THIS IS A NON-EVICTION PLAN. NO NON-PURCHASING TENANTS WILL BE EVICTED BY REASON OF CONVERSION TO CONDOMINIUM OWNERSHIP. SEE RIGHTS OF EXISTING TENANTS, SECTION J.

CONDOMINIUM OFFERING PLAN

FOR

PRINTING HOUSE CONDOMINIUM

421 Hudson Street

New York, New York

(184 Residential Units)

	Purchase Price To Tenants*	Purchase Price To Non-Tenants
Total Purchase Price of 184 Residential Units	$56,331,030	$60,571,000
Less: Reserve Fund	(1,689,931)	(1,817,130)
Net Purchase Price to Sponsor	$54,641,099	$58,753,870

The prices for these condominium interests may be changed so that Purchasers may pay different prices for similar interests. The effect of this is set forth in Section I of the Plan.

*See Section J for a discussion of the right of tenants to buy their own Residential Units at the Purchase Price To Tenants during the first 90 days of this offering.

See Section W for a discussion of the Reserve Fund and Working Capital Fund.

Name and Address of Sponsor:

MOUNTBATTEN EQUITIES
421 Hudson Street
New York, New York 10014
(212) 243-1320

Name and Address of Selling Agent:

HABITATIONS LIMITED, INC.
421 Hudson Street
New York, New York 10014
(212) 675-2680

The Approximate Date of the First Offering of this Plan is May 6, 1987.

This Plan may not be used after May 5, 1988 unless extended by duly filed amendment.

THIS PLAN CONTAINS SPECIAL RISKS TO PURCHASERS. SEE PAGE A-1.

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 CONCERNING THE CONDOMINIUM UNITS 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 OF LAW OR ANY OTHER GOVERNMENT AGENCY HAS APPROVED THIS OFFERING.

THIS PLAN HAS BEEN AMENDED.
SEE INSIDE FRONT COVER.

TABLE OF CONTENTS

PART I

SECTION		PAGE
A.	SPECIAL RISKS	A-1
B.	INTRODUCTION	B-1
C.	DEFINITIONS	C-1
D.	DESCRIPTION OF PROPERTY AND IMPROVEMENTS	D-1
E.	LOCATION AND AREA INFORMATION	E-1
F.	SCHEDULE A: PRICES OF UNITS AND RELATED INFORMATION	F-1
G.	SCHEDULE B: PROJECTED BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION	G-1
H.	ACCOUNTANT'S CERTIFIED STATEMENTS OF OPERATION	H-1
I.	CHANGES IN PRICES AND UNITS	I-1
J.	RIGHTS OF EXISTING TENANTS; RELOCATION ALLOWANCE; VACANT UNIT PURCHASE OPTION	J-1
K.	OBLIGATIONS OF OWNERS OF UNITS OCCUPIED BY NON-PURCHASING TENANTS	K-1
L.	INTERIM LEASES	L-1
M.	PROCEDURE TO PURCHASE	M-1
N.	EFFECTIVE DATE	N-1
O.	CLOSING OF TITLE TO UNITS	O-1
P.	CLOSING COSTS AND ADJUSTMENTS	P-1
Q.	RIGHTS AND OBLIGATIONS OF SPONSOR	Q-1
R.	CONTROL BY SPONSOR	R-1
S.	RIGHTS AND OBLIGATIONS OF UNIT OWNERS	S-1

TABLE OF CONTENTS (Cont'd)

SECTION	PART I	PAGE
T.	RIGHTS AND OBLIGATIONS OF BOARD OF MANAGERS/SUMMARY OF DECLARATION AND BY-LAWS.....	T-1
U.	TAXES - DEDUCTIONS TO UNIT OWNERS AND TAX STATUS OF CONDOMINIUM.....	U-1
V.	REAL ESTATE TAXES.....	V-1
W.	RESERVE FUND AND WORKING CAPITAL FUND.....	W-1
X.	PURCHASERS FOR INVESTMENT OR RESALE.....	X-1
Y.	MANAGEMENT AGREEMENT	Y-1
Z.	SPONSOR'S PROFIT.....	Z-1
AA.	IDENTITY OF PARTIES.....	AA-1
BB.	GENERAL.....	BB-1

PART II

Exhibit		
1.	SPONSOR'S STATEMENT OF BUILDING CONDITION; DESCRIPTION OF PROPERTY AND SPECIFICATIONS (INCLUDING FLOOR PLANS) AND ASBESTOS REPORT.....	1
2.	FORM OF PURCHASE AGREEMENT.....	110
3.	FORM OF POWER OF ATTORNEY.....	135
4.	FORM OF RESIDENTIAL UNIT DEED.....	138
5.	FORM OF DECLARATION OF CONDOMINIUM.....	146
6.	FORM OF CONDOMINIUM BY-LAWS.....	181
7.	COUNSEL'S TAX OPINION.....	238

TABLE OF CONTENTS (Cont'd)

EXHIBIT	PART II	PAGE
8.	GENERAL BUSINESS LAW SECTION 352-eeee AND LOCAL LAW 70.....	243
9.	FORM OF LEASE TERMINATION AGREEMENT.....	261
10.	CERTIFICATIONS	
	(a) SPONSOR.....	264
	(b) SPONSOR'S ENGINEER	266
	(c) SPONSOR'S EXPERT CONCERNING ADEQUACY OF BUDGET	268

SECTION A. SPECIAL RISKS

1. Control by Sponsor of Board and Over Certain Expenditures.

(A) Until the Sponsor (or its designee) has conveyed at least 50% of the Residential Units, but not after five (5) years following the closing of title to the sale of the first Residential Unit, the Sponsor shall have the right to elect a majority of the members of the Board of Managers, including those members who represent the Residential Unit Owners and who shall then constitute a majority of the Residential Committee.

(B) So long as the Sponsor shall own at least 25% in number or in Common Interest of the Units, but not after five (5) years following the first closing of title to the sale of a Residential Unit, the Board of Managers may not, without the prior written consent of the Sponsor, (i) make any addition, alteration or improvement to the Common Elements, Limited Common Elements or any Unit, or (ii) assess any General Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund, except the amount currently reflected in the budget (Schedule B) for the first year of condominium operation, or (iii) borrow money on behalf of the Condominium (except to cure any violation, if and to the extent the reserve fund is inadequate), or (iv) hire any employee in addition to the employees referred to in the footnotes to Schedule B (See Section G), or (v) enter into any service or maintenance contract for work not covered by contracts in existence on the date of the first closing of title to a Unit, except as required by the By-Laws or as contemplated by this Plan, or (vi) amend the Declaration or By-Laws of the Condominium. While the Sponsor has voting control of the Board, the Sponsor will not reduce or eliminate the services to be provided to the Condominium as set forth in this Plan. For a more complete discussion of the Sponsor's rights, see Section Q.

2. Purchase Agreements Not Contingent Upon Financing. The Purchase Agreement in the form set forth as Exhibit 2 to Part II of the Plan is not contingent upon the Purchaser obtaining a loan to finance any portion of the purchase price. Accordingly, a Purchaser may not terminate his Purchase Agreement because of his inability to obtain financing. The Purchase Agreement requires each Purchaser to elect the method of payment of the balance due at closing either by obtaining a mortgage loan from an institutional lending institution, obtaining a mortgage loan from the Sponsor, or paying all

cash. In the event a Purchaser who elects to obtain a mortgage loan from an institutional lender shall fail to obtain a mortgage commitment letter within the period specified in the Purchase Agreement, Sponsor agrees (i) to provide financing to such Purchaser on the terms set forth in Section M, "Procedure to Purchase," or (ii) to obtain a commitment on Purchaser's behalf from an institutional lender on substantially the same terms as provided by Sponsor. In either event, Purchaser shall be obligated to accept such Sponsor financing or institutional mortgage commitment and to close title as provided in the Purchase Agreement. The failure of such Purchaser to accept Sponsor financing or such institutional mortgage commitment or to otherwise pay the balance due at closing, shall constitute a default under the Purchase Agreement and shall permit Sponsor to terminate the Purchase Agreement and to retain Purchaser's down payment as liquidated damages.

3. Commercial Unit. The ownership, tenancy, use and occupancy of the Commercial Unit and Commercial Limited Common Elements shall be controlled solely by the Commercial Unit Owner(s) and Commercial Committee and shall not be subject to approval or control by the Residential Unit Owners or the Board of Managers. Residential Unit Owners will not have any interest in the rents, profits or revenues from the ownership, rental, operation or use of the Commercial Unit.

The Declaration, By-Laws and Rules and Regulations may be amended or repealed by the Commercial Unit Owner(s) with respect to the alteration, use and operation of any Commercial Unit, the subdivision into additional Commercial Units, and any matters relating to the offering for sale or lease of all or any portion of the Commercial Unit. The Commercial Unit may be used for any lawful purpose, including use as a health club, retail store, restaurant, professional or commercial office, manufacturing facility, storage or any combination thereof, subject to the Declaration, By-Laws and Rules and Regulations, as amended. Any such amendment or change, which shall not adversely affect the occupancy of the Residential Units or increase the General Residential Common Charges or Residential Common Charges payable by Residential Unit Owners, shall not require the consent of the Residential Unit Owners, the Board of Managers or the Residential Committee.

4. Power of Board Managers to Levy Fines. The Board of Managers is empowered under the Declaration to levy reasonable fines against Unit Owners for violations of the Rules and Regulations of the Condominium. However, no fine may be levied against the Sponsor without first bringing an action or proceeding to impose a fine and obtaining a judgment

or an order of a court of competent jurisdiction imposing such fine. The cost of bringing such an action shall be a General Common Expense.

5. Expiration of Tax Abatement and Credit. The Property presently receives favorable tax benefits in the form of certain exemptions and abatements as more fully described in Section V of this Plan. At such time as these benefits are fully utilized, the Property will no longer receive any tax benefits pursuant to this program. As a result thereof, Unit Owners will pay real estate taxes on the basis of the then applicable assessed value of the Property and the tax rate then in effect. See footnote 5 to Schedule A set forth in Part I, Section G of this Plan.

6. Tenant's Limited Right To Purchase Vacant Units. A bona fide tenant-in-occupancy on the Presentation Date of the Plan shall have the right to purchase any vacant Unit in lieu of the Unit he occupies in accordance with the terms set forth in Part I, Section J of this Plan. In addition, a bona fide tenant-in-occupancy who purchases his apartment or a vacant apartment shall have the right, for a period of up to thirty (30) days from the Presentation Date, to purchase the adjacent Unit, if vacant and not already sold, at the Purchase Price To Non-Tenants on a first-come-first-served basis as more fully described in Part I, Section J of this Plan.

7. Relocation Allowance. As more fully set forth in Section J of Part I of this Plan, the Sponsor will pay to each tenant-in-occupancy who elects this option within thirty (30) days from the Presentation Date and who vacates his apartment within ninety (90) days from the Presentation Date, a relocation allowance equal to $150 for each .0001% in the Common Elements allocated to his Unit as shown on Schedule A.

8. Increase in Down Payment. Pursuant to the Purchase Agreement for a Residential Unit, a non-tenant Purchaser pays 10% of the purchase price as a down payment upon signing the Purchase Agreement. Although Sponsor is not obligated to grant a Purchaser's request for an adjournment of the closing date scheduled pursuant to his Purchase Agreement, if a Purchaser (tenant or non-tenant) requests and Sponsor agrees to grant an adjournment of the closing date in excess of fifteen (15) business days, Sponsor shall have the option to (i) collect an additional 5% of the purchase price as an additional down payment, and (ii) charge Purchaser a per diem amount calculated at the rate of 14% per annum of the purchase price computed from the original closing date to the actual date of closing. If Purchaser subsequently de-

faults under the Purchase Agreement and fails to cure the default in accordance with the Purchase Agreement, Sponsor shall be entitled to retain the full down payment with interest, if any, as liquidated damages under the Purchase Agreement. In any event, any adjournment will be on condition that all closing adjustments will be as of the originally scheduled closing date. Time shall be of the essence with respect to Purchaser's obligation to close title in accordance with the Purchase Agreement.

9. Residential and Commercial Members of the Board of Directors. Pursuant to the Plan, the Condominium is governed by a Board of Managers consisting of 7 members elected by the Residential Unit Owners (the "Residential Committee") and 3 members elected by the Commercial Unit Owner (the "Commercial Committee"). Because the Percentage Interest in the Common Elements allocated to the Commercial Unit is 18.08%, the Commercial Unit Owner has the right to elect a disproportionate number of members. However, because each Committee has the authority to govern the affairs of its respective Section, the Sponsor does not believe that there will be any adverse consequence to the Residential Unit Owners as a result of the disproportionate membership since the Residential Section is represented by a majority of the ten members of the Board and is primarily self-governed with respect to all matters which do not adversely affect the Commercial Unit.

SECTION B. INTRODUCTION

1. General.

Mountbatten Equities (the "Sponsor") herewith presents this Offering Plan (the "Plan") for condominium ownership of the land and building (collectively the "Property") located at 421 Hudson Street, New York, New York to be known as the "Printing House Condominium" (the "Condominium"), which will initially have 184 Residential Units and one Commercial Unit. The Sponsor herewith offers for sale 184 Residential Units.

The purpose of this Plan is to set forth all the material terms of the offer to sell the Residential Units (the Commercial Unit may be offered for sale in the future, in which event this Plan shall be amended accordingly). This Plan may be amended from time to time by the filing of an amendment with the New York State Department of Law. Any such amendment will be served on all Purchasers, tenants and Unit Owners as may be required by law. Prospective Purchasers should refer to Part I, Section C of this Plan for the definition of certain capitalized words and phrases used herein.

This Plan is presented in two parts (both in this volume), which parts, together with any subsequent amendments to the Plan, constitute the entire Plan. Part I contains a general description of the offering and a summary of the basic documents used to purchase an apartment and to establish the Condominium. Part II contains the form of all such basic documents. Also included in Part II is a detailed description of the physical aspects and condition of the Property, a legal opinion as to certain tax matters discussed in the Plan and certifications by Sponsor, its engineer and its budget expert as to the truth and accuracy of certain information in the Plan for which they are each primarily responsible.

The Condominium will be organized pursuant to Article 9-B of the Real Property Law of the State of New York, as amended (the "New York State Condominium Act" or "Condominium Act"), upon the recording of a Declaration of Condominium and related By-Laws in the Office of the City Register, New York County.

2. The Condominium

The Sponsor acquired fee title to the Property on or about August 29, 1975. The Condominium will consist of one rectangular ten story building with an adjoining wing containing some of the Townhouse Units (collectively the

"Building"). The Building includes 184 Residential Units and one apartment for use by a resident superintendent and one Commercial Unit with a separate lobby. Although the Commercial Unit is not now offered for sale, Sponsor reserves the right to sell or to offer the Commercial Unit (or any part thereof) for sale in the future.

All of the Residential Units offered for sale hereunder are subject to (i) the New York City Rent Stabilization Law and Code (the "Rent Stabilization Laws") by reason of the Property having received the benefits of tax exemption and abatement pursuant to Section 489 of the New York State Real Property Tax Law and Section J-51-2.5 of the Administrative Code of the City of New York (hereinafter "J-51"), and (ii) the Emergency Tenant Protection Act. Not more than five (5) months prior to the first submission of this Plan to the Department of Law, there were 15 vacant apartments in the Building.

The applicable rent laws and Section 352-eeee of the New York State General Business Law are summarized in Section J and reprinted in full in Exhibit 8, and grant certain rights and privileges to residential tenants regardless of whether or not they purchase their apartments. This Plan provides that a bona fide tenant-in-occupancy cannot be evicted for not purchasing his apartment, but only for a failure to comply with the obligations of his tenancy.

Each tenant in occupancy on the date the Attorney General accepts the Plan for filing will have the exclusive right to buy his own Residential Unit at the Purchase Price To Tenants during the first ninety (90) days of this offering. During this exclusive period there will be no increase in price to a tenant-in-occupancy with respect to his apartment. The Sponsor will not accept Purchase Agreements from non-tenant Purchasers for occupied apartments during this or any other exclusive period unless the tenant entitled to the exclusive right to purchase waives his exclusive right.

The owner of a Residential Unit is sometimes referred to in this Plan as a "Unit Owner" or "Residential Unit Owner". The owner of the Commercial Unit is sometimes referred to as a "Unit Owner", the "Sponsor" or "Commercial Unit Owner." The area of the Building reserved for the Residential Unit Owners is referred to as the "Residential Section". The area of the Building reserved for the Commercial Unit Owner is referred to as the "Commercial Section."

3. Features of Residential Ownership.

The ownership of a condominium unit is similar in many respects to the ownership of a private home or office. Each Residential Unit Owner owns fee title to his Residential Unit, is entitled to the exclusive possession of such Unit and is privileged to mortgage it, or not, as he sees fit, and in such amount as he chooses. His Residential Unit is not subject to the lien of any mortgages placed by his neighbors on their Units.

A Residential Unit Owner may use his Residential Unit for any legal purpose, subject to the provisions of the Condominium Declaration, By-Laws and Rules and Regulations promulgated thereunder as same may be amended from time to time. A Residential Unit Owner may sell or lease his Unit to anyone, subject to a right of first refusal by the Board of Managers as more fully described in Section T. Notwithstanding the right of first refusal mentioned above, neither Sponsor nor any other Residential Unit Owner is required to offer a right of first refusal in connection with the sale or lease to any person related by blood or marriage or to a related business entity which is controlled by or controls the Unit Owner who offers his Unit for sale or lease. Each Residential Unit Owner will be responsible for the maintenance of his Unit and may decorate the interior thereof as he desires. His Unit will be taxed as a separate tax lot for real estate tax purposes, just as a private home and he will incur no liability for the failure of his neighbors to pay their taxes. Under present income tax laws, a Unit Owner who uses his Residential Unit for personal residential purposes and itemizes income tax deductions may deduct from his income, for Federal, New York State and City income tax purposes, the real estate taxes and the interest paid on any mortgage on his Unit as more fully discussed in Section U. The property currently receives the benefit of certain tax exemptions and abatements as more fully described in Section V.

Neither the Sponsor nor any future owner of the Commercial Unit, or Units if subdivided, will be subject to any right of first refusal upon the sale or lease of any Commercial Unit, which Unit may be sold or leased without restriction as if it were a separate building.

In addition, a Unit Owner will own, in common with all other Unit Owners, an undivided interest in all parts of the Condominium other than the Units (the "Common Elements"). A Unit Owner's percentage interest in the Common Elements is referred to as his "Common Interest." (See Section S generally, and Schedule A in Section F for the specific Common

Interest allocated to each Unit). Although a Unit Owner will have the right to use the Common Elements in common with all other Unit Owners, a Residential Unit Owner will have the exclusive right to use the Special Residential Limited Common Elements appurtenant to his Unit. "Special Residential Limited Common Elements" are Common Elements restricted for the exclusive use and enjoyment of the Unit Owner to whose Unit they are appertenant and would include, for example, balconies and terraces.

The "Residential Section" consists of the Residential Units and the "Residential Limited Common Elements" which are generally defined to be those areas to which the Residential Unit Owners have exclusive use and access and include the Residential Lobby, the Mews, the elevators primarily serving the Residential Section and the corridors on the 2nd through the 8th floors as shown on the Floor Plans. The cost of maintaining and operating the Residential Limited Common Elements will be shared among the Residential Unit Owners on a pro rata basis based upon their respective Common Interest and such cost is referred to herein as a "Residential Common Expense."

The Commercial Unit Owner also has areas to which it has exclusive access, herein referred to as the "Commercial Limited Common Elements," more fully designated on the Floor Plans and which include the Commercial Lobby, corridors leading only to office space and the Commercial elevator serving the cellar and subcellar, 1st floor, 1st floor mezzanine, 9th and 10 floors. The Commercial Limited Common Elements and the Commercial Unit constitute the "Commercial Section". The Commercial Unit Owner will bear the cost and expense of maintaining, repairing and replacing the Commercial Limited Common Elements, which cost and expense is referred to herein as a "Commercial Common Expense." Floor plans depicting the Commercial Unit and Commercial Limited Common Elements are included in Exhibit 1 to Part II of this Plan.

Certain costs involved in maintaining the General Common Elements, which serve or benefit all Units or Unit Owners, will be shared by the Residential Unit Owners and the Commercial Unit Owner in accordance with each Unit Owner's percentage interest in the Common Elements.

The Board of Managers will be elected by vote of the Unit Owners and will supervise and manage the affairs of the Condominium as specified in the Declaration and By-Laws. The Board of Managers will assess against every Unit Owner, in proportion to his percentage interest in the Common Elements, charges for the cost of maintenance and operation

of the General Common Elements of the Condominium, herein referred to as "General Common Charges." The Residential Unit Owners' share of the General Common Charges are referred to as "General Residential Common Charges" and the Commercial Unit Owner's share of the General Common Charges are referred to as "General Commercial Common Charges," in accordance with the Declaration, By-Laws and the New York Condominium Act (including Sections 339-i and 339-m thereof). In addition to the foregoing, the Residential Unit Owners will also be responsible for the payment of "Residential Common Charges" which are the costs associated with the maintenance and repair of the Residential Limited Common Elements.

In general, the cost of utilities used in the Building will be charged to those Unit Owners consuming such utilities or otherwise enjoying the benefits thereof. Accordingly, electricity for each Unit is supplied and separately metered by The Consolidated Edison Company of New York, Inc. ("Con Ed") and each Unit Owner will individually be obligated to pay for the cost of electricity which he uses for such items as lighting, operating the heat pump fan and compressor, and operating electrical kitchen appliances. Heating for the condenser loop which supplies the Unit heat pumps and for the Common Elements will be provided by an oil-fired boiler and the cost thereof will be a General Common Expense. Domestic hot water is pre-heated by an active solar heating system and supplemented with heat generated by the oil-fired boiler.

Gas service is provided to the Building by Con Ed through a master meter and is used to operate Residential Unit kitchen ranges and ovens, the oil burner pilot light, and to provide heat to all laundry room dryers and the fitness center whirlpools. The cost of gas is a General Common Expense.

Each Unit Owner will individually be responsible for the cost of any insurance which he may obtain in connection with the ownership of his Unit, including any liability insurance he may obtain for occurrences within his Unit, or any casualty insurance which he may obtain to cover losses to the personal possessions within his Unit.

4. Offer to Sell.

The agreement to purchase a Residential Unit is called a "Purchase Agreement," the form of which is contained in Part II as Exhibit 2. The prices of the Residential Units are listed in Schedule A contained in Section F. The "Prices To Tenants" are approximately 7% less than the "Prices To Non-Tenants." Tenants will have the exclusive right to pur-

chase their apartments at the "Prices To Tenants" set forth in Schedule A for a period of ninety (90) days from the date the Plan is accepted for filing by the Department of Law. During this exclusive period, there will be no increase in the price to tenants with respect to their own Units and Sponsor will not accept a Purchase Agreement from a non-tenant Purchaser for an occupied Unit.

The Declaration (the instrument which will create the Condominium) and the By-Laws governing the operation of the Condominium may be found in Exhibits 5 and 6, respectively.

New York banks are permitted by law to make loans to Purchasers of condominium units who desire financing and whose credit is acceptable to the lender. Neither the Sponsor nor the Selling Agent can make any representation as to the terms or availability of such financing. The Sponsor is also offering financing on the terms set forth in Section M. A PURCHASER'S FAILURE TO OBTAIN FINANCING WILL NOT RELIEVE A PURCHASER FROM HIS OBLIGATIONS UNDER HIS PURCHASE AGREEMENT UNLESS THE SPONSOR FAILS TO PROVIDE FINANCING AS SET FORTH IN SUCH SECTION.

THESE PRICES HAVE BEEN SET BY THE SPONSOR AND ARE NOT SUBJECT TO REVIEW OR APPROVAL BY THE DEPARTMENT OF LAW OR ANY GOVERNMENTAL AGENCY. The Sponsor is the offeror of the Residential Units. The estimated General Residential Common Charges, Residential Common Charges and the estimated real estate taxes for each Residential Unit for the first year of operation of the Condominium are also set forth in Schedule A.

This offering of Residential Units is made to individuals over the age of 18 years and to corporations, partnerships or any other entities with legal capacity to own real property in the State of New York.

Parts I and II of the Plan, including all Schedules, amendments and Parts A, B and C of the Exhibits filed with the Department of Law constitute the entire terms of the Sponsor's offer. Copies of these materials will be available at the sales office for examination by prospective Purchasers and their attorneys without charge whenever the sales office is open and the Selling Agent's office during normal business hours. All of the documents referred to in this Plan are important. A prospective purchaser should consult his own attorney or financial advisor and provide him with a copy of this Plan before purchasing.

THE PURCHASE OF A CONDOMINIUM UNIT HAS MANY SIGNIFICANT LEGAL AND FINANCIAL CONSEQUENCES AND MAY BE ONE OF

THE MOST IMPORTANT FINANCIAL TRANSACTIONS OF YOUR LIFE. THE ATTORNEY GENERAL STRONGLY URGES YOU TO READ THIS OFFERING PLAN CAREFULLY AND TO CONSULT WITH AN ATTORNEY BEFORE SIGNING AN AGREEMENT TO PURCHASE A CONDOMINIUM UNIT.

SECTION C. DEFINITIONS

The following definitions are presented for explanatory purposes to facilitate review of this Plan and should be read in conjunction with the technical definitions appearing in the Declaration and By-Laws, both of which appear in Part II of this Plan. Other important terms are explained by their context in the Plan. All defined terms in General Business Law Section 352-eeee shall have the same meaning herein as defined therein.

1. Board of Managers - The governing body of the Condominium elected by the Unit Owners, which will conduct the affairs and supervise the operation of the Property. The Board of Managers is sometimes referred to herein as the "Board." The Board consists of (i) "Residential Members" who are members elected by Residential Units Owners, including the Sponsor, and who comprise the "Residential Committee," and (ii) "Commercial Members" who are members elected by the Commercial Unit Owner, including the Sponsor, and who comprise the "Commercial Committee."

2. Building - The structure which contains the Residential and Commercial Units located at 421 Hudson Street, New York, New York and referred to in this Plan.

3. By-Laws - The document governing the operation of the Condominium, the form of which is set forth at Part II, Exhibit 6.

4. Commercial Limited Common Elements - Those portions of the Common Elements which serve or benefit the Commercial Unit Owner, and the use of which is limited to the Commercial Unit Owner exclusively.

5. Commercial Lobby - The lobby on the north side of the Building which provides access to the Commercial Section for the exclusive use of the Commercial Unit Owner, its tenants, sub-tenants, licensees, guests, invitees, employees and agents.

6. Commercial Unit - A part of the Property to be owned exclusively by a Unit Owner for commercial use when the Property is submitted to condominium ownership together with such unit's percentage interest in the Common Elements. Initially there will be one such Unit. To the extent the initial Commercial Unit is later subdivided, the singular term "Commercial Unit" as used herein shall be deemed to include any additional Commercial Units.

7. Commercial Section - The portion of the Building containing the Commercial Unit and Commercial Limited Common Elements.

8. Common Charges - As used herein, this term generally refers to and includes the General Common Charges, Residential Common Charges and Commercial Common Charges.

9. Common Elements - All portions of the Property other than the Units (Residential and Commercial), including without limitation the land, the roofs, walls and structural supports of the Building and certain other portions of the Building to be set aside for the common use of all Unit Owners as set forth in the Declaration. The Common Elements are subdivided into General Common Elements, Residential Limited Common Elements and Commercial Limited Common Elements, as defined herein.

10. Common Interest - The proportionate undivided interest in fee simple, expressed as a numerical percentage, in the Common Elements which is appurtenant to each Unit and is based upon the approximate proportion that the floor area of the Unit bears to the aggregate floor area of all the Units, but such proportion reflects the substantially exclusive advantages enjoyed by one or more but not all Units in a part or parts of the Common Elements. The aggregate Common Interest for all Units, including the Commercial Unit, is 100%. The percentage of Common Interest appurtenant to a Unit is the basis for the determination, among other things, of the following rights and duties of the Unit Owners: (a) voting rights; (b) share of General Common Expenses; (c) share of any distribution upon termination of the Condominium; and (d) share of expenses of the Limited Common Elements, the exclusive benefits of which are shared by the Unit.

11. Condominium Name - Printing House Condominium.

12. Counsel to Sponsor - Wien, Malkin & Bettex, 60 East 42nd Street, New York, New York 10165-0015.

13. Declaration - The recorded written instrument by which the Property will be submitted to the provisions of the Condominium Act, as such instrument may from time to time be amended. The form of Declaration is set forth herein at Part II, as Exhibit 5.

14. Effective Date - The date on which the Sponsor declares the Plan effective. See "Effective Date" at Part I, Section N.

15. Engineer - Luke Licalzi, P.E., P.C. 330 West 45th Street, York, New York 10036.

16. Floor Plans - The floor plans of the Building which will be filed with, and approved by, the Real Property Assessment Department of The City of New York and the Office of the City Register, New York County.

17. Force Majeure - Weather, floods, epidemics, quarantine restrictions, strikes, lockouts, acts of God, freight embargoes, shortages of or inability to obtain materials, equipment or labor, governmental restrictions or preemption, damage by fire or the elements or any other cause over which the Sponsor does not have any reasonable control.

18. General Common Charges - Charges imposed by and payable to the Board of Managers against all Unit Owners in order to pay the General Common Expenses. General Common Charges are based upon each Unit Owner's proportionate share of the Common Interest and consist of the "General Residential Common Charges" which are the Residential Unit Owners' pro rata share of the General Common Expenses and the "General Commercial Common Charges" which are the Commercial Unit Owner's pro rata share of the General Common Expenses.

19. General Common Elements - General Common Elements are all the Common Elements which are not Residential Limited Common Elements, Commercial Limited Common Elements, Special Residential Limited Common Elements or Special Commercial Limited Common Elements.

20. General Common Expenses - The costs and expenses associated with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to the General Common Elements, as determined by the Board of Managers.

21. Limited Common Elements - The general term used to refer to a Common Element appurtenant to a particular Unit or Units, the use of which is restricted to the owners of such Unit or Units. This term generally refers to and includes Residential Limited Common Elements, Commercial Limited Common Elements, Special Residential Limited Common Elements and Special Commercial Limited Common Elements.

22. Managing Agent - The entity which will manage the Property on behalf of the Board of Managers. The initial Managing Agent will be Orb Management Ltd.

23. Mews - The courtyard located between the ten story portion of the Building and the adjoining Townhouse

wing with an entrance on Leroy Street. The Mews will be a Residential Limited Common Element for the exclusive use of the Residential Unit Owners, their invitees and guests.

24. Permitted Encumbrances - Encumbrances affecting title to a Unit which a Purchaser agrees to take subject to, as set forth on the Deed contained herein at Part II, Exhibit 4.

25. Property - The land, the Building and other improvements thereon described in this Plan which comprise the Condominium, including the Residential and Commercial Units and the Common Elements.

26. Purchase Agreement - The Agreement to purchase a Residential Unit pursuant to the Plan, the form of which is set forth in Part II as Exhibit 2. A "Purchaser" is a bona-fide signatory to a Purchase Agreement.

27. Presentation Date - The date of completion of service of the Plan which will be the date of delivery if service is by personal delivery or on the fifth day after the day of mailing if service is by mailing.

28. Residential Common Charges - Charges imposed by and payable to the Board of Managers for Residential Common Expenses. Residential Common Charges are based on each Residential Unit's proportionate share of the Common Interest.

29. Residential Common Expenses - The costs and expenses associated with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the Residential Limited Common Elements.

30. Residential Limited Common Elements - Those portions of the Common Elements which serve or benefit the Residential Unit Owners, the use of which is limited to the Residential Unit Owners exclusively.

31. Residential Laundry Room - The room designated on the floor plans as a residential laundry room and containing washing machines and dryers. The Residential Laundry Room is located on the cellar level of the Building.

32. Residential Lobby - The lobby on the east side of the Building with an entrance on Hudson Street primarily for the use of Residential Unit Owners, their families, guests, tenants and employees and which provides access to the Residential elevators, and generally serves the Residential Section. The Residential Lobby may be used by the Commercial Unit Owner, its tenants and invitees.

33. Residential Section - The portion of the Building containing Residential Units and the Residential Limited Common Elements.

34. Residential Units - The residential apartments located in the ten story portion of the Building and those located in the adjoining Townhouse portion of the Building.

35. Selling Agent - Habitations Limited, Inc., 421 Hudson Street, New York, New York 10014.

36. Special Residential Limited Common Elements and Special Commercial Limited Common Elements - Limited Common Elements appurtenant to a particular Residential Unit or to the Commercial Unit, respectively, the use of which is restricted to the owner of such Unit, including such items as terraces and balconies. There are currently no Special Commercial Limited Common Elements designated.

37. Sponsor - Mountbatten Equities, a New York limited partnership with offices at 421 Hudson Street, New York, New York 10014. The term "Sponsor or its designee", "Sponsor or a designee of Sponsor" or similar terms, include Sponsor or any affiliate of Sponsor or any person or entity designated by Sponsor to act for or on behalf of Sponsor in connection with the Condominium and/or the Board of Managers and/or the Plan.

38. Townhouse Units - Units M1 through M8, located in the ten story portion of the Building, and units M9 through M13, located in the adjoining wing. All Townhouse Units front on the Mews.

39. Unit - A part of the Property to be owned exclusively by a Unit Owner for residential or commercial use when the Property is submitted to Condominium ownership. A Unit Owner will also own an undivided percentage interest in the Common Elements.

40. Unit Owner - The person or persons owning a Unit in fee simple. The owner of a Residential Unit shall be referred to as a "Residential Unit Owner" and the owners of Residential Units are collectively called "Residential Unit Owners." The owner of a Commercial Unit, and to the extent the Commercial Unit is subdivided, the owners of such additional Commercial Units, shall be referred to as the "Commercial Unit Owner." Residential Unit Owners and the Commercial Unit Owner may from time to time be referred to as "Unit Owner" or "Unit Owners."

41. Unsold Units or Unsold Residential Units - Any Residential or Commercial Unit, title to which has not been conveyed to a Purchaser by the Sponsor or a designee of Sponsor.

SECTION D. DESCRIPTION OF PROPERTY AND IMPROVEMENTS

1. The Building

Located at the southwest corner of Hudson and Leroy Streets in Manhattan, New York, the Building consists of a ten story building containing 179 Residential Units and one Commercial Unit with an adjoining wing containing 5 Residential Units. A more complete description of the Building is contained in Exhibit 1 of Part II of this Plan.

2. Residential Units

There are a total of 184 Residential Units (excluding one apartment occupied by the resident superintendent) with 171 Units located on floors 2 through 8 and 8 Units located on the 1st floor of the ten story portion of the Building and 5 Units located in the Townhouse portion of the Building.

3. The Commercial Unit

Initially there will be one Commercial Unit in the Condominium which will consist of space located in the subcellar and cellar, and on the 1st floor, 1st floor mezzanine, 9th floor and 10th floor, as shown on the Floor Plans.

4. Common Interest

Each Residential and Commercial Unit has appurtenant to it a proportionate undivided ownership interest in fee simple, expressed as a percentage, in the Common Elements of the Condominium (a "Common Interest") based upon the approximate proportion that the floor area of the Unit bears to the aggregate floor area of all Units, but such proportion reflects the substantially exclusive advantages enjoyed by one or more but not all Units in a part or parts of the Common Elements. Every Unit Owner will be responsible for his proportionate share of the General Common Expenses of the Condominium, based upon his Common Interest, and will have the same proportionate share of any common profits of the Condominium or any distribution upon termination or condemnation of the Condominium.

5. Common Elements

The Common Elements of the Condominium generally consist of the land on which the Building is located and all other parts of the Property except the Units (Residential and Commercial). For the purpose of allocating the cost of

maintenance and repair of certain portions of the Common Elements and the use thereof between the Residential Units and the Commercial Unit, the Common Elements are divided into the following sub-categories:

I. GENERAL COMMON ELEMENTS

Those portions of the Common Elements which serve or benefit all Unit Owners including without limitation the following:

A. All land, foundations, columns, girders, joists, beams and supports, including load bearing walls;

B. All roofs forming a part of the ten story portion of the Building except the portion of any roof designated as a terrace which shall be a Special Residential Limited Common Element or otherwise designated as a Commercial Limited Common Element;

C. All floor slabs, ceilings and all public halls, stairwells, fire passages and doors, landings and stairs, elevator shafts and equipment rooms (except those located within a Unit and those which are Residential Limited Common Elements or Commercial Limited Common Elements);

D. All walls and partitions separating a Unit from other Units or Common Elements located beyond the Unit side of the unexposed surface of the Unit walls and all exterior walls of the Building except (i) the portions thereof on the Unit side of such walls, or (ii) windows, or (iii) window frames or casements, or (iv) entrance doors from terraces and balconies;

E. All utility rooms, the porters' locker room and shower room, toilet facilities and superintendent's office and work rooms, if any (except rooms and spaces designated as Units or as Commercial or Residential Limited Common Elements);

F. The 8th floor attic and mechanical equipment spaces (as shown on the Floor Plans), the compactor room and underground utility room and all other central and appurtenant installations for services such as power, light, heat, telephone, cable television, gas, sewer, waste, hot and cold water, heat and compacting (including all pipes,

ducts, flues, chutes, wires, cables and conduits used in connection with any such service, whether located in Common Elements or in Units), and all other mechanical equipment spaces;

G. All tanks, pumps, motors, fans, compressors and control equipment (except pump and hot water heaters serving the fitness center and racquet ball club in the Commercial Unit which are Commercial Limited Common Elements);

H. The entranceways and exits of the Building except that (i) with respect to the Commercial Section, the Commercial Lobby and all corridors on the first floor mezzanine, 9th and 10th floors shall be a Commercial Limited Common Element, and (ii) with respect to the Residential Section the entranceway, corridors, canopy(s) and halls, the Residential Lobby and the corridors and halls on each floor above the 1st floor to and including the 8th floor, shall be Residential Limited Common Elements;

I. Apartment 325 shall be a General Common Element for use as the superintendent's apartment; and

J. All other areas of the Property and all other parts of the building and all apparatus, systems, equipment and installations in the Building or on the Property for the common use of the Units and Unit Owners or which are necessary or convenient to the existence, maintenance or safety of the Property.

II. RESIDENTIAL LIMITED COMMON ELEMENTS

Those portions of the Common Elements for the exclusive use of all Residential Unit Owners, their employees, guests, lessees, agents, invitees and residents ("Residential Limited Common Elements") which include:

A. The Residential Lobby and corridors on floors 2 through 8 of the Building including the entry vestibule adjacent to the elevator on each such floor and the intercom system located therein;

B. The Residential Laundry Room;

C. The elevators primarily serving the Residential Section; and

D. The Mews.

E. The windows, window frames, doors and door frames serving a Residential Unit.

III. SPECIAL RESIDENTIAL LIMITED COMMON ELEMENTS

Those portions of the Common Elements for the exclusive use of the Residential Unit Owners their employees, guests, lessees, agents, invitees and residents of the Units to whose Units they are appurtenant ("Special Residential Limited Common Elements") which include:

A. The roof terrace appurtenant to Units M9 through M13.

IV. COMMERCIAL LIMITED COMMON ELEMENTS

Those portions of the Common Elements for the exclusive use of the Commercial Unit Owners, their tenants, subtenants, licensees, employees, guests, agents and invitees ("Commercial Limited Common Elements") which include:

A. Windows, window frames, doors and door frames servicing a Commercial Unit;

B. The Commercial Lobby and all cellar and ground floor corridors serving only the Commercial Unit areas;

C. The elevator serving only the Commercial Unit; and

D. Those portions of the exterior facade and wall of the Building located adjacent to (and connecting with) that portion of the Commercial Unit extending from street level to the location of the Facade which is the same height as the ceiling of the first floor portion of the Commercial Unit, as shown on the Floor Plans; and

E. Those portions of the roof and 8th floor mechanical space designated on the Floor Plans as a Commercial Limited Common Element.

In general, the cost of maintaining and repairing the Common Elements shall be treated as an expense of the Unit Owner or Unit Owners receiving the benefits thereof or who otherwise have the exclusive use of such Common Elements. Accordingly, the cost of all painting, decorating, maintenance, repairs and replacements, whether structural or non-

structural, ordinary or extraordinary to the (i) General Common Elements shall be undertaken by the Board of Managers and shall constitute a General Common Expense, unless such work is necessitated by the negligence, misuse, or neglect of a particular Unit Owner in which event such expense will be charged to such Unit Owner, (ii) Commercial Limited Common Elements shall be undertaken by the Commercial Committee and shall constitute a Commercial Common Expense, unless such work is necessitated by the negligence, misuse, or neglect of a particular Unit Owner in which event such expense will be charged to such Unit Owner, (iii) Residential Common Elements shall be undertaken by the Residential Committee and shall constitute a Residential Common Expense unless such work is necessitated by the negligence, misuse or neglect of a particular Unit Owner in which event such expense will be charged to such Unit Owner, (iv) Special Residential Common Elements shall be undertaken by the Residential Unit Owner to whose unit such Special Residential Common Element is appurtenant at his sole cost and expense unless such work is necessitated by the negligence, misuse or neglect of another Unit Owner or necessitated by causes arising from the General Common Elements or Residential Limited Common Elements, respectively, in which event the cost and expense of such repair shall be charged to such other Unit Owner or constitute a General Common Expense or Residential Common Expense, respectively; and (v) to the extent any of the foregoing work is necessitated by the negligence, misuse or neglect of more than one Unit Owner, the cost of maintenance and repair shall be borne by such other Unit Owners in the proportion that their percentage interest in the Common Elements bears to the percentage interest in the Common Elements of all Unit Owners responsible therefor.

Until such time as Sponsor no longer owns any Residential Unit, the construction or furnishing of the Residential Lobby shall not be changed by the Residential Unit Owners or the Board of Managers without the prior consent of Sponsor.

6. Services and Amenities

These services and amenities have been provided for in the projected budget for the first year of condominium operation of the Residential Section. The decision to maintain the staffing and services in future years will be in the sole discretion of the Board of Managers, provided that the services afforded tenants of the Building on the date of consummation of the Plan may not be reduced or diminished without Sponsor's prior consent as long as any such tenant continues to occupy the Building. The foregoing services must be provided to tenants on a non-discriminatory basis

in accordance with the requirements of General Business Law Section 352-eeee.

(i) Elevator Service - Two automatic passenger elevators will operate 24 hours a day, seven days a week to serve the Residential Units. A separate automatic passenger elevator will serve the Commercial Unit. Such elevators are designated as Residential and Commercial Limited Common Elements, respectively. All deliveries and removals from Residential Units (except Unsold Units) must be made at such time and by such routes (corridors, elevators, Common Elements, etc.) as the Residential Committee shall from time to time reasonably determine. The Sponsor and Commercial Committee shall have the right to determine such reasonable times and routes with respect to the Unsold Units and the Commercial Unit, respectively. The Commercial Unit Owner, its lessees, invitees and guests may from time to time use the residential elevator when the commercial elevator is not operational for any reason.

(ii) Intercom - Each Unit has an intercom which connects directly with the doormen's desk in the Residential Lobby and with the entry vestibule on each respective residential floor and at the Mews gate.

(iii) Mail - All incoming mail will be delivered by a U.S. Postal Service employee directly to private mail boxes maintained for each Unit Owner. Mailboxes for all Unit Owners will be located in the Residential Lobby and the Commercial Unit Owner, its tenants and employees will be permitted to use the Residential Lobby for the purpose of gaining access to its mailbox and to receive deliveries and utilize other doorman services.

(iv) Laundry - The Residential Laundry Room containing coin-operated washing machines and dryers is located in the cellar, for the exclusive use of the Residential Unit Owners. The laundry equipment will be owned and serviced by an independent laundry vending machine operator from whom the Condominium will receive rent. See Note C to Schedule B contained in Section G of the Plan for further details concerning the operation of the Residential Laundry Room.

(v) Refuse Disposal - A trash chute is located on floors 2 through 8 of the Residential Section for all trash from Residential Units located thereon. Such chute leads to the compactor located on the 1st floor. Units M1 through M13 have individual trash compactors within the Unit and the Unit Owner will transport their refuse to the street for pick up by the City of New York.

(vi) Cable Television - Cable television is available to all Unit Owners through the locally designated franchise. The charges for installations and subsequent monthly usage will be determined by, and directly payable to, the cable company by each Unit Owner. Additional cable services may from time to time be available from the cable company at an additional cost to users.

(vii) Valet Service - Valet Service will be available from an independent valet operator. The rent paid by the valet will be applied to offset the Residential Common Expenses. Any Unit owner or tenant who uses such concession will be obligated to pay for the cost of such service directly to the valet operator. This service may not be available as of the first Unit closing.

SECTION E. LOCATION AND AREA INFORMATION

Location

The Building is located at the corner of St. Luke's Place at 421 Hudson Street, New York, New York. The Building is situated in Greenwich Village, in close proximity to SoHo and Tribeca, and is easily accessible to the Downtown and Midtown business districts. Public transportation is readily available within walking distance, subway stations are located at West Houston Street (#1) and at Avenue of the Americas (A, B, C, D, E & F lines). Bus service in all directions is also available within walking distance. PATH Train service is available from the Christopher Street Station. Public and private educational institutions of all levels (pre-school thru post-graduate) are conveniently located near the Building. Adult and continuing education is also provided at New York University, the New School for Social Research, Parsons School of Design and Benjamin N. Cardozo School of Law among others. Parks, playgrounds and recreational facilities are nearby. Many of the major banks operate branch offices near the Building. Houses of worship serving many denominations are located within walking distance of the Building. Emergency, in-patient and out-patient medial care is available at St. Vincent's Hospital and Medical Center of N.Y. located at Seventh Avenue and West 11th Street. Specialty and general shops and services are readily available and conveniently located.

Zoning and Use

The Property is currently zoned for manufacturing and commercial use as M1-5, but residential use is permitted by variance. The properties adjoining the Condominium to the north, south and west are zoned for manufacturing and commercial use.

PRINTING HOUSE CONDOMINIUM
421 HUDSON STREET
NEW YORK, NEW YORK

SCHEDULE A: Prices of Units & Related Information
Schedule of Purchase Prices & other Financial
Data for the First Year of Condominium Operation
(December 1, 1987 to November 30, 1988)

(A) UNIT #	(B) ROOMS/BATHS	(C) APPROX. AREA (SQ.FT.)	(D) PURCHASE PRICE TO NON-TENANTS, PURCHASERS	(E) PURCHASE PRICE TO TENANTS IN OCCUPANCY	(F) PERCENTAGE INTEREST IN COMMON ELEMENT	(G) ESTIMATED MONTHLY GENERAL COMMON CHGS.	(H) ESTIMATED MONTHLY RESIDENTIAL COMMON CHGS.	(I) ESTIMATED MONTHLY REAL ESTATE TAXES	(J) ESTIMATED MONTHLY TOTAL CHARGES	(K) ANNUAL TOTAL CARRYING CHARGES
201	3 / 1	832	$261,000	$242,730	0.0036	$158.57	$11.82	0	$170.39	$2,044.72
202*	3 / 1	725	$223,000	$207,390	0.0032	$138.18	$10.30	0	$148.48	$1,781.76
203*	4 / 2	1140	$355,000	$330,150	0.0050	$217.27	$16.20	0	$233.47	$2,801.66
204	3 / 2	912	$292,000	$271,560	0.0040	$173.82	$12.96	0	$186.78	$2,241.33
205	3 / 2	898	$290,000	$269,700	0.0039	$171.15	$12.76	0	$183.91	$2,206.92
206*	4 / 2	1279	$410,000	$381,300	0.0056	$243.76	$18.18	0	$261.94	$3,143.26
207	3 /1.5	912	$287,000	$266,910	0.0040	$173.82	$12.96	0	$186.78	$2,241.33
208	3 /1.5	898	$285,000	$265,050	0.0039	$171.15	$12.76	0	$183.91	$2,206.92
209*	4 / 2	1290	$411,000	$382,230	0.0056	$245.86	$18.33	0	$264.19	$3,170.30
210	3 / 1	912	$279,000	$259,470	0.0040	$173.82	$12.96	0	$186.78	$2,241.33
211*	3 / 1	898	$277,000	$257,610	0.0039	$171.15	$12.76	0	$183.91	$2,206.92
212	4 / 2	1315	$419,000	$389,670	0.0057	$250.62	$18.69	0	$269.31	$3,231.74
213*	3 / 1	804	$260,000	$241,800	0.0035	$153.23	$11.43	0	$164.66	$1,975.91
214	3 / 1	865	$270,000	$251,100	0.0038	$164.86	$12.29	0	$177.15	$2,125.82
215	3 / 1	803	$229,000	$212,970	0.0035	$153.04	$11.41	0	$164.45	$1,973.45
216	3 / 1	912	$263,000	$244,590	0.0040	$173.82	$12.96	0	$186.78	$2,241.33
217	4 / 2	1279	$377,000	$350,610	0.0056	$243.76	$18.18	0	$261.94	$3,143.26
218	3 /1.5	898	$268,000	$249,240	0.0039	$171.15	$12.76	0	$183.91	$2,206.92
219*	3 /1.5	912	$270,000	$251,100	0.0040	$173.82	$12.96	0	$186.78	$2,241.33
220*	4 / 2	1290	$379,000	$352,470	0.0056	$245.86	$18.33	0	$264.19	$3,170.30
221	3 / 1.5	898	$267,000	$248,310	0.0039	$171.15	$12.76	0	$183.91	$2,206.92
222	3 / 1.5	865	$256,000	$238,080	0.0038	$164.86	$12.29	0	$177.15	$2,125.82
223	4 / 2	1060	$309,000	$287,370	0.0046	$202.02	$15.06	0	$217.09	$2,605.05
224	3 /1.5	721	$216,000	$200,880	0.0031	$137.41	$10.25	0	$147.66	$1,771.93
225*	3 / 1	920	$283,000	$263,190	0.0040	$175.34	$13.08	0	$188.42	$2,260.99

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(A) UNIT #	(B) ROOMS/BATHS	(C) APPROX. AREA (SQ.FT.)	(D) PURCHASE PRICE TO NON-TENANTS PURCHASERS	(E) PURCHASE PRICE TO TENANTS IN OCCUPANCY	(B) PERCENTAGE INTEREST IN COMMON ELEMENT	(G) ESTIMATED MONTHLY GENERAL COMMON CHGS.	(H) ESTIMATED MONTHLY RESIDENTIAL COMMON CHGS.	(I) ESTIMATED MONTHLY REAL ESTATE TAXES	(J) ESTIMATED MONTHLY TOTAL CHARGES	(K) ANNUAL TOTAL CARRYING CHARGES
301	3 / 1	832	$262,000	$243,660	0.0036	$158.57	$11.82	0	$170.39	$2,044.72
302*	3 / 1	725	$224,000	$208,320	0.0032	$138.18	$10.30	0	$148.48	$1,781.76
303*	4 / 2	1140	$356,000	$331,080	0.0050	$217.27	$16.20	0	$233.47	$2,801.66
304	3 / 2	912	$293,000	$272,490	0.0040	$173.82	$12.96	0	$186.78	$2,241.33
305	3 / 2	898	$291,000	$270,630	0.0039	$171.15	$12.76	0	$183.91	$2,206.92
306	4 / 2	1279	$411,000	$382,230	0.0056	$243.76	$18.18	0	$261.94	$3,143.26
307*	3 /1.5	912	$288,000	$267,840	0.0040	$173.82	$12.96	0	$186.78	$2,241.33
308	3 /1.5	898	$286,000	$265,980	0.0039	$171.15	$12.76	0	$183.91	$2,206.92
309	4 / 2	1290	$413,000	$384,090	0.0056	$245.86	$18.33	0	$264.19	$3,170.30
310*	3 / 1	912	$280,000	$260,400	0.0040	$173.82	$12.96	0	$186.78	$2,241.33
311	3 / 1	898	$278,000	$258,540	0.0039	$171.15	$12.76	0	$183.91	$2,206.92
312	4 / 2	1315	$420,000	$390,600	0.0057	$250.62	$18.69	0	$269.31	$3,231.74
313	3 / 1	804	$261,000	$242,730	0.0035	$153.23	$11.43	0	$164.66	$1,975.91
314	3 / 1	865	$271,000	$252,030	0.0038	$164.86	$12.29	0	$177.15	$2,125.82
315*	3 / 1	803	$230,000	$213,900	0.0035	$153.04	$11.41	0	$164.45	$1,973.45
316	3 / 1	912	$264,000	$245,520	0.0040	$173.82	$12.96	0	$186.78	$2,241.33
317	4 / 2	1279	$388,000	$360,840	0.0056	$243.76	$18.18	0	$261.94	$3,143.26
318	3 /1.5	898	$269,000	$250,170	0.0039	$171.15	$12.76	0	$183.91	$2,206.92
319	3 /1.5	912	$271,000	$252,030	0.0040	$173.82	$12.96	0	$186.78	$2,241.33
320	4 / 2	1290	$380,000	$353,400	0.0056	$245.86	$18.33	0	$264.19	$3,170.30
321	3 / 1.5	898	$268,000	$249,240	0.0039	$171.15	$12.76	0	$183.91	$2,206.92
322	3 / 1.5	865	$257,000	$239,010	0.0038	$164.86	$12.29	0	$177.15	$2,125.82
323	4 / 2	1060	$310,000	$288,300	0.0046	$202.02	$15.06	0	$217.09	$2,605.05
324	3 /1.5	721	$217,000	$201,810	0.0031	$137.41	$10.25	0	$147.66	$1,771.93
325	3 / 1	Supt.								

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401	3 / 1	832	$263,000	$244,590	0.0036	$158.57	$11.82	0	$170.39	$2,044.72
402	3 / 1	725	$225,000	$209,250	0.0032	$138.18	$10.30	0	$148.48	$1,781.76
403	4 / 2	1140	$357,000	$332,010	0.0050	$217.27	$16.20	0	$233.47	$2,801.66
404*	3 / 2	912	$294,000	$273,420	0.0040	$173.82	$12.96	0	$186.78	$2,241.33
405	3 / 2	898	$292,000	$271,560	0.0039	$171.15	$12.76	0	$183.91	$2,206.92
406	4 / 2	1279	$412,000	$383,160	0.0056	$243.76	$18.18	0	$261.94	$3,143.26
407	3 /1.5	912	$289,000	$268,770	0.0040	$173.82	$12.96	0	$186.78	$2,241.33
408	3 /1.5	898	$287,000	$266,910	0.0039	$171.15	$12.76	0	$183.91	$2,206.92
409	4 / 2	1290	$416,000	$386,880	0.0056	$245.86	$18.33	0	$264.19	$3,170.30
410	3 / 1	912	$281,000	$261,330	0.0040	$173.82	$12.96	0	$186.78	$2,241.33
411	3 / 1	898	$279,000	$259,470	0.0039	$171.15	$12.76	0	$183.91	$2,206.92
412	4 / 2	1315	$421,000	$391,530	0.0057	$250.62	$18.69	0	$269.31	$3,231.74
413	3 / 1	804	$262,000	$243,660	0.0035	$153.23	$11.43	0	$164.66	$1,975.91
414*	3 / 1	865	$272,000	$252,960	0.0038	$164.86	$12.29	0	$177.15	$2,125.82
415*	3 / 1	780	$229,000	$212,970	0.0034	$148.66	$11.09	0	$159.74	$1,916.92
416	3 / 1	888	$263,000	$244,590	0.0039	$169.24	$12.62	0	$181.86	$2,182.35
417	4 / 2	1279	$389,000	$361,770	0.0056	$243.76	$18.18	0	$261.94	$3,143.26
418	3 /1.5	898	$270,000	$251,100	0.0039	$171.15	$12.76	0	$183.91	$2,206.92
419	3 /1.5	912	$272,000	$252,960	0.0040	$173.82	$12.96	0	$186.78	$2,241.33
420	4 / 2	1290	$381,000	$354,330	0.0056	$245.86	$18.33	0	$264.19	$3,170.30
421	3 / 1.5	872	$262,000	$243,660	0.0038	$166.19	$12.39	0	$178.59	$2,143.02
422	3 / 1.5	839	$255,000	$237,150	0.0037	$159.90	$11.92	0	$171.83	$2,061.92
423	4 / 2	1060	$311,000	$289,230	0.0046	$202.02	$15.06	0	$217.09	$2,605.05
424	3 /1.5	721	$218,000	$202,740	0.0031	$137.41	$10.25	0	$147.66	$1,771.93
425	3 / 1	920	$285,000	$265,050	0.0040	$175.34	$13.08	0	$188.42	$2,260.99

PRINTING HOUSE CONDOMINIUM
421 HUDSON STREET
NEW YORK, NEW YORK

SCHEDULE A: Prices of Units & Related Information
Schedule of Purchase Prices & other Financial
Data for the First Year of Condominium Operation
(December 1, 1987 to November 30, 1988)

(A) UNIT #	(B) ROOMS/BATHS	(C) APPROX. AREA (SQ.FT.)	(D) PURCHASE PRICE TO NON-TENANTS PURCHASERS	(E) PURCHASE PRICE TO TENANTS IN OCCUPANCY	(F) PERCENTAGE INTEREST IN COMMON ELEMENT	(G) ESTIMATED MONTHLY GENERAL COMMON CHGS.	(H) ESTIMATED MONTHLY RESIDENTIAL COMMON CHGS.	(I) ESTIMATED MONTHLY REAL ESTATE TAXES	(J) ESTIMATED MONTHLY TOTAL CHARGES	(K) ANNUAL TOTAL CARRYING CHARGES
501	3 / 1	832	$265,000	$246,450	0.0036	$158.57	$11.82	0	$170.39	$2,044.72
502	3 / 1	725	$227,000	$211,110	0.0032	$138.18	$10.30	0	$148.48	$1,781.76
503	4 / 2	1140	$359,000	$333,870	0.0050	$217.27	$16.20	0	$233.47	$2,801.66
504	3 / 2	912	$296,000	$275,280	0.0040	$173.82	$12.96	0	$186.78	$2,241.33
505	3 / 2	898	$294,000	$273,420	0.0039	$171.15	$12.76	0	$183.91	$2,206.92
506	4 / 2	1279	$414,000	$385,020	0.0056	$243.76	$18.18	0	$261.94	$3,143.26
507	3 /1.5	912	$291,000	$270,630	0.0040	$173.82	$12.96	0	$186.78	$2,241.33
508	3 /1.5	898	$289,000	$268,770	0.0039	$171.15	$12.76	0	$183.91	$2,206.92
509*	4 / 2	1290	$421,000	$391,530	0.0056	$245.86	$18.33	0	$264.19	$3,170.30
510	3 / 1	912	$283,000	$263,190	0.0040	$173.82	$12.96	0	$186.78	$2,241.33
511	3 / 1	898	$281,000	$261,330	0.0039	$171.15	$12.76	0	$183.91	$2,206.92
512	4 / 2	1315	$423,000	$393,390	0.0057	$250.62	$18.69	0	$269.31	$3,231.74
513*	3 / 1	804	$264,000	$245,520	0.0035	$153.23	$11.43	0	$164.66	$1,975.91
514	3 / 1	865	$274,000	$254,820	0.0038	$164.86	$12.29	0	$177.15	$2,125.82
515	3 / 1	803	$233,000	$216,690	0.0035	$153.04	$11.41	0	$164.45	$1,973.45
516	3 / 1	912	$267,000	$248,310	0.0040	$173.82	$12.96	0	$186.78	$2,241.33
517	4 / 2	1279	$391,000	$363,630	0.0056	$243.76	$18.18	0	$261.94	$3,143.26
518	3 /1.5	898	$272,000	$252,960	0.0039	$171.15	$12.76	0	$183.91	$2,206.92
519*	3 /1.5	912	$274,000	$254,820	0.0040	$173.82	$12.96	0	$186.78	$2,241.33
520	4 / 2	1290	$383,000	$356,190	0.0056	$245.86	$18.33	0	$264.19	$3,170.30
521	3 / 1.5	898	$271,000	$252,030	0.0039	$171.15	$12.76	0	$183.91	$2,206.92
522	3 / 1.5	865	$260,000	$241,800	0.0038	$164.86	$12.29	0	$177.15	$2,125.82
523	4 / 2	1060	$313,000	$291,090	0.0046	$202.02	$15.06	0	$217.09	$2,605.05
524	3 /1.5	721	$220,000	$204,600	0.0031	$137.41	$10.25	0	$147.66	$1,771.93
525	3 / 1	920	$287,000	$266,910	0.0040	$175.34	$13.08	0	$188.42	$2,260.99

SCHEDULE A: Prices of Units & Related Information
Schedule of Purchase Prices & other Financial
Data for the First Year of Condominium Operation
(December 1, 1987 to November 30, 1988)

PRINTING HOUSE CONDOMINIUM
421 HUDSON STREET
NEW YORK, NEW YORK

(A) UNIT #	(B) ROOMS/BATHS	(C) APPROX. AREA (SQ.FT.)	(D) PURCHASE PRICE TO NON-TENANTS PURCHASERS	(E) PURCHASE PRICE TO TENANTS IN OCCUPANCY	(F) PERCENTAGE INTEREST IN COMMON ELEMENT	(G) ESTIMATED MONTHLY GENERAL COMMON CHGS.	(H) ESTIMATED MONTHLY RESIDENTIAL COMMON CHGS.	(I) ESTIMATED MONTHLY REAL ESTATE TAXES	(J) ESTIMATED MONTHLY TOTAL CHARGES	(K) ANNUAL TOTAL CARRYING CHARGES
601	3 / 1	832	$267,000	$248,310	0.0036	$158.57	$11.82	0	$170.39	$2,044.72
602	3 / 1	725	$229,000	$212,970	0.0032	$138.18	$10.30	0	$148.48	$1,781.76
603	4 / 2	1140	$361,000	$335,730	0.0050	$217.27	$16.20	0	$233.47	$2,801.66
604	3 / 2	912	$298,000	$277,140	0.0040	$173.82	$12.96	0	$186.78	$2,241.33
605	3 / 2	898	$296,000	$275,280	0.0039	$171.15	$12.76	0	$183.91	$2,206.92
606	4 / 2	1279	$416,000	$386,880	0.0056	$243.76	$18.18	0	$261.94	$3,143.26
607	3 /1.5	912	$293,000	$272,490	0.0040	$173.82	$12.96	0	$186.78	$2,241.33
608	3 /1.5	898	$291,000	$270,630	0.0039	$171.15	$12.76	0	$183.91	$2,206.92
609*	4 / 2	1290	$425,000	$395,250	0.0056	$245.86	$18.33	0	$264.19	$3,170.30
610	3 / 1	912	$285,000	$265,050	0.0040	$173.82	$12.96	0	$186.78	$2,241.33
611	3 / 1	898	$283,000	$263,190	0.0039	$171.15	$12.76	0	$183.91	$2,206.92
612	4 / 2	1315	$425,000	$395,250	0.0057	$250.62	$18.69	0	$269.31	$3,231.74
613*	3 / 1	804	$266,000	$247,380	0.0035	$153.23	$11.43	0	$164.66	$1,975.91
614	3 / 1	865	$276,000	$256,680	0.0038	$164.86	$12.29	0	$177.15	$2,125.82
615	3 / 1	803	$247,000	$229,710	0.0035	$153.04	$11.41	0	$164.45	$1,973.45
616	3 / 1	912	$287,000	$266,910	0.0040	$173.82	$12.96	0	$186.78	$2,241.33
617	4 / 2	1279	$414,000	$385,020	0.0056	$243.76	$18.18	0	$261.94	$3,143.26
618	3 /1.5	898	$278,000	$258,540	0.0039	$171.15	$12.76	0	$183.91	$2,206.92
619	3 /1.5	912	$276,000	$256,680	0.0040	$173.82	$12.96	0	$186.78	$2,241.33
620	4 / 2	1290	$385,000	$358,050	0.0056	$245.86	$18.33	0	$264.19	$3,170.30
621	3 / 1.5	898	$273,000	$253,890	0.0039	$171.15	$12.76	0	$183.91	$2,206.92
622	3 / 1.5	865	$262,000	$243,660	0.0038	$164.86	$12.29	0	$177.15	$2,125.82
623	4 / 2	1060	$315,000	$292,950	0.0046	$202.02	$15.06	0	$217.09	$2,605.05
624	3 /1.5	721	$222,000	$206,460	0.0031	$137.41	$10.25	0	$147.66	$1,771.93
625	3 / 1	920	$289,000	$268,770	0.0040	$175.34	$13.08	0	$188.42	$2,260.99

PRINTING HOUSE CONDOMINIUM
421 HUDSON STREET
NEW YORK, NEW YORK

SCHEDULE A: Prices of Units & Related Information
Schedule of Purchase Prices & other Financial
Data for the First Year of Condominium Operation
(December 1, 1987 to November 30, 1988)

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
UNIT #	ROOMS/BATHS	APPROX. AREA (SQ.FT.)	PURCHASE PRICE TO NON-TENANTS PURCHASERS	PURCHASE PRICE TO TENANTS IN OCCUPANCY	PERCENTAGE INTEREST IN COMMON ELEMENT	ESTIMATED MONTHLY GENERAL COMMON CHGS.	ESTIMATED MONTHLY RESIDENTIAL COMMON CHGS.	ESTIMATED MONTHLY REAL ESTATE TAXES	ESTIMATED MONTHLY TOTAL CHARGES	ANNUAL TOTAL CARRYING CHARGES
701	3 / 1	832	$269,000	$250,170	0.0036	$158.57	$11.82	0	$170.39	$2,044.72
702	3 / 1	725	$231,000	$214,830	0.0032	$138.18	$10.30	0	$148.48	$1,781.76
703*	4 / 2	1140	$363,000	$337,590	0.0050	$217.27	$16.20	0	$233.47	$2,801.66
704	3 / 2	912	$300,000	$279,000	0.0040	$173.82	$12.96	0	$186.78	$2,241.33
705	3 / 2	898	$298,000	$277,140	0.0039	$171.15	$12.76	0	$183.91	$2,206.92
706	4 / 2	1279	$418,000	$388,740	0.0056	$243.76	$18.18	0	$261.94	$3,143.26
707	3 /1.5	912	$295,000	$274,350	0.0040	$173.82	$12.96	0	$186.78	$2,241.33
708	3 /1.5	898	$293,000	$272,490	0.0039	$171.15	$12.76	0	$183.91	$2,206.92
709	4 / 2	1290	$427,000	$397,110	0.0056	$245.86	$18.33	0	$264.19	$3,170.30
710	3 / 1	912	$287,000	$266,910	0.0040	$173.82	$12.96	0	$186.78	$2,241.33
711	3 / 1	898	$285,000	$265,050	0.0039	$171.15	$12.76	0	$183.91	$2,206.92
712*	4 / 2	1315	$427,000	$397,110	0.0057	$250.62	$18.69	0	$269.31	$3,231.74
713	3 / 1	804	$268,000	$249,240	0.0035	$153.23	$11.43	0	$164.66	$1,975.91
714*	3 / 1	865	$278,000	$258,540	0.0038	$164.86	$12.29	0	$177.15	$2,125.82
715	3 / 1	780	$246,000	$228,780	0.0034	$148.66	$11.09	0	$159.74	$1,916.92
716	3 / 1	888	$286,000	$265,980	0.0039	$169.24	$12.62	0	$181.86	$2,182.35
717	4 / 2	1279	$416,000	$386,880	0.0056	$243.76	$18.18	0	$261.94	$3,143.26
718*	3 /1.5	898	$294,000	$273,420	0.0039	$171.15	$12.76	0	$183.91	$2,206.92
719	3 /1.5	912	$278,000	$258,540	0.0040	$173.82	$12.96	0	$186.78	$2,241.33
720	4 / 2	1290	$387,000	$359,910	0.0056	$245.86	$18.33	0	$264.19	$3,170.30
721	3 / 1.5	872	$268,000	$249,240	0.0038	$166.19	$12.39	0	$178.59	$2,143.02
722*	3 / 1.5	839	$260,000	$241,800	0.0037	$159.90	$11.92	0	$171.83	$2,061.92
723	4 / 2	1060	$317,000	$294,810	0.0046	$202.02	$15.06	0	$217.09	$2,605.05
724	3 /1.5	721	$224,000	$208,320	0.0031	$137.41	$10.25	0	$147.66	$1,771.93
725*	3 / 1	920	$291,000	$270,630	0.0040	$175.34	$13.08	0	$188.42	$2,260.99

PRINTING HOUSE CONDOMINIUM
421 HUDSON STREET
NEW YORK, NEW YORK

SCHEDULE A: Prices of Units & Related Information
Schedule of Purchase Prices & other Financial
Data for the First Year of Condominium Operation
(December 1, 1987 to November 30, 1988)

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801*	4 /1.5	1037	$319,000	$296,670	0.0045	$197.64	$14.74	0	$212.38	$2,548.53
802	3 / 1	712	$251,000	$233,430	0.0031	$135.70	$10.12	0	$145.82	$1,749.81
803	5 / 2	1392	$476,000	$442,680	0.0061	$265.30	$19.78	0	$285.08	$3,420.97
804	3 / 2	1058	$362,000	$336,660	0.0046	$201.64	$15.04	0	$216.68	$2,600.14
805-06	6 / 2	2845	$1,184,000	$1,101,120	0.0124	$542.22	$40.43	0	$582.65	$6,991.86
807	3 /1.5	1144	$392,000	$364,560	0.0050	$218.03	$16.26	0	$234.29	$2,811.49
808-09	6 /3.5	2857	$1,189,000	$1,105,770	0.0124	$544.51	$40.60	0	$585.11	$7,021.35
810*	3 / 1	878	$301,000	$279,930	0.0038	$167.34	$12.48	0	$179.81	$2,157.77
811	3 / 1	853	$292,000	$271,560	0.0037	$162.57	$12.12	0	$174.69	$2,096.33
812*	4 / 2	1394	$486,000	$451,980	0.0061	$265.68	$19.81	0	$285.49	$3,425.89
813*	4 /1.5	1089	$350,000	$325,500	0.0047	$207.55	$15.48	0	$223.03	$2,676.32
814*	4 /1.5	1167	$382,000	$355,260	0.0051	$222.42	$16.59	0	$239.00	$2,868.01
815*	3 / 1	809	$278,000	$258,540	0.0035	$154.19	$11.50	0	$165.68	$1,988.19
816	3 / 1	915	$314,000	$292,020	0.0040	$174.39	$13.00	0	$187.39	$2,248.70
817	5 / 2	1556	$534,000	$496,620	0.0068	$296.55	$22.11	0	$318.67	$3,824.02
818	3 /1.5	1108	$379,000	$352,470	0.0048	$211.17	$15.75	0	$226.92	$2,723.02
819	3 /1.5	1144	$391,000	$363,630	0.0050	$218.03	$16.26	0	$234.29	$2,811.49
820	8 / 4	2646	$910,000	$846,300	0.0115	$504.29	$37.61	0	$541.90	$6,502.80
822	3 / 2	1150	$395,000	$367,350	0.0050	$219.18	$16.34	0	$235.52	$2,826.24
823	5 / 2	1233	$425,000	$395,250	0.0054	$234.99	$17.52	0	$252.52	$3,030.22
824*	3 /1.5	687	$243,000	$225,990	0.0030	$130.93	$9.76	0	$140.70	$1,688.37
825*	4 /1.5	1257	$339,000	$315,270	0.0055	$239.57	$17.86	0	$257.43	$3,089.20

PRINTING HOUSE CONDOMINIUM
421 HUDSON STREET
NEW YORK, NEW YORK

SCHEDULE A: Prices of Units & Related Information
Schedule of Purchase Prices & other Financial
Data for the First Year of Condominium Operation
(December 1, 1987 to November 30, 1988)

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M-1*	4 / 1.5	876	$335,000	$311,550	0.0038	$166.95	$12.45	0	$179.40	$2,152.85
M-2	4 / 1.5	876	$349,000	$324,570	0.0038	$166.95	$12.45	0	$179.40	$2,152.85
M-3	4 / 1.5	876	$349,000	$324,570	0.0038	$166.95	$12.45	0	$179.40	$2,152.85
M-4	4 / 1.5	876	$349,000	$324,570	0.0038	$166.95	$12.45	0	$179.40	$2,152.85
M-5	4 / 1.5	876	$349,000	$324,570	0.0038	$166.95	$12.45	0	$179.40	$2,152.85
M-6	4 / 1.5	876	$349,000	$324,570	0.0038	$166.95	$12.45	0	$179.40	$2,152.85
M-7	4 / 1.5	876	$349,000	$324,570	0.0038	$166.95	$12.45	0	$179.40	$2,152.85
M-8	4 / 1.5	876	$349,000	$324,570	0.0038	$166.95	$12.45	0	$179.40	$2,152.85
M-9	5/1.5RT	1240	$515,000	$478,950	0.0054	$236.33	$17.62	0	$253.95	$3,047.42
M-10	5/1.5RT	1240	$515,000	$478,950	0.0054	$236.33	$17.62	0	$253.95	$3,047.42
M-11	5/1.5RT	1240	$515,000	$478,950	0.0054	$236.33	$17.62	0	$253.95	$3,047.42
M-12	5/1.5RT	1240	$515,000	$478,950	0.0054	$236.33	$17.62	0	$253.95	$3,047.42
M-13*	5/1.5RT	1240	$515,000	$478,950	0.0054	$236.33	$17.62	0	$253.95	$3,047.42
RES.TOTALS		186,449	$60,571,000	$56,331,030	0.8115	$35,534.85	$2,649.84	0	$38,184.69	$458,216.27
C-1		43,323			0.1885	$8,256.82				
TOTAL		229,772	$60,571,000	$56,331,030	1.0000	$43,791.67	$2,649.84	0		

*NOTE: Vacant Apartments

Notes to Schedule A

A/B There are a total of 184 Residential Units located on floors 2 through 8 together with the Townhouse Units. The number of rooms has been calculated on the basis of one room for each living room, bedroom, kitchen or kitchenette and den.

