Re: Offering Plan for the Conversion to
Condominium Ownership of Premises:
48-54 West 138th Street
New York, New York 10037

To Whom It May Concern:

You have requested my opinion concerning (i) the availability of certain deductions for Federal, New York State, and New York City Income Tax purposes to persons who purchase units for residential use ("Unit Owners") under the Offering Plan for THE 48-54 WEST 138TH STREET CONDOMINIUM (the "Plan"), and (ii) the Federal Income Tax Treatment of the Common Charges received by the condominium association of the condominium (the "Condominium").

In connection with rendering this opinion, I have reviewed the Plan, the Schedules and Exhibits thereto, the Declaration of the Condominium Plan (the "Declaration"), the By-Laws of the Condominium (the "By-Laws"), the relevant sections of the Internal Revenue Code of 1986, as amended (the "Code"), the Regulations promulgated thereunder by the Treasury Department (the "Treas. Regs."), the New York State Tax Law, the Administrative Code of the City of New York, revenue rulings, relevant case law and such other materials as I have deemed relevant.

FACTS

You have advised me that, to the best of your knowledge, the following statements are an accurate summary of the relevant facts, and my opinion is conditioned upon the accuracy of such facts.

The Sponsor will submit to the New York County office of the register of the City of New York, a Declaration establishing the premises located at 48-54 West 138th Street, New York, New York, as a condominium pursuant to the provisions of New York's Condominium Act. (See Article 9-B of the Real Property Law of the State of New York.) This condominium shall consist of eighty-eight (88) allocated for residential use. Each holder of a Unit will own his own Unit plus an interest in the elements common to all Units (the "Common Elements"). Each unit owner will be entitled to the exclusive ownership and possession of his unit and will receive a separate deed to the Unit.

The Condominium will be operated by a Board of Managers which, pursuant to the By-Laws, will act only as an agent of all Unit Owners. The Board of Managers will be comprised of at least three members, who shall each be elected by the Unit Owners. The primary function of the Board of Managers will be to supervise the maintenance and operation of the Common Elements, and collect charges (the "Common Charges") necessary to maintain and operate the Common Elements.

DISCUSSION

I. Deductibility of Mortgage Interest and Real Estate Taxes

Under the Condominium Act, each Unit Owner will own his/her Unit and its appurtenant interest in the Common Elements in fee simple, and each Unit will be taxed as a separate tax lot for real estate tax purposes. Each Unit Owner may mortgage his Unit and become individually liable for the payment of the principal and any finance charges or interest on such mortgage indebtedness. Failure to pay his or her share of the Common Charges will result in the Board of Managers having a lien on the Unit for the unpaid Common Charges.

The deductibility of the mortgage interest and real estate taxes paid or accrued by the Unit Owner during his or her taxable year will be governed by sections 163 and 164 of the I.R.S. Code. Section 163 of the Code allows a taxpayer to deduct all interest paid or accrued during the taxable year on Bona Fide indebtedness. Section 164 of the Code allows a taxpayer to deduct real estate taxes paid or accrued during the taxable year.

Since Sections 339-g and 339-y of the Condominium Act provide that each Unit and its common interest shall be taxed as a separate tax lot for real estate purposes, Unit Owners shall be entitled to deduct real estates tax paid or incurred on their Units during the taxable year.

The deduction under Section 163 of the Code for interest is subject to certain other provisions of the Code which may limit the amount of the deduction in any one taxable year. For example, under Section 461(g) of the code, prepaid interest is not deductible by a cash basis taxpayer in the year of payment but must be allocated to the taxable year or years to which it is chargeable. However, the payment of "points" (bank origination fee) is deductible under certain circumstances in the year of payment, provided that the indebtedness was incurred by the taxpayer in connection with the purchase or improvement of his principal residence, and the other requirements of Code Section 461 (g) (2) are complied with.

I note that a taxpayer who purchases a Unit for investment may find his interest deduction limited by Code Section 163(d). Under this Section a taxpayer other than a corporation will be subject to a ceiling on his deduction for investment interest. Investment interest is defined as interest paid or accrued on indebtedness incurred or continued to purchase or carry property for investment. To the extent that the taxpayer has investment income (defined as the gross income from interest, dividends, rents, royalties, net short term capital gains and recapture income), he or she increases his or her ceiling on the deduction for investment interest. See generally Code Section 163(d).

I also note that Code Section 265(2) may impact on the interest deduction otherwise allowable to a taxpayer in the event that he/she incurs debt to finance his/her purchase of a Unit rather than liquidate his or her portfolio of tax exempt securities. Under these circumstances Code Section 265(2) may disallow the taxpayer's interest deduction since he or she would be deemed to have incurred the debt to "continue to carry" the tax exempt obligations. However, revenue rulings have made an exception for debt incurred to purchase the taxpayer's principal residence.

In Revenue Ruling 64-31, 1964-1 C.B. 300, the Internal Revenue Service (the "Service") considered the deductibility of mortgage interest and real estate taxes incurred by the owner of a condominium unit. The Service ruled the Sections 163 and 164 of the Code, respectively, permitted these deductions by the Condominium Unit Owner provided that he or she itemized his or her deductions in filing his or her Federal income tax returns.

In my opinion, under Code Sections 163 and 164 respectively, a Unit Owner will, for Federal Income Tax purposes, be entitled to a deduction for interest paid or accrued with respect to mortgage indebtedness and for real estate taxes paid or accrued with respect to his or her method of accounting.

It is also my opinion that each Unit Owner will, for New York State and New York City Income Tax purposes, be entitled to the same deduction which is allowed for Federal Income Tax purposes for the mortgage interest and real estate taxes paid or accrued during the taxable year. See Section 615 of the New York State Tax Law. It should be noted, however, that for New York City Income Tax purposes, the benefit of such deduction may be reduced if the Unit Owner has more than the specified amount of tax preference items. See Section 615, 622 and 623 of the New York State Tax Law; Section T46-115.00, T46-122.0 and T46-123.0 of the City Code.

The foregoing discussion applies primarily to residential unit owners. Referenced sections of the IRS code are not applicable to owners of commercial units, if any, or owners of units for investment or resale, if any. However, insofar as the owners of the commercial units will be using the unit for business purposes, other sections of the code may allow such deductions. Purchasers of commercial units are strongly urged to consult with their own accountants with regards to the deductibility of the mortgage interest and real estate taxes.

II. Common Charges-Federal Income Taxation of the Condominium:

A condominium under New York law is not a corporation but an un-incorporated association.

The Treasury Regulations in Section 301.7701-2(a)(i) set forth six factors to be considered in determining whether an association will be treated as an un-incorporated association for Federal Income Tax purposes. Of these factors, the Condominium possesses five (an objective to carry on business, divide the gains, centralization of management, continuity of life, free transferability of interest).

Since an un-incorporated organization will be treated as a corporation if it has more corporate characteristics than non-corporate characteristics, (see Treas. Regs. Section 301.7701-2(a)(3), Philip G. Larson, 66 T.C. 159 (1976) acq., Rev. Rul. 79-106, 1979-1 C.B. 448), it is my opinion that, although there exists no direct authority on this point, the condominium will be treated as an association taxable as a corporation for Federal Income tax purposes. In such event, and in the absence of any specific exception, the Condominium would be subject to Federal Corporate Income Tax.

Assuming that the Condominium is treated as an association taxable as a corporation, the receipt of substantially all of Common Charges, may be excluded from the income of the Condominium in the event that (i) the Condominium is acting as agent of the Unit Owners as to collection and receipt of such funds; or (ii) the Condominium is not acting as agent and receives the Common Charges as non-taxable contributions of capital, or receives the Common Charges as service income which is fully offset by the Condominium's service expenses; or (iii) the Condominium elects to be taxed under Code Section 528 and the Condominium has only "exempt function income" within the meaning of such Section.

In Revenue Ruling 75-370, 1975-2 C.B. 257 the shareholders of a condominium management corporation approved special accounts which were not commingled with the general funds of the condominium management association. The assessments could be used only to replace the roof and the elevators located in the common elements of the condominium property. The I.R.S. ruled that these special assessments were not includable in the Condominium's gross income since they did not benefit the condominium which had a fiduciary obligation to expend the funds collected in the manner approved by its unit owner-stockholders. The I.R.S. found that there was an agent and principal relationship between the condominium and its unit owner-stockholders insofar as the special assessments were concerned. However, Rev. Rul. 75-370 specifically exempted funds collected by a condominium management corporation to provide services for which it was formed such as the maintenance of the common elements. Thus, funds collected by the Board for painting, general repairs, gardening and janitorial services would constitute gross income to the Condominium.

The By-Laws provide that the Board of Managers will act as the agent of the Unit Owners. If Common Charges for special capital improvements are specifically designated for capital improvements, deposited in special accounts and not commingled with the general funds, then such Common Charges should not be included in the income of the Condominium, according to Revenue Ruling 75-370,

supra. Common Charges for operational expenditures would not be excluded from the income of the Condominium, because the Board of Managers does not have mere ministerial powers with respect to the operations of the Condominium.

Under certain circumstances, special assessments for specific capital improvements may be considered non-taxable contributions to the capital of the association, pursuant to Code Section 118. In Revenue Ruling 75-371, 1975-2 C.B. 52, the condominium management collected special assessments which were assessed pro-rata upon each unit owner to replace outdoor furniture. The By-Laws required that any assessment had to be approved at a stockholder meeting by a majority vote of the unit owner-stockholders. The special assessment was approved and the proceeds were deposited in a special account and were not commingled with the general assessment funds. The assessment could only be used for the specific purpose intended. The Service held that the Special Assessment was a non-taxable contribution to the capital of the condominium management corporation. Id.; See also Rev. Rul. 74-563, 1974-2 C.B. 38 (special assessments to pave a parking lot of the homeowners association are contributions to the capital of the associations).

Under this Plan the Unit Owners must approve all special improvements. Therefore, as to such amounts of Common Charges which are specifically designated for capital improvements, deposited in special accounts and not commingled with the general funds, such Common Charges should not be characterized as income of the condominium, according to Revenue Ruling 75-371, supra, but would constitute contributions to the capital of the Condominium. Even if a special capital assessment is not specifically voted upon and approved by the Unit Owners of the Condominium, there is judicial authority which would support the characterization of such assessment as capital contribution. See Concord Village, Inc., 65 T.C. 142 (1975).

It should be noted that if the special assessment are treated as contributions to the capital of the Condominium, the subsequent expenditure of these funds (together with any other funds accumulated by the Condominium) may be viewed by the Service as a distribution to the Unit Owners, taxable under Section 301 of the Code. Each Unit Owner may therefore be subject to tax on his pro-rata share of the amounts expended. Rev. Rul. 75-371 went on to distinguish special assessments from assessments collected for the purpose of normal operating expenses and excess assessments, which could be returned directly to the individual unit owner-stockholders. These general assessments and the excess assessments which are not credited to subsequent taxable years or

returned to the unit-owners, were held to constitute gross income to the condominium under Section 61 of the Code. I note, however, that to the extent to which the Condominium will be deemed to have service income by virtue of its performance of its management functions, it will be entitled to deduct as business expenses its expenditures required to provide such services from its gross income. See Concord Village, Inc., 65 T.C. 142, 157 (1975); Park Place, 57 T.C. 767, 778 (1972). Thus, it will have taxable income only in the amount of the excess of its income from all sources over its allowable deductions.

Any net income attributable to over-assessments might constitute taxable income of the Condominium for the year of receipt, even if such excess is distributed or applied to the subsequent year's assessments. In effect, a management association will not earn income when it has no discretion as to the application of the excess, and, conversely, will have income where it does have such discretion. Since the Board of Managers will have discretion as to application of excess Common Charges, and does not intend to return excess Common Charges, if any, but intends to apply such excess to the next year's expenditures, it is possible that any excess Common Charges will constitute taxable income to the Condominium.

Code Section 528 provides a tax exemption for an organization that qualifies as a "homeowners association" which term includes a "condominium management association". A "condominium management association" is defined as an organization organized and operated to provide for the acquisition, construction, management, maintenance, and care of a condominium, provided substantially all of the units are used by individuals for residences. See Code Sections 528(c)(1)(A), and 528 (c)(2). "Substantially all" the units will be considered used by individuals for residences if at least 85% of the total square footage of all units within the project is used, or is intended to be used, by individuals for residential purposes or purposes auxiliary to residential use, such as storage rooms, laundry and maintenance areas. See Treas. Regulations, Section 1.528-4(b). The organization itself will be considered "organized and operated" for the acquisition, construction, management, maintenance, and care of such condominium, if the facts and circumstances indicate such to be the case. See Treas. Regs. Section 1.528-2. However, if the articles of the Condominium reflect that is the purpose of the association, then the condominium management association will be presumed to be operated for such purpose. See Treas. Regs. Section 1.528-2(a).

In addition to the organization and operation test, the tests set forth below must be satisfied under code Section 528(c)(1) in order for a condominium to qualify as a "homeowner's association".

(1) Sixty percent (60%) or more of the gross income of the organization must be "exempt function income," that is, income derived from the payment of dues or fees from the residential unit owners in their capacity as owner-members rather than in the capacity as customers for services. Code Section 528(c)(1)(A) and Treas. Regs. Section 1.528-5 and 1.528-9. "Exempt function income" includes income which is attributable to assessments that arise as a result of the members' ownership interest, either based on value or size of their units, and used for the purpose of enhancing or maintaining the value of the residences. See Treas. Regs., Section 1.528-9(a). For example, the regulations indicate that assessments for the purpose of paying real estate taxes, removing garbage, or removing snow is "exempt function income". See Treas. Regs. Section 1.528-9(b). Income attributable to the use of laundry machines and interest earned on sinking funds is not exempt function income; See Treas. Regs. Section 1.528-9(c). Any assessments attributable to special capital improvements, which are treated as capital contributions, are not included in gross income, and therefore, are not part of the calculation of the gross income test. See Treas. Regs. Section 1.528-9(a).

(2) Ninety percent (90%) or more of the expenditures of the organization for the taxable year must be used for the acquisition, construction, management, maintenance and care of the organization's property. See Code Section 528(c)(1)(C). These expenditures include operating and capital expenditures during the taxable year. Investments in reserve funds for future expenditures are not included in this calculation.

(3) No part of the net earnings of the organization may inure to the benefit of any individual. See Code Section 528(c)(1)(D). The Code expressly excludes benefits received by a unit owner attributable to the homeowners association performing its exempt function, such as the benefit from the homeowners association acquiring, constructing, managing, maintaining and taking care of the association property.

(4) The organization must properly and timely elect to have Code Section 528 apply for the taxable year. See Code Section 528(c)(1)(E).

Based upon my understanding of the matter it is my opinion that the Condominium will be eligible to qualify as a homeowners association within the meaning of Code Section 528(c)(1) and that, to the extent the condominium has income in excess of its expenses, that income will not be subject to federal income taxation.

III. Compliance With Real Property Law Section 339 (i):

I have received and reviewed the letter heretofore set forth from the Sponsor's expert concerning allocation of the common interest to the units in the premises. The determination of Common Interest allocated to each unit has been made based on the floor space of each unit subject to such other items of relative value as the location of such space, the uniqueness of the unit, the availability of limited common elements for shared or exclusive use, and the overall dimensions of the unit, pursuant to Real Property Law (RPL) Section 339(i)(1) subparagraph (iv). The method employed is permissible pursuant to the RPL and is in compliance therewith

CONCLUSION

I express no views as to any Federal, New York State and/or New York City tax consequences or as to any aspects of the Plan other than those tax consequences and aspects explicitly discussed in this opinion, or as to the tax consequences of the Plan under the laws of any other State or foreign jurisdiction. This opinion does not discuss the tax consequences which may result from the ownership or the leasing of a Unit to another, in connection with a Unit Owner's trade or business, for purposes of investment, or for the production of income, or tax consequences which may result to a foreign Unit Owner by reason of his foreign status. This opinion also does not consider the tax consequences which may arise if Units are acquired and/or leased by the Board of Managers, or the issue of whether a Unit Owner may be deemed to be a resident of New York State due to ownership of a Unit. I, therefore, advise each person contemplating the purchase of a Unit to consult his/her own tax advisor as to all such tax matters, as well as with respect to the tax matters discussed in this opinion.

The opinions expressed herein are based solely upon my current understanding and interpretation of the existing law, regulations, decided cases and rulings of administrative agencies and upon information set forth herein. If there has been any misstatement of a fact or omission of any fact which may be material, or any amendment or exchange in the By-Laws or the Plan, we should be notified, since any such omission, misstatement or change may require modification of part or all of this opinion. Moreover, it should be specifically noted that this opinion is not binding on the Internal Revenue Service, the New York State Department of Taxation and Finance, or the New York City Department of Taxation, and that such entities may not agree with any or all of the views

stated above. Further, the Federal and State Tax Laws and Regulations and the rulings and decisions thereunder may change and thereby affect the views stated above in whole or in part.

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

Very truly yours,

A handwritten signature in cursive script, appearing to read "Harold L. Gruber".

Harold L. Gruber

HLG/lvd

RESERVE FUND

On the date of closing, the Sponsor will establish a reserve fund, which may only be used for capital expenditures. Current New York City law (New York City Administrative Code, Chapter 51) requires the reserve fund to be either:

A) 3% of the total number of shares offered multiplied by the price per share last offered to tenants in occupancy prior to the effective date; or

B) 3% of actual sales at the time the plan is declared effective (subject to a minimum of 1% of the total price as specified in a) above), plus 3% of each subsequent sale during the five year period following the declaration of effectiveness, subject to the requirement that if the total so raised is less than 3% of the "total price", the Sponsor will make up the difference within thirty days.

The reserve fund will therefore be \$488,040.00 if option A is used, or a lesser amount, which cannot now be determined, if option B is used. Sponsor shall determine the method to be used prior to the effective date of the plan, and the plan will be amended to reflect such choice. Sponsor currently intends to utilize option A, but reserves the right, by amendment to this Offering Plan, to substitute option B. The reserve fund amount specified under option A assumes that there is no change in the price offered to tenants in occupancy after the filing of the plan.

Pursuant to the aforementioned section in the New York City Administrative code, the Sponsor is entitled to take as a credit against the Reserve Fund to be created hereunder, an amount not exceeding 1% of the total offering price attributable to capital repairs or improvements made to the premises subsequent to the date of filing of the Offering Plan and prior to the date when the plan is declared effective. Sponsor has not currently made any such improvements; nor does Sponsor have any current intent of making any such improvements; however, in the event sponsor makes such improvements and elects to take such credit, the Reserve Fund will consequently be diminished by that amount. If Sponsor so elects, Sponsor will set forth the improvements and their costs in a subsequent amendment to the Offering Plan.

In Sponsor's opinion, if option A is used, the amount allocated to the reserve fund is sufficient for major capital improvements and replacements which are reasonably foreseeable within three (3) years from the date of this offering.

While the Sponsor is in control of the Board of Directors, neither the Reserve nor Working Capital funds may be used to reduce maintenance charges as projected in the plan.

NEITHER THE DEPARTMENT OF LAW, NOR ANY OTHER GOVERNMENTAL AGENCY, HAS PASSED UPON THE ADEQUACY OF THE WORKING CAPITAL OR RESERVE FUNDS. NO REPRESENTATION IS MADE THAT SUCH FUNDS, EITHER AS PRESENTLY CONSTITUTED OR AS THEY MAY BE INCREASED BY SUBSEQUENT AMENDMENTS, ARE ADEQUATE OR SUFFICIENT TO PAY FOR NEEDED CAPITAL EXPENDITURES, EITHER AS MAY BE DISCLOSED IN THE "DESCRIPTION OF PROPERTY AND BUILDING CONDITION," OR AS MAY BE SUBSEQUENTLY DISCOVERED.

WORKING CAPITAL FUND

At closing of title to each Unit, the Unit Owner for such Unit will contribute to the working capital fund of the Condominium an amount equal to one month's common charges (see CLOSING COSTS AND ADJUSTMENTS). Thus, there will be a \$26,802.00 working capital fund created on closing. Sponsor will make the required contribution for all unsold units at the time of the closing of the first unit, and will be reimbursed therefore on each subsequent closing of a unit by the unit purchaser. This Working Capital Fund will be used to make repairs and improvements, and for other appropriate purposes as determined by the Board of Managers, particularly to meet emergencies not budgeted for in SCHEDULE A. While the Sponsor controls the Board of Managers (see CONTROL BY THE SPONSOR), the Working Capital Fund will not be used to reduce estimated Common Charges.

The Working Capital Fund will not be reduced by any closing adjustments to the Sponsor. All closing adjustments to the Sponsor will be paid in equal monthly installments over the twelve (12) month period following closing. All adjustments represent reimbursement for prepayment of expenses already included in the budget set forth herein as Exhibit B, and therefore do not represent an additional expense to Condominium Purchasers.

No representation is made that the Working Capital Fund will be adequate to cover current or future expenses. If additional funds are required over and above the Working Capital Fund, it may be necessary to increase Common Charges or separately assess all Unit Owners. Neither the Department of Law nor any other government agency has passed upon the adequacy of the Working Capital Fund.

IDENTITY OF PARTIES

SPONSOR: The Sponsor of this project is 48-54 West 138 LLC with an office located at 95-04 Delancey Street, New York, New York 10002.

The principals of the Sponsor are Jason Behfarin, who resides at [REDACTED]; Louis Silverman, who resides at [REDACTED]; and Robyn Sorid, who resides at [REDACTED]. Each of the principals is an owner and investor in real estate, as well as a manager of real estate properties. Neither the Sponsor nor the Principals of the Sponsor of this Offering Plan have previously been the Sponsor or the principal of the Sponsor of any offering of condominium or cooperative interest in or from the state of New York during the preceding five years.

There are no felony convictions, bankruptcies, judgments or injunctions against the Sponsor.

COUNSEL: Sponsor has engaged Harold Gruber, Esq., 92 Prospect Place, Brooklyn, New York, 11217, to represent him in the preparation and submission of this Offering Plan. Sponsor will be represented by Morris E. Barenbaum, Esq., 1205 47th Street, Brooklyn, New York 11219, in the closing of all individual condominium units, and will also be the escrowee holding all contract deposits. Mr. Gruber and Mr. Barenbaum represent the Sponsor, not the Condominium, which is not represented by counsel.

ARCHITECT: The architect, Oscar P. Walters, principal of Demerara Engineering, PLLC, has offices at 580 8th Avenue, 4th Floor, New York, New York, has examined the physical condition of the property and has rendered his report thereof as set forth in Part II starting at Page AR1. Mr. Walters has been an architect in excess of 15 years and has prepared in excess of 30 such reports. The architect has no financial interest in the property, Sponsor, condominium, selling agent, or any other party interested in this transaction, except for his fee for services rendered in connection with his report.

SELLING AGENT: The Sponsor is the selling agent for the plan. The Sponsor has not previously been the selling agent for any offering of condominium or cooperative interests in real property in or from the State of New York.

GENERAL

The Plan does not knowingly omit any material fact or contain any untrue statement of any material fact. Exact copies are contained in Part II hereof of the Condominium Declaration, Purchase Agreement, Condominium By-Laws, and form of Unit Deed.

There are no lawsuits or other proceedings now pending, or any judgments outstanding, either against the Sponsor or any other person or persons which might become a lien against the Property or which may materially affect this offering, the Property, Sponsor's capacity to perform all obligations under the Plan, the Condominium, or the operation of the Condominium.

No contracts or agreements, written or oral, have been entered into for the sale or transfer of any of the units offered pursuant to the Offering Plan. No deposits or advances of funds have been taken by, or on behalf of, the Sponsor in connection with the reservation, sale, or transfer of any units offered pursuant to this Offering Plan.

The Property has not been the subject of any prior cooperative or condominium offerings. There are no preliminary binding agreements entered with any purchasers, nor has any money been collected from any perspective purchasers. There has been no market test pursuant to Cooperative Policy Statement No. 1.

In accordance with the provisions of the laws of the State and City of New York, the Sponsor represents that the Sponsor, and the Selling Agent will not discriminate against any person because of race, creed, color, sex or sexual orientation, disability, age, marital status, national origin or ancestry in the sale of the units offered by the Plan, or in the leasing of any apartment in the building.

Operable smoke detectors and carbon monoxide detectors will be installed in all apartments as per the New York City Administrative Code.

If there is a material amendment to the Offering Plan that adversely affects a purchaser, purchaser shall have the right to rescind his purchase agreement within fifteen (15) days after the date of presentation by the Sponsor, which rescission shall be made by CERTIFIED MAIL - RETURN RECEIPT REQUESTED, and shall be deemed made on the date when notice of rescission is deposited with the United States Post Office. Sponsor shall return the deposit on contract to any purchaser who validly rescinds.

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

DOCUMENTS ON FILE

Sponsor shall keep copies of the Offering Plan, all documents referred to in the Offering Plan, and all exhibits submitted to the Department of Law in connections with the Offering Plan on file and available for inspection without charge, and for copying at a reasonable charge, at the Sponsor's office as set forth in this Offering Plan, or at the office of the Sponsor's attorney, for a period of six (6) years from the date of first closing. The Sponsor shall deliver to the Board of Managers of the Condominium, a copy of all documents filed with the appropriate recording office at the time of the first closing of a condominium unit.

REPORT TO UNIT OWNERS

The Board of Managers of the Condominium shall give annually to each and every Unit Owner:

1) On or before March 1st of each year a financial statement. During the period the Sponsor is in control of the Board of Managers, there shall be a certified financial statement prepared by a certified public accountant or public accountant.

2) Prior notice of the annual Unit Owners meeting, which notice shall be no less than thirty (30) days prior to the scheduled meeting.

3) A copy of the proposed annual budget of the Condominium, no less than thirty (30) days prior to the date set for adoption thereof by the Board of Managers. During the time the Board is controlled by the Sponsor, this budget shall be certified by a qualified budget expert.

SPONSOR'S STATEMENT OF BUILDING CONDITION

The Sponsor hereby adopts the ARCHITECT'S REPORT set forth in Part II of this Offering Plan. With reference to such material, a licensed architect prepared the description of property and building condition contained therein.

The Sponsor represents that it does not know of any defect or need for major repairs except as hereinafter set forth, and that, to the best of the Sponsor's knowledge, the following description accurately states the condition of the building and its equipment (see ARCHITECT'S REPORT in Part II of the Plan).

The Property will be offered in the condition as described in this Plan. Neither the Sponsor nor the Condominium will have any obligation to make repairs or improvements except as set forth in this plan. To the extent access is provided by the resident of a unit, the Sponsor will cure, or cause to be cured, all violations of record against the Property on the closing date and eliminate all known dangerous or hazardous conditions, and comply with all work orders from mortgagees.

The Federal Residential Lead-Based Paint Hazard Reduction Act of 1992 requires sellers of most pre-1978 housing (including the owners of shares allocated to cooperative apartments) to disclose the presence of known lead-based paint and/or lead-based hazards if any. Sellers must provide prospective purchasers with any available records or reports pertaining to the presence of lead-based paint or lead-based paint hazards, as well as a federally-approved lead hazard information pamphlet. Purchasers must also be given a 10-day period to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards before any purchaser is obligated under any Purchase Agreement (the "Lead Paint Contingency").

The Sponsor does not have any actual knowledge of any lead-based paint or lead-based paint hazards in the Residential Units or in the Building. However the Building was originally constructed prior to 1978 and therefore either the Building and/or the Residential Units (at least those portions which have not been demolished or totally reconstructed) may contain lead-based paint and lead-based paint hazards. The Sponsor has not undertaken any separate investigation or risk assessment as to the presence of lead-based paint hazards in the Building and/or

the units. The Sponsor does not have actual knowledge that anyone else has undertaken such investigations or risk assessments. Exposure to lead from lead-based paint may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The Sponsor does not make any guaranty, representation and/or warranty as to the accuracy of the disclosure contained herein or as to the presence) including the magnitude thereof) or lack thereof of lead-based paint hazards in the Units of the Building. Pursuant to the Purchase Agreement, Purchasers shall assume all risk, if any, as to lead-based paint hazards in the Unit being purchased. A prospective Purchaser may undertake their own separate and independent risk assessment or inspection for possible lead-based paint hazards prior to their becoming obligated under a Purchase Agreement to purchase a Residential Unit. Any such inspections for lead-based hazards must be undertaken by a prospective Purchaser prior to the execution of the Purchase Agreement. If a prospective Purchase does not desire to undertake a lead-based paint inspection, or assessment then, in conjunction with the execution of the Purchase Agreement for Residential Unit, the prospective Purchaser shall be required to waive any such risk assessment or inspection opportunity at the Building or within the applicable Residential Unit.

All units will be equipped with operable smoke and carbon monoxide detectors as required by the New York City Administrative Code.

SPONSOR' S PROFIT

Sponsor acquired the property in August of 2011. It is anticipated that if all units are sold at the selling price set forth in this Offering Plan, Sponsor will make a profit. However, the extent of the profit cannot currently be projected, since the amount of profit can be significantly affected by factors involved in the sales process.

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PART II

PURCHASE AGREEMENT

Purchaser(s) _____

Address _____

Home Telephone _____ Business Telephone _____

Purchaser's S.S.No _____

Attorney _____

Attorney's Address _____

Attorney's Telephone No _____

Broker _____ Telephone No _____

Unit _____ Common Interest _____ % Common Charges \$ _____

Cash Purchase Price \$ _____

Down Payment (herewith) \$ _____

Balance Due on Closing \$ _____

I RECEIVED THE PLAN, AS AMENDED, AT LEAST THREE FULL BUSINESS DAYS, AND HAVE READ BOTH PARTS I AND II OF THE PLAN, BEFORE EXECUTION HEREOF BY ME.

1. OFFERING PLAN READ. As Purchaser, I have received and read the Offering Plan of Condominium Organization (the Plan) with respect to premises located at 48-54 West 138th Street, New York, New York.

The Offering Plan for said premises, including all documents set forth in Part II thereof and any amendments thereto, is incorporated herein by reference with the same effect as if set forth at length. I hereby accept and approve the Plan (and all of said amendments thereto, if any) and agree to abide and be bound by the terms and conditions thereof. The terms used herein shall have the same meanings as ascribed thereto in the Plan.

2. AGREEMENT TO PURCHASE. I hereby agree to purchase the above apartment and a _____ percent of undivided appurtenant interest in the Common Elements of the Condominium in said premises.

3. DOWN PAYMENT AND BALANCE. Submitted herewith is my check to the order of "Morris E. Barenbaum, As Attorney" for the amount of the above stated Down Payment. I agree that after the Plan becomes effective, as therein provided, I will pay the above-stated balance of said Cash Purchase Price on closing. The payment due on closing shall be by certified check or official check drawn on a New York City bank which is a member of the New York City Clearing Housing System to the order "Morris E. Barenbaum, As Attorney." The check shall be delivered to the seller.

The Seller will give me prompt written notice thereof when the Plan either becomes effective or is abandoned, unless same has already been declared effective by a duly filed amendment to the Plan submitted to me.

In the event the plan is abandoned, the down payment will be refunded within five (5) days after the earlier of a notice of abandonment or the acceptance for filing by the Department of Law of an amendment disclosing such abandonment.

4. MANNER OF PAYMENT AND BALANCE. Provided that I shall have paid the full Cash Purchase Price for said apartment, as provided herein, and shall not be in default hereunder, I am to receive a Deed for the apartment, at the Closing to this apartment. The date of the commencement of my obligations under such Deed, including the payment of Common Charges, shall be the date on which I acquire title to such apartment. At the time the deed is delivered, I shall execute the Power of Attorney to the Board of Managers of the Condominium in the form contained in the Plan and whatever other documents are reasonably necessary to convey the Unit to me, such as real property transfer tax forms.

5. PAYMENTS HELD IN TRUST AT NAMED BANK. The Seller will hold all monies received by it directly or through its agents, employees or escrow agent, in trust, in compliance with the trust fund provisions of section 352-h and section 352-e(2)b of the General Business Law, until actually employed in connection with the consummation of the Offering Plan. All such monies will be deposited with Capital One Bank, 4612 13th Avenue, Brooklyn, New York 11219, under the account name of "Morris E. Barenbaum, Esq. IOLA Account". The funds so deposited will be released by the escrow agent, an attorney at law, only for the purposes of, and in conformity with the consummation of this Plan, or returned to me as herein provided. Unless the escrow account is of an IOLA type, I shall be entitled to any interest earned on the sums deposited by me unless otherwise agreed to by the parties hereto. However, it is not anticipated that any interest will be earned.

All funds received by the Sponsor for upgrades or extras must initially be placed in the escrow account set forth herein.

However, Purchaser should note that such funds may be released from the escrow account by the escrow agent as long as the Sponsor uses the funds for such upgrades or extras. As a result, in the event the Purchaser is entitled to a rescission, the Purchaser will not receive a refund of any funds used for upgrades or extras (except for any unexpended portion of sums deposited for such purpose), provided the Offering Plan is consummated. In the event the plan is abandoned by the Sponsor, all sums deposited with the Sponsor, including those used for upgrades or extras, shall be returned to the Purchaser. See the PROCEDURE TO PURCHASE Section of this Offering Plan for a more complete explanation.

6. ACCEPTANCE OF CONDITION. My signing of this Purchase Agreement shall constitute my acceptance of said apartment "As Is", except for those matters which are the responsibility of the Sponsor as stated in the Plan.

7. THIS AGREEMENT IS CONTINGENT. It is agreed that this Purchase Agreement is contingent upon the Plan being declared effective.

8. ABANDONMENT OF PLAN. The Plan may be abandoned by the Seller at any time prior to its being declared effective, and thereafter only for reasons heretofore set forth in the Plan. The Plan shall be abandoned by amendment duly filed with the Department of Law of the State of New York and upon notice to all prospective purchasers who have signed the Purchase Agreement.

9. DEFAULT AND LIQUIDATED DAMAGES. I agree that if I shall fail to pay the balance of the Cash Purchase Price when due, as herein provided, or, if I am otherwise in default hereunder as such term is defined herein, the Seller may elect to cancel this Agreement by written notice to me at my residence or at the address stated above, by certified mail, and at the expiration of 30 days after the date of mailing thereof (unless I shall have theretofore paid the balance of the Cash Purchase Price in full) said notice shall be effective and this Agreement shall be deemed canceled and all rights of the parties thereunder shall terminate except that the amount of my Down Payment shall be paid over to the Seller as liquidated damages, such liquidated damages not to exceed 10% of the Cash Purchase Price plus the cost of any special work in the apartment ordered by me, together with any interest earned thereon. However, it is not anticipated that any interest will be earned. TIME IS OF THE ESSENCE TO REMEDY SUCH DEFAULT WITHIN SAID THIRTY (30) DAY PERIOD. The notice of default is hereby deemed a notice to vacate as well if I occupy the apartment under the terms of an Interim Lease. In the event of such cancellation, the Seller shall have the right to sell said Units to another purchaser as though this Agreement had never been made and without accountability to me for the proceeds received on any sale to another.

10. TITLE INSURANCE. Intentionally omitted.

11. CLOSING DATE AND PLACE. The closing of title shall occur on the date and at the time and place in the City and State of New York as Sponsor shall designate to Purchaser on not less than thirty (30) days' prior written notice. Sponsor shall have the right, from time to time, to adjourn such time and date for closing on written notice to Purchaser. If adjourned, Sponsor shall fix a new date and time for title closing and shall give Purchaser not less than ten (10) business days-prior written notice of the new scheduled date and time for closing.

In the event that a Purchaser does not close on the Closing Date set forth in the Notice of Closing, the Sponsor elects not to cancel the Purchase Agreement or if the Sponsor approves the Purchaser's request to adjourn the Purchaser's Closing to his apartment, interest shall accrue on the unpaid amount of the purchase price from the Closing Date until such amount is paid. The interest rate shall be ten percent (10%) per annum. This rate shall be in effect for as long as there are any unpaid amounts owing towards the full purchase price.

12. APPORTIONMENT OF CHARGES. At the Closing, the parties shall apportion, as of the day preceding the date of actual closing, the Common Charges, real estate taxes and other charges under the By-Laws, utility charges (if any) due to the Condominium and the use and occupancy charge, if any, to the Apartment. Assessments will not be apportioned and will be payable by the party who is the owner of the Unit when the same became due and payable. A letter from the Condominium or its Managing Agent as to status of Common Charges, utility or other charges shall be sufficient for purposes of determining the adjustments as herein described.

In the event a mortgage recording tax credit becomes available pursuant to Section 339-ee(2) of the New York Condominium Act, it is specifically understood that such credit will inure to the benefit of the Sponsor. Accordingly, on the Closing Date, I will pay the full amount (but not in excess thereof) of the mortgage recording tax chargeable on the entire amount financed, if any. The Sponsor will be reimbursed to the extent of any mortgage tax credit allowed.

13. CLOSING COSTS. Purchaser shall be responsible for paying all costs as outlined in the Section of this Offering Plan entitled CLOSING COSTS AND ADJUSTMENTS.

14. ENTIRE AGREEMENT, OPPORTUNITY TO EXAMINE, NON-ASSIGNABILITY. The entire contract between the parties hereto as set forth herein and in the Plan and as the Plan may be amended from time to time. The only representations made to me are those contained herein and in the Plan, as may be amended. I have not relied upon any representations, statements or warranties, written or oral, as to any matter or estimate that is not set forth herein and in the Plan. I have had at least three days to read and review the Offering Plan and all amendments and have had the opportunity to examine all the documents filed as Exhibits, volume A, B and C to the Plan. This Agreement is not assignable by me without prior written consent of the Seller and shall bind and apply to the parties hereto and their personal legal representatives, successors and assigns and may not be amended, changed or discharged orally.

15. CONFLICTS WITH THE PLAN. Conflicts between this Agreement and the Plan shall be resolved in favor of the Plan.

16. CONDITIONS FOR BINDING AGREEMENT. This Agreement shall not be binding on me or on the Seller until a fully executed copy thereof shall have been delivered to me. If this Agreement shall not be accepted within twenty (20) days of the date hereof by the delivery to me of such endorsed and fully signed copy, this Purchase Agreement shall be deemed to be rejected and canceled and my deposit shall be promptly refunded to me.

17. CONDITIONS FOR CLOSING. It is a condition of this closing that:

- (a) There shall be no claims or liens against the Unit;
and
- (b) The Seller has full right and authority to sell and transfer the Units.

18. WHEN TITLE PASSES. I shall acquire no right, title or interest in the aforesaid Unit until (i) the entire Cash Purchase Price has been paid in accordance with the terms hereof, and (ii) I have otherwise performed, observed and complied with the terms and conditions of this Agreement.

At the Closing of Title the Seller shall deliver to me a bargain and sale deed, with covenants against the grantor's acts, conveying the Unit to me such deed to be in the form contained in Part II of the Plan, executed and acknowledged by the Seller in form for recording.

19. IDENTIFICATION OF PURCHASER. I represent that I am a person over 18 years of age. The term "I" shall read as "we" and "purchaser" shall be read as "purchasers" if more than one person is a purchaser, in which case our obligations shall be deemed joint

and several. I further represent to the Condominium and to all of the persons to who are Unit Owners that I am purchasing the Unit for my own account and that Sponsor will have no interest, direct or indirect, in the Unit being purchased hereunder.

20. BONA FIDE PURCHASER. I certify that I have agreed in good faith to purchase the above-described Apartment with no discriminatory re-purchase Agreement or other discriminatory inducement.