C Crospective Purchasers should refer to the floor plans included in Part II, Exhibit 1 of this Plan for an approximation of the dimensions and layout of each Unit. However, each Unit should be inspected prior to purchase to determine its actual dimensions, layout and physical condition. The Sponsor shall not be responsible for any variance between the actual layout of the Unit and that depicted on the Floor Plans to the extent such variance could be revealed by a physical inspection of the Unit and is not a substantial deviation.

D The purchase price payable by non-tenant Purchasers may be increased only by duly filed amendment but may be decreased on an individual basis without amendment to the Plan. Any across-the-board change in the purchase price which affects a line or major grouping of apartments, or is to be advertised, will be made by duly filed amendment to the Plan. See "Changes in Prices and Units" in Section I.

E The purchase price payable by tenant-Purchasers is subject to change only by duly filed amendment to the Plan and will not be changed during the first ninety (90) days of this offering or during any other exclusive period for tenant-Purchasers.

Closing costs and adjustments will vary for each Unit and are not included in the purchase price. The estimated amounts of such costs and adjustments are discussed in Part I, Section P, "Closing Costs and Adjustments."

F The percentage interest in the Common Elements is based on the approximate proportion that the floor area of each Unit (Residential and Commercial), at the date of the Declaration will bear to the then aggregate floor area of all the Units (Residential and Commercial) in the Condominium, but such proportion shall reflect the substantially exclusive advantages enjoyed by one or more, but not all, Units in a part or parts of the Common Elements, in accordance with Section 339-i(1)(ii) of the Condominium Act. The total floor area of the Commercial Unit was calculated on the basis of the actual number of square feet in all parts of the Commercial Unit except

space located in the subcellar and cellar which was calculated at one-half of its actual area.

G General Common Charges are based upon the estimates contained in Schedule B. They do not include costs for which each Unit Owner is individually responsible, such as repair and decoration of the interior of the Unit (including painting), insurance for personal property within the Unit, or the cost of electricity for lighting, appliances and the heat pump compressor and fan, the cost of which electricity will be separately metered. General Common Charges payable by a Unit Owner, to the extent unpaid, shall constitute a lien upon the Unit which shall be subordinate to liens for real estate taxes and any first mortgage on the Unit. General Common Charges will initially be billed and collected on a monthly basis, subject to change by the Board of Managers to be elected by the Unit Owners.

H Certain expenses of the Condominium will be exclusive to the Residential Units as set forth in Schedule BB contained in Section G.

I Subsequent to the recording of the Declaration, each Unit will be taxed as a separate tax lot for real estate tax purposes. The conclusion that no real estate taxes will be paid by the Unit Owners during the first year of operation of the Property as a condominium as shown in Schedule A, was determined by Alfred Schimmel, ASA, a real estate appraiser engaged by Sponsor. This estimate of real estate taxes is based on Mr. Schimmel's estimate of the anticipated real estate assessment after conversion to condominium ownership and on the basis of certain continued tax exemptions and unused tax abatements granted to the Property pursuant to Section J-51-2.5 of the New York City Administrative Code. A more complete discussion of the J-51 tax benefits is contained in Section V. If a higher assessment is levied, or the abatement or exemption is not applicable, or applicable in a different amount, or the tax rates are increased above those which were estimated, or the Assessor's formula is changed, a Unit Owner's real estate taxes may be greater than the amounts shown in Schedule A. No warranty or guaranty can be made that the method of assessment, the amount of relief granted, or that future tax rates may not vary.

J The sum of columns G, H and I.

K The Estimated Monthly Total Charges on an annualized basis.

SECTION G. PROJECTED BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION.

SCHEDULE B

THE PRINTING HOUSE CONDOMINIUM

Projected Schedule of Income and Expenses for the First Full Year of Condominium Operation (December 1, 1987 to November 30, 1988)

Estimated Income	
General Residential Common Charges (A)	$430,490
General Commercial Common Charges (B)	95,010
Laundry Income (C)	12,000
TOTAL	$537,500
Estimated Expenses	
Salaries, Wages, Payroll Taxes & Benefits (1)	$175,000
Heating Fuel (2)	44,000
Electric & Gas (3)	125,000
Water & Sewer (4)	32,000
Telephone (5)	1,000
Building Repairs, Maintenance & Supplies (6)	30,000
Service Contracts (7)	4,000
Insurance (8)	56,500
Management Fees (9)	40,000
Accounting & Legal Fees (10)	10,000
Contingency (11)	20,000
TOTAL	$537,500

The accompanying Notes are an integral part of this schedule and should be read in conjunction herewith.

NOTES TO SCHEDULE B

The amounts listed herein are projected on the assumption that the first year of Condominium operation will be the 12 month period commencing December 1, 1987 and ending November 30, 1988. The actual first year of operation may be earlier or later than the projected first year of Condominium operation. If the projected commencement of the budget year differs by six months or more from the anticipated date of closing the first Residential Unit, the Offering Plan will be amended to include an updated budget with revised projections, if revised projections are necessary. If such revised projections in the aggregate exceed the original projections by 25% or more, Sponsor will offer all Purchasers the right, for a reasonable period of time, to rescind their Purchase Agreements and have their down payments refunded.

INCOME

A. General Residential Common Charges ($430,490)

This estimate represents the Residential Unit Owners' pro rata share of the General Common Expenses to be allocated between the Commercial Unit Owner and the Residential Unit Owners based upon their respective percentage interest in the Common Elements as described herein. Residential Unit Owners will also be responsible for the payment of Residential Common Charges as described in Schedule BB set forth in this Section G.

B. General Commercial Common Charges ($95,010)

This estimate represents the Commercial Unit Owner's pro rata share of the General Common Expenses to be allocated between the Commercial Unit Owner and the Residential Unit Owners based upon their respective percentage interest in the Common Elements as described herein.

C. Laundry Income ($12,000)

The Sponsor has entered into a lease of the Residential Laundry Room with Hercules Coinmatic Corp., an independent laundry machine operator, which will install and maintain 10 washing machines and 10 dryers. Such Company will pay to the Board of Managers, as rent, an amount equal to $12,000 per annum. The utility cost of operating the electric washing machines and the gas dryers will be treated as a General Common Expense and the Board of Managers will accordingly apply laundry income to offset General Common Expenses.

Notwithstanding the foregoing, there is no assurance that the actual income will be as estimated. If the income is less than estimated, General Common Charges may have to be increased.

EXPENSES

The following expenses are associated with the maintenance and operation of the General Common Elements and thus will be apportioned between the Commercial Unit Owner and the Residential Unit Owners on the basis of their respective Common Interest. Accordingly, the Residential Unit Owners will collectively pay 81.92% of the total amount of these expenses and the Commercial Unit Owner will pay 18.08% of the total amount of these expenses. The nature and amounts of the following costs involved in maintaining and operating the General Common Elements were projected by Marimar Management, Inc. based on its experience in managing comparable properties.

1. Salaries, Wages, Payroll Taxes & Benefits ($175,000)

The labor expenses are estimated on the basis of a non-union building staff consisting of (i) one resident superintendent, (ii) one full-time handyman, (iii) two full-time porters, (iv) one part-time porter providing 16 hours of service per week, and (v) four full-time doormen collectively providing daily 24-hour coverage. Payroll is based on a 55-week year for the resident superintendent, and on a 54-week year for all other full time building employees to allow for vacation, holiday, and sick pay. Additionally, overtime necessary to permit four doormen to provide 168 hours of coverage has been projected at 1 1/2 times their hourly rate. The budgeted labor figure includes FICA, Federal and State Unemployment Insurance, Workmens' Compensation Insurance, Disability Insurance, Hospitalization and Major Medical Insurance.

The budgeted amount also includes an allowance of $2,100 which is paid to the resident superintendent and is intended to offset the cost of electricity and telephone usage in connection with his occupancy of his apartment, which is a General Common Element.

Although the budgeted amount is believed to be reasonable, no guarantee can be given that various employment related taxes and benefits will not be increased.

2. Heating Fuel ($44,000)

The Units and Common Elements are heated by a condenser water loop system more fully described in Exhibit 1 to Part II. The oil-fired boiler uses #4 fuel oil. The estimate is based upon the consumption of 50,000 gallons per annum to (i) heat the public areas, lobbies, halls, (ii) provide heated water source for heat pump units in the individual Units, and (iii) provide hot water for domestic use, which is produced both by the boiler and the roof level solar collector panels.

The consumption and cost of #4 fuel oil actually used to provide heat and hot water at the Property during the previous three calendar years is as follows:

Year	Consumption	Costs
1986	55,619 gal.	$40,458
1985	49,500 gal.	52,083
1984	40,000 gal.	30,925

The budgeted amount is based upon a price of 88¢ per gallon for #4 fuel oil which is approximately 20% above the cost of such oil as of 1986, including sales tax. In view of the current energy situation, it is not possible to predict whether the budgeted amount will reflect the actual cost during the first year of operation as a condominium. Consumption will be affected by the severity of the weather and conservation measures, if any, adopted by the Board of Managers. Fluctuating oil prices and other factors may raise the cost substantially in excess of the projected rates. It is likely that fuel rates will increase in the future although it is not possible to predict when this will occur or the extent of any such fuel rate increase.

3. Electric and Gas ($125,000)

This item includes the cost of electricity for the public halls and building facilities (e.g., elevator, courtyard and exterior lighting, laundry rooms, cooling towers, pump motors and fans), as well as gas used for cooking in individual units, the operation of gas dryers in the laundry rooms, the pilot for the oil burner and hot water for the Commercial Section. It does not include electricity consumed within the Residential Units for such things as operating the fan and compressors in the air conditioning and heat pump units or in the Commercial Unit which are separately metered.

The amount and cost of electricity and gas consumed at the property, exclusive of electricity and gas directly

metered and charged to the commercial portion of the building, during the previous three (3) calendar years are as follows:

	Year	Consumption	Cost
Electric	1986	379,444 kwh	$ 59,399
	1985	828,000 kwh	107,179
	1984	842,648 kwh	111,420.
Gas	1986	4,444 ccf	$ 3,422
	1985	4,728 ccf	3,849
	1984	4,789 ccf	3,794

The budgeted amount was calculated using the average consumption of electricity and gas in calendar years 1984 and 1985 together with a 10% premium above the rates charged for each utility in mid - 1986.

Based upon the installation of a new electric meter and a discussion with a representative of Con Ed, it appears that the Sponsor is entitled to a refund as a result of overbilling by Con Ed for 1985 and prior years. Purchasers should note that any such refund will inure exclusively to the benefit of Sponsor.

In view of the current energy situation, it is not possible to predict with certainty whether the budgeted amount will reflect the actual costs during the first year of operation as a condominium. Increases in electricity rates are affected by increases in the price of fuel paid by Con Ed, among other factors. It is possible that electricity and gas rates will increase in the future. The cost of electricity used to heat the Residential Units is set forth in Schedule B-1 at the end of this Section G.

4. Water and Sewer ($32,000)

The budgeted figure was calculated on the basis of the 1986 actual water consumption together with a 9% premium above the rate then charged by the City of New York.

5. Telephone ($1,000)

The budgeted figure includes telephone equipment and service for use at the doorman's station and superintendent's office. It is estimated that this expense should not exceed $1,000 per year based upon present charges for this type of equipment and service.

6. Building Repairs, Maintenance and Supplies ($30,000)

The budgeted figure includes the cost of maintenance and repairs to all areas of the Building other than to the Units (including the heat pump unit) which is the responsibility of the individual Unit Owner. Such repairs include interior repairs to Building heating systems, plumbing and electrical work and exterior repairs to walls, the foundation and windows. The budgeted amount also includes painting of General Common Elements, supplies (e.g., cleaning, light bulbs, public fixtures, general hardware supplies, fees and permits). In addition to the foregoing, certain other expenses are attributable exclusively to the Residential Section and are provided for in Schedule BB appearing at the end of this Section G.

7. Service Contracts ($4,000)

The cost of the following services are included in the budget and are based on written proposals from the respective contractors:

Contractor	Nature of Service	Annual Cost
Thoro Exterminating	Exterminating	$ 1,624
Consolidated Water	Water and boiler treatment	2,000

The Sponsor will disclose any service contract which will be binding on the Board of Managers by duly filed amendment to the Plan.

8. Insurance ($56,500)

At or prior to the first closing of title to a Residential Unit, Sponsor will arrange for the following insurance coverage, with a $1,000 per occurrence deductible:

1. Property Coverage and Limits

Blanket Building ..... $ 18,000,000
Rental Value 2,400,000

Perils insured against:

All risk.

Valuation: Replacement cost with agreed amount

endorsement.

2. Liability Insurance:

a) $1,000,000 Comprehensive General Liability, Combined Single Limit, Bodily Injury, Broad Form Property Damage and Non-Owned and Hired Autos.
b) Directors and Officers liability - $1,000,000
c) Elevator Collision - $50,000
d) Water Damage Legal Liability - $100,000 ($3,000 deductible)
e) Umbrella liability - $5,000,000
f) Fidelity Bond - $250,000
g) Boiler & Machinery (Comprehensive Form) - $15,000,000

The annual premium for the above proposed coverage is approximately $56,500 per annum and is based on a quotation from Tannenbaum-Harber Co., Inc., dated January 14, 1987. In their opinion the coverage is adequate and appropriate for a condominium building of this size and type. It is possible that the cost of the proposed coverage may increase between the date hereof and the conveyance of the first Unit at which time the policy will actually be issued.

The annual cost of insurance described in this Section does not include Workmen's Compensation or Disability, which are included in the "Payroll Taxes and Benefits" item of the budget.

The blanket real property and personal property coverage and the general liability insurance are on terms that provide (i) each Unit Owner is an additional insured, (ii) there will be no cancellation without notice to the Board of Managers and to Unit Owners, and (iii) a waiver of subrogation and a waiver of invalidity because of acts of the insured or of Unit Owners. In addition, the real property coverage will be written subject to an agreed amount endorsement and will be valued at replacement cost, currently $18,000,000 (which amount does not include, among other items, the cost of land, excavation, foundation, interest on construction loan, cost of financing, architectural, engineering and legal fees, advertising expenses, sales commissions or Sponsor's profit) so that the Condominium will not be a coinsurer in the event of a casualty loss.

Although the cost of insurance is a General Common Expense, the Board of Managers shall have the right, pursuant to §339-bb of the Condominium Act, to charge the Commercial Unit Owner a greater percentage should the insurance premium

rate be higher based on the use or uses of the Commercial Unit.

Purchasers should note that this insurance does not include coverage for claims for personal injury or property damage resulting from occurrences within the Unit or coverage against loss of a Unit Owner's furnishings or other personal property. Purchasers are, therefore, advised to obtain additional insurance at their own expense to cover such other risks as: (i) fire and casualty losses to the Unit contents and any replacements, additions, upgraded fixtures or other improvements therein, and (ii) liability for personal injury or property damage arising out of occurrences within the Unit, or where applicable, within Limited Common Elements.

9. Management Fee ($40,000)

At or prior to the closing of title to the first Residential Unit, Sponsor will enter into a Management Agreement on behalf of the Board of Managers with Orb Management Ltd. for a term of three (3) years, subject to the right of the Board of Managers to terminate the Agreement after two (2) years. The annual fee to be charged by the managing agent will be $40,000 for the first year, $50,000 for the second year and $60,000 for the third year and is comparable to the fees charged by similar managing agents for comparable properties. The terms of the Management Agreement are described in Part I, Section Y. The sole shareholders of ORB Management Ltd. are Messrs. Chamberlin and Liberman, the general partners of Sponsor.

10. Accounting and Legal Fees ($10,000)

Accounting services to be provided include the cost of preparing the Condominium's annual tax returns, if any, and financial statements, and attendance by its accountant at the annual meeting of Unit Owners. The accounting fee of $6,000 is based on the written estimate of Lawrence Arnsten, CPA, 421 Hudson Street, New York, New York 10014. In addition, $4,000 has been budgeted for legal fees which may be incurred by the Condominium.

11. Contingency ($20,000)

This item is intended to provide for any unanticipated expenses or for possible increases in one or more budget items and is to be used in the discretion of the Board of Managers. This item does not include a reserve for future replacements or repairs should they be necessary.

SCHEDULE BB

Projected Budget for First Year of Condominium Operation for the Residential Section of the Printing House Condominium

Estimated Income

Residential Common Charges (A)	$ 31,800
Valet Rent (B)	1,200
TOTAL	33,000

Estimated Expenses

Repairs, Maintenance & Supplies (1)	$ 20,000
Service Contracts (2)	10,000
Contingency (3)	3,000
TOTAL	$ 33,000

NOTES TO SCHEDULE BB

INCOME

A. Residential Common Charges ($31,800)

Residential Common Charges will be paid solely by the Residential Unit Owners in addition to their proportionate share of the General Common Expenses. The Residential Common Charges paid by each Residential Unit Owner is based on the proportion that the percentage interest allocated to such Unit bears to the total percentage interest of all Residential Units.

B. Valet Rent ($1,200)

The Sponsor has entered into a five (5) year lease with Susan Geier and Larry Geier of a certain portion of the Residential Lobby and a certain portion of the basement area which they will use to operate a valet service. The lease commences June 1, 1987 and provides for annual rent to be paid to the Board of Managers in the amount of $1,200 for the first two years, $2,400 for the third year, $2,530 for the fourth year and $2,700 for the fifth year. Because the demised premises are part of the Residential Section, the

Board of Managers will apply rent received from the valet to offset Residential Common Expenses. The valet service is provided by an independent concessionaire and such service is not provided by Sponsor.

EXPENSES

1. Repairs, Maintenance & Supplies ($20,000)

For repairs, maintenance and supplies of the Residential Limited Common Elements including but not limited to the Residential Lobby, the two residential elevators, residential hallways, and intercom system.

2. Service Contracts ($10,000)

Gateway Elevator Co., Inc.: elevator service $6,020

The budgeted figure represents (i) the cost of the annual service fee pursuant to a written service contract with Gateway Elevator Co., Inc. for maintenance of the two (2) residential elevators, and (ii) an elevator maintenance reserve of $3,980. The Commerical Unit Owner will be responsible for the maintenance of the commercial elevator. The Sponsor will disclose any additional service contract which it may enter into by duly filed amendment to the Plan.

3. Contingency ($3,000)

The budgeted figure represents a reserve for unanticipated expenses and miscellaneous expenses not specifically included herein.

NOTE: The foregoing Schedules B and BB and Notes thereto, were prepared by Sponsor's expert, Marimar Management, Inc. In the opinion, of Marimar Management, Inc., the allocation of the General Common Expenses between the Residential Units and the Commercial Unit, as set forth in Schedule B, results in a fair and equitable distribution of the projected expenses for the first year of Condominium operation.

While Sponsor and its expert have attempted to make accurate estimates, such realities as inflation, changes in the economy and other unforeseen factors are likely to cause differences between the actual expenditures and the projections.

SCHEDULE B-1

Estimated Annual Cost of Electricity to Operate the Residential Unit Heat Pump Unit in Connection With Heating the Residential Unit

The Building has a central water-to-air heat pump system consisting of two (2) cooling towers, an oil-fired steam boiler and two (2) condenser water pumps with a water piping system, distributing to individual heat pumps for each unit (larger units may have several heat pumps). All units have a limited duct distribution providing the air-conditioning and heating.

The condenser water is maintained below 90°F (summer-time) and above 60°F (wintertime) so that the heat pumps can operate at maximum efficiency, year-round. During the fall, winter and spring seasons, those units with sunny exposures may require cooling for short periods. The heat rejection from these Units aids in maintaining the condenser water temperatures above 60°F, since the rest of the Building may require heating.

Commercial Units are connected to the system and when these spaces require cooling during the winter season, the added heat to the Building condenser water acts as an energy saving plus to the overall system.

APT. TYPE		ESTIMATED ANNUAL AVERAGE COST
TYPE 1		$ 475.00
UNIT TYPES: (Floors 2 through 7)	2, 4, 5, 7, 8, 10, 11, 15, 16, 18, 19, 21, 22, 23;	
UNITS:	802, 815, 816, 818, 819, 822	
TYPE 2		$ 636.80
UNIT TYPES:	13,24	
UNITS:	804, 805, 807 808, 810, 811, 823, 824	
TOWNHOUSE UNITS:	2 through 8	

SCHEDULE B-1 (continued)

APT. TYPE		ESTIMATED ANNUAL AVERAGE COST
TYPE 3		$ 714.00
UNIT TYPES: (Floors 2 through 7)	3, 6, 9, 14, 25, 17, 20;	
UNITS:	803, 813, 814, 817,	
TYPE 4		952.30
UNIT TYPE: (Floors 2 through 7)	01	
UNITS:	806, 809, 820	
TOWNHOUSE UNIT:	1	
TYPE 5		1,093.45
UNITS:	801	
TYPE 6		1,093.45
UNIT TYPE:	12	
UNIT:	825	
TOWNHOUSE UNITS:	9, 10, 11, 12, 13	

The foregoing cost summary was prepared by Cy Mills, P.E., a consulting engineer engaged by Sponsor and is excerpted from a report dated August 11, 1986. The complete report is available for review at the office of the Selling Agent.

SECTION H. ACOUNTANT'S CERTIFIED STATEMENT OF OPERATION

REILLY, DEANE & RABOY
CERTIFIED PUBLIC ACCOUNTANTS
60 EAST 42ND STREET
NEW YORK, N.Y. 10165

(212) 986-3667

BENJAMIN GOLDBERG, C.P.A.
JOSEPH E. SODIKOFF, C.P.A.
MARTIN M. APPELBAUM, C.P.A.

ABRAHAM M. RABOY, C.P.A.
1913-1977

To the Partners of:

Mountbatten Equities

We have examined the statement of income and expense of Mountbatten Equities for the year ended December 31, 1986. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the statement of operating income and expense referred to above presents fairly the results of the operations of Mountbatten Equities for the year ended December 31, 1986, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Reilly, Deane & Raboy

Reilly, Deane & Raboy

New York, New York
March 9, 1987

MOUNTBATTEN EQUITIES
STATEMENT OF INCOME AND EXPENSE
FOR THE YEAR ENDED DECEMBER 31, 1986

Income:	
Apartment rentals	$3,025,452
Commercial rental - Fitness Club	25,000
Interest and other	5,983
Total income	3,056,435
Expenses:	
Payroll and related expenses	230,209
Interest on mortgages	1,323,797
Heat, light and power	103,280
Water and sewer	20,647
Repairs and supplies	167,846
Management fee	183,027
Insurance	31,705
Renting expense	1,360
Professional fees	77,339
Office expense	16,913
Miscellaneous	8,427
Total expenses	2,164,550
Profit before amortization and depreciation	891,885
Amortization and depreciation	432,830
Net profit	$ 459.055

See notes to statement of income and expense.

MOUNTBATTEN EQUITIES
NEW YORK, NEW YORK
NOTES TO STATEMENT OF INCOME AND EXPENSE
DECEMBER 31, 1986

Note 1 - Business activity:

Mountbatten Equities, a New York limited partnership, owns the land and building located at 405-421 Hudson Street and operates the property as a residential apartment building. The general partners, Barnet Liberman and Winthrop Chamberlin, collectively represent an 80% interest in the partnership. The remaining 20% is owned by various limited partners.

In August 1986, the Company prepared an offering plan ("Red Herring") to convert the units in the building to condominium ownership. It was submitted to the New York State Department of Law, Real Estate Financing Bureau for approval.

Note 2 - Accounting policies:

The accompanying statement of income and expense was prepared on the accrual basis in accordance with generally accepted accounting principles.

Fixed assets are carried at cost and are depreciated over their estimated useful lives, principally using the 125% declining balance method.

Expenditures for improvements and betterments which materially increase the lives of the assets are capitalized. Expenditures for maintenance and repairs are expensed as incurred.

Income taxes were not provided in the accompanying statement since the Company, as a partnership, is not required to pay income taxes as an entity. The individual partners must include their respective share of partnership income in their individual tax returns.

Note 3 - Repairs and supplies:

Repairs and supplies for the year 1986 are as follows:

General repairs	$ 79,683
Painting	5,881
Air conditioning maintenance	17,357
Elevator maintenance	15,127
Supplies	49,798
	$167,846

Note 4 - Permanent financing:

The first mortgage loan payable to Lincoln Savings Bank was executed on March 9, 1981 in the amount of $6,800,000. The loan is for a period of 10 years and requires constant monthly payments of $68,000 including principal and interest at 10-1/2% per annum.

MOUNTBATTEN EQUITIES
NEW YORK, NEW YORK
NOTES TO STATEMENT OF INCOME AND EXPENSE
DECEMBER 31, 1986

Note 4 - Permanent financing (continued):

The second mortgage payable to Travelers Insurance Company was obtained on August 5, 1983 in the amount of $5,250,000. The loan is for a period of 7 years and requires constant monthly payments of $60,205 including principal and interest at 13.25% per annum.

On January 16, 1987, a consolidation and extension agreement was entered into with National Westminster Bank USA. The existing first and second mortgages were assigned by the mortgagee to the bank and consolidated into a new first mortgage in the amount of $11,743,049.

Note 5 - Partnership agreement:

Under the terms of the partnership agreement, 30 units of investment of $15,000 each were issued to 21 limited partners and $450,000 was contributed by those partners to the partnership. Contributed capital of $225,000 was returned to the limited partners in 1983.

The agreement calls for 90% of the net profits and losses to be allocated to the limited partners and 10% to the general partners. In the fiscal year in which the limited partners have first received total distributions equaling half of the amount of their capital contributions, profits and losses shall be allocated in the same proportions as they receive such cash distributions. Thereafter, net profits and losses shall be allocated 80% to the general partners and 20% to the limited partners. Against their 20%, limited partners shall receive priority on annual distributions by the partnership of 12% of a base of $225,000. Such priority distributions shall reduce the $225,000 base in succeeding years for computation of the 12% priority.

Note 6 - Additional information:

a) Management fees:

The Company incurs expenses for management fees from Orb Management, Ltd. The general partners of Mountbatten Equities are also officers of Orb Management, Ltd.

b) Fitness club:

Construction of a full facility roof-top health fitness club and a street-level racquetball/squash club was completed during 1984. The club is owned and operated by Printing House Recreation, Inc., which is wholly owned by the general partners of Mountbatten Equities. The initial period of the lease calls for an annual rental of $125,000 beginning January 1, 1984. However, an arrangement was made limiting the tenant's payment of $25,000, or 20% of the total (corresponding to the limited partners' pro-rata share of the tenant's annual rental). This amount is being distributed currently to the limited partners.

Note 6 - Additional information (continued):

c) Electricity expense:

It appears that there may be a refund due the Company for the year 1985 and prior in connection with possible overbilling of electricity by Con Edison. An agreement was made with Devit Utility Refunds, Inc., whereby they will examine and analyze utility bills for preceding years. Devit will receive 50% of all credits and refunds secured as a direct result of their work.

d) Real estate taxes:

The assessed value of the property for real estate tax purposes is $10,600,000 for the 1986/1987 fiscal year. However, there is no real estate tax expense because of exempt alterations and J-51 abatements.

REILLY, DEANE & RABOY
CERTIFIED PUBLIC ACCOUNTANTS
60 EAST 42ND STREET
NEW YORK, N.Y. 10165

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1913-1977

To the Partners of:

Mountbatten Equities

We have examined the statements of income and expenses of Mountbatten Equities for the years ended December 31, 1985, 1984 and 1983. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the statements of operating income and expenses referred to above present fairly the results of the operations of Mountbatten Equities for the years ended December 31, 1985, 1984 and 1983, in conformity with generally accepted accounting principles consistently applied.

Reilly, Deane & Raboy

Reilly, Deane & Raboy

New York, New York
March 21, 1986

MOUNTBATTEN EQUITIES
STATEMENT OF INCOME AND EXPENSES

	Year Ended December 31, 1985	1984	1983
Income:			
Apartment rentals	$3,301,205	$3,107,578	$2,846,099
Commercial rental - Fitness Club (Note 6)	25,000	25,000	-
Interest and other	5,898	10,416	24,587
Total income	3,332,103	3,142,994	2,870,686
Expenses:			
Payroll and related expenses	255,736	244,812	193,084
Interest on mortgages	1,345,874	1,365,813	1,440,488
Interest on loans	5,032	6,000	176,119
Heat, light and power	165,523	151,884	172,294
Water and sewer	26,955	26,200	15,075
Repairs and supplies (Note 3)	182,270	213,794	181,576
Management fee	199,588	187,945	170,766
Insurance	10,253	20,002	33,491
Renting expense	6,053	14,354	36,483
Professional fees	57,756	45,846	45,265
Office expense	10,668	18,351	19,027
Miscellaneous	6,877	4,361	11,726
Total expenses	2,272,585	2,299,362	2,495,394
Profit before amortization and depreciation	1,059,518	843,632	375,292
Amortization and depreciation	602,286	615,716	707,860
Net profit or (loss)	$ 457,232	$ 227,916	$(332,568)

See notes to statement of income and expenses.

MOUNTBATTEN EQUITIES
NEW YORK, NEW YORK
NOTES TO STATEMENT OF INCOME AND EXPENSES

Note 1 - Business activity:

Mountbatten Equities, a New York limited partnership, owns the land and building located at 405-421 Hudson Street and operates the property as a residential apartment building. The general partners, Barnet Liberman and Winthrop Chamberlin, collectively represent an 80% interest in the partnership. The remaining 20% is owned by various limited partners.

Note 2 - Accounting policies:

The accompanying statements of income and expenses were prepared on the accrual basis in accordance with generally accepted accounting principles.

Fixed assets are carried at cost and are depreciated over their estimated useful lives, principally using the 125% declining balance method.

Expenditures for improvements and betterments which materially increase the lives of the assets are capitalized. Expenditures for maintenance and repairs are expensed as incurred.

Income taxes were not provided in the accompanying statements since the Company, as a partnership, is not required to pay income taxes as an entity. The individual partners must include their respective shares of partnership income or loss in their individual tax returns.

Note 3 - Repairs and supplies:

Repairs and supplies consists of the following:

	Year Ended December 31, 1985	1984	1983
General repairs	$ 59,326	$ 75,418	$ 54,018
Painting	48,377	62,327	39,066
Air conditioning maintenance	14,931	6,435	-
Elevator maintenance	8,269	8,029	23,156
Supplies	51,367	61,585	65,336
	$182,270	$213,794	$181,576

Note 4 - Real estate taxes:

The operating statements show no real estate tax expense for the years 1983 through 1985. This is due to exemptions and abatements granted by the City in connection with the building's conversion to a residential premises.

Note 5 - Permanent financing:

The first mortgage loan payable to Lincoln Savings Bank was executed on March 9, 1981 in the amount of $6,800,000. The loan is for a period of 10 years and requires constant monthly payments of $68,000 including principal and interest at 10-1/2% per annum. The remaining principal and accrued interest is due and payable on April 1, 1991.

The second mortgage payable to Travelers Insurance Company was obtained on August 5, 1983 in the amount of $5,250,000. The loan is for a period of 7 years and requires constant monthly payments of $60,205 including principal and interest at 13.25% per annum. The remaining principal and accrued interest is due and payable on September 1, 1990.

Note 6 - Additional information:

The Company incurs expenses for management fees from Orb Management, Ltd. The general partners of Mountbatten Equties are also officers of Orb Management, Ltd.

Construction of a full facility roof-top health fitness center and a street-level racquetball/squash club was completed during 1984. The club is owned and operated by Printing House Recreation, Inc., which is wholly owned by the general partners of Equities. The initial period of the lease calls for an annual rental of $125,000 beginning January 1, 1984. However, an arrangement was made limiting the tenant's payment to $25,000, or 20% of the total (corresponding to the limited partners' pro-rata share of the tenant's annual rental). This amount is being distributed currently to the limited partners.

SECTION I. CHANGES IN PRICES AND UNITS

The offering price to be paid by tenants with respect to the Units they occupy will not increase during any applicable exclusive period. Each tenant-in-occupancy on the date the Department of Law accepts the Plan for filing will have the exclusive right to purchase the Residential Unit he occupies at the discounted Purchase Price To Tenants set forth in Schedule A in Section F, provided he signs a Purchase Agreement within ninety (90) days after the Plan is accepted for filing. After the expiration of the 90-day exclusive period, the purchase price payable by tenants-in-occupancy will be increased and be the same price as set forth in Schedule A as the Price To Non-tenants. The purchase prices payable by tenants-in-occupancy will not be changed during the first 90 days of this offering. The purchase prices set forth in Schedule A may be changed only by duly filed amendment to the Plan when the decrease or increase in price is an across-the-board change affecting one or more lines, or a major grouping of Units, or is to be advertised, or is an increase in price with respect to an individual Purchaser. The purchase prices payable by non-tenant Purchasers are subject to decrease on an individual basis without amendment to the Plan.

In order to meet the possible varying demand for number and type of Units, or to meet the particular requirements of a prospective Purchaser, or for any other reason, Sponsor reserves the right, at any time and from time to time, without prior notice or prior amendment to the Plan and without the consent of the Board of Managers or other Unit Owners, (i) to change the price (as set forth above), or the terms of sale (except as set forth in "Procedure to Purchase" in Part I, Section M), (ii) to make alterations, additions or improvements, structural or non-structural, ordinary and extraordinary, interior and exterior, in, to and upon any Unit it owns, (iii) to change the layout of or the number of rooms in any Unit, (iv) to change the size and/or number of Units by subdividing one or more Units into separate Units, combining separate Units into one or more Units, altering any boundary walls between Units, or otherwise, and (v) to reapportion among the Units affected by any such change, subdivision, combination or alteration, their appurtenant percentage interests in the Common Elements. No such change shall be made with respect to a Unit for which a Purchase Agreement has been accepted without the consent of the Purchaser thereof, provided such Purchaser is not in default thereunder. Purchasers of Units affected by any of the foregoing changes may pay more or less than other Purchasers under the Plan for similar Units.

Any change in the size or number of Units, their respective percentage of interest in the Common Elements or in the amount or quality of Common Elements will be disclosed in a duly filed amendment to the Plan.

After the Declaration of Condominium has been recorded, no change may be made in the number of Units or number of rooms within a Unit, nor may the size of any Unit be changed by subdivision or combination or alteration of boundary walls or otherwise, nor may the percentage interest in the Common Elements of a Unit or Units affected thereby be reapportioned, nor may a change in the amount or quality of Common Elements be made, unless the Declaration is amended and such amendment is duly recorded. Unless prohibited by law, Sponsor shall have the right, with the consent of any Unit Owner or Purchaser who is not in default under the terms of his Purchase Agreement and who is directly affected by such change, or without such consent if the Unit is owned by the Sponsor and there is no Purchase Agreement in effect or the Unit is the subject of a Purchase Agreement where the Purchaser is in default thereunder, to amend or cause the Board of Managers to amend the Declaration to reflect any such change, subdivision, combination or alteration and reapportionment of the percentage interests in the Common Elements or a change in the amount or quality of Common Elements directly affecting such Unit and to file such amendment and any necessary plans and maps in connection therewith.

SECTION J. RIGHTS OF EXISTING TENANTS

1. General

The rights of tenants-in-occupancy set forth in this Section are based upon the laws in effect on the date of presentation of the Plan. In the event such laws expire or are otherwise modified or repealed during this offering, Sponsor reserves the right to amend the provisions of this Plan relating to the rights of tenants in order to reflect any such change in the law. A copy of each amendment to this Plan reflecting a change in the law relating to the rights of tenants will be furnished to all tenants after acceptance of the amendment for filing.

In accordance with Section 352-eeee of the General Business Law (a copy of which appears as Exhibit 8 in Part II of this Plan) the following is a summary of the rights of tenants-in-occupancy:

(a) Each tenant-in-occupancy on the date the Department of Law accepts the Plan for filing will have the exclusive right for a period of ninety (90) days after the Plan is accepted for filing by the Department of Law to purchase the Residential Unit he occupies at the discounted Purchase Price To Tenants set forth in Schedule A. During this 90 day period the tenant's apartment shall not be shown to a third party unless he has in writing waived his right to purchase. A Purchase Agreement from a tenant-in-occupancy executed during an exclusive purchase period shall have priority over and pre-empt any Purchase Agreement from a non-tenant with respect to the apartment such tenant occupies. In addition, as more fully set forth in Section M, a tenant may also have certain rights to purchase a vacant Unit at a price less than the Price To Non-tenant Purchasers.

(b) Any bona fide tenant with the right to renew a lease on the date the Plan is accepted for filing has the right to purchase as a tenant during the exclusive period.

(c) Any bona fide tenant who has the right to continued occupancy on the date the Plan is accepted for filing has the right to purchase as a tenant during the exclusive period.

(d) For the purpose of determining who has the right to purchase during the exclusive 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 though the tenant has sublet his or her dwelling Unit or the dwelling Unit is not the tenant's primary residence.

(e) A residential occupant entitled to protection under Article 7C of the Multiple Dwelling Law has the right to purchase during the exclusive period.

(f) A bona fide sublessee in occupancy on the date the Plan is accepted for filing has the right to purchase during the exclusive period if he: (i) sublets from a non-bona fide tenant, or (ii) has obtained written permission to purchase his dwelling Unit from a bona fide tenant-of-record. Nothing herein shall be construed to deprive an owner of any legal remedy for illegal occupancy. A tenant who is a corporation, partnership (or otherwise not a natural person or individual) will have the right to purchase its own apartment.

(g) On the thirtieth (30th), sixtieth (60th), eighty-eighth (88th) and ninetieth (90th) day after the date of presentation of the Plan and every thirty (30) days thereafter until the Plan is declared effective or is abandoned, and on the tenth (10th) and second (2nd) day before the expiration of any exclusive purchase period provided in a substantial amendment to the Plan, the Sponsor shall file with the Department of Law a written statement under oath setting forth the percentage of Units in the Building for which Purchase Agreements have been executed by bona fide tenants-in-occupancy. In addition, before noon on the day such a statement is filed, the Sponsor will post a copy of such a statement in a permanent place accessible to all tenants in the Building. Copies of the statements referred to in this paragraph will be available for inspection at the office of the Selling Agent.

(h) Prospective Purchasers or their representatives will be allowed to physically inspect the premises during business hours.

If prior to the Effective Date of the Plan or the expiration of any exclusive period, whichever is later, the Sponsor amends the terms and conditions of the offering to be more favorable to prospective tenant-Purchasers, a tenant who was in occupancy on the date the Plan was presented and who executed and submitted a Purchase Agreement before the Sponsor amended the Plan shall benefit from the more favorable terms and conditions unless the tenant has assigned his lease, right to purchase, or Purchase Agreement prior to such amendment to the Plan. If there is a substantial amendment to the Plan during the initial exclusive right to purchase period, such period shall terminate at the later of thirty (30) days after presentation of the substantial amendment or the expiration of the original exclusive right to purchase period.

If the presentation of the substantial amendment occurs after the expiration of the initial exclusive right

to purchase period, but prior to the first closing of title by a tenant-in-occupancy, the substantial amendment must grant to all tenants who had the right to purchase during the initial period a new exclusive right to purchase their Unit only (if not previously purchased by another), on the terms offered in the amendment for a period of not less than thirty (30) days from the date of presentation.

If there is a substantial amendment to the Plan which adversely and materially affects the rights of a Purchaser, the Purchaser will have the right to rescind his Purchase Agreement for a period of not less than fifteen (15) days from the date of presentation of the Amendment by giving written notice to the Sponsor of his election to do so in accordance with the terms and times set forth in the amendment.

Non-purchasing tenants who reside in apartments subject to government regulations as to rentals and continued occupancy shall continue to be subject thereto. The rentals of non-purchasing tenants who reside in apartments not subject to government regulations as to rentals and continued occupancy, and non-purchasing tenants who reside in apartments with respect to which government regulations as to rentals and continued occupancy is eliminated or becomes inapplicable after the Plan has been accepted for filing by the Department of Law shall not be subject to unconscionable increases beyond ordinary rentals for comparable apartments during the period of their occupancy. In determining comparability, consideration shall be given to such factors as building services, level of maintenance and operating expenses. Complaints of unconscionable rent increases proscribed by law may be referred to the N.Y. State Department of Law, Real Estate Financing Bureau, 120 Broadway, New York, N.Y.

See "Obligations Of Owners Of Units Occupied By Non-Purchasing Tenants" at Section K for a discussion of the rights of a non-purchasing tenant to receive all services and facilities required by law on a non-discriminatory basis and protection against interruption or discontinuance of services or harassment.

The By-Laws of the Condominium provide that non-purchasing tenants will be notified of any change in the ownership of the apartment they occupy.

The Plan may not be amended at any time to provide that it shall be an eviction plan. The rights granted under the Plan to Purchasers and to non-purchasing tenants may not be abrogated or reduced notwithstanding any expiration of or amendment to Section 352-eeee of the General Business Law.

PURCHASE AGREEMENTS ARE NOT ASSIGNABLE OR OTHERWISE TRANSFERABLE.

Purchasers of apartments occupied by tenants should consult their attorneys with respect to their rights and obligations.

2. Status of Rent During Possession

So long as a non-purchasing tenant has the right to remain in possession of his apartment, his rent shall continue to be subject to the provisions of the Rent Stabilization Law and the Emergency Tenant Protection Act, whichever is applicable. However, non-purchasing tenants will be subject to any increase in rent permitted by applicable laws or regulations including an increase which results from capital improvements made in the particular Unit in which he resides by the Sponsor, the Board of Managers or the Unit Owners.

As more fully set forth in Section V of the Plan, the Property currently receives the benefits of certain tax abatements and exemptions pursuant to Section 11-243 (formerly Section J51-2.5) of the Administrative Code of the City of New York (the "Code"). The Rent Stabilization Law, codified as Title 26, Chapter 4 §26-50 et. seq. of the Code, currently provides that a dwelling unit in a building which is subject to the Rent Stabilization Law by virtue of its receiving the benefits of Section 11-243 of the Code shall remain subject thereto:

> ... until the occurrence of the first vacancy of such unit after such benefits are no longer being received or if each lease and renewal thereof for such unit for the tenant in residence at the time of the expiration of the tax benefit period has included a notice in at least twelve point type informing such tenant that the unit shall become subject to deregulation upon the expiration of such tax benefit period and states the approximate date on which such tax benefit period is scheduled to expire, such dwelling unit shall be deregulated as of the end of the tax benefit period; provided, however, that if such dwelling unit would have been subject to this chapter or the emergency tenant protection act of nineteen seventy-four in the absence of this subdivision, such dwelling unit shall, upon the expiration of such benefits, continue to be subject to this chapter or the emergency tenant protection act of nineteen seventy-four to the same extent

and in the same manner as if this subdivision had never applied thereto. [§26-504(c)]

The Sponsor acknowledges that as of the date hereof, none of the leases or lease extensions executed by Sponsor for apartments at the Building have contained such a notice. Non-purchasing tenants should note that the New York State Legislature or the New York City Council may amend this provision of the Administrative Code at any time and thereafter a non-purchasing tenant may cease to be protected by the provisions of the Rent Stabilization Law.

3. Relocation Allowance

The Sponsor will pay an amount equal to $150 for each .0001% interest in the Common Elements allocated to a Unit (the "Relocation Allowance;" for example, the Relocation Allowance payable to the tenant of Unit 201, subject to the following limitations, is equal to $5,550) to any bona fide tenant-in-occupancy who agrees to vacate his apartment and the Building within ninety (90) days from the Presentation Date of the Plan, and who has not previously advised Sponsor of his intention to, or has not entered into a settlement or been subject to a court order to vacate his apartment (an "Eligible Tenant") provided that such Eligible Tenant complies with the following conditions:

(i) The Eligible Tenant notifies Sponsor, in writing, of his election to receive the Relocation Allowance within thirty (30) days from the Presentation Date by executing and delivering by hand or sending by Certified Mail, Return Receipt Requested (in which case notice is deemed given when received) to the Office of the Selling Agent, the "Lease Termination Agreement," in the form contained as Exhibit 10 to Part II of the Plan acknowledging such tenant's agreement to surrender possession of the apartment and relinquishing all rights of tenant to purchase the Unit;

(ii) Within ninety (90) days from the Presentation Date, the Eligible Tenant and all persons residing in the apartment shall vacate and surrender possession of the apartment to Sponsor, in broom clean condition, with all appliances, fixtures and equipment in a good state of repair and with all personal belongings, furniture, furnishings, wall coverings and decorations removed, and free of all tenants, occupants and rights of others to possession;

(iii) At the time of surrender, the Eligible Tenant shall (a) deliver to Sponsor all keys to the apartment's outer door locks, and (b) have paid all rent and other sums, if any, due under this lease or tenancy and shall have otherwise fully performed and complied with all obligations of his lease or tenancy;

(iv) All representations, warranties and covenants made by the Eligible Tenant in the Lease Termination Agreement shall be true and accurate on the date made and at the time of surrender of possession; and

(v) The Eligible Tenant shall permit his apartment to be shown to prospective purchasers from time to time, during reasonable hours and on not less than one day's prior notice which need not be in writing.

If the foregoing conditions are met, then at such time as the Eligible Tenant surrenders possession of his apartment, (a) the Relocation Allowance will be paid to the Eligible Tenant, (b) the rent shall be appropriately apportioned as of the date of surrender; and (c) Sponsor shall return to the Eligible Tenant his unapplied rent security deposit, if any, together with any interest earned thereon. Thereafter, the tenant shall have no further right to purchase the Unit or to continue to occupy the Unit.

Each Eligible Tenant should consult with his attorney or tax advisor concerning the possible tax consequences and income tax treatment of the Relocation Allowance.

4. Option to Purchase Vacant Units

At such time as all persons entitled to service of a copy of the Plan have been served in accordance with the requirements of Law, a bona fide tenant-in-occupancy on the Presentation Date of the Plan may elect to purchase any vacant Unit in the Building in lieu of his own Unit at a price less than the Purchase Price To Non-Tenants on a non-exclusive, first-come-first-served basis (as evidenced by receipt of notice by the Selling Agent as herein provided), provided that the prospective tenant-Purchaser (i) is not in default under his existing lease, (ii) notifies the Selling Agent in writing, delivered personally by the tenant-purchaser and received no later than thirty (30) days from the Presentation Date, that he wishes to elect such substitution (which notice will be reciepted to show the time and date of receipt), (iii) executes a Purchase Agreement for the Residential Unit he elects to purchase and returns it to the Selling Agent within ten (10) days from the date he receives the Purchase Agreement together with the down payment in an amount equal to $1,000, and (iv) agrees to surrender possession of his existing apartment and to enter into an interim lease of the Residential Unit to be purchased upon not more than thirty (30) days prior written notice from Sponsor and upon execution of such lease, to deliver a further down payment so that the total down payment is equal to 10% of the applicable purchase price.

The applicable purchase price of such a Unit will be equal to the "Purchase Price To Non-Tenants" for the Unit to be purchased, less the difference between the "Purchase Price to Non-Tenants" of the tenant's current apartment and the "Purchase Price To Tenants" of the tenant's current apartment (the "Tenant Exchange Amount"). To the extent the Tenant Exchange Amount is increased prior to the Effective Date by virtue of an amendment to the Plan, the purchase price will be further reduced by such additional amount. In no event, however, will the price of a vacant Unit to tenant be less than the then "Purchase Price To Tenants" for the Unit to be purchased.

In addition to the foregoing, at such time as all persons entitled to service of a copy of the Plan have been served in accordance with the requirements of law, a bona fide tenant-in-occupancy who purchases his own Unit or a vacant Unit in lieu of his own Unit shall have the exclusive right to purchase any vacant adjacent Unit for combination, provided the vacant unit has not already been purchased, on a first-come-first-served basis (as evidenced by receipt of a Purchase Agreement therefor by the Selling Agent), at the Purchase Price to Non-Tenants, for a period not to exceed thirty (30) days from the Presentation Date. Any tenant-Purchaser desiring to exercise this option shall execute and personally deliver a Purchase Agreement for the vacant Unit (which shall be receipted to show the time and date of receipt), together with the requisite down payment, to the office of the Selling Agent within such 30 day period. For purposes of this paragraph, an adjacent Unit shall mean a Unit located on the same floor and directly next to the tenant's current Unit. Any combination of Units shall be made at the sole cost and expense of the Unit Owner, subject to applicable laws and compliance with applicable Rules and Regulations of the Board of Managers.

For purposes of the foregoing rights of tenants to purchase vacant Units, the model apartments and sales offices shall not be included.

SECTION K. OBLIGATIONS OF OWNERS OF UNITS OCCUPIED BY NON-PURCHASING TENANTS

A Purchaser of a Residential Unit occupied by a non-purchasing tenant will purchase subject to the terms and conditions of the existing lease or tenancy. Copies of all leases in effect on the date of presentation of the Plan will be made available at the office of the Selling Agent for examination by prospective Purchasers. A non-tenant Purchaser who acquires title to a Unit occupied by a non-purchasing tenant will be entitled to receive all rent payable by the occupant and will be required to pay the Common Charges and real estate taxes for his Unit regardless of whether such Common Charges and taxes are greater or less than the rent received from the tenant-in-occupancy. Such Purchaser will also be responsible for all obligations of the landlord under the lease or tenancy pursuant to the Rent Stabilization Law including the obligation to repair, replace and maintain the plumbing fixtures, refrigerator, range, light fixtures and other appliances and equipment in the Unit as well as to paint the Unit. The Purchaser will be obligated to hold the tenant's security deposit pursuant to General Obligations Law Section 7-103, and may be required to join the Rent Stabilization Association of New York City, Inc. (or any successor organization). Under present law, the Residential Unit will no longer be subject to any form of rent regulation after the Unit is vacated by the original non-purchasing tenant.

Non-occupant Purchasers will be obligated to comply with (i) Section 352-eeee of the New York General Business Law and the Condominium By-Laws which provide that all apartments occupied by non-purchasing tenants must be managed by the same managing agent who manages all other apartments in the Building, and which managing agent is required to provide to non-purchasing tenants all services and facilities required by law on a non-discriminatory basis, and (ii) the Multiple Dwelling Law and the Administrative Code of the City of New York. The level of services and quality of facilities mandated by such laws and regulations may exceed the services and facilities to be provided by the Board of Managers to the Residential Unit Owners, who individually are responsible for maintaining and repairing the interiors of their own Units. Any non-occupant Purchaser, other than the Sponsor or its designee, will be required to pay to the managing agent at the time of closing, an amount equal to two months rent then being collected from the non-purchasing tenant, which amount will be used as a working capital fund for the purpose of furnishing services to the Unit for which the fund was posted, as required by the General Business Law. Upon notice from the managing agent that the deposit has been or is about

to be exhausted, a non-occupant Purchaser must replenish the fund upon five (5) days written notice. A non-purchasing tenant who vacates his apartment because of a course of conduct, including but not limited to interruption or discontinuance of essential services which substantially interferes with or disturbs the comfort, repose, peace or quiet of such tenant in his use or occupancy of his apartment or the facilities related thereto, may apply to the Real Estate Financing Bureau of the Department of Law of the State of New York, 120 Broadway, New York, New York, for a determination that such conduct does exist or has taken place, and in the appropriate case, the Attorney General may apply to a court of competent jurisdiction for an order restraining such conduct and also restraining the Unit Owner from selling the Residential Unit. In such event, the person, persons or entity against whom the Attorney General may apply for a restraining order will have an opportunity to contest such application before the same court in which the Attorney General makes his application. All litigation costs, fees and dues related to the tenancy are the sole responsibility of the Purchaser of the Residential Unit occupied by a tenant against whom the litigation is brought.

Within five (5) days from the date of transfer of title of the Residential Unit by the holder of the Unsold Unit, the managing agent will in writing notify the non-purchasing tenant of the name and address of the new Unit Owner.

Purchasers of Residential Units occupied by tenants should consult their attorneys with respect to their rights and obligations.

SECTION L. INTERIM LEASES

The Sponsor reserves the right prior to the closing of title to each Residential Unit to rent on such terms as it deems desirable any Unit becoming vacant between the Presentation Date and the Consummation Date (except Units for which Purchase Agreements shall have been executed); provided, however, that the new rent will not exceed the maximum rent permissible by law. In addition, Sponsor may require a non-tenant Purchaser to enter into a lease of the Residential Unit for which he has signed a Purchase Agreement, if such Unit is vacant or thereafter at such time as the Unit becomes vacant and the rent to be charged is not in excess of the maximum rent permissible by law. For any Purchaser/lessee, an uncured default under his Purchase Agreement will constitute a default under his lease and a default under his lease will constitute a default under his Purchase Agreement.

If an alleged default under the lease can result in a default under the Purchase Agreement before the Sponsor may utilize the default under the lease to declare a default under the Purchase Agreement, either (i) the Sponsor must obtain an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the lessee, or (ii) the lessee must have vacated the Unit.

After a default under his Purchase Agreement or after rescission of his Purchase Agreement in the event he becomes entitled to rescind, any tenant to whom the Sponsor rents a Unit under this Section will be required to vacate the Unit within ninety (90) days after receipt of notice from the Sponsor of such default or the giving of notice to Sponsor of such intention to rescind. Any tenant in good standing under the terms of his interim lease will be subject to the Rent Stabilization Law and Emergency Tenant Protection Act and will be entitled to remain as a tenant entitled to the protection and benefits of the Rent Stabilization Law in the event the Plan is abandoned.

The provisions of this Section L shall apply to tenant-Purchasers who purchase Units in lieu of their own Unit or adjacent Units in addition to their own Unit.

SECTION M. PROCEDURE TO PURCHASE

1. General

A tenant desiring to purchase his own Residential Unit will be required to execute a Purchase Agreement in triplicate in the form contained as Exhibit 2 to Part II of the Plan and return it to the Selling Agent at 421 Hudson Street, New York, New York 10014, together with (i) a check in the amount of $1,000, drawn to the order of "421 Hudson Street Special Account" representing the down payment, and (ii) an executed New York State Gains Tax Transferee Questionnaire and any other forms which may be required to comply with Article 31-b of the Tax Law of the State of New York. The foregoing must be received by the Selling Agent within the applicable period set forth in Section J entitled "Rights of Existing Tenants," in order to assure the tenant-Purchaser of the benefit of the discounted Purchase Price To Tenants set forth in Schedule A.

Any person other than a tenant interested in purchasing a Residential Unit in the Building may apply at the office of the Selling Agent for a copy of the Plan. Upon receipt of the Plan, a prospective Purchaser must tender $100 by check payable to the order of "Printing House Offering Plan Account." The deposit is a non-binding expression of interest and does not constitute a reservation or obligation. The $100 deposit will be fully refunded, without interest, upon return of the Plan in good condition by Purchaser to the Selling Agent within thirty (30) days of Purchaser's receipt thereof or upon execution of a Purchase Agreement, whichever is earlier.

Any non-tenant desiring to purchase a Residential Unit shall follow the procedure described above, except that the down payment shall be equal to 10% of the purchase price of the Unit. Such Purchase Agreement will not be binding upon Sponsor until a copy executed by Sponsor, or its agent, is delivered to Purchaser. If a copy executed by Sponsor, or its agent, is not delivered to Purchaser within thirty (30) days after the date it has been signed by Purchaser and delivered to the Selling Agent, the Purchase Agreement will be deemed cancelled, Purchaser will have no liability thereunder and all monies paid by Purchaser, with interest earned thereon, if any, will be refunded to him within sixty (60) days of the date the Purchase Agreement was delivered to the Selling Agent. For this purpose, a Purchase Agreement executed by Sponsor shall be deemed "delivered to Purchaser" when mailed by Certified Mail, Return Receipt Requested. The Sponsor reserves the right to request thorough identifi-

cation and financial information concerning prospective Purchasers, subject to applicable limitations of law.

Purchasers will be afforded not less than three (3) business days to review the Plan and all filed amendments thereto prior to executing a Purchase Agreement.

The rights of a Purchaser under the Purchase Agreement are not assignable or otherwise transferable.

The balance of the purchase price is to be paid at closing by personal certified check or official bank check drawn on a New York City bank which is a member of the New York Clearing House Association payable to the order of "Mountbatten Equities" or its designee.

2. Financing

Upon the execution and delivery of the Purchase Agreement to the Selling Agent, the Purchaser shall elect whether payment of the balance of the purchase price due at closing will be by (i) cash, (ii) proceeds of a mortgage loan made by an institutional lender, or (iii) proceeds of a mortgage loan made by Sponsor.

If a Purchaser who has elected to obtain a mortgage loan from an institutional lender fails to receive a mortgage loan commitment letter from the lender of Purchaser's choice within 45 days from the date of delivery by the Sponsor of his executed Purchase Agreement, then Sponsor agrees to either (i) make the mortgage loan itself on the terms set forth herein, or (ii) obtain on Purchaser's behalf a commitment for such loan from another lending institution upon substantially the same terms as offered by Sponsor.

The Sponsor offers financing to any Purchaser on the terms described herein. The form of Note and Mortgage for sponsor-financing are set forth as Exhibit II to the Form of Purchase Agreement set forth as Exhibit 2 to Part II of this Plan. A mortgage loan made by Sponsor will be for a term of three (3) years with interest only payable monthly at the rate of twelve (12%) percent per annum. At the end of the term of the loan, the entire original principal and any accrued interest shall become due and payable. The Sponsor will lend an amount not to exceed eighty (80%) percent of the purchase price of the Unit. A Purchaser who requests Sponsor financing shall be obligated to pay an additional legal fee of $500 to counsel for the Sponsor for preparing and closing the loan, plus an origination fee to Sponsor equal to three (3%) percent of the loan amount, together with the normal

expenses in connection therewith including recording fees, mortgage recording taxes, and mortgage title insurance premiums and fees. See Section P, "Closing Costs And Adjustments" for an estimate of these expenses.

The loan note and mortgage which a Purchaser will execute in connection with Sponsor financing shall provide that if a borrower fails to pay interest when due, or to pay the principal balance due at the end of the term of the loan, or fails to fulfill any of the obligations set forth in the Condominium Declaration or By-Laws, such borrower will be in default. In addition, the entire principal and any accrued interest will immediately become due and payable upon the sale of disposition of the Unit without the prior written consent of Sponsor. In the event of a default which remains uncured after 30 days written notice, the Sponsor shall have the right to accelerate payment of the principal amount of the loan and accrued interest and to bring a foreclosure and other proceedings.

The Purchase Agreement is not contingent upon Purchaser obtaining a mortgage commitment from any source. In the event Purchaser fails to pay the balance of the purchase price due at closing, he will be in default under the Purchase Agreement and Sponsor shall be entitled to terminate the Purchase Agreement and to retain Purchaser's down payment as liquidated damages.

Purchasers should note that a mortgage loan commitment may have an expiration date prior to the closing of title and that the interest rate may not be fixed until the closing of the loan. If such a commitment is extended or another commitment issued, no guarantee can be made that the terms will be the same as those of the original or expired commitment. If such commitment expires prior to the closing and no extension is obtained, the Purchaser is nevertheless bound by his Purchase Agreement. The Sponsor shall not be liable for any costs or expenses which a Purchaser may incur in connection with obtaining a mortgage loan commitment or as a result of any adjournment or the Closing.

A Purchaser will not be deemed in default under his Purchase Agreement unless written demand for payment is made by the Sponsor or the Selling Agent and the Purchaser is given thirty (30) days to cure the default. If the default is not cured within that period, the Purchaser's down payment will be retained as liquidated damages.

The Sponsor will hold all monies received by it directly or through its agents, employees or escrow agent in trust in a special interest bearing account at National

Westminster Bank, USA, 592 Fifth Avenue, New York, New York, entitled "421 Hudson Street Special Account" until actually employed in connection with the consummation of the Plan as herein described. In the event that the Plan is abandoned or withdrawn for any reason, or if the Consummation Date does not take place on or prior to the twenty-first month following acceptance of the Plan for filing by the Attorney General, then such monies shall be returned to the Purchasers, with interest earned thereon, if any. In order to facilitate record keeping for each deposit and the earning of interest on the basis of separate deposits at different times, the monies may be deposited in a trust account similar to a tenant security trust account. The amounts paid by the Purchasers will be handled in accordance with the provisions of Sections 352-h and 352-e(2)(b) of the New York General Business Law.

These funds may only be released upon the signed written instructions of a partner in the law firm of Wien, Malkin & Bettex, counsel for the Sponsor, on the date for the closing of title to the Residential Unit.

In the event that the Plan is abandoned or withdrawn for any reason, the Sponsor will promptly file a form RS-3 or CD-3, or other form then required, with the Department of Law and the Sponsor will fully return any amounts paid by Purchasers with interest, if any, within ten (10) days of such abandonment or withdrawal.

Any conflict between the Plan and the Purchase Agreement will be resolved in favor of the Plan.

A Purchaser will be given no less than fifteen (15) days written notice of the closing date for his Residential Unit, which will be set by the Sponsor. Such notice will set forth the time and place of the closing, the fact that the balance of the purchase price must be paid on the closing date and the date on which Common Charges will first be due and payable.

The risk of loss by fire or other casualty to the Residential Unit will remain with the Sponsor until the earlier to occur of conveyance of legal title to the Residential Unit to the Purchaser or possession of the Unit by Purchaser.

The Purchase Agreement does not contain, and may not be modified to contain, a waiver of any of the Purchaser's rights or the Sponsor's obligations under Article 23-A of the General Business Law.

The Purchase Agreement used by tenant-Purchasers who purchase during the exclusive periods (set forth in Section J entitled "Rights of Existing Tenants") may not be modified from the form contained in Part II, Exhibit 2 of the Plan except by duly filed amendment to the Plan.

SECTION N. EFFECTIVE DATE

The offer to sell is contingent upon the Plan being declared effective and compliance with the relevant conditions and time periods as follows:

1. The Plan may not be declared effective until written Purchase Agreements have been executed and delivered for at least 15% of all Residential Units in the Building by bona fide tenants-in-occupancy or bona fide Purchasers who represent that they intend that they or one or more specified members of their immediate families will occupy the Residential Unit when it becomes vacant. As to tenants who were in occupancy on the date a letter was issued by the Attorney General accepting the Plan for filing, the Purchase Agreement shall be executed and delivered pursuant to an offering made without fraud and without discriminatory repurchase agreements or other discriminatory inducements. When calculating the requisite 15%, no more than one Purchase Agreement by the tenant or tenants of a particular dwelling Unit will be counted and a particular Purchaser will not be counted more than once. A principal of the Sponsor may not be included in the 15% count. However, persons related to the principal of the Sponsor or the Selling Agent by blood, marriage or adoption, a business associate, an employee, a shareholder or a limited partner may be included if proof is submitted to the Department of Law establishing that the Purchaser is a bona fide Purchaser who represents that he or one or more members of his or her family intends to occupy the dwelling Unit when it becomes vacant.

2. When Purchase Agreements have been executed and accepted for the sale to Purchasers of at least 80% of the Residential Units and the conditions in the foregoing Paragraph 1 have been met, the Plan must be declared effective.

3. If the Plan has not been declared effective within 15 months from the date of issue of the letter of the Attorney General stating that the Plan has been accepted for filing, it will be deemed abandoned and void and of no effect, and all monies will be returned to Purchasers in full, with the interest, if any, earned thereon, and no new plan for conversion of the Property shall be submitted to the Attorney General for at least 12 months after such abandonment.

The Sponsor will notify all Purchasers and tenants when Purchase Agreements for 15% of all Residential Units in the Building have been executed and delivered.

The Plan will be declared effective by written notice to all tenants and Purchasers, and an appropriate amendment to the Plan will be submitted for filing within five (5) days thereafter. No closing of title will take place until at least thirty (30) days after the Plan has been declared effective and until an amendment disclosing the details and the basis upon which the declaration of effectiveness has been accepted for filing by the Department of Law and distributed to all Purchasers.

On the 30th, 60th, 88th and 90th day after presentation of the Offering Plan and at least once every 30 days thereafter until the Plan is declared effective or is abandoned and on the tenth and second day before the expiration of any exclusive purchase period provided in a substantial amendment to the Plan, the Sponsor shall post before noon, in a prominent place accessible to all tenants in the Building, the percentage of tenants who have signed Purchase Agreements as of a time specified on the date of the statement. Such statement shall remain posted until the next statement must be posted. The percentages shall be computed in the same manner as the Sponsor must compute the minimum percentage needed to declare the Plan effective. The Statement shall be filed with the Department of Law.

The Sponsor may, at its option, declare the Plan abandoned for any reason whatsoever before it is declared effective; provided, however, that within thirty (30) days after abandonment, all monies will be returned to Purchasers with interest earned thereon if any. Once the Plan has been declared effective, it may not be abandoned, except for (i) a defect in title which cannot be cured without litigation or cannot be cured for less than $50,000 (excluding any such title defects, violations, work orders, or determinations of any authority or regulatory association which exists on the date of presentation of the Plan and either are known to the Sponsor or are a matter of public record), or (ii) damage or destruction of the Building by fire or other casualty which cannot be restored for less than $50,000 or (iii) the taking of any material portion of the Property by condemnation or eminent domain.

Abandonment of the Plan will be by either duly filed amendment or notice of abandonment by Form CD-3 or RS-3 or other form then required by the Department of Law submitted promptly after abandonment explaining the reasons for abandonment of the Plan and setting forth the disposition of all Purchasers' funds.

SECTION O. CLOSING OF TITLE TO UNITS

The term "closing" or "closing of title" refers to the delivery to a Purchaser of a deed conveying title to a Residential Unit upon payment of the balance of the purchase price to Sponsor. The source of such funds may include the proceeds of any mortgage loan.

The closing of title to each Unit will take place concurrently with, or after the occurrence of the following events:

1. Recording or filing of the Declaration, By-Laws, site plan, Floor Plans, architect's certification and tax authority certification required by Section 339-p of the Condominium Act or as otherwise required by law.

2. Discharge or partial release of the Unit and the interest in the Common Elements appurtenant thereto from the lien of Sponsor's mortgages as required by Section 339-r of the Real Property Law, so that the Unit and its Common Interest will not be subject to the lien of any mortgage at the time of closing except for any purchase money mortgage obtained by Purchaser in connection with the purchase.

3. Purchaser's receipt of at least fifteen (15) days' prior written notice of the date on which title to his Unit is to close.

4. Delivery to Purchaser of a bargain and sale deed for the Unit with covenant against grantor's acts, in the form set forth in Part II as Exhibit 4.

5. Assignment by Sponsor to Purchaser of manufacturers' warranties, if any, covering fixtures and equipment in the Unit to the extent such is assignable. Any assignable manufacturers' warranties with respect to fixtures and equipment installed in the Common Elements will be assigned to the Board of Managers at the first closing of title to a Unit, if available.

6. Delivery to Purchaser of an amendment to the Plan to disclose that the Plan has been declared effective and confirming that that Sponsor has complied with the requirements of applicable regulations of the Department of Law relating to the declaration of effectiveness and the transfer of title.

7. Execution of an instrument by Purchasers of Residential Units in the form provided in Part II as Exhibit 3

of the Plan, designating the Board of Managers as his attorney in fact, coupled with an interest for, but not limited to, managing, selling, mortgaging, leasing, voting with respect to and otherwise dealing with any Unit acquired by the Board of Managers in accordance with any of the provisions of the By-Laws and for purposes consistent with the implementation of the Plan, and for the purpose of executing, acknowledging and delivering any declaration deemed necessary or desirable to comply with any law or any covenant or restriction affecting the Common Elements, and for the purpose of authorizing the Board of Managers to bring any action or proceeding to reduce real estate tax assessments and authorizing the Residential Committee to effect certain changes in the Declaration under certain limited circumstances. (See Part II, Exhibit 3 for Form of Power of Attorney).

Title Insurance

Sponsor will obtain on request of any Purchaser and at Purchaser's expense, a policy of title insurance from Chicago Title Insurance Company (hereinafter "Chicago Title") insuring that (i) Purchaser has good and insurable fee title to his Unit free and clear of all liens and encumbrances except those set forth in this Plan (see "Sponsor's Conveyance of Title to Units") and except for any purchase money mortgage which Purchaser may obtain to pay any part of the purchase price of the Unit, subject to the provisions of the Declaration and By-Laws, and (ii) the Condominium has been validly created pursuant to Article 9-B of the Real Property Law of the State of New York, as amended. Any such title insurance will be in an amount equal to the purchase price for the Unit. The Purchaser may obtain, at his election and expense, title insurance from any other title insurance company licensed to do business in New York; however, no exception to title raised by such other title insurance company shall give Purchaser the right to cancel his Purchase Agreement if Chicago Title will issue a policy to Purchaser insuring title without such exception.

Sponsor's Conveyance of Title to Units

Title to each Unit and its appurtenant interest in the Common Elements will be conveyed to each Purchaser by bargain and sale deed with covenant against grantor's acts in the form set forth in Part II as Exhibit 4 to this Plan, free and clear of all liens and encumbrances other than:

1. State of facts shown on survey of Louis W. Reuter Jr., Inc. dated February 23, 1977 and last redated January 14, 1983 and any changes therefrom a current, accurate

survey or personal inspection of the Unit or Property would show provided such facts do not render title unmarketable.

2. The terms, conditions, easements, covenants and provisions of the Declaration and By-Laws, the Rules and Regulations and Floor Plans.

3. The agreements, covenants, easements, restrictions and other matters of record as pertain to the Unit or to the Property, provided same do not prevent the use of the Unit as a residential condominium Unit or materially adversely affect its value.

4. Zoning and other resolutions, regulations, laws and ordinances and any amendments thereto, provided that neither the Building nor the Unit nor its uses pursuant to this Plan would be prohibited thereby, and any Declaration of Zoning Lot Restrictions and Zoning Lot Ownership Statement (if required by law, ordinance, regulation, zoning resolution or administrative agency) and other documents recorded in the Office of the City Register, New York County and any other instrument or declaration affecting the Property which must be filed or recorded in compliance with applicable laws, rules and regulations in connection with this Plan.

5. Easements in favor of the owners of other Units to use pipes, flues, wires, ducts, conduits, cables, utility lines and other Common Elements, including those located in the Unit itself or elsewhere on the Property, serving such other Units, and easements of necessity in favor of the other Units and/or the Common Elements.

6. Easements for the continuance of encroachments on Units and on the Common Elements or Limited Common Elements by other Units or portions of the Common Elements then existing by reason of the construction of the Building or thereafter occurring by reason of the settling or shifting of the Building, or by reason of the repair and/or restoration by the Board of Managers of the Building, such other Units or such Common Elements after damage by fire or other casualty or after a taking in condemnation or eminent domain proceedings, or by reason of an alteration or repair to the Common Elements or Limited Common Elements made by the Board of Managers, or to any other Units so that any such encroachments may remain as long as the Building stands.

7. Franchise taxes and New York City General Corporation Taxes of any corporation in the chain of title, provided that Chicago Title is willing to insure that such taxes will not be collected out of the Residential Unit.

8. Current real estate taxes not yet due and payable which shall be apportioned as hereinafter set forth.

9. Sewer, water, electric, plumbing, heating, gas, telephone and other utility easements and consents, if any, then or thereafter recorded, including the right to maintain and operate lines, wires, cables, amplifiers, transformers, equipment, pipes, conduits, poles, meters and distribution boxes in, over, under and upon the property and the Building (including but not limited to any agreement with any cable franchise permitted by municipal regulation to locate and maintain television lines and equipment in the Common Elements.)

10. The lien of any purchase money mortgage obtained by the Purchaser.

11. Easements to the Sponsor and Sponsor's successors, assigns, invitees, licensees, contractors, employees and tenants, on, in, over and across all parts of the Property for (i) construction, installation, maintenance, ingress to and egress from and the right to use (in common with all other Unit Owners) pipes, flues, conduits, ducts, cables, wires, storm drainage facilities, water, sewer and other utility systems and all fixtures and equipment serving any portion of the Property; (ii) ingress to and egress from all parts of the Property and the use thereof (in common with Unit Owners) for all lawful purposes; and (iii) the erection, maintenance, repair and replacement from time to time of one or more signs in or on the Property, relating to the sale of Units and the leasing of space in any Unit.

12. Easements for ingress and egress and for construction, installation, operation and maintenance of municipal service facilities and utilities and communication conduits.

13. Reciprocal Easements between the Residential Unit Owners and the Commercial Unit Owner to use the Commercial and Residential elevators, stair tower and elevator vestibules as applicable.

14. Rights of all other Unit Owners through the Common Elements and in the event of emergency, or if required by law or necessity, the Unit or the Limited Common Elements to and from the public streets.

15. Encroachments by any balcony or terrace on an adjoining Unit or the Common Elements. Encroachments of stoops, areas, cellar steps, trim coping, foundations, fences, cornices, and similar projections, if any, of the

Common Elements on, over and under the Property or the streets or sidewalks abutting same and rights of governmental authorities to require removal of projections and variations between retaining walls and record lines.

16. Powers of Attorney from the Unit Owners to the Board of Managers of the Condominium and their successors in office.

17. Standard exceptions contained in the form of title insurance policy issued by Chicago Title (or any other title company insuring Purchaser's title to the Unit).

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

19. Revocability of license for any vault space under the sidewalks.

20. Leases, tenancies, license agreements and other agreements with occupants or tenants of the Unit or the Common Elements.

21. Any encumbrance as to which Chicago Title (or other title company insuring Purchaser's title) would be willing in a fee policy to insure at standard rates (a) will not be collected out of the Unit if it is a lien, or (b) will not be enforced against the Unit if it is not a lien.

Sponsor reserves the right to grant easements for additional utility, sewer and drainage lines, equipment and appurtenances in, under and through the Property, to relocate any existing utility, sewer and drainage easement and to dedicate any or all of such facilities to any governmental body, public benefit corporation or utility company, if Sponsor shall deem it necessary or desirable for the proper operation and maintenance of the Property or any portion thereof, or for the general health and welfare of any Unit Owner, or users of, or residents of any buildings on land adjacent to the Property, provided that such additional utilities or the relocation of existing utilities will not prevent or unreasonably interfere with the use of the Units for dwelling (or "Home Use," if applicable, as such terms are defined by applicable law) purposes. Any utility company or public benefit corporation furnishing services to the Property and its employees and agents shall have the right of access to any Unit, to the Common Elements and the Limited Common Elements in furtherance of such easements provided such right of access is exercised in such a manner so as not to unreasonably interfere with the use of the Units.

Each user of an easement referred to in this Section shall have the responsibility of repairing any damage resulting from his acts or shall be liable for the reasonable cost thereof in the event the repair shall be made by the Board of Managers or a Unit Owner.

Sponsor has been advised by Sponsor's counsel that in counsel's opinion, none of the exceptions to title hereinbefore set forth is of a nature which would materially affect the use, enjoyment, lease or sale of any Unit.

Expenses of Forming Condominium

The Sponsor will bear all costs and expenses incurred in connection with this Plan and the creation of the Condominium, including, but not limited to: selling expenses, advertising and printing expenses, architect's fees, organization costs and surveying and engineering costs.

Each sale will include all kitchen appliances and other fixtures and articles of personal property attached to or used in connection with the Residential Unit. Although not permitted, in the event a non-purchasing tenant vacates his apartment and removes a kitchen appliance, the Sponsor, at its own expense, will supply a replacement which may not be new but will be in good working order and will be substantially equal in size and quality to the appliances contained in the Building on the date of presentation of the Plan. All personal property affixed to or located within the Common Elements that is owned and used by the Sponsor in the operation of the Property is included with the property transferred to the Unit Owner in proportion to the owner's percentage of Common Interest.

The security deposit of a non-purchasing tenant who is not in default under his lease or tenancy will be transferred after the closing of title to the owner of the Unit which he occupies and will be handled in accordance with Section 7-103 of the General Obligations Law. The security deposit of a purchasing tenant who is not in default under his lease or tenancy will be refunded to him, but if the closing of title takes place before the end of a calendar month, refund of the security deposit and interest may be deferred until the end of the month to avoid the tenant's loss of interest thereon.

The Purchaser's obligation for payment of the Common Charges applicable to his Residential Unit will begin to accrue on the date on which the deed is delivered to him.

Condition of Unit

Each Purchaser will be required to accept the Unit and all fixtures, machinery, equipment, appliances, installments and personal property contained therein in their "as is" condition on the date of execution by Purchaser of the Purchase Agreement, subject to reasonable use, wear and tear, and with respect to tenant-Purchasers, any damage occasioned by the neglect, negligence or misuse of the tenant-Purchaser. Sponsor makes no representations or warranties as to the condition of any Residential Unit.

PROSPECTIVE PURCHASERS ARE ADVISED TO CAREFULLY INSPECT THE UNIT BEFORE EXECUTING A PURCHASE AGREEMENT.

SECTION P. CLOSING COSTS AND ADJUSTMENTS

Each Purchaser will be responsible for payment of the following closing costs and expenses calculated pursuant to the rates then in effect on the closing date (the estimates set forth below are based on rates in effect as of the date of initial presentation of this Plan and are subject to change without prior notice):

(1) All New York State and New York City Real Property Transfer Taxes (collectively, "Transfer Taxes"), payable in connection with the transfer of real property or the recording of the Unit deed. Recently, the New York City Department of Finance and the New York State Department of Taxation and Finance have taken the position that where the Purchaser of real property pays the Transfer Taxes, the amount of such Transfer Tax which would otherwise be payable if the Seller were to pay such taxes will be included in the total consideration upon which the actual Transfer Taxes were computed. Accordingly, the effective rate of the New York City Real Property Transfer Tax for Residential Units is equal to approximately 1.0142% of the purchase price, and the New York State Transfer Tax is equal to approximately $2.03 for each $500 (or part thereof) of the purchase price. Although such transfer taxes are customarily paid by the seller in single family home transactions, these taxes are frequently paid by the purchaser of a condominium unit from a Sponsor.

(2) If such Purchaser elects to obtain fee title insurance, he will pay the premium therefor which will vary depending upon the amount of insurance requested. The Sponsor has made an arrangement with Chicago Title to provide a reduced rate that would be available if a fee title policy was obtained for the aggregate purchase price of all of the Units in the Building. Thus, any Purchaser desiring title insurance from Chicago Title can obtain such special rate by communicating with William A. Ciganek at 233 Broadway, New York, New York 10279 (212) 815-9308. If a Purchaser elects to obtain only fee title insurance, such Purchaser will pay the premium therefor which will be equal to approximately $176.06 for the first $25,000 and then $2.41 per thousand for the remainder. For example, the premium for a $100,000 fee policy will be $357.00.

(3) If a Purchaser obtains a policy of fee title insurance from Chicago Title (which will also issue a mortgage title insurance policy to the Purchaser's lender at a discounted rate upon request and payment therefor), the Purchaser will obtain the benefit of a simultaneous title insurance rate which is computed on the basis of the amount

of insurance coverage obtained. The premium for fee title insurance where mortgage insurance is also obtained (the "Simultaneous Rate") will be the sum of (i) 39% of the Basic Rate up to the amount of the mortgage policy being issued, and (ii) the excess, if any, of the fee insurance above the amount of the mortgage policy times 120% of the Basic Rate for the applicable rate. For example, the Purchaser of a $300,000 Residential Unit with a $250,000 mortgage who elects both mortgage and fee title insurance will pay $599 for the mortgage premium and $595 for the fee premium [(39% x 1,038.53) + ($3.17 x 50 x 120%)].

Basic Rate (Mortgage Title Insurance)

Amount of Mortgage	Premium
For the first $5,000	$147.73 plus
From 5,001 to $50,000	4.84 per thousand
From $50,001 to $100,000	3.95 per thousand
From $100,001 to $500,000	3.17 per thousand
From $500,001 to $1,000,000	2.89 per thousand

(4) The fee to record the Unit Deed, Power of Attorney, and the mortgage obtained by Purchaser is $10.00 for each instrument plus $1.00 per page. In addition, a charge of $1.00 for the credit line mortgage certificate necessary to record the Unit Deed will also be charged.

(5) A Purchaser will be obligated to pay a mortgage recording tax on any mortgage he may obtain based upon the full amount of his mortgage (whether obtained from an institution, the Sponsor, or otherwise). The Sponsor has paid mortgage recording taxes for the mortgage affecting the Property. Any credit against the mortgage recording tax otherwise payable with respect to a Purchaser's mortgage of his Unit based on the mortgage recording taxes paid by Sponsor determined in accordance with Section 339-ee(2) of the New York Real Property Law will inure solely to the benefit of Sponsor. Accordingly, at the closing, Purchaser will reimburse Sponsor in the amount of any mortgage tax credit allowed to Purchaser. The Purchaser shall be required to obtain for the benefit of Sponsor the maximum mortgage tax credit permitted.

The mortgage recording tax with respect to any mortgage securing a principal debt or obligation of less than $500,000 is an amount equal to 1.50% of the original principal amount of the mortgage and with respect to any mortgage securing a principal debt or obligation of $500,000 or more, the tax is an amount equal to 1.625% of the original principal amount of the mortgage; in either case the Purchaser only pays 1.25% or 1.375% respectively, of the amount of the

mortgage and the lender pays .25% thereof. The Purchaser's portion is further reduced by a single family home credit of $25.00.

(6) If Purchaser obtains a mortgage loan, whether from an institutional lending institution, Sponsor, or otherwise, Purchaser will pay all closing costs and expenses in connection therewith in amounts determined by his lender. These costs customarily include, among other things, an origination fee or commitment fee, fees for a credit check, mortgage title insurance, lender's attorneys fees and appraisal fees. The borrower may be required by the lender to deposit each month with the lending institution an escrow deposit for the payment of real estate taxes and insurance premiums commencing with the closing date. The amount of the deposit is usually calculated on the basis of the monthly real estate taxes using the actual or anticipated assessed valuation, as well as applicable insurance premiums.

(7) Each Purchaser will be responsible for the legal fees of his own attorney and if a mortgage is obtained, the fees of his lender's attorney.

(8) Each Purchaser of a Residential Unit will be required to make a contribution to the Working Capital Fund of the Condominium in an amount equal to one month's estimated Common Charges. This contribution is not refundable or transferable if the Purchaser sells his Unit. No initial contribution to the Working Capital Fund of the Condominium will be made by the Sponsor (or any other holder of an Unsold Unit). The funds contributed by Purchasers as working capital will be deposited in a separate special bank account in the name of the Managing Agent, as agent for the Board of Managers of the Condominium and may be used for such purposes as the Board of Managers shall determine appropriate.

(9) Each Purchaser will be obligated to pay the legal fee of Sponsor's counsel in connection with the preparation and attendance at the closing in the amount of $300. However, a Purchaser who obtains Sponsor financing shall be obligated to pay an additional legal fee to Sponsor's counsel in the amount of $500. In the event Sponsor agrees to close title other than at the location designated by Sponsor, such Purchaser will pay to Sponsor's counsel an additional fee of $100. Any Purchaser who obtains financing other than from the Sponsor shall be obligated to pay to Sponsor's counsel the additional sum of $150 to coordinate the closing with Purchaser and its lender's counsel.

The entire contents of this Section P, as revised or amended, shall be deemed to be incorporated in the Purchase Agreement for each Unit.

Closing Adjustments

Real estate taxes, if any, for each Residential Unit for the tax period in which title closes and the Common Charges for each Residential Unit for the month in which title closes will be apportioned between Sponsor and Purchaser as of the midnight preceding the date of the closing of title. In the event that a Residential Unit has not been separately assessed on the closing date for the then current tax year, the apportionment of taxes shall be based upon the estimated assessment for the land and the Building multiplied by the percentage of interest in the Common Elements appurtenant to the Residential Unit, multiplied by the then current tax rate.

If the Residential Units have not been separately assessed for real estate tax purposes prior to the first closing of title to a Residential Unit, the Board of Managers will collect at closing and place in escrow an amount estimated to be equal to the real estate taxes which would be levied against the Property for the half of the tax year next commencing after the first closing of a Residential Unit, or until the Resdiential Units are to be separately assessed, whichever is sooner. The Board of Managers will pay from the escrow account if said fund is sufficient the real estate taxes when due and payable prior to the separate assessment of the Residential Units and will be entitled, at its option, to collect each Residential Unit's proportionate share of real estate taxes directly from each Residential Unit Owner in an amount proportionate to its interest in the Common Elements.

If the tax assessor indicates that more than one half of a tax year may elapse before the Residential Units are individually assessed, the Board of Managers shall collect monthly escrows from Residential Unit Owners with their Common Charges, based upon the estimated tax bill for the entire Property, the Residential Unit Owner's percentage of interest in the Common Elements and the then current tax rate (or a higher tax rate to reflect a possible increase in rate at the beginning of a new tax year). The Board of Managers will pay all taxes due from the escrow account. If the actual taxes due for any period for which the Board of Managers collected escrows are higher than the amount collected and held in escrow, the Board of Managers shall pay the difference and shall bill Residential Unit Owners for their proportionate share of such deficiency. If any Unit

Owner fails to pay his pro rata share within thirty (30) days from the date same is due and payable, interest at the maximum rate permitted by law shall accrue on such unpaid amount from and thereafter until paid. The Board of Managers will have a lien on such Unit for the non-payment thereof, as if such charges were Common Charges. If the actual taxes due are lower than the amount collected and held in escrow by the Board, the Board shall pay the tax bill and return to Unit Owners their proportionate share of any excess without interest. If the Residential Units are separately assessed with payments to commence during a period for which the Board holds escrow funds, the Board will return the funds to each Unit Owner without interest and the Unit Owner will pay his own tax bill to the City of New York.

SECTION Q. RIGHTS AND OBLIGATIONS OF SPONSOR

Subject to the terms and conditions of this Plan, the Sponsor has the following obligations to Purchasers for the performance of which no bond or other security will be furnished:

1. Sponsor has no obligation to defend any suits or proceedings, or to indemnify the Board of Managers or Unit Owners, except with respect to claims relating to representations expressly made by Sponsor in this Plan and only as limited herein.

2. Only those obligations of Sponsor set forth in this Section which are to be performed subsequent to closing shall survive delivery of the deed.

3. All obligations pertaining to the General and Limited Common Elements shall be enforceable only by the Board of Managers on behalf of the Unit Owners and not by the individual Unit Owners. However, nothing herein shall prevent an individual Unit Owner from bringing an action in the nature of a derivative action against the Board of Managers. While Sponsor controls the Board, it is within Sponsor's sole power to enforce the obligations of Sponsor pertaining to the Common Elements. Therefore, Sponsor agrees that during such period, it will enforce such obligations when required to do so by a resolution duly passed by a majority of the Unit Owners, excluding Sponsor, at a special meeting of the Unit Owners called for such purpose.

4. Sponsor agrees to pay all General, Residential and Commercial Common Charges and special assessments with respect to the Commercial Unit and each Unsold Unit until title to such Unit is conveyed to a bona fide Purchaser.

5. Sponsor shall procure fire insurance, as set forth in Schedule B (Part I, Section G), pursuant to an agreed amount replacement value policy or in an amount sufficient to avoid co-insurance. Such insurance will provide that each Unit Owner is an additional insured and that there will be no cancellation without notice to the Board of Managers and Unit Owners. The insurance policies will also contain waivers of subrogation, waivers of invalidity due to acts of the insured and Unit Owners and waivers of pro rata reduction of liability of the insurer due to other insurance carried by individual Unit Owners.

6. Sponsor agrees to keep copies of the Plan, exhibits and documents referred to in the Plan on file at the

office of the Sponsor or at another designated place for six (6) years from the date the Plan is accepted for filing by the Department of Law.

7. Sponsor will not liquidate Sponsor's assets for a period of twelve (12) months from the filing of the Declaration, unless at the time of such liquidation, a bond or irrevocable letter of credit is posted in the amount of $25,000. Any final liquidation may affect the enforcement of Sponsor's obligations under this Plan, although Sponsor does not intend to avoid its obligations. No warranty, guarantee or other representation can be made that such amount will be sufficient to meet all of Sponsor's remaining unfulfilled obligations under the Plan.

8. Sponsor reserves to Sponsor and to Sponsor's successors and assigns, and their respective designees, invitees, contractors, agents, employees and tenants, any and all easements and rights of access, in and to Units and Common Elements, to complete construction or work, if any, in a manner consistent with the purposes of the Plan and Sponsor's rights and obligations thereunder. Sponsor will not interfere with Unit Owners' reasonable use of their Units during any work period. However, there may be a temporary limitation as to use of the public areas. Sponsor's reservation and rights shall include, but shall not be limited to:

(a) The right to maintain general and sales and leasing office(s) and personnel on the premises, to post signs, and to conduct other activities connected with promotion, sales or leasing of Units, such as inspection and display of vacant or leased Units, as well as all Common Elements, to prospective Purchasers or lessees; and

(b) The right of access in and to Units and Common Elements for purposes of construction, repair, refurbishment, correction, alterations, finishing, servicing and similar work.

9. Sponsor reserves the right, following the recording of the Declaration of Condominium, and prior to the closing of title to a particular Residential Unit, to lease the Residential Unit to a prospective Purchaser who has executed a Purchase Agreement and paid the requisite down payment, for such rent and on such conditions as may be agreed to between Sponsor and Purchaser. Any such lease will provide that an uncured default by the Purchaser under the Purchase Agreement with respect to the Unit which is the subject of the lease will constitute a default under the lease entitling Sponsor, at its sole option, to immediately terminate the lease. In addition, each Purchase Agreement may provide that

an uncured default by the Purchaser under any lease with respect to the Unit which is the subject of the Purchase Agreement, including, but not limited to, payment of rent as and when due, will constitute a default under the Purchase Agreement entitling Sponsor, as its sole option, to immediately terminate such Purchase Agreement and exercise any remedies provided therein as described in Section L entitled "Interim Leases."

10. Sponsor has no obligation to make any repair to the Units or to the Common Elements, except as expressly set forth in this Offering Plan.

11. Sponsor will assign to the Purchaser upon the closing of title and to the Board of Managers upon the recording of the Declaration as applicable, warranties, if any, of manufacturers and subcontractors relating to heating, air conditioning, electrical and plumbing work and fixtures and equipment, as well as bonds relating to the Unit or the Common Elements respectively, if any. Sponsor undertakes to do the above only to the extent that warranties are actually made by such manufacturers and subcontractors and only to the extent such warranties and bonds are assignable.

12. Sponsor will pay all expenses incurred in connection with establishment of the Condominium and sale of all Units held or owned by Sponsor (except for costs specifically made payable by Purchasers under this Plan). Sponsor will pay all costs of filing this Plan and any amendments thereto.

SECTION R. CONTROL BY SPONSOR

As described more fully in Section T, the Board of Managers will administer and manage the affairs of the Condominium.

Pursuant to the Condominium By-Laws, as set forth in Exhibit 6 to Part II of the Plan, until the first meeting of Unit Owners, the Board of Managers will consist of three (3) members designated by Sponsor. Sponsor will call the first meeting of Unit Owners within thirty (30) days after the earlier to occur of (i) conveyance of title by Sponsor to Purchasers of 15% in number and in Common Interest of the Residential Units offered for sale, and (ii) two (2) years from the date title to the first Unit is conveyed under this Plan. At the first meeting of Unit Owners a new Board shall be installed consisting of seven (7) members (the "Residential Committee") elected by all Residential Unit Owners, including Sponsor, and three (3) members (the "Commercial Committee") elected by the Commercial Unit Owner(s), including Sponsor. So long as Sponsor (or its designee) shall continue to own at least 50% of the Residential Units, the Sponsor shall have the right to elect a majority of the members of the Residential Committee. However, after the earlier of (i) conveyance of title to at least 50% of the Residential Units offered for sale, or (ii) the fifth anniversary of the conveyance of title to the first Residential Unit under this Plan, Sponsor and its designees will no longer appoint a majority of the Residential Committee. So long as Sponsor or its designee shall continue to own at least two (2) Residential Units, Sponsor or its designee shall have the right to appoint one member of the Residential Committee of the Board of Managers. As long as there are at least two (2) Unsold Residential Units, the number of members of the Residential Committee and the Board of Managers may not be changed without Sponsor's consent. When the Sponsor or its designee owns fewer than two (2) Residential Units, Sponsor's appointee to the Residential Committee shall resign at the end of his term and a successor shall be elected in accordance with the terms of the By-Laws. At such time, neither Sponsor nor its designee shall have any further right to appoint a member of the Residential Committee of the Board of Managers.

Members of the Board of Managers elected by Sponsor or the Commercial Unit Owner shall serve for a term of one year or until replaced by Sponsor or the Commercial Unit Owner. All other members of the Board of Managers shall be elected by the Unit Owners and shall serve for the terms prescribed by the By-Laws. So long as Sponsor is entitled to elect a majority of the Board of Managers, Sponsor will,

through control of the Board, have control of the maintenance and operation of the Condominium and will determine the General Common Charges and Residential and Commercial Common Charges to be paid by all Unit Owners, including Sponsor.

All members of the Board of Managers (other than any member designated by Sponsor) shall be Unit Owners, mortgagees of Units, partners or employees of a partnership owning a Unit or a mortgage covering a Unit, shareholders, officers, directors or employees of corporate owners or corporate mortgagees of Units, or fiduciaries or officers or employees of fiduciaries who are owners or mortgagees of Units. Seven (7) members of the Board shall be deemed Residential Members for whom only Residential Unit Owners, including Sponsor, may vote; three (3) members of the Board shall be Commercial Members for whom only the Commercial Unit Owners, including Sponsor, may vote.

The term of office of the Residential Members of the Board of Managers shall normally be three (3) years or until their successors are elected, except that the term of office of the members elected at the aforementioned first meeting of the Unit Owners shall be fixed at three (3) years or until their successors are elected, the term of two (2) members elected at the first meeting shall be for two (2) years or until their successors are elected and the term of two (2) members elected at such meeting shall be fixed at one (1) year or until their successors are elected. The prospective Residential Members receiving the highest number of votes of Residential Unit Owners will serve the longest term. Notwithstanding anything to the contrary herein contained, in addition to the seven (7) members elected by all the Residential Unit Owners, three (3) members of the Board shall be elected solely by the Commercial Unit Owners and shall serve for a term of one year. Such Commercial Members may serve successive one (1) year terms without limitation as to the number of such successive one (1) year terms. At the expiration of the initial term of office of each Commercial Member of the Board of Managers his successor shall be elected to serve for a term of one (1) year or until his successor is elected.

All members of the Board of Managers shall serve without compensation; Sponsor has agreed that the By-Laws will not be amended to provide otherwise so long as the Sponsor owns more than 50% of the Units.

So long as Sponsor shall own at least 25% in number and in Common Interest of the Units, but not after five (5) years following the first transfer of title to a Unit, the Board of Managers may not, without the prior written consent

of Sponsor (i) make any addition, alteration or improvement to the Residential Limited Common Elements or to any Unit, or (ii) assess any Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund (except to replace the fund contained in the original budget for the first year of operation), or (iii) borrow money on behalf of the Condominium (except to do work required by law to the extent reserves are insufficient), or (iv) hire any employee in addition to the employees referred to in Schedule B in Section G, or (v) enter into any service or maintenance contract for work not covered by contracts in existence on the date of the first closing of title to a Unit, except as required by the By-Laws or as contemplated by this Plan, or (vi) amend the Declaration or By-Laws of the Condominium. While Sponsor has voting control of the Board, Sponsor will not reduce or eliminate the services to be provided to the Condominium as set forth in this Plan. The Sponsor shall have the right to withhold consent to any of the foregoing actions.

See Section T for a discussion of the procedure for removal of members of the Board of Managers.

SECTION S. RIGHTS AND OBLIGATIONS OF UNIT OWNERS

The Declaration, By-Laws and Rules and Regulations of the Condominium appear in Part II, Exhibits 5 and 6 of the Plan, respectively, and should be reviewed by Purchasers and their attorneys. Part I of this Plan, and in particular Sections S and T, contain summaries of certain of the provisions thereof.

Sale or Lease of Units by Unit Owners

Each Residential Unit Owner has the right to sell or to lease his Residential Unit (subject to the consent, if required, of his mortgagee, if any) provided that he shall first give to the Board of Managers thirty (30) days' prior written notice of the terms of any sale or lease which he desires to make. The failure of the Board of Managers to act within such thirty (30) day period may be deemed to constitut approval. The Board of Managers may, within such thirty (30) day period, either (a) produce a purchaser who will purchase or lease the Residential Unit upon the same terms as stated in the Unit Owner's notice to the Board of Managers, or (b) agree to purchase or lease the Residential Unit on behalf of all other Residential Unit Owners upon the same terms as stated in the Unit Owner's notice to the Board of Managers. The Board of Managers, however, may not purchase or lease a Residential Unit without the approval of a majority of the Residential Unit Owners (as such term "majority" is defined in the By-Laws). If the Board of Managers does not have sufficient funds on hand for the purchase or lease of a Residential Unit which has been approved by a majority of the Residential Unit Owners, the Board of Managers may either borrow such funds or may assess the Residential Unit Owners therefor in proportion to their respective Common Interest. If the Board of Managers does not either produce a purchaser or lessee for the Residential Unit, or agree to purchase or to lease the Residential Unit on behalf of all other Residential Unit Owners as set forth above, within the aforesaid thirty (30) day period, the Unit Owner shall have the right to consummate the sale on the terms submitted to the Board of Managers as more specifically set forth in the Declaration and By-Laws. The Board of Managers shall not have a right of first refusal to purchase or lease in connection with any sale or lease by any entity or person related to Sponsor or a designee of Sponsor but shall be entitled to notice of such transfer, lease or sublease.

Each Unit Owner's right to sell or to lease his Unit will be subject to his being current in the payment of all Common Charges and assessments.

The term of the lease shall not be for less than six (6) months and not more than three (3) years. Any lease of a Residential Unit shall otherwise be in the form recommended for apartments by The Real Estate Board of New York Inc., except as otherwise provided in the By-Laws or as approved by the Board of Managers.

The rights of first refusal and the restrictions upon the sale and lease of Residential Units set forth in this Section shall not apply to any Commercial Unit (or Units, if subdivided), to Sponsor or the holder of any Unsold Units or any designee, or to a mortgagee acquiring title in foreclosure or by deed in lieu of foreclosure, each of whom shall be free to sell or lease without first notifying or obtaining the consent of the Board of Managers at no fee to the Sponsor.

Any Unit acquired or leased by the Board of Managers pursuant to its right of first refusal (or otherwise acquired by the Board, such as at a foreclosure sale) may be sold, leased, mortgaged or otherwise dealt with in the discretion of the Board of Managers, which will act on behalf of the Unit Owners. The votes appurtenant to a Unit acquired by the Board in accordance with the foregoing may not be cast by the Board or any other Unit Owner.

At the closing of title to a Unit in connection with the initial sale or subsequent resales, a Unit Purchaser will be required to execute a power of attorney in the form set forth in Part II, Exhibit 3, or such other form then required by the Board, which will irrevocably designate the Board, as attorneys-in-fact, to acquire Units and sell, lease or mortgage Units acquired by it on behalf of all Residential Unit Owners in accordance with their respective Common Interests.

Different provisions relating to the sale or lease of Units may be made in the future consistent with the Condominium Declaration, By-Laws and applicable law. Notwithstanding the right of Unit Owners to amend the Declaration or By-Laws to provide for different provisions relative to the sale or lease of Units, there shall be no change in the Declaration or By-Laws affecting the rights of the Unit Owners, including Sponsor, of any Commercial Unit or Unsold Residential Units to sell, lease or sublease unless and until the written consent to such change in the Declaration or By-Laws

is first obtained from the owners of such Commercial Units or Unsold Residential Units, as the case may be.

On the resale of any Units (except by the Sponsor or its designee), the Board of Managers may require that all closings be held at the office of the then managing agent who shall be entitled to a reasonable fee for its services in preparing the necessary documents, arranging for the occupancy of the new Unit Owner and for keeping the records of the transaction.

Mortgaging of Units by Unit Owners

Each Residential Unit Owner has the right to mortgage his Unit, provided that (i) the mortgage shall be substantially in the form of the New York statutory form of mortgage or such form as an institutional lender (bank, savings and loan association, etc.) shall require, (ii) the Board of Managers is notified in writing of the making of the mortgage and receives a conformed copy of the mortgage and note, (iii) the mortgage states that if consent by the mortgagee is required to any amendment to the Condominium Declaration and By-Laws such consent will not be unreasonably withheld or delayed, and (iv) the Unit Owner making such mortgage first pays all assessments and Common Charges previously assessed by the Board of Managers against the Unit, and satisfies all unpaid liens against the Unit, except for the lien of a permitted mortgage. A Commercial Unit Owner shall have the right to mortgage its Commercial Unit without restriction or limitation, but any mortgage on its Commercial Unit shall contain the provision in clause (iii) of this paragraph regarding consents, if applicable; clause (iv) shall be applicable to a Commercial Unit mortgage as well.

Use of Residential and Commercial Units

In order to provide a congenial atmosphere in the Building and to protect the values of the Units, the By-Laws provide that the use of the Residential Units shall be restricted to and be in accordance with the following provisions:

(a) Residential Units shall be used for dwelling purposes only, except that they may be used for "Home Use" (as such term is defined by applicable zoning regulations) by the resident thereof but only with the prior written consent of the Board of Managers, which shall not be unreasonably withheld, unless such use is prohibited by law. Notwithstanding the foregoing, Sponsor shall also have the right, in

connection with the sale or lease of Units, without charge, other than the payment of Common Charges (i) to maintain general and sales offices in one or more Units or elsewhere on the site, to use one or more Units as models and for other promotional purposes in connection with the sale or lease of Units and to erect and maintain signs on the site in connection therewith, (ii) to have Sponsor's employees, contractors, representatives and sales agents present on the site, and (iii) to do all things necessary or appropriate, including the use of the Common Elements, to sell or lease Units, to complete construction or work in the Building and to comply with Sponsor's obligations under this Plan;

(b) The Common Elements shall be used only for the furnishing of the services and facilities for which they are reasonably intended and which are incidental to the use and occupancy of Units. No Residential Unit Owner shall make any addition, alteration, improvement or change in or to any Common Element or locate anything therein without the prior written consent of the Board of Managers;

(c) No nuisances which interfere with the peaceful possession or proper use of the Property by Unit Owners, residents or occupants of the Building shall be allowed;

(d) No immoral, improper, offensive, or unlawful use shall be made of the Property nor any part thereof and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property, shall be complied with by and at the expense of the respective parties (Unit Owners or the Board of Managers) responsible for the repairs or others matters or for the portions of the Condominium Property, to which such violation relates;

(e) No portion of a Residential Unit (other than the entire Unit) may be rented, and no transient tenant may be accommodated therein;

(f) Rules and regulations concerning the use of the Residential Units and the General and Residential Limited Common Elements may be promulgated and amended from time to time by the Board of Managers in accordance with the By-Laws, provided that copies of such rules and regulations are furnished to each Unit Owner not less than five (5) days prior to the time that they become effective. The Condominium's initial rules and regulations are set forth at Part II, Exhibit 6. A rule or regulation may be rescinded by vote of 70% or more of the Unit Owners at a meeting duly

called for that purpose. Notwithstanding the right of the Unit Owners and Board of Managers to cause the rules and regulations to be changed, amended or modified, no such change, amendment or modification shall be effective which affects the rights of Sponsor, or its designee, or any Commercial Unit Owner, or any owner of Unsold Units, except with the prior written consent of Sponsor, a majority of the Commercial Members of the Board of Managers and owners of Unsold Units affected by such rule or regulation, respectively; and

(g) Prospective Purchasers should carefully review the initial Rules and Regulations set forth in Exhibit A to the By-Laws at Part II, Exhibit 6, along with the By-Laws and the Declaration, which contain many important provisions, including many related to the use of Units and to the day-to-day activities of Unit Owners in the Condominium. (For example, the initial Rules and Regulations prohibit a Unit Owner from keeping household pets (except one dog or cat in any Unit), installing window air-conditioners, certain types of television antennas, clothes washing and drying equipment and hanging laundry in or on the Common Elements or Residential Limited Common Elements).

With respect to the Commercial Unit, the By-Laws provide that the Commercial Unit may be used for any lawful purpose consistent in all respects with applicable zoning and Building Department laws, codes and regulations. To the extent that the Commercial Unit Owner shall apply for a variance in connection with the Commercial Unit or Commercial Limited Common Elements, the Board of Managers shall be obligated to execute and deliver all necessary documents provided the applicant shall reimburse the Board for any out-of-pocket cost or expense it incurs therefor and the Commercial Unit Owner will indemnify the Board of Managers for all liabilities, costs and expenses and the Residential Unit Owners waive their rights to object to any such variance.

Three (3) memberships on the Board of Managers shall be reserved for representatives of the Commercial Unit Owner, which members shall be separately designated by Sponsor or its designee until there is more than one Commercial Unit Owner and thereafter such members will be elected by majority vote of all Commercial Unit Owners, including Sponsor, each such owner to have votes for each percentage interest in the Common Elements allocated to his Unit.

The owner of the Commercial Unit may locate signs in the Commercial Unit and Commercial Section or the General Common Elements without the prior written consent of the Board of Managers and in the Commercial Section upon the

prior written consent of the Commercial Committee (which consent may not be unreasonably withheld or delayed).

Estimated Common Charges and Expenses

Each Residential Unit Owner will be obligated to pay his proportionate share of the cost of operation and management of the Condominium by payment of General Residential Common Charges which will be determined in accordance with the Common Interest appurtenant to the Unit. The Board of Managers shall prepare a budget for the Condominium from time to time, but not less frequently than once each year. Copies of each budget will be furnished to all Unit Owners. The General Residential and General Commercial Common Charges payable by each Residential and Commercial Unit Owner, respectively, in accordance with his proportionate interest in the Common Elements, shall be based upon such budget and same will be billed and be payable monthly in advance. In the event General Residential Common Charges or Residential Common Charges are not paid within thirty (30) days of the date same are payable, thereafter interest will accrue on such unpaid amount at the lesser of 18% per annum and the maximum rate permitted by law until paid in full.

In addition to General Residental Common Charges, Residential Common Charges are payable only by Residential Unit Owners for the maintenance, repair, operation, etc., of the Residential Section.

General Common Expenses pertain to maintenance, repair, operation, etc., of those portions of the Condominium used by both Residential and Commercial Unit Owners, and are allocated between the Residential Section and the Commercial Section on a pro rata basis in accordance with the aggregate Common Interest of each Section. Thus, as the Commercial Unit contains approximately 18.08% of the Common Interest in the Condominium, the Commercial Unit Owner will pay approximately 18.08% of the cost of the General Common Expenses. The General Common Charges assessed by the Board of Managers, in addition to the cost of repairing and maintaining the General Common Elements, fire and liability insurance covering the General Common Elements, electricity for the General Common Elements, water and snow removal, audit and legal expenses, may include, in the discretion of the Board of Managers, reserves, working capital and other sums necessary to carry on the affairs of the Condominium.

Neither the General nor Residential Common Charges will include maintenance, repair or decoration of any Units or portions thereof, or payments required pursuant to the

terms of any Unit Owner's mortgage, or real estate taxes covering the individual Units.

In addition to the normal operating expenses of the Condominium, the budget may, in the discretion of the Board of Managers, provide for reserves, working capital and other sums required for the affairs of the Condominium and may allocate to Residential Unit Owners expenses for the Residential Limited Common Elements and may allocate to the Commercial Unit Owner expenses for the Commercial Limited Common Elements. (See Section Q regarding the Sponsor's right to withhold consent to such acts for a limited period). Each Unit Owner shall promptly be advised after the adoption of each budget of the amount of Residential or Commercial Common Charges payable by him for the period covered by such budget.

Estimated Common Expenses for First Year of Operation

Schedules B and BB in Section G contain estimates of the expenses for the first year of operation of the Condominium. This schedule was prepared by the Sponsor's budget expert, Marimar Management, Inc., in conjunction with the Selling Agent. In the opinion of Marimar Management, Inc., based on its experience and knowledge, the estimates are reasonable and adequate under existing circumstances. However, because of the possibility of governmental restrictions or pre-emptions, shortages of materials or labor, increases in the expenses of operation, unforeseeable changes in the economy or because actual expenditures may differ from estimated expenditures, such estimates are not intended, nor should they be considered, as guarantees or warranties of any kind whatsoever, or as any assurance that the actual expenses or receipts of the Condominium may not vary from the amounts shown, or that the Condominium may not incur additional expenses.

It should be noted that the estimates of expenses in Schedules B and BB do not include the cost of electricity to be consumed in the Residential or Commercial Units for lighting, operating the heat pump compressor and fan, kitchen and other appliances. Each Unit will be separately metered for electricity and the Unit Owner will be billed directly by the appropriate utility company. For an estimate of the electricity cost to heat the Residential Units, see Schedule B-1 set forth in Section G of Part I.

Liens for Non-Payment of Common Charges

Under the provisions of Section 339-z of the Real Property Law of the State of New York, the Board of Managers on behalf of the Unit Owners will have a lien on each Unit

for unpaid Common Charges assessed by the Board of Managers. Such lien will be subordinate only to liens for real estate taxes on the Unit and to any sums unpaid on a first mortgage of record thereon. Any lien filed against a Unit for unpaid Common Charges shall be effective from and after the filing of notice thereof in the Office of the New York County Clerk. Such lien shall continue in effect until all sums secured thereby, together with interest thereon, shall have been paid in full, 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.

Termination of Liability of Unit Owners
For Common Charges and Expenses

The liability of each Unit Owner for the payment of Common Charges and Expenses assessed or becoming due against his Unit shall terminate upon a permissible sale, transfer or other conveyance thereof, together with the appurtenant interests in the Common Elements (as defined in the By-Laws), made by him in accordance with the applicable provisions of the By-Laws. In addition, any Unit Owner may, subject to the terms and conditions specified in the By-Laws, convey his Unit, together with its appurtenant interest, to the Board of Managers or its nominee on behalf of all other Unit Owners without any compensation, and in such event shall be exempt from Common Charges thereafter assessed. A Purchaser of a Unit shall be required by the Board of Managers to pay unpaid Common Charges assessed prior to his acquisition, except that a mortgagee acquiring title or a purchaser at a foreclosure sale shall not be liable and the Unit shall not be subject to a lien for payment of the Common Charges assessed prior to the acquisition of title thereto by a mortgagee or a purchaser at a foreclosure sale. However, such mortgagee or purchaser at a foreclosure sale shall be liable for payment of all Common Charges assessed after the acquisition of title and so long as it retains title. In the event of a foreclosure by the Board of Managers of a statutory lien for unpaid Common Charges, if the proceeds of the foreclosure sale shall not be sufficient for the payment of such unpaid Common Charges the unpaid balance shall be charged to all Unit Owners as a General Common Charge. If there is a surplus remaining from the proceeds of a foreclosure sale after payment of the indebtedness and all the expenses of the sale, the surplus shall be paid to the Unit Owner against whose Unit the foreclosure proceeding was brought.

Meetings and Votes of Unit Owners

The Unit Owners shall hold annual meetings on the first anniversary of the first meeting of Unit Owners and annually thereafter, unless such date shall occur on a Saturday, Sunday or legal holiday, in which event the meeting shall be held on the succeeding Monday. At each annual meeting the Residential and Commercial Unit Owners shall elect the members of the Board of Managers to which each is entitled. In addition, special meetings of Unit Owners may be held from time to time pursuant to the By-Laws whenever necessary for the affairs of the Condominium. The Residential Unit Owners shall have a special meeting prior to each annual meeting for the purpose of nominating the Residential Committee.

At all meetings of Unit Owners, each Unit Owner shall be entitled to cast one vote either in person or by proxy for each .0001 percent of interest in the Common Elements appurtenant to his Unit with respect to all matters involving the affairs of the Condominium to which he is entitled to vote. Thus, a Unit Owner having a 0.0058 percent interest in the Common Elements would be entitled to cast 58 votes.

Repairs and Access by Board of Managers

All maintenance, repairs and replacements to General Common Elements, whether located inside or outside a Unit, will be made by the Board of Managers, on behalf of all Unit Owners, and the cost thereof will be a General Common Expense. Except for maintenance of a Special Residential Limited Common Element (such as a balcony or a terrace which a Unit Owner enjoys the exclusive use of and for which he is solely responsible), maintenance, repairs and replacement of Residential Limited Common Elements or Commercial Limited Common Elements will be made by the Residential Committee or Commercial Committee, as the case may be, and the cost thereof will be allocated between the Residential Unit Owners or Commercial Unit Owners in the proportion that each Unit Owner's Common Interest bears to the Common Interest of the Unit Owners having such use. However, if said work is necessitated by the misuse or neglect of a Unit Owner, his agent, employee or invitee, the Board of Managers may seek to recover the cost thereof from the Unit Owner responsible for said expenditures. All maintenance, repairs and replacements to the Units, whether structural or nonstructural, ordinary or extraordinary (other than to the Common Elements and Limited Common Elements contained therein) will be made by the respective Unit Owners at their sole expense.

The Residential Committee shall have the responsibility of supervising such maintenance, repairs and replacement of the Residential Limited Common Elements and the Commercial Committee shall have the same responsibility for the Commercial Limited Common Elements.

The Board of Managers shall have a right of access to any Unit (Residential or Commercial) for the purpose of making any repairs or replacements to any of the Common Elements contained therein or elsewhere in the Building or to remedy any condition which would result in damage to any other Unit or the Common Elements, or which would violate the provisions of any mortgage covering another Unit or for the purpose of complying with any laws, orders, rules or regulations of any governmental body having jurisdiction thereof. Such right of access shall be exercised in such manner as will not unreasonably interfere with the use of Units, but no prior notice shall be required in the event the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Condominium or the Property, or the Units, or for the safety of Condominium residents or other persons, or required to avoid the suspension of any necessary service to the Condominium.

Additions, Alterations and Improvements by Board of Managers

Whenever in the judgment of (i) the Board of Managers, with respect to the General Common Elements, or (ii) the Residential Committee, with respect to the Residential Limited Common Elements, or (iii) the Commercial Committee, with respect to the Commercial Limited Common Elements, it shall be necessary to make additions, alterations or improvements costing more than $100,000 in the aggregate in any one year and the making of such additions, alterations or improvements shall have been approved by more than 70% in number and in Common Interest of the Unit Owners, Residential Unit Owners or Commercial Unit Owners, as the case may be, including Sponsor if then a Unit Owner, and by the holders of first mortgages on Units, if their approval is required (but only if such additions, alterations and improvements are permitted to be made by the Board of Managers in accordance with the provisions of this Plan, including, but not limited to, the provisions of the last paragraph of the description of the Common Elements contained in Section D of Part I of this Plan), then the Board of Managers, Residential Committee or Commercial Committee, as the case may be, shall proceed with such additions, alterations or improvements and shall assess each Unit Owner, Residential Unit Owner or Commercial Unit Owner, respectively, with his proportionate share of the cost; such cost will constitute a Residential or Commercial Common Expense respectively. Additions, alterations or

improvements costing in the aggregate $100,000 or less, may be made by the Board of Managers, Residential Committee, or Commercial Committee, as the case may be, without approval of the applicable Unit Owners (but only if same are permitted pursuant to the provisions of this Plan), and the cost thereof shall constitute part of the Residential or Commercial Common Expenses, respectively, and shall be allocated accordingly.

Additions, Alterations and Improvements by Unit Owners

No Residential Unit Owner may install any appliance, or make any structural addition, alteration or improvement in his Unit without the prior written approval of the Board of Managers. Residential Unit Owners may not enclose terraces or balconies without the prior written approval of the Board of Managers. No application shall be filed with any Department of the City of New York or with any other governmental authority for a permit covering any addition, alteration or improvement to be made in a Residential Unit or Commercial Unit, unless approved and executed by a majority of the Residential Committee or Commercial Committee, respectively, without, however, incurring any liability on the part of the Board of Managers, or any such Committee or any individual member, to any contractor, subcontractor, materialman, architect or engineer, by reason of such addition, alteration or improvement, or to any persons who may have any claims for personal injury or damage to property arising therefrom. The provisions of this paragraph shall not apply to any Unit owned by Sponsor or its designee.

The Sponsor and every subsequent owner of the Commercial Unit (or Units, if it be subdivided) shall have the right, without the consent of the Board of Managers, other Unit Owners, or the holders of mortgages on any other Units, to (a) make alterations, additions or improvements, structural and non-structural, interior and exterior, ordinary and extraordinary, in, to and upon their respective Unit(s), (b) alter or improve any Limited Common Elements appurtenant only to the Commercial Unit(s), including creating doors and store fronts through the exterior facade of the Building at the street level, (c) subdivide the Commercial Unit into single Units and recombine Units resulting from such subdivision, and (d) alter any boundary walls between one or more subdivided Commercial Units, provided, however, that in each instance the Commercial Unit Owner shall comply, if applicable, with all laws, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold the Board of Managers and all other Unit Owners harmless from any liability arising therefrom, except that any Commercial Unit Owner must also receive the consent of the

Commercial Committee of the Board of Managers, which consent may not be unreasonably withheld or delayed. If Commercial Unit(s) are subdivided, recombined, or boundary walls altered, the owners thereof shall have the right, without the consent of the Board of Managers, other Unit Owners, or the holders of mortgages on other Units, to apportion among the resulting Units their appurtenant interests in the Common Elements.

If any Commercial Unit is subdivided, (i) a dividing wall or walls shall be deemed Special Commercial Limited Common Elements for the exclusive use of the Unit Owners whose Units are separated by such walls and shall be maintained, repaired and replaced by the owners of the subdivided Units at their sole cost and expense and as their joint and several obligation, and (ii) all drains, flues, vents, condensate and refrigerant lines and other mechanical fixtures and equipment (except fixtures and equipment installed by the owner of a subdivided Unit or a tenant of such Owner) used in common by two or more Unit Owners shall be maintained, repaired and replaced by the Owners of such subdivided Units at their sole cost and expense and as their joint and several obligation.

The Sponsor and its designees shall also have the right, without the consent of the Board of Managers, other Unit Owners or the holders of the Unit mortgages (but only by duly filed amendment to the Plan) to (a) make alterations, additions or improvements, structural and non-structural, ordinary and extraordinary, interior and exterior, in, to and upon any Unit owned by Sponsor, (b) change the layout or number of rooms in any Unit, (c) change the size and/or number of such Units by subdividing a Unit, combining separate Units (including those resulting from such subdivision or otherwise) into one or more Units, altering the boundary walls between any Units or otherwise, and (d) reapportion among the Units affected by such change their appurtenant interests in the Common Elements, provided, however, that in each instance, the Sponsor shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold the Board of Managers and all other Unit Owners harmless from any liability arising therefrom.

The Sponsor and any subsequent owner of any Commercial Unit (or of any Unit resulting from the subdivision of any Commercial Unit) shall have the right, without the consent of the Board of Managers, other Unit Owners, or the holders of Unit mortgages, to execute and record (or, upon its or their request, the Board of Managers will execute and record as requested) an amendment to the Declaration of Condominium

and appropriate plans and other documents to reflect any changes in Commercial Units and the reapportionment of the Common Interests resulting therefrom.

The Board of Managers will sign any application or other document required to be filed with any governmental authority having or asserting jurisdiction in connection with any such structural addition, alteration or improvement made by the Sponsor to any Unit, or made to any Commercial Unit by the Sponsor or by any subsequent owner and permitted as provided in this Plan, provided, however, that neither the Board of Managers nor the Unit Owners shall be subject to any expense or liability by virtue of the signing of the application or such other document. A copy of any such application or other document will be furnished to the Board of Managers.

Non-structural alterations or improvements to Units that do not affect the exterior of the Building or the structural integrity of the Building may be made without the prior approval of the Board of Managers, subject to any express provisions to the contrary contained in this Plan and its supporting documents.

Mechanics' Liens

Under the provisions of Section 339(1) of the Real Property Law of the State of New York, no lien of any nature may arise or be created against the Common Elements except with the unanimous consent of all Unit Owners. Liens may arise or be created only against individual Units and their respective Common Interests by the respective owners thereof. A lien for labor performed on or materials furnished to a Unit may be filed against the Unit of a Unit Owner who has expressly requested or consented to such labor or materials but may not be filed against the Unit of any Unit Owner who has not expressly consented to or requested the same, except in the case of emergency repairs. No labor performed on or materials furnished to the Common Elements shall be the basis for a lien, but all Common Charges received by the Board of Managers shall constitute trust funds for the purpose of paying the cost of the labor performed or materials furnished at the request or with the consent of the Board of Managers.

Insurance

The Board of Managers will be obligated to the extent possible, to obtain and maintain: (1) fire insurance, with extended coverage, vandalism and malicious mischief endorsements normal for a condominium of this type, insuring the Building, the Condominium and all of the Units, including the equipment installed therein by Sponsor, partitions,

floors and ceilings within the Units (but not including wall, ceiling or floor decorations or coverings or furniture, furnishings, fixtures, or other personal property supplied or installed by Unit Owners such as kitchen appliances, if applicable), together with all service machinery contained therein, insuring the interests of the Condominium, the Board of Managers and all Unit Owners and their mortgagees as their interests may appear, in an amount equal to the full replacement value of the Building (exclusive of the cost of excavations and foundations) without deduction for depreciation; (2) water damage legal liability insurance; and (3) such other insurance as the Board of Managers may determine to be necessary or desirable.

The proceeds of all policies of physical damage insurance will be payable to the Board of Managers if $100,000 or less, and to a bank, trust company or savings and loan association designated by the Board of Managers as Insurance Trustee, if more than $100,000, in accordance with the terms of the By-Laws, to be applied for the purpose of repairing, restoring or rebuilding the Building unless otherwise determined by the Unit Owners as hereinafter set forth. No portion of the insurance proceeds shall be applied to the payment of the mortgage indebtedness of any Unit Owner unless the Unit Owners determine not to repair, restore or rebuild the Building.

All policies of physical damage insurance shall contain waivers of subrogation and of any defense based on co-insurance or on pro rata reduction of liability or because of invalidity arising from any act of the insured, and shall provide that such policies may not be cancelled by the insurance carrier or substantially modified without at least thirty (30) days' prior written notice to all of the insureds, including all mortgagees of Units. Duplicate originals of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all mortgagees at least ten (10) days prior to expiration of the then current policies and each Unit Owner shall receive a certificate of such insurance.

The cost of all such insurance shall be paid by the Board of Managers and shall constitute a General Common Expense.

The amount of fire insurance to be maintained on the Building and the Condominium until the first meeting of the Board of Managers elected by the Unit Owners will be $18,000,000.

The Board of Managers shall also obtain and maintain to the extent obtainable: (1) fidelity insurance covering the Managing Agent and all employees and members of the Board of Managers who handle Condominium funds; (2) worker's compensation insurance for Condominium employees; (3) public liability insurance covering each member of the Board of Managers and each Unit Owner in such limits as the Board of Managers may deem proper, and covering all claims for bodily injury or property damage arising out of any occurrence in the Common Elements, Limited Common Elements and the Residential or Commercial Units, except that such policy will not cover liability of a Unit Owner arising from occurrences within his own Unit. The Board of Managers shall review such limits once each year. The public liability insurance will also cover cross-liability claims of one insured against another. Until the first meeting of the Board of Managers elected by the Unit Owners, the public liability insurance (primary and excess) will be in a limit of $6,000,000 covering all claims for bodily injury and for property damage and water damage legal liability claims. For details regarding insurance coverage see Schedule B in Section G.

Unit Owners shall not be prohibited from carrying other insurance for their own benefit at their own expense (covering items not included or included only to a limited extent in the policy procured by the Board of Managers), 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 Unit Owner's other insurance.

The insurance coverage to be carried by the Condominium does not include fire, casualty or other risks to personal property or upgraded fixtures, equipment or improvements within Units, or liability coverage for occurrences within a Unit. Unit Owners may seek such coverage at their own expense.

Damage by Fire or Other Casualty

Except as provided above, in the event of a casualty loss to the Building (including the Common Elements and Limited Common Elements), the Board of Managers shall arrange for repair and restoration of damaged Units, Common Elements and Limited Common Elements and any fixtures and equipment installed by Sponsor, in accordance with this Plan, but not including replacement of wall, floor or ceiling decorations or coverings, or furniture, furnishings, fixtures, appliances, equipment or other personal property of Unit Owners. If the insurance proceeds are not sufficient for the repair

or restoration, the Board of Managers must assess all of the Unit Owners for such deficit as part of the General Common Expense.