21. AGREEMENT SUBJECT TO MORTGAGES. I agree that all terms and provisions of this Agreement are and shall be subject and subordinate to the lien of any building loan mortgage or development loan mortgage heretofore or hereafter made and any advances heretofore or hereafter made thereon and any payments or expenses already made or incurred or which may hereafter be made or incurred, pursuant to the terms thereof, incidental thereto, or to protect the security thereof, to the full extent hereof without the execution of any further legal documents by me. The subordination shall apply whether such advances are voluntary or involuntary and whether made in accordance with the building loan schedule of payments or accelerated thereunder by virtue of lender's right to make advances before they become due in accordance with the schedule of payments. Notwithstanding anything to the contrary contained in this paragraph, however, on the Closing Date the only mortgage to which the Unit will be subject will be the mortgage(s) obtained by me.

22 MORTGAGE FINANCING. This Contract will be conditional on Purchaser obtaining mortgage financing secured by the subject condominium unit in an amount not less than \$ from an institutional lender. Purchaser shall apply for said loan within five (5) days after receipt of a fully executed copy of this Contract, and shall have forty (40) days from the date on which a fully executed copy of the Purchase Agreement is delivered to the purchaser by the seller; or if purchaser has received a declination letter from said lender; purchaser may cancel this contract and receive return of the down payment within ten (10) days thereafter, provided that (a) if purchaser has received a declamation letter, the declination is from an institutional lender, and indicates that the purchaser applied for an amount not greater than that set forth in this clause; and that the purchaser complied with all requests for documentation from said institutional lender; or (b) in the event purchaser has not obtained a commitment, purchaser provides Sponsor, along with the notice required hereunder, evidence that the loan application was submitted within five (5) days of execution of contract as set forth above; and that purchaser has complied with all requests of the lender for documentation. **IN THE EVENT THAT SPONSOR'S ATTORNEY DOES NOT RECEIVE SUCH NOTICE OF FAILURE TO OBTAIN FINANCING WITHIN FIVE DAYS AFTER EXPIRATION OF**

THE FORTY-DAY-PERIOD SET FORTH ABOVE (OR ANY EXPIRATION THEREOF), PURCHASER SHALL BE REQUIRED TO CLOSE WHETHER OR NOT PURCHASER RECEIVES FINANCING.

Purchaser's failure to provide information to the lender promptly upon request therefore, or failure to accept a commitment offered, shall be a default for which the Seller shall have the right to cancel this Purchase Agreement and retain the down payment. Once a bank commitment is issued, Purchaser will be required to use due diligence in obtaining any and all extensions necessary to maintain such commitment in force, notwithstanding that such extension may be at a higher interest rate or require payment of additional fees, or include other changes. Failure to maintain such commitment will constitute a default under the Purchase Agreement, except that if the financing commitment lapses or expires prior to closing, and the Purchaser has made a good faith effort to extend the commitment, Sponsor must grant to such Purchaser a right of rescission and a reasonable period of time to exercise the right.

23. AMENDMENTS. After acceptance of my Purchase Agreement, there shall be no change in the amount of the Cash Purchase Price, size or layout of the apartment I intend to purchase, without my written consent first being obtained. If there is a material change in the size or quality of common areas, I shall be given written notice thereof by certified mail, return receipt requested, and I shall have fifteen (15) days therefrom to rescind my Purchase Agreement and obtain return of my Down Payment by so notifying the Sponsor or Selling Agent in writing by certified mail, return receipt requested. Notice of an amendment may also be given by overnight delivery service, or fax, and regular mail, and shall be deemed made when received, or when delivery is attempted. Notice of an amendment hereunder may be made by delivering a copy thereof and notice of its acceptance for filing to the attorney for the purchaser rather than directly to the purchaser in the form or manner set forth above.

24. CAPTIONS. The captions used herein are inserted only as a matter of convenience and for reference and in no way define, limit or described the scope of this Purchase Agreement or the intent of any provision hereof.

25. RECORDING OF DEED AND POWER OF ATTORNEY. At the Closing of Title, I will deliver the executed deed received from Seller and an 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 Register of the City of New York, County of New York. Such deed and power of attorney will be in the form set forth in the Plan.

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24. CAPTIONS. The captions used herein are inserted only as a matter of convenience and for reference and in no way define, limit or described the scope of this Purchase Agreement or the intent of any provision hereof.

25. RECORDING OF DEED AND POWER OF ATTORNEY. At the Closing of Title, I will deliver the executed deed received from Seller and an 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 Register of the City of New York, County of Kings. Such deed and power of attorney will be in the form set forth in the Plan.

26. CASUALTY DAMAGE PRIOR TO CLOSING. In the event Sponsor receives notice from purchaser that the unit has been damaged prior to closing, Sponsor will, within ten (10) days, notify purchaser whether or not Sponsor will repair the damage. If Sponsor will not repair the damage, then Sponsor will within ten (10) days after receipt of written request by the purchaser to do so, return the down payment. If Sponsor elects to repair the damage, it will do so as promptly as possible and restore the unit/common elements to substantially the same condition immediately prior to the casualty and its essential services (such as utilities and heat) and a reasonable means of ingress and egress to the street have been restored. Additionally, a purchaser will be required to make a good faith effort to extend the term of the commitment to enable the Sponsor to repair the damage but in the event that an extension is not obtained, the purchaser will be offered a right of rescission, the down payment will be returned to purchaser within ten (10) days after purchaser notifies Sponsor that it is validly terminating the contract pursuant to the foregoing representation.

27. SURVIVAL. The Closing of Title to the Unit and the delivery and the delivery of the deed thereto shall be deemed full compliance by the Seller with each and every term of this Purchase Agreement, except as to any item specifically listed and excepted therefrom.

28. EXECUTION OF FORMS. It shall be a conditions of this contract that I shall execute and deliver to the Sponsor's attorney all forms and papers required by the State of New York and City of New York in connection with the purchase of the Unit.

29. LAWS. The laws of the State of New York shall govern this transaction.

30. PURCHASER'S REMEDIES. In the event that the Sponsor shall for any reason (except for willful default) be unable to convey and deliver the apartment in accordance with terms of the Purchase Agreement, (except for any failure to perform any obligation imposed by applicable statute or regulation, or a failure to perform Sponsor's obligations under the Offering Plan) the sole remedy of the Purchaser shall be to rescind the Purchase Agreement and be refunded the entire down payment with interest plus the cost of title searches, if any.

Any conflict between the plan and the Purchase Agreement shall be resolved according to the terms of the plan.

Nothing contained in the Purchase Agreement or the Plan shall be construed to waive a Purchaser's right to abrogate Sponsor's obligations under Article 23-A of the GBL.

31. INSPECTION OF UNIT. At least ten (10) days before the Balance is to be paid, the Selling Agent shall notify the Purchaser that the Unit is ready for inspection. Upon receipt of the notice, Purchaser shall promptly arrange an appointment with the Selling Agent to inspect the Unit before the lapse of such ten (10) day period. Purchaser or his duly authorized agent shall attend such inspection and shall complete, date and sign the Inspection Statement (in the form set forth as Exhibit A to this Agreement) and deliver same to the Selling Agent at the conclusion of the inspection. Failure of Purchaser either to arrange such appointment or to inspect the Unit within ten (10) days of receipt of said notice or to so sign and deliver the completed inspection Statement, shall not excuse Purchaser from paying the Balance when due and shall constitute Purchaser's full acceptance of the Unit. However, nothing herein shall relieve Sponsor of its obligations as set forth in the "RIGHTS AND OBLIGATIONS OF THE SPONSOR."

32. NOTICES. Any notice required to be made hereunder shall be delivered to the Attorney for the party set forth on the first page of the contract and shall be made by personal delivery, overnight delivery service, or fax or email with proof of receipt.

33. BROKER. Purchaser represents to Sponsor that the Broker listed on the front cover of this contract is the only broker or sales agent with whom Purchaser has dealt in connection with this transaction. Sponsor agrees to pay the commission due the Selling Agent pursuant to separate agreement. Purchaser agrees that should any claim be made against Sponsor for commissions by any other broker on account of any acts of Purchaser or of Purchaser's representatives, Purchaser will indemnify and hold Sponsor free and harmless from any and all liabilities and expenses in connection therewith, including (without limitation) reasonable legal fees and disbursements. The provisions of this Paragraph 34 shall survive the Closing.

34. ASSIGNMENT AND RECORDATION. This contract may not be assigned or recorded, and any proposed assignment or recordation without express written permission of the Seller shall be deemed a default hereunder entitling Seller to cancel the contract and retain all sums deposited pursuant hereto. Sponsor at Sponsor's option may allow Purchaser to assign a contract; in the event of such assignment Purchaser shall pay an assignment fee of \$1,500.00.

35. NO LIEN. No liens or encumbrances shall arise against the Property or the Unit as a result of this Agreement or any monies deposited hereunder. This Agreement shall not be recorded and any purported recordation hereof by Purchaser shall constitute an Event of Default.

36. INVALIDITY. Invalidity or unenforceability of any

portion or portions of this Agreement shall not affect the validity or enforceability of the other portions, which shall all be deemed valid and enforceable to the fullest extent of the law.

37. STRICT COMPLIANCE. Any failure by Sponsor to insist upon strict performance by Purchaser of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, irrespective of the number of violations or breaches which may occur, and Sponsor, notwithstanding any failure, shall have the right thereafter to insist upon strict performance by Purchaser of any and all of the provisions of this Agreement to be performed by Purchaser.

DATE: , 20 .

Purchaser

Purchaser

APPROVED AND ACCEPTED
48-54 WEST 138 LLC

By:

EXHIBIT A
PRE-CLOSING INSPECTION STATEMENT

We/I, the named purchaser/s in a contract for Unit at 48-54 West 138th Street; New York, New York, certify that we/I have this day inspected said unit, and agree to accept same in its present condition, subject to completion or repair of the items set forth on the list attached hereto.

The attached list of repair items is consented to, and we agree to complete same prior to closing.

APPROVED AND ACCEPTED
48-54 WEST LLC

By:

UNIT DEED

THIS INDENTURE made the day of , 20 ,
between 48-54 WEST 138 LLC, 95-04 Delancey Street, New York, New
York 10002, (hereinafter "Grantor"), and , (hereinafter
"Grantee");

W I T N E S S E T H:

That the Grantor, in consideration of Ten (\$10.00) Dollars and
other valuable consideration paid by the Grantee, does hereby
grant and release unto the Grantee, and the heirs or successors
and assigns of the Grantee, forever:

The Unit described in the attached Schedule A.

TOGETHER with any strips or gores adjoining the above described
premises on any of the sides thereof;

TOGETHER with an undivided percent interest in the Common
Elements of the Property described in said Declaration
(hereinafter called the "Common Elements");

TOGETHER with an easement for the continuance of all
encroachments by the Unit on any adjoining Units or Common
Elements now existing as a result of construction of the
Buildings, or which may come into existence hereafter as a
result of settling of the Buildings, or as a result of repair or
restoration of the Buildings, or the Unit, after damage by fire
or other casualty, or after taking in condemnation or eminent
domain proceedings, or by reason of an 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;

TOGETHER with an easement in common with the Owners of other
Units to use any pipes, wires, ducts, cables, conduits, public
utility lines, and other Common Elements located in any of the
other Units or elsewhere on the Property, and serving the Units;

TOGETHER with the appurtenances and all the estate and rights of
the Grantor in, and to, the Unit;

TOGETHER with and subject to all easements of necessity in favor
of the Unit, or in favor of other Units, or the Common Elements;

SUBJECT to 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, now existing as a result of construction of the Buildings, or as a result of repair or restoration of the Buildings, or any adjoining Unit, or of the Common Elements, after damage, condemnation, or eminent domain proceedings, or by reason of an 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.

TOGETHER with and subject to easements, rights of way, restrictions and encumbrances created by the Declaration for THE 48-54 WEST 138TH STREET CONDOMINIUM recorded in the New York County Office of the Register of the City of New York on the day of , , in Reel , Page .

SUBJECT to the provisions of the Declaration, By-Laws, and Floor Plans of the Condominium recorded simultaneously with and as part of the Declaration, as the same may be amended from time to time by instruments recorded in the New York County Office of the Register of the City of New York, which provisions, together with any amendments thereto, shall constitute covenants running with the land and shall bind any person having time, any interest, or estate in the Unit, as though such provisions were recited and stipulated at length herein;

AND the Grantor covenants that the Grantor has not done or suffered anything whereby the said premises have been encumbered in any way whatsoever, except as aforesaid;

TO HAVE AND TO HOLD the same unto the Grantee, and the heirs or successors and assigns of the Grantee, forever.

The use for which the Unit is intended is that of a residence and/or professional office as permitted by the By-Laws and the Declaration.

If any provision of the Declaration or the By-Laws is invalid under, or would cause the Declaration or the By-Laws to be insufficient to submit the Property to, the provisions of the Condominium Act, or if any provision that is necessary to cause the Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from the Declaration or the By-Laws, or if the Declaration and the By-Laws are insufficient to submit the Property to the

POWER OF ATTORNEY

THE UNDERSIGNED, the Owner of Unit No. _____ in the Condominium known as THE 48-54 WEST 138TH STREET CONDOMINIUM, consisting of the property submitted to the provisions of Article 9-B of the Real Property Law of the State of New York pursuant to Declaration recorded the _____ day of _____, 20____, in the New York County Office of the Register at Reel _____, Page _____ in the floor plan of file as Map No. _____, do hereby nominate, constitute, and appoint persons who may from time to time constitute the Board of Managers of the Condominium known as THE 48-54 WEST 138TH STREET CONDOMINIUM jointly, true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution, to acquire in their own name, as members of the Board of Managers, or in the name of their designee, corporate, or otherwise, on behalf of all Owners of Units whose Owner in said Property, in accordance with their Common Interests, any Unit whose Owner desired to abandon or sell the same, the undivided interest in the Common Elements appurtenant thereto, the interest of such Unit Owner in any other Units theretofore acquired by the Board of Managers, or its designee, on behalf of all Unit Owners, or in the proceeds of sale of such Unit Owner in any other Units theretofore acquired by the Board of Managers, or its designee, on behalf of all Unit Owners in all other assets of the Condominium as defined in the aforementioned Declaration, or any Unit, which shall be the subject of a foreclosure or other judicial sale, or to lease any Unit whose Owner desires to rent the same, at such price or on such rental, as the case may be, and on such terms as said attorneys-in-fact may determine, granting to such attorneys-in-fact the power to do all things in the said premises which the undersigned could do, if the undersigned were personally present. In more particular delineation of, but not in derogation or limitation of, the power set forth above, the Board of Managers, notwithstanding bankruptcy of any Unit Owner, specifically has the power to do any act or thing, and execute any document necessary to effectuate the purposes set forth in the Declaration referenced above including, but not limited to, Amendment of said Declaration, execution of the Deed conveying condominium property, filing for a severance of tax lots, and any other document or thing reasonable or necessary to effectuate the aforementioned purposes.

The acts of majority of such persons shall constitute the acts of said attorneys-in-fact.

The Power of Attorney shall be irrevocable.

IN WITNESS WHEREOF, the undersigned, has executed this Power of Attorney this day of _____, 20____.

STATE OF NEW YORK)
COUNTY OF _____)

SS.:

On the _____ day of _____, 20____, before me, the undersigned personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is(are) subscribed to the within instrument and acknowledged to me that he/she/they executed 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

TAX ESCROW AGREEMENT

AGREEMENT made this 25th day of OCTOBER, 2011, by and between 48-54 WEST 138 LLC (hereinafter "Sponsor"), and THE BOARD OF MANAGERS OF THE 48-54 WEST 138TH STREET CONDOMINIUM (hereinafter "The Board");

W I T N E S S E T H:

WHEREAS, Sponsor for the conversion to condominium ownership of the land and building located at 48-54 West 138th Street, New York, New York; and,

WHEREAS, The Board is The Board of Managers charged with governing the operation of said condominium; and,

WHEREAS, the individual condominium units located at the aforementioned property have not been separately assessed for real estate tax purposes prior to the closing of the first unit located thereat; and,

WHEREAS, pursuant to the terms of the Offering Plan for said condominium conversion Sponsor desires to secure their obligation to pay real estate taxes for the unsold units;

NOW, THEREFORE, the parties agree as follows:

1. On the first closing of a unit at the premises, Sponsors will deposit in escrow with The Board in a special segregated escrow account to be maintained by The Board in their own name, an amount equal to real estate taxes attributable to the unsold units for the six month period immediately following such closing.

2. The Board is irrevocably authorized to pay such real estate taxes as are assessed against the premises from the escrow account when such taxes are due and payable.

3. The funder of the escrow account will be entitled to reimbursement from unit owners to the extent of the actual assessment.

4. Upon each subsequent closing of the units, the Sponsor may collect the estimated amount of taxes attributable to such unit for the balance of the six month period from the purchaser thereof.

EAI

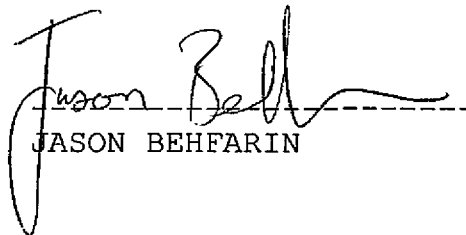
5. If the escrow was kept in an interest-bearing account, the interest earned thereon such belongs to the Sponsor.

6. The escrow account shall be maintained in accord with all laws, rules, and regulations of the State of New York, specifically including, but not limited to, the General Business Law; and, shall be deemed held for the benefit of the condominium.

IN WITNESS WHEREOF, the parties set their hands the date above first written.

48-54 WEST 138 LLC

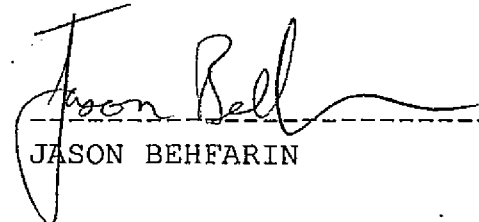
BY:



JASON BEHFARIN

THE BOARD OF MANAGERS OF
THE 48-54 WEST 138TH STREET CONDOMINIUM

BY:



JASON BEHFARIN

ESCROW AGREEMENT FOR CONTRACT DEPOSIT

AGREEMENT made this 25th day of OCTOBER, 2011, between 48-54 WEST 138 LLC ("Sponsor") as Sponsor of the Offering Plan, and MORRIS E. BARENBAUM, Esq. ("Escrow Agent") as escrow agent.

WHEREAS, 48-54 WEST 138 LLC is the Sponsor of an Offering Plan to convert to condominium ownership the premises located at 48-54 WEST 138TH STREET CONDOMINIUM; and,

WHEREAS, MORRIS E. BARENBAUM, Esq. is authorized to act as an Escrow Agent hereunder in accordance with General Business Law ("GBL") Section 352-3(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 Capital One Bank, 4612 13th Avenue, Brooklyn, New York 11219. The account number is

1.2 The name of the account is "Morris E. Barenbaum, Esq. IOLA Account."

1.3 Escrow Agent is the sole signatory on the account.

1.4 The escrow account shall be a non interest-bearing account as disclosed in the Offering Plan.

1.5 The escrow account is an IOLA established pursuant to Judiciary Law Section 497.

2. DEPOSITS INTO THE ESCROW ACCOUNT.

2.1 All funds received from prospective purchasers or subscribers prior to closing, whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be deposited in the escrow account. All instruments to be deposited into the escrow account shall be endorsed by the purchaser or subscriber and made payable to the order of "MORRIS E. BARENBAUM, As Attorney" as Escrow Agent for THE 48-54 WEST 138TH STREET CONDOMINIUM Offering Plan. Any instrument payable or endorsed other than as required hereby, and which cannot be deposited into such escrow account, shall be returned to the prospective purchaser or subscriber promptly, but in no event more than five (5) business days following receipt of such instrument by Escrow Agent. In the event of such return of funds, the instrument shall be deemed not to have been delivered to Escrow Agent pursuant to the terms of this Agreement.

2.2 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 deposited of such funds in the bank indicated in the offering plan, provide the account number, and disclose the initial interest rate. If the purchaser does not receive notification of such deposit within fifteen (15) business days after tender of the deposit, the purchaser may cancel the purchase and rescind within ninety (90) days after tender of the deposit, or may apply to the Attorney General for relief. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the escrowed funds were timely deposited in accordance with these regulations and requisite notice was timely mailed to the subscriber or purchaser.

3. RELEASE OF FUNDS.

3.1 Escrow Agent shall not release the escrowed funds of a defaulting purchaser until after consummation of the plan as defined in the Attorney General's regulations. Consummation of the plan shall not relieve Sponsor of its fiduciary obligations pursuant to GBL Section 352-h.

3.2 Escrow Agent shall continue to hold the funds in escrow until otherwise directed in (a) a writing signed by both Sponsor and purchaser, or (b) a determination of the Attorney General, or (c) a judgment or order of a court of competent jurisdiction or until release pursuant to the regulations of the Attorney General pertaining to release of escrow funds.

3.3 Sponsor shall not object to the release of the escrowed funds to (a) a purchaser who timely rescinds in accordance with an offer of rescission contained in the plan or an amendment to the plan, or (b) all purchasers after an amendment abandoning the plan is accepted for filing by the Department of Law.

3.4 If there is no written agreement between the parties to release the escrowed funds, Escrow Agent shall not pay the funds to Sponsor until Escrow Agent has given the purchaser written notice of not fewer than ten (10) business days. Thereafter, the funds may be paid to Sponsor unless the purchaser has made application to the Department of Law pursuant to the dispute resolution provisions contained in the Attorney General's regulations and has so notified Escrow Agent in accordance with such provisions.

4. RECORDKEEPING.

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

4.2 Upon the dissolution of a law firm which was Escrow Agent, the former partners or members of the firm shall make appropriate arrangements for the maintenance of these records by one of the partners or members of the firm, or by the successor firm and shall notify the Department of Law of such transfer.

4.3 Escrow Agent shall make available to the Attorney General, upon his request, all books and records of Escrow Agent relating to the funds deposited and disbursed hereunder.

5. GENERAL OBLIGATIONS OF ESCROW AGENT.

5.1 Escrow Agent shall maintain the accounts called for in this Agreement under the direct supervision and control of Escrow Agent.

5.2 A fiduciary relationship shall exist between Escrow Agent and purchasers, and Escrow Agent acknowledges its fiduciary obligations.

6. RESPONSIBILITIES OF SPONSOR.

6.1 Sponsor agrees that Sponsor and its agents, including any selling agents, shall immediately deliver all deposits and payments received by them prior to closing of an individual transaction to Escrow Agent.

6.2 Sponsor agrees that it shall not interfere with Escrow Agent's performance 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 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 its in escrow, and any and all contracts or documents maintained by Escrow Agent to the new Escrow Agent.

8. SUCCESSORS AND ASSIGNS.

8.1 This Agreement shall be binding upon Sponsor and Escrow Agent and their successors and assigns.

9. GOVERNING LAW.

9.1 This Agreement shall be construed in accordance with and governed by the laws of the State of New York.

10. ESCROW AGENT'S COMPENSATION.

10.1 Sponsor agrees that Escrow Agent's compensation shall not be paid from escrowed principal, nor from any interest accruing thereon, and that compensation to Escrow Agent, if any, shall not be deducted from escrowed funds by any financial institution under any circumstance.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first written above.

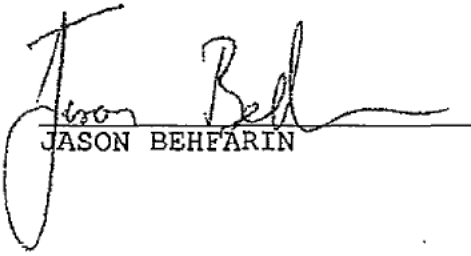
ESCROW AGENT

by:


MORRIS E. BARENBAUM

SPONSOR
48-54 WEST 138 LLC

by:


JASON BEHFARIN

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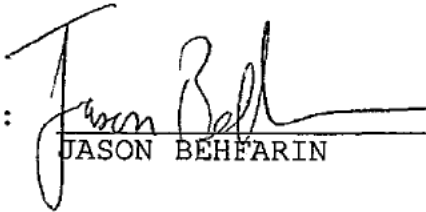
10.1 Sponsor agrees that Escrow Agent's compensation shall not be paid from escrowed principal, nor from any interest accruing thereon, and that compensation to Escrow Agent, if any, shall not be deducted from escrowed funds by any financial institution under any circumstance.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first written above.

ESCROW AGENT

by: _____
MORRIS E. BARENBAUM

SPONSOR
48-54 WEST 138 LLC

by:  _____
JASON BEHFARIN

EA8

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

AD 1

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:** _____

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(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

AD4

**DEMERARA ENGINEERING, PLLC
160 PEARL STREET, 2ND FLOOR
NEW YORK, NEW YORK 10005
1212.383.4897**

ENGINEER'S DESCRIPTION OF PROPERTY
Premises known as
48-54 West 138th Street
Manhattan, New York 10037

Date: July 31, 2012



The content of this Report was based on:

- a) Visual inspection of some, but not all areas of the Building, including: cellar, lobby, public halls, roof, exterior walls, yards, some but not all apartments, and related equipment contained therein;
- b) Existing records and applications on file with the Department of Building of the City of New York;
- c) Information provided by the Sponsor and/or his representatives.

a) Location and use of property:

(1) Address:

48-54 West 138th Street, Manhattan, New York 10037.

(2) Block and lot number:

Tax Block: 1735

Tax Lot: 59

(3) Zoning:

The site is located in a R7-2 Zone which is a general residence district zone, as designated on Map 6a.

(4) Permissible use.

The permissible use is Use Group 2 Residential Use as a matter or right.

(b) Status of construction:

(1) Year built:

This structure was built approximately in year 1926.

(2) Class of construction:

These buildings comply with construction class IIB aka Old Code 3. Construction class IIB includes buildings and spaces, in which the exterior walls, fire walls, exit ways, and shaft enclosures are of noncombustible materials having the required fire-resistance ratings; and in which the floors, roofs, and interior framings are wholly or partly of wood, or are of other combustible or noncombustible materials, having the required fire-resistance ratings.

(3) Certificate of Occupancy, type and number:

(4) Alteration permit numbers and description of work done:

Not applicable.

(c) Site:

(1) Size:

The lot is 100' X 99.92'.

(2) Number of buildings and use:

There is 1 building on the site. There are 89 residential units in the building.

(3) Streets owned or maintained by the project:

There are no streets owned or maintained by the project. The streets are owned by the NYC.

(i) Paving:

The sidewalks are concrete. The sidewalks providing access to the building are ADA compliant and free of tripping hazard. The Condominium shall be responsible for maintain the sidewalks in accordance with the requirements of the Authority Having Jurisdiction.

(ii) Curbing:

The curb is concrete.

(iii) Catch basins, drainage:

There are no catch basins inside the property.

(iv) Street lighting:

Street lighting is provided by the City of New York and is adequate for all safety public needs.

(v) The aforementioned items are in conformity with local fire district, town or municipal building codes.

(4) Drives, sidewalks and ramps:

(i) Paving:

The sidewalks are concrete. The sidewalks providing access to the building is free of tripping hazard. The sidewalks providing access to the building are ADA compliant and free of tripping hazard. The Condominium shall be responsible for maintain the sidewalks in accordance with the requirements of the Authority Having Jurisdiction.

(ii) Curbing:

The curb is concrete.

(iii) Catch basins, drainage:

There are no catch basins inside the property.

(iv) Street lighting:

Street lighting is provided by the City of New York and is adequate for all safety public needs.

(v) The aforementioned items are in conformity with local fire district, town or municipal building codes.

(d) Utilities:

Water

Water is furnished by the City of New York and shall be paid by the condominium unit owners as part of the common charges. There is 1 water meter serving the building.

Gas

Gas service is provided by the Consolidated Edison Company. There are individual meters for gas consumption serving each apartment. Gas utilized for cooking within the units shall be billed directly to the condominium unit owner. There is also a separate meter for gas utilized for heating. The charge for heating shall be paid by the condominium unit owners as part of the common charges.

Electricity

Electricity is provided by the Consolidated Edison Company. There are individual meters for electric consumption serving each apartment. Electricity utilized within the units shall be billed directly to the condominium unit owner. There is also a separate meter for the common elements. The electrical services for the common areas shall be paid by the condominium unit owners as part of the common charges.

Telephone

Telephone service is provided on an individual basis to each unit by local providers. Each condominium unit owner will be billed directly by provider.

(e) Sub-soil conditions:

(1) Visual inspection of the cellar walls and floors, as well as the exterior facades, showed no evidence of cracking or mortar joint decay which may indicate uneven foundation movement and settling.

(2) The cellar is dry and shows no evidence of moisture or seepage or ground water infiltration.

(3) There is no danger from flooding, either due to the water table in the area or due to the overflow from other bodies of water. This building is not located in a FEMA flood zone.

(f) Landscaping and enclosures:

(1) Grass cover:

There are no grass covers at the premises.

(2) Plantings:

There are no plantings at the premises.

(3) Trees:

There are 4 street trees at the building frontage. The species is unknown. All trees are in good condition. The trees are approximately 3' in diameter. The tree pit is enclosed by an iron fence.

(4) Fencing:

See (f) 3.

(5) Gates:

There is a 7' high, non-corrosive, steel gate to the fire passages from the sidewalk located at both sides of the building. Gates are in good condition. Gates are legal for egress; they are equipped with a push-lock from the inside and a key-lock from the outside.

(6) Garden walls:

There are no garden walls at the premises.

(7) Retaining walls:

There are no retaining walls at the premises.

(8) Display pools and fountains:

There are no display pools and fountains at the premises.

(g) Building size:

(1) Total height:

The building has an approximate height of 62'-4" measured from the adjoining grade to the top of the sixth floor.

(2) Crawl spaces:

There are no crawl spaces in the building.

(3) Number of sub-cellars and cellars:

The building contains 1 cellar.

(4) Number of floors:

The building is comprised of 6 stories.

(5) Equipment rooms:

The following equipment rooms are located at the cellar: meter room; elevator machine room; refuse room; oil tank room, boiler room and janitor's storage room(s).

(6) Parapet:

The exterior walls extend approximately 3'-6" above the roof area and serve as a parapet as in compliance with the code.

(h) Structural system:

(1) Exterior of buildings:

The structural system for the building is a bearing walls type.

(i) Walls:

- All exterior walls, including all facades and courts, are constructed of brick. It is impossible to determine the wythes of brick. The exterior walls are 1' thick. The exterior walls are in good condition. No further investigation by a structural engineer is necessary.
- The R-Value of insulation is presumed to be none.
- New York City Local Law 10/11 of 1980 applies.

(ii) Windows:

Windows are aluminum, "up and down" type. They are in good condition overall. There are no lot line windows. Windows in the apartments have various types of child guards.

(iii) Landmark status:

These buildings do not have Landmark status.

(2) Parapets and copings:

The parapet is brick. The parapet is firmly secured in place and is in good condition overall.

(3) Chimneys and caps:

There is a chimney for the boiler. The chimney is in good condition overall.

(4) Balconies:

There are no balconies.

(5) Exterior entrances:

There is a drain to facilitate drainage at the main building entrance and it is in good condition. Drainage is adequate. Exterior entrances are free of tripping hazard. Exterior metals and fasteners are appropriate and are corrosion resistant. Exterior entrances are not ADA compliant. No unsafe conditions have been observed.

(i) Exterior doors and frames:

The main exterior entrance door serving the building is steel and glass with a keyed lock and is in good condition overall.

(ii) Vestibule doors and frames:

The vestibule door is steel and glass with a keyed lock and is in good condition overall.

(iii) Exterior stairs:

There are stairs, comprised of 2 brick risers and 1 painted concrete riser, in front of the building entry. Stairs are in good condition overall.

(iv) Railings:

The stair railings are metal and are in good condition overall.

(v) Mail boxes:

Mailboxes are located within the lobby at the first floor. Mailboxes are in good condition overall.

(vi) Lighting:

Exterior lighting is in good condition overall.

(6) Service entrances:

There are 2 service entrances, accessed by means of fire passages at each side of the building. The service entrances (doors, gates, stairs and railings) are in good condition. Lighting is adequate for all safety public needs. There are 2 drains serving each service entrance (side yard) to facilitate drainage. Drainage is adequate.

(i) Doors and frames:

The doors are non-corrosive, painted, steel, gate type doors with a push-lock from inside with a key-lock from the outside.

(ii) Gates:

Gates enclosing the passages are non-corrosive, painted steel.

(iii) Exterior stairs:

Stairs are concrete with brick.

(iv) Railings:

Stair railings are non-corrosive, painted, iron.

(7) Roof and roof structures:

The roof is in good condition. The projected life expectancy for the roof is approximately 15-20 years. There is no ACM as part of roof structure.

(i) Type of roofs for all areas:

The roof is a flat type roof.

(a) Material:

The roof material is rubber roofing. The roof is in good condition overall.

(b) Insulation:

The roof insulation material is unknown; however, it is apparently sufficient since no drafts or wind currents or etc. was observed.

(c) Surface finish:

The roof surface is not finished for walking.

(d) Bond or guarantee:

Not applicable.

(e) Flashing materials including counter flashing:

Roof flashing materials including counter flashing is rubber.

(ii) Drains:

The roof shall have 3" metal gutters and leaders which drain to the combined storm drainage system at the public street.

(a) Location, material and type:

There are 4 cast Iron roof drains. The drains are in good condition. It is difficult to determine the roof pitch direction. However, roof drainage is adequate.

(b) Gutters and leaders:

There are gutters and leaders which drain to the public storm drainage system.

(iii) Skylights:

There are 3 skylights at the roof; 1 above each staircase. These skylights are in good condition. The skylights are non-operable; its only purpose is to provide natural light. The building was constructed prior to the issuance of the Multiple Dwelling Laws.

(iv) Bulkheads:

(a) Stairs:

The stair bulkhead is brick. The bulkhead is in good condition overall.

(b) Elevator:

The elevator bulkhead is brick. The bulkhead is in good condition overall.

(c) Other:

None.

(v) Metal work at roof levels:

Rooftop metals are non-corrosive and in good condition. Metal work at roof consists of antennas, cables, vents and drains. Said metal work is of no concern regarding vibration and noise.

(a) Exterior, metal stairs:

None.

(b) Vertical ladders, including gooseneck:

None.

(c) Railings:

A portion of the front roof shall have a 1.5' high, non-corrosive, painted iron railing above the parapet wall.

(d) Hatches to roof:

None.

(e) Other:

None.

(vi) Rooftop facilities:

There are no rooftop facilities.

(8) Fire escapes:

The fire escapes are in good condition overall. Fire escapes were painted approximately 4 years ago. Currently, they are not due for painting yet.

(i) Location:

There are 8 sets of fire escapes. There are 2 at the front, 2 at the rear, and 2 at each side of the building.

(ii) Floors covered:

The front fire escapes serve the 2nd floor through the 6th floor. The rear and side fire escapes serve the 2nd floor through the roof.

(iii) Drop ladder:

There is a standard vertical drop ladder to extend to the street level.

(iv) Type:

The fire escapes are cantilever steel type with steel slat landings and treads, open riser stairs, and bar stock handrails. The fire escapes are firmly attached and

supported.

(v) Materials:

The fire escapes are made of painted steel.

(9) Yard and courts:

There is a front, rear and 2 side yards. All yards are designated as common elements. Lighting in all yards is adequate for all safety public needs. The front yard is accessed from the street. The rear yard is accessed from the first floor via stairs leading down to the yard. The right side yard is accessed either from the street or from the cellar or via the fire passage. The left side yard is accessed either from the street or via the fire passageway.

(i) Paving:

The yards are paved with concrete. The paving is in good condition.

(ii) Drainage:

The front yard is equipped with 1 drain; the rear yard with 3 drains; and each side yard with 2 drains. The drains are in good condition. Drainage is adequate.

(iii) Stairs and railings:

The stairs and handrails leading to the rear yard are non-corrosive, painted steel and are in good condition. See H (5) (iii) and (iv) for front yard stairs and railings. See H (6) (iii) and (iv) for right side yard stairs and railings.

(iv) Fencing:

See H (6) (ii) for side yard(s) fencing.

(10) Interior stair:

(i) Number of stairs of each type:

There are 3 stairwells. The stairwells are in good condition.

(ii) Enclosure:

All stairwells are partially enclosed by building walls.

(iii) Stair construction:

The stairs are constructed of marble and steel.

(iv) Stringers:

The stringers are steel.

(v) Treads:

The treads are marble.

(vi) Risers:

The risers are steel.

(vii) Guard rails:

The guard rails are steel.

(viii) Balustrade:

The balustrades are steel.

(11) Interior doors and frames:

All doors are in good condition.

(i) Unit entrance and interior doors and frames:

Unit entrance doors and frames are fire-rated, self-closing, metal with keyed locks. Interior doors and frames in the apartments are non-fireproof, solid core wood, with passage and privacy locks as appropriate.

(ii) Corridor doors and frames:

The corridor doors and frames are fire-rated, self-closing metal.

(iii) Stair hall doors and frames:

There are no stair hall doors.

(iv) Roof doors, cellar doors and frames:

Roof and cellar doors and frames are fire-rated, self-closing metal.

(12) Elevators:

The inspection record posted in the elevator is current. All elevator components, besides for the alarm system (telephone line) are in good condition.

(i) Number of passenger and service elevators:

There is 1 elevator serving the building.

(ii) Manufacturer, age of each and capacity:

The elevator is manufactured by Noral Controller and is approximately 2 years old. The elevator has a capacity of 2,000 pounds.

(iii) Type of operation:

The elevator is a passenger elevator.

(iv) Automatic (type of controls):

The elevator is automatically operated. The elevator has a call button one each floor and a call button panel in the cab.

(v) Floors served:

The elevator serves the cellar through the sixth floors.

(vi) Type:

The elevator is a rope-traction elevator.

(vii) Doors:

The elevator has an automatic sliding door and a manual hinged out-swing door.

(viii) Location of machine rooms:

The elevator machine room is located at the cellar.

(ix) DC motor:

The DC motor is manufactured by Imperial.

(x) AC motor:

The AC motor is manufactured by Imperial.

(xi) Other:

Not applicable.

13. Elevator cabs:

All cab components are in good condition.

(i) Kind:

The elevator cab is manufactured by Imperial.

(ii) Floor:

The floors are stainless steel.

(iii) Walls:

The interior walls of the elevator are paneled.

(iv) Ceiling:

The interior ceiling of the elevator is plastic paneled.

(v) Lighting:

Lighting shall be accomplished by a combination fan and lighting fixture at the roof of the cab.

(vi) Alarm, safety system:

Fire safety and alarms are supplied as per the NYC Fire Department Safety Code.

(i) Auxiliary facilities:

(1) Laundry rooms:

(i) Location and number of rooms:

There will be a laundry area in the cellar.

(ii) Clothes washers, number and type:

There are 4 Maytag coin operated clothes washers. The clothes washers are in good condition. (It is to be noted that the expense might be greater than the income.)

(iii) Clothes dryers:

There are 4 ADC coin operated clothes dryers. The clothes dryers are in good condition. (It is to be noted that the expense might be greater than the income.)

(iv) Room ventilation:

The laundry area is direct vented through the windows.

(v) Dryer ventilation:

The dryer is direct vented through the windows.

(2) Refuse disposal:

(i) Incinerator(s):

There are no incinerators.