Under certain circumstances, damage to the Property may give a Unit Owner or lienor a right of partition (see Article V, Section 3 of the By-Laws in Part II, Exhibit 6).

Unit Owner's Obligation to Comply With Condominium Declaration, By-Laws and Rules and Regulations

Each Unit Owner will be obligated to comply with the Declaration, By-Laws and Rules and Regulations of the Condominium. Failure to do so may result in the Board of Managers or other Unit Owners exercising any of their rights in these Condominium documents or at law, such as the institution of a lawsuit to enforce the Unit Owner's obligations or to prevent or recover damages for a Unit Owner's breach of his obligations. In certain circumstances, such as the non-payment of Common Charges, the Board of Managers on behalf of Unit Owners will have a lien against the Unit, as described above.

SECTION T. RIGHTS AND OBLIGATIONS OF BOARD OF MANAGERS: SUMMARY OF DECLARATION AND BY-LAWS

Within 30 days after (i) Sponsor's conveyance of title to 15% in number and in Common Interest of the Residential Units offered for sale, or (ii) the second anniversary of the first conveyance of title to a Residential Unit, whichever shall first occur, or sooner at Sponsor's option, Sponsor shall call the first meeting of Unit Owners at which meeting a new, ten (10) member Board of Managers shall be elected.

All members of the Board of Managers (other than any designated by Sponsor) shall be Unit Owners, mortgagees of Units, partners or employees of a partnership owning a Unit or holding a mortgage covering a Unit, shareholders, officers, directors or employees of corporate owners or of corporate mortgagees of Units, or fiduciaries or officers or employees of fiduciaries who are owners or mortgagees of Units.

Seven (7) Residential Members of the Board shall be elected only by the Residential Unit Owners, including Sponsor. Three (3) positions on the Board of Managers shall be reserved for Commercial Members, who shall be elected by the Commercial Unit Owner. All members shall serve for the terms prescribed by the By-Laws. So long as Sponsor is entitled to elect a majority of the Board of Managers, Sponsor will, through control of the Board, have control of the maintenance and operation of the Condominium and will determine the Common Charges to be paid by all Unit Owners, including Sponsor.

The term of office of the members of the Board of Managers elected by the Residential Unit Owners shall normally be three (3) years or until their successors are elected, except that the term of office of three (3) members elected at the first meeting of Unit Owners shall be fixed at three (3) years or until their successors are elected; the term of two (2) members elected at the first meeting shall be fixed at two (2) years or until their successors are elected and the term of two (2) members elected at such meeting shall be fixed at one (1) year or until their successors are elected. At the expiration of the initial term of office of each member of the Board of Managers elected by the Residential Unit Owners, his successor shall be elected to serve for a term of three years or until his successor is elected. The candidates for Residential Members who receive the highest number of votes from Residential Unit Owners will serve the longest term.

Notwithstanding anything to the contrary herein contained, in addition to the seven (7) members elected by the Residential Unit Owners, three (3) members of the Board shall be elected solely by the Commercial Unit Owner and shall serve for a term of one (1) year. Such Commercial Members may serve successive one year terms without limitation as to the number of successive one (1) year terms.

At any regular or special meeting of Unit Owners, any one or more of the members of the Board of Managers, other than a member designated by Sponsor, may (subject to the following provisions to the contrary) be removed with or without cause by a majority of the Residential Unit Owners and a successor may thereafter be elected to fill the vacancy thus created, provided notice of the proposed removal was given to the member in the notice of meeting. Notwithstanding the foregoing: (1) a member of the Board of Managers designated by Sponsor (or its designee) may only be removed by Sponsor and only the Sponsor shall have the right to designate his replacement and (2) a member of the Board of Managers elected by the Commercial Unit Owner may be removed and replaced only by the Commercial Unit Owner or by the then Commercial Members, if any. If a member of the Board of Managers ceases to be a Unit Owner or Unit mortgagee (or a partner, officer, director, stockholder or employee of a partnership or corporate owner or mortgagee or fiduciary owner or mortgagee), unless such member is a designee of the Sponsor, he shall be deemed to have resigned effective as of the date such ownership or mortgage interest ceased. Any member of the Board of Managers whose removal has been proposed shall be given an opportunity to be heard at the meeting. (See Article II, Section 5 of the By-Laws in Part II, Exhibit 6).

All members of the Board of Managers shall serve without compensation and Sponsor has agreed that the By-Laws will not be amended to provide otherwise so long as Sponsor shall own more than 50% in number of the Residential Units.

The Board of Managers will be responsible for management and maintenance of the Condominium and shall have the powers and duties necessary for the administration of the affairs of the Condominium and may perform any acts necessary therefor, consistent with the Declaration, By-Laws and applicable law. Such acts include (i) determination, collection and enforcement of the obligations of Unit Owners to pay Common Charges; (ii) employment and dismissal of personnel; (ii) the right to accumulate reserves for capital replacements or otherwise; (iv) providing for insurance; and (v) adoption of rules relating to the use and operation of Condominium property. In general, the Residential Committee

will be in charge of determinations with respect to the Residential Section and issues affecting Residential Unit Owners only and the Commercial Committee will be in charge of determinations with respect to the Commercial Section and issues affecting the Commercial Unit Owners only. The full Board of Managers shall meet at least twice annually. The Residential Committee of the Board shall meet at least four times annually.

As more fully set forth in the By-Laws, all determinations required to be made by the Board of Managers shall be by majority of votes cast at any meeting at which a quorum is present.

Any dispute between the Residential Committee and the Commercial Committee as to which entity shall make a particular decision shall be resolved by arbitration, as described in the By-Laws.

A detailed list of the powers and duties of the Board is contained in Article II, Section 2 of the By-Laws, Part II, Exhibit 6.

Officers of Condominium

The principal officers of the Condominium shall be the President, Vice President, Secretary, Assistant Secretary, Treasurer and Assistant Treasurer, all of whom (except the Assistant Secretary and Assistant Treasurer) shall be elected by the Board of Managers. All officers except the Assistant Treasurer, Assistant Secretary and the Secretary must be Residential Unit Owners. The President, Vice-President and Treasurer must be members of the Residential Committee as well, and shall hold the same offices with respect to the Residential Section. The Secretary may be a Residential Unit Owner, or related to a Residential Unit Owner or may be an employee of the Managing Agent but in any event need not be a member of the Board of Managers and shall not be appointed Secretary with respect to both the Residential Committee and the Board of Managers. The Assistant Secretary and Assistant Treasurer shall be appointed by the Commercial Unit Owner or the Commercial Committee, and need not be a Unit Owner. The Board (or the Residential Committee) may appoint such other officers as in its judgment may be necessary.

The President shall be the chief executive officer of the Condominium and the Residential Section. He shall preside at all joint meetings of the Unit Owners, the Board of Managers, the Residential Unit Owners and the Residential Committee, as necessary. In all capacities he shall have

such general powers and duties as would be incident to the office of president of a typical 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 affairs of the Condominium. The Vice-President shall have the powers and responsibilities of the President in the event the President is unavailable or unable to act.

The Secretary shall keep the minutes of all joint and separate meetings of the Unit Owners, and of the Residential Committee and the Board of Managers. He shall have charge of such books and papers as the Board of Managers or the Residential Committee may direct and generally shall perform all the duties as would typically be performed by a secretary of a stock corporation organized under the Business Corporation Law of the State of New York.

The Assistant Secretary shall assist the Secretary as necessary with respect to items concerning the Condominium generally, and shall have responsibility for all books and records (other than financial books and records) affecting the Commercial Unit.

The Treasurer of the Condominium and Residential Section shall have the responsibility for Condominium and Residential Section funds and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for preparation of all required financial data for both the Condominium and the Residential Section. He shall be responsible for the deposit of all moneys and other valuable effects in the name of the Board of Managers or the Residential Section, or their agents in such depositories as may from time to time be designated by the Board of Managers or the Residential Section. He shall, in general, perform all duties as would typically be performed by a treasurer of a stock corporation organized under the Business Corporation Law of the State of New York.

The Assistant Treasurer shall assist the Treasurer as necessary with general Condominium funds and accounting, but generally shall have responsibility for keeping full and accurate financial records showing all receipts and disbursements for the Commercial Unit.

Officers may be removed at any meeting of the Board of Managers, provided notice of the proposed removal has been given to such officer and is contained in the notice of the meeting. Any officer whose removal bas been proposed

shall be given an opportunity to be heard at the meeting. All officers shall serve without compensation.

Liability of Board of Managers
(and Unit Owners)

In order to limit the liability of the members of the Board of Managers (and of the Unit Owners), any contract or other commitment made by the Board of Managers shall state that it is made by the Board of Managers only as agent for the Unit Owners (or, if not all Unit Owners, the Unit Owners who shall receive the beneifts thereof), that the members of the Board of Managers shall have no personal liability on any such contract or commitment (except as Unit Owners), and that the liability of any Unit Owner on any such contract or commitment shall be limited to such proportionate share of the total liability thereunder as the Common Interest of such Unit Owner bears to the aggregate Common Interest of all Unit Owners receiving the benefits thereof. The Board of Managers shall have no liability to the Unit Owners for errors of judgment, negligence or otherwise, except willful misconduct or bad faith. The Unit Owners shall severally indemnify and hold harmless the members of the Board of Managers against any liability or claim except those arising out of the bad faith or willful misconduct of members of the Board of Managers, but the liability of any Unit Owner on account of such indemnification shall be limited to such proportionate share thereof as the Common Interest of such Unit Owner bears to the aggregate Common Interest of all Unit Owners. (See Article II, Section 14 of the By-Laws in Part II, Exhibit 6 of this Plan.)

(No other specific provision is made in the By-Laws regarding the liability of officers.)

Reports to Unit Owners; Notice of Meetings;
Examination of Books

An annual report of the receipts and expenditures of the Condominium, audited by an independent certified public accountant, shall be furnished promptly after the end of each fiscal year by the Board of Managers to all Unit Owners and to all mortgagees of Units who request same. The cost of such report shall be paid by the Board of Managers and shall constitute a Common Expense.

Unit Owners will be given notice by mail of each Unit Owners meeting not more than forty nor less than ten days prior to such meeting.

Each Unit Owner and each mortgagee of a Unit shall be permitted to examine the books of account of the Condominium at reasonable times during regular business hours at the office of the Condominium or wherever designated by the Board of Managers.

Right of First Refusal of Board of Managers: Funds for Acquisition

The Board of Managers, with the approval of a majority of the Unit Owners (as such term "majority" is defined in the By-Laws), may purchase or lease a Residential Unit from a Residential Unit Owner desiring to sell or lease it or at a foreclosure or other judicial sale. This right of first refusal shall not be applicable (i) to the Sponsor or its designee, (ii) to any Commercial Unit, (iii) to sales or leases made to persons or entities related to the selling or leasing Unit Owner, or (iv) to sales of Unsold Units. In the event the Board of Managers does not have sufficient funds on hand for the purchase or lease of a Residential Unit which has been approved by a majority of the Unit Owners, the Board of Managers may either borrow such funds or may assess the Residential Unit Owners therefor in proportion to their respective percentage of Common Interest.

Any Unit acquired or leased by the Board of Managers or its designee shall be held on behalf of all Residential Unit Owners in proportion to their respective percentage of Common Interest. The votes appurtenant to the Units so acquired may not be voted by the Board of Managers or its designee.

Each Unit Owner, on the closing of title to his Unit, will be required to execute at the Unit Owner's expense an instrument in the form set forth in Part II, Exhibit 3 entitled "Form of Power of Attorney", irrevocably constituting the Board of Managers and its successors as his attorneys-in-fact, coupled with an interest, for the purpose of selling, conveying, mortgaging, leasing, or otherwise dealing with any Unit acquired or leased by the Board of Managers, or its designee on behalf of all Unit Owners.

Termination of Condominium and Partition of Common Elements

The Condominium shall continue (unless terminated by casualty loss as provided by law, or by condemnation as described in the By-Laws), until such time as the Property shall be withdrawn from the provisions of Article 9-B of the Real Property Law of the State of New York as a result of

a vote to do so by at least 80% in number and in Common Interest of the Unit Owners, other than Sponsor. In such event, the Property will 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, 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 Unit in the order of priority of such liens, shall be divided among all Unit Owners in proportion to their respective percentage interest in the Common Elements. Except as set forth in this paragraph, the Common Elements will not be subject to an action for partition.

A Unit Owner may not convey his Unit apart from the Common Interest appurtenant thereto.

Review of Real Estate Assessments on Units

Pursuant to Section 339-y(2) of the New York Real Property Law, the Board of Managers may (but is not obligated to) act as an agent for one or more Unit Owners who has given written authorization to the Board of Managers to file a single complaint and bring a special proceeding on behalf of Unit Owners who wish to contest the real estate tax assessments of their Units. However, each Purchaser of a Unit is required to sign a Power of Attorney appointing the Board of Managers as his attorney-in-fact to bring an administrative or judicial proceeding to reduce tax assessments (see Part II, Exhibit 3, entitled "Form of Power of Attorney). In such event, the Board may retain counsel on behalf of such Unit Owners and charge each Unit Owner for whom it is acting, a pro rata share of the expenses, disbursements and legal fees, the payment of which would be secured by a lien on each such Unit.

Severance of Ownership Prohibited

Both the Condominium Act and the By-Laws of the Condominium prohibit a Unit Owner from attempting to convey his Unit apart from the percentage interest in the Common Interest appurtenant thereto. The intent of such provision is to prevent any severance of such combined ownership.

Accumulation of Reserves

The Board of Managers may assess Common Charges for accumulation of reserves subject to provisions of appli-

cable tax law and subject, for a limited time, to Sponsor's right to withhold consent to such action.

Amendments to Declaration and By-Laws

The Declaration may be amended with the approval of at least 70% in number and in Common Interest of all Unit Owners, provided, however, that the Common Interest appurtenant to a Unit cannot be altered without the consent of all Unit Owners affected. The Sponsor and Commercial Unit Owner are permitted to make certain amendments to the Declaration in connection with the construction and alteration of Units owned by them. (See Section 16 of the Declaration in Part II, Exhibit 5.)

The By-Laws may be amended with the approval of at least 70% in number and in Common Interest of all Unit Owners. The consent of the Sponsor is required for certain changes in the By-Laws. (See Article XI of the By-Laws in Part II, Exhibit 6 of this Plan.)

Notwithstanding the foregoing, the Declaration and/or By-Laws may not be amended with respect to Sponsor or the Commercial Unit unless Sponsor or the Commercial Unit Owner affected thereby consents thereto as provided in this Plan.

SECTION U. TAXES, DEDUCTIONS TO UNIT OWNERS AND TAX STATUS OF CONDOMINIUM

The Sponsor has been advised by its counsel, Wien, Malkin & Bettex, that each Unit Owner who uses his Residential Unit for his primary residence and itemizes deductions will be entitled to deduct from his adjusted gross income for federal, New York State and New York City income tax purposes, the real estate taxes assessed against his Residential Unit and paid to the taxing authorities. Under the Tax Reform Act of 1986, subject to certain phase-in rules for 1987 through 1990, such Unit Owner may also deduct the amount paid by him for interest on any loan secured by his Unit only (a) if such Unit is designated by such purchaser as a "principal" or "other" personal residence and (b) to the extent that the amount of the loan does not exceed the lesser of (i) the sum of the purchase price of the Unit, the cost of improvements thereto and the cost of certain medical and educational expenses and (ii) the fair market value of the Unit. Unit Owners who use their Units for business or professional purposes exclusively will be entitled to deductions for real estate taxes, interest, Common Charges and depreciation as expenses incurred in the ordinary course of business. Unit Owners who lease their Units for production of income may be limited in their ability to fully deduct the expenses associated with the ownership of a Unit under the "passive loss" limitation of the Tax Reform Act of 1986.

In addition, Sponsor has been advised by counsel that some Unit Owners, such as veterans of the United States Armed Forces, may be entitled to exemptions covering part of the real estate taxes otherwise assessed against their respective Residential Units.

The Condominium will be managed by the Board of Managers which shall collect the Common Charges on behalf of the Condominium. Although it is not clear whether the Condominium would be treated as an association taxable as a corporation for Federal tax purposes, Sponsor has been advised by counsel that there is authority for such treatment. In that event, the Condominium will file tax returns and be subject to the regular corporate income tax on its taxable income. The Condominium's taxable income would be computed as the excess of its gross income over its deductible expenses. However, any portion of the Common Charges which is segregated and used to finance specified capital expenditures should not be includible in gross income. In this connection, it is anticipated and advisable that the Condominium Board of Managers should spend most of the Condominium income for allowable deductions or properly designate it for capital

purposes, thus limiting taxes. If the Condominium is required to pay taxes, the amount thereof will be levied as a Common Charge.

Tax laws, regulations and rulings are subject to change by the federal and state governments and their agencies and also by judicial or administrative interpretation. Moreover, facts and conditions assumed by Sponsor and Sponsor's counsel are subject to change. To the extent that such changes may occur, no warranties or assurances are made that the Internal Revenue Service or the Department of Taxation and Finance of either the State or City of New York will allow income tax deductions. Neither Sponsor nor counsel to Sponsor will be liable if such changes occur and as a result it is determined that a Unit Owner is not entitled to the deductions referred to above.

SECTION V. REAL ESTATE TAXES

The Sponsor has engaged Alfred Schimmel, ASA, an independent real estate appraiser to estimate the assessed valuation upon completion of the conversion of the Property to condominium ownership which estimate is contained in a written report dated January 21, 1987. The Property currently enjoys the benefits of Section 489 of the New York State Real Property Tax Law and Section J-51-2.5 of the Administrative Code of the City of New York (hereinafter collectively "J-51").

As a result of the J-51 benefits granted to the Property, (i) any increase in assessment of the Building resulting from the conversion of the Building to residential use is exempted from the assessed value of the Property for a period of twelve (12) years commencing with the 1981/82 New York City fiscal year, and (ii) as of the date hereof, there remains an abatement reserve of approximately $2,011,396 from which a maximum of $267,334 may annually be used to abate real estate taxes otherwise payable. As a result, no taxes were paid for the 1985/86 and 1986/87 tax years. Mr. Schimmel concludes that: "It would appear that no taxes will be paid on the residential units until the exemption expires and then the abatement would be increased to keep the residential units tax free until the abatement reserve is exhausted in about 10 years."

Upon conversion to condominium ownership, each Unit will be assigned a separate Block and Tax Lot number and will be separately assessed for real estate taxes. Prior to assessing each Unit, the Property will first be assessed as a whole, and the total value will then be apportioned among the Units. In assigning separate values to each of the Residential Units, each Residential Unit will bear a share of the total assessed valuation and exemption in accordance with the ratio of its price to the total price of all Residential Units. Mr. Schimmel has projected that upon conversion to condominium ownership, the target assessed value of the Residential Section for the 1987/88 fiscal year will be equal to $8,750,000.

The foregoing estimate is based on the best information available as of the date hereof and is subject to change in the event the Real Property Assessment Department of the City of New York adopts new guidelines or otherwise changes its policies. Purchasers should note that the foregoing is not a guarantee or warranty that real estate taxes will continue to be fully exempted and or abated for any period of time. The complete report of Alfred Schimmel, ASA

is available for review by prospective Purchasers and their attorneys at the office of the Selling Agent.

SECTION W. RESERVE FUND AND WORKING CAPITAL FUND

1. Reserve Fund

The Sponsor will contribute the Reserve Fund required in accordance with Local Law 70. Under the law, the exact amount of the Reserve Fund cannot be determined until the Consummation Date since it depends on the actual sales price of Residential Units, as discussed below. However, if all Residential Units are sold to tenants at the prices shown in Schedule A, the aggregate amount of the Reserve Fund will be $1,689,931.

Pursuant to Local Law 70 (Title YYYY51 of the Administrative Code of the City of New York) the Sponsor of a conversion to condominium ownership in New York City must establish a Reserve Fund ("Local Law 70 Reserve Fund") to be used exclusively for making capital repairs, replacements and improvements necessary for the health and safety of the residents of the Building. Local Law 70 provides that the Local Law 70 Reserve Fund be in an amount equal to either (a) 3% of the price for all Residential Units based on the last price to tenants in occupancy prior to the effective date (the "total price"), or (b) 3% of actual sales prices of Residential Units sold at the time the Plan is declared effective (but not less than 1% of the total price) plus supplemental contributions to the Local Law 70 Reserve Fund during the five years after the Consummation Date equal to 3% of actual sales prices. If less than 3% of the total price has been contributed by five years and thirty days after the Consummation Date, then the balance up to 3% of the total price shall be contributed at that time.

Sponsor designates the superintendent to post and maintain in the premises a listing of all violations of record against the premises as determined by the Department of Buildings and the Department of Housing Preservation and Development. Such listing shall be posted commencing on the 30th day after the Plan was accepted for filing and every thirty days thereafter until the Closing.

The Reserve Fund may be used only for capital expenditures for the Common Elements as determined by the Board of Managers. The Sponsor believes that the Reserve Fund will be sufficient to pay for the replacement of capital items likely to be needed. However, no assurance can be given that the Reserve Fund will be adequate for that purpose, and if additional monies are needed over and above the Reserve Fund, it may be necessary to increase Common Charges or levy a special assessment against Unit Owners. The Sponsor will

claim and receive a credit against the mandatory initial contribution to the Reserve Fund for the actual cost of capital replacements which has been begun after the Plan is submitted for filing to the Department of Law and before the Plan is declared effective, provided, however, that any such replacement must be set forth in the Plan together with their actual or estimated costs and further provided that such credit shall not exceed the lesser of the actual cost of the capital replacements or 1% of the total price.

2. Working Capital Fund

Each Purchaser will contribute an amount equal to one month's total Common Charges, as shown on Schedule A, to the Condominium as a Working Capital Fund to be used by the Board of Managers for the operation of the Condominium.

So long as the Sponsor controls the Board of Managers, the Reserve Fund and the Working Capital Fund may not be used to reduce projected Common Charges as set forth in Schedule B in Section G. The Reserve Fund will not be reduced by closing adjustments or closing expenses. However, no representation can be made that after the Sponsor relinquishes control, the Board may not decide to use the Reserve Fund for a purpose other than for the replacement of capital items or use the Working Capital Fund to reduce Common Charges.

THE ENTIRE PROPERTY, INCLUDING THE RESIDENTIAL UNITS AND THE FIXTURES AND APPLIANCES CONTAINED THEREIN, IS OFFERED IN ITS CURRENT CONDITION EXCEPT AS SET FORTH IN THIS OFFERING PLAN. NO GOVERNMENT AGENCY HAS PASSED UPON THE ADEQUACY OF THE RESERVE FUND OR THE WORKING CAPITAL FUND OR THE PHYSICAL CONDITION OF THE BUILDING.

SECTION X. PURCHASERS FOR INVESTMENT OR RESALE

Title to each Unsold Unit will remain in the Sponsor or its designee until the Residential Unit is sold and a deed delivered to the Purchaser. From and after the Consummation Date, the Sponsor shall be responsible for and will pay the Common Charges assessed against each Unsold Residential Unit until it is sold and title is transferred to a bona fide Purchaser for occupancy. No bond or other security will be posted by the Sponsor for this obligation and its ability to perform will depend upon its financial condition at the time called upon. If the Sponsor fails to pay Common Charges the Board of Managers will have the same rights and remedies against it as against any other defaulting Unit Owner.

In the event that three (3) or more Residential Units in the Building are purchased for investment or resale by a Purchaser, and not for occupancy by such Purchaser or persons related by blood, marriage or adoption to such Purchaser, then such Purchaser, if any, shall be a "Purchaser for Investment or Resale". A Purchaser for Investment or Resale must register as a dealer pursuant to General Business Law Section 359-e (if not already registered) and comply with the trust fund and escrow provisions of Sections 352-h and 352-e(2-b) of the General Business Law and shall provide the following copies of documents to a prospective Purchaser, at no cost to such prospective Purchaser, at least three (3) days before entering into a Purchase Agreement:

(1) The most recent financial statement of the Condominium, if any.

(2) Notices from the Board of Managers concerning changes in Common Charges, potential assessments and planned major capital improvements.

(3) Pleadings in pending lawsuits or proceedings the outcome of which may affect the offering of the Unit, the capacity of the Purchaser for investment or resale to perform all of its obligations under the purchase agreement or the rights of an existing tenant of the Residential Unit, if any.

(4) The tenant's lease and representation of the tenant's status under any applicable rent law.

(5) Copy of the Declaration and By-Laws of the Condominium, as amended.

(6) Copy of notices of uncured violations of record in the Apartment that are the responsibility of the Unit Owner to cure, if any.

A Purchaser for Investment or Resale who alone or with other like Purchasers under common control, purchases a number of Units equal to or more than the greater of six Units or 10% of the total number of Residential Units in the Building shall also:

(i) Furnish to the Department of Law all documents required for a principal of the Sponsor by Section 23.2(d) of the Regulations including a new attorney transmittal letter; new sponsor certification; new engineer or architect certification; new certification by sponsor's expert on the adequacy of the budget; and

(ii) Provide prospective Purchasers with a copy of the Offering Plan, as amended.

The Sponsor or the "designee holder" as defined in Section 23.5(a)(9) of the Regulations shall amend the Plan to provide correct and accurate information concerning all Purchasers for Investment or Resale as is required for principals of the Sponsor by Regulations Section, 23.3(ff)(1), (2), (7) and (8) relating to the identity of all parties in interest.

SECTION Y. MANAGEMENT AGREEMENT

The Board of Managers will enter into an agreement with Orb Management Ltd. (the "Managing Agent") having its principal office at 421 Hudson Street, New York, New York 10014, to act as the managing agent of the Property for a period of three years from the date of the first closing of title to a initially Residential Unit. For its services, the Managing Agent will receive an annual management fee of $40,000 plus certain commissions and fees if other services specified in the agreement are rendered upon request of the Board of Managers. The annual fee will increase to $50,000 for the second year and to $60,000 for the third year. The management agreement will not be assignable by the Managing Agent nor cancellable by the Managing Agent, unless the Board of Managers fails or refuses to comply with or abide by any rule, order, determination, ordinance or law of any federal, state or municipal authority. The Board of Managers will have the right to cancel the management agreement at any time for cause and for any reason at any time after two (2) years.

The services to be rendered to the Condominium by the Managing Agent will include (a) billing and collecting Common Charges; (b) hiring and discharging contract labor employees; (c) supervising repairs; (d) purchasing supplies for the Property; (e) attending meetings of the Board of Managers and Unit Owners; and (f) furnishing monthly reports of receipts and disbursements to the members of the Board of Managers.

The Managing Agent will not prepare the Condominium's annual certified financial statement; such statement will be prepared by an independent certified public accountant employed by the Board of Managers at its own expense.

All officers and employees of the Condominium and the Managing Agent will be bonded at all times from and after the first closing of title to a Residential Unit during the term of the management agreement under a fidelity bond in favor of the Condominium in the amount of $250,000 for each loss. The cost of the bond will be borne by the Unit Owners and has been provided for in the estimate of the expenses of the first year of condominium operation contained in Schedule B.

The Board of Managers will indemnify the Managing Agent for acts properly performed by it under the management agreement and for costs and expenses incurred pursuant thereto.

SECTION Z. SPONSOR'S PROFIT

Title to the Property was acquired by the Sponsor on or about August 29, 1975. The exact amount of profit from this conversion anticipated by the Sponsor cannot be determined as of the date of this Plan because of such variable factors as the number of tenants who decide to purchase, the length of time required to sell all the Residential Units, the expenses incurred by reason of ownership of unsold Residential Units and other unforeseeable liabilities incurred in connection with the consummation of the Plan.

SECTION AA. IDENTITY OF PARTIES

Sponsor

Mountbatten Equities, a New York limited partnership with an office at 421 Hudson Street, New York, New York 10014. The general partners of Sponsor are Winthrop D. Chamberlin and Barnet L. Liberman. Messrs. Chamberlin and Liberman are the general partners of 305 Second Avenue Associates, the Sponsor of the Offering Plan for Rutherford Place Condominium.

Managing Agent

Orb Management, Ltd., located at 421 Hudson Street, New York, New York, 10014, the sole shareholders of which are Messrs. Chamberlin and Liberman, will act as managing agent of the Condominium pursuant to a written management agreement. Such company currently manages 305 Second Avenue, New York, New York 10003; and Coenties Slip Apartments, 66 Pearl Street, New York, New York 10004.

Attorneys for Sponsor

Wien, Malkin & Bettex, located at 60 East 42nd Street, New York, New York 10165, represents the Sponsor in connection with all matters pertaining to this Plan. Members of Wien, Malkin & Bettex have been partners with Messrs. Chamberlin and Liberman in various other transactions, but are not partners in Sponsor. Mitchell J. Nelson, a member in such firm, prepared the Plan. Wien, Malkin & Bettex will not represent the Board of Managers of the Condominium or any of the Unit Purchasers.

Selling Agent

Habitations Limited, Inc., located at 421 Hudson Street, New York, New York 10014 is licensed as a real estate broker in New York and will act as the Selling Agent. Mitchell Kleinman and Paula Wexler are the principals of Habitations Limited Inc. and have been active in the real estate industry for the last ten years.

SECTION BB. GENERAL

1. There are no lawsuits, administrative or other proceedings pending, the outcome of which may materially affect this offering, the Property, the Condominium, the operation of the Condominium or Sponsor's capacity to perform its obligations under the Plan, except (i) claims covered by insurance, (ii) tenant dispossess actions in the ordinary course of business, complaints filed with the Division of Housing and Community Renewal including a Petition for Administrative Review challanging the order of the Division of Housing and Community Renewal allowing a rent increase in connection with the addition of a night concierge and actions relating to non-primary residences, (iii) an action brought by Barnet Liberman, a general partner of Sponsor, against [redacted], a tenant in the Building, arising out of certain alleged defamatory statements made by [redacted] about Mr. Liberman in connection with Mr. Liberman's capacity as a principal of the landlord. This action is currently stayed pending an appeal by Defendant from an order disqualifying Defendant's counsel, and (iv) an action brought by Barnet L. Liberman, against [redacted], a tenant in the Building, arising out of certain alleged defamatory statements made by [redacted] about Mr. Liberman in connection with his capacity as a principal of the landlord. Defendant has counterclaimed against Mr. Liberman and has joined Mountbatten Equities. This action is currently stayed pending an appeal by Defendant from an order disqualifying Defendant's counsel, and (v) an action brought by Mr. and Mrs. Barnet Liberman against [redacted], a tenant in the Building, and [redacted], for willful infliction of emotional distress for delivering gift-wrapped mice in a box on Boxing Day.

2. There are no contractual undertakings or obligations of the Sponsor or other persons, or bonds or other securities posted to insure payment of any obligation or undertaking, which would affect the ownership of Residential Units by Purchasers, except (i) such building mortgage as the Sponsor has obtained and/or may obtain, from which each Unit will be released prior to or concurrently with the closing of title and (ii) the easements, agreements and restrictive covenants referred to in this Plan.

3. In accordance with the provisions of the laws of the United States and the State of New York, Sponsor represents that it will not discriminate against any person because of marital status, disability, race, creed, color, national origin, sex or ancestry in the sale of Units offered by the Plan or in the leasing of any Unit.

4. When in this Plan reference is made to any one gender, masculine, or feminine or neuter, such reference includes the other two, and the singular includes the plural, and vice versa, unless the context otherwise requires.

5. The Property has not, to Sponsor's knowledge, been the subject of any prior public offering.

6. This Plan contains a fair summary of the material provisions of the various documents referred to herein. Statements made as to the provisions of such documents are qualified in all respects by the contents of such documents. The Plan does not knowingly omit any material fact or contain any untrue statement of any material fact. In accordance with Section 352-e(9) of the General Business Law, copies of this Plan, the Exhibits filed with the Department of Law pursuant to its regulations and other documents referred to herein shall be available at the office of the Sponsor for inspection by prospective Purchasers and by any person who shall have purchased a Unit offered by this Plan or who shall have participated in the offering thereof, and shall remain available for such inspection for a period of six years from the date of acceptance of the Plan.

7. The Sponsor has obtained an alteration permit from the New York City Buildings Department to combine apartments 820 and 821. The resulting Unit which will be offered for sale pursuant to this Plan will be designated as Unit 820. The Sponsor has applied for an amendment to the Certificate of Occupancy as required by law, and will obtain it before conveyance of title to such Unit. The Sponsor agrees to indemnify the Board of Managers and Condominium from and against any and all claims, liability and expense as a result of a violation filed against the Building by the New York City Buildings Department to the extent the amended Certificate of Occupancy is not issued if then required by applicable law.

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

MOUNTBATTEN EQUITIES,
SPONSOR

May 6, 1987

PRINTING HOUSE CONDOMINIUM

421 HUDSON STREET

NEW YORK, NEW YORK

OFFERING PLAN

PART II

Exhibit 1 SPONSOR'S STATEMENT OF BUILDING CONDITION; DESCRIPTION OF PROPERTY AND SPECIFICATIONS AND ASBESTOS REPORT

The Sponsor adopts the "Report on Physical Conditions of Premises" dated March 10, 1987 (the "Report") prepared by Luke Licalzi, P.E., P.C., an independent licensed professional engineer and set forth herein and represents that to the best of its knowledge the Report accurately states the condition of the Building and its equipment.

The Sponsor further represents that it has no knowledge of any material defect or need for major repairs to the Building.

The Common Elements are offered in "as is" condition as of the date of closing of the first Unit, subject to (a) the Sponsor's obligations to maintain the Property until the closing in substantially the same condition and manner as on the date of presentation, (b) reasonable wear and tear, and (c) the Sponsor's obligation to maintain the Property in accordance with the requirements of law and to cause violations of record to be cured. Each Unit is offered in "as is" condition as of the date of the Purchase Agreement, subject to (a) the Sponsor's obligation to maintain the Unit until the closing in substantially the same condition as on the date of presentation, (b) reasonable wear and tear, and (c) the Sponsor's obligation to maintain the Unit in accordance with the requirements of law and to cause any violation of record to be cured.

The Sponsor will maintain the Common Elements in accordance with the requirements of law and prior to the closing of the first Unit or within a specified reasonable period of time thereafter, the Sponsor will cause to be cured all violations of record as of the closing date of the first Unit. The Sponsor will maintain each Unsold Unit in accordance with the requirements of law. Prior to the closing of each Unit or within ninety (90) days thereafter, the Sponsor will cause to be cured all violations of record as of the closing date of each Unit (except violations caused by acts or omissions of tenants in the Building in their own apartments, by a Unit Owner in his own Unit and by the tenants or owner of the Commercial Unit). Prior to the closing of the first Unit, the Sponsor will eliminate all dangerous or hazardous conditions including, but not limited to, "C" violations as defined in the New York City Administrative Code, of which Sponsor has notice and Sponsor will comply with all work orders from mortgagees and insurers. If uncured violations are to be cured within a reasonable time

after the closing of the first Unit, Sponsor will place in escrow an amount determined by the Engineer or an architect selected by Sponsor to be sufficient to cure the violations, and if they are not cured within six (6) months of the first closing of title to a unit, the amount escrowed for uncured violations will be disbursed to the Board of Managers. Notwithstanding anything herein contained to the contrary, after control of the Board of Managers is acquired by Unit Owners independent of the Sponsor, the Sponsor shall not be responsible to cure any violations of record arising out of the acts, practices, omissions or neglect of the Board of Managers.

EXCEPT AS PROVIDED IN THIS PLAN, THE PROPERTY IS BEING OFFERED "AS IS", IN ITS CURRENT CONDITION. NEITHER THE SPONSOR NOR THE BOARD OF MANAGERS WILL HAVE ANY OBLIGATION TO MAKE REPAIRS OR IMPROVEMENTS EXCEPT AS SET FORTH IN THIS PLAN. EACH PURCHASER HAS THE OPPORTUNITY TO INSPECT HIS UNIT AND THE BUILDING PRIOR TO SIGNING A PURCHASE AGREEMENT. PROSPECTIVE PURCHASERS ARE INVITED TO HAVE AN ARCHITECT OR AN ENGINEER OF THEIR OWN CHOICE, LICENSED IN THE STATE OF NEW YORK, ACCOMPANY THEM WHEN THEY INSPECT THE BUILDING.

ASBESTOS REPORT

Immediately following the Report on Physical Condition of Premises is a Friable Asbestos Hazard Assessment And Bulk Sample Analysis prepared by United States Testing Company, Inc., dated December 19, 1986 (the "Asbestos Report").

The Asbestos Report is included herein pursuant to regulations promulgated by the Attorney General of the State of New York on August 8, 1986. However, that portion of the regulations requiring Sponsor to implement the recommendations stated in the Asbestos Report was invalidated in an action brought in the New York State Supreme Court, Albany County. The Attorney General has appealed that part of the decision invalidating certain portions of the regulations. The Sponsor will comply with the final determination of a court of competent jurisdiction.

LUKE LICALZI, P.E., P.C.
CONSULTING ENGINEERS
330 WEST 45TH STREET - SUITE 1J
NEW YORK, NEW YORK 10036
(212) 247-5577

REPORT ON PHYSICAL CONDITIONS OF PREMISES LOCATED AT 405-421 HUDSON STREET A/K/A 31-37 CLARKSON STREET A/K/A 108 LEROY STREET NEW YORK

ADDRESS: 405-421 Hudson Street

BLOCK: 601

LOT: 58

ZONE: M1-5 (Light Manufacturing District)

YEAR BUILT: Circa 1911

CONSTRUCTION CLASSIFICATION: (Ten story-Hudson St.) Non-combustible (Class I-B)
(Two story-Townhouse) Combustible (Class II-B)
New Building Code

ALTERATION APPLICATIONS:

Alt.2804-1912 - No Information Available
Alt.1660-1914 - No Information Available
Alt. 895-1942 - No Information Available
Alt. 176-1948 - No Information Available
Alt. 635-1956 - No Information Available
Alt. 264-1968 - No Information Available

Alt. 829-1975 - Conversion of existing Factory to a Multiple Dwelling

Alt. 560-1982 - New Squash Courts

Alt.1369-1984 - Combine Apts. 808 and 809 into one Apt. New office addition on roof level

Alt.1370-1984 - Combine Apts. 805 and 806 into one Apt. Finish existing attic space

CERTIFICATE OF OCCUPANCY: 80891 (superceded)
88622 (May 16,1986)

Floor	Use
Cellar	Boiler Room, Tenant Laundry, Building Office, Storage accessory to commercial space
1st	8 Class A Apartments,Commercial Spaces,Racquetball Courts,Lounge and Squash Courts,Locker Rooms
2nd-7th	25 Class A Apartments each floor
8th	23 Class A Apartments
Attic	Mechanical Equipment and Accessory Repair
9th & 10th	Eating and Drinking Physical Culture Establishment Offices accessory to restaurant and facilities on level
Townhouse Units (A-E)	5 Class A Apartments

The existing occupancy complies with the current Certificate of Occupancy.

MULTIPLE DWELLING REGISTRATION NO: 139803

SITE LOCATION:

Beginning at the northwest corner formed by the intersection of Hudson Street and Clarkson Street running thence northerly 200'-0"; thence westerly 125'-0"; thence southerly 100'-0";thence westerly 25'-0";thence southerly 100'-0"; thence easterly 150'-0" to the point of beginning. There is one building on this lot in two portions. The Townhouse portion is of residential use and the Hudson St. portion is of mixed residential, commercial and accessory use.

STREETS OWNED OR MAINTAINED BY THE PROJECT:

There is a mews area between the two structures which is accessible from Leroy Street through a lot line metal gate in good condition with an intercom and door release system in good operating condition. The mews has concrete pavers and brick planting areas in good condition. Sponsor will be adding video cameras and an audio devise connected to a monitor at the lobby doorman station.

SIDEWALKS:

The sidewalks and curbs adjacent to Leroy Street are of concrete construction, with steel curb nosings, in good condition. The sidewalks adjacent to Clarkson Street are of concrete and cobble stone requiring minor repair. Curbing is granite in good condition. The sidewalks adjacent to Hudson Street are of concrete construction requiring minor repair with granite curbs in good condition. There are diamond plates and steel grates in good condition for sidewalk areaways on Hudson,Clarkson and Leroy Streets.

Drainage is by way of in-curb storm water catch basins along the street fronts. There are standard New York City pole-mounted lights located intermittently along all streets.

UTILITIES:

Water Supply

Potable water is supplied to the building from a cast iron New York City water main. There are three house meters for two services located at the cellar level office and boiler rooms.

Storm and Sanitary Sewer

There exists a combination storm and sanitary sewer in the bed of each Clarkson Street and Leroy Street serving the building and providing adequate service.

Gas

Gas is supplied to the building by Consolidated Edison Company. Tenants are not individually metered for service and there are two house meters located in the gas meter room at the cellar level. Gas is utilized for cooking purposes in apartments, for gas clothes dryers in the laundry rooms,for the commercial units hot water heaters and for the boiler pilot light.

Electric

Electric service is supplied to the building by Consolidated Edison Company. Tenants are individually metered for electric service. The electrical cost of operating Tenant's individually controlled heating fan and cooling unit (compressor and fan) are borne by the Tenant and included in Tenant's monthly utility bill. Commercial spaces are separately metered.

Telephone

Telephone service is provided by the New York Telephone Company at tenant cost and the building is pre-wired..

SUB-SOIL CONDITIONS (INCLUDING WATER CONDITIONS):

At the time of this inspection, there was no evidence of ground water seepage or visible deficiency of sub-soil foundation support. There is no danger of flooding. The premises is located in a 'C' Minimal Flood Zone District as designated by F.E.M.A.

LANDSCAPING:

The Hudson Street frontage has four treed curbside planting areas. There are also brick planting boxes with trees located in the Mews area.

BUILDING SIZE:

1. Total height from average curb level to the highest point of the Hudson St. portion roof is approximately 168'-0".
2. There is one subcellar and one cellar level in the Hudson St. portion and one basement level in the Townhouse building.
3. There are ten floor levels in the Hudson St. portion of mixed use and two floor levels in the Townhouse portion of residential use.
4. The boiler for both portions is located in the cellar of the Hudson St. building.

STRUCTURAL SYSTEM:

The Hudson St. portion is of Class I-B,(3 hour protected), non-combustible construction of structural steel frame. The Townhouse portion is of Class II-B,(protected wood joist), combustible construction of wood joists with masonry bearing walls. The building appears to be in structurally sound condition.

There are sidewalk areaway constructions on the street fronts which appear to be in structurally sound condition.

EXTERIOR BUILDING WALLS:

All exterior enclosure walls are of solid masonry construction consisting of brick with limestone and architectural cast stone. Physical inspection and building plans indicate there is an independent insulation system of 3" batt insulation between the exterior masonry walls and interior gypsum board finishing.

The 9th and 10th floor exterior building wall construction consists of exterior metal wall panels (as manufactured by Inryco) fastened to metal bearing studs and is in generally good condition.

Window sills are of single piece cast stone with some minor cracks requiring repair. Window lintels are of steel angles and appear in good condition with some minor rusting in places.

Local Law 10 compliance is required. The initial Report of the Periodic Inspection dated June 21,1982, was filed by Harold J. Dooley,P.E.,7705 14th Avenue,Brooklyn,New York indicating all observed conditions conform to code requirements applicable rules and regulations.

The second cycle of filing as required for compliance with Local Law 10 was done on August 11,1986, by Harold J. Dooley,P.E., 6615 New Utrecht Ave.,Brooklyn,New York indicating all observed conditions conform to code requirements and applicable rules and regulations.

There is no evidence of water infiltration.

WINDOWS:

Windows are of the sliding and fixed type of aluminum insulated glass with thermal break construction. Several window units have fixed aluminum infill panels.

Window units are in good condition. Screens and storms are not provided. Window guards are provided where required.

PARAPETS AND COPINGS:

Roof parapets are of brick masonry construction and are a continuation of and are bonded to exterior walls. All parapets are covered with metal corrugated panels secured to the parapet constructions. Parapets appear in good condition.

Parapets at the townhouse units are a continuation of and are bonded to the exterior masonry walls and are of masonry construction with precast copings in good condition.

CHIMNEYS AND CAPS:

There is one exterior chimney for this building which is of brick masonry construction in good condition. The chimney is used for the boiler.

BALCONIES AND TERRACES:

Eighth floor commercial units have access to roof areas as do the Townhouse units M9-M13. (See Roof and Roof Structures for description)

RESIDENTIAL ENTRANCE:

There is one residential entrance located on Hudson Street.

Building entrance doors are located three steps up from street level. Steps are of stone in good condition and there is an aluminum clad entrance canopy with stuccoed finish underneath and recessed down lights. Canopy is in good condition. Building entrance doors are of double metal swing doors with fixed plate glass panels and a tempered,insulating glass transom. Doors are self closing and are in good condition. There are two outside wall mounted incandescent fixtures.

Vestibule area has slate tile flooring with a rubber mat. Walls and ceiling are of aluminum and glass. This area contains the apartment intercom system and wall mounted incandescent fixtures.

Lobby doors are the same as the building entry doors and are in good condition.

The lobby finishes include slate tile flooring, painted plaster walls and gypsum board and painted plaster ceilings all in good condition. There are wall mounted and recessed incandescent fixtures and an alcove for the apartment mailboxes all in good condition. The lobby also has combination air conditioning and heating fan coil units and a fire hose cabinet and fire standpipe.

The lobby accesses the public elevators and the public stairs.

Condition of all finishes noted above is good.

The Sponsor proposes a new installation of equipment for the intercom including video cameras and monitors, audio installation at the Mews, storefront work, new doorman station and minor partition work.

COMMERCIAL ENTRANCES:

Leroy Street elevation has an entrance for the commercial unit. The entrance is located 4 concrete steps from street level and there is also a concrete handicap ramp. Entrance is in good condition with metal railings provided. Doors are of aluminum and glass construction in good condition. This elevation also contains two hollow metal doors, in good condition, which accesses the compactor room and public stairs, and an aluminum and glass entry door,in good condition,which accesses the cellar level office after rising three (3) metal grate steps.

This elevation also contains the Townhouse Entrance.(See Streets Owned And Maintained By The Project)

The Clarkson Street elevation has two hollow metal doors in good condition which access the 1st floor commercial space. Doors are located 3 steps up from street level. Stairs are of metal, diamond plate, construction in good condition.

ROOF AND ROOF STRUCTURES:

Roof areas at Townhouse units are of a spray-on roofing construction. All roof areas have concrete pavers installed for tenant use.Roof areas are pitched to interior drains. Roofing is in generally good condition. Roof areas are accessed through sliding glass doors in good condition and also contain skylights in good condition. There is one bulkhead for the stairwells at each unit that is of asphalt shingled construction in good condition.

The main roof areas are of the same spray-on roofing construction that is in generally watertight condition requiring resurfacing. Roof areas are pitched to interior drains.

There is a pool at the roof level which is for the exclusive use of the Fitness Center. The pool is partially enclosed by aluminum panel construction in good condition. The pool has been recently epoxied.

The roof area also contains the Solar Panels with support framing. Supports are in generally good condition.(See Heating)

FIRE ESCAPES:

There is one exterior fire stair of metal slat construction enclosed by metal exterior wall panels. Stairs require rust-proofing. The stair provides egress for the roof level fire refuge areas and does not access the residential floors.

The building does not contain fire escapes.

YARDS AND COURTS:

There is one open yard area between the two portions and provides a Mews area for the Townhouse Units.

(See 'Streets Owned and Maintained By The Project' and 'Landscaping')

INTERIOR STAIRS:

There are two enclosed interior stairs in the building serving all public halls in the building. Public stairs are enclosed in masonry fireproof enclosures. Stairs are of steel construction with concrete treads and platforms. Stairs are in good condition. Handrails are metal. There is a wall mounted incandescent lighting fixture at each floor.

Interior duplex apartment stairs are of wood straight run construction or metal spiral stair construction with wood treads.

INTERIOR DOORS AND FRAMES:

All apartment entry and interior doors are of hollow metal f.p.s.c. construction set in metal frames in generally good condition. Doors are equipped with peepholes and chimes. Interior apartment doors are of wood construction set in metal frames in generally good condition. All 8th floor duplex apartments have entry doors at both levels (upper and lower) with egress to upper and lower levels of the public halls. (See Public Halls)

ELEVATORS:

There are two residential passenger elevators and one commercial space passenger elevator.

Residential passenger elevators serve floors B thru 8 in the building and the commercial passenger elevator serves floors Subcellar, Cellar,1st,9th and 10th. All elevators are of the overhead traction and pulley type.

Elevator Machine Rooms (two) are located in roof bulkheads. Bulkheads are clad in metal panels in good condition.

The public passenger elevator equipment includes a Leroy-Somer D/C Generator Model C225L3 rated at 30KW,240V,125A, with a 50HP A.C. Motor and a D.C. Hoisting Motor Serial No. 621462/3 rated at 176A,240V,50Hp, 150 feet per minute. All equipment was installed under the Alteration of 1975 and appears in good operating condition. The cables and equipment have been recently inspected by the Elevator Division of the Department of Buildings and found in good condition.

The two residential passenger elevators have a roof level machine room which contains one (A.C.) Electro-Dynamic Model MG4A3,1750 RPM, hoisting motor rated at 109A,230V,25Kw, and an (A.C.) Imperial hoisting motor Serial No.437376 rated at 104A,240V,1750 RPM. All equipment was installed under the Alteration of 1975 and appears in good operating condition. The cables and equipment have been recently inspected by the Elevator Division of the Department of Buildings and found in good condition.

The commercial passenger elevator (#31751) is rated at 40 persons, 6000 lbs. The residential passenger elevators (#2996 and #2997) are each rated at 24 persons, 3,700 lbs. Cab finishes are of resilient tile flooring, formica wall and ceiling panels with fluorescent lighting. Finishes are in generally good condition and the sponsor will be installing new resilient tile flooring, formica wall panels and ceiling panels.

AUXILIARY FACILITIES:

Laundry Room

There is a tenants' laundry room located in the cellar with the machines owned and operated by a franchise operation for the use of the tenants. There are 10 coin operated washing machines and 10 coin operated gas dryers. All utility services are provided by the building.

Finishes are of resilient tile flooring, hung acoustic ceiling and painted block walls all in good condition. This area also contains one slop sink. The laundry area is sprinklered and there is a double hung window for ventilation. The Sponsor intends to relocate the Laundry Room to improve accessability and layout.

Refuse Disposal

On each residential floor there is a compactor chute set with a metal hopper door. There is a compactor room located on the 1st floor with access from Leroy Street (See Service Entrances). The compactor is sprinklered and is fully operational.

Refuse is transported to the street by building personnel and picked up by the City of New York Department of Sanitation.

Townhouse units have individual trash compactors and transport their own refuse to the curb.

PLUMBING AND DRAINAGE:

Water Supply

Potable water is supplied to the building from a cast iron New York City water main in the bed of the street.

The street water main is maintained by the New York City Department of Environmental Protection.

There are three house meters. Two 3" Badger water meters located in the cellar office and a 2" Badger water meter located in the boiler room. Cold and hot water mains,risers and branches are of copper. Condition of all piping observed was good.

Water pressure throughout the apartment units checked was good.

There are two rooftop storage and pressure tanks located in the attic space in good condition (See Heating).

Fire Protection

The refuse room and compactor are wet sprinklered. There is one standpipe riser with a hose connection at the lobby of each residential floor. The hose is stored at the Lobby. There is also a standpipe with hose racks at each floor in the public stairs at the Clarkson Street side. All hoses appear in good condition.

There is a siamese connection at each of the Leroy and Clarkson Street elevations for the standpipes.

There is a rooftop pressure and fire reserve tank located in the attic space which appears to be in good condition with no signs of leaking.

On Floors 2 thru 7 the following apartments have two sprinkler heads off of the domestic system: 1,2,14,23 and 24. Sprinkler heads are located at the head of the interior stairs and at the kitchens.

Sanitary Sewage System

The sanitary system consists of cast iron mains, risers and branches which are connected to plumbing fixtures and equipment. All drainage is directed through cast iron pipes, through the two house traps, and then to the city combined sewers in the bed of the streets. All sanitary piping appears in good condition.

Storm Drainage System

Storm water is collected at the roof and yard areas by the surfaces being pitched to interior drains and leaders. All drains connect to cast iron pipes which connect to underground pipe leading through the house traps to the city combined sewers in the streets. All piping appears in good condition and drains appear operational.

HEATING:

The building has a central water-to-air heat pump system consisting of (2) two cooling towers, an oil-fired steam boiler and (2) two condenser water pumps with water piping system, distributing to individual heat pumps for each apartment (larger apartments may have several heat pumps). All apartments have a limited duct distribution providing air-conditioning and heating.

The condenser water is maintained at 95F° (summertime) and above 60°F (wintertime) so that the heat pumps can operate at maximum efficiency year round.

During the fall,winter and spring seasons, those building exposures that get energy from the sun may require cooling for short periods. The heat rejection from these units aids in maintaining the condenser water temperatures above 60°F, since the rest of the building may require heating.

Commercial space units are connected to the system and when these spaces require cooling during the winter season, the added heat to the building condenser water acts as an energy savings plus to the overall system.

The domestic hot water is pre-heated through a heat exchanger by an active solar heating panel system, with the oil fired boiler and water coils providing the remaining necessary heating to proper temperatures. The circulating pumps and tank system appear to be in good operating condition.

Individual apartment combination heat pumps are of the console or vertical type as manufactured by Freiderich.

The boiler is a Rockmills,low pressure fire tube,oil fired boiler (Model No. MP 300),Serial No.6201, with a Hev-E-Oil Burner (Model No.DE1458),Serial No.H1523, with a Reliance Duty Master Motor, Cleaverbrook Pumpset and Marathon oil pump motor. Burner is rated at 90.2 gallons per hour maximum.

There is one 10,000 gallon, No. 4, fuel oil tank located within a masonry enclosure at the cellar level with a Viking circulator pump and Dayton pump motor. Fire Department Permit No.82233 expires September 1986.

Boiler controls include a Heat Timer automatic controller, emergency shutoff and an Ademco automatic monitoring system. There are two Federal pumps for make-up water to the boiler and a Federal make-up water tank in good operating condition.

The Air Resources certificate CA 1355-74 expires 8/4/86.

There are two rooftop tanks located in the attic space which provides domestic pressure to all units and hot water storage (for the boiler and the solar system). The tanks appear to be in good condition with sufficient pressure supplied to all units checked.

The boiler and breaching insulation is in good condition, the window fan for ventilation requires repair and there is an operational Federal sump pump.

The heating system is adequate to maintain required temperatures of 70 degrees Fahrenheit when the outdoor temperature is 5 degrees Fahrenheit and wind velocity is 15MPH.

This area also contains the laundry room for the Fitness Center which contains two washing machines and two dryers and is accessed by the Public elevator and the cellar level public hall. The Sponsor intends to relocate this Laundry Room and will meet all the requirements applicable.

GAS SUPPLY:

Gas service is supplied by connection to Consolidated Edison's utility gas main in the bed of the street. Gas is utilized in the apartments and units are not individually metered. There are two house meters for consumption. Piping is of black steel and appears in good condition.

AIR CONDITIONING:

The building apartments are supplied by a water-to-air combination heating and air conditioning system to vertical and console Freiderich units. (See Heating description)

The cooling towers are Baltimore Aircoil Company Model No.VXI-70-3 with Pacific Pumping Company, 3 H.P., pumping motors and U.S. Motors, 20 H.P., fan motors. At the time of this inspection the cooling towers and accessory equipment appeared to be in good operating condition.

The cooling towers are on a closed loop system with a heat exchanger to the closed loop systems for the individual vertical and console units.

VENTILATION:

All bathroom,kitchen and public areas not in the proximity to natural ventilation are ventilated mechanically by ductwork to rooftop electric fan units. All mechanical ventilation units appeared to be operating properly at the time of this inspection.

ELECTRICAL:

The electrical service is brought in underground to the building from Consolidated Edison's utility main located in the street. Tenants are individually metered with meter banks located in the cellar, 2nd, 4th and 7th floors. Service is rated at 4,000 Amps.

There are individual 2 x 60 Amp circuit breakers for each apartment.

Service risers then enter the apartments through individual circuit breaker panels located within the apartments. Panels typically contain the following circuits:

Townhouse Units - 8x15A,3x20A,1x30A,2x40A

Two Bedroom - 4x15A,2x20A,2x30A

One Bedroom - 3x15A,2x20A,2x30A

The electric service appears adequate for existing light and power requirements which includes modern appliances. (Note: Individual tenant alterations may have increased apartment service.)

There are wall mounted incandescent,or fluorescent,fixtures in kitchens and wall mounted incandescent,or fluorescent, fixtures in bathrooms. Kitchens have up to three duplex receptacles, bedrooms have up to three, living rooms have up to four and bathrooms have one (GFI).

All switches, receptacles, panels, light fixtures, etc., appear to be in good or new condition and wired for proper load distribution. Illumination levels are satisfactory for all public spaces. Compliance with the New York City Electrical Code is evident throughout.

DOOR SIGNAL SYSTEM:

The lobby door intercom and lock release system located in the entrance vestibule is operational. Individual floor lobbies also have a door release and intercom system that are fully operational. A doorman is permanently stationed at the lobby. The sponsor will be adding video cameras, monitor and audio system at the Mews gate.

CABLE TELEVISION:

Cable television is available to tenants on a subscription basis.

GARAGES AND PARKING AREAS:

None provided.

RECREATION FACILITIES:

None.

VIOLATIONS:

An official search for any open violations at the premises has been ordered from the New York City Department of Buildings. A copy of this search, when received, will be an addendum to this report.

UNIT INFORMATION:

Units have the following general description:

Townhouse Duplexes:	Living Room,Kitchen,Two Bedrooms,1-1/2 Bathrooms (4 rooms)
Townhouse Triplexes:	Living Room,Dining Room,Kitchen,Two Bedrooms,1-1/2 Bathrooms,Roof Terrace (5 rooms)
Apts. 1,2,10,11, 13,14,15,16, 25	Duplex - Living Room,Dining Area,Kitchenette, Bedroom, Full Bathroom (3 rooms)
Apts. 7,8,18,19, 24	Duplex - Living Room,Dining Area,Kitchenette, Bedroom,1-1/2 Bathrooms (3 rooms)
Apts. 4,5,21,22	Duplex - Living Room,Dining Area,Kitchenette, Bedroom,Two Full Bathrooms (3rooms)

UNIT INFORMATION (CONT.)

Apts. 3,6,9,12, 17,20,23: Duplex - Living Room,Dining Area,Kitchenette, Two Bedrooms,Two Full Bathrooms (4 rooms)

The room count was calculated by formula in the "Recommended Method of Residential Room Count", effective January 1,1964, by the Real Estate Board of New York.

Units have the following room count: (Rooms:Bathrooms)

	APARTMENT										
	1	2	3	4	5	6	7	8	9	10	11
FLOOR 2-7	3:1	3:1	4:2	3:2	3:2	4:2	3:1.5	3:1.5	4:2	3:1	3:1
8	4:1.5	3:1	5:2	3:2	5:2.5	-	3:1.5	6:3.5	-	3:1	3:1

	APARTMENT										
	12	13	14	15	16	17	18	19	20	21	22
FLOOR 2-7	4:2	3:1	3:1	3:1	3:1	4:2	3:1.5	3:1.5	4:2	3:2	3:2
8	4:2	4:1.5	4:1.5	3:1	3:1	5:2	3:1.5	3:1.5	6:4	3:2	3:2

APARTMENT

FLOOR	23	24	25
2-7	4:2	3:1.5	3:1
8	5:2	3:1.5	4:1.5

TOWNHOUSE DUPLEX UNITS: (Units 1-8) 4:1-1/2

TOWNHOUSE TRIPLEX UNITS: (Units 9-13) 5:1-1/2

ROOM AND SPACE FINISH SCHEDULE:

Apartments

Note: Alteration of various apartments have been undertaken by tenants including renovation of bathrooms and kitchens.

Room	Floor	Walls	Ceiling
Living Area	Strip Oak/ Parquet	Gyp.Bd./Paint	Gyp.Bd./Paint
Bedroom	Strip Oak/ Parquet	Gyp.Bd./Paint	Gyp.Bd./Paint
Kitchen	Quarry Tile/ Ceramic Tile	Gyp.Bd./Paint	Gyp.Bd./Paint
Bathroom	Ceramic Tile	Gyp.Bd./Paint	Gyp.Bd./Paint

SPACES OTHER THAN APARTMENTS:

Cellar

Public spaces in the cellar level are unfinished with masonry block and concrete foundation walls, concrete flooring and exposed ceiling construction.

Public Halls

The upper level of the 8th Floor Public Hall is of metal slat construction with metal slat stairs down to the lower level of the Public Hall. Condition of the upper level and stairs is generally good.

Public hall finishes are painted gypsum board walls and ceilings with carpeting in good condition. Lighting is by wall mounted incandescent fixtures and recessed mounted fluorescent fixtures. The sponsor will be adding new finishes in these areas.

Each residential floor has a lobby area for the elevators. This area has slate flooring and marble tile wainscote with painted plaster walls and ceiling. Condition of finishes is good. The elevator lobbies are separated from the residential public halls by security doors of aluminum and glass with fixed sidelights. The lobby areas have intercom and door lock release systems to the apartment units on each floor. Doors and intercoms are in good working order. There is a fire standpipe with hose connection at each elevator lobby area with the fire hose stored at the Main Lobby area.

BATHROOM FIXTURES:

Bathrooms have vitreous china floor mounted low-tank water closets,steel enameled bathtubs with wall mounted shower heads and curtain rods,vanity mounted vitreous china lavatories, and wall mounted medicine cabinets. All fixtures appear in good condition. Individual tenant alterations may have varied bathroom fixtures and finishes.

KITCHEN EQUIPMENT:

Typically kitchens contain 4 burner Imperial gas ranges, Hotpoint refrigerators,Kenmore dishwashers and stainless steel drop-in sinks. Apartments do not contain laundry equipment. Cabinets are base and wall mounted of wood laminated metal construction. All appliances and fixtures appear to be operating satisfactorily. Individual tenant alterations may have varied fixtures and finishes. (Note: Some of the vacant apartments have new kitchens, including appliances and finishes, installed.)

SMOKE DETECTORS ALARMS:

Ionization type, hard wired and battery operated, smoke detector alarms have been installed throughout the apartments.

March 10, 1987



375
(Rev. 12/77)

The City of New York

DEPT. OF ENVIRONMENTAL PROTECTION
BUREAU OF AIR RESOURCES
120 WALL STREET, NEW YORK, N. Y. 10005
BUREAU OF ENGINEERING

DIVISION:
- [ ] INDUSTRIAL
- [X] FOSSIL FUELS
- [ ] REFUSE DISPOSAL

Application No.: CA 1355/74

Date Inspected: 1-12-87

Issuance Date:

Owner

Manhattan Equities
421 Hudson St.
New York, N.Y. 10709

Agent

TRIENNIAL VIOLATION NOTICE

Premises: 421 Hudson St. Man.

An inspection of the installation covered by the above application number revealed the following violations of the New York City Air Pollution Control Code (LL 49/71):

1- Installation is using #4 oil, contrary to the last C.O (#6). All heaters were Cold

2- Because of the above no performance test was done.

3- Please Amend the above with ~~$50~~ Fee plus $ for reinspection, this makes total fees required ~~$ 525.00~~ Fee due $ 237.50

When application is Amended with fee for reinspection

This application will be cancelled for failure to satisfactorily respond within 60 days, or if the reinspection does not result in the issuance of a Certificate of Operation. (Continued on back of page).

Installer

M.M. E 037

T.H. E035

Ben Radzka, P.E.,
Director of Engineering

FF-16 10M-11-2048(71)

FIRE DEPARTMENT OF THE CITY OF NEW YORK

DIVISION OF FIRE PREVENTION
ROOM 1128, MUNICIPAL BUILDING
BROOKLYN, N.Y. 11201
Telephone: 643-5943, 5944

101352

FOLDER NO. 109676-01
BATT. 2 Co. No.
District No.

Refer to
Order No. 81 822b SP 17-
Date Issued 9-1-81

Occupancy for which this ORDER is issued.

Mount Sutton Equities
C/O Manufacturers Trust Co.
#21 Hudson St. N.Y., N.Y. 10014

405/21 Hudson Street
New York, N.Y.
10014

Sir:

You are hereby directed and required to comply with the following order within 30 days:

1. Arrange for a flow and pressure test of the standpipe to prove that the lines, line valves, check valves and siamese connections are free from obstruction and in proper operating condition. In no case shall the minimum pressure of the test be less than 50 lbs. in excess of STATIC PRESSURE. C26, Art. 17, Administrative Code.

NOTE: Last test was made on: — / Siamese

2. Arrange for a test of all sprinkler siamese and connections up to the lower check valves. In no case shall the minimum test pressure be less than 100 Lbs. C26, Art, 16, and C19-161-0, Administrative Code.

NOTE: Last test was made on:

Such tests are to be arranged for and conducted by the owner and at the owner's risk in the presence of a representative of this Department. The Division of Fire Prevention must be notified by telephone at least 72 hours before the tests.

Fire Commissioner

Neglect or refusal to comply with the above ORDER may render you liable to fine or imprisonment or both.