(ii) Compactor(s):

There is a trash compactor. The trash will be deposited in the chute on each floor. The trash will then be transported to a garbage crusher located in the cellar which crushes the trash. Then the trash will be packed in bags and brought to the street by the superintendent of the building to be picked up by the sanitation department. The compactor is approximately 20 years old and is in fair condition. The manufacturer, model no. and warranty of the compactor are unknown.

(iii) Approvals by authority having jurisdiction:

Not applicable.

(iv) Initial storage location:

The initial storage location is the refuse room at the cellar. The compactor room is direct vented, vertically, through the roof.

(v) Pick-up schedule, and whether public or private provider:

Refuse is collected on Tuesdays, Thursdays and Saturdays by the NYC Sanitation. Recycling is collected on Thursdays, only.

(j) Plumbing and drainage:

The plumbing and drainage systems are in good condition.

(1) Water supply.

Water is supplied to the units through connections from the building to the NYC Water Distribution System. The piping is of copper material and is approximately 8" in diameter. The backflow preventers are located at the cellar. Visible hot and cold water piping is insulated. There is no known lead, galvanized, or nonmetallic piping in the water distribution system. No water leaks or dripping have been observed. The piping and piping joints are in good condition.

(2) Fire protection system:

The building is sprinkled in the refuse room and laundry room at the cellar.

(i) Standpipes:

None.

(ii) Hose racks, hoses and nozzles:

None.

(iii) Sprinkler heads:

The refuse room and laundry area in the cellar is sprinkled. The refuse chutes are not sprinkled. The sprinklers are pendant type equipped with a fusible link set to go off at a temperature of 160 degrees Fahrenheit.

(iv) Siamese connection:

There is a Siamese connection. It serves the aforementioned sprinklers, only.

(3) Water storage tank(s) and enclosures:

There are no water storage tanks.

(4) Water pressure and how maintained:

No pumps are utilized for the domestic water supply. The building relies on normal NYC water pressure for raising the water to all floors so that no water tanks are required. The water pressure and flow has been verified to be adequate at the highest discharge point in the building.

(5) Sanitary sewage system:

Sanitary sewage system is a gravity system, connected to a street sewer main.

(i) Sewage piping:

Sewage piping is a standard no hub cast iron pipe. The size of the service is approximately 2".

(ii) Sewage pumps:

There are no sewage or ejector pumps.

(iii) Sewage disposal:

The sewage system carries both waste and sanitary sewage from each apartment.

(6) Permit(s) required:

All permits are to current date.

(7) Storm drainage system:

The sewage system carries both waste and sanitary sewage from each unit. The storm water run-off of the site will be collected in the roof leaders and will drain into the storm drain, which in turn will be connected to the existing combined sewer located in the public street.

(i) Catch basins:

None.

(ii) Yard and roof drains:

There are yard and roof drains.

(iii) Piping:

All piping and fittings are cast iron.

(iv) Sump pumps:

There are no sump pumps.

(k) Heating and hot water:

(1) Heating and distribution of domestic hot water and whether capable of providing peak required services:

The premise has a thermostat with the ability to maintain a maximum temperature of 85 degree Fahrenheit. The estimate of the heating is based on maintaining a temperature of 70 degrees at the thermostat for 16 hours a day, and 60 degrees for 8 hours as the night temperature.

(2) Number of boilers and description:

There is 1 boiler for home heating and hot water.

(3) Manufacturer and age of boiler(s):

The boiler is manufactured by A. L. Eastmond and Sons Inc., model # FST-100 and is adequate for the home heating and hot water usage of the building. The boiler is approximately 10 years old and is in good condition.

(4) Manufacturer and age of burners:

The burner is manufactured by Industrial Combustion. The burner is approximately 10 years old and is in good condition.

(5) Type of controls:

There is 1 thermostat.

(6) Radiators, piping, insulation, valves, pumps:

The heat is distributed via cast iron radiators. The radiators are in good condition.

(7) Fuel:

The boiler utilizes oil; the pilot utilizes gas.

(8) Location of oil tank, materials, enclosure:

The oil tank is located in the cellar and is enclosed by fire rated walls. The oil tank is approximately 10 years old and is in good condition.

(9) Capacity of oil tank:

The oil tank has a capacity of 5,000 gallons.

(l) Gas supply:

(1) Type:

Gas supplied is natural gas.

(2) Meters:

There are separate meters for each unit.

(3) Piping:

The gas piping is steel. The size of the service is approximately 3".

(m) Air conditioning:

Air conditioning for the apartments is accomplished by through the window air conditioning units. Air conditioning units is the sole responsibility of the purchasers. The renovated units have dedicated circuits for the air conditioning units.

(n) Ventilation:

The bathrooms and kitchens within the units are equipped with windows for ventilation. There are no mechanical ventilation systems. The existing ventilation for the studio units in non-complying with the MDL, refer to the Special Risk Section in front of the plan.

(o) Electrical System:

The building has 3 electric services. No unsafe conditions have been observed. No further investigation by an electrical engineer is necessary.

(1) Service from main service switchgear:

The service is rated at 240 Volt, 3 phase, 4 wire, 60 HZ.

(2) Service to individual units:

A series of fused disconnects switches is provided with 200 amp/150 AF and 3 600 amp/450 AF. The 600 amp disconnect switch serves the meter bank. The 200 amp switch serves a fuse holder with 60 and 100 amp fuses for the house service. Each unit is provided with 100 amperages of electricity which is adequate.

(3) Compartment switchgear:

The 200 amp switch serves a fuse holder with 60 and 100 amp fuses for the house service.

(4) Unit service:

Apartments are provided with a meter and 2 pole 40 amp fuses. Risers extend to panels which are located within apartments. A meter and remote panel is provided.

(5) Adequacy:

(i) Service:

There is an average of 8-10 circuits per apartment.

(ii) Lighting and fixtures:

Each lighting fixture is provided with 1 or more lights of a total of not less than 60 watts.

(iii) Convenience outlets, appliance outlets:

There are electrical receptacles throughout the condominium units.

AFCI and GFCI are provided.

(p) Intercommunication and/or door signal systems, security closed circuit TV.

Each apartment is equipped with an intercom system connected to the intercom directory at the building entry. The system enables communication between the apartment and intercom directory. The intercom system is approximately 1 year old and is in good condition.

(q) Public area lighting:

Public lighting is wall mounted and/or ceiling mounted fixtures. All lighting appears to be adequate.

(r) Garages and parking areas:

There are no garages or parking areas at the premises.

(s) Swimming pools:

There are no swimming pools at the premises.

(t) Tennis courts, playgrounds and recreation facilities.

There are no tennis courts, playgrounds or recreation facilities at the premises.

(u) Permits and Certificates:

All permits are to current date.

(v) Violations:

Provided access will be given, all violations will be repaired.

There are 2 outstanding violations as of the date of this report as follows:

DOB construction violation-issued on 11/24/07. The condition has been cured and Sponsor retained the service of an expeditor to remove the violation from the DOB's records.

DOB elevator violation-issued on 12/06/11. The Sponsor and his representatives are currently working remedying the conditions and removing the violation from the DOB's records.

<i>Elevator Part:</i>	<i>Violation Condition:</i>	<i>Suggested Remedy:</i>
Machine room	no means of access	provide means of access
Alarm system	defective	repair phone in car
Entire device	dirty	clean entire device
Hoistway doors	unlabeled	provide floor number on all floor doors.

(w) Unit Information:

Unit No.	Unit Location	Square Feet	Number of Bedrooms	Baths	Balconies/ Terraces
Supr	Cellar	625	1	1	0
1A	First floor	580	1	1	0
1B	First floor	470	1	1	0
1C	First floor	455	1	1	0
1D	First floor	284	n/a	1	0
1E	First floor	440	1	1	0
1F	First floor	306	n/a	1	0
1G	First floor	291	n/a	1	0
1H	First floor	476	1	1	0
1I	First floor	500	1	1	0
1J	First floor	284	n/a	1	0
1K	First floor	455	1	1	0
1L	First floor	470	1	1	0
1M	First floor	580	1	1	0
2A	Second floor	357	n/a	1	0
2B	Second floor	470	1	1	0
2C	Second floor	455	1	1	0
2D	Second floor	284	n/a	1	0
2E	Second floor	440	1	1	0
2F	Second floor	306	n/a	1	0
2G	Second floor	291	n/a	1	0
2H	Second floor	476	1	1	0
2I	Second floor	500	1	1	0
2J	Second floor	284	n/a	1	0
2K	Second floor	455	1	1	0
2L	Second floor	470	1	1	0

2M	Second floor	357	n/a	1	0
2N	Second floor	317	n/a	1	0
2O	Second floor	317	n/a	1	0
3A	Third floor	357	n/a	1	0
3B	Third floor	470	1	1	0
3C	Third floor	455	1	1	0
3D	Third floor	284	n/a	1	0
3E	Third floor	440	1	1	0
3F	Third floor	306	n/a	1	0
3G	Third floor	291	n/a	1	0
3H	Third floor	476	1	1	0
3I	Third floor	500	1	1	0
3J	Third floor	284	n/a	1	0
3K	Third floor	455	1	1	0
3L	Third floor	470	1	1	0
3M	Third floor	357	n/a	1	0
3N	Third floor	317	n/a	1	0
3O	Third floor	317	n/a	1	0
4A	Fourth floor	357	n/a	1	0
4B	Fourth floor	470	1	1	0
4C	Fourth floor	455	1	1	0
4D	Fourth floor	284	n/a	1	0
4E	Fourth floor	440	1	1	0
4F	Fourth floor	306	n/a	1	0
4G	Fourth floor	291	n/a	1	0
4H	Fourth floor	476	1	1	0
4I	Fourth floor	500	1	1	0
4J	Fourth floor	284	n/a	1	0
4K	Fourth floor	455	1	1	0
4L	Fourth floor	470	1	1	0
4M	Fourth floor	357	n/a	1	0
4N	Fourth floor	317	n/a	1	0
4O	Fourth floor	317	n/a	1	0
5A	Fifth floor	357	n/a	1	0
5B	Fifth floor	470	1	1	0
5C	Fifth floor	455	1	1	0
5D	Fifth floor	284	n/a	1	0
5E	Fifth floor	440	1	1	0
5F	Fifth floor	306	n/a	1	0
5G	Fifth floor	291	n/a	1	0
5H	Fifth floor	476	1	1	0
5I	Fifth floor	500	1	1	0
5J	Fifth floor	284	n/a	1	0
5K	Fifth floor	455	1	1	0

5L	Fifth floor	470	1	1	0
5M	Fifth floor	357	n/a	1	0
5N	Fifth floor	317	n/a	1	0
5O	Fifth floor	317	n/a	1	0
6A	Sixth floor	357	n/a	1	0
6B	Sixth floor	470	1	1	0
6C	Sixth floor	455	1	1	0
6D	Sixth floor	284	n/a	1	0
6E	Sixth floor	440	1	1	0
6F	Sixth floor	306	n/a	1	0
6G	Sixth floor	291	n/a	1	0
6H	Sixth floor	476	1	1	0
6I	Sixth floor	500	1	1	0
6J	Sixth floor	284	n/a	1	0
6K	Sixth floor	455	1	1	0
6L	Sixth floor	470	1	1	0
6M	Sixth floor	357	n/a	1	0
6N	Sixth floor	317	n/a	1	0
6O	Sixth floor	317	n/a	1	0

There shall be storage units at the cellar. They shall be sold by the Sponsor through a license agreement.

Approximately 20 units have been inspected. To Sponsor's knowledge, all units, and all equipment, fixtures, etc. are in good condition. Approximately 60 units have been renovated within the preceding 5 years, including replacement of appliances and fixtures. Majority of the renovated apartments are finished in the manner described below. (Every time an apartment becomes vacant it is renovated.)

Some of the vacant apartments will have new appliances and fixtures as follows:
Refrigerator by Sunbeam; gas stove by Amana; toilet, tub & sink by Gerber.

Sponsor has no intentions of renovating occupied units to purchasing tenants; however, Sponsor may negotiate with tenants.

Occupied apartments shall be offered to outsiders, as investments, in their current state.

- (a) Living/dining rooms have the following finishes:
 - Floors: Hardwood. The hardwood floors in the renovated units are oak. The species of the hardwood floors in the unrenovated units are unknown.
 - Walls, ceilings: Painted gypsum board and/or plaster.
- (b) Bedrooms have the following finishes:
 - Floors: Hardwood. The hardwood floors in the renovated units are oak. The species of the hardwood floors in the unrenovated units are unknown.
 - Walls, ceilings: Painted gypsum board and/or plaster.

Closets: All closets are finished with a rod. Some closets are finished with a shelf.

(c) Kitchens have the following finishes:

Floors: Hardwood. The hardwood floors in the renovated units are oak. The species of the hardwood floors in the unrenovated units are unknown.

Walls, ceilings: Painted gypsum board and/or plaster.

Cabinets &

Appliances: Each unit has standard 36" high kitchen cabinets; plastic laminated countertops; tiled backsplash; and a stainless steel sink. Each unit is equipped with a refrigerator and gas range.

(d) Bathrooms are equipped as follows:

Tub: Porcelain.

Sink: Porcelain.

Toilet: Porcelain.

Floors: Tiled.

Walls: Fully or half tiled.

(x) Finish schedule of spaces other than units:

Location	Floor	Wall	Ceilings
Lobby	Tiled	Painted gypsum board and/or plaster	Painted gypsum board and/or plaster
Hallways	Tiled	Painted gypsum board and/or plaster	Painted gypsum board and/or plaster
Cellar	Concrete	Brick or concrete	Gypsum board and/or plaster

(y) Safety and warning devices:

Smoke and carbon monoxide detectors are provided for each unit as per Local Law 62/81 and R.S. 17 of the NYC Building Code.

(z) Additional information required:

(1) A plot plan showing landscape features, street, and outside dimensions of the building, are herewith attached.

(2) Floor plans for each line or type of unit drawn to scale, indicating room dimensions and unit boundaries, are herewith attached.

(3) The cellar floor has an approximate floor to ceiling height of 8'-0". The first through sixth floors have an approximate floor to ceiling height of 9'-0".

Further Development

No further development is anticipated at this time.

Asbestos:

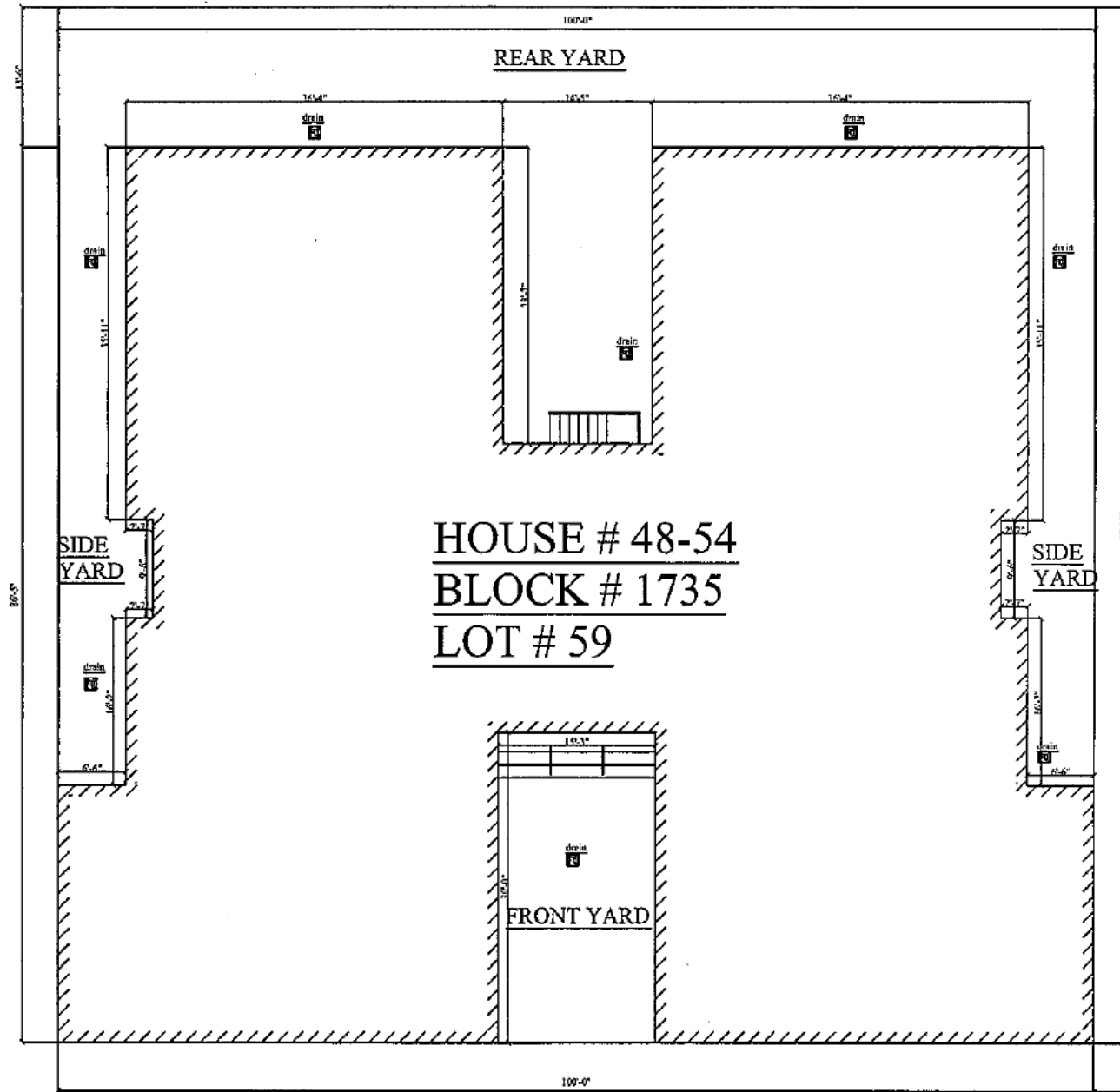
See ACP5 attached hereto.

Lead:

There is no known lead in the building. No lead reports are available. See Special Risk #16.

This report may not be construed as a guarantee or warranty. The sponsor reserves the right to provide different equipment by different manufacturers, which are equal to or better, than those listed above.

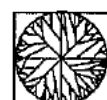
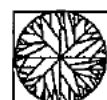
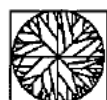




HOUSE # 48-54
BLOCK # 1735
LOT # 59



LENOX AVENUE

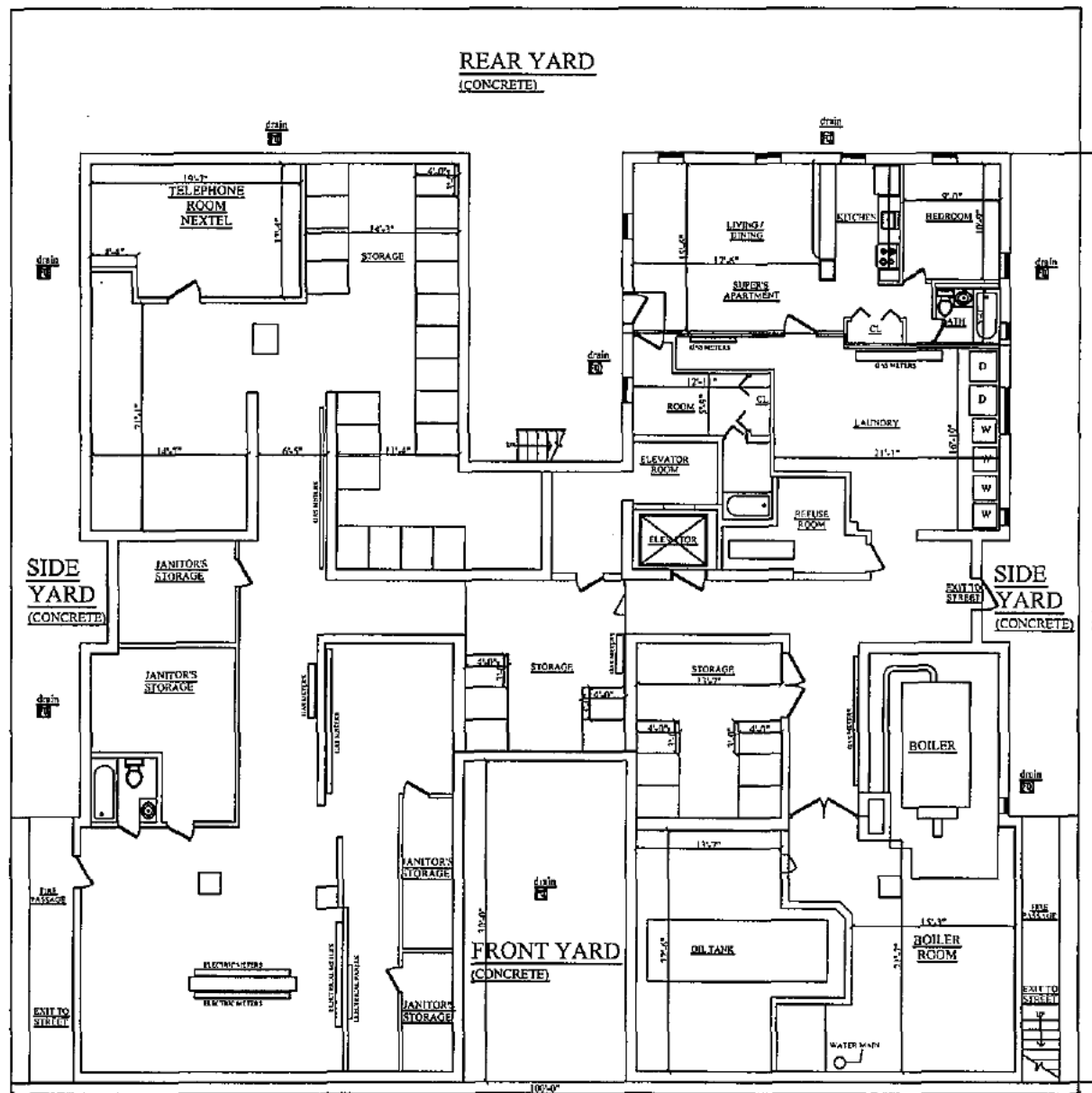


PLOT PLAN

WEST 138TH STREET

FR

FP2



CELLAR FLOOR PLAN

This floor plan illustrates the second floor of a building, featuring a central lobby and vestibule with stairs and an elevator. The units are arranged around this central area, with dimensions provided for each room and unit.

Units and Room Dimensions:

- UNIT 1A:** BEDROOM (11'-9"), BATH (5'-0"), LIVING/DINING (12'-0").
- UNIT 1B:** LIVING/DINING (10'-11").
- UNIT 1C:** LIVING/DINING (16'-9"), BEDROOM (11'-3").
- UNIT 1D:** STUDIO APT. (14'-7"), BATH (5'-0").
- UNIT 1E:** LIVING/DINING (7'-9").
- UNIT 1F:** STUDIO APT. (15'-10"), BATH (5'-0").
- UNIT 1G:** STUDIO APT. (15'-11").
- UNIT 1H:** LIVING/DINING (14'-1").
- UNIT 1I:** LIVING/DINING (13'-6").
- UNIT 1J:** STUDIO APT. (14'-1").
- UNIT 1K:** LIVING/DINING (16'-9"), BEDROOM (11'-2").
- UNIT 1L:** LIVING/DINING (10'-11").
- UNIT 1M:** LIVING/DINING (12'-0").
- UNIT 1N:** LIVING/DINING (11'-10").
- UNIT 1O:** LIVING/DINING (11'-10").
- UNIT 1P:** LIVING/DINING (11'-10").
- UNIT 1Q:** LIVING/DINING (11'-10").
- UNIT 1R:** LIVING/DINING (11'-10").
- UNIT 1S:** LIVING/DINING (11'-10").
- UNIT 1T:** LIVING/DINING (11'-10").
- UNIT 1U:** LIVING/DINING (11'-10").
- UNIT 1V:** LIVING/DINING (11'-10").
- UNIT 1W:** LIVING/DINING (11'-10").
- UNIT 1X:** LIVING/DINING (11'-10").
- UNIT 1Y:** LIVING/DINING (11'-10").
- UNIT 1Z:** LIVING/DINING (11'-10").

Common Areas:

- LOBBY:** Central area with stairs and elevator.
- VESTIBULE:** Entry area to the lobby.
- CORRIDOR:** Hallways connecting units to the lobby.

Room Dimensions:

- Bedrooms:** 11'-3" to 11'-10".
- Bathrooms:** 5'-0" to 5'-6".
- Living/Dining Areas:** 7'-9" to 16'-9".
- Kitchens:** 7'-9" to 10'-11".
- Studios:** 14'-7" to 15'-11".



The floor plan illustrates the layout of the 4th floor, featuring a central corridor and multiple apartment units. The units are categorized as Studio Apts., Living/Dining/Kitchen (LIV/DIN/KIT), Bedrooms, and Baths. The plan includes dimensions for various rooms and a scale bar at the bottom.

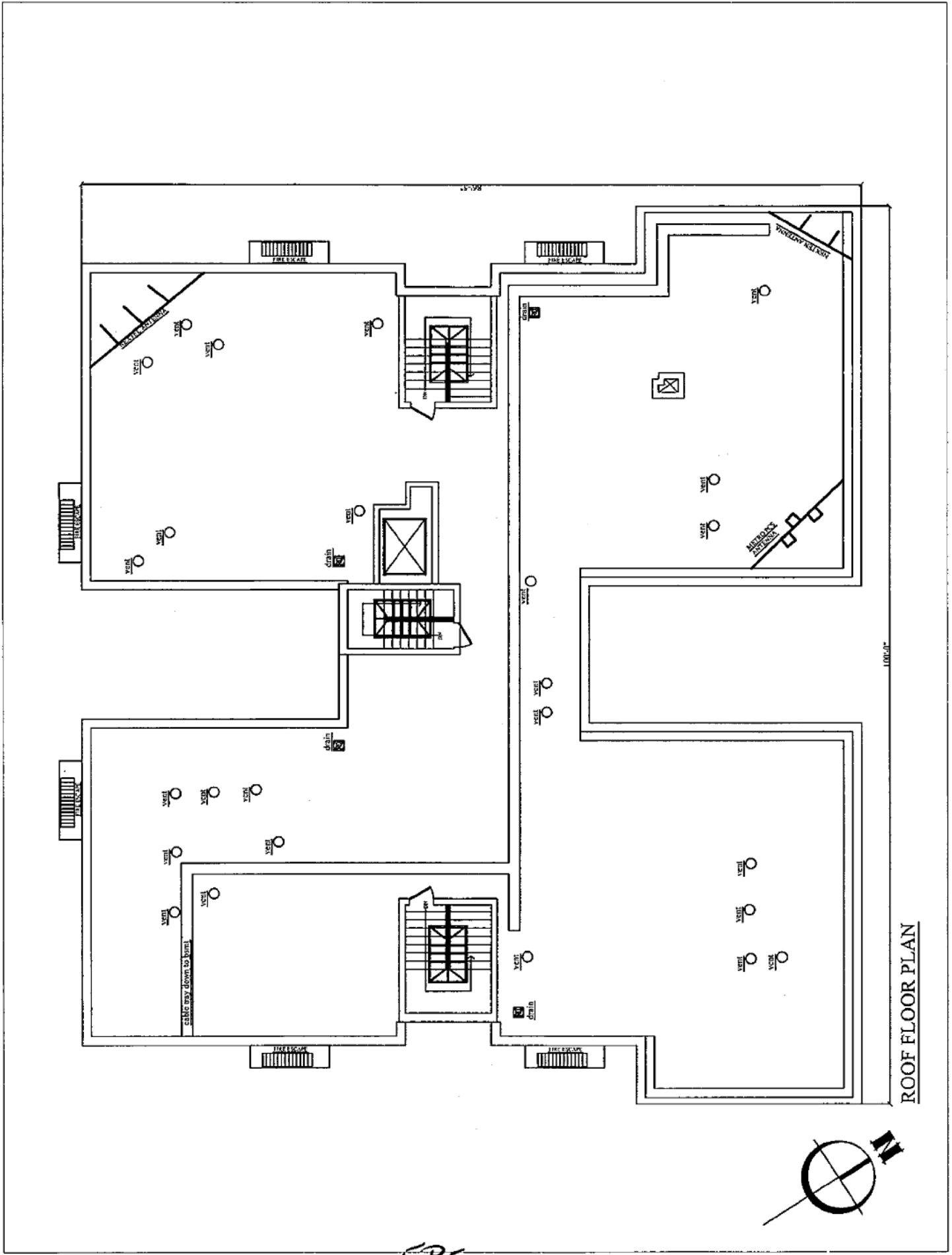
Units and Dimensions:

- UNIT 2E, 3E, 4E, 5E, 6E:** Studio Apt. (11'-2" x 11'-4")
- UNIT 2D, 3D, 4D, 5D, 6D:** Studio Apt. (14'-7" x 6'-5")
- UNIT 2G, 3G, 4G, 5G, 6G:** Studio Apt. (13'-11" x 11'-4")
- UNIT 2H, 3H, 4H, 5H, 6H:** Studio Apt. (14'-4" x 14'-1")
- UNIT 2I, 3I, 4I, 5I, 6I:** Studio Apt. (13'-6" x 9'-6")
- UNIT 2J, 3J, 4J, 5J, 6J:** Studio Apt. (11'-10" x 10'-4")
- UNIT 2K, 3K, 4K, 5K, 6K:** Studio Apt. (14'-9" x 11'-8")
- UNIT 2L, 3L, 4L, 5L, 6L:** Studio Apt. (10'-11" x 12'-0")
- UNIT 2M, 3M, 4M, 5M, 6M:** Studio Apt. (10'-11" x 12'-0")
- UNIT 2N, 3N, 4N, 5N, 6N:** Studio Apt. (10'-11" x 12'-0")
- UNIT 2O, 3O, 4O, 5O, 6O:** Studio Apt. (10'-11" x 12'-0")
- UNIT 2P, 3P, 4P, 5P, 6P:** Studio Apt. (10'-11" x 12'-0")
- UNIT 2Q, 3Q, 4Q, 5Q, 6Q:** Studio Apt. (10'-11" x 12'-0")
- UNIT 2R, 3R, 4R, 5R, 6R:** Studio Apt. (10'-11" x 12'-0")
- UNIT 2S, 3S, 4S, 5S, 6S:** Studio Apt. (10'-11" x 12'-0")
- UNIT 2T, 3T, 4T, 5T, 6T:** Studio Apt. (10'-11" x 12'-0")
- UNIT 2U, 3U, 4U, 5U, 6U:** Studio Apt. (10'-11" x 12'-0")
- UNIT 2V, 3V, 4V, 5V, 6V:** Studio Apt. (10'-11" x 12'-0")
- UNIT 2W, 3W, 4W, 5W, 6W:** Studio Apt. (10'-11" x 12'-0")
- UNIT 2X, 3X, 4X, 5X, 6X:** Studio Apt. (10'-11" x 12'-0")
- UNIT 2Y, 3Y, 4Y, 5Y, 6Y:** Studio Apt. (10'-11" x 12'-0")
- UNIT 2Z, 3Z, 4Z, 5Z, 6Z:** Studio Apt. (10'-11" x 12'-0")

Other Features:

- Corridor:** Central corridor connecting the units.
- Stairs:** Multiple stairwells for vertical circulation.
- Fire Escape:** Located on the exterior of the building.
- Scale:** 1" = 10'-0"

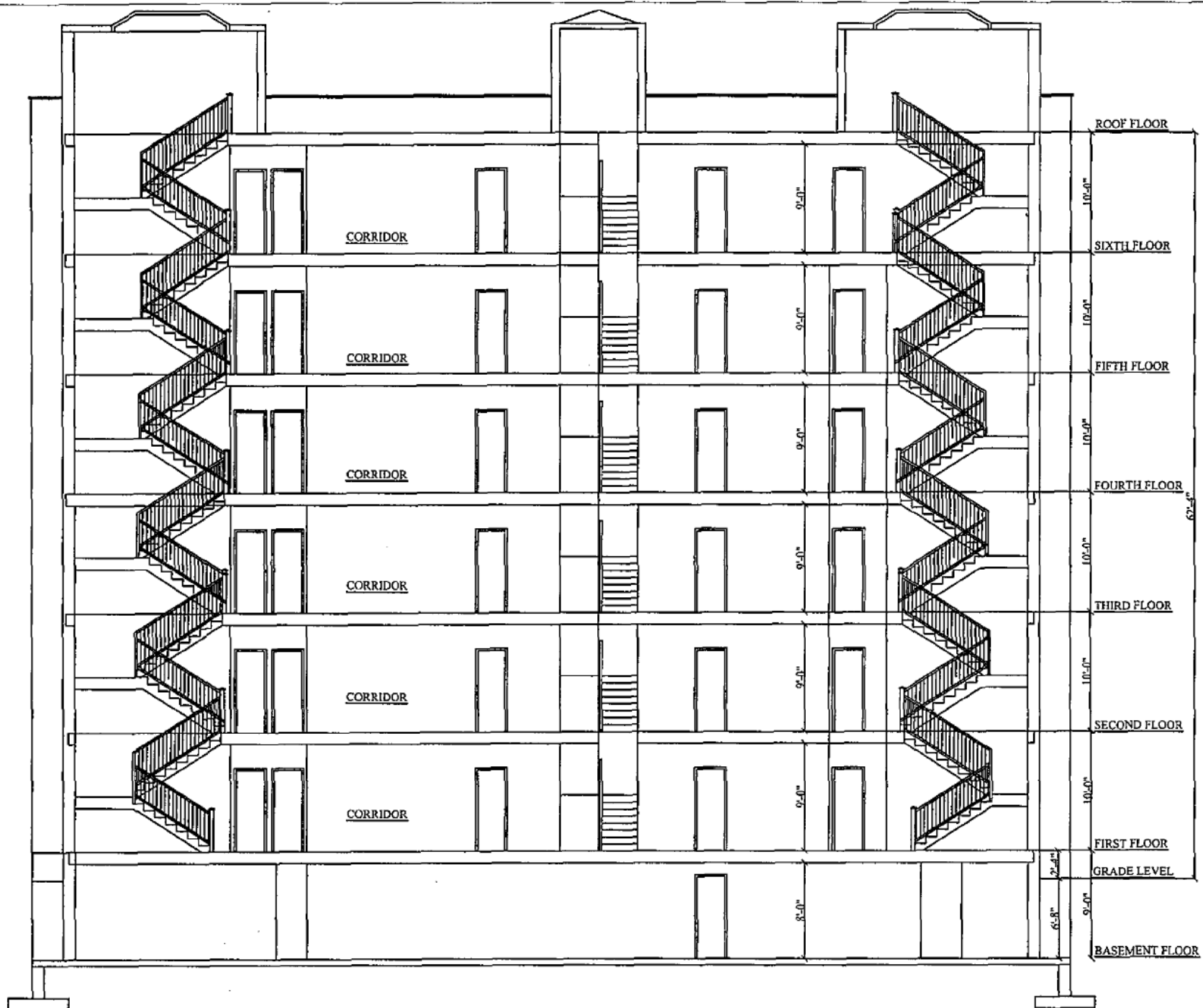
TYPICAL SECOND THROUGH SIXTH FLOOR PLAN



ROOF FLOOR PLAN

FP5

FP6



SECTION

FP-1

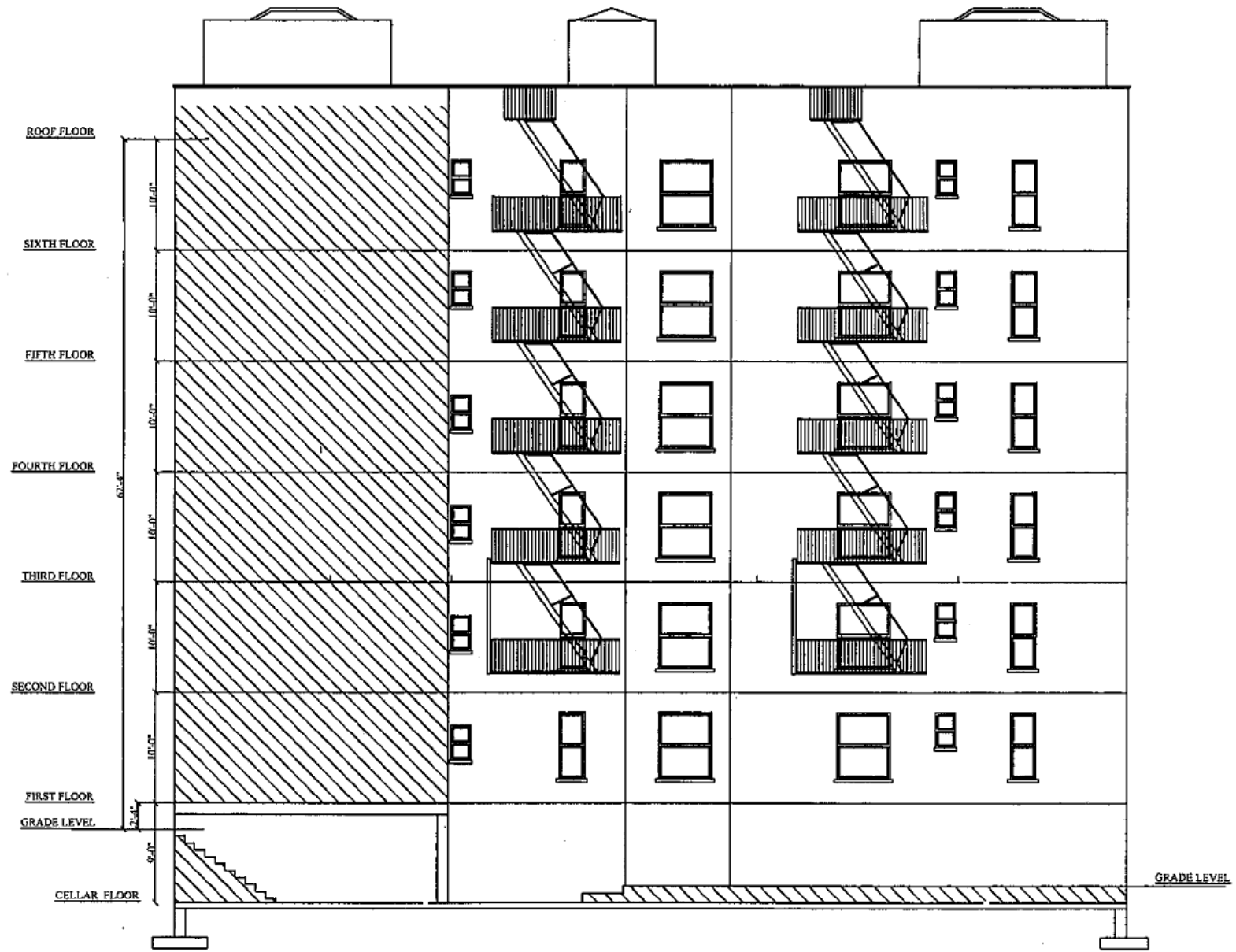


FRONT ELEVATION

FP8

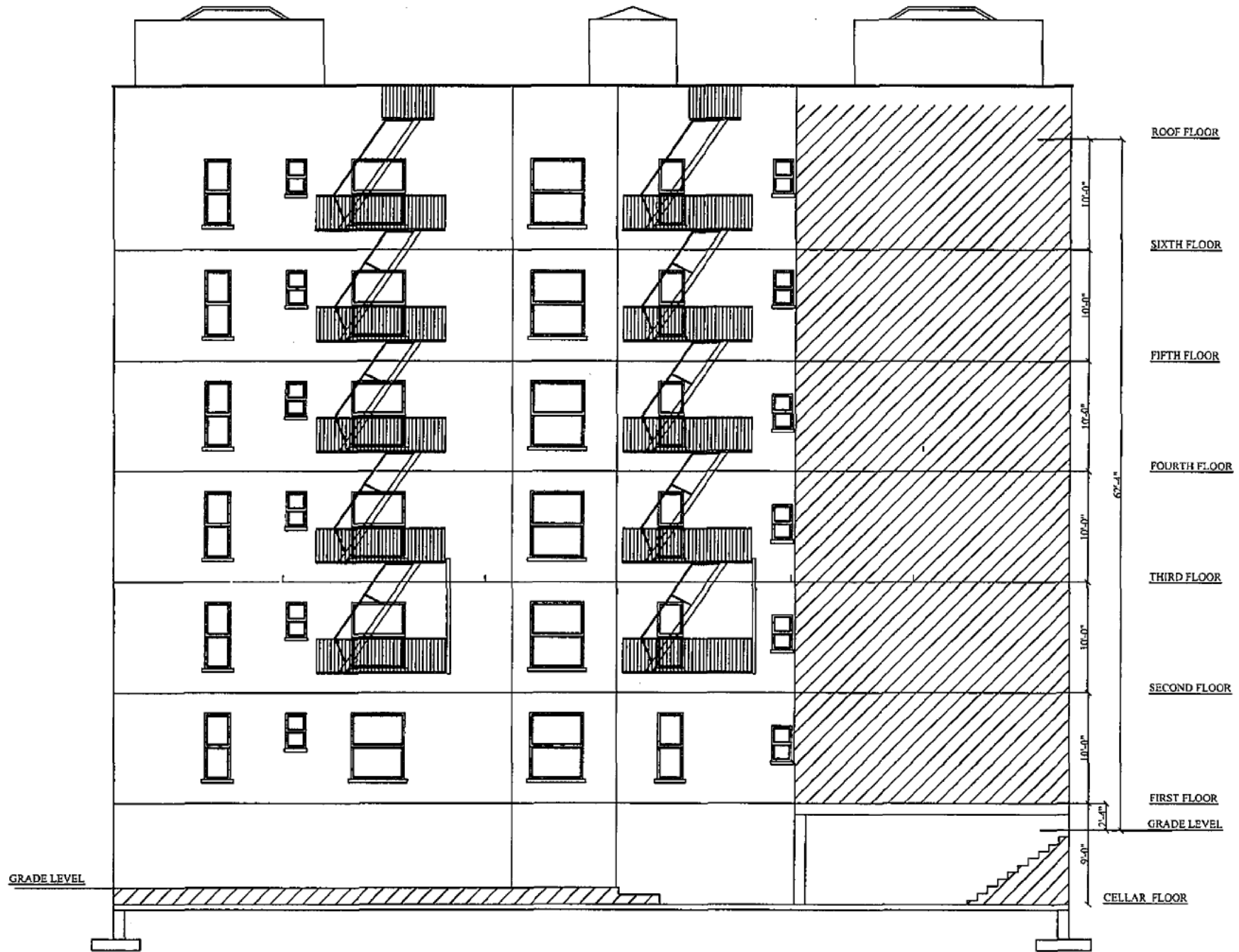


FP9



RIGHT SIDE ELEVATION

FP10



LEFT SIDE ELEVATION

COMMUNICATIONS SITE LEASE AGREEMENT (BUILDING)

This Communications Site Lease Agreement (Building) ("Agreement") is entered into this 31 day of July, 2001, between NEXTEL OF NEW YORK, INC., a Delaware corporation, d/b/a Nextel Communications, ("Lessee"), and 138 Residential LLC a New York limited liability company ("Lessor").

For good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. **Premises.** Lessor is the owner of a parcel of land (the "Land") and a building (the "Building") located thereon in the Borough of Manhattan, County of New York State of New York commonly known as 48-54 West 138th Street (the Building and the Land are collectively, the "Property"). The Land is more particularly described in Exhibit A annexed hereto. Lessor hereby leases to Lessee and Lessee leases from Lessor approximately two hundred forty (240) square feet of space and space for the Lessee Facilities (defined in Paragraph 6(a), below) and all access and utility easements, if any, (collectively, the "Premises") as described in Exhibit B annexed hereto.

2. **Use.** The Premises may be used by Lessee for any activity in connection with the provision of communications services. Lessor agrees to cooperate with Lessee, at Lessee's expense, in making application for and obtaining all licenses, permits and any and all other necessary approvals that may be required for Lessee's intended use of the Premises. Lessor shall execute or provide all applications or documentation reasonably necessary to apply for or obtain such licenses, permits, or approvals within fifteen (15) business days of receipt of written request from Lessee.

3. **Tests and Construction.** Lessee shall have the right at any time following the full execution of this Agreement to enter upon the Property for the purpose of making appropriate engineering and boundary surveys, inspections, soil test borings, other reasonably necessary tests and constructing the Lessee Facilities (as defined in Paragraph 6(a) below). Lessee shall submit copies of the site plan and specifications to the Lessor for prior approval, which approval will not be unreasonably withheld or conditioned. Lessor shall give such approval or provide Lessee with its requests for changes within fifteen (15) business days of Lessor's receipt of Lessee's plans. If Lessor requests changes to Lessee's plans and specifications, Lessor shall have an additional ten (10) business days upon receipt of the modified plans and specifications to review and approve the plans. If Lessor does not provide an approval or request for changes within the time periods set forth above, Lessor shall be deemed to have approved the plans. Lessor shall not be entitled to receive any additional consideration in exchange for giving its approval of Lessee's plans.

4. **Term.** The term of this Agreement shall be five (5) years commencing on the date of commencement of construction of the Lessee Facilities (defined in Paragraph 6(a) below) or three (3) months following the date of full execution of this Agreement, whichever first occurs ("Commencement Date") and terminating on the fifth anniversary of the Commencement Date (the "Term") unless otherwise terminated as provided in Paragraph 10. Lessee shall have the right to extend the Term for three (3) successive five (5) year periods (the "Renewal Terms") on the same terms and conditions as set forth herein. This Agreement shall automatically be extended for each successive Renewal Term unless Lessee notifies Lessor of its intention not to renew prior to commencement of the succeeding Renewal Term.

5. **Rent.**

(a) Within fifteen (15) business days of the Commencement Date and on the first day of each month thereafter, Lessee shall pay to Lessor as rent One Thousand Eight Hundred and 00/100 DOLLARS (\$1,800.00) per month ("Rent"). On the first anniversary of the Commencement Date and each subsequent anniversary thereafter throughout the Term and any Renewal Terms, the Rent shall increase by four percent (4%) of the then current rental amount. Rent for any fractional month at the beginning or at the end of the Term or Renewal Term shall be prorated. Rent shall be payable to Lessor at 210 East 86th Street, Suite 404, New York New York 10028; Attention: Al Holmquist.

(b) Within fifteen (15) business days of the Commencement Date, Lessee shall deposit with Lessor the sum of Three Thousand six Hundred Dollars (\$3,600.00) ("Security Deposit"), as security for the faithful performance by Lessee of the terms, covenants and conditions of this Agreement. If Lessee defaults under this Agreement, which default is not cured by Lessee in accordance with Paragraph 10 below, Lessor may use, apply or retain all or a part of this Security Deposit to compensate Lessor for any loss, damage or expense incurred or suffered by Lessor by reason of Lessee's uncured default. Prior to Lessor's invading the

Security Deposit it shall first give Lessee written notice of its intention to do so and with that notice shall provide to Lessee written documentation of the loss, damage or expense for which Lessor seeks compensation from the Security Deposit. Lessor shall provide such notice and documentation to Lessee within thirty (30) days after the date of the occurrence, which gives rise to Lessor's claimed loss, damage or expense. Failure to provide such notice and documentation within such time period shall result in a waiver by Lessor of the right to invade the Security Deposit. If Lessor invades the Security Deposit in accordance with this paragraph, Lessee shall restore the Security Deposit to its original amount within thirty (30) days of receipt of written demand from Lessor. Lessor shall segregate such sum in an interest bearing trust account identified for this Agreement. Upon the expiration or termination of the Agreement as provided herein, said sum shall be returned to Lessee along with any interest accrued thereon less a one percent (1%) per annum fee to Lessor for management of the account.

(c) In the event Lessee has not paid the Rent within fifteen (15) days of when due and payable, ~~the Lessor may charge interest at the rate of ten percent (10%) per annum on the amount of Rent not paid commencing on the date Rent is considered late until paid. Nothing contained herein to the contrary shall preclude Lessor's obligation to notify Lessee of such non-payment of Rent.~~ *JK.*

(d) If Lessee is late in making any payment due to Lessor under this Agreement for thirty (30) or more days, from the date of notice, then interest shall become due and owing to Lessor on such payment from the date when it was due computed at the following rates: (i) for an individual or partnership tenant, computed at the maximum legal rate or interest; (ii) for a corporate tenant, computed at the greater of (a) one and 25/100 (1.25%) percent per month or (b) two percent (2%) per annum over the then prime rate of Chase Manhattan Bank, N.A. but in no event in excess of the maximum legal rate of interest chargeable to corporations in the state of New York. Such interest shall be due with any such late payment and shall be in addition to the late charge set forth above.

6. Facilities; Utilities; Access.

(a) Lessee has the right to on the roof of the Building only, erect, maintain and operate on the Premises radio communications facilities, including without limitation an air conditioned equipment room, heating, ventilation, and air conditioning ("HVAC") equipment, utility lines, transmission lines, electronic equipment, radio transmitting and receiving antennas and supporting equipment and structures thereto ("Lessee Facilities"). In connection therewith, Lessee has the right to do all work necessary to prepare, maintain and alter the Premises for Lessee's business operations and to install transmission lines connecting the antennas to the transmitters and receivers. All of Lessee's construction and installation work shall be performed at Lessee's sole cost and expense and in a good and workmanlike manner. Title to the Lessee Facilities shall be held by Lessee. All of the Lessee Facilities shall remain Lessee's personal property and are not fixtures. Lessee has the must remove all Lessee Facilities at its sole expense on or before the expiration or earlier termination of the Agreement; provided, Lessee repairs any damage to the Premises caused by such removal.

(b) ~~Lessee shall pay for the electricity it consumes in its operations at the rate charged by the servicing utility company. Lessee shall have the right to draw and shall by installing a sub-meter, or obtain separate utility service from any utility company that will provide service to the Premises (including a standby power generator for Lessee's exclusive use). Lessor agrees to sign such documents or easements as may be required by said utility companies to provide such service to the Premises, including the grant to Lessee or to the servicing utility company at no cost to the Lessee, of an easement in, over across or through the Land as required by such servicing utility company to provide utility services as provided herein. Any easement necessary for such power or other utilities will be at a location acceptable to Lessor and the servicing utility company.~~ *** install JK.*

(c) Lessee, Lessee's employees, agents, subcontractors, lenders and invitees shall have access to the Premises without notice to Lessor twenty-four (24) hours a day, seven (7) days a week, at no charge. Lessor grants to Lessee, and its agents, employees, contractors, guests and invitees, a non-exclusive right and easement for pedestrian ingress and egress across that portion of the Land described in Exhibit B.

(d) Lessor shall maintain all access roadways from the nearest public roadway to the Premises in a manner sufficient to allow pedestrian access at all times under normal weather conditions. Lessor shall be responsible for maintaining and repairing such roadway, at its sole expense, except for any damage caused by Lessee's use of such roadways.

* Tenant shall pay to Landlord, in addition to such installment of Base Rent or Additional Rent, as the case may be, a late charge equal to ten (10%) percent of the Base Rent for that month. Such late charges shall be payable as Additional Rent hereunder. This provision shall be in addition to all of Landlord's other rights and remedies hereunder or at law and shall not be construed as liquidated damages or as limiting Landlord's remedies in any manner and such late charges constitute an agreement between Landlord and Tenant as to the estimated compensation for costs and expenses incurred by Landlord due to the late payment of Rent to Landlord. *JK.*

7. Interference.

(a) Lessee shall operate the Lessee Facilities in a manner that will not cause interference to Lessor and other lessees or licensees of the Property, provided that their installations predate that of the Lessee Facilities. All operations by Lessee shall be in compliance with all Federal Communications Commission ("FCC") requirements.

(b) Subsequent to the installation of the Lessee Facilities, Lessor shall not permit itself, its lessees or licensees to install new equipment on the Property or property contiguous thereto owned or controlled by Lessor, if such equipment is likely to cause interference with Lessee's operations. Such interference shall be deemed a material breach by Lessor. In the event interference occurs, Lessor agrees to take all action necessary to eliminate such interference, in a reasonable time period. In the event Lessor fails to comply with this paragraph, Lessee may terminate this Agreement and/or pursue any other remedies available under this Agreement, at law, and/or at equity.

8. Taxes. If personal property taxes are assessed, Lessee shall pay any portion of such taxes directly attributable to the Lessee Facilities. Lessor shall pay all real property taxes, assessments and deferred taxes on the Property.

9. Waiver of Lessor's Lien.

(a) Lessor waives any lien rights it may have concerning the Lessee Facilities which are deemed Lessee's personal property and not fixtures, and Lessee has the right to remove the same at any time without Lessor's consent.

(b) Lessor acknowledges that Lessee has entered into a financing arrangement including promissory notes and financial and security agreements for the financing of the Lessee Facilities (the "Collateral") with a third party financing entity (and may in the future enter into additional financing arrangements with other financing entities). In connection therewith, Lessor (i) consents to the installation of the Collateral; (ii) disclaims any interest in the Collateral, as fixtures or otherwise; and (iii) agrees that the Collateral shall be exempt from execution, foreclosure, sale, levy, attachment, or distress for any Rent due or to become due and that such Collateral may be removed at any time without recourse to legal proceedings.

10. Termination. This Agreement may be terminated without further liability on thirty (30) days prior written notice as follows: (i) by either party upon a default of any covenant or term hereof by the other party, which default is not cured within sixty (60) days of receipt of written notice of default, provided that the grace period for any monetary default is ten (10) days from receipt of notice; or (ii) by Lessee for any reason or for no reason, provided Lessee delivers written notice of early termination to Lessor no later than thirty (30) days prior to the Commencement Date; or (iii) by Lessee if it does not obtain or maintain any license, permit or other approval necessary for the construction and operation of Lessee Facilities; or (iv) by Lessee if Lessee is unable to occupy and utilize the Premises due to an action of the FCC, including without limitation, a take back of channels or change in frequencies; or (v) by Lessee if Lessee determines that the Premises are not appropriate for its operations for economic or technological reasons, including, without limitation, signal interference.

11. Destruction or Condemnation. If the Premises or Lessee Facilities are damaged, destroyed, condemned or transferred in lieu of condemnation, Lessee may elect to terminate this Agreement as of the date of the damage, destruction, condemnation or transfer in lieu of condemnation by giving notice to Lessor no more than forty-five (45) days following the date of such damage, destruction, condemnation or transfer in lieu of condemnation. If Lessee chooses not to terminate this Agreement, Rent shall be reduced or abated in proportion to the actual reduction or abatement of use of the Premises.

12. Insurance. Lessee, at Lessee's sole cost and expense, shall procure and maintain on the Premises and on the Lessee Facilities, bodily injury and property damage insurance with a combined single limit of at least One Million and 00/100 Dollars (\$1,000,000.00) per occurrence. Such insurance shall insure, on an occurrence basis, against liability of Lessee, its employees and agents arising out of or in connection with Lessee's use of the Premises, all as provided for herein. Lessor, at Lessor's sole cost and expense, shall procure and maintain on the Property, bodily injury and property damage insurance with a combined single limit of at least One Million Dollars (\$1,000,000.00) per occurrence. Such insurance shall insure, on an occurrence basis, against liability of Lessor, its employees and agents arising out of or in connection with Lessor's use, occupancy and maintenance of the Property. Lessor shall be named as an additional insured on Lessee's policy. Each party shall provide to the other a certificate of insurance evidencing the coverage required by this paragraph within thirty (30) days of the Commencement Date.

13. **Waiver of Subrogation.** Lessor and Lessee release each other and their respective principals, employees, representatives and agents, from any claims for damage to any person or to the Premises or to the Lessee Facilities thereon caused by, or that result from, risks insured against under any insurance policies carried by the parties and in force at the time of any such damage. Lessor and Lessee shall cause each insurance policy obtained by them to provide that the insurance company waives all right of recovery by way of subrogation against the other in connection with any damage covered by any policy. Neither Lessor nor Lessee shall be liable to the other for any damage caused by fire or any of the risks insured against under any insurance policy required by Paragraph 12.

14. **Assignment and Subletting.** Lessee may not assign or otherwise transfer all or any part of its interest in this Agreement or in the Premises without the prior written consent of Lessor; provided, however, that Lessee may assign its interest to its parent company, any subsidiary or affiliate of it or its parent company or to any successor-in-interest or entity acquiring fifty-one percent (51%) or more of its stock or assets, subject to any financing entity's interest, if any, in this Agreement as set forth in Paragraph 9 above. Lessor may assign this Agreement upon written notice to Lessee, subject to the assignee assuming all of Lessor's obligations herein, including but not limited to, those set forth in Paragraph 9 above. Notwithstanding anything to the contrary contained in this Agreement, Lessee may assign, mortgage, pledge, hypothecate or otherwise transfer without consent its interest in this Agreement to any financing entity, or agent on behalf of any financing entity to whom Lessee (i) has obligations for borrowed money or in respect of guaranties thereof, (ii) has obligations evidenced by bonds, debentures, notes or similar instruments, or (iii) has obligations under or with respect to letters of credit, bankers acceptances and similar facilities or in respect of guaranties thereof.

15. **Warranty of Title and Quiet Enjoyment.** Lessor warrants that: (i) Lessor owns the Property in fee simple and has rights of access thereto; (ii) Lessor has full right to make and perform this Agreement; and (iii) Lessor covenants and agrees with Lessee that upon Lessee paying the Rent and observing and performing all the terms, covenants and conditions on Lessee's part to be observed and performed, Lessee may peacefully and quietly enjoy the Premises. Lessor agrees to indemnify and hold harmless Lessee from any and all claims on Lessee's leasehold interest.

16. **Repairs.** Lessee shall not be required to make any repairs to the Premises or Property unless such repairs shall be necessitated by reason of the default or neglect of Lessee, however, Lessee shall be responsible for all repairs necessitated by the installation, maintenance and operation of the Lessee Facilities. Except as set forth in Paragraph 6(a) above, upon expiration or termination hereof, Lessee shall restore the Premises to the condition in which it existed upon execution hereof, reasonable wear and tear and loss by casualty or other causes beyond Lessee's control excepted.

17. **Hazardous Substances.** Lessee agrees that it will not use, generate, store or dispose of any Hazardous Material on, under, about or within the Land in violation of any law or regulation. Lessor represents, warrants and agrees (1) that neither Lessor nor, to Lessor's knowledge, any third party has used, generated, stored or disposed of, or permitted the use, generation, storage or disposal of, any Hazardous Material on, under, about or within the Land in violation of any law or regulation, and (2) that Lessor will not, and will not permit any third party to use, generate, store or dispose of any Hazardous Material on, under, about or within the Land in violation of any law or regulation. Lessor and Lessee each agree to defend, indemnify and hold harmless the other and the other's partners, affiliates, agents and employees against any and all losses, liabilities, claims and/or costs (including reasonable attorneys' fees and costs) arising from any breach of any representation, warranty or agreement contained in this paragraph. As used in this paragraph, "Hazardous Material" shall mean petroleum or any petroleum product, asbestos, any substance known by the state in which the Land is located to cause cancer and/or reproductive toxicity, and/or any substance, chemical or waste that is identified as hazardous, toxic or dangerous in any applicable federal, state or local law or regulation. This paragraph shall survive the termination of this Agreement.

18. **Liability and Indemnity.** Lessee shall indemnify and hold Lessor harmless from all claims (including attorneys' fees, costs and expenses of defending against such claims) arising from the negligence or willful misconduct of Lessee or Lessee's agents or employees in or about the Property. Lessor shall indemnify and hold Lessee harmless from all claims (including attorneys' fees, costs and expenses of defending against such claims) arising from the negligence or willful misconduct of Lessor or Lessor's agents, employees, licensees, invitees, contractors or other tenants occurring in or about the Property. The duties described in Paragraph 18 survive termination of this Agreement.

19. **Miscellaneous.**

(a) This Agreement constitutes the entire agreement and understanding between the parties, and supersedes all offers, negotiations and other agreements concerning the subject matter contained herein. Any amendments to this Agreement must be in writing and executed by both parties.

(b) If any provision of this Agreement is invalid or unenforceable with respect to any party, the remainder of this Agreement or the application of such provision to persons other than those as to whom it is held invalid or unenforceable, shall not be affected and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

(c) This Agreement shall be binding on and inure to the benefit of the successors and permitted assignees of the respective parties.

(d) Any notice or demand required to be given herein shall be made by certified or registered mail, return receipt requested, or reliable overnight courier to the address of the respective parties set forth below:

Lessor: 138 Residential LLC
210 East 86th Street, Suite 404
New York, New York 10028

Lessee: Nextel of New York, Inc.
One North Broadway, 11th Floor
White Plains, NY 10601
Attention: Property Manager

With a copy to: Keith A. Shuman
210 East 86th Street, Suite 403
New York, New York 10028

With a copy to: Nextel Communications, Inc.
2001 Edmund Halley Drive
Sixth Floor, Mail Stop 6E630
Reston, VA 20191
Attn.: Site Leasing Services, Contracts Manager

Lessor or Lessee may from time to time designate any other address for this purpose by written notice to the other party.

(e) This Agreement shall be governed by the laws of the State of New York.

(f) Lessor acknowledges that a Memorandum of Agreement in the form annexed hereto as Exhibit C will be recorded by Lessee in the Official Records of the County where the Property is located. In the event the Property is encumbered by a mortgage or deed of trust, Lessor agrees to obtain and furnish to Lessee a non-disturbance and attornment instrument for each such mortgage or deed of trust.

(g) Lessee may obtain title insurance at its sole cost and expense on its interest in the Premises. Lessor shall cooperate by executing documentation required by the title insurance company.

(h) In any case where the approval or consent of one party hereto is required, requested or otherwise to be given under this Agreement, such party shall not unreasonably delay or withhold its approval or consent.

(i) All Riders and Exhibits annexed hereto form material parts of this Agreement.

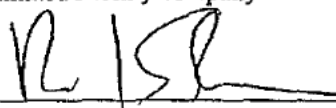
(j) This Agreement may be executed in duplicate counterparts, each of which shall be deemed an original.

20. **Marking and Lighting Requirements.** Lessor shall be responsible for compliance with all marking and lighting requirements of the Federal Aviation Administration ("FAA") and the FCC. Should Lessee be cited because the Property is not in compliance and, should Lessor fail to cure the conditions of noncompliance, Lessee may either terminate this Agreement or proceed to cure the conditions of noncompliance at Lessor's expense, which amounts may be deducted from the Rent. Notwithstanding the above, Lessee agrees that Lessee shall be responsible at Lessee's expense for compliance with any new marking and lighting requirements that are a direct result of the installation of the Lessee Facilities.

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

LESSOR:

138 Residential LLC
a New York limited liability company

By: 

Name: BRADFORD S BARR

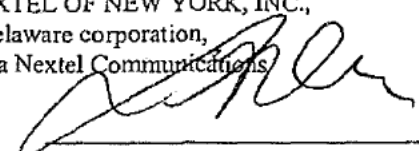
Title: MANAGER

Date: 7-31-01

Tax ID#: 13-4072694

LESSEE:

NEXTEL OF NEW YORK, INC.,
a Delaware corporation,
d/b/a Nextel Communications

By: 

Name: Lewis Kessler

Title: Area Vice President - Engineering

Date: October 16, 2001

LESSOR'S CERTIFICATE OF ACKNOWLEDGMENT

(Executed Within New York State)

State of New York)
)ss.:
County of New York)

On the 31 day of July in the year 2001 before me, _____, the undersigned personally appeared Bradford S. Barr, 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.

KAR
Signature and Office of individual
taking acknowledgment

KEITH A. SCHUMAN
Notary Public, State of New York
No. 4924482
Qualified in New York County
Commission Expires February 22, 2002

(Executed Outside of New York State)

State of _____)
)ss.:
_____)

On the _____ day of _____ in the year _____ before me, _____, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature(s) on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument, and that such individual made such appearance before the undersigned in the city of _____, state of _____.

Signature and Office of individual
taking acknowledgment

LESSEE'S CERTIFICATE OF ACKNOWLEDGMENT

(Executed Within New York State)

State of New York)

County of Queens)

ss.:

On the 15th day of Oct in the year 2001 before me, Laura Curran the undersigned, personally appeared Lewis Kessler, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Laura Curran

Signature and Office of individual
taking acknowledgment

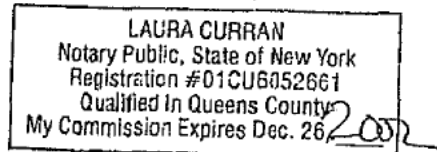


EXHIBIT A

DESCRIPTION OF LAND

to the Agreement dated JUL 31, 2001, by and between 138 Residential LLC, a New York limited liability company, as Lessor, and NEXTEL OF NEW YORK, INC., a Delaware corporation, d/b/a Nextel Communications, as Lessee.

The Land is described and/or depicted as follows:

Borough of Manhattan,
County of New York,
State of New York
commonly known as 48-54 West 138th Street
Block 1735
Lot 59

BS

LK.

EXHIBIT B

DESCRIPTION OF PREMISES

to the Agreement dated JULY 31, 2001, by and between 138 Residential LLC a New York limited liability company, as Lessor, and NEXTEL OF NEW YORK, INC., a Delaware corporation, d/b/a Nextel Communications, as Lessee.

The Premises are described and/or depicted as follows:

BBB

AK

Notes:

1. This Exhibit may be replaced by a land survey of the Premises once it is received by Lessee.
2. Setback of the Premises from the Land's boundaries shall be the distance required by the applicable governmental authorities.
3. Width of access road shall be the width required by the applicable governmental authorities, including police and fire departments.
4. The type, number and mounting positions and locations of antennas and transmission lines are illustrative only. Actual types, numbers, mounting positions may vary from what is shown above.

138TH STREET



NOTE:
EQUIPMENT LAYOUT IS SCHEMATIC & IS SUBJECT
TO CHANGE PENDING AN ANALYSIS OF THE
BUILDING STRUCTURE USING BUILDING DRAWINGS
OR THE RESULT OF A FIELD PROBE.

SECTOR 1
AZ = 0°
4-ANTENNAS
@4'-0" O.C.

EXISTING
FIRE
ESCAPE
TYP.

ROUTE
ANTENNA
CABLES ON
PARAPET WALL

STAIR
BULKHEAD

ROUTE
ANTENNA
CABLES ON
PARAPET WALL

SECTOR 3
AZ = 270°
4-ANTENNAS
@4'-0" O.C.

PROPOSED
STEPOVER
PLATFORM

EXISTING
CHIMNEY

STAIR
BULKHEAD

PROPOSED
CABLE TRAY

EXISTING
LADDER

(2) GPS
ANTENNAS

PROPOSED
CABLES ON
BULKHEAD
ROOF

SECTOR 2
AZ = 150°
4-ANTENNAS
@5'-0" O.C.

CABLE TRAY DOWN
TO BASEMENT.

BMR ANTENNA
(2) 5 TON
A/C UNITS

ELEVATOR
MACHINE
ROOM

ROOF PLAN

SCALE: 3/64" = 1'-0"

ATOMETRICS

2 CROSSFIELD AVENUE, WEST NYACK, NEW YORK 10994
(845) 353-1010 • FAX (845) 353-0287 • WWW.ATOMETRICS.COM

SITE ID No.: NY-2475

SITE NAME: MADISON AVE. BRIDGE

SITE ADDRESS: 48-54 WEST 138TH ST.
NEW YORK, NY

COMMUNICATIONS

ONE NORTH BROADWAY, 2ND FLOOR
WHITE PLAINS, NY 10601

Title: LEASE EXHIBIT

PREP. BY: JI	CHK'D BY: GS	DATE: 07-23-01	APPROVED BY:	DATE:	ATOMETRICS JOB No. 66152	SHEET No. 1 OF 4
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REV.	DATE

NLI

1583

2/12

Handwritten notes and signatures:
7/24/01
7/24
Blanca

NL 12

 ATOMETRICS		SITE ID No.: NY-2475 SITE NAME: MADISON AVE. BRIDGE SITE ADDRESS: 48-54 WEST 138TH ST. NEW YORK, NY	
2 CROSFIELD AVENUE, WEST NYACK, NEW YORK 10994 (845) 353-1000 • FAX (845) 353-0357 • WWW.ATOMETRICS.COM		APPROVED BY: <i>[Signature]</i> DATE: 7/24/01	
PREP. BY: J. CHK'D BY: G. DATE: 07-23-01	ATOMETRICS JOB No. 66152 SHEET No. 2 OF 4.		

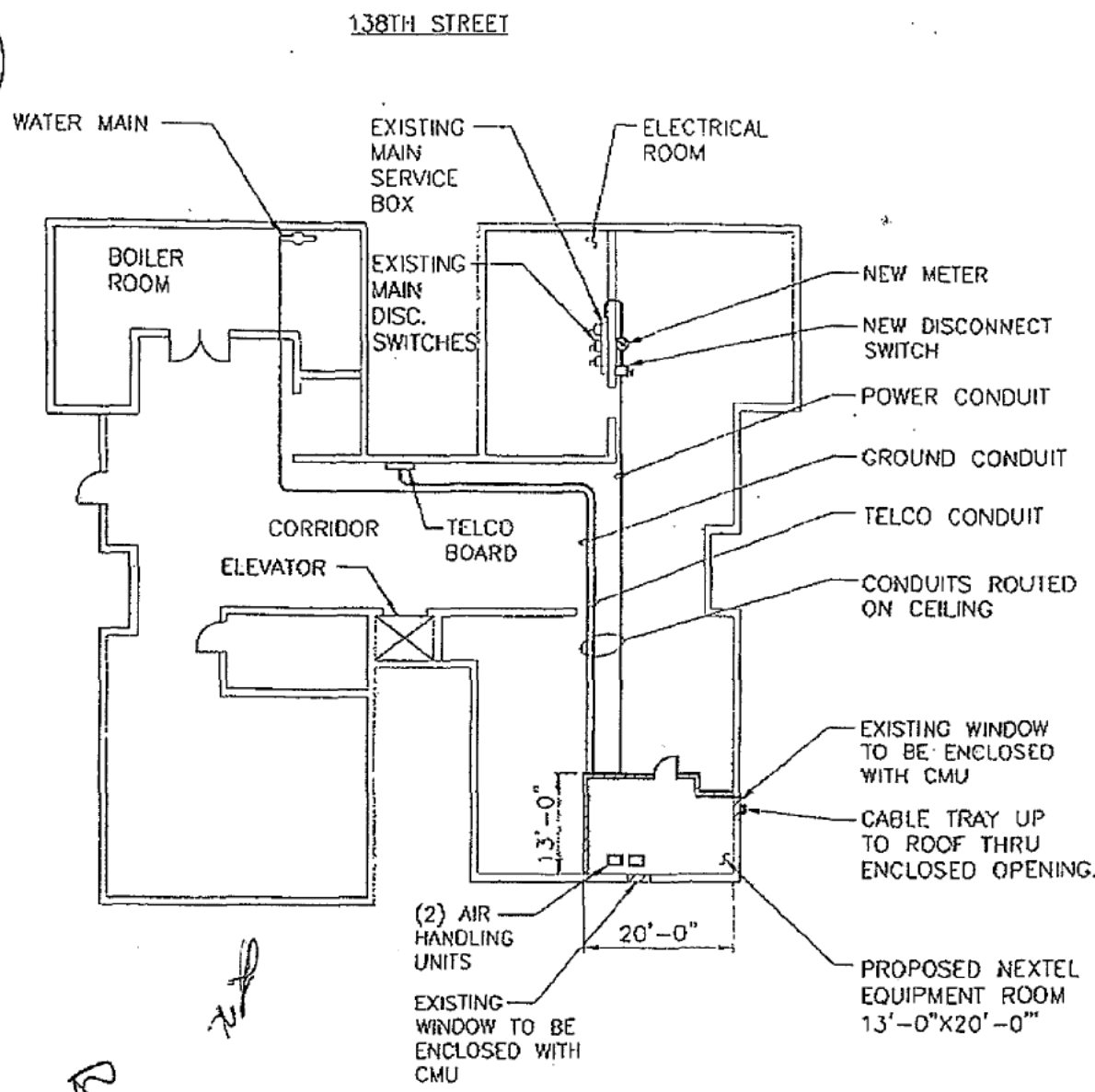
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[Handwritten signature] 7/24/01

REV.	DATE

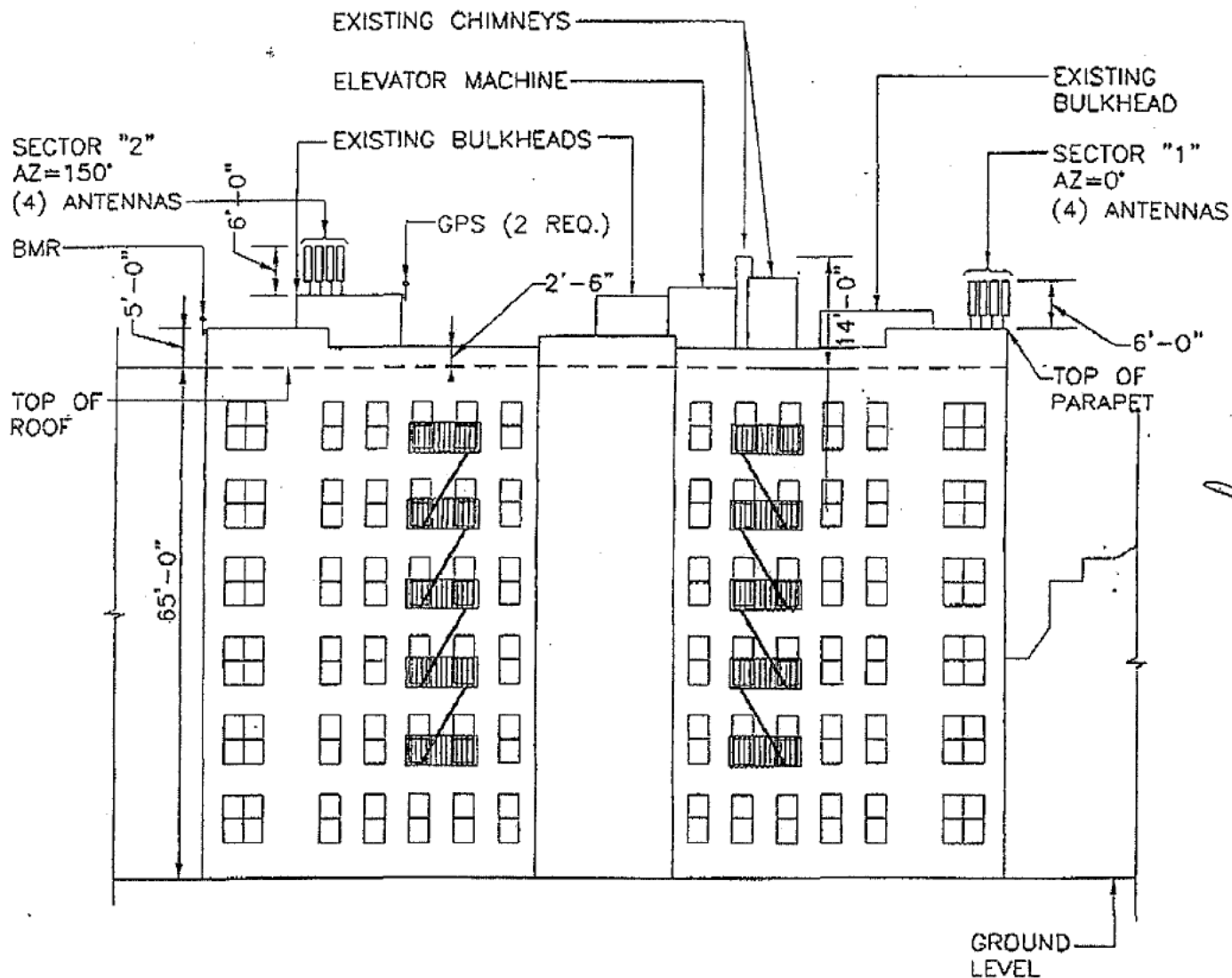
NEXTEL COMMUNICATIONS
 ONE NORTH BROADWAY, 2ND FLOOR
 WHITE PLAINS, NY 10601

Title: LEASE EXHIBIT



[Handwritten number] 1282

PARTIAL BASEMENT PLAN
 NOT TO SCALE



W. 138TH ST. ELEVATION

SCALE: 1"=10'-0"

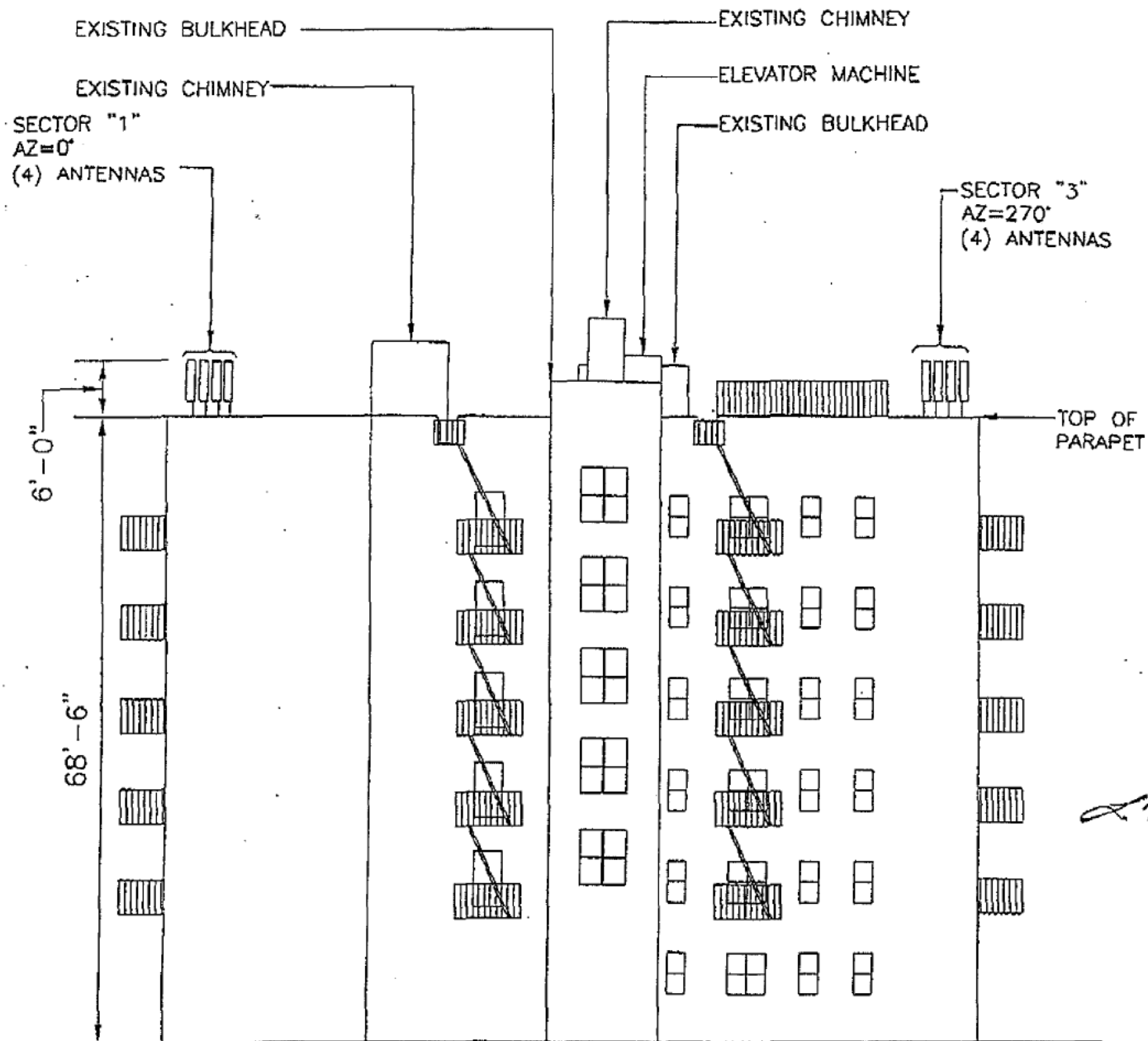
BBB

[Signature]

[Signature] 7/24

REV.	DATE

ATOMETRICS 2 CROSFIELD AVENUE, WEST NYACK, NEW YORK 10994 (245) 353-4040 • FAX (245) 353-0287 • WWW.ATOMETRICS.COM		SITE ID No.: NY-2475 SITE NAME: MADISON AVE BRIDGE SITE ADDRESS: 48-54 WEST 138TH ST MANHATTAN, NY		NEXTEL COMMUNICATIONS ONE NORTH BROADWAY, 2ND FLOOR WHITE PLAINS, NY 10601 Title: LEASE EXHIBIT	
DRAWN BY: FCC	CHK'D BY: GF	DATE: 07-23-01	APPROVED BY:	DATE:	ATOMETRICS JOB No. 66152
					SHEET No. 3 OF 4



WEST ELEVATION

SCALE: 1/16"=1'-0"

1883

R. J. Johnson

R. MacNeil 7/29

REV.	DATE

ATOMETRICS 2 CROSFIELD AVENUE, WEST NYACK, NEW YORK 10994 (B45) 353-4040 • FAX (B45) 353-0287 • WWW.ATOMETRICS.COM		SITE ID No.: NY-2475 SITE NAME: MADISON AVE BRIDGE SITE ADDRESS: 48-54 WEST 138TH ST MANHATTAN, NY		NEXTEL COMMUNICATIONS ONE NORTH BROADWAY, 2ND FLOOR WHITE PLAINS, NY 10601 Title: LEASE EXHIBIT	
DRAWN BY: FCC	CHECK'D BY: CF	DATE: 07-23-01	APPROVED BY:	DATE:	ATOMETRICS JOB No. 66152
					SHEET No. 4 OF 4

NL14

EXHIBIT C

MEMORANDUM OF AGREEMENT

CLERK: Please return this document to: Nextel of New York, Inc.
One North Broadway, 11th Floor
White Plains, NY 10601
Attention: Property Manager

This Memorandum of Agreement is entered into on this 31 day of JULY, 2001, by and between 138 Residential LLC, a New York limited liability company, with an office at 48-54 West 138th Street (hereinafter referred to as "Lessor") and NEXTEL OF NEW YORK, INC., a Delaware corporation, d/b/a Nextel Communications, with an office at One North Broadway, 2nd Floor, White Plains, NY 10601 (hereinafter referred to as "Lessee").