22-B

United States Testing Company, Inc.
Environmental Sciences Division
1415 PARK AVENUE • HOBOKEN, NEW JERSEY 07030 • 201-792-2400

REPORT OF TEST

Friable Asbestos Hazard Assessment
and
Bulk Sample Analysis

Conducted for

Mount Batten Equities
421 Hudson Street
New York, New York 10014

Attn: Susan Hewitt

TEST REPORT NO. 07417

SIGNED FOR THE COMPANY

BY David L. Hansen

David L. Hansen
Vice President

Prepared by:

William Barber

William Barber
Scientist

EST. 1880

Laboratories in: New York • Chicago • Los Angeles • Houston • Tulsa • Memphis • Reading • Richland

OUR LETTERS AND REPORTS ARE FOR THE EXCLUSIVE USE OF THE CLIENT TO WHOM THEY ARE ADDRESSED. AND THEY AND THE NAME OF THE UNITED STATES TESTING COMPANY, INC. OR ITS SEALS OR INSIGNIA, ARE NOT TO BE USED UNDER ANY CIRCUMSTANCES IN ADVERTISING TO THE GENERAL PUBLIC AND MAY NOT BE USED IN ANY OTHER MANNER WITHOUT OUR PRIOR WRITTEN APPROVAL. SAMPLES NOT DESTROYED IN TESTING ARE RETAINED A MAXIMUM OF THIRTY DAYS.

I. Qualifications of Person Preparing Report

William Barber possesses a Bachelor of Science degree in Environmental Studies. Mr. Barber has three years experience in all aspects of asbestos related work including; conducting Asbestos Hazard Assessment Surveys, Monitoring Asbestos Removal Projects in schools and office buildings, and is proficient in all phases of the sampling and analysis of airborne abestos.

Mr. Barber is certified by the State of New Jersey as an Asbestos Safety Technician. He has successfully completed NIOSH (National Institute of Occupational Safety and Health), Course 582, "Sampling and Evaluating Asbestos Dusts".

Mr. Barber is an Associate Member of the American Industrial Hygiene Association and is a Member of the New Jersey Section of the American Industrial Hygiene Association. Mr. Barber is also a Member of the National Asbestos Council.

II. A. Inventory

An inspection for asbestos containing materials was conducted in the following areas:

Location	Asbestos[1] Present	Type	Approx.[2] Percent	Condition
Apt. #				
1. 801	No	N/A	N/A	N/A
2. 825	No	N/A	N/A	N/A
3. 824	No	N/A	N/A	N/A
4. 807	No	N/A	N/A	N/A
5. 810	No	N/A	N/A	N/A
6. 812	No	N/A	N/A	N/A
7. 815	No	N/A	N/A	N/A
8. 814	No	N/A	N/A	N/A
9. 703	No	N/A	N/A	N/A
10. 722	No	N/A	N/A	N/A
11. 718	No	N/A	N/A	N/A
12. 725	No	N/A	N/A	N/A
13. 220	No	N/A	N/A	N/A
14. 206	No	N/A	N/A	N/A
15. 219	No	N/A	N/A	N/A
16. 211	No	N/A	N/A	N/A
17. 303	No	N/A	N/A	N/A
18. 302	No	N/A	N/A	N/A
19. Basement, Boiler room, insulation on boiler unit	Yes	Chrysotile	48%	Slight damage to insulation on top of unit
20. Basement, Boiler room, pipe insulation	Yes	Chrysotile	12%	Slight water damage
21. Insulation on old standpipe line in laundry room.	Yes	Chrysotile	12%	Slight damage
22. Insulation on old standpipe line in storage room next to laundry room.	Yes	Chrysotile	12%	Slight damage
23. Insulation on old standpipe line in manufacturing area outside of Mr. Lieberman's office (located above suspended ceiling).	Yes	Chrysotile	12%	Slight damage

1. The concentration of asbestos present in any asbestos containing material can change significantly from section to section due to repairs, additions, replacement, etc.

2. The condition of asbestos containing material can vary greatly from area to another as a result of repair work, renovations, etc.

B. Areas of Immediate Concern

1. Insulation on old standpipe line which runs the length of the east side of the basement.

The condition of the insulation on this line varies from one area to another. A large portion of the insulation has been wrapped in polyethylene sheeting in an attempt to limit fiber release, or removed completely. The insulation on other portions of the line however, was completely exposed. Slight to moderate damage to the asbestos containing material was observed in both areas where the insulation was exposed and where it had been wrapped in plastic.

The mere presence of asbestos in a given area does not represent a health hazaed but does present a "potential" for exposure to occur. Since the standpipe line is no longer in use, and the condition of the insulation will continue to deteriorate over time, we recommend that the insulation be removed. Performed properly, removal will eliminate the source of asbestos, end the exposure, and preclude the development of future problems.

C. Apartments Which Were Not Examined (SEE ATTACHMENT)

A representative sampling of all the apartments in the building was conducted by inspecting ten percent of the units in the building. The units in which an inspection was conducted were chosen at random.

III. Recommendations for Handling

There are four approaches to asbestos control:

1. Removal
2. Enclosure
3. Encapsulation
4. Special Operation and Maintenance Practices combined with periodic reassessment of the materials.

III. Recommendations for Handling (continued)

It should be noted that no exposure standards have been established for non-industrial settings and no regulations mandate which corrective actions need to be taken. The selection of which strategy to implement lies with the owners of the building.

USTC, based upon our investigation, recommends the following programs be instituted.

A. Removal of Insulation on old Standpipe line

Slight to moderate damage was noted throughout the entire length of the pipe run and the condition of the material will continue to deteriorate over time. The removal work should be done according to EPA Guidelines and all other applicable State and Local Codes.

B. Operation and Maintenance Program

Until such time as all the asbestos containing material can be removed, we recommend the institution of an Operation and Maintenance Program.

This program would include repairs to moderately damaged pipe insulation in the boiler room, and to the insulation on the boiler unit.

Repair to pipe and related insulation would consist of patching and rewrapping existing insulation with non-asbestos products. Rewrapping and painting provides a continuous unbroken membrane over the asbestos material locking in fibers and temporarily eliminating fiber release (i.e. encapsulation).

C. Institution of a Periodic Hazard Assessment Program

The purpose of this program would be to identify areas where further deterioration of asbestos material is taking place. In addition, this program would assess the probability of fiber release from the asbestos insulation material.

IV. Implementation of Recommendations

All removal work done in the basement must conform with

A. Asbestos Regulation Title 29, Part 1910, Section 1001 of the Code of Federal Regulations.

2. Environmental Protection Agency (EPA) Asbestos Regulations and Guidelines.

A. Title 40, Part 61, Subpart A and B of the Code of Federal Regulations.

3. New York State Department of Environmental Conservation (DEC)

A. Title 6, part 364 of the New York State Official Compilation of Codes, Rules and Regulations 6 NYCRR 364.

4. All State and Local Construction Codes

5. Rules and Regulations of all other Jurisdictional Authorities

Note: New York City Local Law 76 is not yet in effect and therefore does not apply.

The remainder of the recommendations should be implemented according to the guildelines listed in the attached Operation and Maintenance Program for Asbestos-Containing Material.

V. Recommended Protocol for Future Handling and Mainteance

The protocol for the handling and maintenance of asbestos which will remain in the building is contained in the attached Operation and Maintenance Program for Asbestos-Containing Material.

United States Testing Company, Inc.

Client: Mountbatten Equities
421 Hudson Street
New York, N.Y. 10014

07417
12/19/86

Subject:

A friable asbestos hazard assessment and bulk sample analysis was performed by the United States Testing Company, Inc. at 421 Hudson Street, New York, New York on October 28, 1986.

Purpose:

The purpose of the hazard assessment and bulk sample analysis is to determine the presence of asbestos and if it is present, the precentage of asbestos present. In addition, to determine whether any relative hazard exists and if present to list them.

Procedure:

A representative sampling of all apartments in the building was conducted by inspecting ten percent of the units in the building. An inspection was also conducted in the basement for materials used in conjunction with the buildings heating and domestic water systems.

Samples were collected by penetrating the total depth of the material with a sample container providing a core sample of all material present.

In addition, the Asbestos Exposure Assessment Algorithm, published in the Federal Register, Vol. 45, No. 182, Wednesday, September 17, 1983, Appendix A, Page 61959 to 61961 was used to evaluate the general condition, the likelihood of fiber release, and the degree of exposure occurring at the sampling location.

Sample analysis of bulk materials was performed in accordance with procedures described in the Appendix A, "Interim Method for the Determination of Asbestosform Minerals in Bulk Insulation Samples" Section 1 and Section 2, published in the Federal Register, Vol. 47 No. 103, May 27, 1982. This procedure involves examination of the samples with a petrographic microscope utilizing polarized light, a procedure commonly known as polarized light microscopy (PLM).

United States Testing Company, Inc.

07417
12/19/86

Client: Mountbatten Equities

Results:

Location	Asbestos Present	Type	Approximate Precentage
1. Basement, Bioler room. Insulation on boiler unit.	Yes	Chrysotile	48%
2. Basement, Boiler room. Air-cell type pipe insulation.	Yes	Chrysotile	12%
3. Apt. 801, Acoustical ceiling material.	No	N/A	N/A
4. Apt. 815, Acoustical ceiling material.	No	N/A	N/A
5. Apt. 302, Acoustical ceiling material.	No	N/A	N/A

Operation and Maintenance Program

For

Asbestos-Containing Material

Table of Contents

		Page
I.	Introduction	1
II.	Location & Documentation	3
III.	Training	3
IV.	General Cleaning Procedure	4
V.	Periodic Inspection	4
VI.	Specific Cleaning Procedures	5
	A. Small amount of Debris B. Large scale asbestos disturbance	
VII.	Repairs and Maintenance	6
	A. Routine Disturbance B. Non-Routine Disturbance	
VIII.	Demolition and Renovation	7
IX.	Pipe, Duct and Related Insulation	8
	A. Glovebags B. Repairs	

List of Appendixes

Appendix A - Recommended Equipment List 10-11

Operations and Maintenance Program for Asbestos-Containing Material

Introduction:

The United States Environmental Protection Agency (EPA) recommends in its latest publication concerning asbestos in buildings that a special Operation & Maintenance Program be implemented in buildings containing asbestos-containing materials as soon as possible. Assessment and periodic reassessment of asbestos-containing material is recommended to determine the need for further remedial action. Each type of asbestos material should be addressed with specific cleaning and inspection procedures for each.

The operation and maintenance procedures described in this program are designed to accomplish the following:

1. Minimize the exposure of your tenants and staff to airborne asbestos.

2. Prevent the uncontrolled disturbance of asbestos-containing material by your staff and by outside contractors you hire.

3. Safely removes asbestos which has been released from the respective sources over time.

This operation and maintenance program can eliminate the need for other types of expensive and time-consuming corrective actions such as encapsulation and enclosure, until ultimate removal of the asbestos-containing materials.

Encapsulation and enclosure are only temporary activities since these abatement techniques allow the asbestos-containing materials to remain in the building where they continue to present a potential problem since the asbestos-containing material could be accidentally disturbed by construction, fire, flood etc.

In addition, the act of physically encapsulating or enclosing asbestos-containing material disturbs this material creating a situation where asbestos is released into the air. In the case of encapsulation, the encapsulant can seriously reduce the life of the asbestos-containing material by adding weight to this material and causing it to break away or delaminate from the underlying surface and increase the difficulty in removal in the event that it becomes necessary.

In any event, the EPA still recommends that some form of inspection and maintenance program be employed after encapsulation or enclosure to monitor the condition of the asbestos-containing material and to prevent accidental damage during maintenance or renovation.

Removal is the best form of asbestos abatement from an exposure standpoint since it eliminates the source of asbestos and ends the threat of future exposure. However, removal of asbestos-containing material if performed correctly is very expensive and time-consuming. In addition, it may be necessary to replace the removed material.

If the asbestos removal is not performed correctly it can drastically increase the asbestos exposure of building occupants.

The United States Testing Company as supervisor of the program will supervise, where practical, and provide guidance to your maintenance staff who will implement the program. A member of the building staff, usually the manager or his assistant, should be designated Asbestos Coordinator and should be responsible for coordinating the activities of the staff members assigned to the asbestos Operation & Maintenance Program and for maintaining records associated with this program.

O & M For Asbestos-Containing Materials

Location & Documentation:

The first step of the operation and maintenance program is to locate all asbestos-containing materials in the building and then record this information on building plans and drawings. It is critical that maintenance personnel know where and what kind of asbestos-containing products are present in the building. Records should be established for all asbestos related activities including disturbance, abatement projects and repairs. This should be constantly updated to provide up to the minute information on the location and condition of the asbestos-containing materials.

Training:

All maintenance and custodial personnel likely to encounter asbestos-containing materials should be provided with a training course describing asbestos, what asbestos is, the danger of asbestos to health and how asbestos enters the body.

All employees involved in the program should be trained in the proper use of respiratory protection. Only those individuals who are medically able to wear respiratory protective equipment should be issued a respirator. Each employee designated to wear a respirator should be issued a copy of the NIOSH (National Institute of Occupational Safety and Health) Employee Respirator Manual. A brief training session with required employee attendance should be conducted by the asbestos coordinator to insure that employees understand the limitations, use and maintenance of their respiratory equipment. Proper fit testing should be included in this training session.

Respiratory equipment used must be suitable for the asbestos concentration expected to occur in the work area. A minimum of a half-face respirator with disposable H.E.P.A. (High Efficiency Particulate Absolute) filter cartridges approved for airborne asbestos by NIOSH should be used. Paper surgical type masks should never be used for asbestos. Facial hair should be discouraged for employees involved in the asbestos program since facial hair usually precludes a tight fit with this type of respirator. Respirators equipped to provide positive presssure should be supplied to employees who cannot achieve adequate respirator seal, whatever the reason.

General Cleaning Procedures:

General cleaning procedures are designed to remove asbestos fibers which have been released over an extended period of time and also to prevent low background levels of asbestos fibers from depositing in an area where they can concentrate and become reintrained.

General Cleaning Procedure Should include the following:

1. Steam-cleaning of all carpeted areas where asbestos may accumulate.

2. Vacuuming of all carpeted areas with HEPA filter equipped vacuum cleaner, conventional vacuums should not be used since they will reintrain asbestos fibers.

3. Vacuum all non-washable surfaces such as upholstery, curtains, books, furnishings, etc. with a HEPA equipped vacuum cleaner.

4. Wet mop all non-carpeted areas.

5. Wet wipe with soft absorbant cloths all horizontal surfaces such as shelves, woodwork, furnishings etc.

6. Discard all contaminated filters, cloths, mopheads, etc., by placing in plastic bags while still wet and dispose in accordance with EPA regulations.

7. Never disturb friable asbestos-containing materials in an attempt to clean them.

Periodic Inspections:

All areas where asbestos-containing materials are present should be inspected by a qualified person at least twice a year to monitor the general condition of the material for damage or deterioration.

The results of periodic inspection should be brought to the attention of the asbestos coordinator and the asbestos file updated, so that changes in material condition can be evaluated.

The custodial and maintenance staff should be advised to inform the asbestos coordinator in the event they encounter debris from asbestos-containing material or when physical or water damage to the asbestos-containing material occurs.

Specific Cleaning Procedures:

Upon notification of the asbestos coordinator that asbestos containing material has been disturbed or debris has been encountered, the extent of damage should be determined and the appropriate remedial action taken.

1. Small Amounts of Debris

   A. Small amounts of debris should be wetted with amended water using a spray bottle and placed in a plastic bag via a plastic dust pan.

   B. Dust pans or other tools used during the clean up should be thoroughly rinsed in a utility sink.

   C. Care should be taken to prevent employees from walking on or disturbing this fallen material until it can be cleaned up properly.

   D. Carpeted areas and other non-wettable surfaces should be HEPA vacuumed.

   E. All other surfaces should be wet wiped or HEPA vacuumed to remove any remaining asbestos.

   F. All debris and disposable cleaning material filters, mopheads, cloths etc., should be placed in plastic bags in accordance with EPA regulations for disposal of asbestos waste.

   G. If ceiling tiles must be removed, do not remove more than are necessary to complete the work.

   H. Do not drop ceiling tiles from ceiling to floor. After removal of the first ceiling tile, the tops of the adjacent ceiling tile to be removed should be wetted, with amended water, using a spray bottle.

   I. Small exposed areas of pipe, duct and related insulation can be sprayed with an encapsulant to prevent asbestos fibers from escaping. This technique works particularly well on pipe insulation section ends and on elbows, valves, joints, etc.

2. Large Scale Asbestos Disturbance - In the event of an unauthorized disturbance or large scale delamination of friable asbestos-containing materials, the following steps should be taken:

   A. Notify the asbestos coordinator.

   B. All non essential personnel should be evacuated from the area.

   C. The HVAC (Heating Ventilation and Air Conditioning) system serving the area should be shut down.

   D. All personnel who enter the site should wear respirators and disposable clothing.

   E. Plastic sheeting should be used to isolate the damaged areas, (doors, plenums, etc.).

   F. Negative pressure should be established within the disturbance areas as soon as possible to check asbestos migration.

   G. Clean up should begin either by inhouse staff or outside contractor using all EPA recommended guidelines. (decontamination chamber, negative air pressure, wet removal, HEPA vacuuming, etc.)

Repairs and Maintenance:

All construction, renovation, maintenance and repairs involving asbestos-containing materials should be brought to the attention of the asbestos coordinator.

A. Routine Disturbance - Normal repair and maintenance operations performed by building personnel usually involves very limited disturbance of asbestos-containing material. Examples of this type of activity include, changing light fixtures, removing and repairing ceiling tiles, HVAC system adjustment, etc.

   Wnen asbestos-containing material is encountered during these activities, the Specific Cleaning Procedure discribed on page 5 should be employed.

B. Non-Routine Disturbance - Non-routine disturbances usually involve larger scale projects performed by building personnel or outside contractors in which small areas of asbestos-containing material will be intentionally disturbed. Examples of this type of activity would be drilling holes in asbestos-containing material, actual removal of asbestos from steel beams for the attachment of clamps, HVAC system modification on small areas of insulated duct work, etc.

Work procedures designed to minimize asbestos fiber release during non-routine small area disturbance include:

1. Respirators and disposable coveralls should be used by all workmen including contractors.

2. Work should be scheduled during periods when the area will be unoccupied if possible; this will lower the threat of exposure to unprotected personnel and limit problems with tenants.

3. When ceiling tiles must be removed, limit the number of tiles removed as much as possible, the upper surface of all ceiling tiles should be wetted before being removed. Ceiling tiles should not be dropped to the floor, but should be carefully stacked. Discard non reusable tiles in plastic bags.

4. All areas of asbestos which must be disturbed or removed, should be first wetted with amended water using a spray bottle and then scraped off the substrate directly into a plastic bag. Removed asbestos should never be allowed to fall on the floor where it can contaminate the surface it falls on and be stepped on and reintrained into the air. A tennis racquet with the strings removed and a plastic bag attached so that the bag is held open, provides an excellent means for collecting small quantities of asbestos as it is removed from steel beams or decking. Care should be taken not to wet asbestos-containing material that will not be removed.

5. All power tools should be equipped with local ventilation employing HEPA filters.

6. The work area should be cleaned using the specific cleaning procedures on Page 5.

Demolition and Renovation:

During demolition and or renovation in an area containing sprayed-on asbestos materials the following precautions should be taken to prevent unnecessary asbestos fiber generation and personnel exposure.

1. All non essential personnel should be evacuated from the site.

2. The work area should be cleared of all furnishings, equipment, etc. which can be removed, any remaining items should be sealed with plastic sheeting.

3. The HVAC (Heating Ventilation & Air Conditioning) system should be turned off or at least that portion of the system servicing the construction site should be blocked to prevent contamination of the system, and dispersal of fibers to other areas of the building.

4. The work site should be isolated by sealing all entrances with polyethylene.

5. All plenums which open onto the work site should be sealed with plastic sheeting.

6. Negative pressure should be maintained in the work site to prevent asbestos fibers from leaking out into occupied areas.

7. All persons entering the site during work activities should wear respirators and disposable coveralls.

8. Ceiling tiles should be removed only after the upper surfaces have been wetted with amended water using a spray bottle.

9. Ceiling tiles should be carefully stacked, and not allowed to fall to the floor.

10. Workmen should be advised not to disturb asbestos unnecessarily.

11. When asbestos must be disturbed, the asbestos should be first sprayed with amended water and then scraped off the substrate while allowing the asbestos-containing material to fall directly into an open plastic bag.

12. Air monitoring should be performed in adjacent occupied areas, to document airborne asbestos concentrations.

13. No smoking, eating or drinking will be permitted inside the construction area.

14. When asbestos is to be removed on a large scale, all EPA recommended guidelines should be employed.

15. The entire construction site must be cleaned using the specific cleaning procedures on Page 5.

Pipe, Duct and Related Insulation:

General handling procedures for pipe, duct and related asbestos-containing insulation are similar to those used for sprayed-on or trowled on material.

1. Glove Bags:

Glove bags can be a convenient way to remove asbestos from pipes and small ducts. Glove bags are plastic disposable bags with hands built into them to allow workmen to remove asbestos-containing pipe insulation in a sealed environment. They are usually used on small removal projects and are vaulable for the general repair and maintenance of piping systems.

It is advisable to have workers who are using glove bags to use respirators and disposable clothes since there is always a chance that the bag will break or become unsealed.

The Specific Cleaning Procedures described on page 3 should be used when debris from pipe insulation containing asbestos is encountered.

2. Repairs:

Asbestos-containing pipe insulation which is in good general condition can be repaired with non-asbestos containing material as follows:

1. All personnel involved in the repairs should wear respirators and disposable clothes.

2. Damaged unrepairable asbestos insulation should be removed via glove bag, or by EPA recommended guidelines.

3. Exposed ends, cut out around pipe hangers etc. should be sealed with an asbestos encapsulant. Duct tape should be avoided for pipe and duct insulation repair since it will not adhere well to dusty surfaces and will become dried and brittle in hot environments.

4. Pipe and duct insulation can be rewrapped with non-asbestos lagging cloth to seal in asbestos fibers.

5. Repair areas should be wetted with amended water before attempting any repair, to reduce the possibility of local fiber release.

6. The new lagging cloth can be painted to provide a continuous, hard enclosure of asbestos-containing insulation.

Appendix A

Recommended Equipment List

1. H.E.P.A. Filter Vacuum Cleaner - Nilfish Model GS80
   Nilfish of America, Inc.
   224 Great Valley Parkway
   Malvern, PA 19355
   (215) 647-6420

2. Respirators (Half Mask) - Comfo II Part #466486
   Mine Safety Appliance Co.
   1100 Globe Avenue
   Mountainside, NJ 07092
   (201) 232-3490

3. Respirator Cartridge (Half Mask Disposable) - Type H Ultra Filter
   Comfo II Part #464035
   Mine Safety Appliance Co.
   1100 Globe Avenue
   Mountainside, NJ 07032
   (201) 232-3490

4. Respirator (Positive Pressure) - 6021 Racal Airstream
   Asbestos Control Technology
   P.O. Box 183
   Maple Shade, NJ 08052
   (800) 221-1911

5. Respirator Cartridge (Positive Pressure Respirator) - 60610 P3 H.E.P.A. Filters
   Asbestos Control Technology
   P.O. Box 183
   Maple Shade, NJ 08052
   (800) 221-1911

6. Disposable Coveralls - 1539 Tyvek Coverall with attached hood and feet
   Asbestos Control Technology
   P.O. Box 183
   Maple Shade, NJ 08052
   (800) 221- 1911

7. Surfactant for Amended Water - Asbestos Wet 40101
   Asbestos Control Technology
   P.O. Box 183
   Maple Shade, NJ 08052
   (800) 221-1911

8. Encapsulant - Serpiflex Shield 20102
Asbestos Control Technology
P.O. Box 183
Maple Shade, NJ 08052
(800) 221-1911

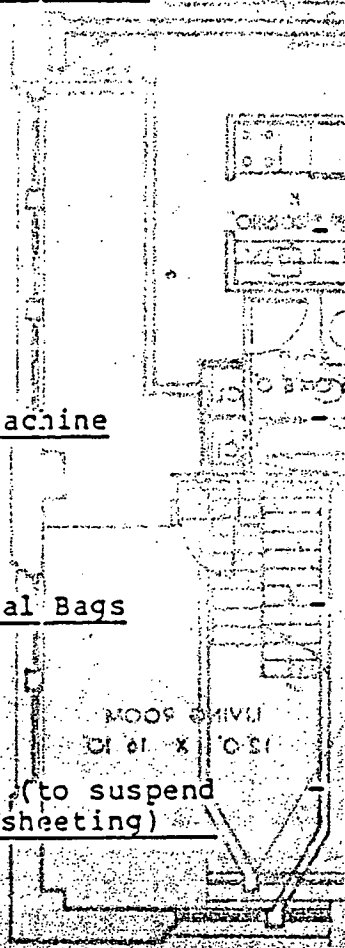
9. Polyethylene Sheeeting - 45104 Fire Retardant
Reinforced Polyfilm 6 mils
45102 Blade Poly 4 mils
Asbestos Control Technology
P.O. Box 183
Maple Shade, NJ 08052
(800) 221-1911

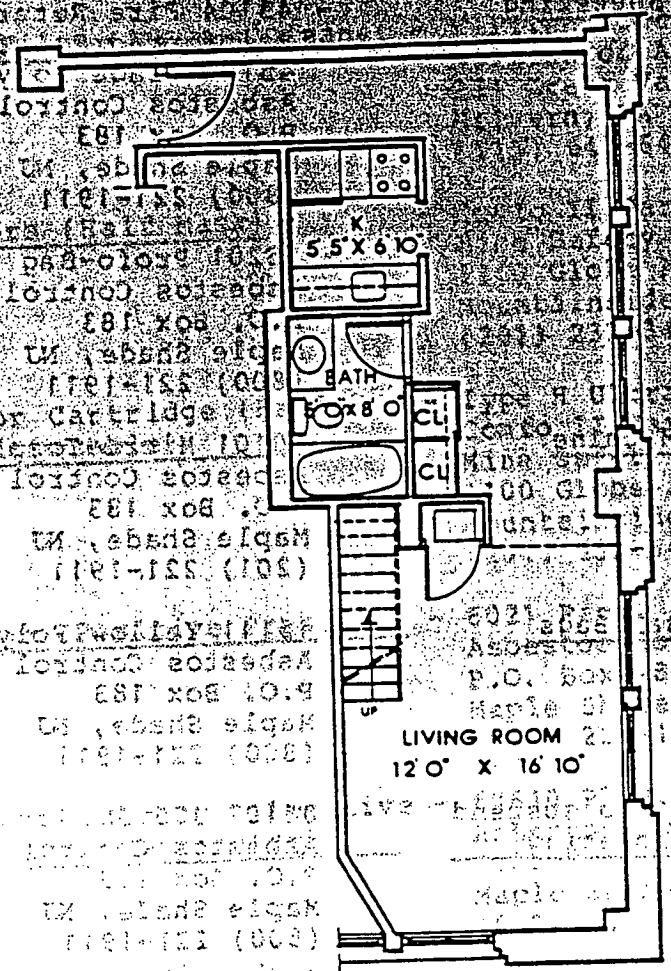
10. Glovebags - 15201 Profo-Bag
Asbestos Control Technology
P.O. Box 183
Maple Shade, NJ 08052
(800) 221-1911

11. Negative Air Machine - 30101 Micro-Trap MT-3
Asbestos Control Technology
P.O. Box 183
Maple Shade, NJ 08052
(201) 221-1911

12. Plastic Disposal Bags - 15111 Yellow Poly Bag
Asbestos Control Technology
P.O. Box 183
Maple Shade, NJ 08052
(800) 221-1911

13. Spray Adhesive (to suspend polyethylene sheeting) - 05107 #76 3M Spray Adhesive
Asbestos Control Technology
P.O. Box 183
Maple Shade, NJ 08052
(800) 221-1911





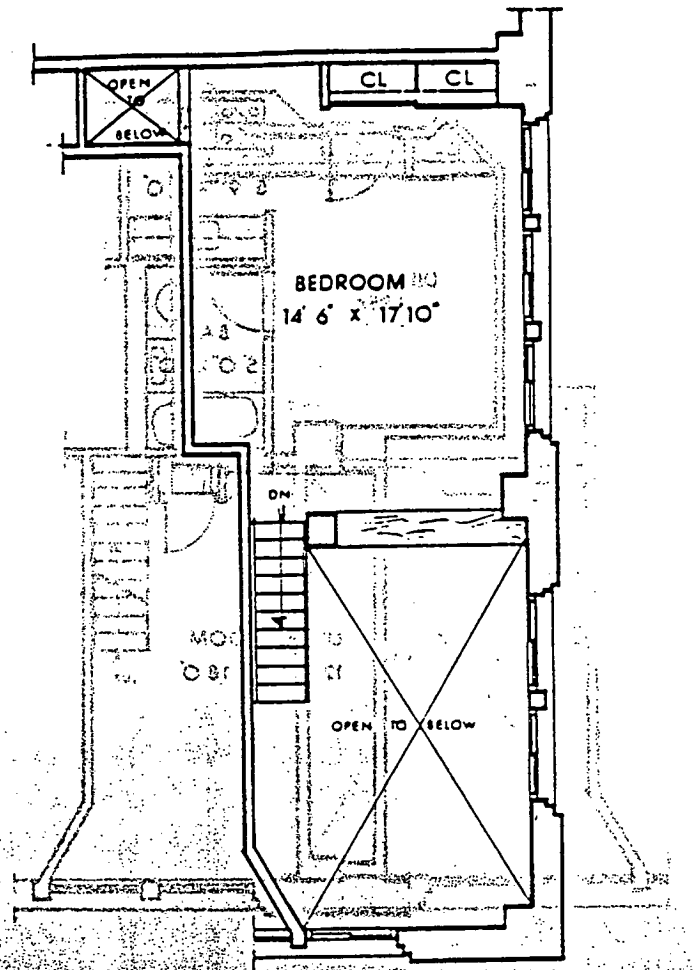
APT. 201 - 701 LOWER LEVEL

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. DIMENSIONS ARE MAXIMUM OVERALL, SUBTRACT CUT-OUTS. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN.

SCALE: 1/8" = 1'-0"

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421 HUDSON STREET



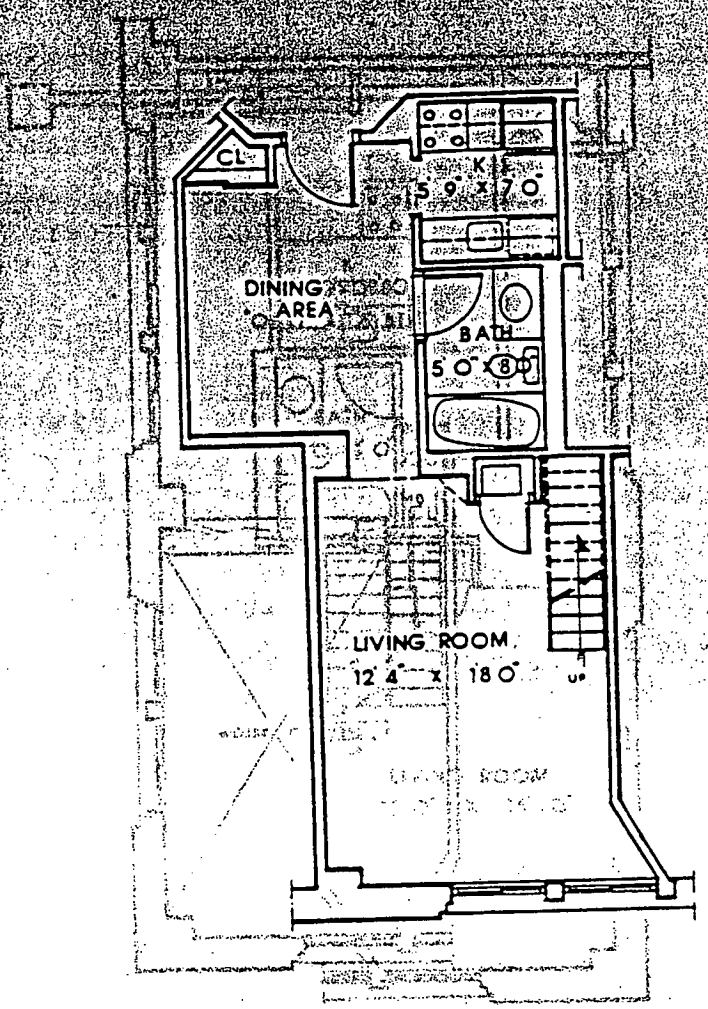
APT. 201 - 701 UPPER LEVEL

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. DIMENSIONS ARE MAXIMUM OVERALL. SUBTRACT FOR CUT-OUTS. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN.

SCALE: 1/4" = 1'-0"

20

3421 HUDSON STREET



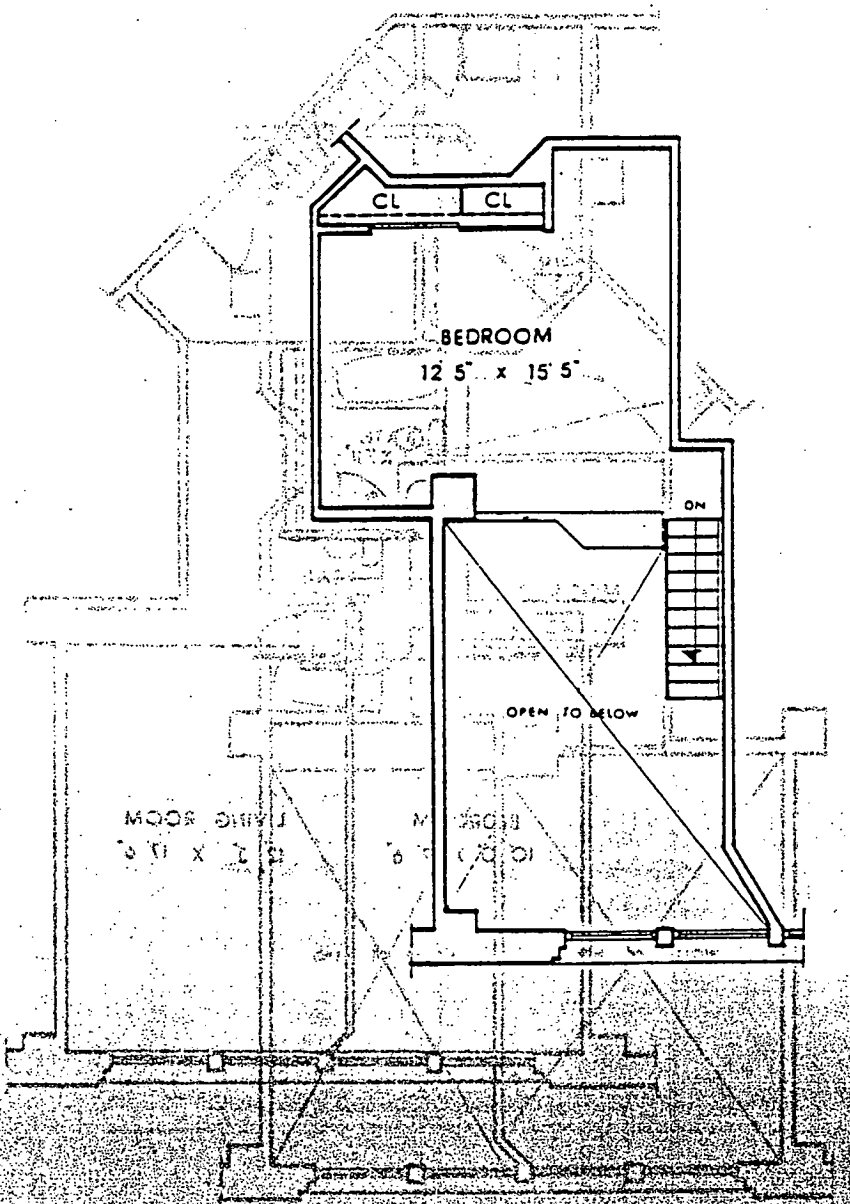
APT. 202 - 702 LOWER LEVEL

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. DIMENSIONS ARE MAXIMUM OVERALL, SUBTRACT CUT-OUTS. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN.

SCALE: 1/8" = 1'-0"

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421 HUDSON STREET

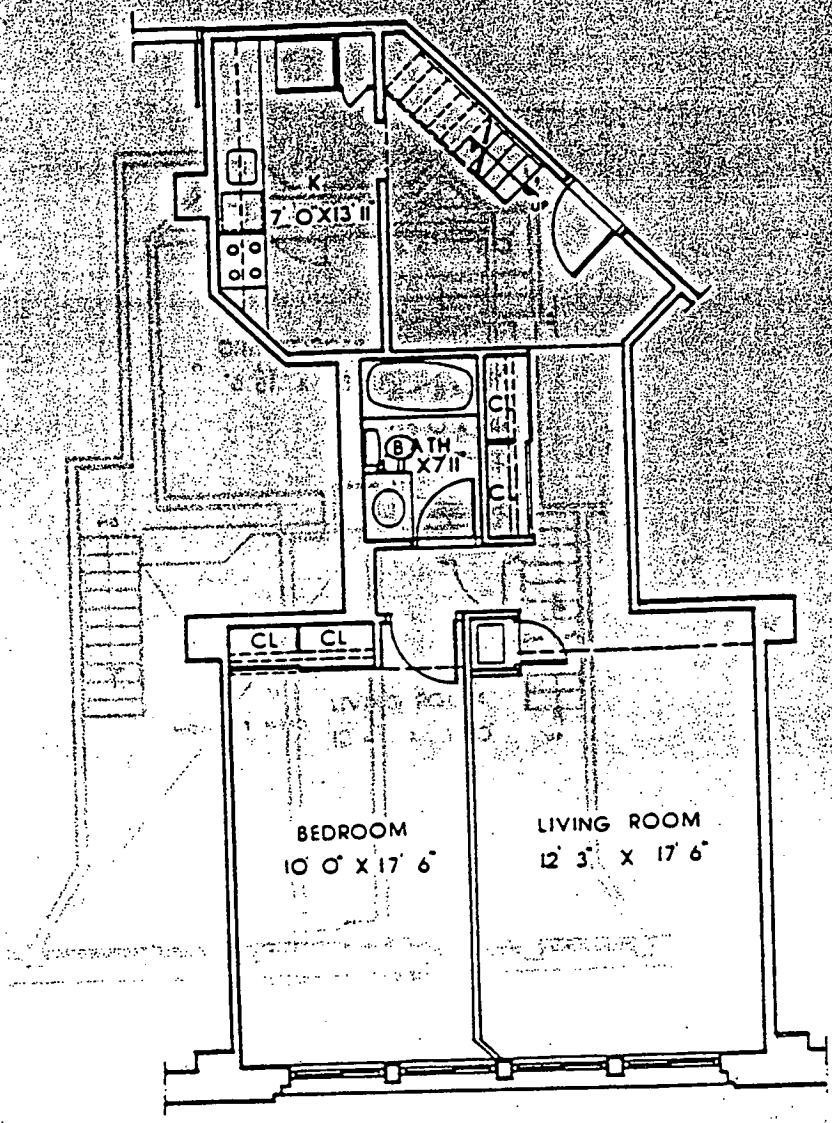


APT. 202 - 702 UPPER LEVEL

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. DIMENSIONS ARE MAXIMUM OVERALL SIZE EXCLUSIVE OF CUT-OUTS. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN.

1/4" = 1'-0"

424 WEST 54TH STREET HUDSON HOUSE



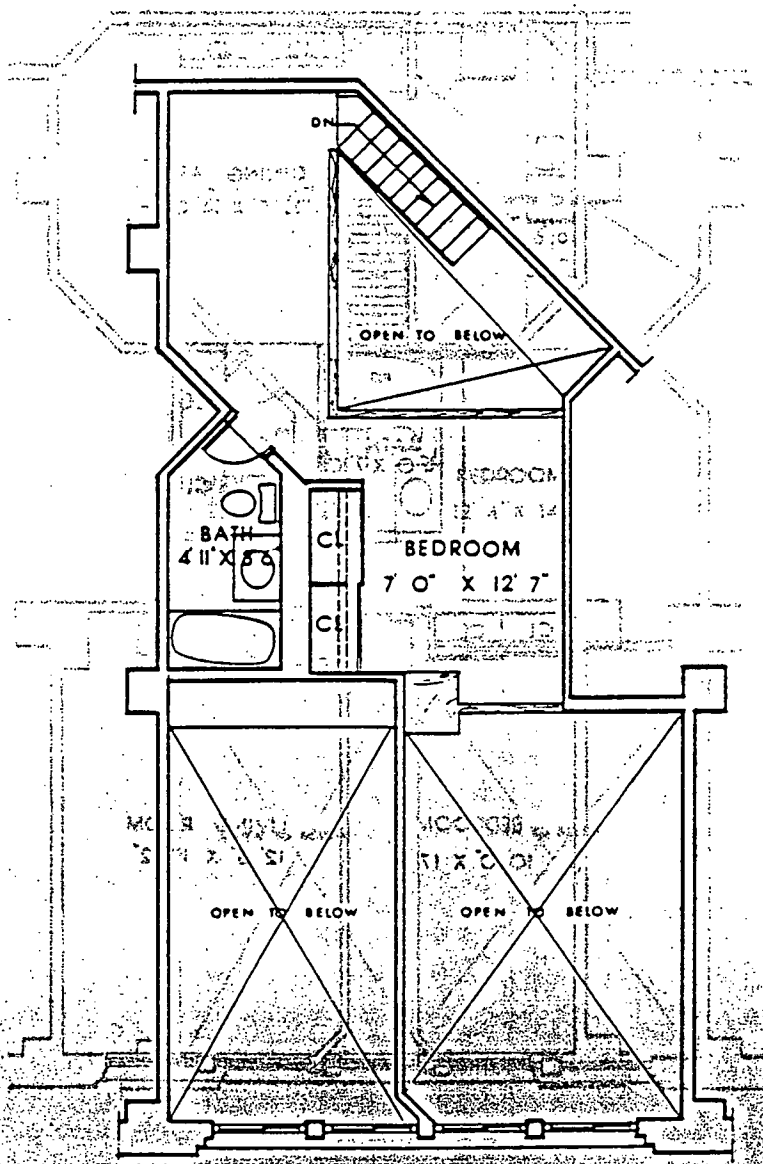
APT. 203 – 703 LOWER LEVEL

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. DIMENSIONS ARE MAXIMUM OVERALL, SUBTRACT CUT-OUTS. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN.

SCALE: 1/8" = 1'-0"

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421 HUDSON STREET



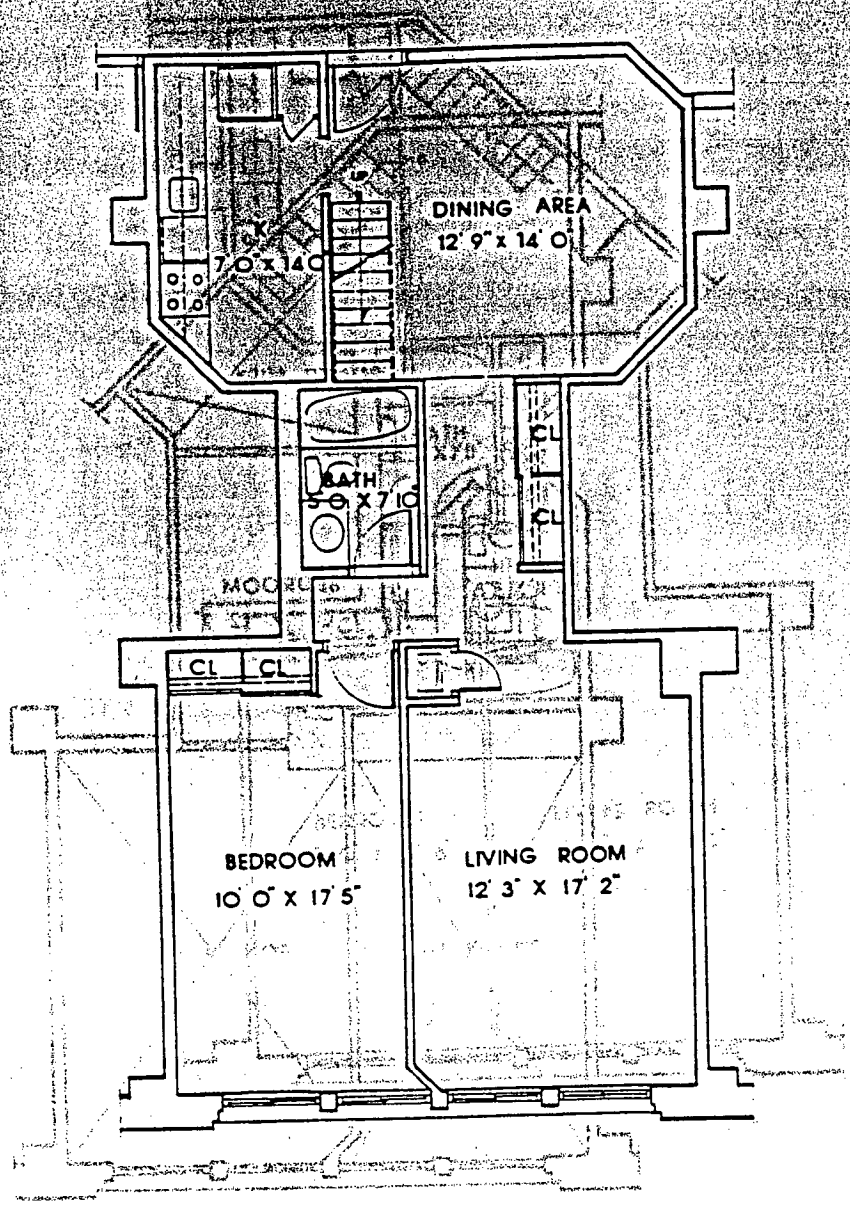
APT. 203 & 703 UPPER LEVEL

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. DIMENSIONS ARE MAXIMUM OVERALL, SUBTRACT CUT-OUTS. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN.

SCALE: 1/8" = 1'-0"

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342 EAST 52 HUDSON STREET



APT. 209 - 709 LOWER LEVEL

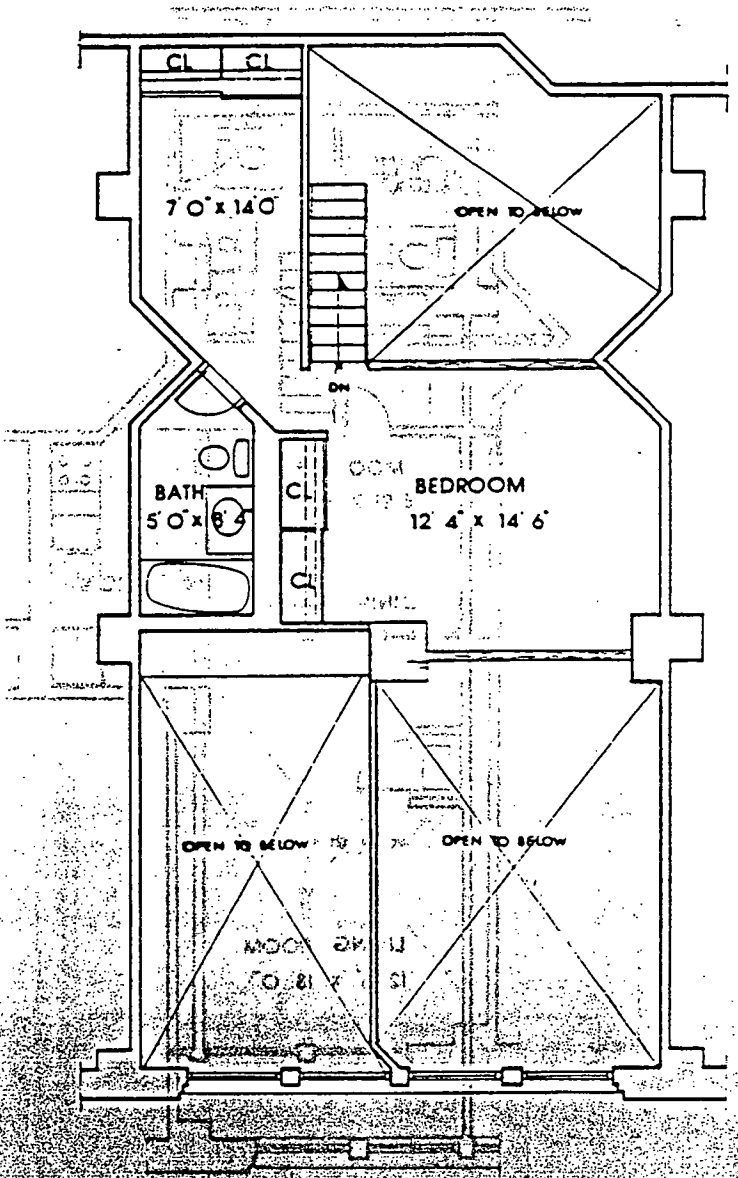
206 - 706 SIMILAR
217 - 717, 220 - 720 SIMILAR, OPP.

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. DIMENSIONS ARE MAXIMUM OVERALL, SUBTRACT CUT-OUTS. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN.

SCALE: 1/8" = 1'-0"

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421 HUDSON STREET

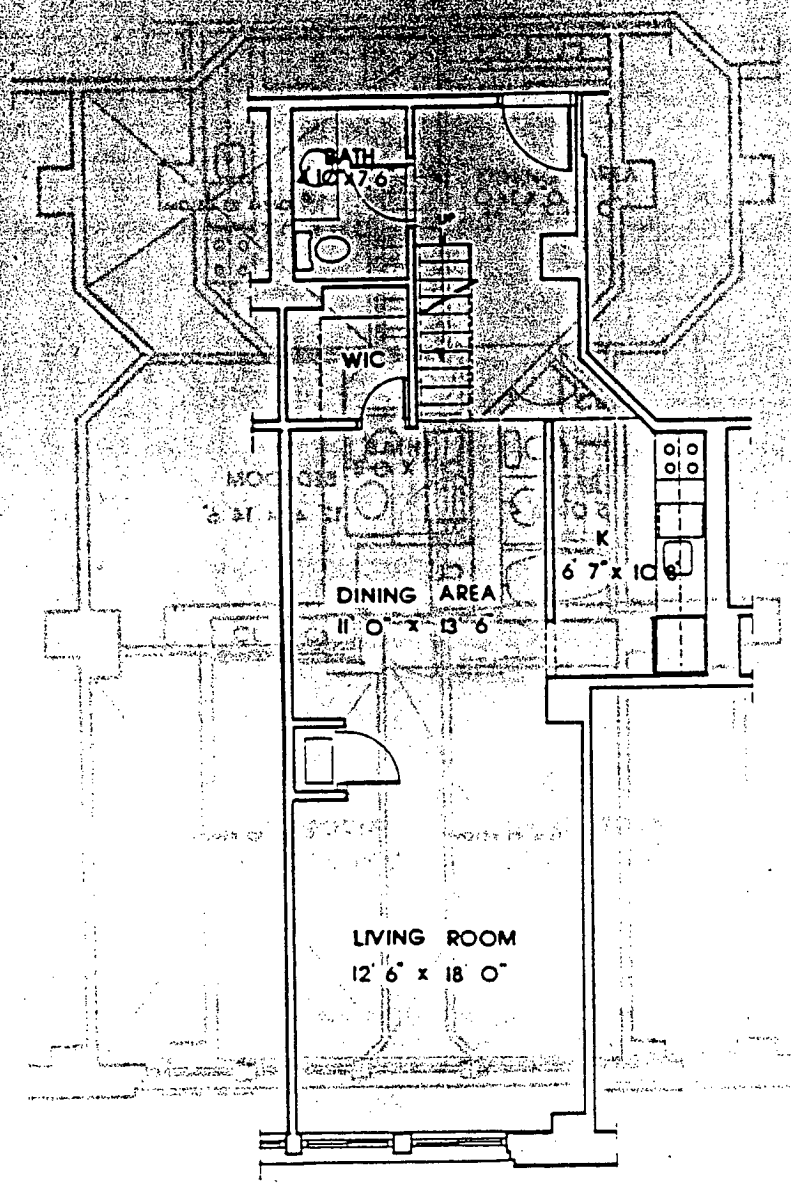


APT. 209 – 709 UPPER LEVEL

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. DIMENSIONS ARE MAXIMUM OVERALL, SUBTRACT CUT-OUTS. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN

SCALE: 1/8" = 1'-0"

421 HUDSON STREET



APT. 207 - 707 LOWER LEVEL

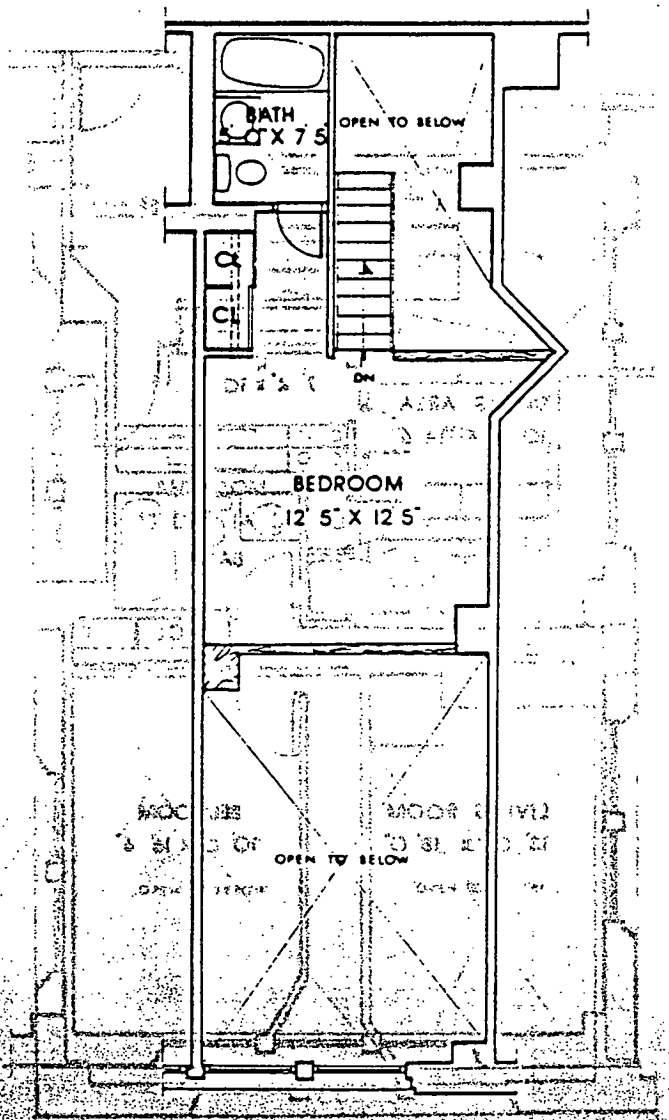
204 - 704; 218 - 718 SIMILAR
205 - 705; 206 - 706, 219 - 719 SIMILAR, OPP. HAND
210 - 710 SIMILAR, FULL BATH, NO WALK-IN CLOSET
211 - 711, 216 - 716 SIMILAR, FULL BATH, NO WALK-IN CLOSET, OPP. HAND
221 - 721 SIMILAR, NO WALK-IN CLOSET AT FLOORS 4 & 7
222 - 722 SIMILAR, NO WALK-IN CLOSET AT FLOORS 4 & 7, OPP. HAND

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. DIMENSIONS ARE MAXIMUM OVERALL, SUBTRACT CUT-OUTS. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN.

SCALE: 1/8" = 1'-0"

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421 HUDSON STREET

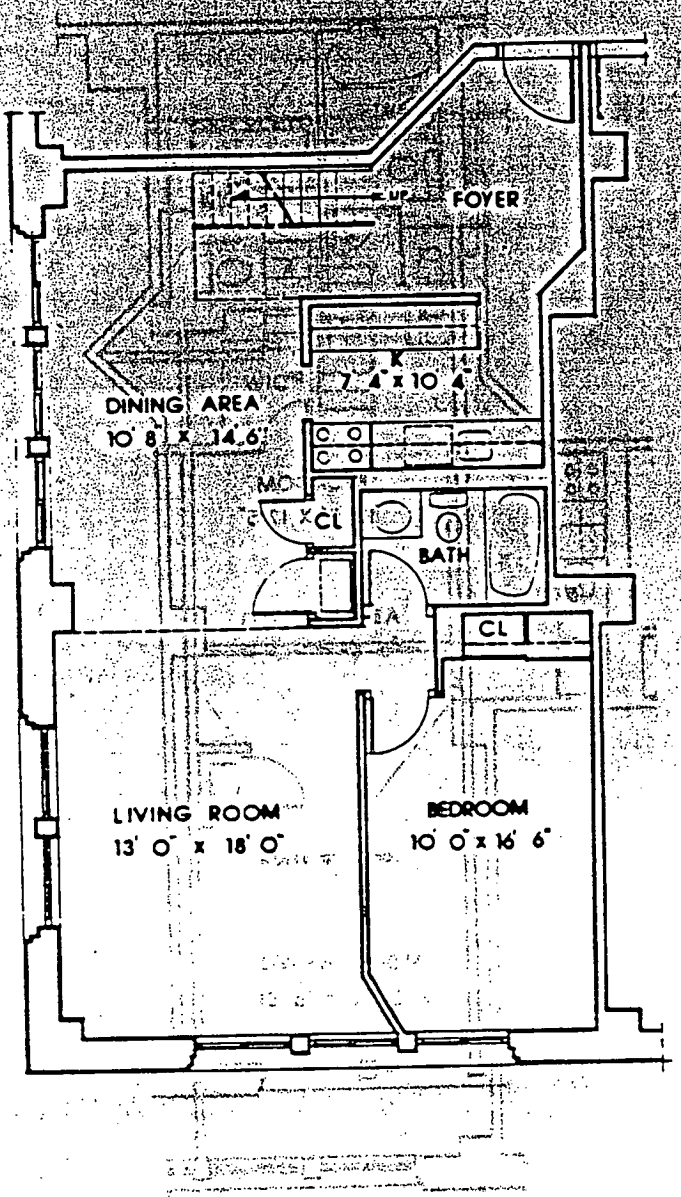


APT. 207 - 707 UPPER LEVEL

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. DIMENSIONS ARE MAXIMUM OVERALL. SUBTRACT CUTOUTS. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN.

SCALE: 1/8" = 1'-0"

421 HUDSON STREET



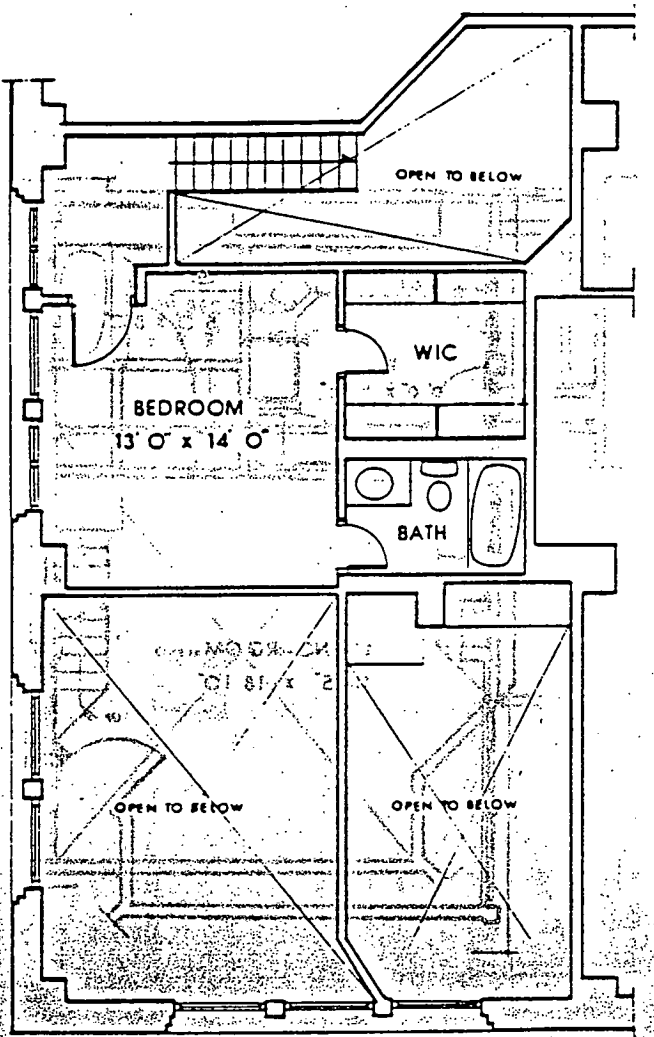
APT. 212 - 712 LOWER LEVEL

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SCALE: 1/8" = 1'-0"

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421 HUDSON STREET



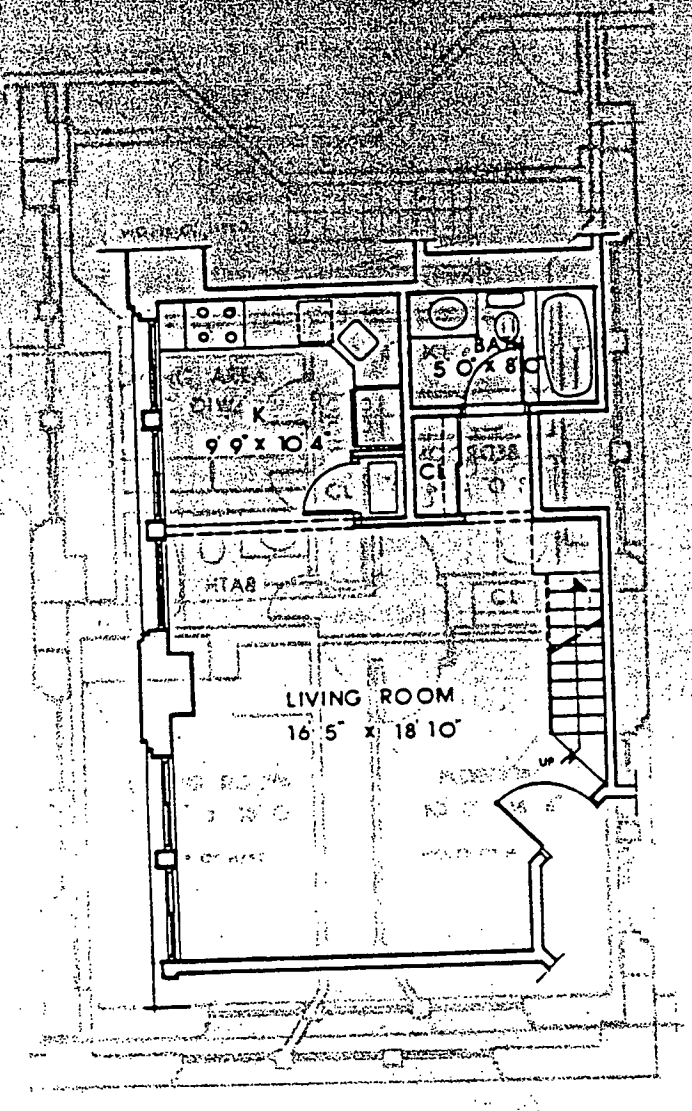
APT. 212 - 712 UPPER LEVEL

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SCALE: 1/8" = 1'-0"

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421 EAST 212 HUDSON STREET



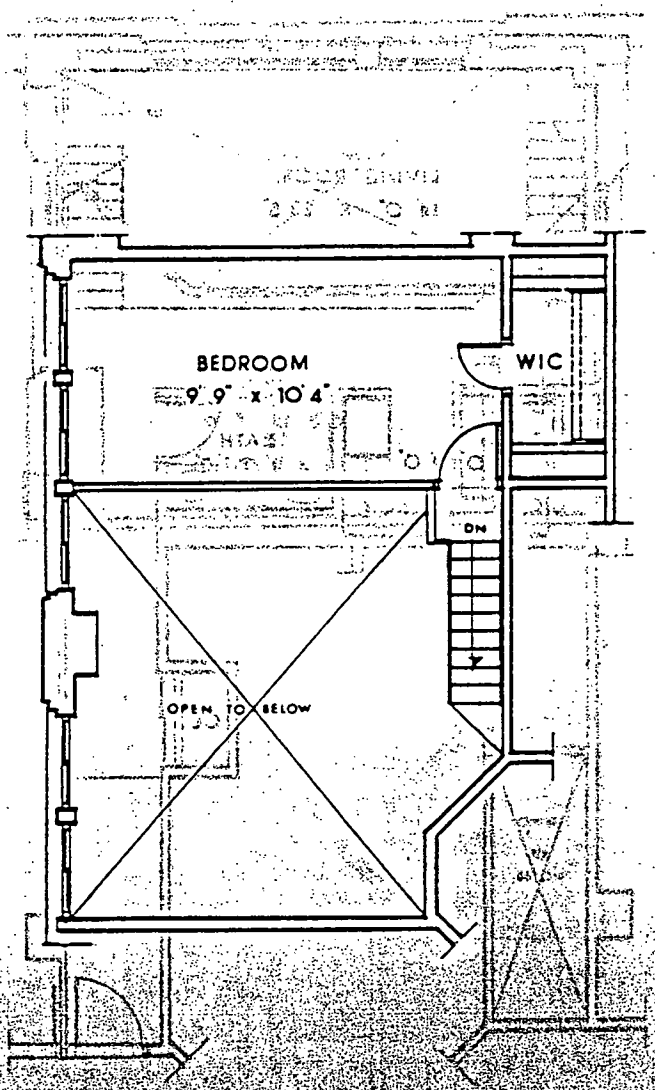
APT. 213 - 713 LOWER LEVEL

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. DIMENSIONS ARE MAXIMUM OVERALL, SUBTRACT CUT-OUTS. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN.