1. Lessor and Lessee entered into a Communications Site Lease Agreement ("Agreement") on the 31 day of JULY, 2001 for the purpose of installing, operating and maintaining a radio communications facility and other improvements. All of the foregoing are set forth in the Agreement.
2. The term of the Agreement is for five (5) years commencing on the date of commencement of construction of the Lessee Facilities (as defined in the Agreement) or three (3) months following the date of full execution of the Agreement, whichever first occurs ("Commencement Date"), and terminating on the fifth anniversary of the Commencement Date with three (3) successive five (5) year options to renew.
3. The Land which is the subject of the Agreement is described in Exhibit A annexed hereto. The portion of the Land being leased to Lessee (the "Premises") is described in Exhibit B annexed hereto.

IN WITNESS WHEREOF, the parties have executed this Memorandum of Agreement as of the day and year first above written.

LESSOR:

138 Residential LLC
a New York limited liability company

By: [Signature]

Name: BRADFORD S BARR

Title: MANAGER

Date: 7-31-01

LESSEE:

NEXTEL OF NEW YORK, INC.,
a Delaware corporation,
d/b/a Nextel Communications

By: [Signature]

Name: Lewis Kessler

Title: Area Vice President - Engineering

Date: _____

MEMORANDUM OF AGREEMENT

CLERK: Please return this document to: Nextel of New York, Inc.
One North Broadway, 11th Floor
White Plains, NY 10601
Attention: Property Manager

This Memorandum of Agreement is entered into on this 31 day of JULY, 2001, by and between 138 Residential LLC, a New York limited liability company, with an office at 48-54 West 138th Street (hereinafter referred to as "Lessor") and NEXTEL OF NEW YORK, INC., a Delaware corporation, d/b/a Nextel Communications, with an office at One North Broadway, 2nd Floor, White Plains, NY 10601 (hereinafter referred to as "Lessee").

1. Lessor and Lessee entered into a Communications Site Lease Agreement ("Agreement") on the 31 day of JULY, 2001 for the purpose of installing, operating and maintaining a radio communications facility and other improvements. All of the foregoing are set forth in the Agreement.
2. The term of the Agreement is for five (5) years commencing on the date of commencement of construction of the Lessee Facilities (as defined in the Agreement) or three (3) months following the date of full execution of the Agreement, whichever first occurs ("Commencement Date"), and terminating on the fifth anniversary of the Commencement Date with three (3) successive five (5) year options to renew.
3. The Land which is the subject of the Agreement is described in Exhibit A annexed hereto. The portion of the Land being leased to Lessee (the "Premises") is described in Exhibit B annexed hereto.

IN WITNESS WHEREOF, the parties have executed this Memorandum of Agreement as of the day and year first above written.

LESSOR:

138 Residential LLC
a New York limited liability company

By: [Signature]

Name: BRADFORD S BARR

Title: MEMBER

Date: 7-31-01

LESSEE:

NEXTEL OF NEW YORK, INC.,
a Delaware corporation,
d/b/a Nextel Communications

By: [Signature]

Name: Lewis Kessler

Title: Area Vice President - Engineering

Date: October 16, 2001

LESSOR'S CERTIFICATE OF ACKNOWLEDGMENT

(Executed Within New York State)

State of New York)
)ss.:
County of New York)

On the 31 day of July in the year 2011 before me, _____, the undersigned personally appeared Bradford S. Barr, 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.

KAR

Signature and Office of individual
taking acknowledgment

KEITH A. SCHUMAN
Notary Public, State of New York
No. 4924482
Qualified in New York County
Commission Expires February 22, 2012

(Executed Outside of New York State)

State of _____)
)ss.:
_____)

On the _____ day of _____ in the year _____ before me, _____, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature(s) on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument, and that such individual made such appearance before the undersigned in the city of _____, state of _____.

Signature and Office of individual
taking acknowledgment

LESSEE'S CERTIFICATE OF ACKNOWLEDGMENT

(Executed Within New York State)

State of New York)

County of Queens)

)ss.:

On the 15th day of Oct in the year 2001 before me, Laura Curran, the undersigned, personally appeared Lewis Kessler, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Laura Curran

Signature and Office of individual
taking acknowledgment

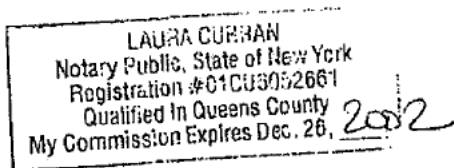


EXHIBIT A

DESCRIPTION OF LAND

to the Agreement dated JULY 31, 2001, by and between 138 Residential LLC, a New York limited liability company, as Lessor, and NEXTEL OF NEW YORK, INC., a Delaware corporation, d/b/a Nextel Communications, as Lessee.

The Land is described and/or depicted as follows:

Borough of Manhattan,

County of New York,

State of New York

commonly known as 48-54 West 138th Street

Block 1735

Lot 59

fin

1785

NL19

EXHIBIT B

DESCRIPTION OF PREMISES

to the Agreement dated JULY 51, 2001, by and between 138 Residential LLC a New York limited liability company, as Lessor, and NEXTEL OF NEW YORK, INC., a Delaware corporation, d/b/a Nextel Communications, as Lessee.

The Premises are described and/or depicted as follows:

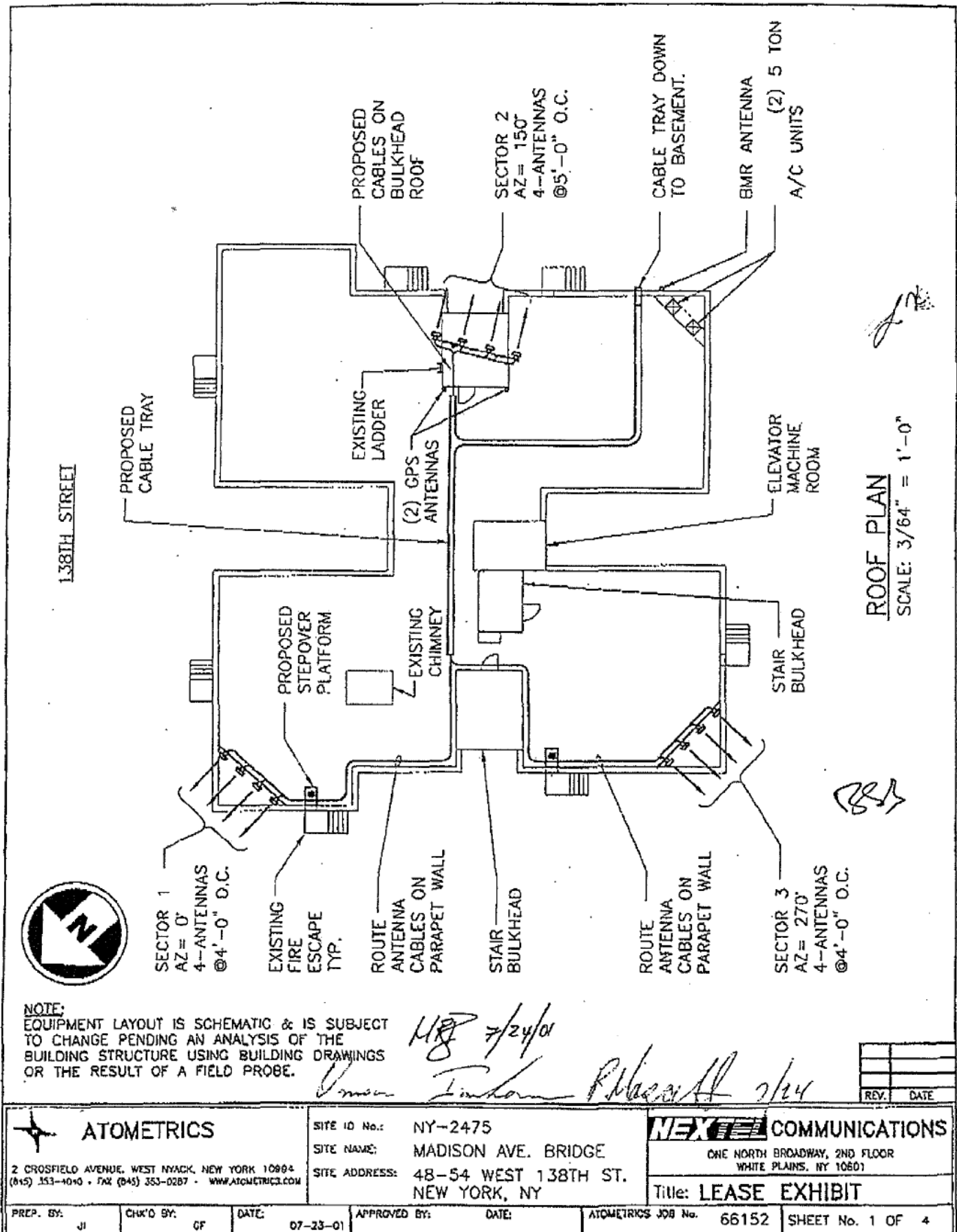
JK

B83

Notes:

1. This Exhibit may be replaced by a land survey of the Premises once it is received by Lessee.
2. Setback of the Premises from the Land's boundaries shall be the distance required by the applicable governmental authorities.
3. Width of access road shall be the width required by the applicable governmental authorities, including police and fire departments.
4. The type, number and mounting positions and locations of antennas and transmission lines are illustrative only. Actual types, numbers, mounting positions may vary from what is shown above.

NL20

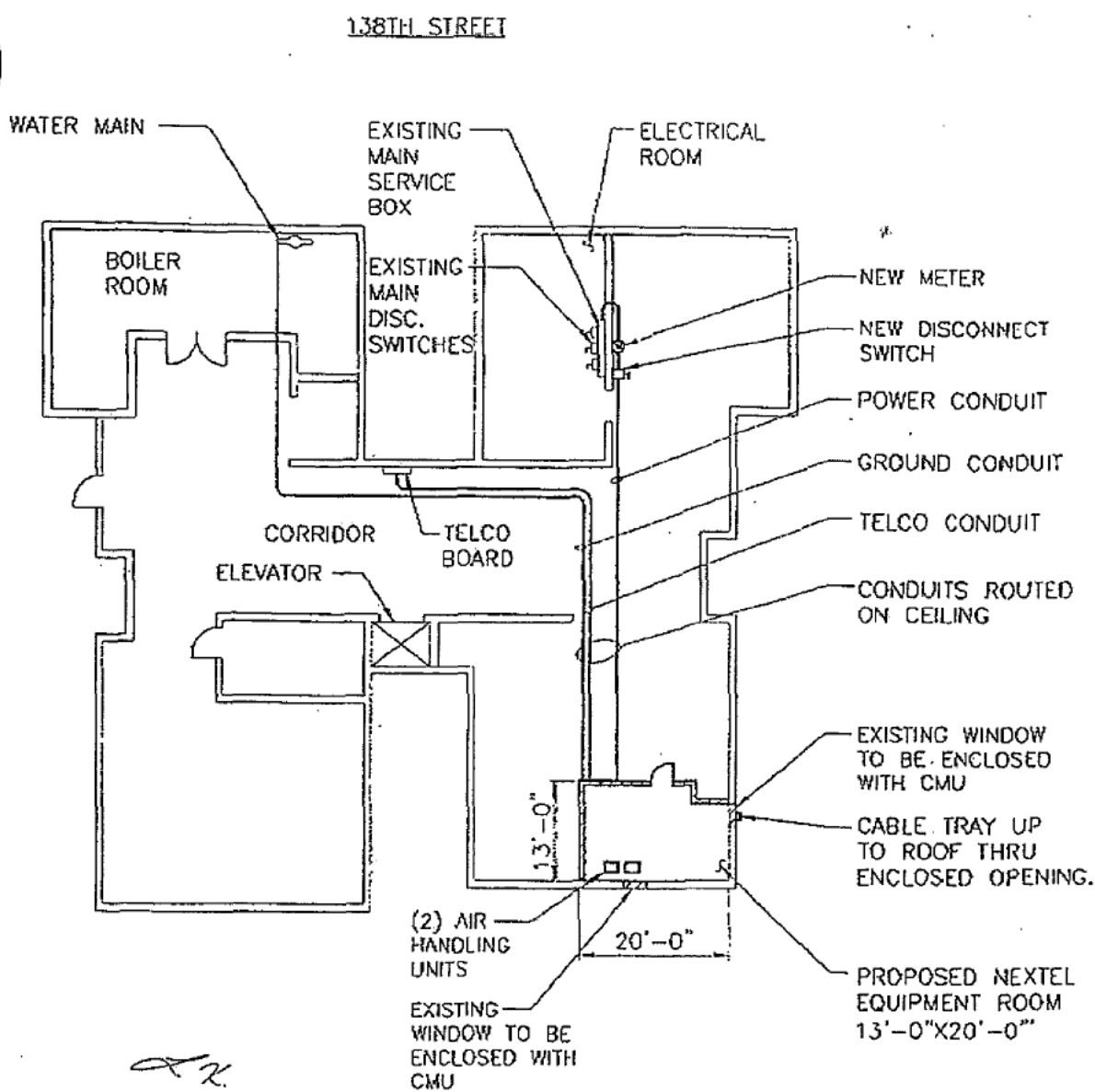


16.32

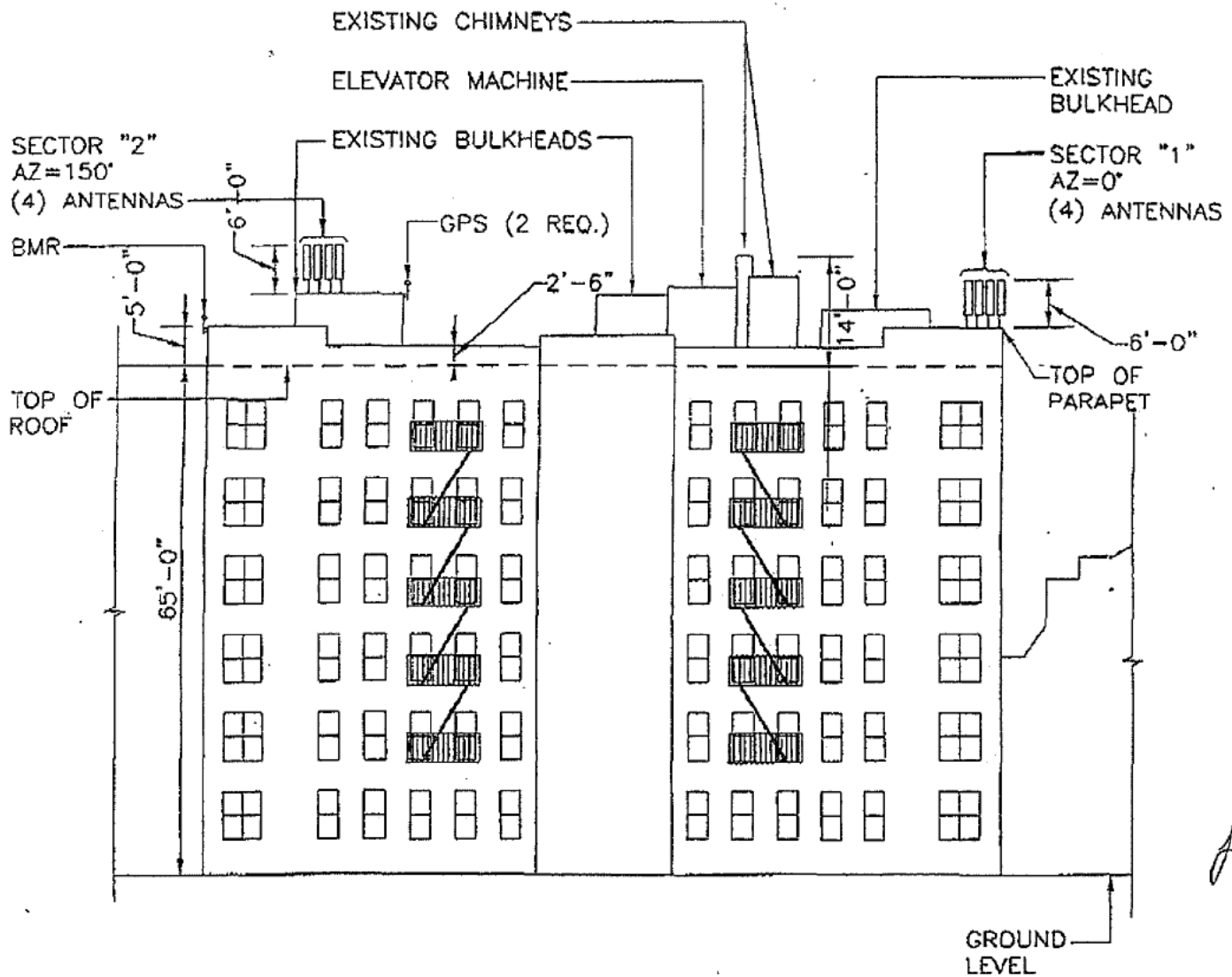
PREP. BY: JI		CHK'D BY: GF	DATE: 07-23-01	APPROVED BY:	DATE:	ATOMETRICS JOB No. 66152	SHEET No. 2 OF 4
ATOMETRICS		SITE ID No.: NY-2475		SITE NAME: MADISON AVE. BRIDGE		Title: LEASE EXHIBIT	
2 CROSSFIELD AVENUE, WEST NYACK, NEW YORK 10994 (943) 353-4040 • FAX (943) 353-0287 • WWW.ATOMETRICS.COM		SITE ADDRESS: 48-54 WEST 138TH ST. NEW YORK, NY		NEXTEL COMMUNICATIONS ONE NORTH BROADWAY, 2ND FLOOR WHITE PLAINS, NY 10601			

[Handwritten signature]
[Handwritten signature]
7/29/01

REV.	DATE



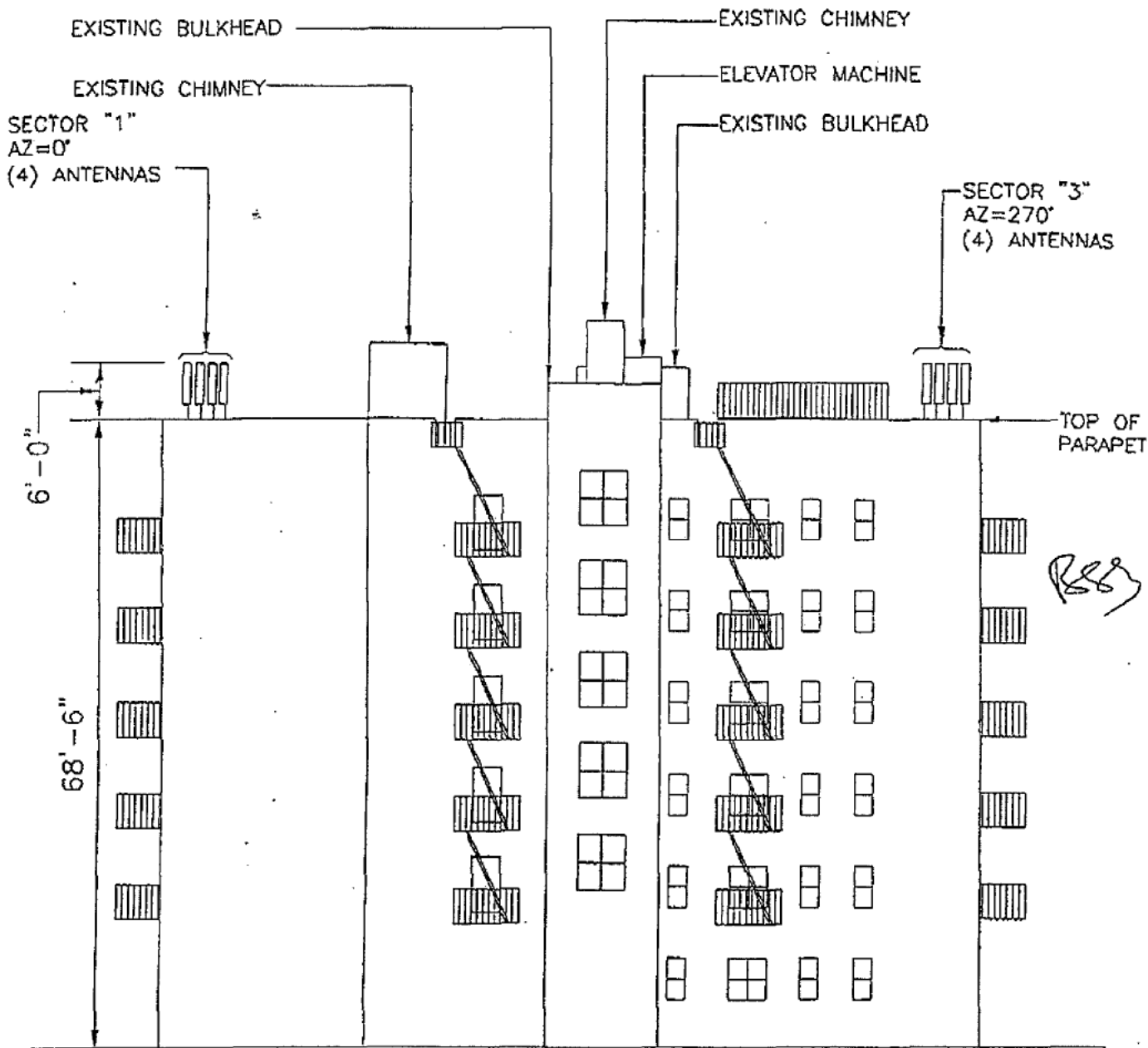
PARTIAL BASEMENT PLAN
NOT TO SCALE



W. 138TH ST. ELEVATION
SCALE: 1"=10'-0"

ATOMETRICS 2 CROSFIELD AVENUE, WEST NYACK, NEW YORK 10994 (945) 363-4040 • FAX (945) 363-0287 • WWW.ATOMETRICS.COM		SITE ID No.: NY-2475 SITE NAME: MADISON AVE BRIDGE SITE ADDRESS: 48-54 WEST 138TH ST MANHATTAN, NY		NEXTEL COMMUNICATIONS ONE NORTH BROADWAY, 2ND FLOOR WHITE PLAINS, NY 10601 Title: LEASE EXHIBIT	
		DRAWN BY: FCG CHK'D BY: GF DATE: 07-23-01 APPROVED BY: [Signature] DATE: 7/24/01 ATOMETRICS JOB No. 66152		SHEET No. 3 OF 4	

NL23



WEST ELEVATION

SCALE: 1/16"=1'-0"

LK.

[Handwritten signature]

[Handwritten signature] 7/24

REV.	DATE

ATOMETRICS 2 CROSFIELD AVENUE, WEST NYACK, NEW YORK 10994 (845) 353-4040 • FAX: (845) 353-0287 • WWW.ATOMETRICS.COM	SITE ID No.: NY-2475 SITE NAME: MADISON AVE BRIDGE SITE ADDRESS: 48-54 WEST 138TH ST MANHATTAN, NY	NEXT COMMUNICATIONS ONE NORTH BROADWAY, 2ND FLOOR WHITE PLAINS, NY 10601 Title: LEASE EXHIBIT
	DRAWN BY: FCC CHK'D BY: GF DATE: 07-23-01	APPROVED BY: _____ DATE: _____

NL24

COMMUNICATIONS SITE LEASE AGREEMENT

THIS COMMUNICATIONS SITE LEASE AGREEMENT ("Lease Agreement") dated as of SEPTEMBER 14 2007 is made by and between MetroPCS New York, LLC, a Delaware limited liability company ("Lessee") and 54 West 138 LLC, a New York limited liability company ("Lessor").

RECITALS

This Lease Agreement is entered into based upon the following facts, circumstances and understandings:

A. Lessor owns certain real property legally described in Exhibit "A" attached hereto and commonly known as 48-54 West 138th street, New York NY; Assessor's Parcel Number Lot: 59 Block 1753 ("Lessor's Real Property"). Lessee desires to lease a portion of Lessor's Real Property with any necessary easements over other portions of Lessor's Real Property and/or shared use of Lessor's easements over other real property necessary for Lessee's access and utilities to the leased area (altogether the "Premises"), as described on Exhibit "B" attached hereto. Lessor represents and warrants that it has the right to grant the rights set forth herein and that it has full rights of ingress to and egress from the Premises from a public roadway.

B. Lessee desires to construct and operate a wireless communications site at the Premises.

C. Based on the Premises set forth herein and on the terms and conditions set forth below, Lessor is willing to lease the Premises to Lessee for Lessee's proposed use subject to the terms and conditions of this Lease Agreement.

WHEREFORE, in consideration of the Premises set forth above and the terms and conditions set forth herein, the parties, intending to be legally bound, hereto agree as follows:

1. **Grant of Lease.** Lessor hereby leases to Lessee the Premises for Lessee's proposed use, subject to the following terms and conditions for the Term.

2. **Permitted Uses.** The Premises may be used by Lessee for the operation of a wireless communications site. Under this Lease Agreement, Lessee may install, place, use and operate on the Premises such antennas, radio transmitting and receiving equipment, conduits, wires, batteries, back-up generators, utility lines and facilities, supporting structures, storage facilities, telephone facilities, microwave equipment, and related equipment (collectively "Lessee's Facilities") as Lessee deems necessary for the operation of its wireless communications site at the Premises. Further, Lessee may perform construction, maintenance, repairs, additions to, and replacement of Lessee's Facilities as necessary and appropriate for its ongoing business and has the right to do all work necessary to prepare, modify and maintain the Premises to accommodate Lessee's Facilities and as required for Lessee's communications operations at the Premises.

3. **Conditions Precedent: Prior Approvals.** This Lease Agreement is conditioned upon Lessee obtaining, at Lessee's sole cost all governmental licenses, permits and approvals enabling Lessee to construct and operate wireless communications facilities on the Premises without conditions which are not standard or typical for premises where wireless communications facilities are located. Lessor agrees to cooperate with Lessee's reasonable requests for Lessor's signatures as real property owner on permit applications, for allowing site inspections by governmental agencies required in connection with reviewing permit applications, and for assistance in obtaining such necessary approvals, provided that such cooperation and assistance shall be at no expense to Lessor.

4. **Term.** The term of this Lease Agreement ("Term") shall be five (5) years commencing on the date Lessee begins construction of Lessee's Facilities on the Premises or twelve (12) months from the date of full execution of this Lease Agreement, whichever occurs first ("Commencement Date"). Lessee shall promptly deliver written notice to Lessor of the Commencement Date. Lessee shall have the right to extend the Term of this Lease Agreement for four (4) additional terms (each a "Renewal Term") of five (5) years each. The terms and conditions for each Renewal Term shall be the same terms and conditions as in this Lease Agreement, except that the Rent shall be increased as set forth hereinbelow. This Lease Agreement shall automatically be extended for each successive five (5) year Renewal Term unless Lessee notifies Lessor in writing of Lessee's intention not to extend this Lease Agreement at least thirty (30) days prior to the expiration of the first Term or any Renewal Term.

5. **Rent.** Within forty-five (45) days of the Commencement Date, Lessee shall pay Lessor, as rent, the sum of One thousand and six hundred dollars (\$1,600) ("Rent") per month. Rent shall be payable on the first day of each month, in advance, to Lessor or Lessor's alternate payee specified in Section 22, Notices and Deliveries. If the Commencement Date of this Lease Agreement is other than the first day of a calendar month, Lessee may pay on the first day of the Term the prorated Rent for the remainder of the calendar month in which the Term commences, and thereafter Lessee shall pay a full month's Rent on the first day of each calendar month, except that payment shall be prorated for the final fractional month of this Lease Agreement, or if this Lease Agreement is terminated before the expiration of any month for which Rent should have been paid. Rent shall be adjusted as of the fifth (5th) anniversary of the Commencement Date of the Term and of any five (5) year Renewal Term by an increase of ten percent (10%) of the Rent paid during the previous Term or five (5) year Renewal Term.

6. **Due Diligence Contingency and Pre-Commencement Date Access to Premises.** Lessee shall have the right (but not the obligation) at any time following the full execution of this Lease Agreement and prior to the Commencement Date, to enter the Premises for the purpose of making necessary inspections, taking measurements and conducting engineering surveys (and soil tests where applicable) and other reasonably necessary tests to determine the suitability of the Premises for Lessee's Facilities ("Due Diligence"), and for the purpose of preparing the Premises for the installation or construction of Lessee's Facilities. During any Due Diligence activities or pre-construction work, Lessee shall have insurance which covers such activities as set forth in Section 16, Insurance. Lessee will notify Lessor of any proposed tests, measurements or pre-construction work and will coordinate the scheduling of such activities with Lessor. If in the course of its Due Diligence Lessee determines that the Premises are unsuitable for Lessee's contemplated use, then Lessee shall have the right to terminate this Lease Agreement prior to the Commencement Date by delivery of written notice thereof to Lessor as set forth in Section 13, Termination.



7. **Ongoing Access to Premises.** Throughout the Term and any Renewal Term of this Lease Agreement, Lessee shall have the right of access without escort to the Premises for its employees and agents twenty-four (24) hours a day, seven (7) days per week, at no additional charge to Lessee. In exercising its right of access to the Premises herein, Lessee agrees to cooperate with any reasonable security procedures utilized by Lessor at Lessor's Real Property and further agrees not to unduly disturb or interfere with the business or other activities of Lessor or of other tenants or occupants of Lessor's Real Property. Lessor shall maintain all existing access roadways or driveways extending from the nearest public roadway to the Premises in a manner sufficient to allow for Lessee's access to the Premises. Lessor shall be responsible for maintaining and repairing such roadways and driveways at Lessor's sole expense, except for any damage caused by Lessee's use of such roadways or driveways. If Lessee causes any such damage, Lessee shall promptly repair the same at its sole expense. Except those constructed by Lessee, Lessor, not Lessee, shall be responsible for the maintenance and compliance with laws of all towers and structures located on the Premises, including compliance with Part 17 of the Federal Communications Commissions' Rules.

8. **Lessee's Work, Maintenance and Repairs.** All of Lessee's construction and installation work at the Premises shall be performed at Lessee's sole cost and expense and in a good and workmanlike manner. Lessee shall submit copies of the site plan and specifications to the Lessor for prior approval, which approval will not be unreasonably withheld, conditioned or delayed. Lessor shall give such approval or provide Lessee with its requests for changes within five (5) business days of Lessor's receipt of Lessee's plans. If Lessor does not provide such approval or request for changes within such five (5) business day period, Lessor shall be deemed to have approved the plans. Lessor shall not be entitled to receive any additional consideration in exchange for giving its approval of Lessee's plans. Lessee shall maintain Lessee's Facilities and the Premises in neat and safe condition in compliance with all applicable codes and governmental regulations. Lessee shall not be required to make any repairs to the Premises except for damages to the Premises caused by Lessee, its employees, agents, contractors or subcontractors. Upon the expiration, cancellation or termination of this Lease Agreement, Lessee shall surrender the Premises in good condition, less ordinary wear and tear; however, Lessee shall not be required to remove any foundation supports for Lessee's Facilities or conduits which have been installed by Lessee unless required to do so by law or regulation or for building safety or stability.

9. **Title to Lessee's Facilities.** Title to Lessee's Facilities and any equipment placed on the Premises by Lessee shall be held by Lessee. All of Lessee's Facilities shall remain the property of Lessee and are not fixtures. Lessee has the right to remove all Lessee's Facilities at its sole expense on or before the expiration or termination of this Lease Agreement. Lessor acknowledges that Lessee may enter into financing arrangements including promissory notes and financial and security agreements for the financing of Lessee's Facilities (the "Collateral") with a third party financing entity and may in the future enter into additional financing arrangements with other financing entities. In connection therewith, Lessor (i) consents to the installation of the Collateral to the extent that the Collateral is part of the approved Lessee's Facilities; (ii) disclaims any interest in the Collateral, as fixtures or otherwise, whether arising at law or otherwise, including, but not limited to any statutory landlord's lien; and (iii)

at any time without recourse to legal proceedings.

10. **Utilities.** Lessee shall have the right to install utilities, at Lessee's expense, and to improve the present utilities on or near the Premises (including, but not limited to the installation of emergency back-up power). Subject to Lessor's approval of the location, which approval shall not be unreasonably withheld, conditioned, or delayed, Lessee shall have the right to place utilities on (or to bring utilities across) Lessor's Real Property in order to service the Premises and Lessee's Facilities. Upon Lessee's request, Lessor shall execute recordable easement(s) evidencing this right. Lessee shall fully and promptly pay for all utilities furnished to the Premises for the use, operation and maintenance of Lessee's Facilities. Upon Lessee's request, Lessor shall allow Lessee to install sub-metering equipment on existing Lessor utility service(s). Lessee agrees to install, at Lessee's cost, the required equipment, meters and connections and will reimburse Lessor for Lessee's use of utilities at a rate equal to Lessor's unit cost for the utilities. Lessee shall pay the cost of utility service provided to the Premises and attributable to Lessee's use ("Utility Charge"). Lessee shall pay the estimated cost of the Utility Charge monthly in advance. The parties estimate the Utility Charge at the commencement of construction to be Three hundred and fifty dollars (\$350.00) per month. During the term of this Lease Agreement, at Lessor's request (which request shall not be more frequent than once every twelve months), Lessee shall calculate the actual Utility Charge for the immediately preceding twelve (12) months based on the readings from the privately installed sub-meter at Lessor's property. If the actual Utility Charge varies from the estimated Utility Charges paid, the parties shall reconcile past payments of utility charges and adjust future estimates of the Utility Charge to reflect Lessee's actual usage.

11. **Interference with Communications.** Lessee's Facilities and operations shall not interfere with the communications configurations, frequencies or operating equipment which exist on Lessor's Real Property on the effective date of this Lease Agreement ("Pre-existing Communications"), and Lessee's Facilities and operations shall comply with all non-interference rules of the Federal Communications Commission ("FCC"). Upon written notice from Lessor of apparent interference by Lessee with Pre-existing Communications, Lessee shall have the responsibility to promptly terminate such interference or demonstrate to Lessor with competent information that the apparent interference in fact is not caused by Lessee's Facilities or operations. Lessor shall not, nor shall Lessor permit any other tenant or occupant of any portion of Lessor's Real Property to, engage in any activities or operations which interfere with the communications operations of Lessee described in Section 2, above. Such interference with Lessee's communications operations shall be deemed a material breach by Lessor, and Lessor shall have the responsibility to promptly terminate said interference. In the event any such interference does not cease promptly, the parties acknowledge that continuing interference will cause irreparable injury to Lessee, and therefore Lessee shall have the right to bring a court action to enjoin such interference or to terminate this Lease Agreement immediately upon notice to Lessor. Lessor agrees to incorporate equivalent provisions regarding non-interference with Pre-existing Communications into any subsequent leases, licenses or rental agreements with other persons or entities for any portions of Lessor's Real Property.

12. **Taxes.** Lessee shall pay personal property taxes assessed against Lessee's Facilities, and Lessor shall pay when due all real property taxes and all other taxes, fees and assessments attributable to the Premises and this Lease Agreement.