SCALE: 1/8" = 1'-0"

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421 HUDSON STREET



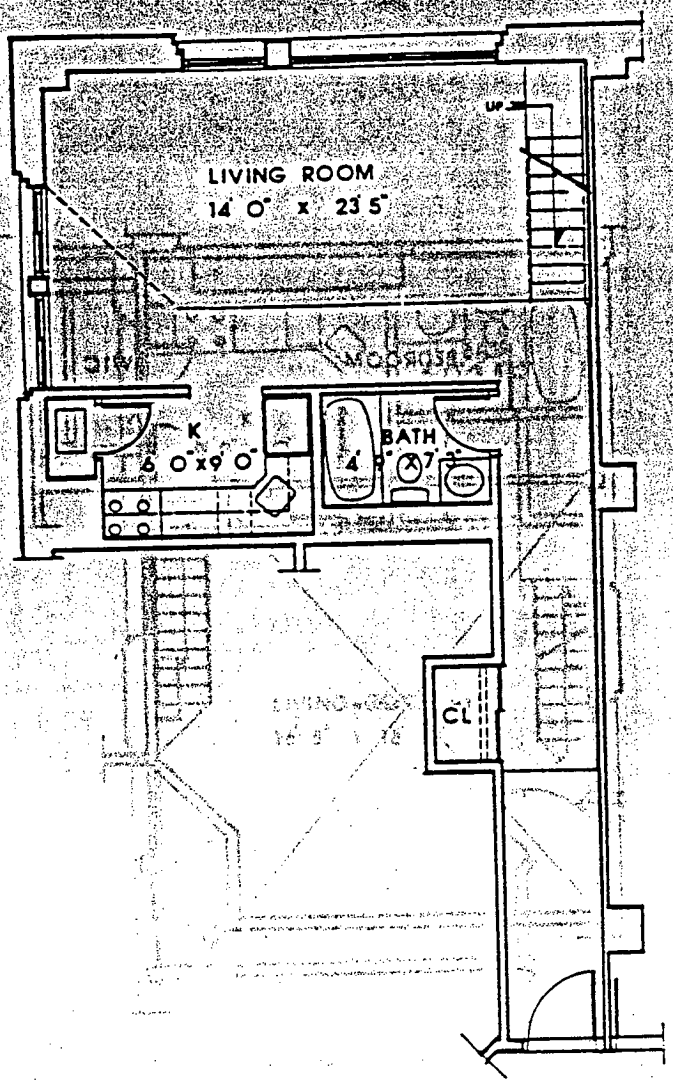
APT. 213 – 713 UPPER LEVEL

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. DIMENSIONS ARE MAXIMUM OVERALL, SUBTRACT FOR CUT-OUTS. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN.

SCALE: 1/8" = 1'-0"

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421 HUDSON STREET



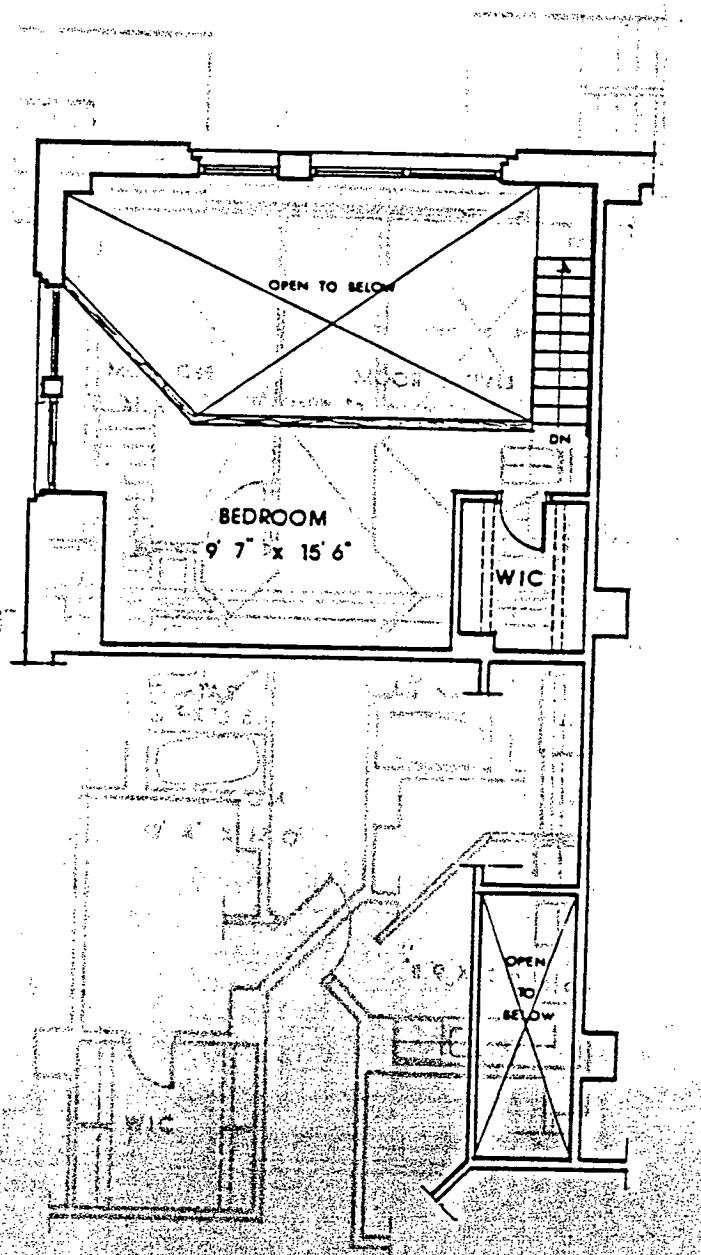
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ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. DIMENSIONS ARE MAXIMUM OVERALL, SUBTRACT CUT-OUTS. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN.

SCALE: 1/8" = 1'-0"

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421 HUDSON STREET

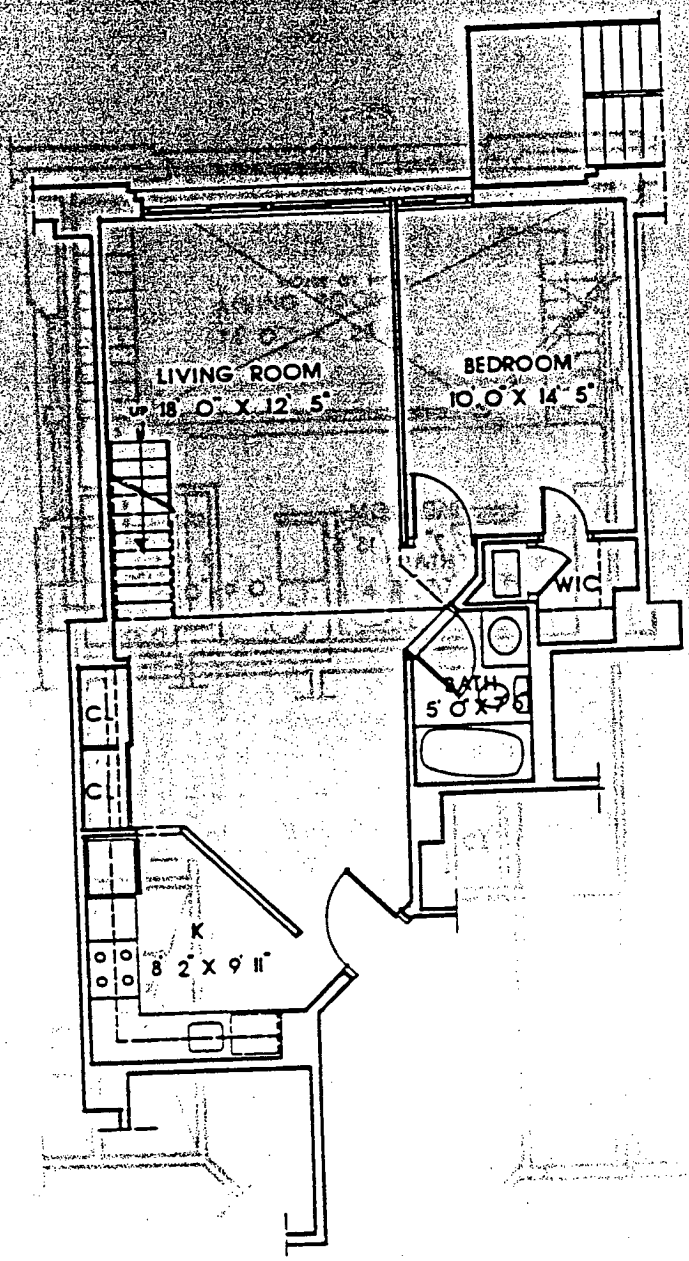


APT. 214 - 714 UPPER LEVEL

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. DIMENSIONS ARE MAXIMUM OVERALL; SUBTRACT CUT-OUTS. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN.

SCALE: 1/8" = 1'-0"

421 HUDSON STREET



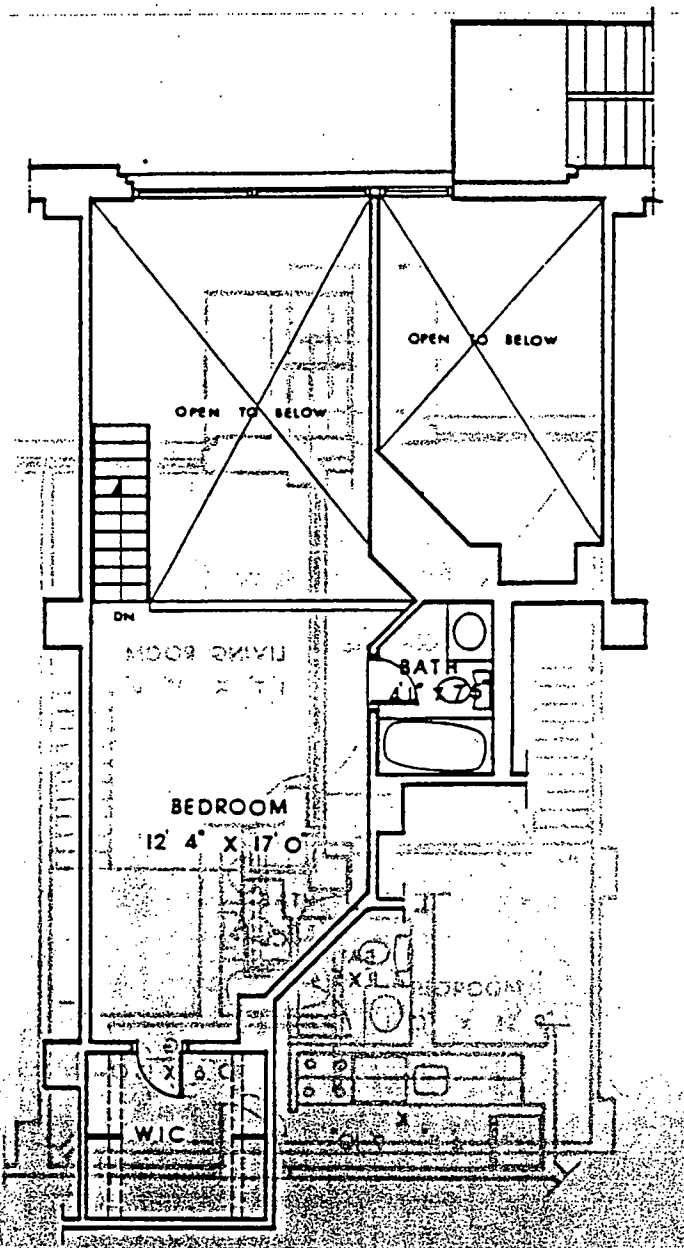
APT. 223 - 723 LOWER LEVEL

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SCALE: 1/8" = 1'-0"

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421 HUDSON STREET

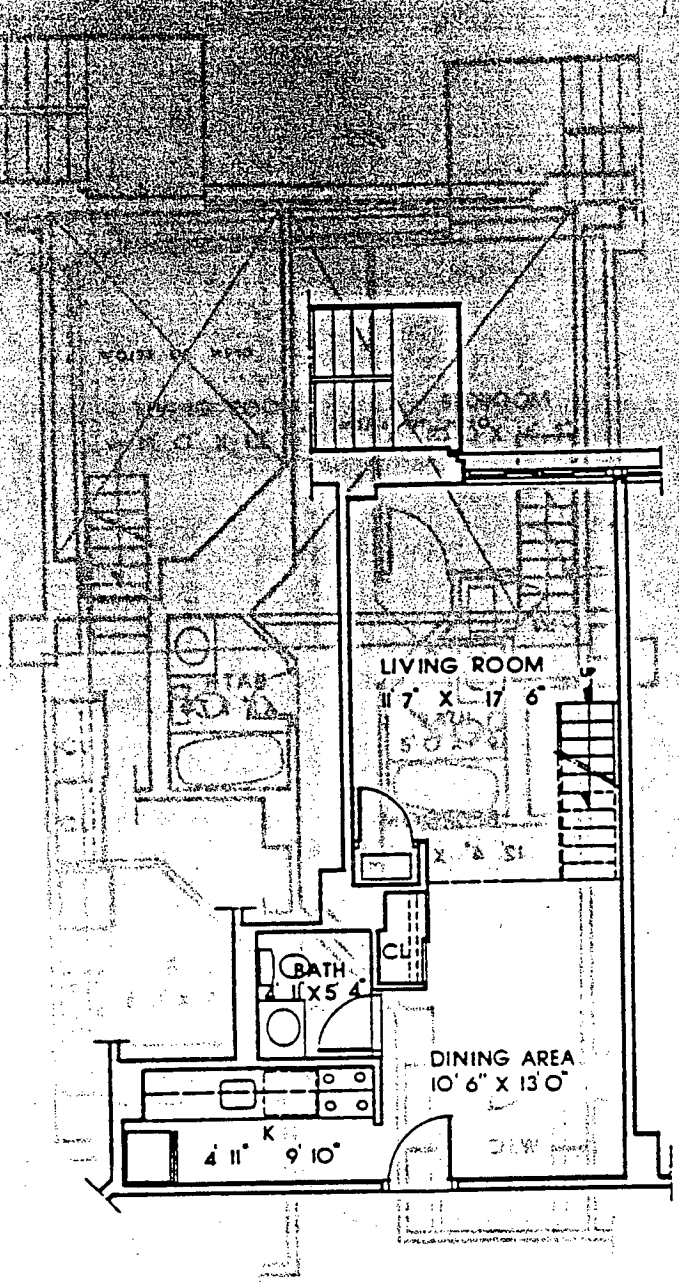


APT. 223 - 723 UPPER LEVEL

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. ALL DIMENSIONS ARE MAXIMUM OVERALL, SUBTRACTING CUT-OUTS. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN.

SCALE: 1/8" = 1'-0"

421 HUDSON STREET



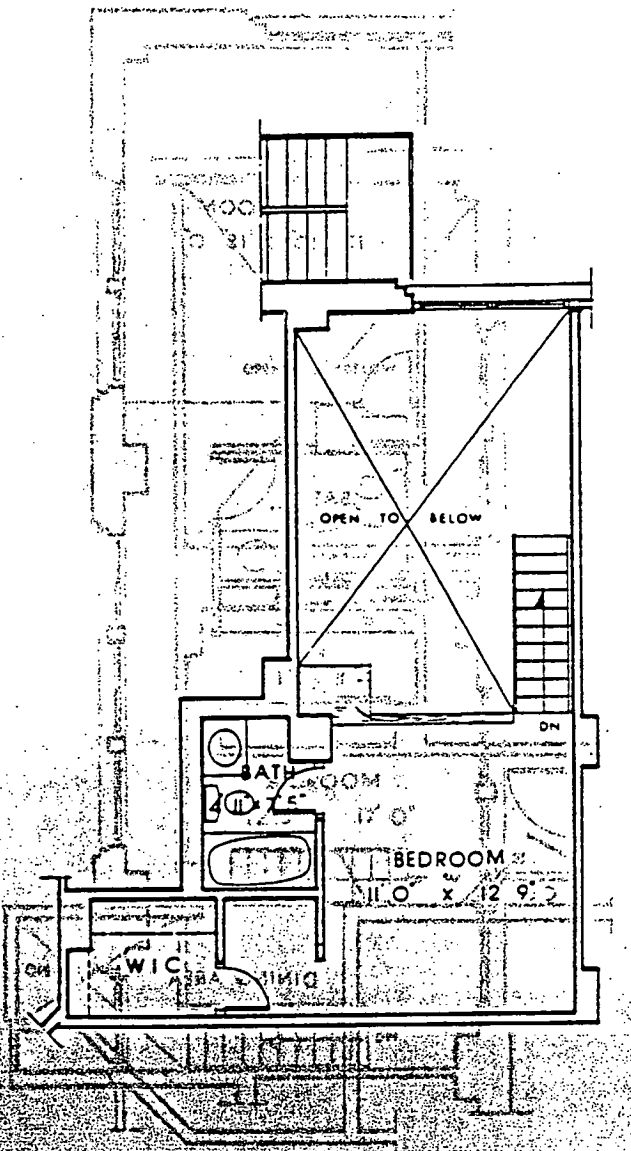
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ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. DIMENSIONS ARE MAXIMUM OVERALL, SUBTRACT CUT-OUTS. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN.

SCALE: 1/8" = 1'-0"

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421 HUDSON STREET

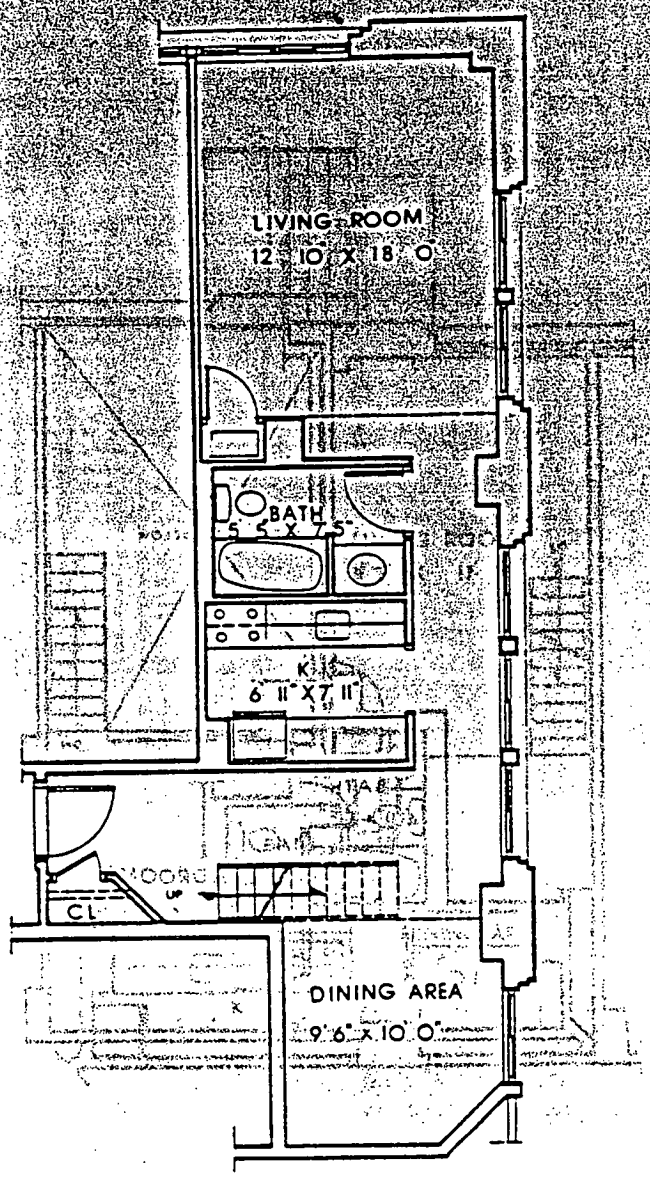


APT. 224 - 724 UPPER LEVEL
APT. 225 - 725 UPPER LEVEL

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. DIMENSIONS ARE MAXIMUM OVERALL, SUBTRACT FOR CUT-OUTS. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN.

SCALE: 1/8" = 1'-0"

HUDSON HEIGHTS



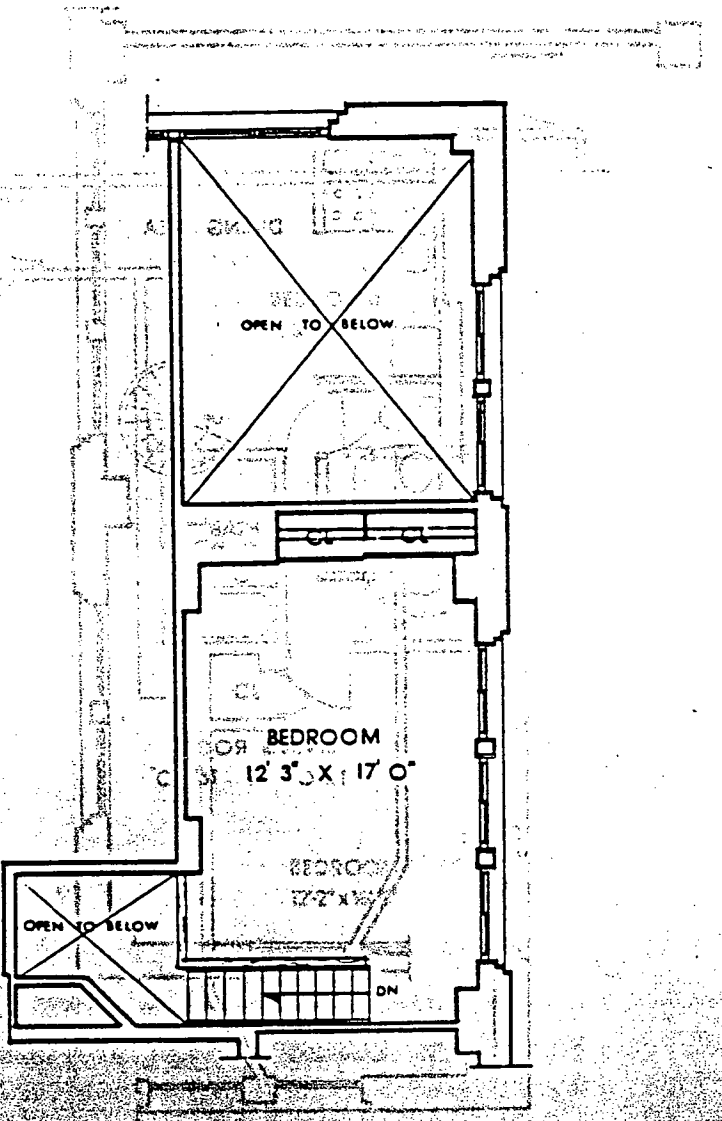
APT. 225 - 725 LOWER LEVEL

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. DIMENSIONS ARE MAXIMUM OVERALL, SUBTRACT CUT-OUTS. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN.

SCALE: 1/8" = 1'-0"

0 1 2 4 8

421 HUDSON STREET



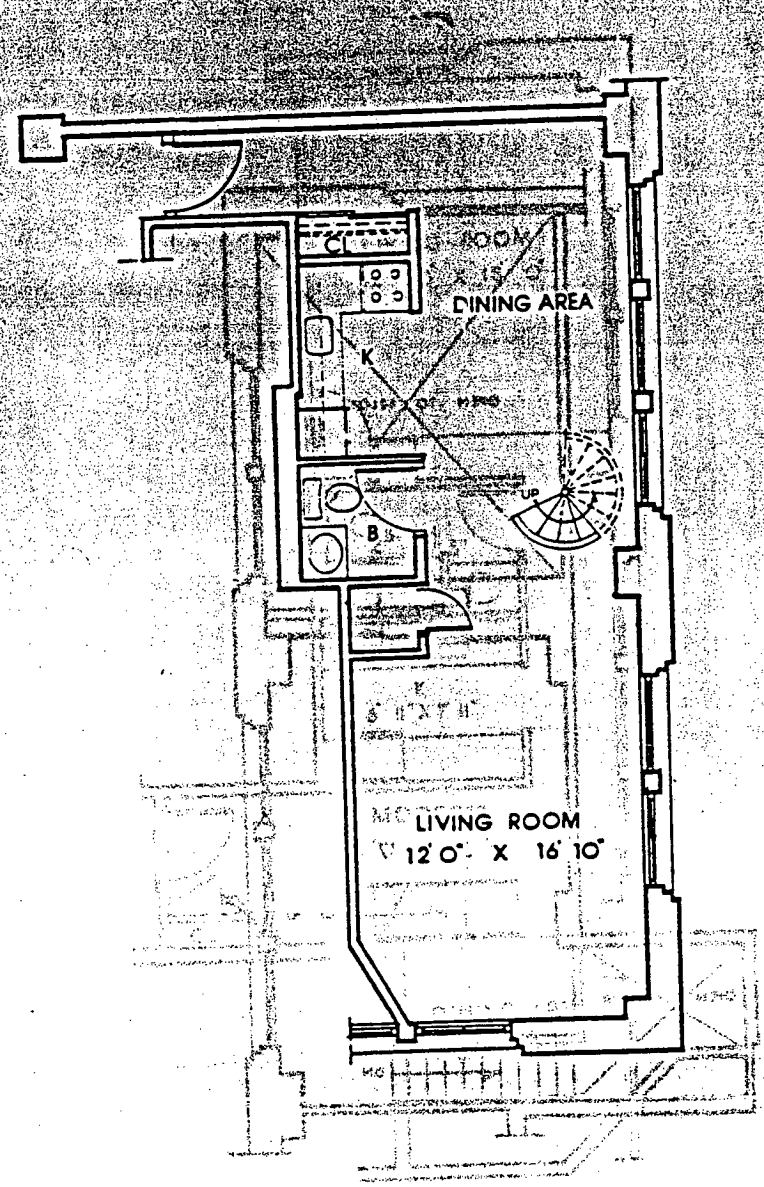
APT. 225 - 725 UPPER LEVEL

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SCALE: 1/8" = 1'-0"

0 1 2 4 8 10 20

421 EAST 57TH STREET



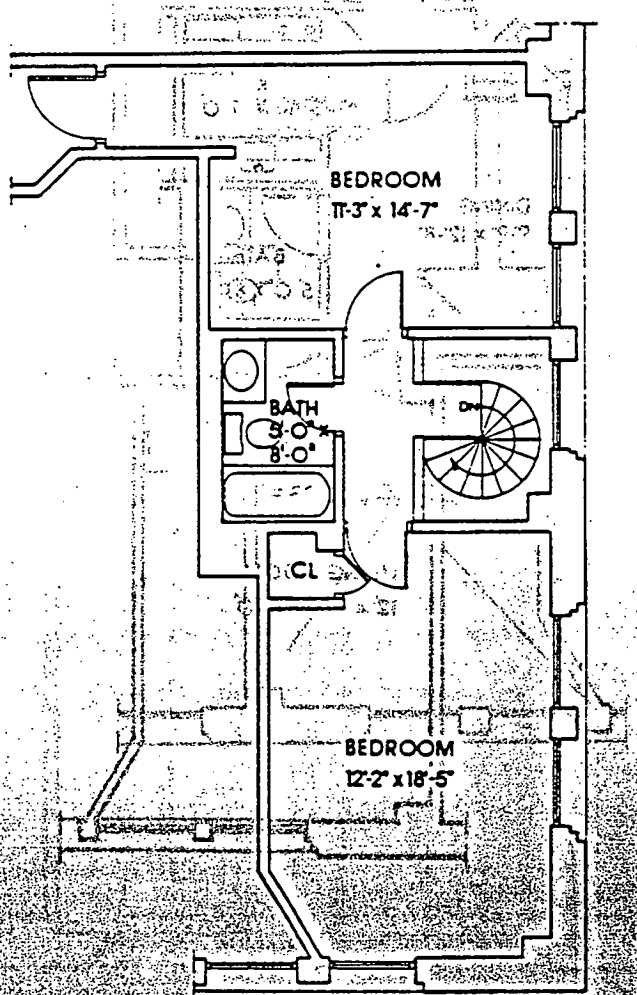
APT. 801 LOWER LEVEL

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SCALE: 1/8" = 1'-0"

0 1 2 4 8

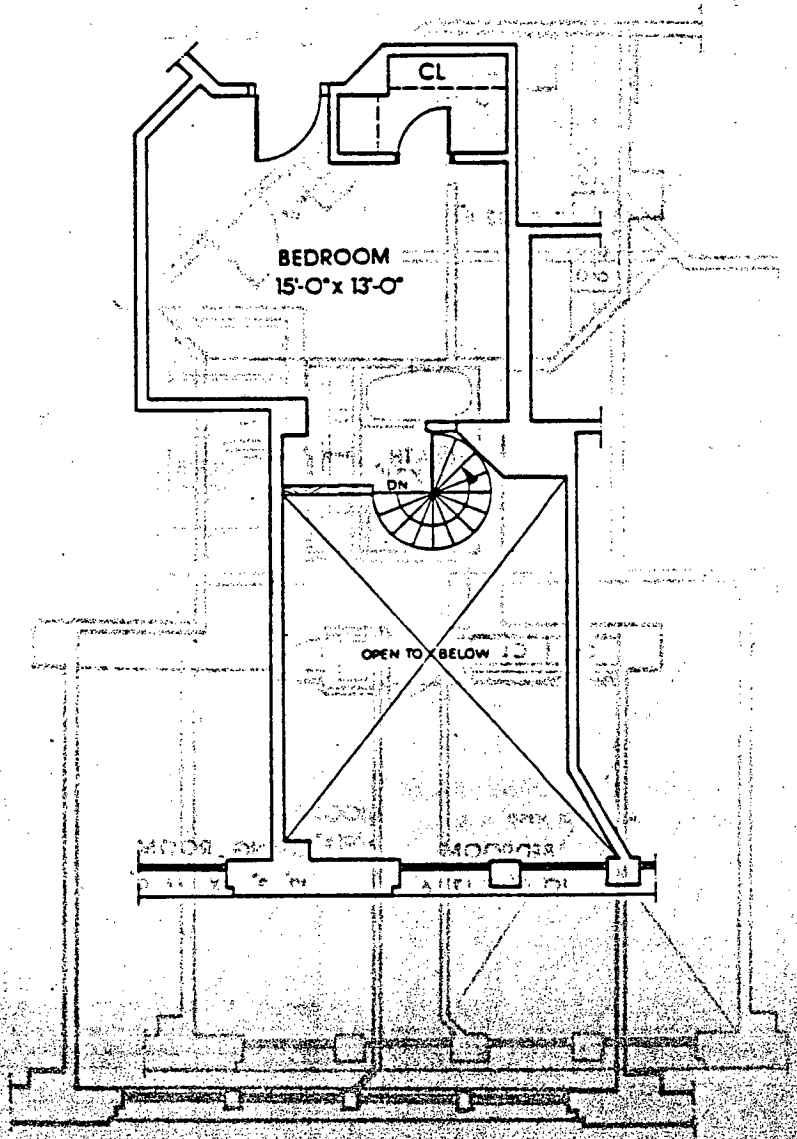
421 HUDSON STREET



APT. 801 UPPER LEVEL

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SCALE: 1/8" = 1'-0"

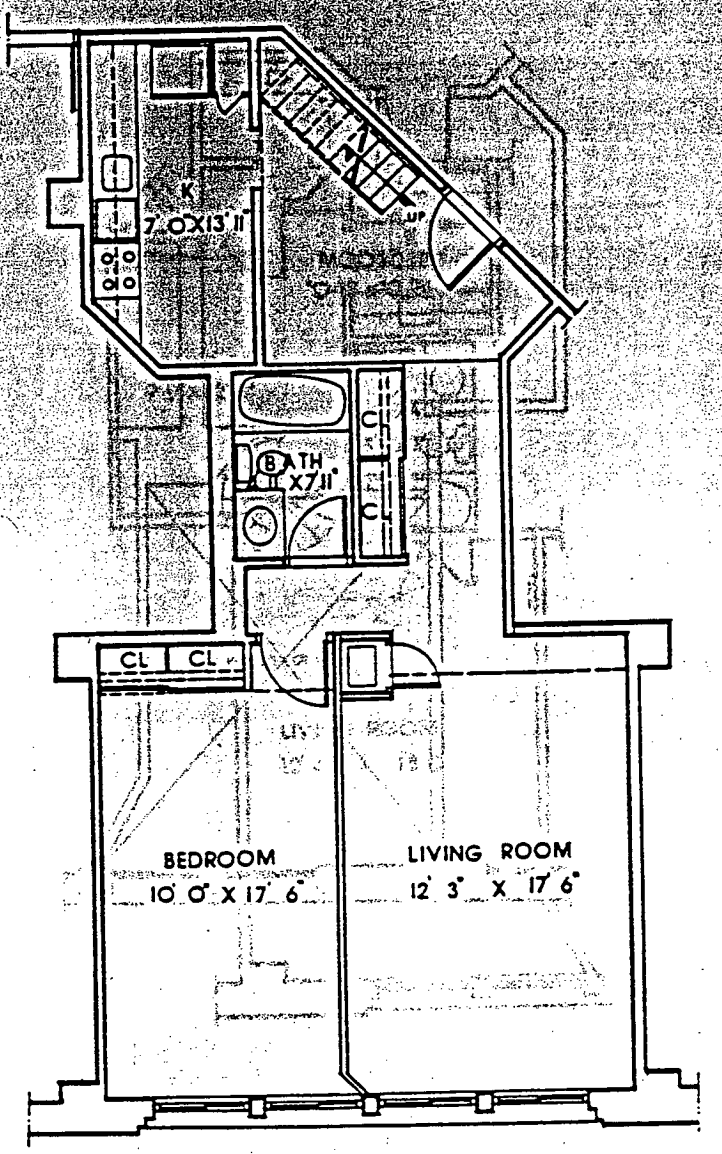


APT. 802 UPPER LEVEL

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SCALE: 1/8" = 1'-0"

421 RIVERSIDE DRIVE



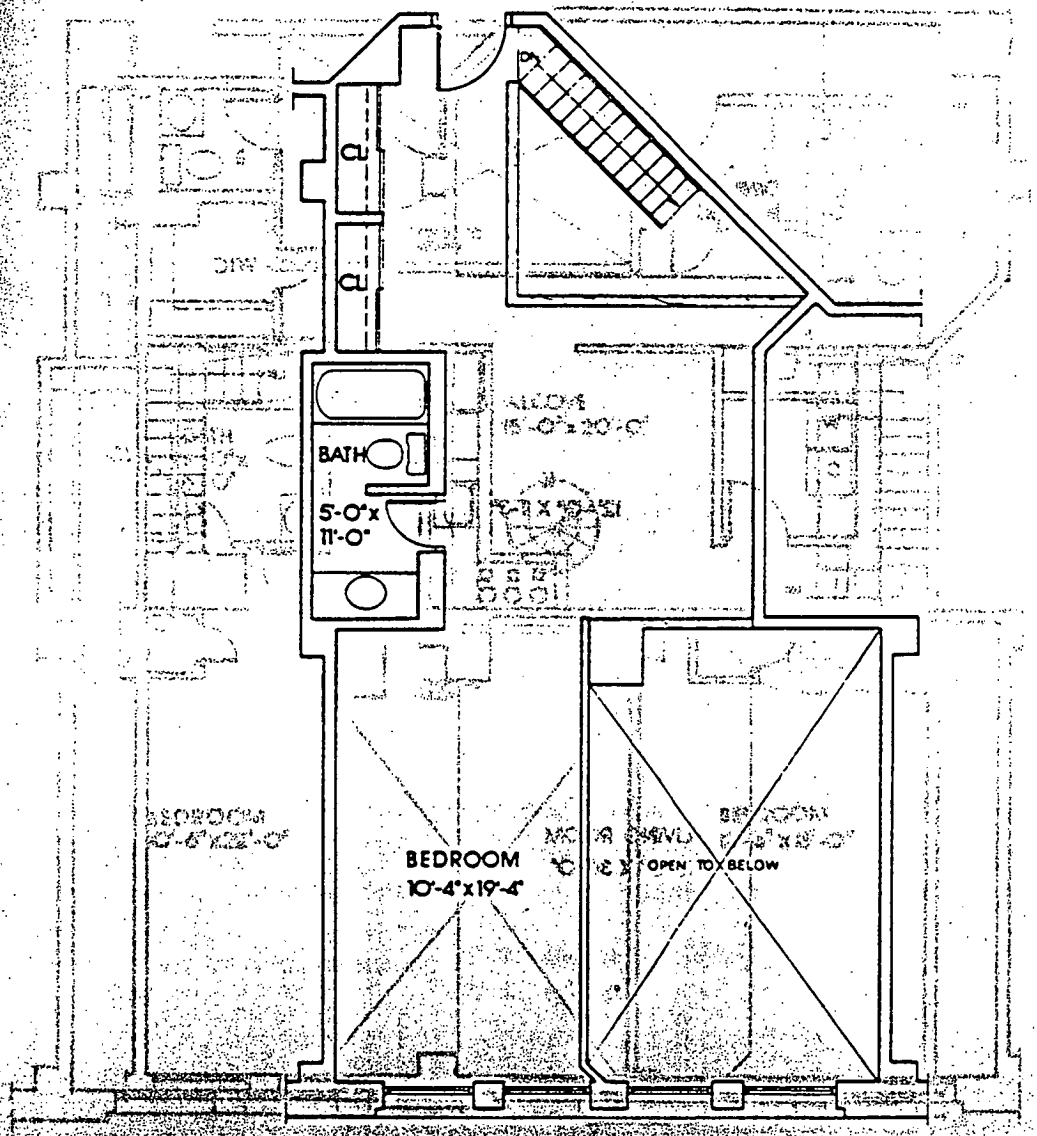
APT. 803 LOWER LEVEL

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. DIMENSIONS ARE MAXIMUM OVERALL, SUBTRACT CUT-OUTS. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN.

SCALE: 1/8" = 1'-0"

0 1 2 4 8

421 HUDSON STREET

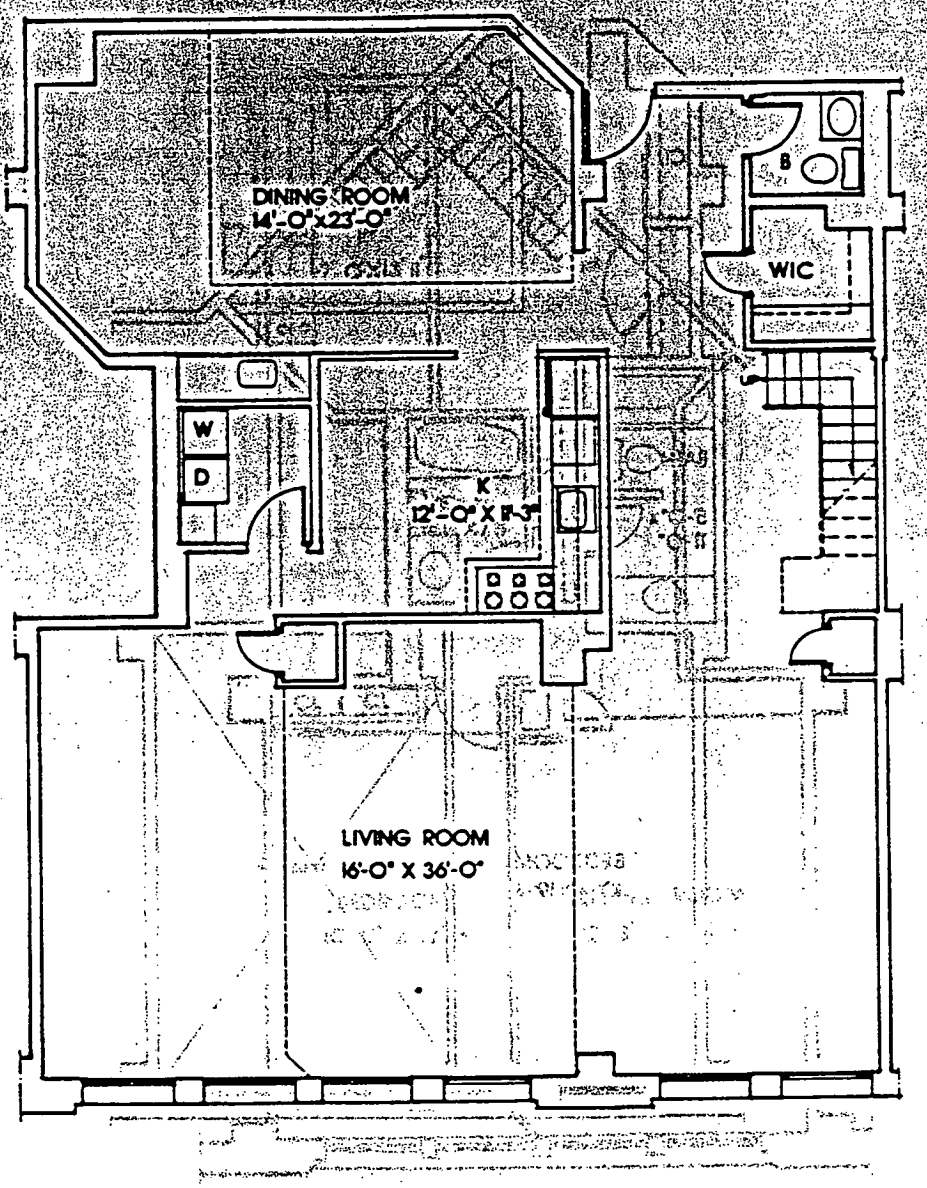


APT. 803 UPPER LEVEL

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SCALE: 1/8" = 1'-0"

421 HUDSON STREET



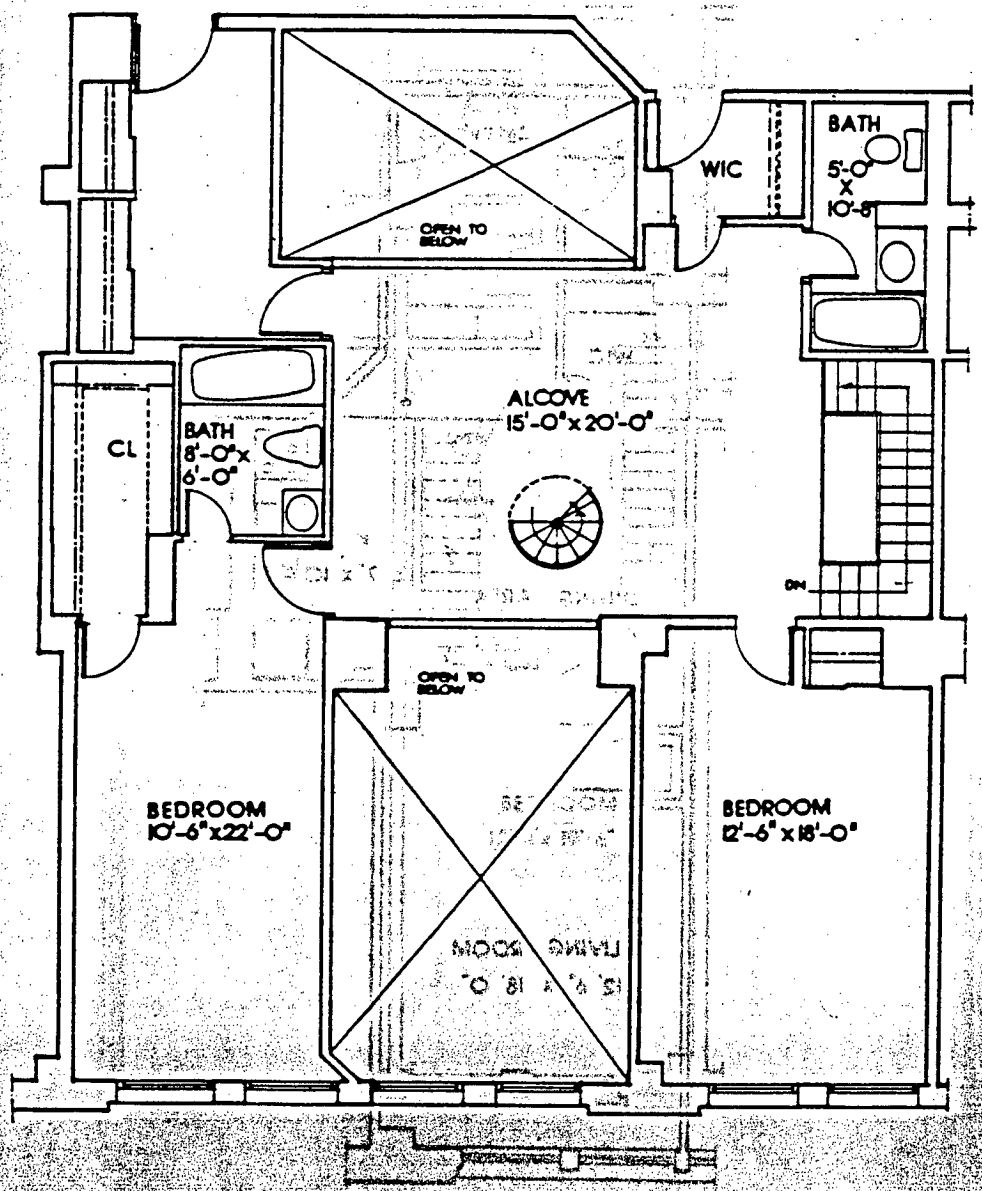
APT. 805-806 LOWER LEVEL

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. DIMENSIONS ARE MAXIMUM OVERALL, SUBTRACT CUT-OUTS. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN.

SCALE: 1/8" = 1'-0"

0 1 2 4 8

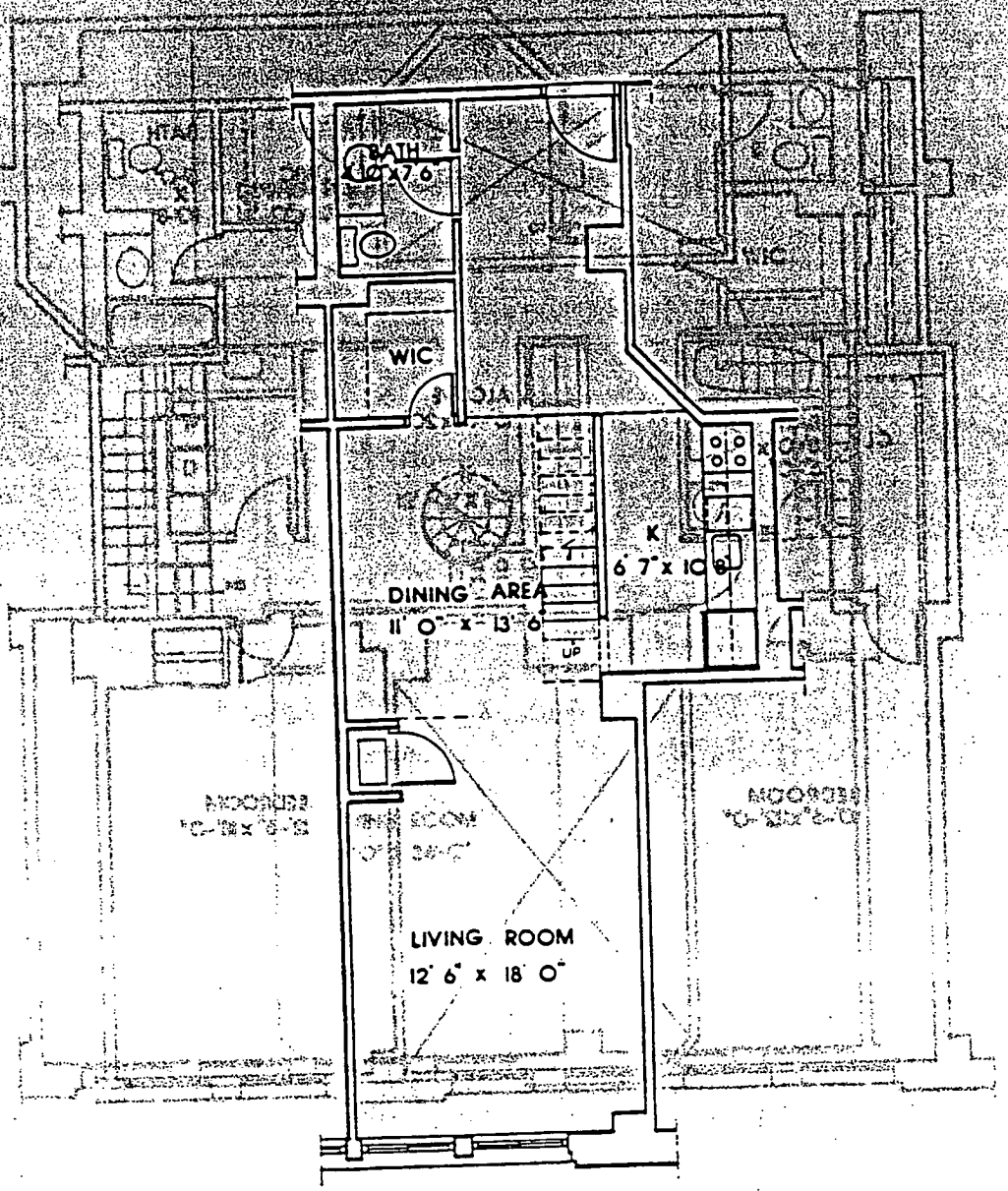
421 HUDSON STREET



APT. 805-806 UPPER LEVEL

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SCALE: 1/8" = 1'-0"



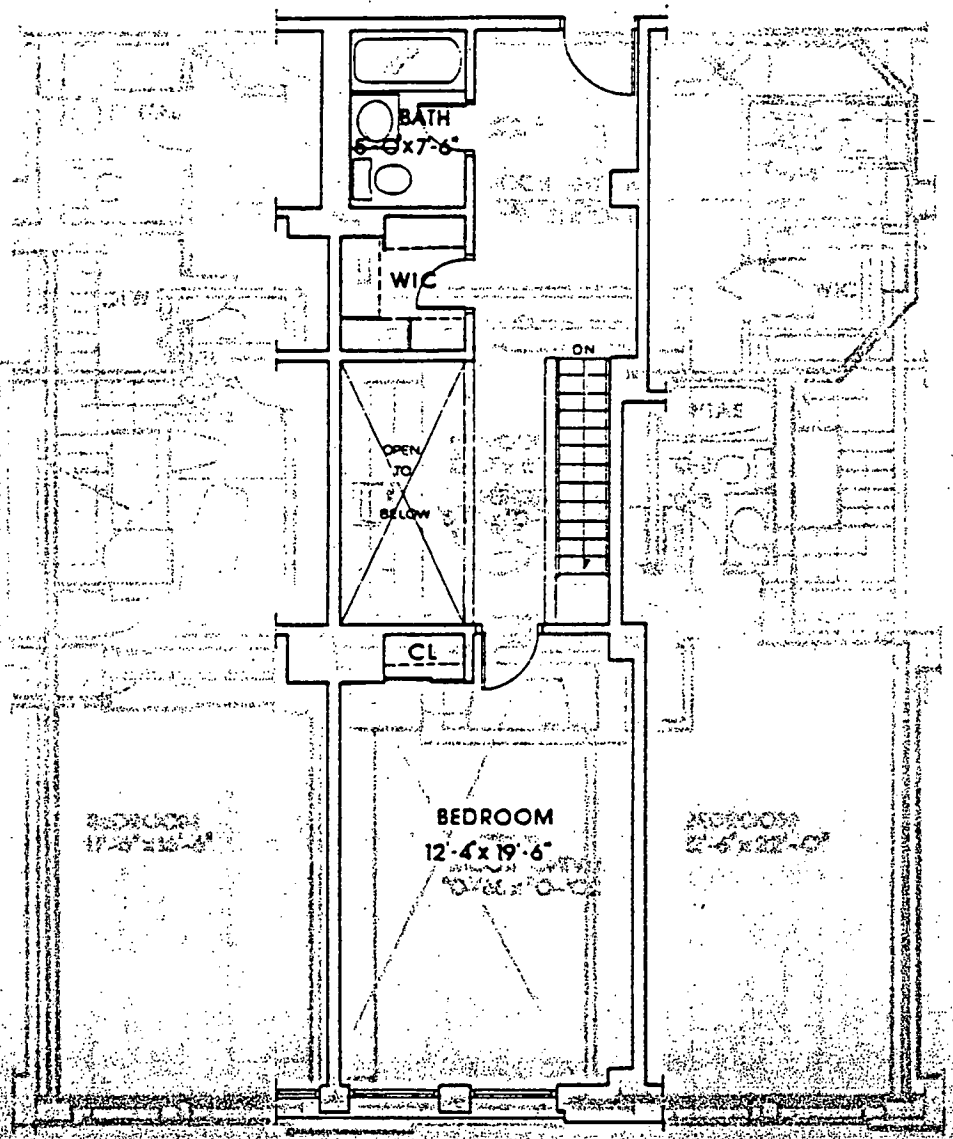
APT. 807 LOWER LEVEL

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SCALE: 1/8" = 1'-0"

0 1 2 4 8

421 HUDSON STREET

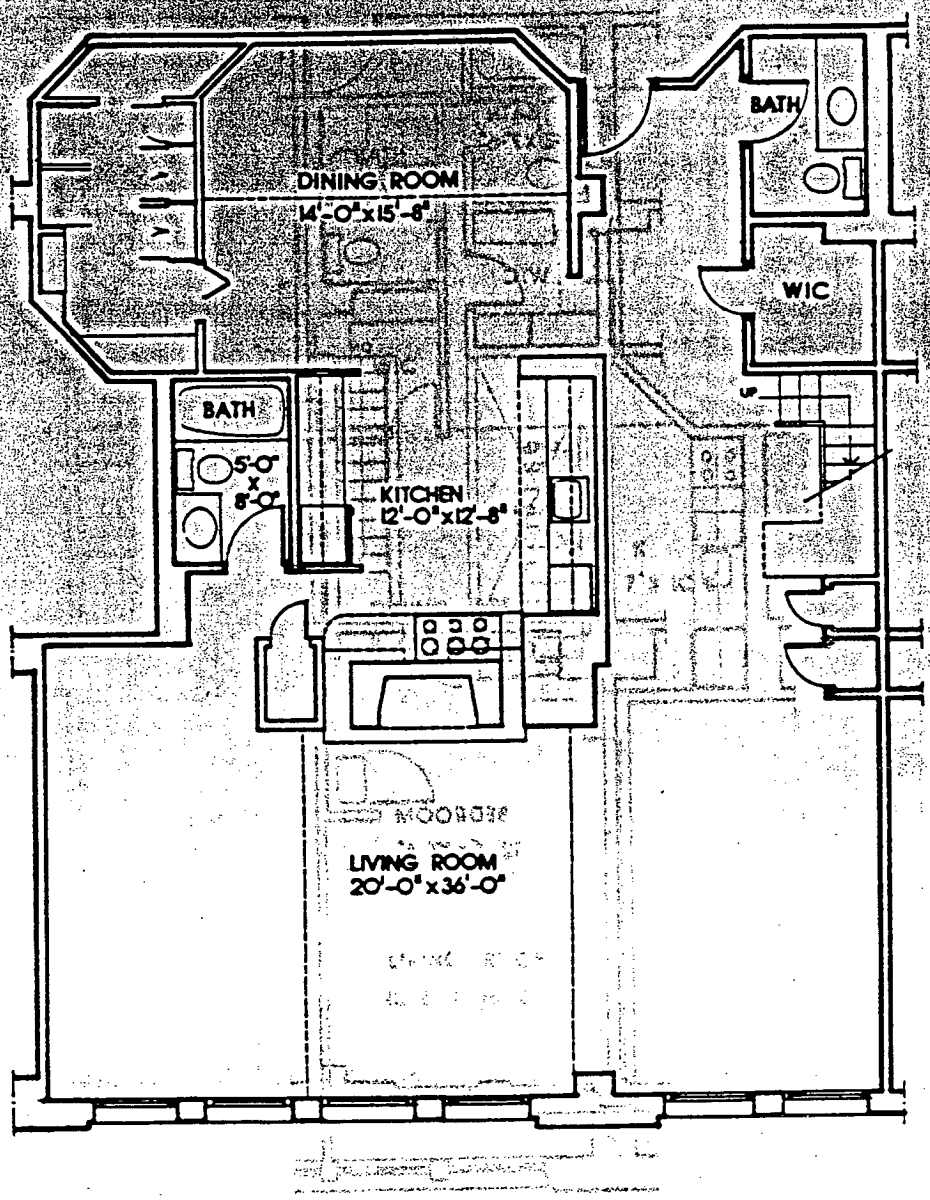


APT. 808-809 UPPER LEVEL
APT. 807 UPPER LEVEL

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. DIMENSIONS ARE MAXIMUM OVERALL; SUBTRACT CUT-OUTS. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN.

SCALE: 1/8" = 1'-0"

421 HUDSON STREET



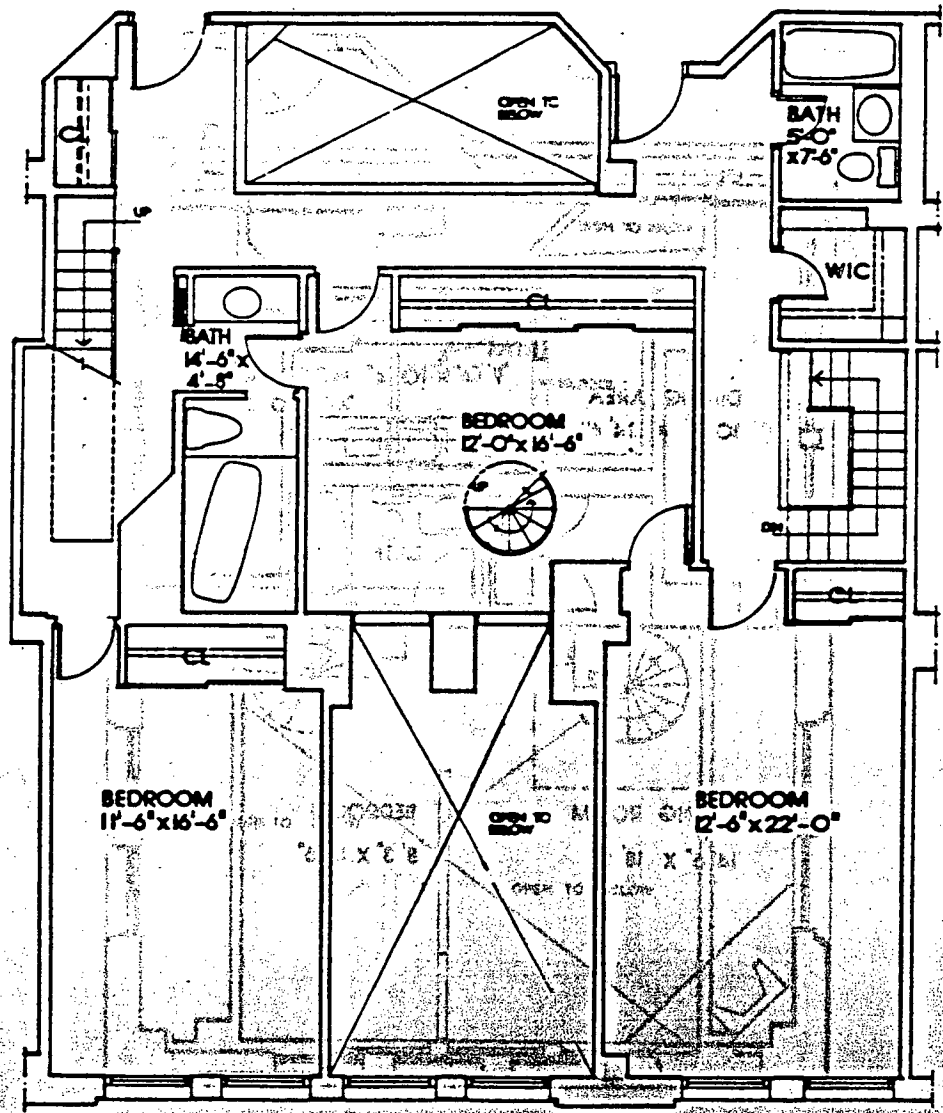
APT. 808-809 LOWER LEVEL

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SCALE: 1/8" = 1'-0"

0 1 2 4 8

421 HUDSON STREET



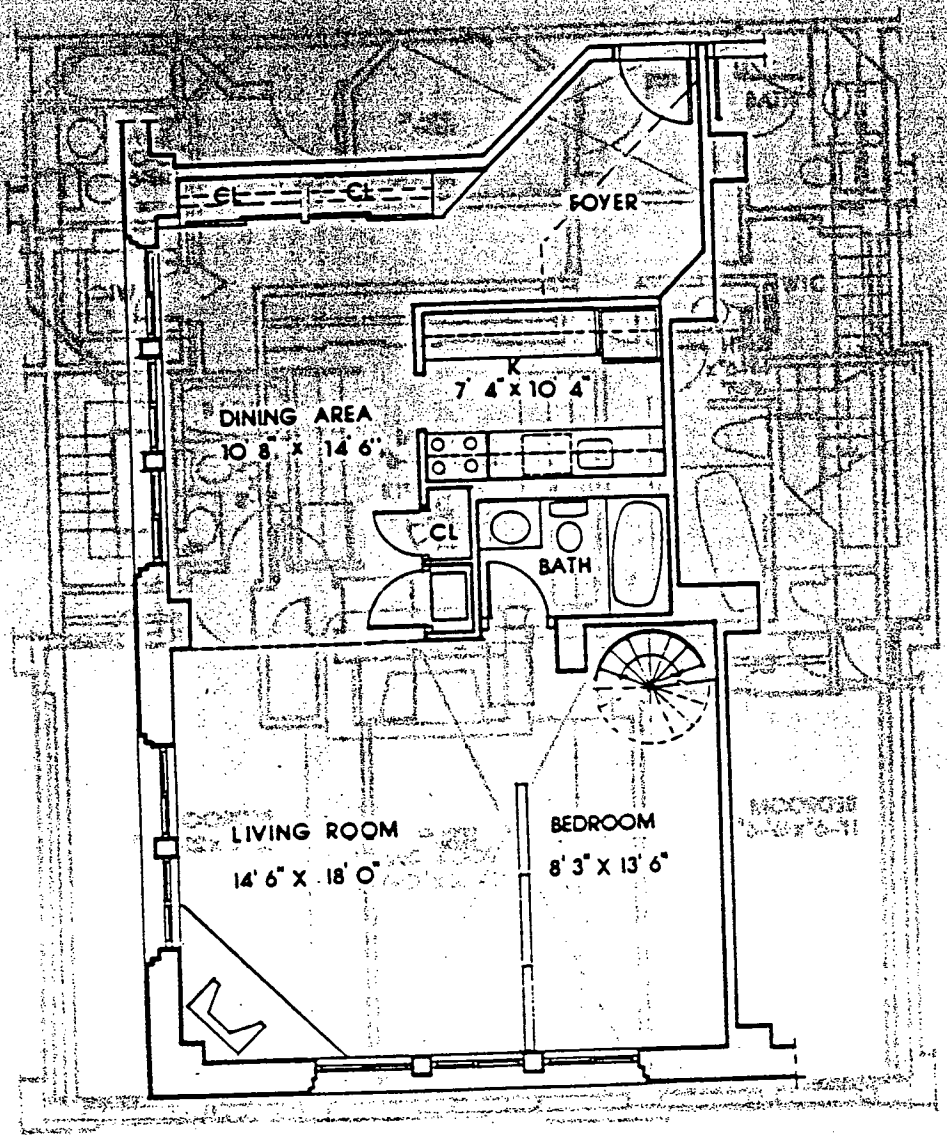
APT. 808-809 UPPER LEVEL

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SCALE: 1/8" = 1'-0"

0 1 2 4 8 20

421 HUDSON STREET



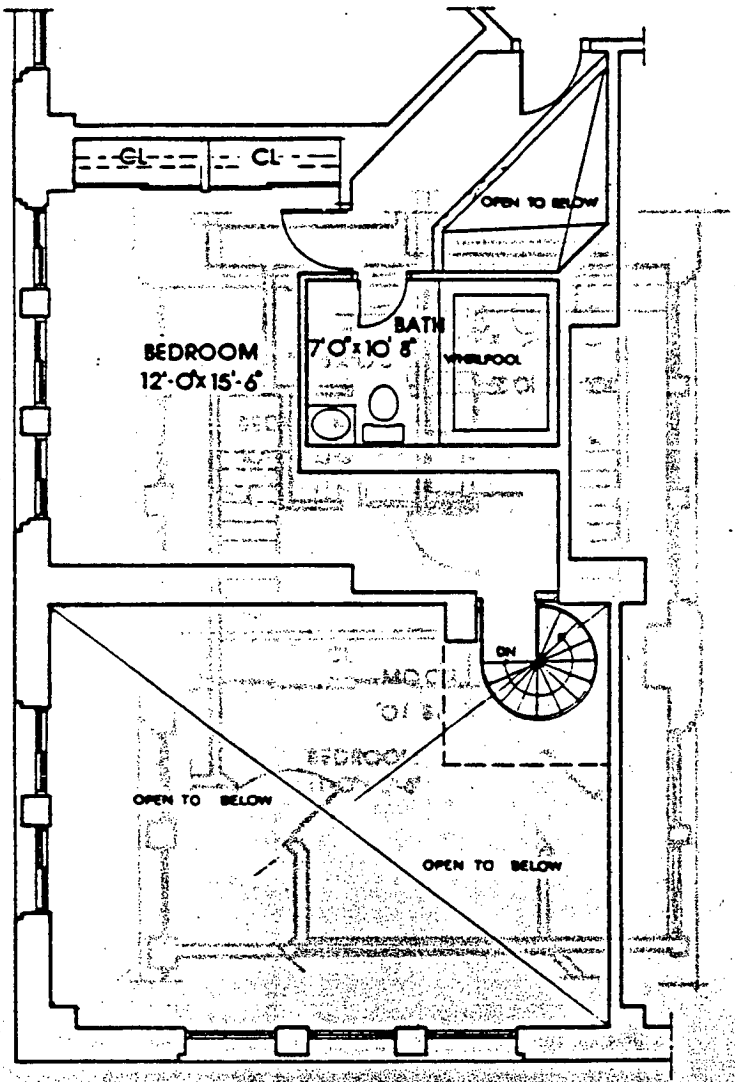
APT. 812 LOWER LEVEL

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SCALE: 1/8" = 1'-0"

0 1 2 4 8

421 HUDSON STREET

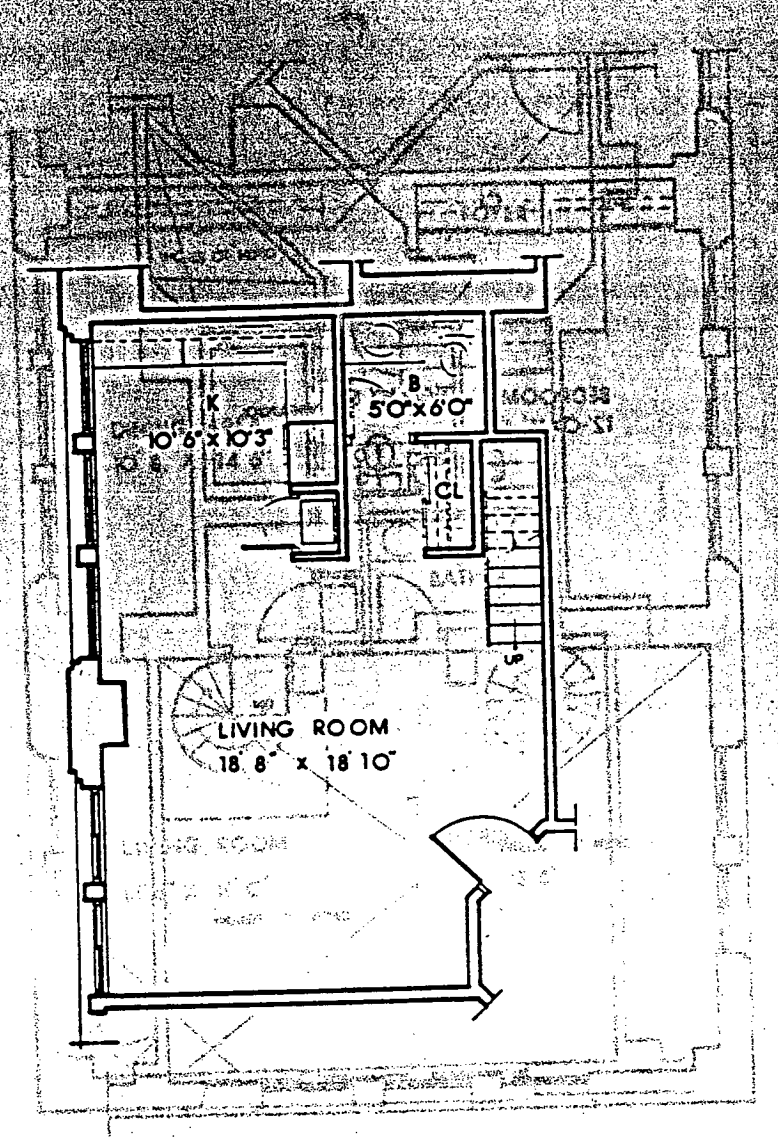


APT. 812 UPPER LEVEL

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SCALE: 1/8" = 1'-0"

421 HUDSON STREET



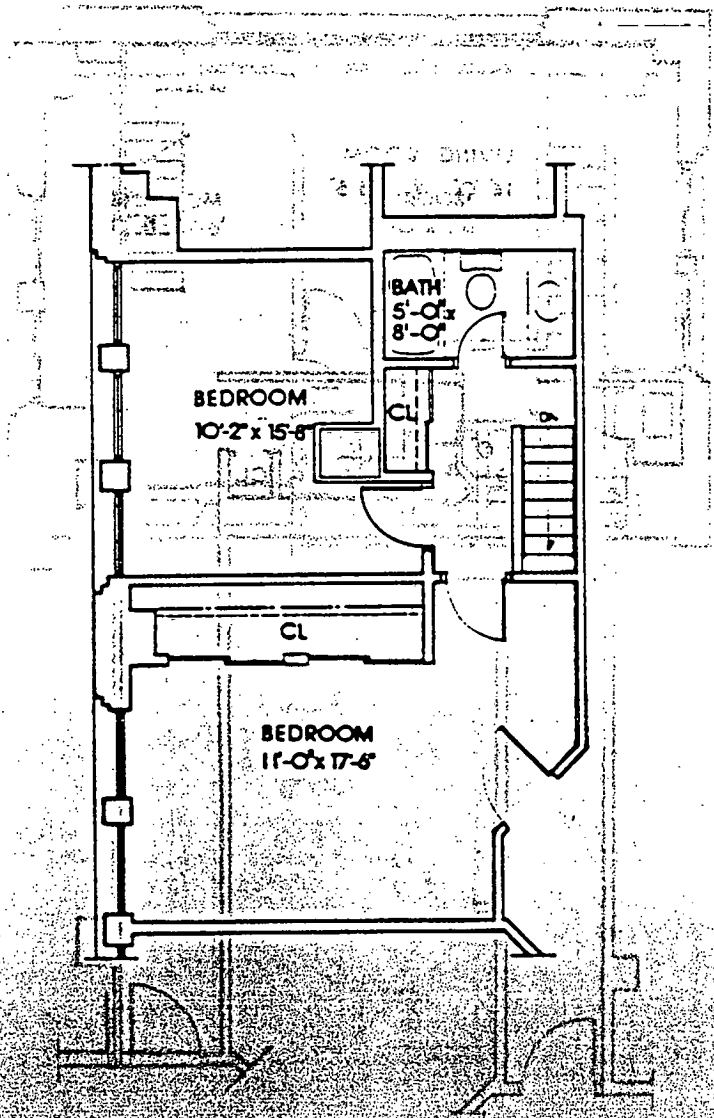
APT. 813 LOWER LEVEL

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SCALE: 1/8" = 1'-0"

0 1 2 4 8

421 HUDSON STREET



APT. 814 UPPER LEVEL
APT. 813 UPPER LEVEL

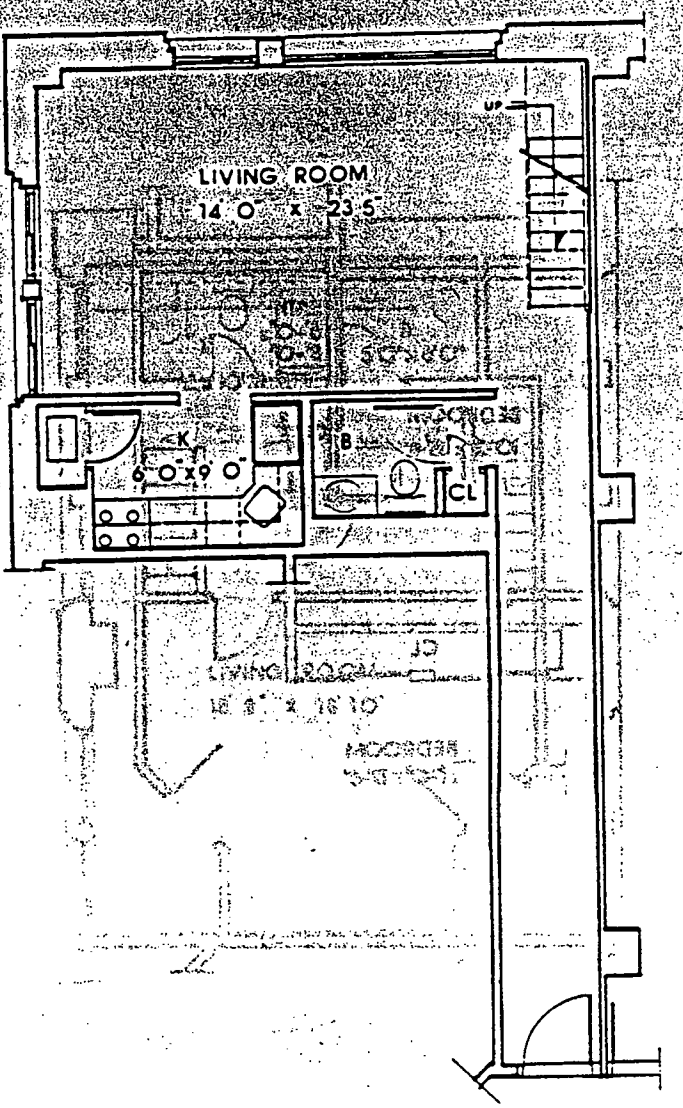
1" = 1'-0"

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SCALE: 1/8" = 1'-0"

0 1 2 4 8 20

421 HUDSON STREET



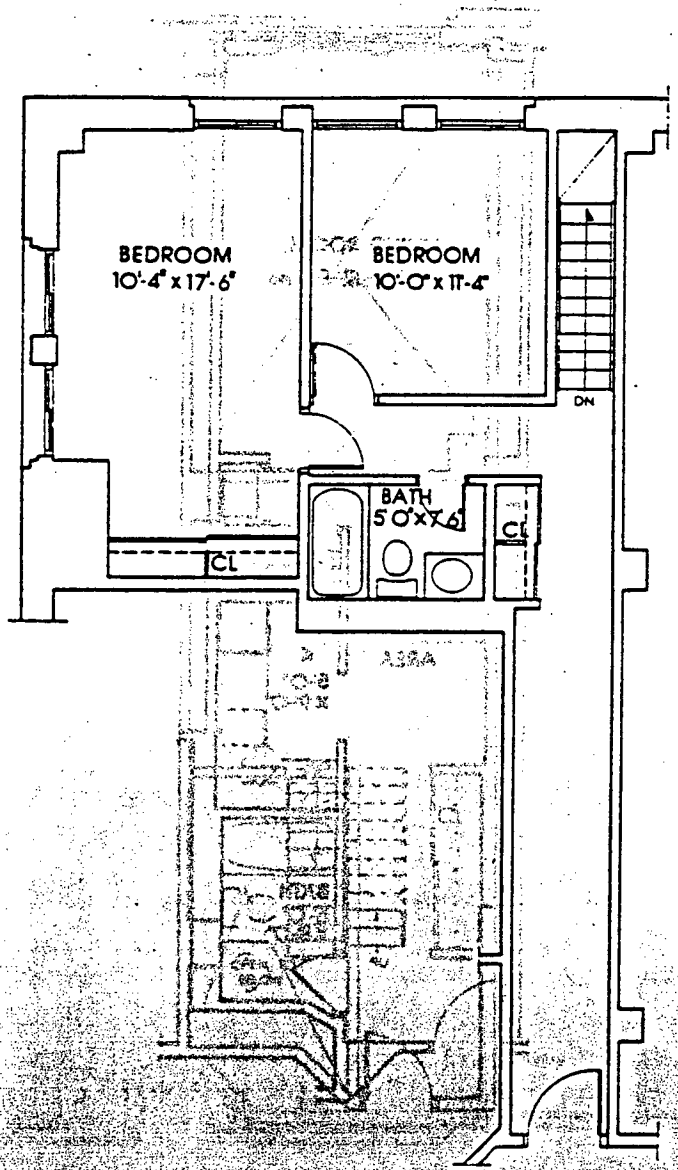
APT. 814 LOWER LEVEL

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SCALE: 1/8" = 1'-0"

0 1 2 4 8

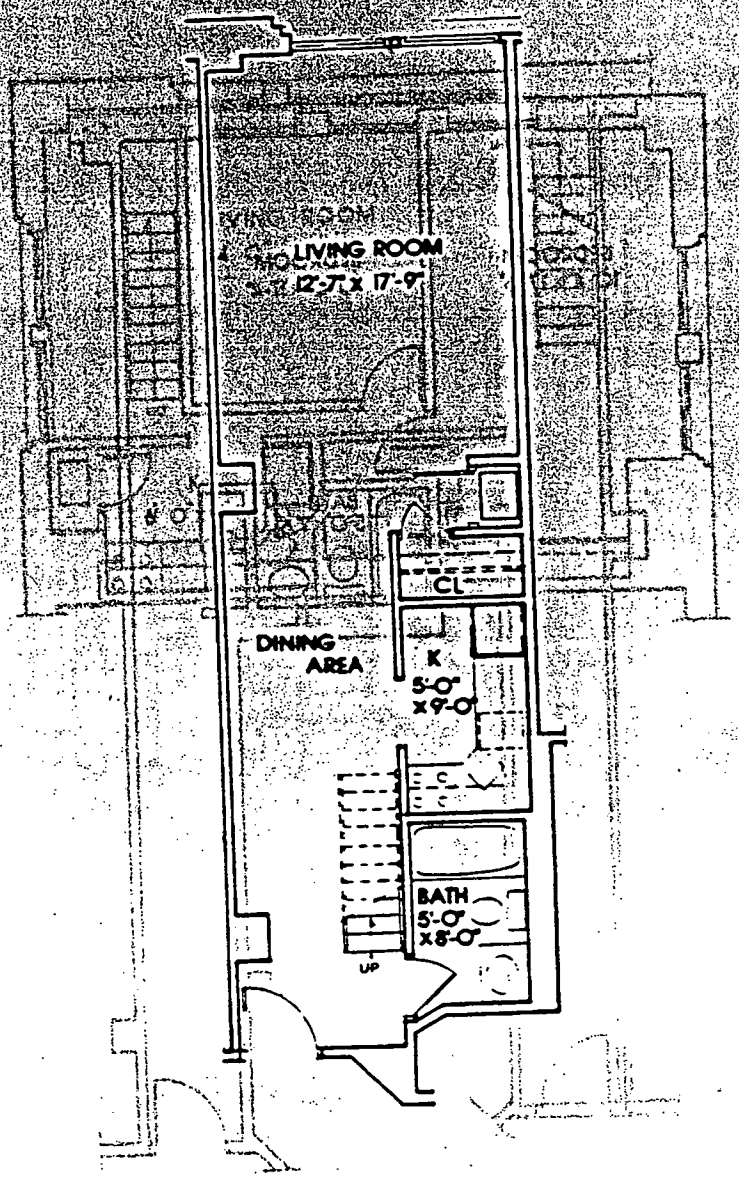
421 HUDSON STREET



APT. 814 UPPER LEVEL

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SCALE: 1/8" = 1'-0"



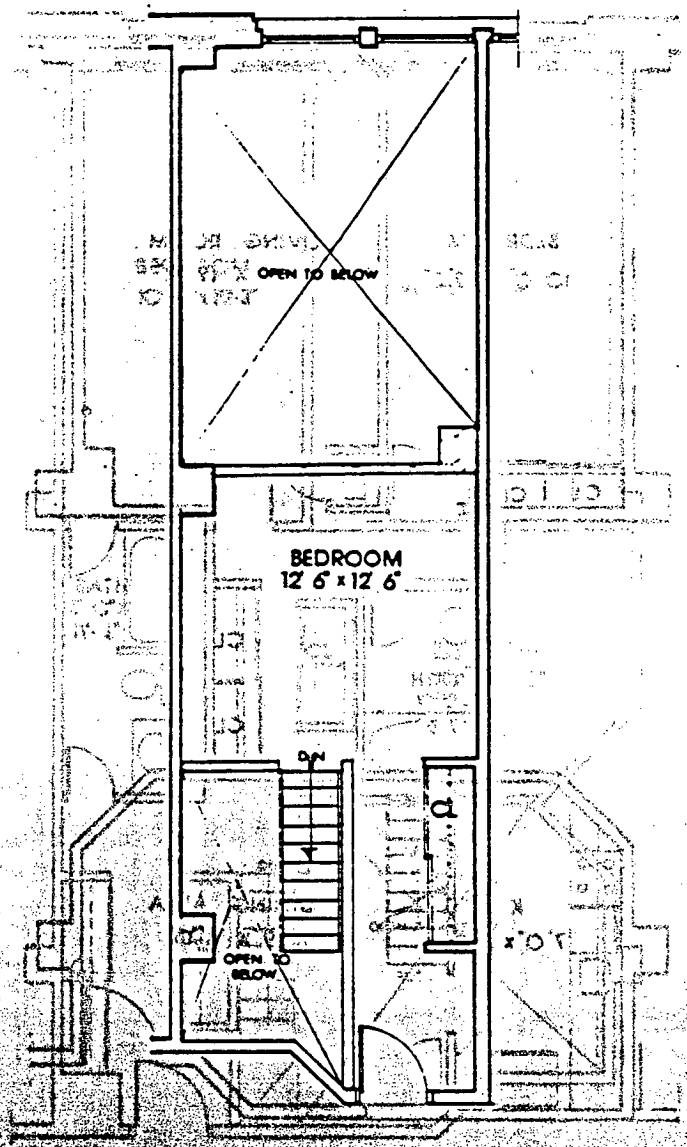
APT. 815 LOWER LEVEL

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SCALE: 1/8" = 1'-0"

0 1 2 4 8

421 HUDSON STREET

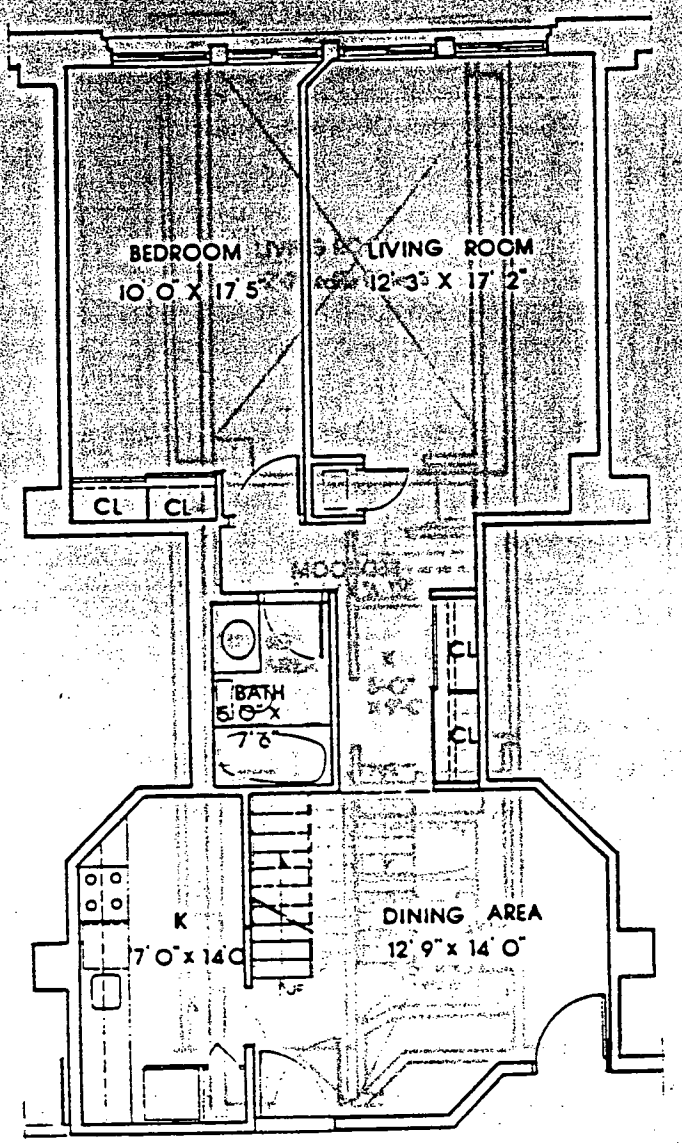


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SCALE: 1/8" = 1'-0"

0 1 2 4 8



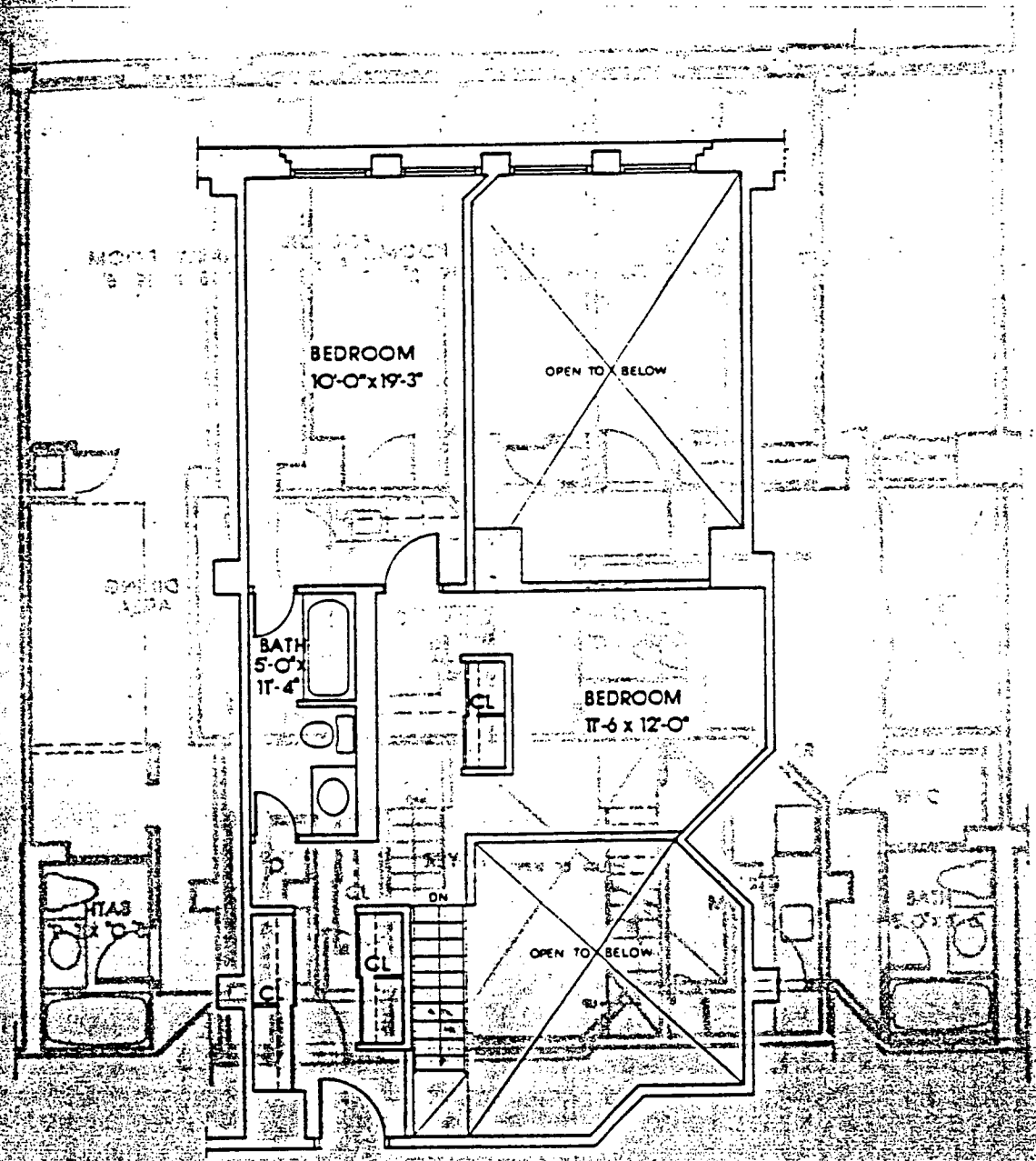
APT. 817 LOWER LEVEL

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. DIMENSIONS ARE MAXIMUM OVERALL, SUBTRACT CUT-OUTS. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN.

SCALE: 1/8" = 1'-0"

0 1 2 4 8

421 HUDSON STREET



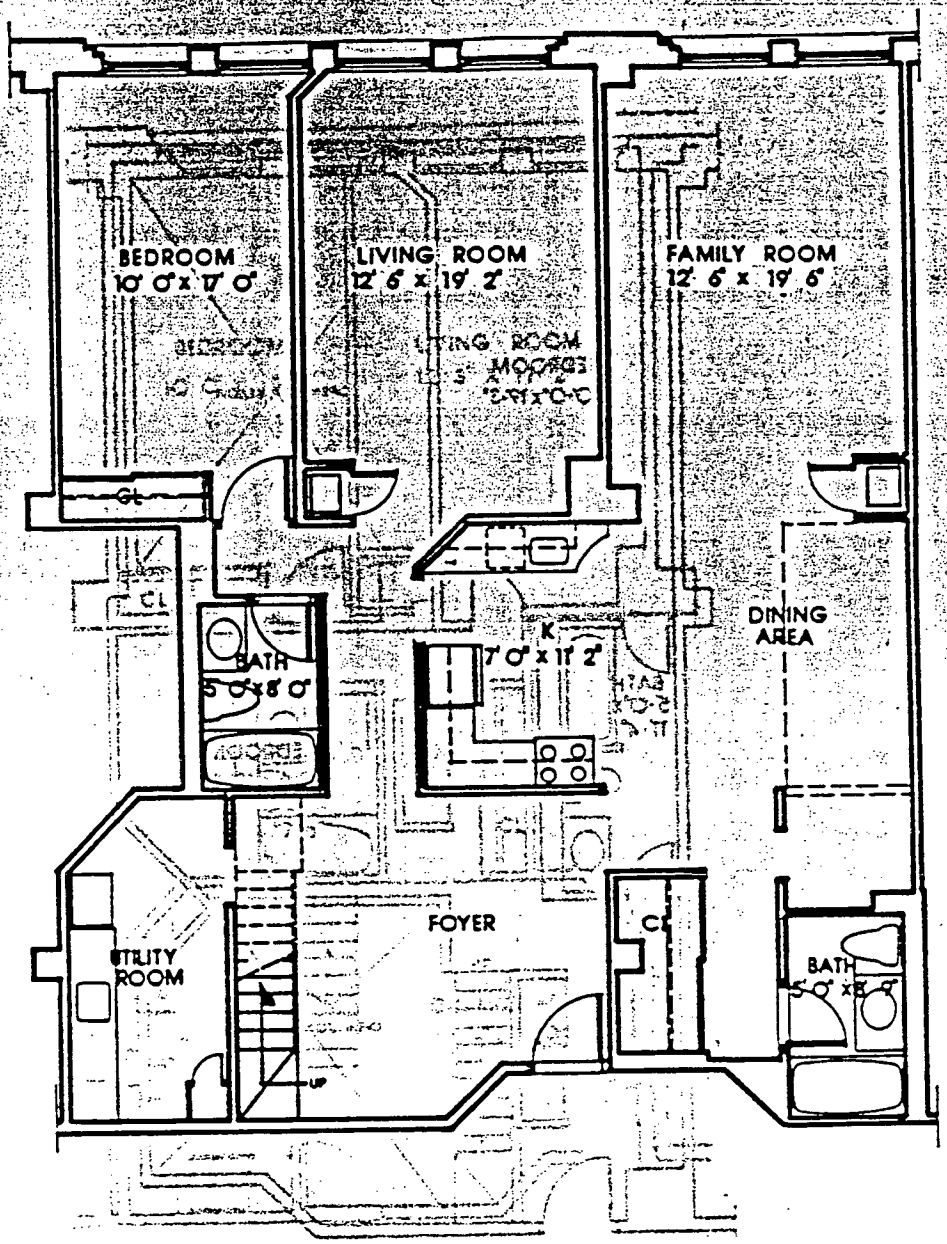
APT. 820 UPPER LEVEL

APT. 817 UPPER LEVEL

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SCALE: 1/8" = 1'-0"

421 EAST 14TH STREET



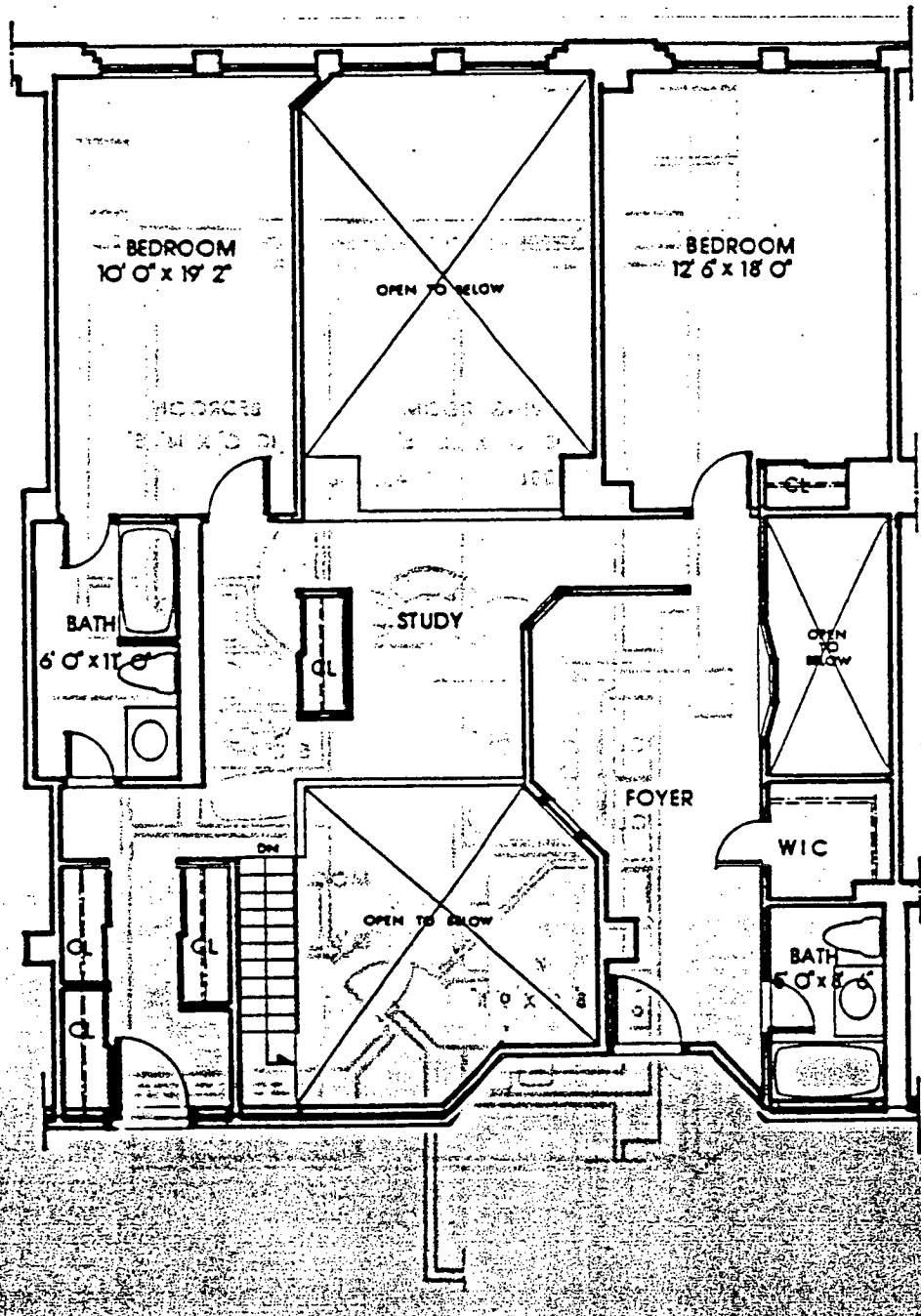
APT. 820 LOWER LEVEL

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SCALE: 1/8" = 1'-0"

0 1 2 4 8

421 HUDSON STREET

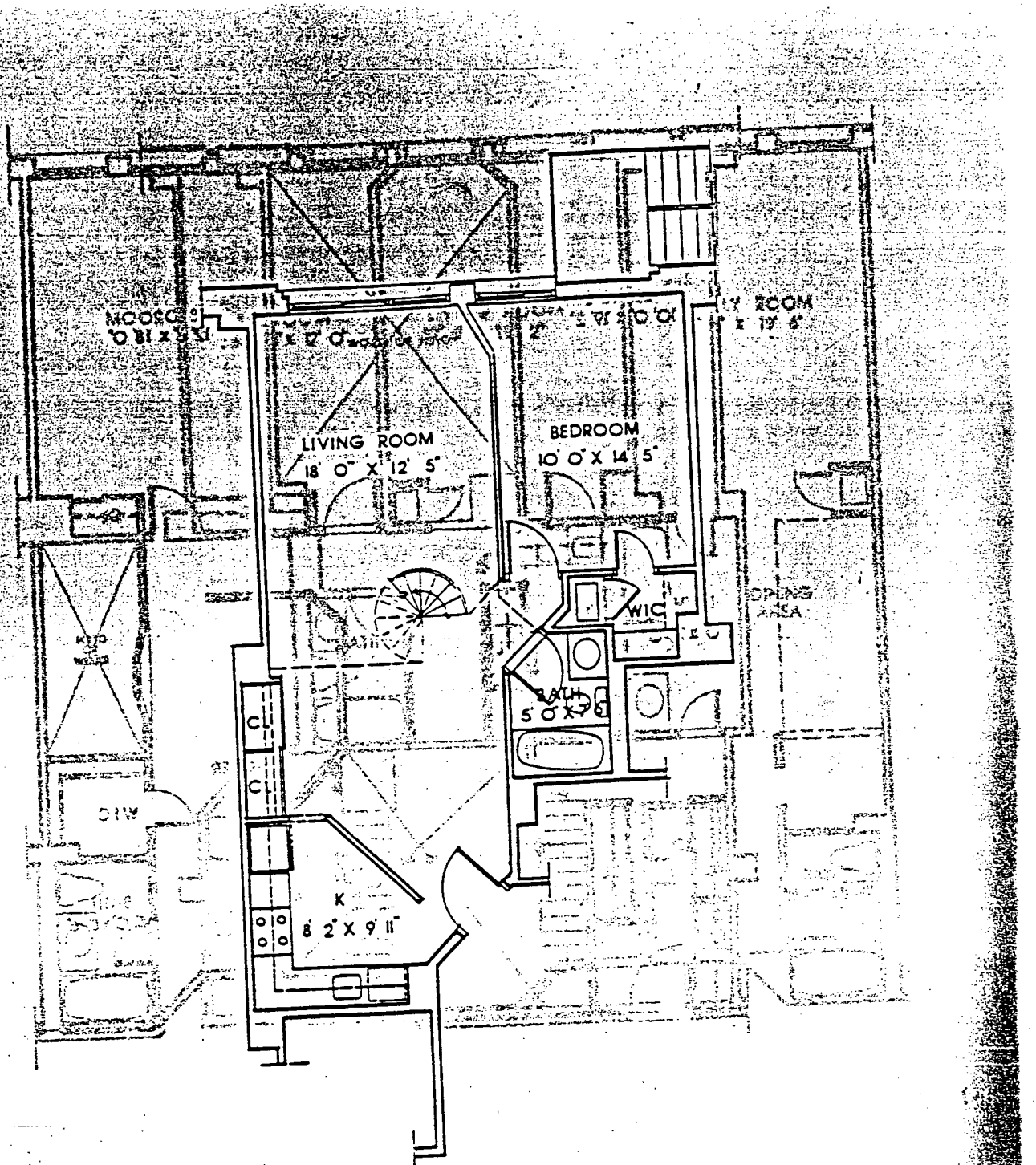


APT. 820 UPPER LEVEL

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SCALE: 1/8" = 1'-0"

421 HUDSON STREET



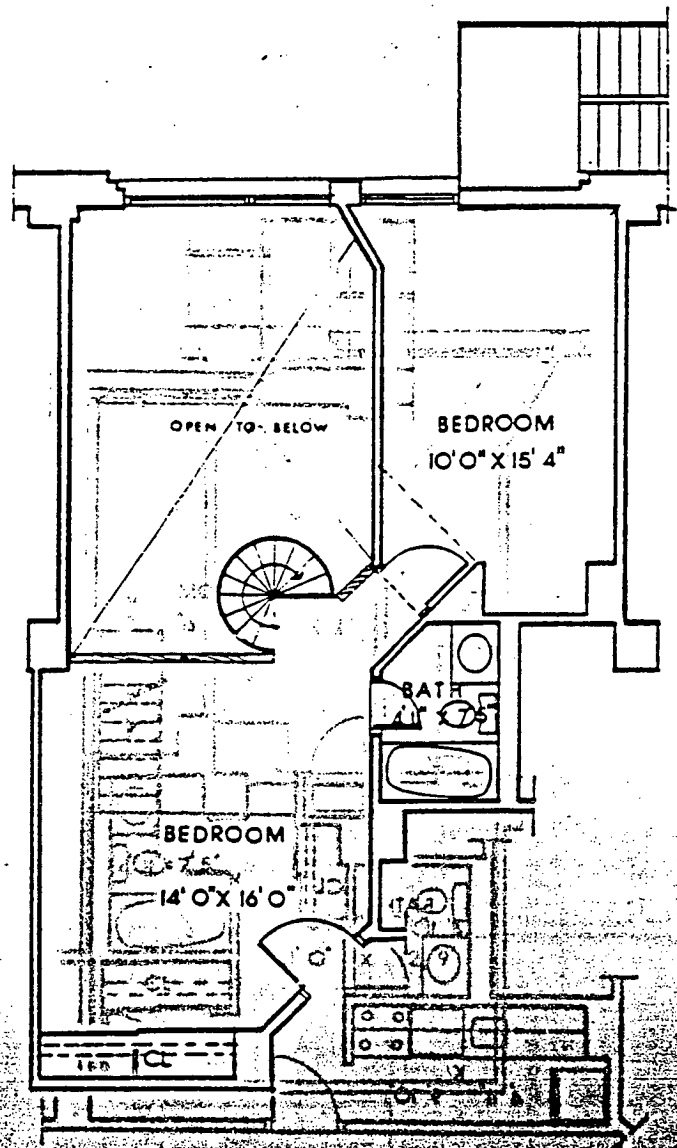
APT. 823 LOWER LEVEL

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SCALE: 1/8" = 1'-0"

0 1 2 4 8

421 HUDSON STREET

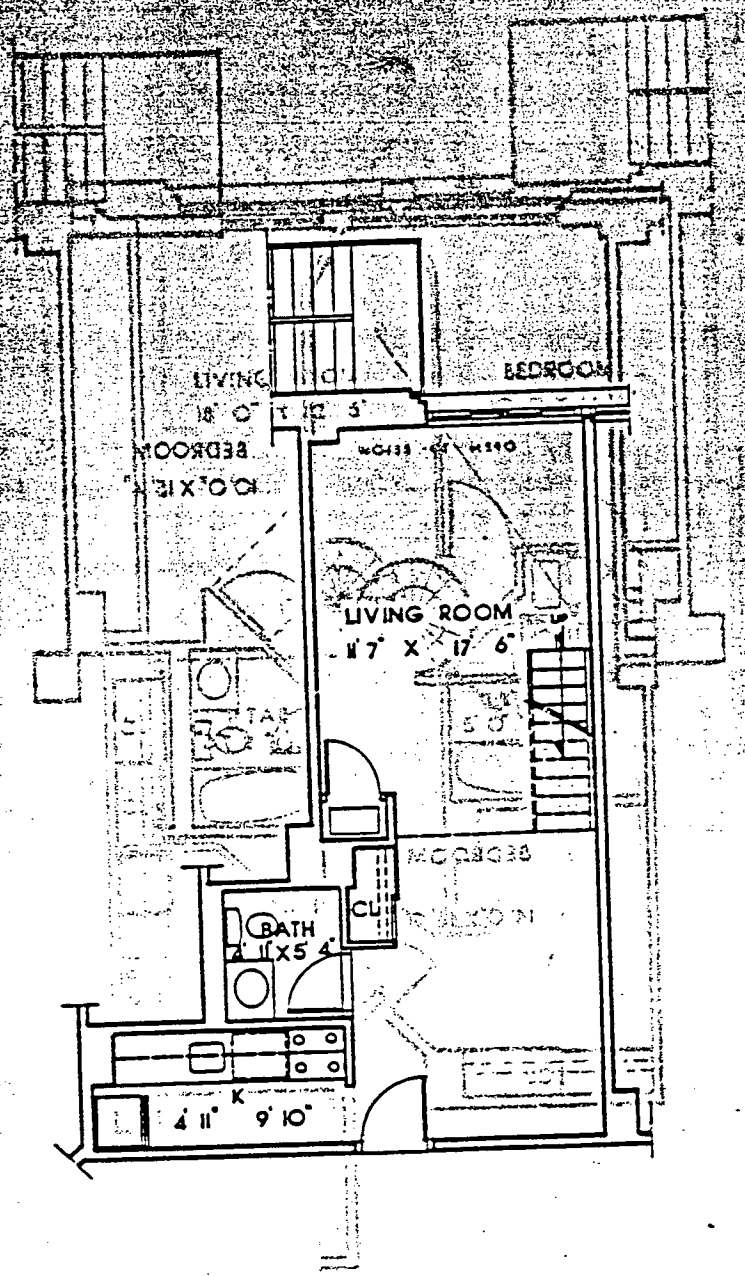


APT. 824 UPPER LEVEL
APT. 823 UPPER LEVEL

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SCALE: 1/8" = 1'-0"

1421 RUTH U DISCOUNT U HIGHWAY



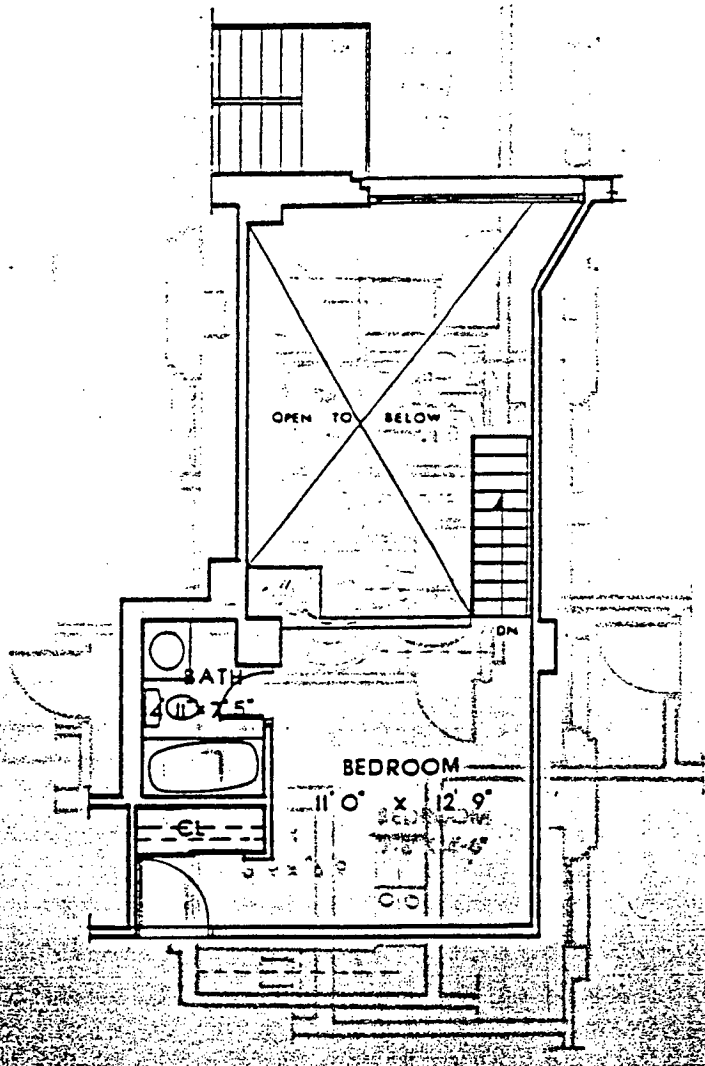
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SCALE: 1/8" = 1'-0"

0 1 2 4 8

421 E 57TH STREET

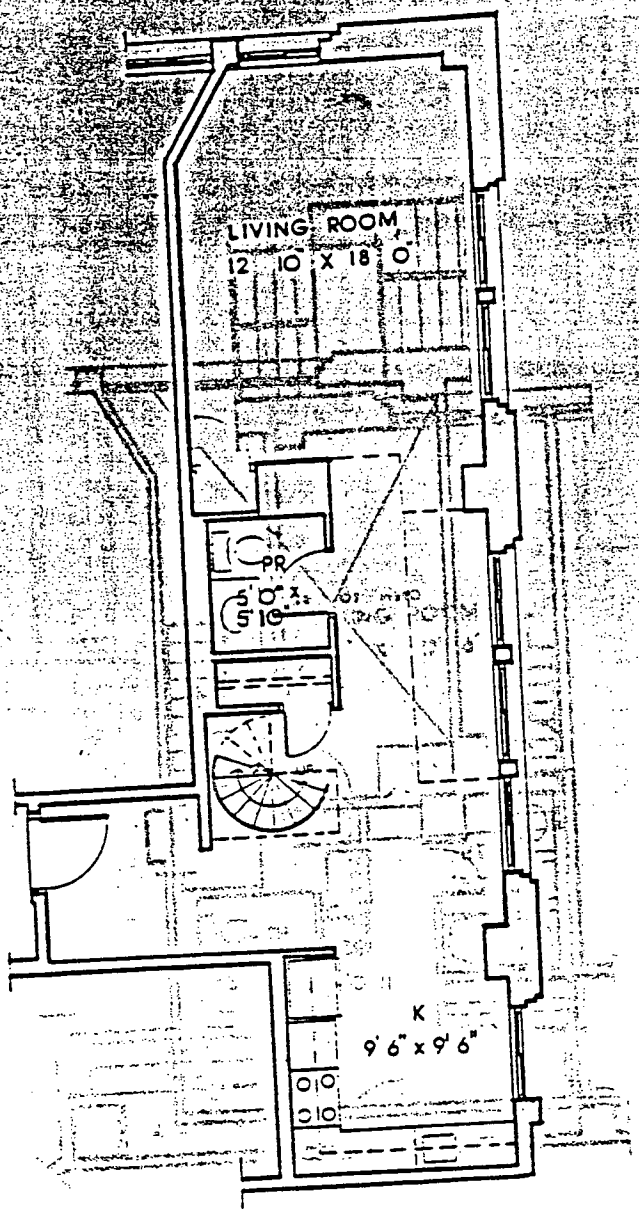


APT. 824 UPPER LEVEL

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SCALE: 1/8" = 1'-0"

421 W. HUDSON STREET



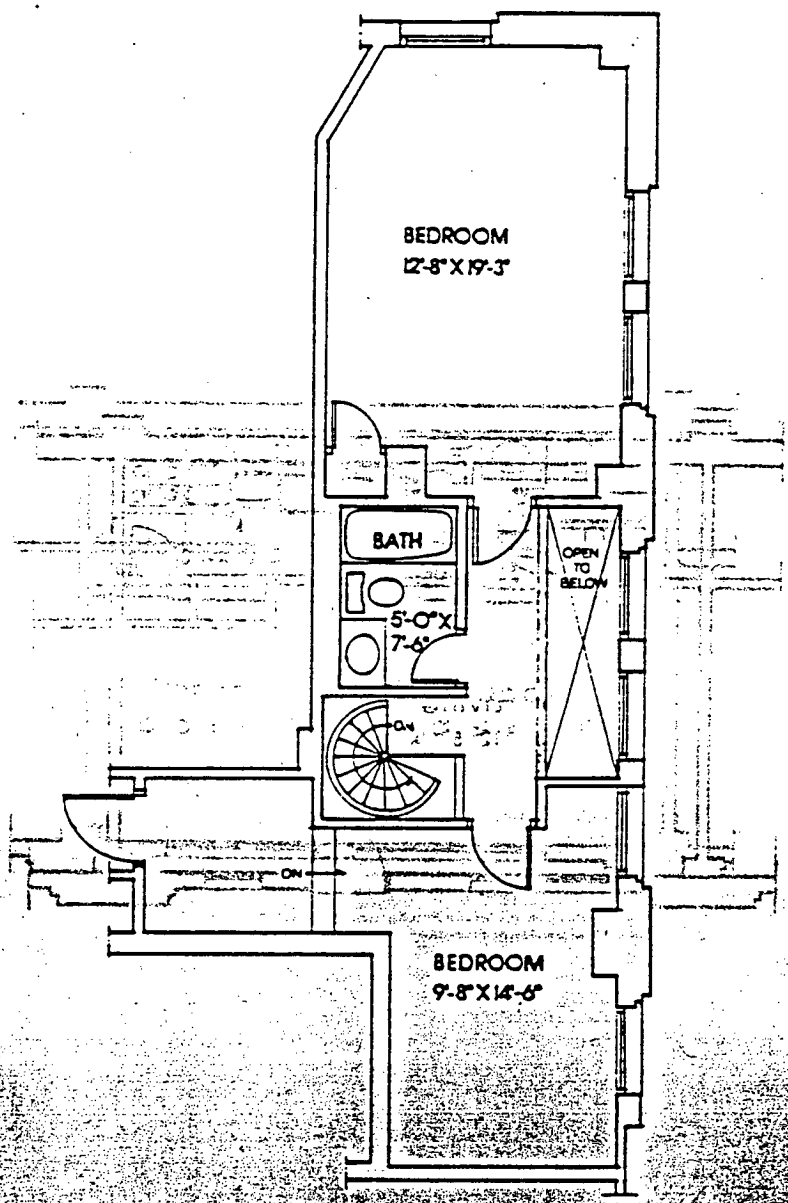
APT. 825 LOWER LEVEL

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SCALE: 1/8" = 1'-0"

0 1 2 4 8

421 HUDSON STREET

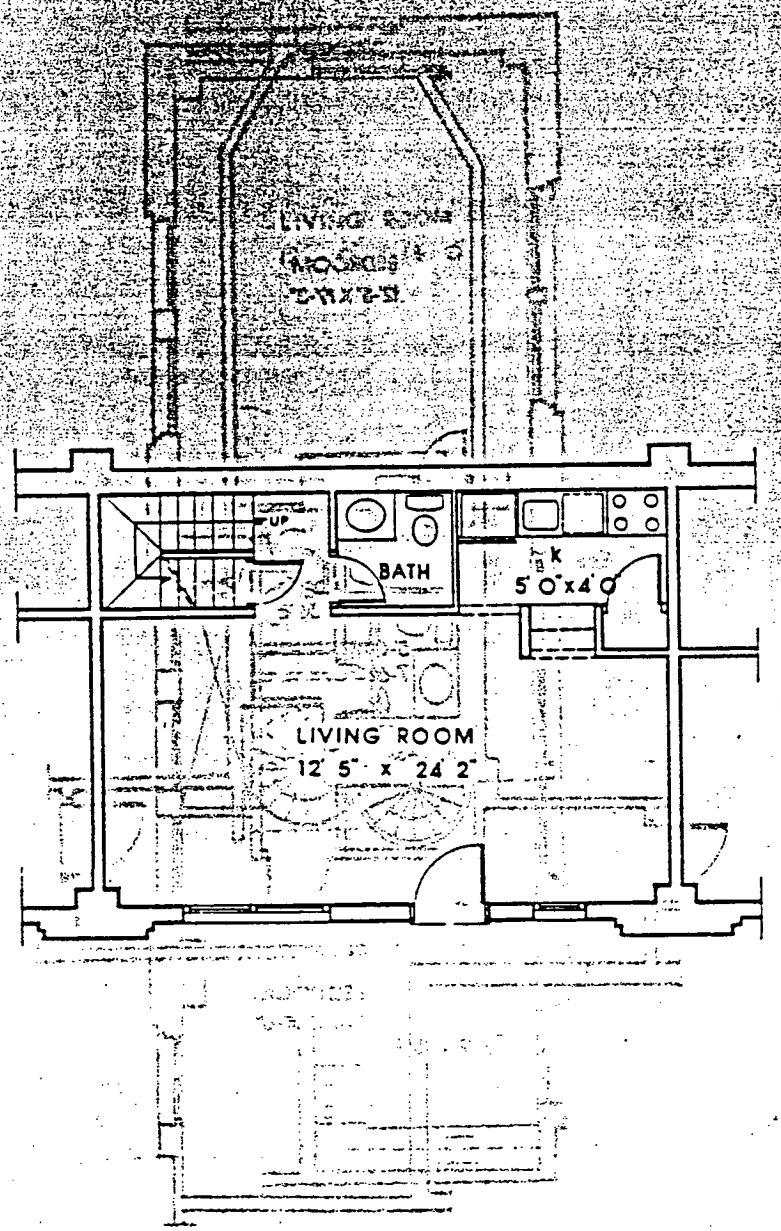


APT. 825 UPPER LEVEL

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SCALE: 1/8" = 1'-0"

421 HUDSON STREET



APT. M-7 LOWER LEVEL

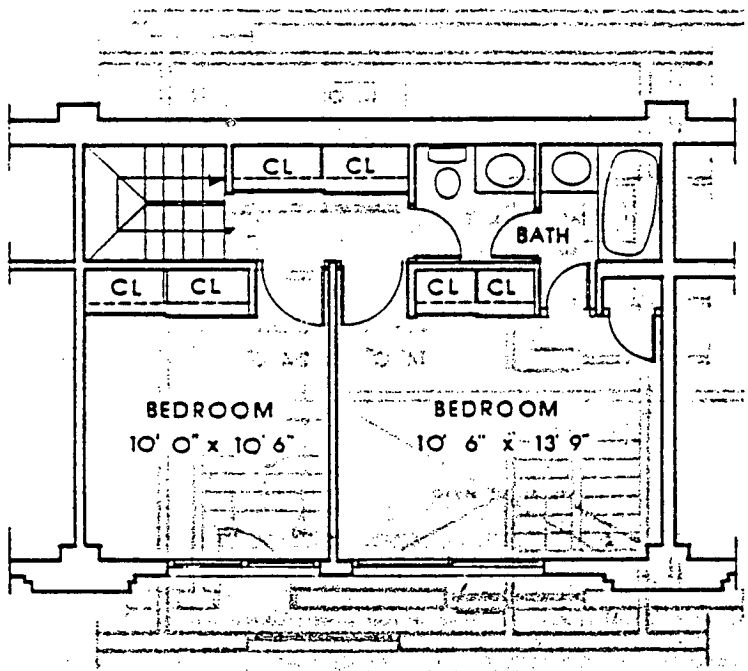
M-1, M-3, M-5, SIMILAR
M-2, M-4, M-6, M-8 SIMILAR, OPP.

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. DIMENSIONS ARE MAXIMUM OVERALL, SUBTRACT CUT-OUTS. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN.

SCALE: 1/8" = 1'-0"

0 1 2 4 8

421 HUDSON STREE



APT. M-7 UPPER LEVEL

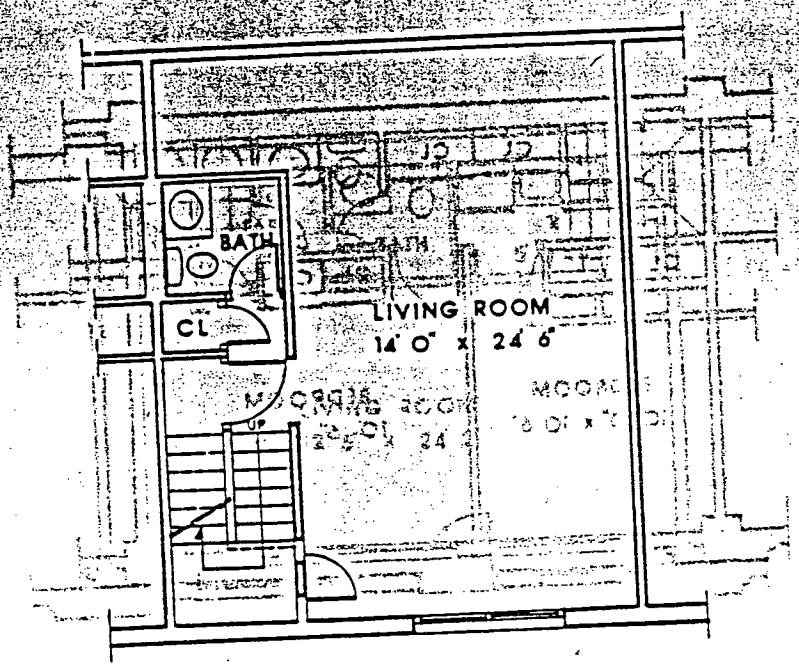
M-1, M-3, M-5, SIMILAR, OPP. HAND
M-2, M-4, M-6, M-8 SIMILAR, OPP. HAND

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. DIMENSIONS ARE MAXIMUM OVERALL, SUBTRACT FOR CUT-OUTS. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN.

SCALE 1/8" = 1'-0"

0 1 2 4 8

1421 CHUDSON QUEST



M-12, M-13 SIMILAR
M-9, M-11, SIMILAR, OPP. END

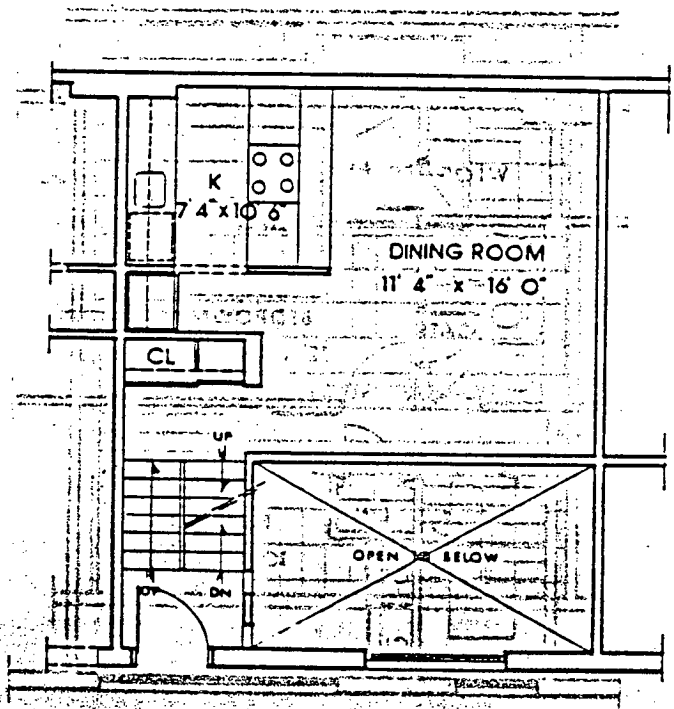
APT. M-10 LEVEL ONE

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. DIMENSIONS ARE MAXIMUM OVERALL, SUBTRACT CUT-OUTS. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN.

SCALE: 1/8" = 1'-0"

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421 HUDSON STREET

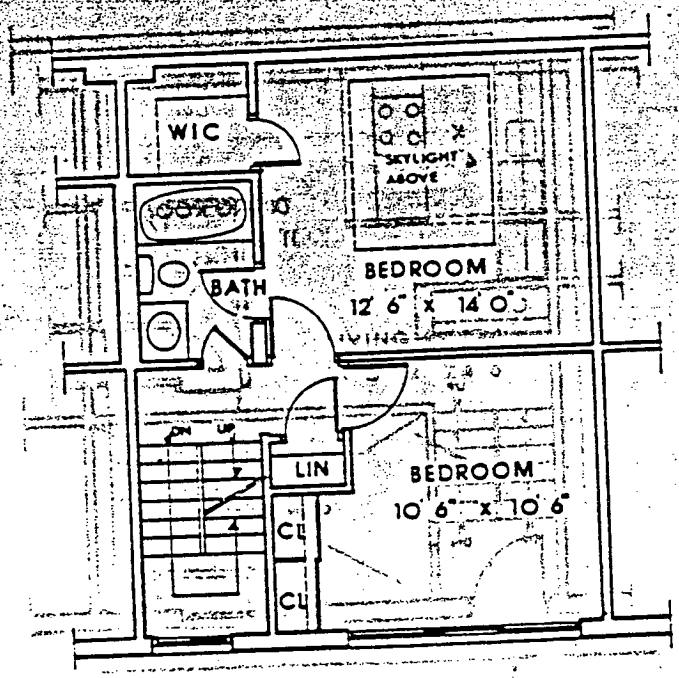


APT. M-10 LEVEL-TWO

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. "DIMENSIONS ARE MAXIMUM OVERALL; SUBTRACT CUT-OUTS." SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN.

SCALE: 1/8" = 1'-0"

421 HUDSON STREET



M-12, M-13 SIMILAR
M-9, M-11, SIMILAR, OPP. HAND

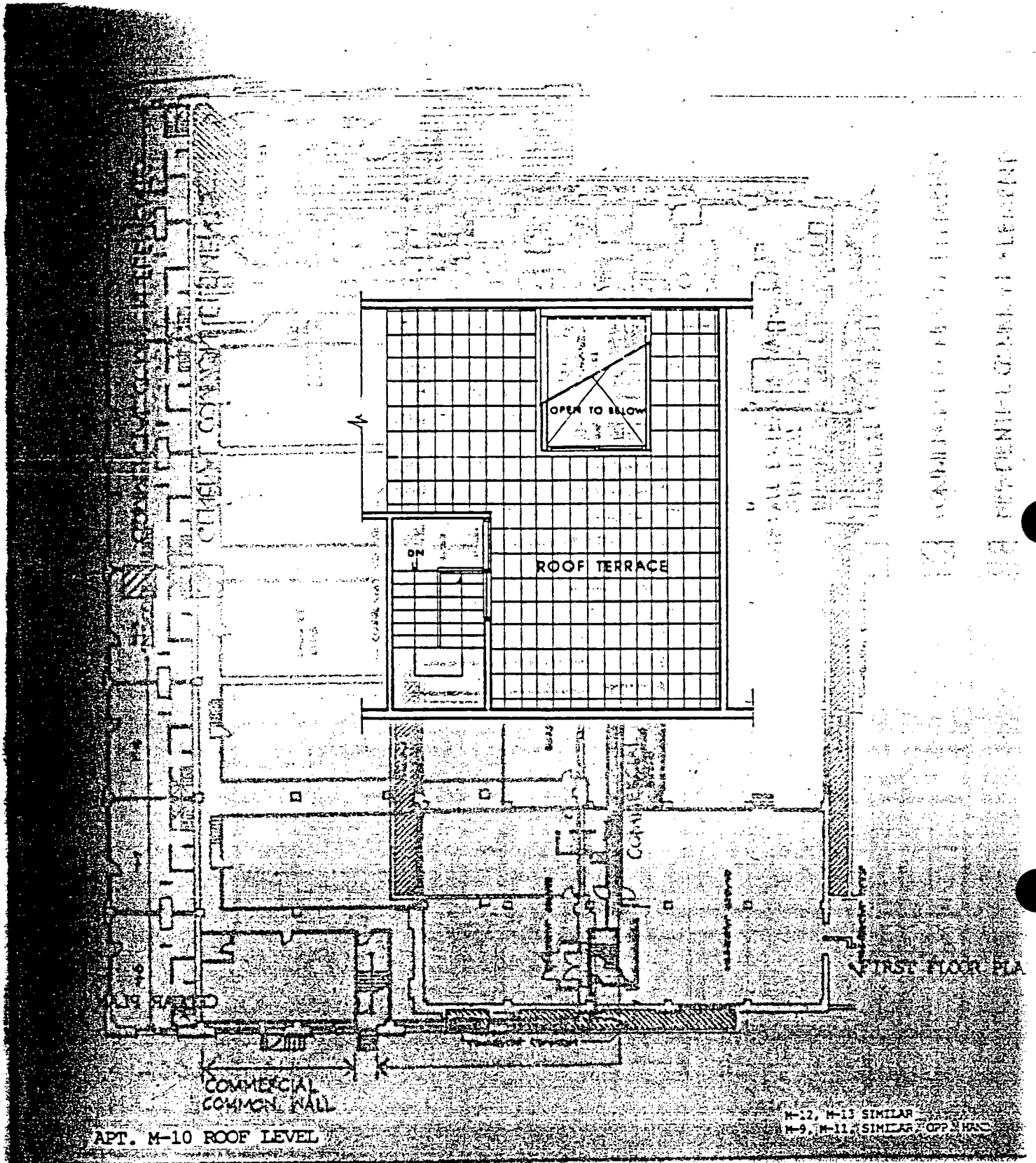
APT. M-10 LEVEL THREE

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. DIMENSIONS ARE MAXIMUM OVERALL, SUBTRACT CUT-OUTS. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN.

SCALE: 1/8" = 1'-0"

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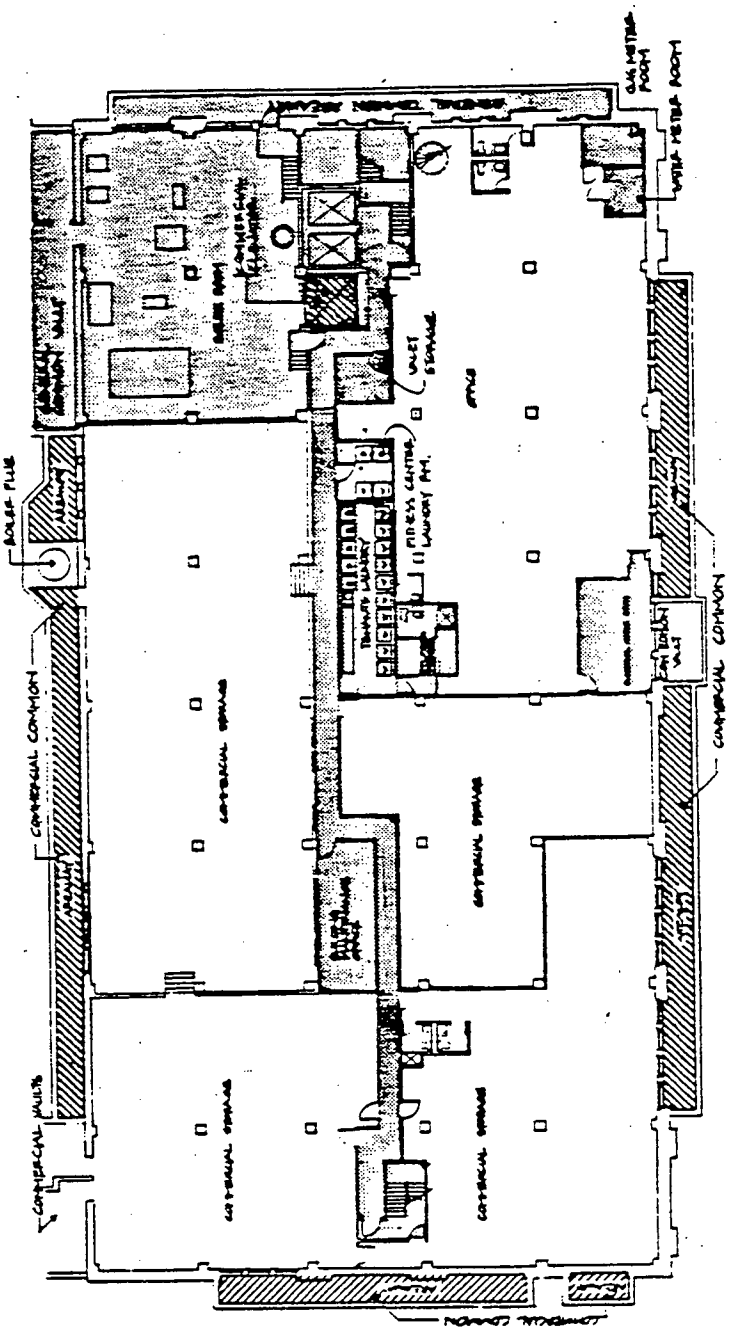
421 HUDSON STREET



APT. M-10 ROOF LEVEL

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. DIMENSIONS ARE MAXIMUM OVERALL. SUBTRACT CUT-OUTS. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN.