13. **Termination.** This Lease Agreement may be terminated by Lessee effective immediately without further liability by delivery of written notice thereof to Lessor prior to the Commencement Date for any reason resulting from Lessee's Due Diligence, or if a title report obtained by Lessee for Lessor's Real Property shows any defects of title or any liens or encumbrances which may



adversely affect Lessee's use of the Premises for Lessee's intended use, or for any other or no reason. This Lease may be terminated without further liability on thirty (30) days prior written notice as follows: (i) by either party upon a default of any covenant, condition, or term hereof by the other party, which default is not cured within sixty (60) days of receipt of written notice of default; (ii) by Lessee if it does not obtain licenses, permits or other approvals necessary to the construction or operation of Lessee's Facilities ("Permits"), is unable to obtain such Permits without conditions which are not standard or typical for premises where wireless communications facilities are located or is unable to maintain such licenses, permits or approvals despite reasonable efforts to do so; (iii) by Lessee if Lessee is unable to occupy or utilize the Premises due to ruling or directive of the FCC or other governmental or regulatory agency, including, but not limited to, a take back of frequencies; or (iv) by Lessee if Lessee determines that the Premises are not appropriate for its operations for economic, environmental or technological reasons, including, without limitation, signal strength or interference. Other than as stated herein, Lessor shall not have the right to terminate, revoke or ~~cancel~~ this Lease Agreement.

14. **Destruction of Premises.** If the Premises or Lessor's Property is destroyed or damaged so as in Lessee's judgment to hinder its effective use of Lessor's Property for the ongoing operation of a wireless communications site, Lessee may elect to terminate this Lease Agreement without further liability of Lessee as of the date of the damage or destruction by so notifying Lessor no more than thirty (30) days following the date of damage or destruction. In such event, all rights and obligations of the parties which do not survive the termination of this Lease Agreement shall cease as of the date of the damage or destruction.

15. **Condemnation.** If a condemning authority takes all of Lessor's Real Property, or a portion which in Lessee's reasonable opinion is sufficient to render the Premises unsuitable for Lessee's ongoing operation of a wireless communications site, then this Lease Agreement shall terminate without further liability of Lessee as of the date when possession is delivered to the condemning authority. In any condemnation proceeding each party shall be entitled to make a claim against the condemning authority for just compensation recoverable under applicable condemnation law. Sale of all or part of the Premises to a purchaser with the power of eminent domain in the face of the exercise of its power of eminent domain shall be treated as a taking by a condemning authority.

16. **Insurance.** Lessee shall maintain the following insurance: (1) Commercial General Liability with limits of One Million Dollars (\$1,000,000.00) per occurrence, (2) Automobile Liability with a combined single limit of One Million Dollars (\$1,000,000.00) per accident, (3) Workers Compensation as required by law, and (4) Employer's Liability with limits of One Million Dollars (\$1,000,000.00) per occurrence. Such insurance shall insure, on an occurrence basis, against liability of Lessee, its employees and agents arising out of or in connection with Lessee's use, occupancy and maintenance of the Premises. Lessor, at Lessor's sole cost and expense, shall procure and maintain on the Property, bodily injury and property damage insurance with a combined single limit of at least One Million Dollars (\$1,000,000.00) per occurrence. Such insurance shall insure, on an occurrence basis, against liability of Lessor, its employees and agents arising out of or in connection with Lessor's use, occupancy and maintenance of the Property. Each party shall be named as an additional insured on the other's policy. Each party shall provide to the other a certificate of insurance evidencing the coverage required by this paragraph within thirty (30) days of the Commencement Date. Each party waives any rights of recovery against the other for injury or loss due to hazards covered by their property insurance, and each party shall require such insurance policies to contain a waiver of recovery against the other.



17. **Assignments or Transfers.** Lessor may assign or transfer this Lease Agreement to any person or entity without any requirement for prior approval by Lessee, provided that such assignee or transferee agrees in writing to fulfill the duties and obligations of the Lessor in said Lease Agreement, including the obligation to respect Lessee's rights to nondisturbance and quiet enjoyment of the Premises during the remainder of the Term and any Renewal Term hereof. Lessee may assign or transfer this Lease Agreement without prior approval by Lessor to any of Lessee's partners, shareholders, members, subsidiaries, or affiliates, to any entity in which Lessee or any of its affiliates holds an ownership interest, or to a person or entity acquiring by purchase, merger or operation of law a majority of the value of the assets of Lessee or to any entity whose business is the ownership of telecommunication towers. Lessee shall not assign or transfer this Lease Agreement to any other person or entity without the prior written approval of Lessor, which approval shall not be unreasonably withheld, conditioned, or delayed. Lessee may assign or transfer this Lease Agreement upon written notice to Lessor provided that any such assignee assumes all of Lessee's obligations hereunder. Notwithstanding anything to the contrary contained in this Agreement, Lessee may assign, mortgage, pledge, hypothecate or otherwise transfer without consent its interest in this Agreement to any financing entity, or agent on behalf of any financing entity to whom Lessee (i) has obligations for borrowed money or in respect of guaranties thereof, (ii) has obligations evidenced by loans, bonds, debentures, notes or similar instruments, or (iii) has obligations under or with respect to letters of credit, bankers acceptances and similar facilities or in respect of guaranties thereof.

18. **Subleases.** Lessee at its sole discretion shall have the right, without any need to obtain the consent of Lessor, to license or sublease all or a portion of the Premises and the Lessee's Facilities to others whose business includes the provision of wireless communication services. Lessee's licensee(s) and sublessee(s) shall be entitled to modify the Lessee's Facilities and to erect additional improvements on the Premises including but not limited to antennas, dishes, cabling, additional storage buildings or equipment shelters as are reasonably required for the operation and maintenance of the communications equipment to be installed on the Premises by said licensee(s) and sublessee(s). Lessee's licensee(s) and sublessee(s) shall be entitled to all rights of ingress and egress to the Premises and the right to install utilities on the Premises as if said licensee or sublessee were the Lessee under this Lease Agreement.

19. **Nondisturbance and Quiet Enjoyment; Subordination; Estoppel Certificates.**

(a) So long as Lessee is not in default under this Lease Agreement, Lessee shall be entitled to quiet enjoyment of the Premises during the term of this Lease Agreement or any Renewal Term, and Lessee shall not be disturbed in its occupancy and use of the Premises.

(b) This Lease Agreement shall be subordinate to each and every deed of trust, mortgage or other security instrument which may now or hereafter affect Lessor's Real Property and to any renewals, extensions, supplements, amendments, modifications or replacements thereof. In confirmation of such subordination, Lessee shall execute and deliver promptly any certificate of subordination that Lessor may reasonably request, provided that such certificate acknowledges that this Lease Agreement remains in full force and effect, recognizes Lessee's right to nondisturbance and quiet enjoyment of the Premises so long as Lessee is not in default under this Lease Agreement, only contains true and accurate statements and Lessee's liability shall be capped at the remaining rent under this Lease Agreement. If any mortgagee or lender succeeds to Lessor's interest in Lessor's Real Property through a



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foreclosure proceeding or by a deed in lieu of foreclosure, Lessee shall attorn to and recognize such successor as Lessor under this Lease Agreement.

(c) At any time upon not less than ten (10) days' prior written notice by Lessor, Lessee shall execute, acknowledge and deliver to Lessor or any other party specified by Lessor a statement in writing certifying that this Lease Agreement is in full force and effect, if true, and the status of any continuing defaults under this Lease Agreement.

20. Indemnifications.

(a) **Lessee's Indemnity.** Lessee hereby agrees to indemnify and hold Lessor and Lessor's officers, directors, partners, shareholders, employees, agents, contractors or subcontractors harmless from and against any and all losses, claims, liabilities, damages, costs and expenses (including reasonable attorney's fees and costs) and injuries (including personal injuries or death) arising from or in connection with Lessee's use, operation, maintenance or repair of Lessee's Facilities at the Premises or access over Lessor's Real Property or Lessee's shared use of Lessor's easements for access to the Premises, except those resulting from the negligence or willful misconduct of Lessor or Lessor's officers, directors, partners, shareholders, employees, agents, contractors or subcontractors.

(b) **Lessor's Indemnity.** Lessor hereby agrees to indemnify and hold Lessee and Lessee's officers, directors, partners, shareholders, employees, agents, contractors or subcontractors harmless from and against any and all losses, claims, liabilities, damages, costs and expenses (including reasonable attorney's fees and costs) and injuries (including personal injuries or death) arising from or in connection with Lessor's use, operation, maintenance or repair of improvements on Lessor's Real Property, Lessor's shared use of easements for access to Lessor's Real Property, any violation of governmental regulations relating to the Premises and any towers used by Lessee (including the lighting or painting for aviation pathways), except those resulting from the negligence or willful misconduct of Lessee or Lessee's officers, directors, partners, shareholders, employees, agents, contractors or subcontractors. This indemnity will not serve as a substitute for workers compensation insurance required by Lessee.

(c) **Survival of Indemnity Provisions.** The indemnity provisions of this section shall survive the expiration, cancellation or expiration of this Lease Agreement.

21. Hazardous Materials. Lessee agrees that it will not use, generate, store or dispose of any Hazardous Material on, under, about or within the Lessor's Real Property in violation of any law or regulation. Lessor represents, warrants and agrees (1) that neither Lessor nor, to Lessor's knowledge, any third party has used, generated, stored or disposed of, or permitted the use, generation, storage or disposal of, any Hazardous Material (defined below) on, under, about or within Lessor's Real Property in violation of any law or regulation, and (2) that Lessor will not, and will not permit any third party to use, generate, store or dispose of any Hazardous Material on, under, about or within Lessor's Real Property in violation of any law or regulation. Lessor and Lessee each agree to defend, indemnify and hold harmless the other and the other's partners, affiliates, agents and employees against any and all losses, liabilities, claims and/or costs (including reasonable attorneys' fees and costs) arising from any breach of any representation, warranty or agreement contained in this paragraph. As used in this paragraph, "Hazardous Material" shall mean petroleum or any petroleum product, asbestos, any substance known by the state in which Lessor's Real Property is located to cause cancer and/or reproductive toxicity, and/or



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any substance, chemical or waste that is identified as hazardous, toxic or dangerous in any applicable federal, state or local law or regulation. This paragraph shall survive the termination of this Agreement.

22. Notices and Deliveries. Any notice or demand required to be given herein shall be made by certified or registered mail, return receipt requested, confirmed fax, or reliable overnight delivery service to the address of the respective parties set forth below:

Lessor: 54 West 138 LLC
95 Delancy St
New York, NY 10002
Attn: Israel Weinberger
Telephone: 718-755-7264
Facsimile: 212-777-2168
Federal Taxpayer ID Number: 20-8041520

Lessee: MetroPCS New York, LLC
8144 Walnut Hill Lane
Suite 800
Dallas, Texas 75231
Attn: Property Manager
Telephone:
Facsimile:

With a copy to: MetroPCS
5 Skyline Drive
Hawthorne, NY 10532

Lessor or Lessee may from time to time designate any other address for notices or deliveries by written notice to the other party.

23. Miscellaneous.

(a) **Severability.** If any provision of the Lease Agreement is held to be invalid or unenforceable by a court of competent jurisdiction with respect to any party, the remainder of this Lease Agreement or the application of such provision to persons other than those as to whom it is held invalid or unenforceable shall not be affected, each provision of this Lease Agreement shall be valid and enforceable to the fullest extent permitted by law, and the parties shall negotiate in good faith to amend this Lease Agreement to retain the economic effect of the invalid or unenforceable provisions.

(b) **Binding Effect.** Each party represents and warrants that said party has full power and authority, and the person(s) executing this Lease Agreement have full power and authority, to execute and deliver this Lease Agreement, and that this Lease Agreement constitutes a valid and binding obligation of each party, enforceable in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting the enforcement of creditor's rights generally and by general equitable principles (whether enforcement is



sought in proceedings in equity or at law). This Lease Agreement shall be binding on and inure to the benefit of the successors and permitted assignees of the respective parties.

(c) **Waivers.** No provision of this Lease Agreement shall be deemed to have been waived by a party unless the waiver is in writing and signed by the party against whom enforcement of the waiver is attempted. No custom or practice which may develop between the parties in the implementation or administration of the terms of this Lease Agreement shall be construed to waive or lessen any right to insist upon strict performance of the terms of this Lease Agreement.

(d) **Governing Law.** This Lease shall be governed by and construed in accordance with the laws of the State in which the Premises are located.

(e) **Attorneys' Fees and Costs.** The prevailing party in any legal claim arising hereunder shall be entitled to its reasonable attorneys' fees and court costs.

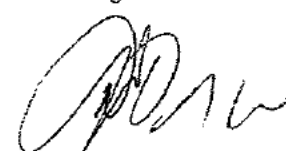
(f) **Survival.** Terms and conditions of this Lease Agreement which by their sense and context survive the termination, cancellation or expiration of this Lease Agreement will so survive.

(g) **Memorandum of Lease.** Lessor acknowledges that a Memorandum of Agreement substantially in the form annexed hereto as Exhibit C will be recorded by Lessee in the Official Records of the County where the Property is located.

(h) **Entire Agreement; Amendments.** This Lease Agreement constitutes the entire agreement and understanding between the parties regarding Lessee's lease of the Premises and supersedes all prior and contemporaneous offers, negotiations and other agreements concerning the subject matter contained herein. There are no representations or understandings of any kind not set forth herein. Any amendments to this Lease Agreement must be in writing and executed by duly authorized representatives of both parties.

(i) **No Presumptions Regarding Preparation of Lease Agreement.** The parties acknowledge and agree that each of the parties has been represented by counsel or has had full opportunity to consult with counsel and that each of the parties has participated in the negotiation and drafting of this Lease Agreement. Accordingly it is the intention and agreement of the parties that the language, terms and conditions of this Lease Agreement are not to be construed in any way against or in favor of any party hereto by reason of the roles and responsibilities of the parties or their counsel in connection with the preparation of this Lease Agreement.

[SIGNATURE PAGE FOLLOWS]

A handwritten signature in black ink, appearing to be 'P. D. W.', is written over the page number.

IN WITNESS WHEREOF, the parties have caused this Lease Agreement to be executed by their duly authorized representatives on the dates set forth below and acknowledge that this Lease Agreement is effective as of the date first above written.

LESSOR:

54 West 138 LLC,
a New York Limited Liability Company

By: _____

(Signature)

Print Name: _____

Title: _____

Date: _____

LESSEE:

MetroPCS New York LLC,
a Delaware limited liability company

By: _____

(Signature)

Print Name: _____

Title: _____

Date: _____

EXHIBIT A

DESCRIPTION OF LESSOR'S REAL PROPERTY

to the Lease Agreement dated SEPTEMBER 14, 2007, by and between 54 West 138 LLC, a New York limited liability company, as Lessor, and MetroPCS New York, LLC, a Delaware limited liability company, as Lessee.

Lessor's Property of which Premises are a part is described as follows:

All that certain plot, piece or parcel of land situate, lying and being in the Borough of Manhattan, City, County and State of New York, bounded and described as follows:

BEGINNING at a point on the southerly side of 138th Street distant two hundred twenty-five feet easterly from the southeasterly corner of 138th Street and Lenox Avenue;

RUNNING THENCE southerly and parallel with Lenox Avenue ninety-nine feet, eleven inches to the center line of the block;

THENCE easterly along said center line of the block one hundred feet;

THENCE northerly and again parallel with Lenox Avenue ninety-nine feet, eleven inches to the southerly side of 138th Street;

THENCE westerly along the southerly side of 138th Street, one hundred feet to the point or place of BEGINNING.

Assessors Parcel Number: Lot: 59 Block: 1753

A handwritten signature in dark ink, appearing to be a stylized 'P' followed by a flourish.

EXHIBIT B

DESCRIPTION OF PREMISES

to the Lease Agreement dated SEPTEMBER 14, 200 7, by and between 54 West 138 LLC, a New York limited liability company, as Lessor, and MetroPCS New York LLC, a Delaware limited liability company, as Lessee.

The Premises consist of those specific areas described/shown below or attached where Lessee's communications antennae, equipment and cables occupy Lessor's Real Property. The Premises and the associated utility connections and access, including easements, ingress, egress, dimensions, and locations as described/shown, are approximate only and may be adjusted or changed by Lessee at the time of construction to reasonably accommodate sound engineering criteria and the physical features of Lessor's Real Property.

SEE ATTACHED DRAWING

(A final drawing or copy of a property survey or site plan depicting the above shall replace this Exhibit B when initialed by Lessor or Lessor's designated agent and may be modified from time to time when initialed by both Lessor and Lessee.)



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WEST 138th STREET



KEY PLAN

SCALE: NOT TO SCALE

APPROVALS			SUMMARY INFORMATION
TITLE	NAME	DATE	
CM			# OF PANEL ANTENNAS: 6
RF			# OF GPS ANTENNAS: 2
SAC			SQ. FT OF PLATFORM: 155
LL			SQ. FT OF ALL CABINETS: 34.2



PROPOSED METROPCS SECTOR "A" PANEL ANTENNAS MOUNTED TO EXISTING PARAPET WALL (TYPICAL OF 2)

PROPOSED METROPCS EQUIPMENT CABINETS MOUNTED TO NEW PLATFORM [SEE DRAWING LE-2]

PROPOSED METROPCS SECTOR "C" PANEL ANTENNAS MOUNTED TO EXISTING PARAPET WALL (TYPICAL OF 2)

EXISTING PANEL ANTENNAS BY OTHERS (TYPICAL)

EXISTING CABLE TRAY BY OTHERS (TYPICAL)

EXISTING FIRE ESCAPE (TYPICAL)

PROPOSED METROPCS LADDER MOUNTED TO EXISTING PENTHOUSE

PROPOSED METROPCS SECTOR "B" PANEL ANTENNAS MOUNTED TO EXISTING PENTHOUSE WALL (TYPICAL OF 2)

PROPOSED METROPCS GPS ANTENNAS (TYPICAL OF 2)

EXISTING PANEL ANTENNAS BY OTHERS (TYPICAL)



ROOF PLAN

SCALE: 1" = 20'-0"

NOTES:

- LEASE EXHIBITS SUBMITTED ARE A CONCEPTUAL DESIGN OF THE LEASE AGREEMENT ONLY. ACTUAL ARCHITECTURAL/ENGINEERING CONSTRUCTION DOCUMENTS MAY VARY TO COMPLY WITH ALL BUILDING CODES AND ANY UNFORESEEN CONDITIONS.
- THE INFORMATION SHOWN IS TAKEN FROM A TAPE SURVEY PERFORMED BY ARCNET ARCHITECTS, INC. DURING THE SITE VISIT.
- LOCATION SHOWN IS APPROXIMATE. FINAL LOCATION SHALL BE DETERMINED IN THE DESIGN PHASE.
- CONSTRUCTION DRAWING SIGN-OFF BY OWNER SHALL SUPERCEDE LEASE EXHIBIT.

ISSUED FOR REVIEW



105 White Oak Lane, Suite 103, Old Bridge, NJ 07733
Tel: 732.607.1919 Fax: 732.907.1802

Drawing Title
KEY & ROOF PLAN



metro

ARCNET Project No
12860

Drawn
PMc

Date
8/2/07

Project: **48-54 WEST 138th**
Address: **48-54 WEST 138th STREET**
NEW YORK, NY 10037

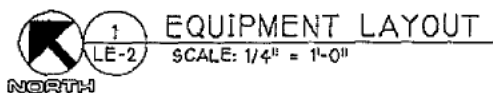
Site ID No: **NY0253A**

Approved By: _____ DATE: _____

Revision No. Date:

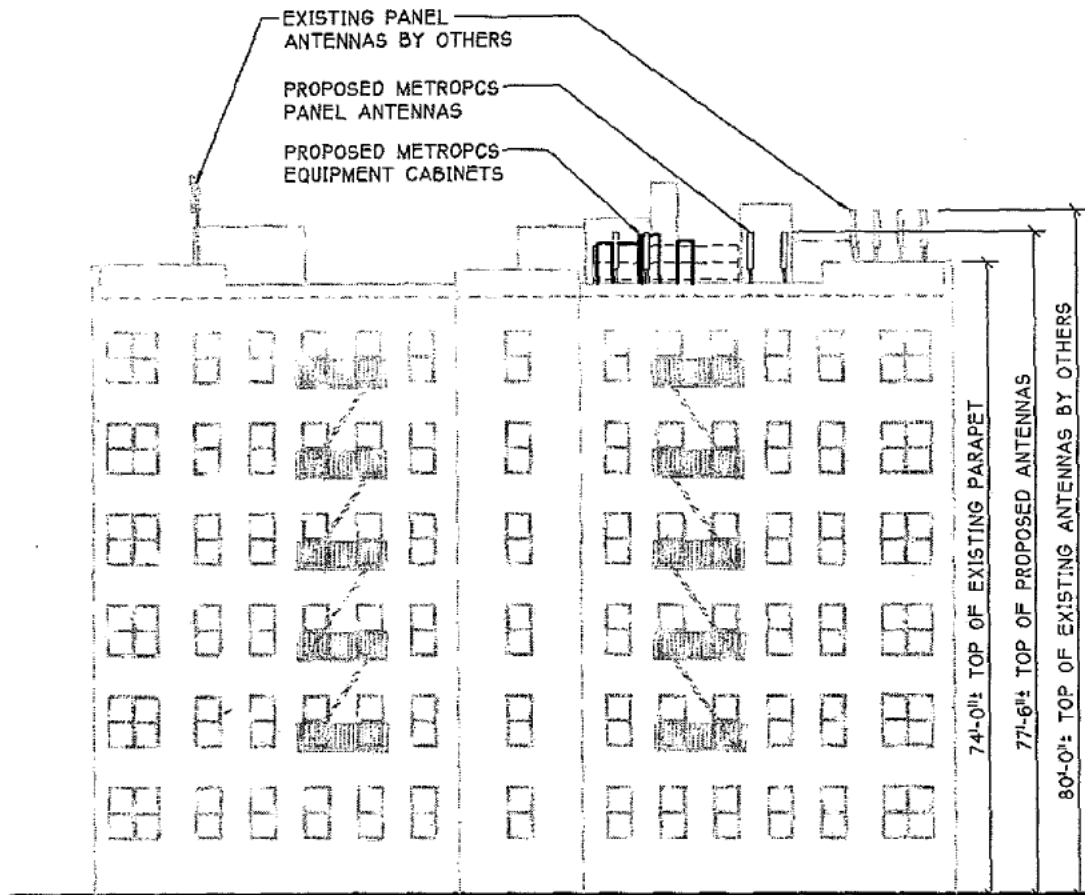
Drawing No.

LE-1



ISSUED FOR REVIEW

ML14



1 WEST 138th STREET ELEVATION
LE-3 SCALE: 1" = 20'-0"

NOTES:

1. LEASE EXHIBITS SUBMITTED ARE A CONCEPTUAL DESIGN OF THE LEASE AGREEMENT ONLY. ACTUAL ARCHITECTURAL/ENGINEERING CONSTRUCTION DOCUMENTS MAY VARY TO COMPLY WITH ALL BUILDING CODES AND ANY UNFORESEEN CONDITIONS.
2. THE INFORMATION SHOWN IS TAKEN FROM A TAPE SURVEY PERFORMED BY ARCNET ARCHITECTS, INC. DURING THE SITE VISIT.
3. LOCATION SHOWN IS APPROXIMATE. FINAL LOCATION SHALL BE DETERMINED IN THE DESIGN PHASE.
4. CONSTRUCTION DRAWING SIGN-OFF BY OWNER SHALL SUPERCEDE LEASE EXHIBIT.

ISSUED FOR REVIEW

 105 White Oak Lane, Suite 103, Old Bridge, NJ 07733 Tel: 732.607.1919 Fax: 732.907.1802	Drawing Title ELEVATION		Project: 48-54 WEST 138th Address: 48-54 WEST 138th STREET NEW YORK, NY 10037		Revision No. _____ Date _____ Drawing No. LE-3
	Client:		Site ID No: NY0253A		
Principal Review: _____ PFC Review: RHy Draft Cmt. Review: _____	ARCNET Project No. 12860		Drawn: PMa Date: 8/2/07	Approved By: _____ DATE: _____ CLIENT: _____	

EXHIBIT C

MEMORANDUM OF AGREEMENT

CLERK: Please return this document to: MetroPCS New York, LLC
5 Skyline Dr
Hawthorne, NY 10532
Attn.: Property Manager

This Memorandum of Agreement is entered into on this ____ day of _____, _____, by and between 54 West 138 LLC, a New York limited liability company, with an office at 95-04 Delancey Street New York, New York (hereinafter referred to as "Lessor"), and MetroPCS New York LLC, a Delaware limited liability company, with an office at _____ (hereinafter referred to as "Lessee").

1. Lessor and Lessee entered into a Communications Site Lease Agreement ["Agreement"] on the ____ day of _____, _____, for the purpose of installing, operating and maintaining a communications facility and other improvements. All of the foregoing is set forth in the Agreement.
2. The term of the Agreement is for five (5) years commencing on the date Lessee begins construction of Lessee's Facilities on the Premises, or twelve (12) months from the date of full execution of this Lease Agreement, whichever first occurs ("Commencement Date") and terminating on the 5th anniversary of the Commencement Date, with four (4) successive five (5) year options to renew.
3. The Land which is the subject of the Agreement is described in Exhibit A annexed hereto.

IN WITNESS WHEREOF, the parties have executed this Memorandum of Agreement as of the day and year first above written.

LESSOR:

LESSEE:

54 West 138 LLC, A New York Limited Liability Company

MetroPCS New York LLC, a Delaware limited liability company

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____



STATE OF NY

COUNTY OF NY

On 8/21/07, before me, Steven Neuman, Notary Public, personally appeared Karl Weinberger, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument, the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

[Signature]
Notary Public

(SEAL) **STEVEN CRAIG NEUMAN**
NOTARY PUBLIC, STATE OF NEW YORK
NO. 02NE6077875
QUALIFIED IN NASSAU COUNTY
COMMISSION EXPIRES JULY 22, 20 10

STATE OF _____

COUNTY OF _____

On _____, before me, _____, Notary Public, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument, the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Notary Public

(SEAL)

[Signature]

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

MetroPCS York LLC
5 Skyline Dr.
Hawthorne, NY, 10532
Attn.: Property Management
Site #NY-0253

MEMORANDUM OF LEASE AGREEMENT

This Memorandum of Agreement is entered into on this 14 day of SEPTEMBER, 2007, by and between 54 West 138th LLC, a New York Limited Liability Company, with an office at 95 Delancey Street New York, New York 10002 at (hereinafter referred to as "Lessor"), and MetroPCS New York, LLC, a Delaware limited liability company, with an office at 5 Skyline Drive, Hawthorne, NY 10532 (hereinafter referred to as "Lessee").

1. Lessor and Lessee entered into a Communications Site Lease Agreement ["Agreement"] on the 14 day of SEPTEMBER, 2007, for the purpose of installing, operating and maintaining a communications facility and other improvements. All of the foregoing is set forth in the Agreement.
2. The term of the Agreement is for five (5) years commencing on the date Lessee begins construction of Lessee Facilities, or twelve (12) months from full execution of the Lease Agreement, whichever first occurs ("Commencement Date") and terminating on the fifth anniversary of the Commencement Date, with four (4) successive five (5) year options to renew. In no event shall the term of the Agreement exceed thirty-five (35) years.
3. The Land which is the subject of the Agreement is described in Exhibit A annexed hereto.

IN WITNESS WHEREOF, the parties have executed this Memorandum of Agreement as of the day and year first above written.

LESSOR:

54 West 138 LLC, a New York Limited Liability Company

By: [Signature]

Name: Ismael Wenzler

Title: Manager

Date: 8/23/07

LESSEE:

MetroPCS New York, LLC,
a Delaware limited liability company

By: [Signature]

Name: DAN OLIVARI

Title: VP/GM

Date: 9/14/07

STATE OF NY

COUNTY OF NY

On 8/24/07, before me, Steven Neuman, Notary Public, personally appeared Isabel W. Wenger, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument, the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Notary Public

(SEAL)

STEVEN CRAIG NEUMAN
NOTARY PUBLIC, STATE OF NEW YORK
NO. 02NE6077875
QUALIFIED IN NASSAU COUNTY
COMMISSION EXPIRES JULY 22, 2010

STATE OF _____

COUNTY OF _____

On _____, before me, _____, Notary Public, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument, the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Notary Public

(SEAL)

STATE OF New York

COUNTY OF Westchester

On September 14, 2007, before me, Richard J. Mohr, Notary Public, personally appeared Dan Chetani, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument, the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Notary Public

(SEAL)

Richard J. Mohr
Notary Public, State of New York
No. 02MO6137329
Qualified in Rockland County
Commission Expires Nov. 21, 2009

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EXHIBIT A

DESCRIPTION OF LAND

to the Agreement dated SEPTEMBER 14, 2007, by and between 54 West 138 LLC, a New York Limited Liability Company, as Lessor, and MetroPCS New York LLC, a Delaware limited liability company, as Lessee.

The Land is described and/or depicted as follows:

All that certain plot, piece or parcel of land situate, lying and being in the Borough of Manhattan, City, County and State of New York, bounded and described as follows:

BEGINNING at a point on the southerly side of 138th Street distant two hundred twenty-five feet easterly from the southeasterly corner of 138th Street and Lenox Avenue;

RUNNING THENCE southerly and parallel with Lenox Avenue ninety-nine feet, eleven inches to the center line of the block;

THENCE easterly along said center line of the block one hundred feet;

THENCE northerly and again parallel with Lenox Avenue ninety-nine feet, eleven inches to the southerly side of 138th Street;

THENCE westerly along the southerly side of 138th Street, one hundred feet to the point or place of BEGINNING.

and otherwise known as: 48-54 West 138th street Manhattan, NY.

APN: Lot: 59 Block: 1753

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INTERIM LEASE

AGREEMENT made this day of , 2012, between 48-54 WEST 138 LLC (hereafter SPONSOR) and , (hereinafter PURCHASER);

WITNESSETH:

WHEREAS, SPONSOR is the Sponsor of a condominium conversion of premises located at 48-54 West 138th Street, New York, New York 10037; and,

WHEREAS, PURCHASER has executed a Purchase Agreement for Unit at said premises; and,

WHEREAS, PURCHASER wishes to occupy said apartment prior to the closing of the transaction;

NOW, THEREFORE, in conformity with the terms and conditions of the Offering Plan filed with the Attorney General of the State of New York, the parties agree as follows:

- 1) Commencing on _____, and terminating as hereinafter specified, PURCHASER shall have the right to use and occupy the aforementioned apartment.
- 2) PURCHASER shall pay a fee for use and occupancy of the apartment of _____ per month. It is understood that this use and occupancy fee is not rent, and that no landlord-tenant relationship has been created between the parties, and that this agreement is not governed or subject to any rent regulatory laws.
- 3) The use and occupancy fee for the month in which closing occurs shall be adjusted at closing. A portion of the use and occupancy fee in the amount of _____ per month will be applied to the purchase price of the apartment.
- 4) The terms of the Offering Plan and all related documents in effect as of the date hereof are incorporated in and made a part of this agreement.
- 5) As of the date of this Agreement, risk of loss to the apartment and its contents by fire or other hazard shall be determined pursuant to the terms of the Purchase Agreement for such apartment, as contained in the Offering Plan for the premises in effect as of the date hereof, as if PURCHASER was the owner of such apartment.
- 6) PURCHASER shall pay all utility costs and make any repairs to the apartment for which he would be obligated as owner. SPONSOR will not

be responsible for ordinary wear and tear to the apartment during the PURCHASER'S occupancy.

7) PURCHASER may not make any alterations to the apartment without SPONSOR'S written consent.

8) This lease will terminate on the happening of the earliest of the following:

- a- Closing
- b- Rescission of the Purchase (Agreement by PURCHASER)
- c- Default by PURCHASER

9) Upon a default by PURCHASER or Rescission of the subscription agreement by PURCHASER, which is not cured within 15 days after notice thereof, PURCHASER'S right to occupy the apartment will terminate, and PURCHASER must vacate the apartment within thirty (30) days after mailing of Notice to Vacate by the SPONSOR. Such notice must be by certified mail, return receipt requested, to the apartment. PURCHASER agrees to pay SPONSOR \$250.00 per day for each day he remains in possession beyond the 30th day following mailing of the Notice to Vacate in conformity with this section. SPONSOR is hereby irrevocably authorized to deduct said per diem sum directly from any amounts being held as a security deposit hereunder, or from any sums being held in escrow pursuant to the contract of sale. Nothing contained herein shall be construed so as to limit SPONSOR'S ability to have PURCHASER evicted from the premises and to pursue any other legal remedy available to SPONSOR; nor shall anything herein be construed as a waiver by the SPONSOR of his right to retain, as liquidated damages, the down payment deposited upon execution of the Purchase Agreement.

10) An order of eviction or vacating of the Unit must occur before a default under the Purchase Agreement may be declared. Any default under this agreement will be a default under the Purchase Agreement, and any default under the Purchase Agreement will be a default under this agreement. Any such default will terminate PURCHASER'S right to use and occupancy, and will also terminate PURCHASER'S right to purchase the apartment, and may result in loss of the down-payment.

11) This agreement may not be assigned, and may not be changed, except by signed, written instrument. This agreement is the entire agreement between the parties as regards use and occupancy of the apartment pending closing.

12) As of the date hereof PURCHASER confirms that all work required to be done in or about the subject apartment has been completed; that the condition of title as set forth in the PURCHASER'S title report is acceptable; and that in all respects PURCHASER agrees to accept the apartment in "as is" condition; except for the items of repair enumerated in the contract of sale previously executed between the parties. As of the date hereof, PURCHASER waives any right whatsoever

to cancel the contract, except for material change in the Offering Plan.

13) THIS CLAUSE HAS BEEN INTENTIONALLY OMITTED.

14) If any term of this agreement differs from the Offering Plan as accepted for filing by the Attorney General of the State of New York, the offering plan shall be controlling.

15) PURCHASER agrees that as a term of this Interim Lease to pay a lease preparation fee in the amount of \$350.00 to Sponsor's attorney.

IN WITNESS WHEREOF, the parties hereunto set their hands this
day of _____, 2012.

BY: _____
SPONSOR

STORAGE UNIT LICENSE AGREEMENT

AGREEMENT made this _____ day of _____, 20____
("Agreement") by and between the 48-54 West 138th Street
Condominium, having an address at 48-54 West 138th Street, New
York, New York 10037 (hereinafter "Licensor"), and
_____, having an address at _____
("Licensee");

WHEREAS, cellar storage areas have been created in the cellar of the Condominium known as the 48-54 West 138th Street Condominium ("Licensed Area") in which Storage Units have been installed for use by permitted Residential Unit Owners; and

WHEREAS, Licensee, owns or is acquiring a Residential Unit at the
aforementioned premises; and

WHEREAS, Licensee desires the right to the exclusive use of the accessory Storage Unit #_____ for so long as Licensee owns a Residential Unit in the Condominium;

NOW THEREFORE, in consideration of the sum of \$10.00 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Licensors hereby grants to Licensee, its successors and assigns, a license for the exclusive use of Storage Unit; ("Designated Storage Unit") ("License") and Licensee hereby accepts such license from Licensors for a term commencing on the date hereof.
2. Licensee shall pay a monthly license fee to the Condominium in accord with the Offering Plan.
3. A Storage Unit only be used for the storage of materials allowed pursuant to the Administrative Code of the City of New York, and may not be used for dwelling or residential purposes; nor for the storage of dangerous, noxious, or combustible materials.
4. Licensee shall not (a) store any property in the Licensed Area outside of the designated Storage Unit; or (b) allow any other person to use the License except in accordance with the terms hereof.
5. This License may be assigned by Licensee at any time provided the assignee (i) is a Residential Unit Owner at the Condominium, (ii) assumes the obligations hereunder in the

form annexed hereto, (iii) notification of the assignment is delivered in writing to the Condominium Board in compliance with its requirements as the same may be modified from time to time, and (iv) no outstanding monies are owed to the Condominium by the Licensee and/or the assignee. This License shall automatically terminate at such time as the Licensee no longer owns a Residential Unit in the Condominium unless this License is assigned to and assumed by another Residential Unit Owner.

6. Licensee represents that it has made a thorough inspection of the Licensed Area and agrees to take same in its "as is" condition as of the date of this Agreement. Licensee shall throughout the term of this Agreement, take good care of and maintain the Designated Storage Unit. All repairs and replacements to the Designated Storage Unit as well as the Licensed Area shall be performed by the Condominium Board and the cost thereof shall be a Common Expense, unless such repair or replacement is necessitated by the negligence, misuse, or abuse of a Licensee, then the entire cost and expense of such repair or replacement shall be borne by such Licensee.
7. Licensor nor their respective agents or employees shall be liable for any theft or damage to any property stored in the Licensed Area and the Designated Storage Unit.
8. The terms of this Agreement are subject to the terms of the Condominium Documents. Nothing contained herein shall be construed as limiting the rights and obligations of the parties under the Condominium Documents. Any conflict between the provisions of this Agreement and the Condominium Documents shall be resolved in favor of the Condominium Documents.
9. If Licensee defaults in its obligations hereunder or under the Condominium Documents, the Condominium Board may, in addition to the rights and remedies set forth in the Condominium Documents, (i) deny access to and use of the Designated Storage Unit until Licensee cures such default or (ii) terminate this Agreement upon written notice to Licensee.
10. The Condominium Board or its agents shall have the right, but not the obligation, to open the Designated Storage Unit in an emergency at any time, and, at other reasonable time upon prior notice to Licensee, to inspect and examine the Designated Storage Unit and to make such repairs, replacements and improvements as the Condominium Board shall

deem necessary.

11. This Agreement shall constitute a License only and shall not be construed under any circumstances to be a sale of the Designate Storage Unit of conveyance of title thereto. In no event shall a landlord/tenant relationship exist between the Licenser and the Licensee with respect to this Agreement.
12. Licensee shall indemnify and hold Licenser and their respective officers, agents and employees, harmless from and against any and all liabilities, claims, penalties and judgments, together with any related costs and expenses, including reasonable legal fees, asserted against or sustained by any of them in connection with any act, omission, or negligence of Licensee or Licensee's family, servants, employees, agents, guests and invitees in connection with this License.
13. Licensee shall be obligated to reimburse the Licenser for any legal fees and disbursements incurred by the Licenser in defending the rights of the Licenser under this Agreement or, in the event Licensee defaults under this Agreement beyond any applicable grace period, enforcing Licensee's obligations hereunder.
14. Neither this Agreement nor any provision hereof may be waived, amended, discharged or terminated except by an instrument in writing signed by the party against which the enforcement of such waiver, amendment, discharge or termination is sought and then only to the extent set forth in such instrument.
15. It is understood and agreed that all understandings and agreements heretofore had between the parties hereto are merged in this Agreement, which alone fully and completely expresses their agreement, and that this Agreement supersedes any and all such understandings and agreements with respect to the subject matter hereof.
16. If any provision of this Agreement is invalid or unenforceable as against any party or under certain circumstances, the remainder of this Agreement and the applicability of such provision to other parties or circumstances shall not be affected thereby. Each provision of this Agreement, except as otherwise herein or therein provided, shall be valid and enforced to the fullest extent permitted by Law.

17. Either party shall execute, acknowledge and deliver to the other party such instruments and take such other actions, in addition to the instruments and actions specifically provided for herein, as such other party may reasonably request in order to effectuate the provisions of this Agreement or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.
18. Any failure by the Licensor to insist upon strict performance by Licensee of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, irrespective of the number of violations or breaches which may occur, and Licensor, notwithstanding any such failure, shall have the right thereafter to insist upon strict performance by Licensee of any and all of the provisions of this Agreement to be performed by Licensee.

IT WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first above written.

Agreed and Acknowledged by:

LICENSOR:

The 48-54 West 138th Street Condominium

By:

LICENSEE:

Purchaser

A) FOR THE PURPOSES OF THIS SECTION, "NON-OCCUPYING OWNER" SHALL MEAN A UNIT OWNER IN A CONDOMINIUM ASSOCIATION WHO DOES NOT OCCUPY THE DWELLING UNIT.

B) IF A NON-OCCUPYING OWNER RENTED ANY DWELLING UNIT TO A RENTAL TENANT AND THEN FAILS TO MAKE PAYMENTS DUE FOR COMMON CHARGES, ASSESSMENTS, OR LATE FEES FOR SUCH UNIT WITHIN SIXTY DAYS OF THE EXPIRATION OF ANY GRACE PERIOD AFTER THEY ARE DUE, UPON NOTICE IN ACCORDANCE WITH SUBDIVISION "(C)" OF THIS SECTION, ALL RENTAL PAYMENTS FROM THE TENANT SHALL BE DIRECTLY PAYABLE TO THE CONDOMINIUM ASSOCIATION.

C) IF THE COMMON CHARGES, ASSESSMENTS, OR LATE FEES DUE FOR ANY UNIT HAVE NOT BEEN PAID IN FULL WITHIN SIXTY DAYS AFTER THE EXPIRATION OF ANY GRACE PERIOD OF THE EARLIEST DUE DATE, THE BOARD OF MANAGERS SHALL PROVIDE WRITTEN NOTICE TO THE TENANT AND THE NON-OCCUPYING OWNER PROVIDING THAT, COMMENCING IMMEDIATELY AND UNTIL SUCH TIME AS ALL PAYMENTS FOR COMMON CHARGES, ASSESSMENTS OR LATE FEES ARE MADE CURRENT, ALL RENTAL PAYMENTS DUE SUBSEQUENT TO THE ISSUANCE OF SUCH NOTICE ARE TO BE MADE PAYABLE TO THE CONDOMINIUM ASSOCIATION AT THE ADDRESS LISTED ON THE NOTICE. WHERE A MAJORITY OF THE BOARD OF MANAGERS HAS BEEN ELECTED BY AND FROM AMONG THE UNIT OWNERS WHO ARE IN OCCUPANCY, THE BOARD MAY ELECT NOT TO REQUIRE THAT RENTAL PAYMENTS BE MADE PAYABLE TO THE CONDOMINIUM ASSOCIATION. AT SUCH TIME AS PAYMENTS FOR COMMON CHARGES, ASSESSMENTS AND LATE FEES FROM THE NON-OCCUPYING OWNER ARE ONCE AGAIN CURRENT, NOTICE OF SUCH FACT SHALL BE GIVEN WITHIN THREE BUSINESS DAYS TO THE RENTAL TENANT AND NON-OCCUPYING OWNER. THEREAFTER ALL RENTAL PAYMENTS SHALL BE MADE PAYABLE TO THE NON-OCCUPYING OWNER WHO DISPUTES THE ASSOCIATION'S CLAIM TO RENTAL SUPPORTING SUCH OWNER'S POSITION AT THE NEXT SCHEDULED MEETING OF THE BOARD OF MANAGERS, WHICH MUST BE HELD WITHIN THIRTY DAYS OF THE DATE THAT SUCH BOARD RECEIVES NOTICE THAT SUCH SEEKS TO DISPUTE SUCH CLAIM.

(D) NOTHING IN THIS SECTION SHALL LIMIT ANY RIGHTS OF UNIT OWNERS OR OF THE BOARD OF MANAGERS EXISTING UNDER ANY OTHER LAW OR AGREEMENT.

(E) PAYMENT BY A RENTAL TENANT TO THE CONDOMINIUM ASSOCIATION MADE IN CONNECTION WITH THIS SECTION SHALL RELIEVE THAT RENTAL TENANT FROM THE OBLIGATION TO PAY SUCH RENT TO THE NON-OCCUPYING OWNER AND SHALL BE AN ABSOLUTE DEFENSE IN ANY NON-PAYMENT PROCEEDING COMMENCED BY SUCH NON-OCCUPYING OWNER AGAINST SUCH TENANT FOR SUCH RENT.

4. This act may be enforced by any party by means of a special proceeding brought pursuant to Article 4 of the Civil Practice Law and Rules.

6. This act shall take effect immediately, and is applicable to all cooperative corporations and condominiums in existence on or after such date.

THE LEGISLATURE OF THE STATE OF NEW YORK: ss.:

Pursuant to the authority vested in us by Section 70-b of the Public Officers Law, we hereby jointly certify that this slip copy of this section law was printed under our direction and, in accordance with such section, is entitled to be read into evidence.

JOSEPH L. BRUNO
Temporary President of the Senate

SHELDON SILVER
Speaker of the Assembly

DECLARATION

Establish a Plan for Condominium Ownership of Premises located at 48-54 West 138th Street, New York, New York, County of New York, City and State of New York Pursuant to Article 9-B of the Real Property Law of the State of New York.

NAME: THE 48-54 WEST 138TH STREET CONDOMINIUM

DECLARANT: 48-54 WEST 138 LLC
95-04 Delancey Street
New York, New York 10002

DATE OF DECLARATION:

The land affected by the within instrument lies in Section 1, Block 1735, Lot(s) F/K/A 59, N/K/A on the Tax Map of the Borough of Manhattan, County of New York, City and State of New York.

Record and Return:

HAROLD L. GRUBER
Attorney for Declarant
92 Prospect Place
Brooklyn, New York 11217

DECLARATION ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP of Premises to be known as THE 48-54 WEST 138TH STREET CONDOMINIUM, located at 48-54 West 138th Street, New York, New York, Borough of Manhattan, County of New York, City and State of New York, pursuant to Article 9B of the Real Property Law of the State of New York.

48-54 WEST 138 LLC located at 95-04 Delancey Street, New York, New York 10002, hereinafter referred to collectively as "the Declarant," does hereby declare:

1. SUBMISSION OF PROPERTY: Declarant hereby submits the land hereinafter described, together with the Buildings and improvements thereon erected ("the Property") to the provisions of Article 9-B of the Real Property Law of the State of New York.

2. AREA AND LOCATION OF LAND: The land ("Land") consists of all that certain tract, plot, piece and parcel of land situate, lying and being in the County of New York, City and State of New York, more particularly described on Schedule A annexed hereto and made a part hereof. The Land is owned by the Declarant in fee simple absolute.

3. NAME OF CONDOMINIUM: The Condominium shall be known as THE 48-54 WEST 138TH STREET CONDOMINIUM.

4. DESCRIPTION OF THE BUILDING: The condominium consists of single building composed of six stories and a basement, and containing eighty-eight (88) residential units. The legal occupancy will match the proposed occupancy hereunder. The buildings comprising the condominium will confirm to Class IIB construction requirements.

5. THE UNITS: SCHEDULE B annexed hereto and made a part hereof sets forth the following data with respect to each Unit necessary for the proper identification thereof; Unit designation; tax lot number; approximate square foot area; location; number of rooms; the portion of the Common Elements, including Limited Common Elements to which the Unit has immediate access (if any) and the percentage of interest in the Common Elements. The location of each Unit, and any Limited Common Elements appurtenant thereto, is more clearly designated on the Floor Plans (as hereinafter defined) and reference should be made thereto for the statement of the location of each Unit.

6. FLOOR PLANS: As shown on the FLOOR PLANS of the Buildings (the "FLOOR PLANS"), certified by _____ and intended to be filed in the New York County Office of the register of the City of New York, simultaneously with the recording of this Declaration. The dimensions are approximate as set forth in said

FLOOR PLANS, and are incorporated by reference as if fully set forth herein.

7. COMMON ELEMENTS: The Common Elements of the Condominium consists of the entire Property, including parts of the Buildings and improvements thereon other than the Units. Common Elements are comprised of General Common Elements and Limited Common Elements. They include, to the extent applicable, the following:

a) General Common Elements:

(i) The land on which the Buildings are physically erected, including any open areas appurtenant to the buildings;

(ii) All foundations, columns, girders, beams, supports, bearing walls; those portions of the exterior walls and installations beyond the exterior face of the Buildings; those portions of the walls and partitions dividing the Units from corridors, lobby and stairs located beyond the exposed 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; roofs (excluding terraces), fire escapes (if any), corridors, halls, stairs and stairway areas located beyond the unexposed face of the dry walls enclosing the Residential Unit; lobby; storage and utility areas located beyond the unexposed face of the dry walls and the entrances to and exits from the Buildings;

(iii) All installations outside the Units for services such as gas, power, light, telephone and water;

(iv) All sewer pipes and drainage pipes outside units, including all drains and dry well on the land and those located outside the building footprint.

(v) The boiler room and meter areas, and janitor's closet(s), if any, as shown and delineated on the Floor Plans. To the extent the "as-built" condition of the building differs from such Floor Plans, both said Floor Plans and this Declaration shall be deemed amended to conform to said as-built condition.

(vi) All other apparatus and installations existing in the Buildings for common use or necessary or convenient to the existence, maintenance or safety of the Buildings.

(vii): The foregoing are included only to the extent they are present in this building. If any of the foregoing

are hereinafter designated as limited common elements, such designation shall take priority over the listing set forth herein.

b) Limited Common Elements:

Limited common elements are those areas appurtenant to a particular unit or units, the use of which is restricted to the owner of such unit or units, but which are not owned by that unit owner. Each Unit Owner, his guests, invitees, lessees and residents of his Unit shall have the exclusive right to use and possession of the limited common elements of the building indicated in the attached Exhibit B, subject to the following:

Each Unit Owner shall be solely and only responsible for repair and maintenance of the Limited Common Element appurtenant to their Unit including, but not limited to, painting, cleaning, patching, and surface repair. In the event a Unit Owner fails to properly maintain his Limited Common Element, the Condominium Board of Managers may take such steps as in its exclusive judgment are necessary to maintain the areas and the cost thereof shall be assessed against the Condominium Unit to which such Limited Common Elements are appurtenant. To the extent that any damage to a Limited Common Element is caused by building condition, or by other condition for which the Condominium carries insurance, the cost of repair of such damage shall be borne by the Condominium.

8. DETERMINATION OF PERCENTAGES IN COMMON ELEMENTS: The determination of percentages of Common Interest allocated to each unit is 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 or exclusive or shared use, and the overall dimensions of a particular unit, as per Section 339(i)(1)(iv) of the New York State Real Property Law.

9. USE OF UNITS: Any Unit may be used for private residential use, or for any home occupation use permitted under applicable zoning laws and ordinances, building code, or other rules and regulations of governmental authorities having jurisdiction thereof. Such Units may also be used as professional offices by a resident thereof, provided such professional use does not violate any zoning law and ordinance, and provided further that prior written consent of the Board of Managers for such professional use is obtained. Any Non-Residential Unit may be used for any purpose allowed by the Certificate of Occupancy or applicable zoning. Parking units may only be used for the parking of motor vehicles containing not more

than two axles. Notwithstanding the foregoing, the Declarant may, without the permission of the Board of Managers, retain ownership of one or more Units for use as rental units, models, sales and/or offices, in connection with the sale or rental of the Units.

10. ENCROACHMENTS: If any portion of the Common Elements encroach upon any Unit, or if any Unit now encroaches upon any other Unit or upon any portion of the Common Elements, or if any encroachment shall occur hereafter as a result of (a) settling or shifting of the Buildings, or (b) alteration or repair to the Common Elements made by or with the consent of the Board of Managers, or (c) as a result of repair or restoration of the Buildings or a Unit after damage by fire or other casualty, or (d) as a result of condemnation or eminent domain proceedings; a valid easement shall exist for such encroachments and for the maintenance of the same so long as the Buildings shall stand.

11. EASEMENTS:

a) Each Unit Owner shall have an easement in common with the owners of all other Units to use 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 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 to access to each Unit and any Limited Common Elements appurtenant thereto to inspect the same, to remove violations therefrom and/or to maintain, repair or replace the Common Elements contained therein or elsewhere in the Building.

b) The Declarant and its designees, their successors, assigns, invitees, licensee, contractors, employees and tenants, shall have an easement in, on, over and across the Property for (i) construction, installation and development thereon and for the construction and installation, ingress to and egress from, and use of (including the right to connect with) all pipes, conduits, ducts, cables, wires, storm drainage facilities, water, sewer and other utility lines and (ii) construction and installation, ingress to and egress from and the right to use (in common with Unit Owners) all storm drainage facilities, water, sewer and other utility lines, pipes, conduits, flues, ducts, wires and cables, and (iv) ingress to and egress from all land areas of the Property and the use of said land areas (in common with Unit Owners) for any lawful purpose.

c) The Declarant, its designees and their successors, assigns, invitees, licensees, contractors, employees and tenants (i) shall 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 of Units and the leasing of space in any Unit as well as an easement in the access to Units and Common Elements consistent with the purposes of the Offering Plan for the Property as same may be amended, and Declarant's rights and obligations thereunder, including, without limitation, the right to develop, renovate, maintain, repair, refurbish, offer, sell and lease Units and Common Elements, and (ii) reserve the right to establish, grant and create easements for any additional underground electric, transformer, amplifier, gas, cable television, telephone, water, storm drainage, sewer or other utility lines and appurtenances in, under and through the Property, including, without limitation, an easement or easements for the benefit of any property adjacent to the Property, to relocate any existing utility easements in any portion of the Property and to dedicate any or all of such facilities to any governmental body, public benefit corporation or utility company if the Declarant or designee shall deem it necessary or desirable for the proper operation and maintenance of the Property or any portion thereof, or the residents of any property adjacent to the Property, or users of the Recreation Facilities, provided that such additional utilities or the relocation of existing utilities will not prevent or unreasonably interfere with the use of the Residential Units for dwelling purposes. Any utility company or public benefit corporation furnishing services to the Property, and the employees and agents of any such company or corporation, shall have the right to access of any Unit, to the Common Elements or the Limited Common Elements in furtherance of such easements, provided such right to access is exercised in such a manner as not unreasonably to interfere with the use of the Units.

d) The user of any easement granted by Sub-paragraphs "b" and "c" of this Paragraph 11 shall have the responsibility of repairing any damage resulting therefrom.

e) Sponsor, or any designee of the Sponsor, shall have a continuing easement over portions of the roof, walls and basement of the subject premises for maintenance of equipment for communication services as set forth in the plans attached hereto as Exhibit A-1 and Exhibit A-2. This easement shall include the right of access through the building and across the roof for maintenance, installation, removal, repair or replacement of said equipment. Right to use of the easement shall extend to any Lessee utilizing said easement area. The right to maintain, repair, replace, modify, etc., equipment shall include the right to use any equipment, including cranes, booms, etc., for the purpose of reaching the easement area. This easement may not be modified, terminated, or abridged by the Condominium or Board of Managers without the express written permission of the Sponsor. The Sponsor will indemnify and hold harmless the Condominium and the Board of

Managers from any losses or damages sustained in connection with the Sponsor's or Lessees' use of the property.

12. PERSON TO RECEIVE SERVICE: For the period during which Declarant is in control of the Board of Managers, 48-54 WEST 138 LLC, 95-04 Delancey Street, New York, New York 10002, is hereby designated to receive notice of process in any action which may be brought against the Condominium. After Declarant relinquishes control of the Board of Managers notice of process in any action which may be brought against the Condominium shall be served on the President of the Condominium at the office of the Condominium located at 48-54 West 138th Street, New York, New York 10037. In addition to the foregoing, the Secretary of State of the state of New York is hereby designated as agent of the Board of Managers to accept the service of process in any proceeding. In addition to the foregoing, the Secretary of State of the state of New York is hereby designated as agent of the Board of Managers to accept the service of process in any proceeding.

13. UNITS SUBJECT TO DECLARATION, BY-LAWS AND RULES AND REGULATIONS: All present and future Owners, tenants, subtenants and occupants of Units shall be subject to and shall comply with the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time. The acceptance of a deed or conveyance or the entering into a lease or the entering unto occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such Owner, tenant or occupant, and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed or conveyance or lease thereof.

14. COMMUNICATION LEASE PROVISIONS: This Declaration is subject to the following existing leases:

a) Lease entered into between 138 Residential LLC as Lessor, and Nextel of New York, Inc., d/b/a Nextel Communications as Lessee, on July 31, 2001.

b) Lease entered into between 54 West 138 LLC as Lessor, and MetroPCS New York as Lessee, on September 14, 2007.

The Sponsor will provide the Condominium Board of Managers with a copy of these leases, and with copies of any subsequent amendments to the leases. The Condominium may not, under any circumstances, modify, abridge or terminate these leases or any term thereof, except for any breach of the terms of these leases which would have given the Lessor the right to terminate same. The Condominium Board

of Managers shall have the right to enforce all terms of said leases. The Lessor pursuant to said leases, or any assignee, transferee or successor in interest to said Lessors shall have the right to transfer, assign or sell said leases; or extend said leases (except that no additional portion of the Condominium may be encumbered by said leases); or enter into new leases for the portion of the Condominium premises encumbered by said leases with a new Lessee.

15. AMENDMENT TO DECLARATION: This Declaration may be amended, modified, added to or deleted from by vote of Unit Owners representing at least 66-2/3% of the Common Interest of all Unit Owners, cast in person or by proxy at a meeting duly held in accordance with the provisions of the By-Laws, or in lieu of a meeting, any amendment may be approved, in writing by vote of Unit Owners representing at least 66-2/3% of the Common Interest of all Unit Owners; provided however,

a) No amendment, modification, addition or deletion which shall adversely affect the lien or any mortgage may be made without the written consent of the mortgagee;

b) No amendment which shall change the percentage of Common Interests allocated to any Unit or Units may be made without the written consent of such Owner;

c) No amendment, modification, addition or deletion of or to this Declaration will be effective in any respect against the Declarant, its designee, or any Unsold Unit until the Declarant or such designee shall consent thereto in writing.

d) No amendment, modification, addition or deletion of or to this Declaration which would in any way alter, restrict or change the use to which a Commercial Unit may be put, shall be effective against any such Commercial Unit without the written consent of the Owner of such Commercial Unit.

The Declarant hereby reserves to itself and its designee(s) the right to amend this Declaration at any time without the requirements of a vote and without the approval or consent of any Unit Owners or mortgagees for the sole purpose of filing the Floor Plans required by the New York Real Property Law Section 339-p for any portion or portions of the Buildings and appurtenances which are incomplete upon the original filing of the Declaration provided that the verified statement of a registered architect or licensed professional engineer certifying that the plans being filed simultaneously with such amendment, fully and fairly depicting the layout, location, unit designations and approximate dimensions of the particular Unit or Units as built, as provided in said Section 339-p will be filed with such amendment.

No such amendment shall be effective until recorded in the New York County Office of the Register of the City of New York.

16. CHANGES IN UNSOLD UNITS: For any Unit owned by the Declarant or its designee(s), if not prohibited by the New York Condominium Act (as the same may be amended), the Declarant or its designee(s) shall have the right, without the vote or consent of the Board of Managers, other Unit Owners or the holders of Unit Mortgages, to (i) make alterations, additions, or improvements in, to and upon the Unit; (ii) change the layout or number of rooms in the Unit; (iii) change in and size and/or number of such Units by subdividing a Unit, combining separate Units (including those resulting from any subdivision or otherwise) into one or more Units, altering the boundary walls between any Unit or otherwise; and (iv) reapportion among such Units affected by such change in size or number, subdivision, combination or alteration, appurtenant interests in the Common Elements; provided, however, that the Declarant or its designee(s) shall comply with all rules, 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. In accordance with law, the Common Elements appurtenant to each Unit as expressed in this Declaration shall have a permanent character and shall not be altered without the consent of all Unit Owners affected. Written consent will be obtained from Unit Owners, if any, who are adversely affected as a result of the above changes. Contract vendees, if any, pursuant to Purchase Agreements with the Declarant or its designees for a Unit adversely affected as a result of the above changes, will be given the right to rescind their Purchase Agreements and receive a refund of any disclosed in an amendment to the Offering Plan for the Property. The provisions of this Paragraph 15 may not be added to, amended or deleted without the prior written consent of the Declarant or its designee(s). In the event of any such change in an Unsold Units, Declarant shall amend the Declaration and Floor Plans to reflect same.

In the event the Declarant or its designee, exercising its rights pursuant to this Article so requires, the Board of Managers shall promptly amend the Declaration at the expense of the Declarant or its designee, to reflect any such alteration, addition, improvements, changes or reapportionments and shall record such amendment in the Office of the Register of New York County.

Unit Owners in the Condominium hold title to their respective Units subject to the benefits, rights, privileges, easements, burdens, covenants, and restrictions as described herein, in the By-Laws of the Condominium and any agreement of record recorded prior or subsequent to this Declaration.

17. INVALIDITY:

a) If any provision of this Declaration or of the By-Laws is invalid under, or would cause this Declaration or the By-Laws to be insufficient to submit the Property to, the provisions of the Condominium Act, such provision shall be deemed deleted from this Declaration or the By-Laws, as the case may be, for the purpose of submitting the Property to the provisions of the Condominium Act, but shall nevertheless be valid and binding upon, and shall inure to the benefit of, the owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under other applicable law with the same force and effect as if, immediately after the recording of this Declaration or the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land. If any provision that is necessary to cause this Declaration or the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from this Declaration or the By-Laws, then such provision shall be deemed included;

b) Subject to the terms of Paragraph "a" above, if this Declaration or the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, this Declaration and By-Laws shall nevertheless be valid and binding upon, and shall inure to the benefit of, the owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under other applicable law to the extent permitted under such applicable law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provisions as a covenant running with the Land.

18. TERMINATION OF CONDOMINIUM: The Condominium may be terminated by casualty loss, condemnation or eminent domain, in accordance with the provisions of the By-Laws, or by withdrawing the Property from the provisions of the New York Condominium Act if authorized by an affirmative vote of Unit Owners who own not less than eighty (80%) percent in Common Interest of the Units. The Declarant or its designees will not vote its interests appurtenant to any Unsold Units for such withdrawal unless at least eighty (80%) percent in number and in Common Interest of all other Unit Owners have elected for such withdrawal, in which event the Declarant may choose to vote in favor of or against such withdrawal. In the event said withdrawal is authorized as aforesaid, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event

the net proceeds of sale shall be divided among all the Unit Owners in proportion to their respective Common Interests, provided however, that no payment shall be made to a Unit Owner until all lienors have first been paid off out of his share of such proceeds.

19. COMMON EXPENSE: Common Expenses of the Condominium mean and include all expenses of operation of the Property and all sums designated Common Expenses by or pursuant to the provisions of Article 9-B of the Real Property Law of the State of New York, the Declaration or the By-Laws. Common expenses shall be charged to unit owners according to their respective common interests. Such common expenses may be specially allocated and apportioned by the Board of Managers in a manner different from common profits and expenses for one (1) or more non-residential units. Additionally, common expenses may be specially allocated and apportioned to residential or non-residential units, or a combination thereof, based on special or exclusive use or availability, or exclusive control, of a particular unit or common areas by particular unit owners.

20. DEFINITION OF "DECLARANT-DESIGNEE": The term "Declarant-Designee" as used in this Declaration shall mean any person or entity designated by the Declarant to acquire title to a Unit, other than a good faith Purchaser for value purchasing pursuant to a validly executed Purchase Agreement. A "Declarant-Designee" shall have the right to designate a person or entity to succeed to its rights and any such designee shall also be deemed a "Declarant-Designee."

21. WAIVER: No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

22. CAPTIONS: The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration nor the intent of any provision thereof.

23. GENDER: The use of the masculine gender in this Declaration shall be deemed to refer to the plural, and vice versa, whenever the context so requires.

24. MORTGAGEE'S RIGHTS:

a) Notwithstanding anything to the contrary set forth in any other portion of this Declaration, amendments of a material adverse nature to the interest of the mortgagees must be agreed to by mortgagees holding mortgages on units entitled to cast at least 51.00% of the votes of the Condominium allocated to all units which

are subject to mortgages;

b) Any action to terminate the legal status of the project after substantial destruction or condemnation, or for any other reason, must be agreed to by mortgagees holding mortgages on units entitled to cast at least 51.00% of the votes allocated to units which are encumbered by mortgages at the time of such termination. In the event notice of either of the foregoing is delivered to any mortgagee; and in the further event such mortgagee fails to submit a written response to such written notice within sixty (60) days after it receives such notice (and further provided that such notice was delivered by registered or certified mail with a return receipt requested); then in such case such mortgagee will be deemed to have consented to the notice to action.

c) No provision of the condominium project documents gives a condominium unit owner or any other party priority over any rights of the first mortgagee of the condominium unit pursuant to its mortgage in the case of payment to the unit owner of insurance proceeds or condemnation awards for losses to or a taking of condominium units and/or common elements.

IN WITNESS WHEREOF, the parties have caused this Declaration to be executed by its duly authorized representatives this
day of , 20 .

48-54 WEST 138 LLC

By:

JASON BEHFARIN

STATE OF NEW YORK)
COUNTY OF) SS.:

On the day of , 20 , before me, the undersigned, personally appeared , personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is(are) subscribed to the within instrument and acknowledged to me that he/she/they executed same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s) or the person upon behalf of which the individual(s) acted, executed the instrument.

NOTARY PUBLIC

EXHIBIT A-1
ASSIGNMENT AGREEMENT

Agreement made this day of , 20 by and
between the Board of Managers of the 49-53 West 138th Street
Condominium (hereinafter "Board") and the Sponsor, 49-53 West
138 LLC (hereinafter "Sponsor").

Whereas the Sponsor is the holder and owner of a certain lease made July 31, 2001 by and between 138 Residential LLC as Lessor, and Nextel of New York, Inc., d/b/a Nextel Communications as Lessee; and whereas said lease predates the filing of a Condominium Declaration for the premises known as The 48-54 West 138th Street Condominium (hereinafter "the premises"); and whereas the parties desire to memorialize their respective rights with regard to said lease; now therefore in consideration of the mutual promises and covenants set forth herein, the parties agree as follows:

1. Sponsor will retain the right to all monetary payments due pursuant to the terms of the aforementioned lease, and will also have the right to enforce said terms and commence any actions or proceedings necessary to enforce payment due pursuant to said lease.
2. The Board of Managers will retain the right to enforce all non-monetary terms of the aforementioned lease, including all obligations on the part of the lessee to maintain and operate the leasehold facilities in a safe manner in accord with all applicable laws, rules and regulations of any governmental agency having jurisdiction thereover.

This agreement shall be deemed to apply to any extensions or modifications of the foregoing lease or any subsequent leases with any subsequent lessees for all or any portion of the premises demised pursuant to the aforementioned lease.

48-54 WEST 138TH STREET
CONDOMINIUM

48-54 WEST 138 LLC

By:

By:

EXHIBIT A-2
ASSIGNMENT AGREEMENT

Agreement made this day of , 20 by and between the Board of Managers of the 49-53 West 138th Street Condominium (hereinafter "Board") and the Sponsor, 49-53 West 138 LLC (hereinafter "Sponsor").

Whereas the Sponsor is the holder and owner of a certain lease made September 14, 2007 by and between 54 West 138 LLC as Lessor, and MetroPCS New York as Lessee; and whereas said lease predates the filing of a Condominium Declaration for the premises known as The 48-54 West 138th Street Condominium (hereinafter "the premises"); and whereas the parties desire to memorialize their respective rights with regard to said lease; now therefore in consideration of the mutual promises and covenants set forth herein, the parties agree as follows:

1. Sponsor will retain the right to all monetary payments due pursuant to the terms of the aforementioned lease, and will also have the right to enforce said terms and commence any actions or proceedings necessary to enforce payment due pursuant to said lease.
2. The Board of Managers will retain the right to enforce all non-monetary terms of the aforementioned lease, including all obligations on the part of the lessee to maintain and operate the leasehold facilities in a safe manner in accord with all applicable laws, rules and regulations of any governmental agency having jurisdiction thereover.

This agreement shall be deemed to apply to any extensions or modifications of the foregoing lease or any subsequent leases with any subsequent lessees for all or any portion of the premises demised pursuant to the aforementioned lease.

48-54 WEST 138TH STREET
CONDOMINIUM

48-54 WEST 138 LLC

By:

By:

BY-LAWS

of

THE 48-54 WEST 138TH STREET CONDOMINIUM

ARTICLE I

Purpose of Business

Section 1. Unit Ownership: The property located in the Borough of Manhattan, County of New York, City and State of New York at 48-54 West 138th Street, New York, New York 10037 (hereinafter called the "Property") has been submitted pursuant to the provisions of Article 9-B of the Real Property Law of the State of New York by the Declaration recorded in the New York County office of the Register of the City of New York, simultaneously herewith. The Condominium thereby created shall hereinafter be known as THE 48-54 WEST 138TH STREET CONDOMINIUM.

Section 2. Applicability of By-Laws: The provisions of these By-Laws are applicable to the Property of the Condominium and to the use and occupancy thereof. The term "Property" as used herein shall include the land, the Buildings, and all other improvements thereon (including the Units, the Common Elements and the Limited Common Elements), 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, all of which are intended to be submitted to the provisions of said Article 9-B of the Real Property Law of the State of New York. The Condominium Units are hereinafter sometimes referred to as "Unit" or "Units".

Section 3. Application: All present and future owners, mortgagees, lessees and occupants of Units and their employees, and any other persons who may use the facilities of the Property in any manner are subject to these By-laws, the Declaration and the Rules and Regulations attached hereto as Schedule A.

The acceptance of a deed or conveyance or the entering into of a lease for a Unit or the act of occupancy of a Unit shall constitute an agreement that these By-Laws, the Rules and Regulations and the provisions of the Declaration, as they may be amended from time to time, are accepted, ratified, and will be complied with.

Section 4. Office: The office of the Condominium and of the Board of Managers shall be located at the Property.

ARTICLE II

Meetings of Unit Owners

Section 1. Annual Meeting: The Annual Meeting of the Unit Owners of the Condominium for the election of the Board of Managers and for such other business as may properly come before such meeting, shall be held in the Borough of Manhattan, City of New York, at such time and place, each year as may be designated by the Board. The notice of the meeting shall be in writing and signed by the President or a Vice President or the Secretary or an Assistant Secretary. Such notice shall state the time when and the place within the state where it is to be held, and the Secretary shall cause a copy thereof to be delivered personally or mailed to each Unit Owner of record of the Condominium entitled to vote at such meeting not less than ten (10) nor more than forty (40) days before the meeting. If mailed, it shall be directed to each such Unit Owner at his or her address as it appears in the records of the Condominium, unless he or she shall have filed with the Secretary of the Condominium a written request that notices intended for the him or her be mailed to some other address, in which case it shall be mailed to the address designated in such request.

Section 2. Special Meetings: Special meetings of Unit Owners, other than those the calling of which is regulated by statute, may be called at any time by the President or Secretary or by a majority of the Board of Managers. It shall also be the duty of the Secretary to call such meetings whenever requested in writing to do so by Unit Owners owning at least twenty-five per cent (25%) of the votes of the Condominium. The Secretary shall cause a notice of such Special Meeting stating the time, place and object thereof and the officer or other person or persons by whom the meeting is called, to be delivered personally or mailed as provided in Section 1 of this Article to each Unit Owner of record of the Condominium entitled to vote at such meeting not less than ten (10) nor more than forty (40) days before such meeting. No business other than that stated in such notice shall be transacted at such Special Meeting unless the holders of all the Units of the Condominium be present thereat in person or by proxy. Except that there shall be a meeting commenced within sixty days after the closing of the First Unit to be sold to elect a Board of Managers.

Section 3. Waiver of Notices: The notice provided for in the two foregoing sections is not indispensable, but any Unit Owners' meeting whatever shall be valid for all purposes if all the Unit Owners of the Condominium are represented thereat in person or by proxy, or if a quorum is present, as provided in the next succeeding section, and waiver of notice of the time, place and objects of such meeting shall be duly executed in writing either

before or after said meeting by such Unit Owners as are not so represented and were not given such notice.

Section 4. Quorum: At each meeting of Unit Owners, except where otherwise provided by law, Unit Owners representing, in person or by proxy, 51% of the votes of the Units shall constitute a quorum; in case a quorum shall not be present at any meeting, the holders of a majority of the Units represented may adjourn the meeting to some future time and place. Only those Unit Owners who, if present at the adjourned meeting, would have been entitled to vote thereat, shall be entitled to vote at any such adjourned meeting.

Section 5. Voting: At each meeting of Unit Owners, each Unit Owner present in person or by proxy shall be entitled to cast the votes appurtenant to his/her Unit at the time of service of notice of such meeting or at such prior date, not more than forty (40) days before such meeting, as may be prescribed by the Board of Managers as the date for determining which Unit Owners of record are entitled to notice of and to vote at such meeting. The proxies shall be in writing duly signed by the Unit Owner but need not be acknowledged or witnessed, and the person named as proxy by any Unit Owner need not himself be a Unit Owner of the Condominium. Voting by Unit Owners shall be viva voce unless any Unit Owner present at the meeting, in person or by proxy, demands a vote by written ballot, in which case the voting shall be by ballot, and each ballot shall state the name of the Unit Owner voting and the number of votes appurtenant to his/her Unit, and in addition, the names of the proxy of such ballot if cast by a proxy.

Section 6. Title to Units: Title to Units may be taken in the name of an individual or in the name of two (2) or more persons, as tenants in common or as joint tenants or as tenants by the entirety or in the name of a corporation or partnership, or in the name of a fiduciary or trust, estate, un-incorporated association, syndicate, joint venture, organization, government or any department or agency thereof, or any other entity. The term "Unit Owner" as used in these By-Laws shall include any person, group of persons, association or entity taking title as set forth in this Section.

Section 7. Number of Votes: Any or all of such Owners (including the Sponsor or Sponsor-designee, if the Sponsor or its designee shall then own one or more Units) shall be entitled to cast one vote for each .01% of common interest allocated to such unit, on all matters put to the vote at all meetings of 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 .01% of Common Interest attributable to his Unit per member to be elected. If Units are owned by more than one person as joint tenants, tenants by the entirety, or as tenants in common or by a partnership, corporation or other entity, the persons

owning said Unit shall agree among themselves and cast the votes for their Unit as a single vote. A fiduciary shall be the voting member with respect to any Unit in a fiduciary capacity. Any Unit or Units owned by the Board of Managers or its designee shall not be entitled to vote.

Section 8. Majority of Unit Owners: As used in these By-Laws the term "majority of Unit Owners" shall mean those Unit Owners having greater than 50% of the total authorized votes of all Unit Owners present in person or by proxy and voting at any meeting of the Unit Owners, determined in accordance with the provisions of Section 7 of this Article II. Two thirds of Unit Owners shall mean those Unit Owners having greater than 66-2/3% of the total authorized vote of all Unit Owners present in person or by proxy and voting at any meeting of the Unit Owners. A vote of a majority of Unit Owners shall be sufficient for any action of any meeting, except where otherwise provided herein or required by statute.

Section 9. Inspectors of Election: Inspectors of election shall not be required to be appointed at any meeting of Unit Owners unless requested by a Unit Owner present (in person or by proxy) and entitled to vote at such meeting and upon the making of such request inspectors shall be appointed or elected as provided in Section 610 of the Business Corporation Law.

ARTICLE III

OFFICERS

Section 1. Designation: 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 Board of Managers may appoint such other officers as in its judgment may be necessary. The President and Vice-President, but no other officers, need be members of the Board of Managers.

Section 2. Election of Officers: The officers of the Condominium shall be elected annually by the Board of Managers at the organization meeting of each new Board of Managers and shall hold office at the pleasure of the Board of Managers and until their successors are elected, their resignation or death.

Section 3. Removal of Officers: Upon the affirmative vote of a majority of the members of the Board of Managers, any officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Board of Managers, or at any special meeting of the Board of Managers called for such purpose.

Section 4. President: The President shall be the chief executive officer of the Condominium. He shall preside at all meetings of the Unit Owners and of the Board of Managers. He shall have all of the general powers and duties which are incident to the office of president of a stock corporation organized under the Business Corporation Law of the State of New York, including but not limited to the power to appoint committees from among the Unit Owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Condominium.

Section 5. 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. If neither the President nor the Vice-President is able to act, the Board of Managers shall appoint some other member of the Board of Managers to act in the place of the President, on an interim basis. The Vice-President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Managers or by the President.

Section 6. Secretary: The Secretary shall keep the minutes of all meetings of the Unit Owners and of the Board of Managers; he shall have charge of such books and papers as the Board of Managers may direct; and he shall in general perform all the duties incident to the office of secretary of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 7. Treasurer: The Treasurer shall have the responsibility for Condominium funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements and for the preparation of all required financial data. He shall be responsible for the deposit of all moneys and other valuable effects in the name of the Board of Managers, or the Managing Agent, in such depositories as may from time to time be designated by the Board of Managers, and he shall, in general, perform all the duties incident to the office of treasurer of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 8. Compensation of Officers: No officer shall receive any salary or other compensation from the Condominium for acting as such or for services rendered in an official capacity.

Section 9. Liability of Officers: No officer shall be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise, except for willful misconduct or bad faith. The Unit Owners shall severally indemnify each officer against any liability or claims except those arising out of the bad faith or willful

misconduct of an officer. It is intended that each officer shall have no personal liability with respect to any contract made by him on behalf of the Condominium. It is and shall be permissible for each officer who is appointed by the original Board of Managers (designees of the Sponsor), to contract with the Sponsor and affiliated corporations without fear of being charged with self-dealing. It is also intended that the liability of any Unit Owner arising out of any contract made by an officer or out of the aforesaid indemnity in favor of each officer shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the aggregate interest in the Common Elements of all the Unit Owners. Every agreement made by an officer on behalf of the Condominium shall provide that each officer is acting only as agent for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners, except for willful misconduct or bad faith), and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the aggregate interest in the Common Elements of all Unit Owners.

ARTICLE IV

Managers

Section 1. Number: The number of Managers of the Corporation shall not be less than three (3) nor more than seven (7), as may from time to time be herein provided and, in the absence of such provision shall be three (3). Commencing with the first election of Managers by Unit Owners of the Condominium, and until changed by amendment of this By-Law provision, and hereinafter provided, the number of Managers shall be three (3). The number of Managers shall not be decreased to a number less than the number of Managers then in office except at any Annual Meeting of Unit Owners. However, during the period the Sponsor, its Successor Offeror(s) or Designees(s) continue to own 50% or more of the Condominium, the number of Managers shall remain fixed at three (3).

Section 2. Powers and Duties: The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the Condominium, as agent of all Unit Owners. The Board shall further have the right to employ a manager or managing agent or both, and may delegate any or all of the powers conferred by this section to such managing agent. Persons employed in the operation of the property may be designated or removed by a majority vote of the Board of Managers, or without vote by the managing agent or manager, if such a person is employed by the Board.

Section 3. Nomination and Election: Notwithstanding anything to the contrary set forth in these By Laws, after the passage of five years from the date of closing of the first unit in the Condominium, the Sponsor may no longer designate a majority of the Board of Managers; the Managers shall be elected for a term of one year at the Annual Meeting of Unit Owners or at a Special Meeting called for that purpose as provided by law. Each Condominium Unit shall be entitled to cast one vote for each .01% of common interest allocated to such unit, for each manager position to be filled. Such votes may be cast for one manager or divided among all three positions in such amounts as the unit owners shall deem appropriate. Their term of office shall be until their respective successors are elected and qualify.

Section 4. Quorum: A majority of the Managers then authorized by these By-Laws shall constitute a quorum.

Section 5. Vacancies: A vacancy in the Board of Managers may be filled only by designation by the Unit Owner which appointed the now-vacant Manager position.

Section 6. Meetings: The Board of Managers shall meet immediately after the Annual Meeting of Unit Owners without notice and also whenever called together by any Manager of the Condominium or upon the written request of any three Managers then holding office, upon notice given to each Manager, by delivering personally, mailing or telegraphing the same to him at least two days prior to such meeting at the last address furnished by him to the Condominium. Regular meetings may be held without notice at such times and places as the Board of Managers may determine. Any meeting of the Board at which all the Managers shall be present, or of which notice shall be duly waived by all absentees, either before or after the holding of such meeting, shall be valid for all purposes provided a quorum be present. Meetings of Managers may be held either at the principal office of the Condominium or elsewhere within the State of New York as provided in the notice calling the meeting, unless the Board of Managers by resolution adopt some further limitation in regard thereto. At all meetings of the Board of Managers, each Manager shall be entitled to one vote. The vote of a majority of the Board of Managers present at the time of a vote of a duly constituted meeting shall be the act of the Board of Managers.

Section 7. Resignation and Removal: Any Manager may resign at any time by written notice delivered in person or sent by certified registered mail to the President or Secretary of the Condominium. Such resignation shall take effect at the time specified therein, and unless specifically requested acceptance of such resignation shall not be necessary to make it effective. Any Manager may be removed from office at any time with or without cause upon the

affirmative vote of the Unit Owners whose aggregate vote is at least 51% of the votes of the Condominium at a Unit Owners' meeting duly called for that purpose; provided, however, that the Manager(s) elected by the Holders of "Unsold Units" can be removed only for cause by a vote of a majority of the Unit Owners or without cause by the Holders of Unsold Units. In the case of a Sponsor-designated member of the Board of Managers, the Sponsor will only have the right to replace this member if the appointment takes place during the initial Sponsor control period.

Section 8. Annual Cash Requirements: The Board of Managers shall, from time to time determine the cash requirements as defined in the Condominium's By-Laws, and fix the terms and manner of payment of Common Charges as more specifically set forth in Article VI. The Board of Manager shall have discretionary power to prescribe the manner of maintaining and operating the Building, to be paid as aforesaid by the Unit Owners. Every such determination by the Board of Managers shall be final and conclusive as to all Unit Owners and any expenditures made by the Condominium's officers or its agent under authority of, or with the approval of, the Board of Managers of the Condominium shall, as against the Unit Owners, be deemed necessarily and properly made for such purpose. Until the earlier of (i) the fifth anniversary of the First Closing or (ii) such time as the Holders of Unsold Units hold less than 50% of the outstanding votes of the Residential Units, the Board of Managers of the Condominium will not take any of the following actions unless Unit Owners owning at least 51% of the votes of Residential Units of the Condominium approve in writing or by vote, in person or by proxy, at a duly constituted meeting called for such purpose:

- a) Increase the number or change the type of employees from that described in the NOTES TO SCHEDULE B of the Offering Plan;
- b) Provide for new or additional services from those indicated in the NOTES TO SCHEDULE B, unless the annual cost of such new or additional services, when added to the annual cost of all other services, being provided, is no greater than that provided in said notes;
- c) Establish any reserve other than the Reserve and/or Working Capital Funds set forth in the Offering Plan.

Until the earlier of five years from the date of closing, or at the time at which the Sponsor or other Holder of Unsold Units owns units consisting of less than 25% of the common interest of the Condominium, Sponsor may exercise veto power over any expenses other than those described in SCHEDULE B, or which are required to comply with applicable laws or regulations; remedy any notice of a violation; or remedy any work order from an insurer. Additionally, so long as the Sponsor retains ownership of at least one unit in

the building, the By-Laws, Declaration, and Rules and Regulations of the Condominium, may not be amended or modified in any way so as to adversely affect the Sponsor without written consent by the Sponsor.

Section 9. Rules and Regulations: The Board of Managers may from time to time adopt and amend such rules and regulations as it may deem necessary in respect to the Building of the Condominium for the health, safety and convenience of the Unit Owners. Copies thereof and of changes therein shall be furnished to each Unit Owner.

Section 10. Compensation: No Member of the Board of Managers shall receive any compensation from the Condominium for acting as such.

Section 11. Liability of the Board of Managers: The Members of the Board of Managers shall not be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Unit Owners shall indemnify and hold harmless each of the members of the Board of Managers against all contractual liability to others arising out of contracts made by the Board of Managers on behalf of the Condominium unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or of these By-Laws. It is intended that the members of the Board of Managers shall have no personal liability with respect to any contract made by them on behalf of the Condominium within the scope of their authority. It is understood and permissible for the original Board of Managers, who are designated by the Sponsor, to contract with the Sponsor and affiliated corporations without fear of being charged with self-dealing. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Managers shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interest of all the Unit Owners in the Common Elements. Every agreement made by the Board of Managers, or the Managing Agent, or the Manager, on behalf of the Condominium shall provide that the members of the Board of Managers, or the Managing Agent, or the Manager as the case may be, are acting only as agent for the Unit Owners in the Common Elements. Every agreement made by the Board of Managers or by the Managing Agent or by the Manager on behalf of the Condominium shall provide that the members of the Board of Managers, or the Managing Agent, or the Manager, as the case may be, are acting only as agent for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interest of all Unit Owners in the Common Elements.

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, Unit Owner or mortgagee, it shall not be construed to mean personal notice; but such notice may be given in writing, by mail, by depositing the same in a post office or letter box, in a postpaid sealed wrapper, addressed to the Board of Managers, such Managers or Unit Owner or mortgagee in such address as appears on the books of the Condominium.

Section 2. Notice of Purchase: Non-purchasing tenants will be notified of changes in ownership of dwelling units which they occupy within 30 days of such change, by ordinary mail. Such service will be deemed complete three days after the mailing of such notice. In addition, the Board of Managers of the condominium will retain and make available such information.

Section 3. 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. Determination of Common Expenses and Fixing of Common Charges: The Board of Managers shall from time to time, and at least annually, prepare a budget for the operation of the Condominium, determine the amount of the Common Charges payable by the Unit Owners to meet the Common Expenses, and allocate and assess such Common Charges and Expenses among the Unit Owners in proportion to their respective Common Interests. Such common expenses may be specially allocated and apportioned by the Board of Managers in a manner different from common profits and expenses for one (1) or more non-residential units. Additionally, common expenses may be specially allocated and apportioned to residential or non-residential units, or a combination thereof, based on special or exclusive use or availability, or exclusive control, of particular units or common areas by particular unit owners. The Common Expenses shall include, among other things, the cost of all insurance premiums on all policies of insurance required to be or

which have been obtained by the Board of Managers pursuant to the provisions of these By-Laws and the fees and disbursements of the Insurance Trustee. The Common Expenses may also include such amount as the Board of Managers may deem proper for the operation and maintenance of the Common Elements including, without limitation, an amount for working capital of the Condominium, for a general operating reserve, for a reserve fund for replacements, and to make up any deficit in the common expenses for any prior year. The Common Expenses may also include such amounts as may be required for the purchase or lease of any Unit whose Owner has elected to sell or lease such Unit, or any Unit which is to be sold at a foreclosure or other judicial sale. The Board of Managers shall advise all Unit Owners promptly, in writing, of the amount of Common Charges and Expenses payable by each of them, respectively, as determined by the Board of Managers, as aforesaid, and shall furnish copies of each budget on which such Common Charges and Expenses are based, to all Unit Owners. Any dispute relating to the expenses to be borne by the Unit Owners shall be submitted to arbitration in accordance with these By-Laws.

Until such time as units are separately assessed for New York City real estate tax purposes, real estate taxes shall be deemed part of the common expenses of the building, and individual unit owners will be assessed their proportionate share thereof. After assessment, unit owners shall be reimbursed for any over-payment of taxes, and assessed for any under-payment.

The Sponsor or Sponsor-designee shall be responsible for the Common Charges assessed against a Unit owned by it from the date of the First Unit Closing until such Unit is sold to a bona fide purchaser.

Section 2. Insurance: While the Sponsor controls the Board of Managers, the Board shall be required to obtain and maintain, to the extent obtainable, the following insurance: (1) fire insurance with extended coverage, vandalism and malicious mischief endorsements, insuring the Buildings containing the Units (including all of the Units and the fixtures initially installed therein by the Sponsor or by prior construction and any other property usual to the servicing and general occupancy, but not including furniture, furnishings, or other personal property supplied or installed by Unit Owners) together with all service machinery and equipment contained therein and covering the interests of the Condominium, the Board of Managers and all Unit Owners and their mortgagees with certificates of insurance, as their interests may appear, in an amount to be determined by the Board of Managers. In the event this building includes a commercial unit, the Board of Managers shall annually obtain from the insurance broker a letter stating the extent to which the cost of insurance for the condominium, on account of the usage of the

commercial unit, exceeds the cost which would otherwise have been obtained if no commercial unit were present; and this cost shall be borne by the commercial unit owner. A copy of the letter shall be delivered to the commercial unit owner within ten (10) days after receipt thereof, and the commercial unit owner shall be obligated to pay the amount assessed therein with fifteen (15) days after receipt thereof.

Section 3. Payment of Common Charges: All Unit Owners shall be obligated to pay the Common Charges assessed by the Board of Managers pursuant to the provisions of Section 1 of Article VI at such time or times as the Board of Managers shall determine.

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 by him.

Section 4. Collection of Common Charges and Assessments: The Board of Managers shall assess Common Charges against Unit Owners from time to time at least annually and 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. The Board of Managers shall also take prompt action to collect any assessment due from any Unit Owner which remains unpaid for more than thirty (30) days from the due date thereof.

Section 5. Default in Payment of Common Charges or Assessments: In the event of default by any Unit Owner in paying to the Board of Managers the Common Charges or any assessment as determined by the Board of Managers, such Unit Owners shall be obligated to pay interest at the highest legal rate on such Common Charges or assessments from the due date thereof, together with all expenses, including attorney's fees, incurred by the Board of Managers in any proceeding brought to collect such unpaid Common Charges or assessments. The Board of Managers shall have the right and duty to attempt to recover such Common Charges or assessments, together with interest thereon, and the expenses of the proceeding, including attorney's fees, in an action to recover the same brought against such 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, in the manner provided in Section 339-aa thereof. A Unit Owner defaulting in payment of Common Charges or assessments shall not be permitted to vote at any regular or special meeting of Unit Owners. During the time the Sponsor is in control of the Board of Managers, Sponsor will cause the Board of Managers to file a lien as provided for in Section 339-aa of the Real Property Law on units in which the Sponsor is more than 30 days in arrears of common charges.

Section 6. Foreclosure of Liens for Unpaid Common Charges: In any action brought by the Board of Managers to foreclose a lien on a Unit because of unpaid Common Charges, the Unit Owner shall be required to pay a reasonable rental for the use of his Unit and the plaintiff in such foreclosure action shall be entitled the appointment of a receiver to collect the same. The Board of Managers, acting on behalf of all Unit Owners, shall have the power to purchase such Unit at foreclosure sale and to acquire, hold, lease, mortgage (but not to vote the votes appurtenant to), convey, or otherwise deal with same. A suit to recover a money judgment for unpaid Common Charges shall be maintainable without foreclosing or waiving the lien securing the same. The proceeds from the sale of any Unit pursuant to this Section shall be used first to pay the unpaid Common Charges and/or assessments, plus reasonable attorney's fees and administrative costs and any other lawful liens on the defaulting Unit. Amounts above this, if any, will be the property of the defaulting Unit Owner. If after the sale of Unit for the nonpayment of Common Charges and/or assessments, the sale does not recover the full amount due and owing, the Board of Managers has the right to assess all the Unit Owners as a Common Expense for the difference between the amount received by the Condominium from the sale of the Unit and the amount owed to the Condominium.

Section 7. Statement of Common Charges and Assessment: The Board of Managers shall promptly provide any Unit Owner so requesting the same in writing, with a written statement of all unpaid Common Charges due from such Unit Owner.

Section 8. Abatement and Enjoinment of Violations by Unit Owners: 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 right set forth in these By-Laws; (a) upon reasonable notice to the Unit Owner, 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 (provided, however, that no prior notice shall be required in the event the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Property of the Condominium or for the safety of residents of the Condominium or other persons or required to avoid the suspension of any necessary service to the Condominium); or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

Section 9. Maintenance and Repairs:

a) All maintenance, replacement or repair to any Unit, ordinary or extraordinary, and to the doors, 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 at the Unit Owner's expense, excepting as otherwise specifically provided herein.

b) All maintenance, repairs and replacements to the General Common Elements as defined in the Declaration shall be made by the Board of Managers as a Common Expense, excepting to the extent that the same are necessitated by the negligence, misuse or neglect of a Unit Owner, in which case such expense shall be charged to such Unit Owner. Maintenance, repair and replacements in or to the Limited Common Elements as defined in the Declaration will be performed as per the Declaration.

c) The Condominium association, including each and every member thereof, shall keep the internal drains and drywells wholly within the boundary limits of the project site area, and the point of exit from the site shall not be altered. The Condominium Association, including each and every member thereof, shall be responsible (a) for the proper use, maintenance, and repair of internal drains and drywells, if any, located within the buildings or in open spaces within project; (b) for the abatement of any nuisance due to the of internal drains and drywells that would have an adverse effect on the health, safety, and welfare of the City of New York, and (c) for ensuring that such drains and drywells are utilized in such a manner that they will not in any way have an adverse effect on the City of New York's completed or pending sanitary or storm water drainage plans for the tributary drainage area or the separate sewer outlets.

Section 10. Restrictions on Use of Units: In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, the use of the Property shall be restricted to and shall be in accordance with the following:

a) The Units shall be used for private residences only, except that a Unit Owner may use his Unit for any home occupation use permitted under applicable zoning law and ordinances, building code or other rules and regulations of governmental authorities having jurisdiction. Any Unit may also be used as a professional office by a resident thereof provided such professional use does not violate zoning

regulations and provided further that the prior consent of the Board of Managers to such professional use is obtained. Notwithstanding the foregoing, the Sponsor or Sponsor-Designee shall have the right, without charge, (i) to maintain general and sales offices in one or more Units or elsewhere on the Property, to use one or more Units as models and for other promotional purposes and to erect and maintain signs on the Property; (ii) to have its employees, contractors and sales agents present on the Property; (iii) to do all things necessary or appropriate, including the use of the Common Elements, to sell or lease Units and to complete construction of the Building and to comply with its obligations.

b) The Common Elements shall be used only for the furnishing of the services and facilities for which they are reasonably suited and which are incident to the use and occupancy of Units.

c) No nuisances shall be allowed on the Property nor shall any use or practice be allowed which is a source of annoyance to its residents or which interferes with the peaceful possession or proper use of the Property by its residents.

d) No 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.

e) No portion of a Unit or other Limited Common Elements appurtenant thereto (other than the entire Unit including the Limited Common Elements appurtenant thereto), may be separately rented.

Section 11. Additions, Alterations or Improvements by Unit Owners: No Unit Owner shall make any structural addition, alteration or improvement in or to his Unit, or which affects the exterior of the Building. The provisions of this Section 11 which require the consent of the Board of Managers in connection with a structural addition, alteration or improvement shall not apply to Units owned by the Sponsor or its designee.

Any such work 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 worker's compensation insurances (certificates for which shall be delivered to the Board of Managers prior to the commencement of construction), that any additions, alterations or improvements, shall be maintained in their entirety by said Unit Owner who shall also be responsible for any repairs, including structural repairs, to such area in any event, and to the Unit and any Common Elements where such repairs become necessary due to additional stresses caused by the structural alteration, addition or improvement, or due to improper design or construction of the structural alteration, addition or improvement, and 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, addition or improvement; such expenses may include, but shall not be limited to, any fees of an attorney and/or fees of an architect consulted in connection with any request by a Unit Owner for approval of such work.

Non-structural alterations and improvements to Units that do not affect the exterior of the Buildings may be made without the prior approval of the Board of Managers.

Section 12. Use of Common Elements and Facilities: A Unit Owner shall not place or cause to be placed in the lobby, public halls, stairways or other common areas or common facilities, any furniture, packages or objects of any kind. The public halls and stairways shall be used for no purpose other than for normal transit through them. The Sponsor and any Sponsor-Designee shall have the right to use of the Common Elements, without charge, for the purpose set forth in Section II of this Article VI.

Section 13. Right of Access: A Unit Owner shall grant a right of access to his Unit, to the Manager and/or any other person authorized by the Board of Managers, the Manager or the Managing Agent, for the purpose of making inspections or for the purpose of correcting any condition originating in his Unit and threatening another Unit or a Common Element, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements in his Unit or elsewhere in the Building in which the Unit is located, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not. In the event of the exercise of the right of access provided in this Section 13, any

costs for repairs shall be borne in accordance with the provisions of Section 10 of this Article VI. Each Unit Owner will be required to give a copy of his/her keys to his/her Unit to the President of the Board of Managers who shall designate an authorized person or persons to keep the keys and use them in case of an emergency.

Section 14. Rules of Conduct: Rules and Regulations concerning the use of the Units and the Common Elements may be promulgated and amended by the Board of Managers. A majority vote of Unit Owners at a meeting may overrule the Board. Copies of such rules and regulations shall be furnished by the Board of Managers to each Unit Owner prior to the time when the same shall become effective. Initial rules and regulations, which shall be effective until amended by the Board of Managers are annexed hereto and made a part hereof as Schedule A.

Section 15. Water Charges and Sewer Rents: Water shall be supplied to all of the Units and the Common Elements through one or more building meters or pursuant to a frontage charge and, the Board of Managers shall pay, as a Common Expense, all charges for water consumed on the Property and in the Units, together with all related sewer rents arising therefrom, promptly after the bills for the same shall have been rendered. In the event of a proposed sale of a Unit by the Owner thereof, the Board of Managers, on request of the selling Unit Owner, shall execute and deliver to the purchaser of such Unit or to the purchaser's title insurance company, a letter agreeing to pay all charges for water and sewer rents affecting the Property as of the date of closing of title to such Unit promptly after such charges shall have been billed.

Section 16. Real Estate Taxes: If the Units have not been separately assessed for real estate tax purposes prior to the Closing of Title to the first Unit, the Sponsor will place in escrow, in the name of the Board of Managers, an amount equal to the unpaid real estate taxes (or estimates thereof based on current assessments) due for the next ensuing six months (or until the Units are separately assessed, whichever is shorter), provided, however, that as closings occur, the portion of such funds held in escrow which represent the portion allocable to the Unit being sold shall be released; and interest accrued on such escrow, if any, shall inure to the benefit of, and belong to, the Sponsor. Purchasers should also be aware that if the Units have not been separately assessed for real estate tax purposes prior to the Closing of Title to the first Unit, the Unit Owner's lender may also require an escrow for taxes. The Board of Managers will pay the real estate taxes from the escrow account when taxes are due and payable; the Sponsor shall be entitled to reimbursement from unit owners for any taxes paid on their behalf. The amount of the escrow that the Sponsor deposits with the Board of Managers for

unsold units will be disclosed in the initial post-closing amendment to the Offering Plan.

ARTICLE VII

Mortgages

Section 1. Notice to Board of Managers: A Unit Owner who mortgages his Unit shall notify the Board of Managers of the name and address of his mortgagee and shall file a confirmed copy of the note and mortgage with the Board of Managers; the Board of Managers shall maintain such information in a book entitled "Mortgages of Units".

Section 2. Notice of Unpaid Common Charges: The Board of Managers, when so requested in writing by a mortgagee of a Unit, shall promptly notify any mortgagee of a Unit, of such Unit Owner's default, including non-payment of Common Charges, in the obligations of such Unit Owner under the Declaration, By-Laws, Rules and Regulations, as the same are amended from time to time, or in any order of the Board of Managers issued with respect thereto.

Section 3. Notice of Default: The Board of Managers, when giving notice to a Unit Owner of a default in paying Common Charges or other default, shall send a copy of such notice to each holder of a mortgage covering such Unit whose name and address has heretofore been furnished to the Board of Managers.

Section 4. Examination of Books: Each Unit Owner and each mortgagee of a Unit shall be permitted to examine the books of account of the Condominium at reasonable times, on business days.

Section 5. Any mortgagee shall be entitled to timely written notice of:

- a. Any condemnation or casualty loss that affects either a material portion of the project or the unit securing its mortgage.
- b. Any sixty (60) day delinquency in the payment of assessments or charges owed by the owner of any unit on which it holds the mortgage.
- c. A lapse, cancellation, or material modification of any insurance policy maintained by the Homeowner's Association.
- d. Any proposed action that requires the consent of a specified percentage of mortgagees.

Section 6. Notwithstanding anything to the contrary set forth in any portion of these By-Laws, any first mortgagee who obtains title

to a condominium unit pursuant to the remedies in the mortgage or through foreclosure will not be liable for more than six (6) months of such units unpaid regularly scheduled budgeted dues or common charges accrued before acquisition of title to the unit by the mortgagee, together with any fees or costs related to the collection of such unpaid dues.

Section 7. Notwithstanding anything to the contrary set forth elsewhere in these By-Laws, no amendment modification, addition, or deletion which shall adversely affect the lien of any mortgage may be made without the consent of the mortgagee.

Section 8. When a mortgagee fails to submit a response to any written notification made pursuant to these By-Laws within sixty (60) days after such notice is delivered by a certified or registered mail, return receipt requested, said mortgagee will be conclusively presumed to have consented to the action set forth in said notice.

ARTICLE VIII

Condemnation and Termination

Section 1. Condemnation: In the event of a taking in condemnation or by eminent domain of part or all of the Common Elements, the award made for such taking shall be payable to the Board of Managers, if such award amounts to \$50,000.00 or less, and to the Insurance Trustee if such award amounts to more than \$50,000.00. If seventy-five (75%) percent or more of the Unit Owners duly and promptly approve the repair and restoration of such Common Elements, the Board of Managers or the Insurance Trustee, as the case may be, shall arrange for the repair and restoration of such Common Elements, and the Board of Managers or the Insurance Trustee, as the case may be, shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments. In the event that seventy-five (75%) percent or more of the Unit Owners do not duly and promptly approve the repair and restoration of such Common Element, the Board of Managers shall disburse the net proceeds of such award in the same manner as they are required to distribute insurance proceeds where there is no repair or restoration of the damage, as provided in Section 2 of Article VI of these By-Laws. As used in this Section, the words "promptly approve" shall mean not more than sixty (60) days from the date of such taking.

Section 2. Termination: The Condominium may be terminated by the casualty loss, condemnation or eminent domain, in accordance with the provisions of the By-Laws, or by withdrawing the Property from the provisions of the New York Condominium Act if authorized by an

affirmative vote of Unit Owners who own not less than eighty (80%) percent in number and in Common Interest of the Units. Sponsor or its designees will not vote its interests appurtenant to any Unsold Units for such withdrawal unless at least eighty (80%) percent in number and in Common Interest of all other Unit Owners have elected for such withdrawal, in which event the Sponsor may choose to vote in favor of or against such withdrawal. In the event said withdrawal is authorized as aforesaid, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all the Unit Owners in proportion to their respective Common Interests. However, no payment shall be made to a Unit Owner until all liens to which his/her Unit is subject are paid off.

ARTICLE IX

Arbitration

Section 1. Procedure: Any matter required or permitted to be determined by arbitration pursuant to the terms of the Condominium Documents shall be submitted for resolution by a single arbitrator in a proceeding held in New York City, New York, in accordance with the then existing rules of the American Arbitration Association or any successor organization thereto. In the event that the American Arbitration Association shall not then be in existence and has no successor organization, any such arbitration shall be held in New York City, New York before one arbitrator appointed, upon the application of any party by the Real Estate Board of New York.

Section 2. Variation by Agreement: The parties to any dispute required or permitted to be resolved by arbitration pursuant to the terms of the Condominium Documents may, by written agreement, vary any of the terms of Section 1 hereof with respect to the arbitration of such dispute or may agree to resolve their dispute in any manner, including, without limitation, the manner set forth in Section 3031 of the New York City Practice Law and Rules and known as "New York Simplified Procedure for Court Determination of Disputes".

Section 3. Binding Effect: The decision in any arbitration conducted pursuant to the terms of Section 1 and 2 hereof shall be binding upon all of the parties thereto and may be entered in any court of appropriate jurisdiction.

Section 4. Cost and Expenses: (a) The fees, costs and expenses of the arbitrator shall be borne by the losing party in the arbitration or, if the position of neither party to the dispute shall be substantially upheld by the arbitrator, such fees, costs

and expenses shall be borne equally by the disputants. Each disputant shall also bear the fees and expenses of his counsel and expert witnesses.

All costs and expenses paid or incurred by Condominium board in connection with any arbitration held hereunder, including, without limitation, the fees and expenses of counsel and expert witnesses shall constitute Common Expenses.

ARTICLE X

Conflicts

Section 1. Conflicts: 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 statute or of the Declaration, the provisions of said statute or of the Declaration, as the case may be, shall control.

ARTICLE XI

Amendments to the By-Laws

Section 1. Amendment to By-Laws: These By-Laws may be modified or amended by the vote of two-thirds (as that number is defined in these By-Laws) in number and in Common Interests of all Unit Owners at a meeting of Unit Owners duly held for such purpose. Two-thirds of Unit Owners shall mean those Unit Owners having greater than 66-2/3% of the total authorized vote of all Unit Owners present in number and common interest in person or by proxy, and voting at any meeting of the Unit Owners. Any or all of such Owners (including the Sponsor or Sponsor-designee, if the Sponsor or its designee shall then own one or more Units) shall be entitled to cast one vote for each .01% of common interest allocated to such unit, on all matters put to the vote at all meetings of Unit Owners. If Units are owned by more than one person as joint tenants, tenants by the entirety, or as tenants in common or by a partnership, corporation or other entity, the persons owning said Unit shall agree among themselves and cast the votes for their Unit as a single vote.

For as long as there are one or more Unsold Units, these By-Laws, including the Rules and Regulations of the Condominium attached hereto, may not be altered, amended, repealed or added to without the consent of the Holder(s) of Unsold Residential Units and the Sponsor.

ARTICLE XII

Miscellaneous

Section 1. Invalidity: The invalidity of any part of the By-Laws shall not impair or affect in any manner the valid enforceability or effect of the balance of these By-Laws.

Section 2. Captions: The captions herein are inserted only by matter of convenience and/or reference, and in no way define, limit, or describe the scope of these By-Laws or the intent of any provision therein.

Section 3. Gender: The use of the masculine gender in the By-Laws shall be deemed to include the feminine gender and the use of singular shall be deemed to include the plural, whenever the context requires.

Section 4. Waiver: No restriction, condition, obligation or provision contained in these By-Laws, shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, respective of the number of violations or breaches thereof which may occur.

Section 5. Insurance Trustee: The Insurance Trustee selected, shall be a bank, trust company or savings and loan association in the State of New York, designated by the Board of Managers (with approval of the holders of five (5) or more Unit first mortgagees). In the event the Insurance Trustee shall resign, the new insurance Trustee shall also be a bank, trust company, or savings and loan association in the State of New York, designated by the Board of Managers (with the approval of the holders of five (5) or more Unit first mortgagees). The Board of Managers shall pay fees and disbursements of any Insurance Trustee, and such fees or disbursements shall constitute a Common Expense of the Condominium.

Section 6. Report to Unit Owners: The Board of Managers of the Condominium shall give annually to each and every Unit Owner:

1) On or before March 1st of each year a financial statement for the previous years operation. During the period the Sponsor is in control of the Board of Managers, there shall be a certified financial statement prepared by a certified public accountant or public accountant.

2) Prior notice of the annual Unit Owners meeting at least 30 days prior to such meeting.

3) A copy of the proposed annual budget of the Condominium, no less than thirty (30) days prior to the date set for adoption

thereof by the Board of Managers. During the time the Board is controlled by the Sponsor, this statement shall be certified by a qualified budget expert.

ARTICLE XIII

Sponsor Control

Section 1: Notwithstanding the fact that the Sponsor may hold a majority of the common interest allocated to individual units in the subject premises, commencing at a point five (5) years from the date of closing of the first unit a majority of the Board of Managers must be persons other than the Sponsor, principals of the Sponsor or Sponsor designees.

Section 2: Until the earlier of five years from the date of closing, or at the time at which the Sponsor or other Holder of Unsold Units owns units consisting of less than 25% of the common interest of the Condominium, Sponsor may exercise veto power over any expenses other than those described in Schedule B, or which are required to comply with applicable laws or regulations; remedy any notice of a violation; or remedy any work order from an insurer; or for any repair or replacement necessary for the preservation or safety of the Building or for the safety of the occupants of the Building or required to avoid the suspension of any necessary service to the Building.

Section 3: So long as the Sponsor retains ownership of at least one unit in the building, the By-Laws, Declaration, and Rules and Regulations of the Condominium, may not be amended or modified in any way so as to adversely affect the Sponsor without written consent by the Sponsor.

Section 4: At the time of the First Closing there will be three Managers designated by the Sponsor. However, the Managers will resign in favor of Managers who will be elected by the purchasers at a meeting to be convened within 60 days after First Closing. If the Sponsor still owns 50% or more of the units in the building, the Sponsor-appointed managers may be re-elected at such time.

Section 5: So long as a majority of the Board of Managers consists of managers elected by the Sponsor or holders of unsold units, the board:

1. Shall not eliminate or reduce the number of employees, insurance coverages or any service to a level less than that provided in Schedule B unless a majority of board members elected by bona fide unit purchasers vote in favor thereof.

2. Shall, to the extent of their authority as Board Members, use all reasonable efforts to cause the Building (including its equipment, services and installations) to be kept operational, clean, and, in a good state of repair and condition;

3. Shall not veto expenditures required to comply with applicable laws or regulations and/or expenses necessary to remedy notice of violations of law, or order of an insurance carrier, or for any repair or replacement necessary for the preservation or safety of the Building or for the safety of occupants of the Building or required to avoid the suspension of any necessary service to the Building.

**CERTIFICATION OF SPONSOR AND SPONSOR'S PRINCIPALS PURSUANT TO
SECTION 23 OF THE REGULATIONS ISSUED PURSUANT TO GENERAL
BUSINESS LAW ARTICLE 23-A, AS AMENDED**

**RE: 48-54 West 138th Street
 New York, New York**

We, 48-54 WEST 138 LLC, and JASON BEHFARIN, LOUIS SILVERMAN and ROBYN SORID, being the Sponsor and Principal of the Sponsor of the Offering Plan to convert the above captioned property to condominium ownership, jointly and severally certify as follows:

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:

1. Set forth the detailed terms of the transaction and be complete, current, and accurate;
2. Afford potential purchasers, investors, and participants an adequate basis on which to found their judgment;
3. Not omit any material fact;
4. Not contain any untrue statement of a material fact;
5. Not contain any fraud, deception, concealment, suppression, false pretense, or fictitious or pretended purchase or sale;
6. Not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

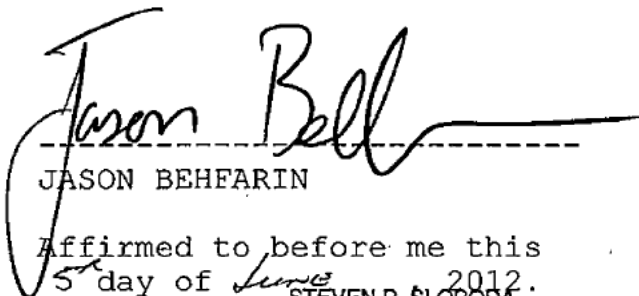
7. Not contain any representation or statement which is false where we:

- a) knew the truth;
- b) with reasonable effort could have known the truth;
- c) made no reasonable effort to ascertain the truth; or
- d) did not have knowledge concerning the representation or statement made.

This certification is made under the penalty of perjury for the benefit of all persons to whom this offering is made. We understand that violations are subject to the Civil and Criminal penalties of the General Business Law and the Penal Law.

48-54 WEST 138 LLC

By:

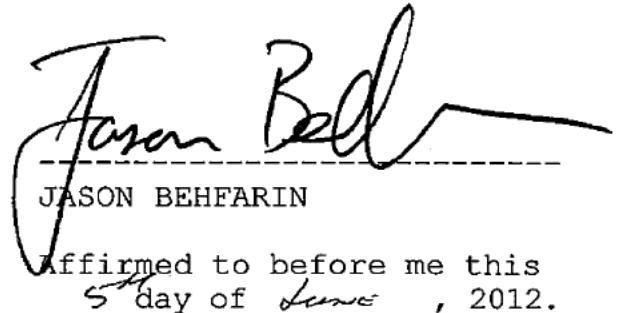


JASON BEHFARIN

Affirmed to before me this
5th day of June, 2012.

STEVEN R. SLOBODA
NOTARY PUBLIC, STATE OF NEW YORK
NO. 4855844
QUALIFIED IN NASSAU COUNTY
COMMISSION EXPIRES 4/7/14


Notary Public

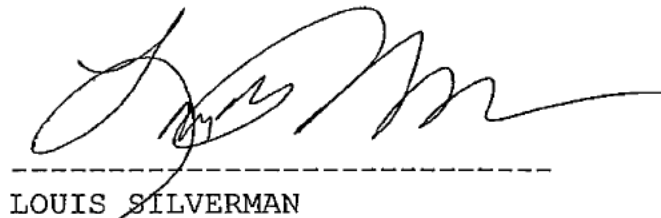


JASON BEHFARIN

Affirmed to before me this
5th day of June, 2012.

STEVEN R. SLOBODA
NOTARY PUBLIC, STATE OF NEW YORK
NO. 4855844
QUALIFIED IN NASSAU COUNTY
COMMISSION EXPIRES 4/7/14


Notary Public

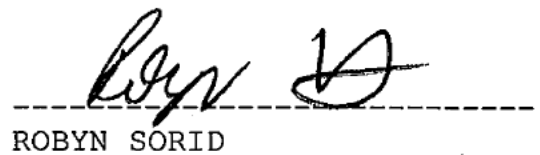


LOUIS SILVERMAN

Affirmed to before me this
5th day of June, 2012.

STEVEN R. SLOBODA
NOTARY PUBLIC, STATE OF NEW YORK
NO. 4855844
QUALIFIED IN NASSAU COUNTY
COMMISSION EXPIRES 4/7/14


Notary Public



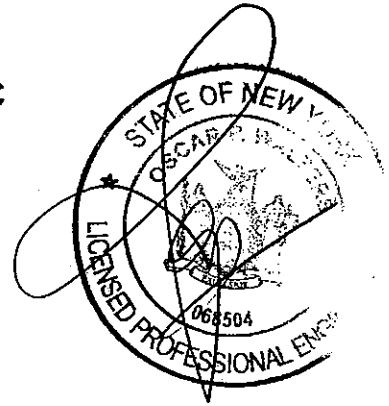
ROBYN SORID

Affirmed to before me this
5th day of June, 2012.

STEVEN R. SLOBODA
NOTARY PUBLIC, STATE OF NEW YORK
NO. 4855844
QUALIFIED IN NASSAU COUNTY
COMMISSION EXPIRES 4/7/14


Notary Public

**DEMERARA ENGINEERING, PLLC
160 PEARL STREET, 2ND FLOOR
NEW YORK, NEW YORK 10005
1212.383.4897**



06/04/2012

**CERTIFICATION OF SPONSOR'S ARCHITECT PURSUANT TO
PART 23.4 OF THE REGULATIONS ISSUED PURSUANT TO
GENERAL BUSINESS LAW ARTICLE 23-A, AS AMENDED**

Re: The 48-54 West 138th Street Condominium
48-54 West 138th Street
Manhattan, New York

The Sponsor of the Offering Plan to convert the captioned property to condominium ownership has retained our firm to prepare a report describing the condition and/or renovation of the property (hereinafter "the Report").

I visually inspected the property on 08/31/2011. We prepared the Report dated 08/31/2011, a copy of which is intended to be incorporated into the Offering Plan so that prospective purchasers may rely thereupon.

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 the Report.

I have read the entire Report and investigated the facts set forth therein, 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 us disclose all the material facts which were then discernible 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:

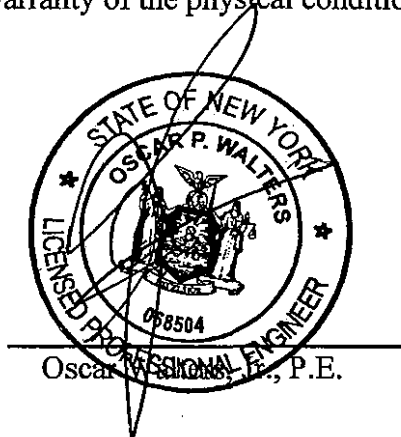
- (i) sets forth in narrative form the description and/or physical condition of the entire property, and is current and accurate as of the date of inspection;
- (ii) in our professional opinion, afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the description and/or physical condition of the property;

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- (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;
 - (d) did not have knowledge concerning the representation or statement made.

It is 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 condominium ownership, 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.



Sworn to before me this
5th day of JUNE, 2012

Notary Public

SIMON M. NEUSTEIN
NOTARY PUBLIC, State of New York
NO. 01NE6052461
Qualified in Kings County
My Commission Expires Dec. 18, 2014

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King David international Realty
Licensed Real Estate Broker
616 Williamsburg Station
Brooklyn, N.Y. 11211
Tel. (718) 222-1500 Fax. (718) 624-1497

06/04/2012

CERTIFICATION OF SPONSOR'S EXPERT ON ADEQUACY OF BUDGET PURSUANT
TO SECTION 23 OF THE REGULATIONS ISSUED PURSUANT TO GENERAL
BUSINESS LAW, ARTICLE 23-A, AS AMENDED

RE: The 48-54 West 138th Street Condominium
48-54 West 138th Street
Manhattan, New York

The Sponsor of the condominium Offering Plan for the above captioned property retained me/our firm to review or prepare SCHEDULE B and SCHEDULE B-1, containing the projections of income and expenses for the first year of condominium operation. My/our experience in the field includes being a licensed real estate broker for over 10 years; the management of approximately 10 buildings; and the sale of numerous condominium and rental properties. I/we are familiar with prices, practices, and procedures in the area of this condominium.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 23, insofar as they are applicable to SCHEDULE B and SCHEDULE B-1. We have reviewed the SCHEDULES and investigated the facts set forth in the SCHEDULES, and the facts underlying them, with due diligence in order to form a basis for this certification. We also have relied on our experience in managing residential buildings.

We certify that the projections in SCHEDULE B and SCHEDULE B-1 appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.

We certify that the Schedules do:

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1. Set forth in detail the projected income and expenses for the first year of condominium operation;
2. Afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;
3. Not omit any material fact;
4. Not contain any untrue statement of a material fact;
5. Not contain any fraud, deception, concealment, or suppression;
6. Not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
7. Not contain any representation or statement which is false where we:
 - a) knew the truth;
 - b) with reasonable effort, could have known the truth;
 - c) made no reasonable effort to ascertain the truth; or;
 - d) did not have knowledge concerning the representations or statements made.

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

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


GIORGIO MAYER
Licensed Real Estate Broker

SWORN TO BEFORE ME THIS
5th DAY OF June, 2012


NOTARY PUBLIC

SIMON M. NEUSTEIN
NOTARY PUBLIC, State of New York
NO. 01NE6052461
Qualified in Kings County
My Commission Expires Dec. 18, 2014
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