SCALE: 1/8" = 1'-0"



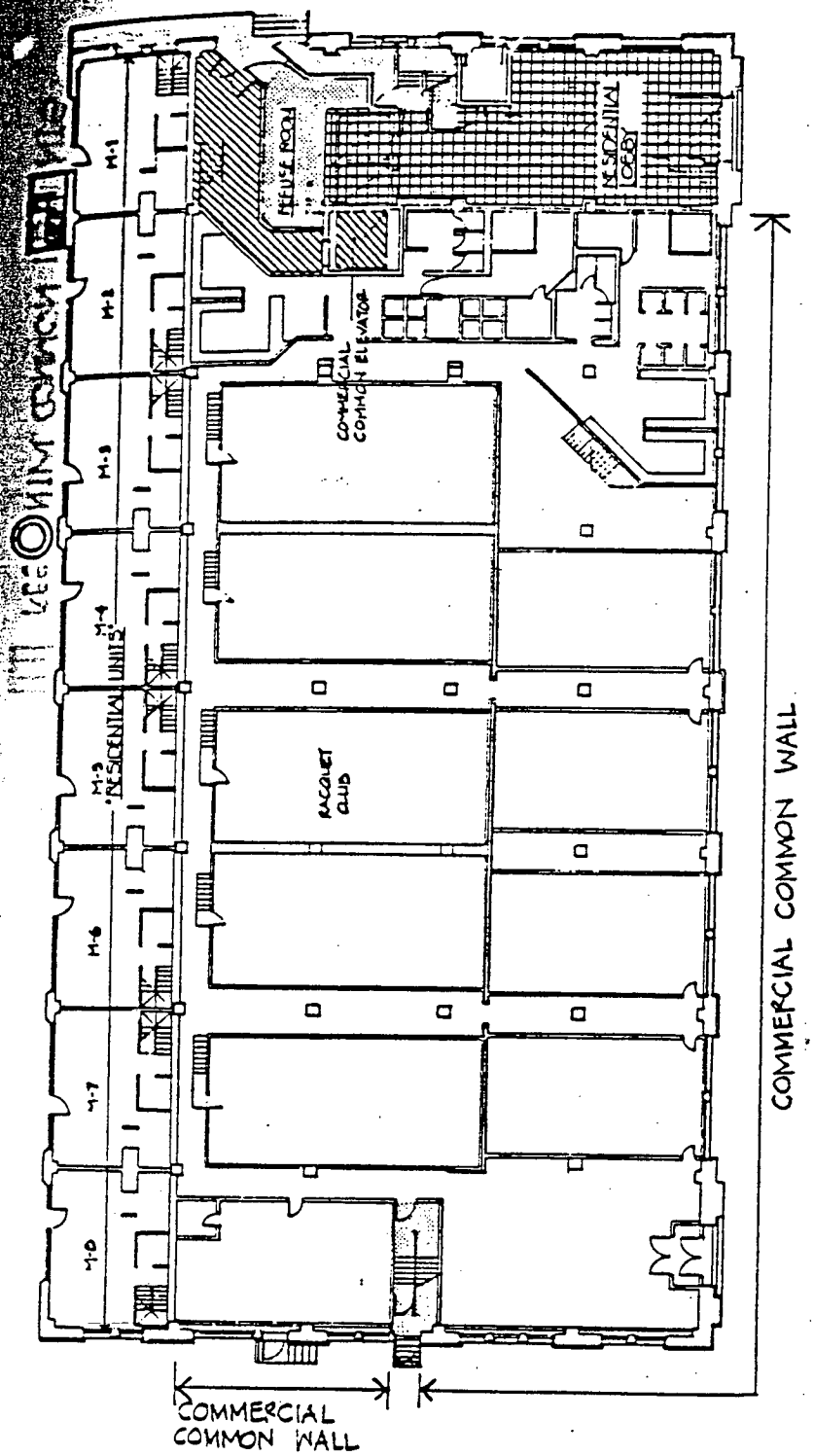
GENERAL COMMON ELEMENTS

COMMERCIAL COMMON ELEMENTS

CELLAR PLAN

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. DIMENSIONS ARE MAXIMUM OVERALL, SUBTRACT CUT-OUTS. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN.

421 HUDSON STREET



NOTE: ALL EXTERIOR WALLS ARE GENERAL COMMON EXCEPT WHERE SHOWN OTHERWISE.

GENERAL COMMON ELEMENTS

COMMERCIAL COMMON ELEMENTS

RESIDENTIAL COMMON ELEMENTS

FIRST FLOOR PLAN

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. DIMENSIONS ARE MAXIMUM OVERALL, SUBTRACT CUT-OUTS. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN.

421 HUDSON STREET

421 HUDSON STREET

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. DIMENSIONS ARE MAXIMUM OVERALL; SUBTRACT CUT-OUTS. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN.

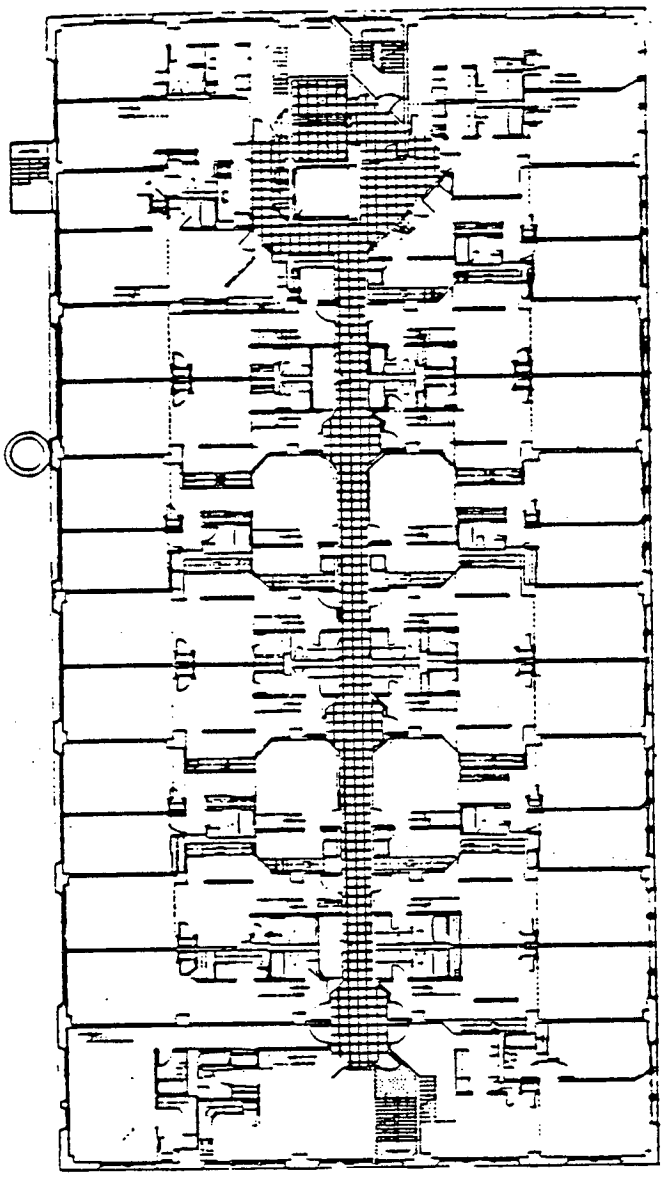
FIRST FLOOR
MEZZANINE PLAN

NOTE: ALL EXTERIOR WALLS ARE GENERAL COMMON EXCEPT WHERE SHOWN OTHERWISE.

GENERAL COMMON ELEMENTS

COMMERCIAL COMMON ELEMENTS

RESIDENTIAL COMMON ELEMENTS



GENERAL COMMON ELEMENTS

RESIDENTIAL COMMON ELEMENTS

TYPICAL FLOOR PLAN

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. DIMENSIONS ARE MAXIMUM OVERALL, SUBTRACT CUT-OUTS. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN.

421 HUDSON STREET

ATTIC PLAN

GENERAL COMMON ELEMENTS

COMMERCIAL COMMON ELEMENTS

RESIDENTIAL COMMON ELEMENTS

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. DIMENSIONS ARE MAXIMUM OVERALL, SUBTRACT CUT-OUTS. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN.

425 N. HUDSON STREET

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. DIMENSIONS ARE MAXIMUM OVERALL; SUBTRACT FOR CUT-OUTS. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN.

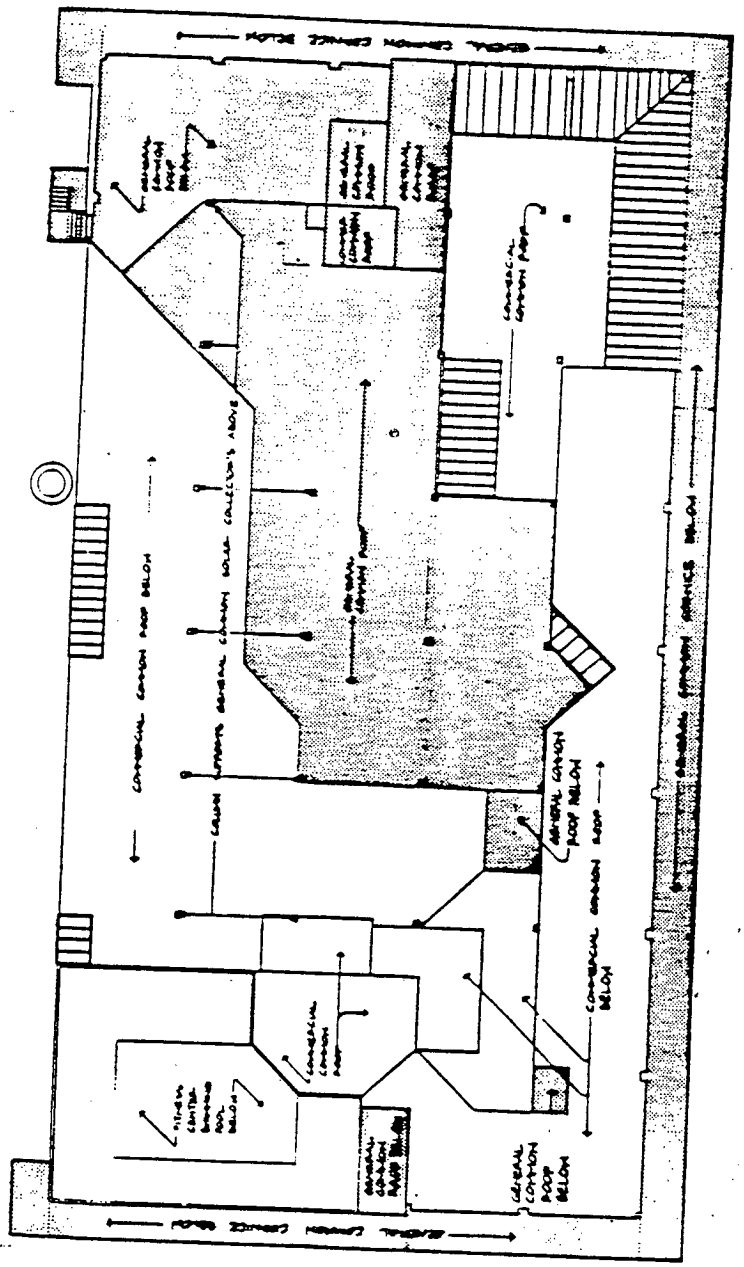
101 106

421 HUDSON STREET

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. DIMENSIONS ARE MAXIMUM OVERALL, SUBTRACT CUT-OUTS. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH THE TERMS OF THE OFFERING PLAN.

GENERAL COMMON ELEMENTS

COMMERCIAL COMMON ELEMENTS



GENERAL COMMON ELEMENTS

ROOF PLAN

...SIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION
...ES AND TOLERANCES. DIMENSIONS ARE MAXIMUM OVERALL, SUBTRACT
...SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE
...TERMS OF THE OFFERING PLAN.

21 HUDSON STREET

CAD/CAM ELEMENTS

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Exhibit 2 FORM OF PURCHASE AGREEMENT

PRINTING HOUSE CONDOMINIUM
421 Hudson Street
New York, New York 10014

AGREEMENT, dated _____, 198_, between Mountbatten Equities, having an office at 421 Hudson Street, New York, New York 10014 (hereinafter called "You" or "Sponsor") and _____, having an address at _____, (hereinafter collectively called "I" or "Purchaser").

Purchaser's Apartment (If a tenant)_____

Purchaser's Telephone No.:_____

Purchaser's Social Security No.
or Federal Employer I.D. No.:_____

RESIDENTIAL UNIT NO. _____

COMMON INTEREST _____

1.	*Down Payment (10%) (Applicable to Non-tenant Purchasers)	$_____
	*Down Payment (applicable to Tenant-Purchasers)	$1,000.00
2.	Balance Due at Closing	$_____
3.	Total Purchase Price (1+2)	$_____

The Balance Due at Closing will be paid as follows:

[/] All Cash [ ] Proceeds From Institutional Lender [ ] Proceeds From Sponsor Financing

Name(s) and manner in which title will be taken:_____

_____

*Strike out inapplicable line.

1. Receipt of Documents.

a. I represent that I have received and read a copy of the Offering Plan for the Printing House Condominium ("Condominium") and any and all filed amendments thereto (the "Plan"), at least three (3) days prior to signing this Agreement. The entire content of the Plan and any filed amendments thereto shall be deemed included in this Agreement.

2. My Agreement to Purchase.

As Purchaser, I agree to purchase from You, the Residential Unit, together with the undivided interest in the Common Elements of the Condominium (the "Unit") shown above, for the Total Purchase Price. Together with three (3) executed copies of this Purchase Agreement, I am delivering to You my check for the Down Payment made payable to the order of "421 Hudson Street Special Account," and when You sign this Agreement, You will be acknowledging receipt of my check, subject to collection. The Down Payment will be placed in an interest bearing account.

All sums paid on account of this Agreement and the reasonable expense of the examination of title to the Unit will become liens thereon, but such liens shall not continue after an uncured default by me under this Agreement.

When I am given the deed to my Residential Unit, I will give you, or anyone you designate, my personal certified check or an official bank check for the Balance Due at Closing, as shown above, drawn on a bank which is a member of the New York Clearing House Association, made payable to the order of "Mountbatten Equities" or your designee.

3. My Agreement to Be Bound By the Condominium Documents.

I agree to be bound by the Offering Plan of the Condominium and the proposed Declaration (and the Schedules, Plans and Exhibits attached thereto), By-Laws and Rules and Regulations all of which are incorporated by reference and made a part of this Agreement with the same force and effect as if set forth in full herein.

4. Your Representations, Obligations and Rights.

a. You further represent that any time after you have obtained Purchase Agreements for at least 15% of the Residential Units, but prior to the conveyance of title to the first Residential Unit, you may record or cause to be recorded the Declaration of Condominium, the By-Laws and all

instruments affecting the Property, which will be substantially in the form and substance of such documents contained in the Plan. Any changes to such documents which substantially adversely affect me as Purchaser will be made by duly filed amendment to the Plan and will afford me the right to rescind this Purchase Agreement in accordance with the terms set forth in such amendment.

b. You will also file or cause to be filed simultaneously with the recording of the Declaration, a set of floor plans bearing the necessary verified statement of a registered architect or licensed professional engineer. If such floor plans do not contain the designation and certification by the local taxing authorities prior to conveyance of title to my Unit, You will file or cause to be filed a floor plan containing such designation and certification.

c. You agree that all articles of personal property, fixtures, and equipment as set forth in the Plan for the Unit are referred to above included in this sale and will be delivered free and clear of all liens and encumbrances. I recognize that any furniture, furnishings, decorative fixtures, paint, wallpaper, mirrors, built-ins, decorator carpeting and under-padding, shelves, or electrical fixtures shown in any model apartment or office are for display purposes only and are not included in the sale of a Unit unless otherwise specified.

d. I acknowledge that I have reviewed in detail the Rules and Regulations of the Condominium, which among other things, prohibit the installation and operation of clothes washing machines and dryers in any Residential Unit, and limit the number and type of pets I may have.

5. Closing of Title.

a. You will write to me at least fifteen (15) days in advance of closing to tell me the exact time and place of the closing. However, the written notice will not state a time sooner than thirty (30) days after an amendment to the Plan incorporating notice of the Declaration of Effectiveness shall have been accepted for filing. The Sponsor may designate any location within the City of New York as the place for closing but under no circumstances shall Sponsor be compelled to close outside the City of New York. You will be entitled to a reasonable adjournment of the closing of title in the event of delay because of weather conditions, strikes or materials shortages, or delays in inspections and reports thereon, or requirements of law or for causes beyond your control. If I am not ready to close title at the date and time stated in the notice of closing, I shall be in default under this Purchase Agreement and unless I cure such default

within thirty (30) days from the date I receive notice from you of my default as set forth in paragraph 10 hereof, you may cancel and terminate this Purchase Agreement. If you elect not to cancel this Purchase Agreement and grant an adjournment at my request in excess of thirty (30) days, such adjournment will be upon the condition that (i) all adjustments shall be made as of the date originally fixed in the notice of closing for the closing of title, (ii) you may require me to deposit with you an amount equal to 5% of the Total Purchase Price specified on page one of this Purchase Agreement, which amount will be added to and will become a part of the Down Payment hereunder, and (iii) you may require me to pay an additional per diem charge calculated at the rate of 14% per annum of the Total Purchase Price from the date originally scheduled in the notice of closing to and including the actual day of closing. Nothing herein shall be construed to require you to grant any adjournment.

b. At the closing, you will deliver where appropriate, any certificates and warranties delivered to you and transferable to me. Your liability pursuant to manufacturers' warranties covering heating, electric, plumbing and roofing are limited solely to the extent that such warranties are delivered to you and transferable to me or to the Condominium Board of Managers and then only against such manufacturer providing the warranty. The provisions of this paragraph 5(b) shall survive the closing of title and the delivery of the deed.

c. The existence of unpaid taxes of any kind at the time of the closing of title shall not constitute an objection to title, provided you shall deposit a sufficient amount with a title company so that the title company is willing to insure against collection of unpaid taxes from my Unit. You and I agree that you will discharge any liens and encumbrances on my Residential Unit that are not provided for in this Agreement or in the Plan, prior to or simultaneously with the closing and that you may pay and discharge any liens and encumbrances upon my Unit not provided for in this Agreement or in the Plan out of the monies to be paid by me at the time of closing.

6. Delivery of Deed, Payment of Expenses and Working Capital Contribution. On the closing date, you will deliver or cause to be delivered a deed in proper statutory form for recording, known as a bargain and sale deed with covenant against grantor's acts, which shall be duly executed and acknowledged by you, as grantor, and by me, as grantee. The deed shall contain a description of the Residential Unit so as to validly convey title under the Condominium Act. I shall pay the New York City Transfer Tax and the New York State documentary deed stamps upon delivery of said deed. I

shall also pay all recording fees in connection with this transaction. Simultaneously with the execution of this Agreement, I will execute the "Transferee Questionnaire" promulgated by the New York State Department of Taxation and Finance (the "Department") in connection with the New York State Gains Tax (and/or any document required by the Department to be executed by a transferee of real property in connection with the Gains Tax) as such Questionnaire may be modified by the Department. You will pay such Gains Tax at closing. A copy of the Transferee Questionnaire is set forth in the Offering Plan as Exhibit I to the Form of Purchase Agreement.

I agree to accept as good and insurable title (subject to the terms of the Declaration and By-Laws as recorded and the Plan as filed), free and clear of all liens and encumbrances, except as set forth in the Plan and this Agreement, as Chicago Title Insurance Company will approve and insure for mortgage and/or fee title insurance. Fee and mortgage title insurance, if ordered by me or my lender, shall be purchased at my own cost and expense. When you give me the deed to my Unit, I will deliver it to the title company's title closer or to you (if I do not obtain title insurance), so that the deed can be recorded in the Office of the City Register, New York County. Simultaneously with the delivery of the deed, I will sign the Power of Attorney in favor of the Board of Managers of the Condominium substantially in the form contained in Exhibit 3 of Part II of the Plan, giving the Board the right to take certain actions on my behalf, and I will give said Power of Attorney to the title closer or to you (if I do not obtain title insurance) for recording and pay the expense thereof.

At the closing hereunder, I shall also pay into the Working Capital Fund, an amount equal to one (1) month's General Residential Common Charges and Residential Common Charges.

7. Your Liability to Convey Title.

a. I specifically understand and agree that if you are unable to deliver or cause to be delivered to me a deed to the Residential Unit in accordance with this Agreement because of your inability to consummate this transaction in accordance with the terms of the Plan and any amendments thereto, or for any other reason other than your willful default, you shall immediately notify me and this Agreement shall immediately terminate and the sole liability between us shall be the return by you of my Down Payment with interest earned thereon, if any. We shall thereafter be released from any and all liability to one another. You shall not be required to bring any action or proceeding or otherwise incur any substantial expense to render title to the Residential

Unit marketable or to cure any objections to title.

b. Provided I am not in default hereunder, I shall have the right to cancel this Agreement and to have the full Down Payment, with interest earned thereon, if any, returned to me in the event you are unable to convey title to the first Unit on or before twenty-one (21) months after the Plan is accepted for filing by the Attorney General's Office unless you are prevented from doing so because of delays due to circumstances and conditions beyond your control, in which case the date specified shall be extended by the period of such delay. You will have the option to abandon the Plan and not to convey title to the Residential Unit mentioned above if fewer than 80% of the Residential Units have been sold by a date not later than fifteen (15) months after the Plan was accepted for filing, provided title to any Residential Unit has not been conveyed. If you exercise such option, you will return the Down Payment with interest earned thereon, if any.

8. Closing Adjustments. Except as provided in paragraph 5(a), when you give me the deed to the Residential Unit, you and I will adjust between us the real estate taxes and General Residential Common Charges and Residential Common Charges for the Unit so that you pay those real estate taxes and Common Charges attributable to any time period prior to the midnight before you give me the deed and I will pay the charges thereafter.

9. My Down Payment To Be Held in Trust. All Down Payment monies received from me by you or through your agents or employees will be deposited in an interest bearing account with National Westminster Bank, USA at their office located at 592 Fifth Avenue, New York, New York in a special segregated escrow account under the name: "421 Hudson Street Special Account." The signature of your attorneys, Wien, Malkin & Bettex, shall be required to withdraw funds from any Special Account you establish for Down Payments pursuant to the Plan. Alternatively, at your discretion, you may secure a bond or indemnity contract in my favor, from a licensed surety company in the amount of my Down Payment hereunder, which you will deliver to me. If you elect to post such a bond or to obtain such an indemnity contract, you will amend the Plan accordingly, but I will not then be entitled to interest on the Down Payment from and after the date of bonding. If no bond or indemnity contract is obtained, you will hold all monies received from me by you or through your agents or employees in trust, in accordance with the provisions of Sections 352(h) and 352-e (2-b) of the General Business Law until (i) actually employed in connection with the consummation of the Plan and my purchase, or (ii) a permissible cancellation or termination of this Agreement by me or by you as provided in this Agreement, or (iii)

in connection with my election to rescind this Agreement pursuant to an amendment which is substantial and adversely affects my purchase of the Residential Unit, or (iv) until I default under this Agreement and fail to cure said default after notice from you in accordance with Section 10 of this Agreement, or (v) until the Plan is abandoned due to your inability to close for any reason and I am entitled to the return of my Down Payment and interest earned thereon, if any.

10. Your Rights If I Fail to Keep My Promises and Agreements. You may keep my Down Payment and interest earned thereon, if any, (a) if I do not pay the Purchase Price for the Residential Unit when due, or (b) if when you offer to give me the deed to the Residential Unit, I do not then sign all of the documents referred to in the Plan which I am required to sign, or (c) if I violate, repudiate or fail to keep any other promise contained in this Agreement or in any lease or other agreement with respect to the Residential Unit which I may have executed with you prior to the closing. However, before you may keep my Down Payment and any interest earned thereon, you must first send me a notice in accordance with paragraph 16 hereof, stating that you intend to cancel this Agreement and describing each promise which you think I did not keep under this Agreement. If I do not cause each of these promises to be kept within thirty (30) days after the date your notice is postmarked, you can keep my Down Payment with interest earned thereon, if any, provided you return any amount paid in excess of the Down Payment. After that, neither you nor I will have any further obligations under this Agreement, it shall be considered cancelled without any further action by either of us and neither of us will have any claim against the other. You will have the right to sell the Residential Unit to anyone else.

11. Agreement Subject to Plan Becoming Effective. This Agreement is contingent upon the Plan being declared effective. You have the right to abandon the Plan at any time before it is declared effective or before Purchase Agreements have been signed for 80% of the Residential Units so long as title to any Residential Unit has not been conveyed. The Plan shall be deemed abandoned if it has not been declared effective within fifteen (15) months from the date of issue of the letter of the Attorney General stating that the Plan has been accepted for filing. If the Plan is abandoned for any reason, I will, within thirty (30) days thereafter, receive a full refund of my Down Payment and the interest earned thereon, if any. After I receive such refund, neither you nor I will have any further obligations under this Agreement, it shall be considered cancelled without any further action by either of us and neither of us shall have any claim against the other.

12. My Acceptance of the Residential Unit. I am confirming to you that I have examined the Residential Unit and agree to accept it and the Building and all fixtures, machinery, equipment, furnishings, appliances, installations and other personal property in the Residential Unit in their "AS IS" condition, except for reasonable wear and tear and natural deterioration between now and the time you give me the deed to the Residential Unit.

*13. Purchase Subject to Rights of Tenant in Occupancy. Although I am purchasing the Residential Unit for personal occupancy, I understand that the Residential Unit is now occupied by _____ under a lease expiring _____ (monthly tenancy) at a rent of $_____ per month. If the tenant does not voluntarily move out when his lease expires or his right to occupancy ends, you will have no obligation to obtain possession for me. I also understand that (a) the Residential Unit is subject to the New York City Rent Stabilization Law and Emergency Tenant Protection Act and I will have all your rights and obligations under the tenant's lease or tenancy after you give me the deed to the Residential Unit, including, without limitation, the right to collect all rents and the obligation to repair and maintain the Residential Unit for the benefit of the tenant and (b) the tenant cannot be evicted except for non-payment of rent or other default under his lease or tenancy or his refusal to renew his lease in compliance with law. I understand that I will be responsible to pay to the managing agent at the time of closing the equivalent of two (2) months rent as set forth in the tenant's lease to be held in escrow and used as working capital for the purpose of furnishing tenant services required by the General Business Law. Upon notice by the managing agent that said deposit has been diminished, I will replenish the fund within twenty (20) days.

14. Interim Lease, Possession and Risk of Loss.

a. I understand and agree that in no event will I take possession of the Residential Unit prior to closing unless you and I expressly agree in writing that I may lease the Residential Unit from you. Should I violate this provision, I agree that you have the right to remove me from the Residential Unit as a squatter and intruder by summary proceedings. Upon my unauthorized possession of the Residential Unit, I shall be deemed in default under this Agreement and at your option and upon exercise of that option, you may

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* This paragraph is not applicable if Purchaser is the tenant of the Residential Unit.

retain the Down Payment paid by me to you under this Agreement and interest earned thereon, if any, as liquidated damages. I further understand and agree that you will not be responsible for damage or loss to any property belonging to me whether such property is delivered to the Residential Unit before or after the closing of title.

b. The risk of loss or damage to the Residential Unit by fire or any other casualty remains with you until the delivery of the deed to me or possession by me, whichever shall occur first.

*c. You may require that I sign and deliver an interim lease for the Unit, in a form to be supplied by you, when I deliver an executed copy of this Purchase Agreement, or upon thirty (30) days written notice from you.

15. Conditions for Binding Agreement.

a. This Agreement shall not be binding on Sponsor until I have been approved as a Purchaser as set forth in the Plan, such approval to be indicated by execution of this Agreement by Sponsor and delivery to me of a fully executed counterpart of this Agreement. If this executed Agreement is not signed by you as provided above and delivered to me within thirty (30) days of the date hereof, I may cancel this Agreement and my Down Payment shall be returned to me with interest earned thereon, if any.

b. I agree that all terms and provisions of this Agreement are and shall be subject and subordinate to the lien of any permanent mortgage loans affecting the Condominium property made before or after this Agreement is signed and any payments or advances already made or which may hereafter be made in connection with such loans, to their full extent without the execution of any further legal documents by me. This subordination shall apply whether advances on any such loans are voluntary or involuntary and whether made in accordance with loan documents or accelerated by virtue of any such lenders' right to make advances before they become due. You shall satisfy all such mortgages or obtain a release of the Residential Unit from the lien of such mortgages and any purchase money mortgage at or prior to the closing date.

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* Applicable to non-tenant Purchasers and tenant-Purchasers purchasing Units other than the Unit of which they are tenants.

16. Notices. Any notice (including a letter, request, consent or other communication) which one of us wants to give to the other concerning items relating to the purchase or closing of title to the Residential Unit must be in writing and must be personally delivered or sent by registered or certified mail, return receipt requested, to me at the address shown on page one of this Agreement or to you at Mountbatten Equities c/o Orb Management Ltd., 421 Hudson Street, Avenue, New York, New York 10014. I will send copies of any notice I give to you to your Offering Plan attorneys, Wien, Malkin & Bettex, 60 East 42nd Street, New York, New York 10165, Attention: Mitchell J. Nelson, Esq. You and I can specify a different address for ourselves by giving notice of it to the other. A notice shall be considered given three (3) business days after the date it is postmarked, except that any notice of an address change and any notice given by personal delivery shall be considered given when it is received.

17. Mortgage Financing.

This Agreement is not contingent upon Purchaser obtaining a mortgage loan commitment. This paragraph 17 is applicable unless Purchaser elects either the All Cash or Sponsor Financing options listed on page 1 hereof.

a. Purchaser shall within five (5) days of the date a fully executed counterpart of this Agreement is delivered to Purchaser, make application to an institutional lender for a loan in an amount not to exceed 80% of the Total Purchase Price as shown on page one of this Agreement (as item 3), to be secured by a first mortgage on the Unit and its appurtenant interest in the Common Elements for a term of not more than thirty (30) years at the then prevailing rate of interest for the type of mortgage applied. Purchaser further agrees that he will use his best efforts to obtain such mortgage and any application for same will be truthful, accurate and complete, including all financial information or other information which the lender may reasonably request. The Purchaser will pay all fees imposed by the lender in connection with processing the application and will cooperate with lender in all respects;

b. Purchaser shall deliver to Sponsor a copy of any commitment letter issued pursuant to this paragraph within five (5) days of receipt thereof;

c. If a commitment letter has not been issued by the lender to whom Purchaser applied within forty-five (45) days from the date a fully executed counterpart of this Agreement was delivered to Purchaser, Sponsor shall either (i) make such mortgage loan to Purchaser on the terms set forth

in Exhibit II to the Form of Purchase Agreement set forth in the Plan, or (ii) alternatively, obtain a loan commitment from another lending institution on behalf of Purchaser on substantially the same terms as offered by Sponsor, but if Sponsor fails to do either, this Purchase Agreement shall terminate and Sponsor shall return Purchaser's down payment, together with interest earned, if any. Purchaser shall accept any commitment letter issued pursuant to this paragraph and delivered to Purchaser and will pay all fees specified in such commitment letter to be paid by Purchaser.

18. Sponsor Financing.

The provisions of this paragraph are applicable to all Purchasers electing Sponsor financing or otherwise obtaining Sponsor financing pursuant to paragraph 17(c). Each such Purchaser shall be obligated to execute a note and mortgage in substantially the same form as Exhibit II to the Form of Purchase Agreement set forth in the Plan, shall be obligated to execute and deliver such additional documentation as may be requested by you or your counsel to perfect your first mortgage lien and enable you to obtain mortgage title insurance (at my expense) therefor, and shall be obligated to pay the costs set forth in Section M, "Procedure to Purchase" and Section P, "Closing Costs and Adjustments."

19. Advertising for Sale or Lease. I will not advertise the availability of the Residential Unit which is the subject matter of this Purchase Agreement for sale or lease until title to such Residential Unit has been conveyed to me. My failure to keep this promise shall constitute a default under this Purchase Agreement.

20. Assignment. This Purchase Agreement is not assignable.

21. Definitions. The term "I" or "Me" shall be read as "we" if more than one person is a Purchaser, in which case our obligations shall be considered joint and several. All the terms used in this Agreement shall have the same meanings as they do in the Plan. The term "you" shall mean Mountbatten Equities.

22. Broker. I confirm to you that I did not negotiate for the purchase of the Residential Unit with any broker, other than Habitations Ltd., Inc., and I will indemnify you against all liability, claims, loss, costs, and expenses (including reasonable attorneys fees and the costs of enforcement of this indemnity) arising from my breach of this representation.

23. Jury Waiver. I waive my right to trial by jury in any action, proceeding or counterclaim in any way connected with this Agreement or the Plan.

24. Survival of Sponsor's Obligations. You will have no obligation under this Agreement or the Plan after you give me the deed to the Residential Unit, unless this Agreement or the Plan specifically gives you an obligation after that time. However, all representations required by Article 23-A of the General Business Law shall survive delivery of the deed to the extent and for the period prescribed by law.

25. Purchase for Personal Occupancy. I represent to you that I am purchasing the Residential Unit for my personal occupancy or for the occupancy of a member of my immediate family, and I will deliver an affidavit to you confirming such within five (5) days of your request.

26. Captions. The captions in this Agreement are for convenience only and are not a part of and do not affect the meaning of any of the provisions of this Agreement.

27. No Representations. I have not relied on any statements made by you, any representative of yours or any other person, except those which are contained in this Agreement or in the Plan.

28. Entire Agreement. I understand that this Agreement and the Plan, constitute the entire agreement between us and contain the only representations made to me. I have not relied on any other representations, statements or warranties, and acknowledge that no one has authority to make any representation or warranty not set forth in the Plan. I had full opportunity to examine all documents and investigate all facts referred to in the Plan and will not bind you to any oral representations and/or agreements. Further, I understand that this Agreement is binding, subject to paragraph 1 hereof, upon me and my heirs, executors, administrators, successors and/or permitted assigns. I agree that I will not record this Agreement without your prior written consent.

29. Conflicts with the Plan. Conflicts between any provision of this Agreement and the Plan shall be resolved in favor of the Plan.

30. Sponsor's Signature. This Agreement, and any and all changes, amendments, riders and any cancellation or termination of or to this Agreement by Sponsor, must be in writing and be signed by Sponsor.

Date: ,198 _____
Purchaser

_____
Purchaser

Accepted and Agreed to:

MOUNTBATTEN EQUITIES, Sponsor

By: _____
Sponsor's Representative

Date Accepted: _____

TP-581 (8/84)

New York State Department of TAXATION and FINANCE

EXHIBIT I
New York State
REAL PROPERTY TRANSFER GAINS TAX

Questionnaire

TRANSFEREE

For Departmental Use Only

NOTE: See Instructions (TP-581-I), Section B before completing this form.

PLEASE PRINT	Name	Social Security Number
(Transferee)	Address / Zip Code	Federal Employer Identification Number
	Name	Social Security Number
(Transferor)	Address / Zip Code	Federal Employer Identification Number

- Type of Interest to be Acquired *(Check Applicable Box)*
  - ☐ Fee
  - ☐ Leasehold Grant
  - ☐ Leasehold Assignment or Surrender
  - ☐ Stock in Co-op
  - ☐ Option Grant
  - ☐ Option Assignment or Surrender
  - ☐ Development Right
  - ☐ Controlling Interest
  - ☐ Contract Assignment
  - ☐ Other *(attach explanation)*
- Percentage of Interest to be Acquired _____ %
- Date of Anticipated Transfer _____ Day Month Year

LOCATION OF PROPERTY TO BE TRANSFERRED (List each lot separately)

Address	County

COMPLETE LINES 1, 2 AND 3

1	Consideration to be Paid to Transferor By Transferee	1
2	Brokerage Fees to be Paid by Transferee to Transferor	2
3	Brokerage Fees to be Paid by Transferee to Broker	3

AFFIDAVIT OF TRANSFEREE

I swear (or affirm) under penalty of perjury that this questionnaire including the accompanying schedules or statements has been examined by me and is to the best of my knowledge and belief, a true and complete return, made in good faith, pursuant to Article 31-B of the New York State Tax Law.

Sworn to and subscribed to before me this _____ day of _____, 19 ____

_____ Name(s) of Transferee(s)

_____ Signature(s) of owner(s), partner, officer of corporation, etc.

_____ Title

_____ Signature of officer administering oath

EXHIBIT II

NOTE

....., 19..... New York ..... New York
[City] [State]

Condominium Unit, Printing House Condominium, 421 Hudson Street
[Property Address]

1. BORROWER'S PROMISE TO PAY 80% of Purchase Price

In return for a loan that I have received, I promise to pay U.S. $..... (this amount is called "principal"), plus interest, to the order of the Lender. The Lender is Mountbatten Equities, c/o Orb Management Ltd., 421 Hudson Street, New York, New York 10014.

I understand that the Lender may transfer this Note. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note is called the "Note Holder."

2. INTEREST

Interest will be charged on unpaid principal beginning on the date of this Note and continuing until the full amount of principal has been paid. I will pay interest at a yearly rate of 12.0 %.

The interest rate required by this Section 2 is the rate I will pay both before and after any default described in Section 6(B) of this Note.

3. PAYMENTS

Interest only at the rate of twelve percent per annum of the principal shall be payable to Lender at the above address or such other place as Lender may designate, in monthly installments of $_____ payable on the first day of each month commencing on _____ and continuing up to and including _____*, at which time the entire principal and accrued interest shall become due and payable.

*three year term

4. BORROWER'S RIGHT TO PREPAY

I have the right to ~~make payments of principal~~ prepay this note in full at any time before ~~they are~~ it is due. A payment of principal only is known as a "prepayment." When I make a prepayment, I will tell the Note Holder in writing that I am doing so.

I may make a full prepayment ~~or partial prepayments~~ without paying any prepayment charge. The Note Holder will use all of my prepayments to reduce the amount of principal that I owe under this Note. ~~If I make a partial prepayment, there will be no changes in the due date or in the amount of my monthly payment unless the Note Holder agrees in writing to those changes.~~ upon five (5) days' prior written notice to Lender.

5. LOAN CHARGES

If a law, which applies to this loan and which sets maximum loan charges, is finally interpreted so that the interest or other loan charges collected or to be collected in connection with this loan exceed the permitted limits, then: (i) any such loan charges shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (ii) any sums already collected from me which exceeded permitted limits will be refunded to me. The Note Holder may choose to make this refund by reducing the principal I owe under this Note or by making a direct payment to me. If a refund reduces principal, the reduction will be treated as a partial prepayment.

6. BORROWER'S FAILURE TO PAY AS REQUIRED

(A) Late Charge for Overdue Payments

If the Note Holder has not received the full amount of any monthly payment by the end of ~~fifteen~~ ten calendar days after the date it is due, I will pay a late charge to the Note Holder. The amount of the charge will be 5% of my overdue payment of principal and interest. I will pay this late charge promptly but only once on each late payment.

(B) Default

If I do not pay the full amount of each monthly payment on the date it is due, I will be in default.

(C) Notice of Default

If I am in default, the Note Holder may send me a written notice telling me that if I do not pay the overdue amount by a certain date, the Note Holder may require me to pay immediately the full amount of principal which has not been paid and all the interest that I owe on that amount. That date must be at least 30 days after the date on which the notice is delivered or mailed to me.

(D) No Waiver By Note Holder

Even if, at a time when I am in default, the Note Holder does not require me to pay immediately in full as described above, the Note Holder will still have the right to do so if I am in default at a later time.

(E) Payment of Note Holder's Costs and Expenses

If the Note Holder has required me to pay immediately in full as described above, the Note Holder will have the right to be paid back by me for all of its costs and expenses in enforcing this Note to the extent not prohibited by applicable law. Those expenses include, for example, reasonable attorneys' fees.

7. GIVING OF NOTICES

Unless applicable law requires a different method, any notice that must be given to me under this Note will be given by delivering it or by mailing it by first class mail to me at the Property Address above or at a different address if I give the Note Holder a notice of my different address.

Any notice that must be given to the Note Holder under this Note will be given by mailing it by first class mail to the Note Holder at the address stated in Section 3(A) above or at a different address if I am given a notice of that different address.

4704—9/85—FIXED RATE MORTGAGE NOTE

8. OBLIGATIONS OF PERSONS UNDER THIS NOTE

If more than one person signs this Note, each person is fully and personally obligated to keep all of the promises made in this Note, including the promise to pay the full amount owed. Any person who is a guarantor, surety or endorser of this Note is also obligated to do these things. Any person who takes over these obligations, including the obligations of a guarantor, surety or endorser of this Note, is also obligated to keep all of the promises made in this Note. The Note Holder may enforce its rights under this Note against each person individually or against all of us together. This means that any one of us may be required to pay all of the amounts owed under this Note.

9. WAIVERS

I and any other person who has obligations under this Note waive the rights of presentment and notice of dishonor. "Presentment" means the right to require the Note Holder to demand payment of amounts due. "Notice of dishonor" means the right to require the Note Holder to give notice to other persons that amounts due have not been paid.

10. UNIFORM SECURED NOTE

This Note is a uniform instrument with limited variations in some jurisdictions. In addition to the protections given to the Note Holder under this Note, a Mortgage, Deed of Trust or Security Deed (the "Security Instrument"), dated the same date as this Note, protects the Note Holder from possible losses which might result if I do not keep the promises which I make in this Note. That Security Instrument describes how and under what conditions I may be required to make immediate payment in full of all amounts I owe under this Note. Some of those conditions are described as follows:

Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by the Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

WITNESS THE HAND(S) AND SEAL(S) OF THE UNDERSIGNED.

.....(Seal)
-Borrower

.....(Seal)
-Borrower

.....(Seal)
-Borrower

.....(Seal)
-Borrower

MORTGAGE

WORDS USED OFTEN IN THIS DOCUMENT

(A) "Security Instrument" and "Mortgage." This document, which is dated ....., 19....., sometimes will be called the "Security Instrument" and sometimes the "Mortgage."

(B) "Borrower." .....

..... sometimes will be called "Borrower" and sometimes "I" or "me."

"Borrower's address is .....

(C) "Lender." Mountbatten Equities will be called "Lender." Lender is a partnership which exists under the laws of the State of New York. Lender's address is c/o Orb Management Ltd., 421 Hudson Street, New York, New York 10014.

(D) "Note." The Note signed by Borrower and dated ....., 19....., will be called the "Note." The Note shows that I owe Lender .....

..... Dollars (U.S.$.....) plus interest.

I have promised to pay this debt in monthly payments and to pay the debt in full by .....

(E) "Property." The property that is described below in the section titled "Description of the Property," will be called the "Property."

(F) "Sums secured." The amounts described below in the section titled "Borrower's Transfer to Lender of Rights in the Property" sometimes will be called the "sums secured."

BORROWER'S TRANSFER TO LENDER OF RIGHTS IN THE PROPERTY

I mortgage, grant and convey the Property to Lender subject to the terms of this Security Instrument. This means that, by signing this Security Instrument, I am giving Lender those rights that are stated in this Security Instrument and also those rights that the law gives to lenders who hold mortgages on real property. I am giving Lender these rights to protect Lender from possible losses that might result if I fail to:

(A) Pay all the amounts that I owe Lender as stated in the Note;

(B) Pay, with interest, any amounts that Lender spends under Paragraphs 2 and 7 of this Security Instrument to protect the value of the Property and Lender's rights in the Property; and

(C) Keep all of my other promises and agreements under this Security Instrument.

DESCRIPTION OF THE PROPERTY

I give Lender rights in the Property described in (A) through (J) below:

(A) The Property which is located at 421 Hudson Street [Street]
New York [City], New York 10014 [Zip Code]. This Property is in New York County. It has the following legal description:

As more particularly described in Exhibit A attached hereto.

BEING the same Property which was conveyed to the Borrower by deed delivered and intended to be recorded simultaneously with this Mortgage. This Mortgage is a purchase money mortgage given to secure a portion of the consideration expressed in said deed. ☐ Check box if this is NOT a purchase money mortgage.

(B) All buildings and other improvements that are located on the Property described in subparagraph (A) of this section;

(C) All rights in other property that I have as owner of the Property described in subparagraph (A) of this section. These rights are known as "easements, rights and appurtenances attached to the Property";

(D) All rents or royalties from the Property described in subparagraph (A) of this section;

(E) All mineral, oil and gas rights and profits, water rights and stock that are part of the Property described in subparagraph (A) of this section;

(F) All rights that I have in the land which lies in the streets or roads in front of, or next to, the Property described in subparagraph (A) of this section;

(G) All fixtures that are now or in the future will be on the Property described in subparagraphs (A) and (B) of this section;

(H) All of the rights and property described in subparagraphs (B) through (G) of this section that I acquire in the future;

(I) All replacements of or additions to the Property described in subparagraphs (B) through (H) of this section; and

(J) All of the amounts that I pay to Lender under Paragraph 2 below.

BORROWER'S RIGHT TO MORTGAGE THE PROPERTY AND BORROWER'S OBLIGATION TO DEFEND OWNERSHIP OF THE PROPERTY

I promise that: (A) I lawfully own the Property; (B) I have the right to mortgage, grant and convey the Property to Lender; and (C) there are no outstanding claims or charges against the Property, except for those which are of public record.

I give a general warranty of title to Lender. This means that I will be fully responsible for any losses which Lender suffers because someone other than myself has some of the rights in the Property which I promise that I have. I promise that I will defend my ownership of the Property against any claims of such rights.

PLAIN LANGUAGE SECURITY INSTRUMENT

This Security Instrument contains uniform promises and agreements that are used in real property security instruments all over the country. It also contains non-uniform promises and agreements that vary, to a limited extent, in different parts of the country. My promises and agreements are stated in "plain language."

UNIFORM COVENANTS

I promise and I agree with Lender as follows:

1. BORROWER'S PROMISE TO PAY

I will pay to Lender on time principal and interest due under the Note and any prepayment and late charges due under the Note.

2. MONTHLY PAYMENTS FOR TAXES AND INSURANCE

(A) Borrower's Obligations

I will pay to Lender all amounts necessary to pay for taxes, assessments, leasehold payments or ground rents (if any), and hazard insurance on the Property and mortgage insurance (if any). I will pay those amounts to Lender unless Lender tells me, in writing, that I do not have to do so, or unless the law requires otherwise. I will make those payments on the same day that my monthly payments of principal and interest are due under the Note.

Each of my payments under this Paragraph 2 will be the sum of the following:
(i) One-twelfth of the estimated yearly taxes and assessments on the Property which under the law may be superior to this Security Instrument; plus
(ii) One-twelfth of the estimated yearly leasehold payments or ground rents on the Property, if any; plus
(iii) One-twelfth of the estimated yearly premium for hazard insurance covering the Property; plus
(iv) One-twelfth of the estimated yearly premium for mortgage insurance (if any).

Lender will estimate from time to time my yearly taxes, assessments, leasehold payments or ground rents and insurance premiums, which will be called the "escrow items." Lender will use existing assessments and bills and reasonable estimates of future assessments and bills. The amounts that I pay to Lender for escrow items under this Paragraph 2 will be called the "Funds."

(B) Lender's Obligations

Lender will keep the Funds in a savings or banking institution which has its deposits or accounts insured or guaranteed by a federal or state agency. If Lender is such an institution, Lender may hold the Funds. Except as described in this Paragraph 2, Lender will use the Funds to pay the escrow items. Lender will give to me, without charge, an annual accounting of the Funds. That accounting must show all additions to and deductions from the Funds and the reason for each deduction.

Lender may not charge me for holding or keeping the Funds, for using the Funds to pay escrow items, for analyzing my payments of Funds, or for receiving, verifying and totalling assessments and bills. However, Lender may charge me for these services if Lender pays me interest on the Funds and if the law permits Lender to make such a charge. Lender will not be required to pay me any interest or earnings on the Funds unless either (i) Lender and I agree in writing, at the time I sign this Security Instrument, that Lender will pay interest on the Funds; or (ii) the law requires Lender to pay interest on the Funds.

(C) Adjustments to the Funds

If Lender's estimates are too high or if taxes and insurance rates go down, the amounts that I pay under this Paragraph 2 will be too large. If this happens at a time when I am keeping all of my promises and agreements made in this Security Instrument, I will have the right to have the excess amount either promptly repaid to me as a direct refund or credited to my future monthly payments of Funds. There will be excess amounts if, at any time, the sum of (i) the amount of Funds which Lender is holding or keeping, plus (ii) the amount of the monthly payments of Funds which I still must pay between that time and the due dates of escrow items is greater than the amount necessary to pay the escrow items when they are due.

If, when payments of escrow items are due, Lender has not received enough Funds to make those payments, I will pay to Lender whatever additional amount is necessary to pay the escrow items in full. I must pay that additional amount in one or more payments as Lender may require.

When I have paid all of the sums secured, Lender will promptly refund to me any Funds that are then being held by Lender. If, under Paragraph 20 below, either Lender acquires the Property or the Property is sold, then immediately before the acquisition or sale, Lender will use any Funds which Lender is holding at that time to reduce the sums secured.

3. APPLICATION OF BORROWER'S PAYMENTS

Unless the law requires otherwise, Lender will apply each of my payments under the Note and under Paragraphs 1 and 2 above in the following order and for the following purposes:

First, to pay late charges due under the Note;
Next, to pay prepayment charges due under the Note;
Next, to pay the amounts due to Lender under Paragraph 2 above;
Next, to pay interest due; and
Last, to pay principal due.

4. BORROWER'S OBLIGATION TO PAY CHARGES, ASSESSMENTS AND CLAIMS

I will pay all taxes, assessments, and any other charges and fines that may be imposed on the Property and that may be superior to this Security Instrument. I will also make payments due under my lease if I am a tenant on the Property and I will pay ground rents (if any) due on the Property. I will do this either by making the payments to Lender that are described in Paragraph 2 above or, if I am not required to make payments under Paragraph 2, by making the payments on time to the person owed them. (In this Security Instrument, the word "person" means any person, organization, governmental authority or other party.) If I make direct payments, then promptly after making any of those payments I will give Lender a receipt which shows that I have done so. If I make payment to Lender under Paragraph 2, I will give Lender all notices or bills that I receive for the amounts due under this Paragraph 4.

Any claim, demand or charge that is made against property because an obligation has not been fulfilled is known as a "lien." I will promptly pay or satisfy all liens against the Property that may be superior to this Security Instrument. However, this Security Instrument does not require me to satisfy a superior lien if: (A) I agree, in writing, to pay the obligation which gave rise to the superior lien and Lender approves the way in which I agree to pay that obligation; or (B) in good faith, I argue or defend against the superior lien in a lawsuit so that, during the lawsuit, the superior lien may not be enforced and no part of the Property must be given up; or (C) I secure from the holder of that other lien an agreement, approved in writing by Lender, that the lien of this Security Instrument is superior to the lien held by that person. If Lender determines that any part of the Property is subject to a superior lien, Lender may give Borrower a notice identifying the superior lien. Borrower shall pay or satisfy the superior lien or take one or more of the actions set forth above within 10 days of the giving of notice.

5. BORROWER'S OBLIGATION TO MAINTAIN HAZARD INSURANCE

I will obtain hazard insurance to cover all buildings and other improvements that now are or in the future will be located on the Property. The insurance must cover loss or damage caused by fire, hazards normally covered by "extended coverage" hazard insurance policies and other hazards for which Lender requires coverage. The insurance must be in the amounts and for the periods of time required by Lender. I may choose the insurance company, but my choice is subject to Lender's approval. Lender may not refuse to approve my choice unless the refusal is reasonable.

All of the insurance policies and renewals of those policies must include what is known as a "standard mortgage clause" to protect Lender. The form of all policies and renewals must be acceptable to Lender. Lender will have the right to hold the policies and renewals. If Lender requires, I will promptly give Lender all receipts of paid premiums and renewal notices that I receive.

If there is a loss or damage to the Property, I will promptly notify the insurance company and Lender. If I do not promptly prove to the insurance company that the loss or damage occurred, then Lender may do so.

The amount paid by the insurance company is called "proceeds." The proceeds will be used to repair or to restore the damaged Property unless: (A) it is not economically feasible to make the repairs or restoration; or (B) the use of the proceeds for that purpose would lessen the protection given to Lender by this Security Instrument; or (C) Lender and I have agreed in writing not to use the proceeds for that purpose. If the repair or restoration is not economically feasible or if it would lessen Lender's protection under this Security Instrument, then the proceeds will be used to reduce the amount that I owe to Lender under the Note and under this Security Instrument. If any of the proceeds remain after the amount that I owe to Lender has been paid in full, the remaining proceeds will be paid to me.

If I abandon the Property, or if I do not answer, within 30 days, a notice from Lender stating that the insurance company has offered to settle a claim, Lender may collect the proceeds. Lender may use the proceeds to repair or restore the Property or to pay the sums secured. The 30-day period will begin when the notice is given.

If any proceeds are used to reduce the amount of principal which I owe to Lender under the Note, that use will not delay the due date or change the amount of any of my monthly payments under the Note and under Paragraphs 1 and 2 above. However, Lender and I may agree in writing to those delays or changes.

If Lender acquires the Property under Paragraph 19 below, all of my rights in the insurance policies will belong to Lender. Also, all of my rights in any proceeds which are paid because of damage that occurred before the Property is acquired by Lender or sold will belong to Lender. However, Lender's rights in those proceeds will not be greater than the sums secured immediately before the Property is acquired by Lender or sold.

6. BORROWER'S OBLIGATION TO MAINTAIN THE PROPERTY AND TO FULFILL ANY LEASE OBLIGATIONS

I will keep the Property in good repair. I will not destroy, damage or substantially change the Property, and I will not allow the Property to deteriorate. If I do not own but am a tenant on the property, I will fulfill my obligations under my lease. I also agree that, if I acquire the fee title to the Property, my lease interest and the fee title will not merge unless Lender agrees to the merger in writing.

7. LENDER'S RIGHT TO PROTECT ITS RIGHTS IN THE PROPERTY; MORTGAGE INSURANCE

If: (A) I do not keep my promises and agreements made in this Security Instrument, or (B) someone, including me, begins a legal proceeding that may significantly affect Lender's rights in the Property (such as a legal proceeding in bankruptcy, in probate, for condemnation, or to enforce laws or regulations), Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Lender must give me notice before Lender may take any of these actions. Although Lender may take action under this Paragraph 7, Lender does not have to do so.

I will pay to Lender any amounts, with interest, which Lender spends under this Paragraph 7. I will pay those amounts to Lender when Lender sends me a notice requesting that I do so. I will also pay interest on those amounts at the Note rate. Interest on each amount will begin on the date that the amount is spent by Lender. However, Lender and I may agree in writing to terms of payment that are different from those in this paragraph. This Security Instrument will protect Lender in case I do not keep this promise to pay those amounts with interest.

If Lender required mortgage insurance as a condition of making the loan that I promise to pay under the Note, I will pay the premiums for that mortgage insurance. I will pay the premiums until the requirement for mortgage insurance ends according to my written agreement with Lender or according to law. Lender may require me to pay the premiums in the manner described in Paragraph 2 above.

8. LENDER'S RIGHT TO INSPECT THE PROPERTY

Lender, and others authorized by Lender, may enter on and inspect the Property. They must do so in a reasonable manner and at reasonable times. Before or at the time an inspection is made, Lender must give me notice stating a reasonable purpose for the inspection.

9. AGREEMENTS ABOUT CONDEMNATION OF THE PROPERTY

A taking of property by any governmental authority by eminent domain is known as "condemnation." I give to Lender my right: (A) to proceeds of all awards or claims for damages resulting from condemnation or other governmental taking of the Property; and (B) to proceeds from a sale of the Property that is made to avoid condemnation. All of those proceeds will be paid to Lender.

If all of the Property is taken, the proceeds will be used to reduce the sums secured. If any of the proceeds remain after the amount that I owe to Lender has been paid in full, the remaining proceeds will be paid to me. Unless Lender and I agree otherwise in writing, if only a part of the Property is taken, the amount that I owe to Lender will be reduced only by the amount of proceeds multiplied by the following fraction: (A) the total amount of the sums secured immediately before the taking, divided by (B) the fair market value of the Property immediately before the taking. The remainder of the proceeds will be paid to me.

If I abandon the Property, or if I do not answer, within 30 days, a notice from Lender stating that a governmental authority has offered to make a payment or to settle a claim for damages, Lender has the authority to collect the proceeds. Lender may then use the proceeds to repair or restore the Property or to reduce the sums secured. The 30-day period will begin when the notice is given.

If any proceeds are used to reduce the amount of principal which I owe to Lender under the Note, that use will not delay the due date or change the amount of any of my monthly payments under the Note and under Paragraphs 1 and 2 above. However, Lender and I may agree in writing to those delays or changes.

10. CONTINUATION OF BORROWER'S OBLIGATIONS AND OF LENDER'S RIGHTS

(A) Borrower's Obligations

Lender may allow a person who takes over my rights and obligations to delay or to change the amount of the monthly payments of principal and interest due under the Note or under this Security Instrument. Even if Lender does this, however, that person and I will both still be fully obligated under the Note and under this Security Instrument.

Lender may allow those delays or changes for a person who takes over my rights and obligations, even if Lender is requested not to do so. Lender will not be required to bring a lawsuit against such a person for not fulfilling obligations under the Note or under this Security Instrument, even if Lender is requested to do so.

(B) Lender's Rights

Even if Lender does not exercise or enforce any right of Lender under this Security Instrument or under the law, Lender will still have all of those rights and may exercise and enforce them in the future. Even if Lender obtains insurance, pays taxes, or pays other claims, charges or liens against the Property, Lender will have the right under Paragraph 19 below to demand that I make immediate payment in full of the amount that I owe to Lender under the Note and under this Security Instrument.

11. OBLIGATIONS OF BORROWER AND OF PERSONS TAKING OVER BORROWER'S RIGHTS OR OBLIGATIONS

Any person who takes over my rights or obligations under this Security Instrument will have all of my rights and will be obligated to keep all of my promises and agreements made in this Security Instrument. Similarly, any person who takes over Lender's rights or obligations under this Security Instrument will have all of Lender's rights and will be obligated to keep all of Lender's agreements made in this Security Instrument.

If more than one person signs this Security Instrument as Borrower, each of us is fully obligated to keep all of Borrower's promises and obligations contained in this Security Instrument. Lender may enforce Lender's rights under this Security Instrument against each of us individually or against all of us together. This means that any one of us may be required to pay all of the sums secured. However, if one of us does not sign the Note: (A) that person is signing this Security Instrument only to give that person's rights in the Property to Lender under the terms of this Security Instrument; and (B) that person is not personally obligated to pay the sums secured; and (C) that person agrees that Lender may agree with the other Borrowers to delay enforcing any of Lender's rights or to modify or make any accommodations with regard to the terms of this Security Instrument or the Note without that person's consent.

12. LOAN CHARGES
If the loan secured by this Security Instrument is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed permitted limits: (A) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (B) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

13. LEGISLATION AFFECTING LENDER'S RIGHTS
If a change in applicable law would make any provision of the Note or this Security Instrument unenforceable, Lender may require immediate payment in full of all sums secured by this Security Instrument as that phrase is defined in Paragraph 19 below. If Lender requires immediate payment in full under this Paragraph 13, Lender will take the steps and may act as specified in the last paragraph of Paragraph 17 below.

14. NOTICES REQUIRED UNDER THIS SECURITY INSTRUMENT
Any notice that must be given to me under this Security Instrument will be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice will be addressed to me at the address stated in the section above titled "Description of the Property." A notice will be given to me at a different address if I give Lender a notice of my different address. Any notice that must be given to Lender under this Security Instrument will be given by mailing it to Lender's address stated in paragraph (C) of the section above titled "Words Used Often In This Document." A notice will be mailed to Lender at a different address if Lender gives me a notice of the different address. A notice required by this Security Instrument is given when it is mailed or when it is delivered according to the requirements of this Paragraph 14 or of applicable law.

15. LAW THAT GOVERNS THIS SECURITY INSTRUMENT
This Security Instrument is governed by federal law and the law that applies in the place where the Property is located. If any term of this Security Instrument or of the Note conflicts with the law, all other terms of this Security Instrument and of the Note will still remain in effect if they can be given effect without the conflicting term. This means that any terms of this Security Instrument and of the Note which conflict with the law can be separated from the remaining terms, and the remaining terms will still be enforced.

16. BORROWER'S COPY
I will be given one conformed copy of the Note and of this Security Instrument.

17. AGREEMENTS ABOUT LENDER'S RIGHTS IF THE PROPERTY IS SOLD OR TRANSFERRED
Lender may require immediate payment in full of all sums secured by this Security Instrument if all or any part of the Property, or if any right in the Property, is sold or transferred without Lender's prior written permission. Lender also may require immediate payment in full if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person. However, Lender shall not require immediate payment in full if this is prohibited by federal law on the date of this Security Instrument.

If Lender requires immediate payment in full under this Paragraph 17, Lender will give me a notice which states this requirement. The notice will give me at least 30 days to make the required payment. The 30-day period will begin on the date the notice is mailed or delivered. If I do not make the required payment during that period, Lender may act to enforce its rights under this Security Instrument without giving me any further notice or demand for payment.

18. BORROWER'S RIGHT TO HAVE LENDER'S ENFORCEMENT OF THIS SECURITY INSTRUMENT DISCONTINUED
Even if Lender has required immediate payment in full, I may have the right to have enforcement of this Security Instrument discontinued. I will have this right at any time before sale of the Property under any power of sale granted by this Security Instrument or at any time before a judgment has been entered enforcing this Security Instrument if I meet the following conditions:

(A) I pay to Lender the full amount that would have been due under this Security Instrument and the Note if Lender had not required immediate payment in full; and

(B) I correct my failure to keep any of my other promises or agreements made in this Security Instrument; and

(C) I pay all of Lender's reasonable expenses in enforcing this Security Instrument including, for example, reasonable attorneys' fees; and

(D) I do whatever Lender reasonably requires to assure that Lender's rights in the Property, Lender's rights under this Security Instrument, and my obligations under the Note and under this Security Instrument continue unchanged.

If I fulfill all of the conditions in this Paragraph 18, then the Note and this Security Instrument will remain in full effect as if immediate payment in full had never been required. However, I will not have the right to have Lender's enforcement of this Security Instrument discontinued if Lender has required immediate payment in full under Paragraphs 13 or 17 above.

NON-UNIFORM COVENANTS

I also promise and agree with Lender as follows:

19. LENDER'S RIGHTS IF BORROWER FAILS TO KEEP PROMISES AND AGREEMENTS
Except as provided in Paragraphs 13 and 17 above, if all of the conditions stated in subparagraphs (A), (B) and (C) of this Paragraph 19 are met, Lender may require that I pay immediately the entire amount then remaining unpaid under this Note and under this Security Instrument. Lender may do this without making any further demand for payment. This requirement is called "immediate payment in full."

If Lender requires immediate payment in full, Lender may bring a lawsuit to take away all of my remaining rights in the Property and have the Property sold. At this sale Lender or another person may acquire the Property. This is known as "foreclosure and sale." In any lawsuit for foreclosure and sale, Lender will have the right to collect all costs allowed by law.

Lender may require immediate payment in full under this Paragraph 19 only if all of the following conditions are met:

(A) I fail to keep any promise or agreement made in this Security Instrument, including the promises to pay when due the sums secured.

(B) Lender sends to me, in the manner described in Paragraph 14 above, a notice that states:

(i) The promise or agreement that I failed to keep;

(ii) The action that I must take to correct the default;

(iii) A date by which I must correct the default. That date must be at least 30 days from the date on which the notice is given;

(iv) That if I do not correct the default by the date stated in the notice, Lender may require immediate payment in full, and Lender or another person may acquire the Property by means of foreclosure and sale;

(v) That if I meet the conditions stated in Paragraph 18 above, I will have the right to have Lender's enforcement of this Security Instrument discontinued and to have the Note and this Security Instrument remain fully effective as if immediate payment in full had never been required; and

(vi) That I have the right in any lawsuit for foreclosure and sale to argue that I did keep my promises and agreements under the Note and under this Security Instrument, and to present any other defenses that I may have.

(C) I do not correct the default stated in the notice from Lender by the date stated in that notice.

20. LENDER'S RIGHTS TO RENTAL PAYMENTS AND TO TAKE POSSESSION OF THE PROPERTY

If Lender requires immediate payment in full, or if I abandon the Property, then Lender, persons authorized by Lender, or a receiver appointed by a court at Lender's request may: (A) collect the rental payments, including overdue rental payments, directly from the tenants; (B) enter on and take possession of the Property; (C) manage the Property; and (D) sign, cancel and change leases. If Lender notifies the tenants that Lender has the right to collect rental payments directly from them under this Paragraph 20, I agree that the tenants may make those rental payments to Lender without having to ask whether I have failed to keep my promises and agreements under this Security Instrument.

If there is a judgment for Lender in a lawsuit for foreclosure and sale, I will pay to Lender reasonable rent from the date the judgment is entered for as long as I occupy the Property. However, this does not give me the right to occupy the Property.

All rental payments collected by Lender or by a receiver, other than the rent paid by me under this Paragraph 20, will be used first to pay the costs of collecting rental payments and of managing the Property. If any part of the rental payments remains after those costs have been paid in full, the remaining part will be used to reduce the sums secured. The costs of managing the Property may include the receiver's fees, reasonable attorneys' fees and the cost of any necessary bonds.

21. LENDER'S OBLIGATION TO DISCHARGE THIS SECURITY INSTRUMENT

When Lender has been paid all amounts due under the Note and under this Security Instrument, Lender will discharge this Security Instrument by delivering a certificate stating that this Security Instrument has been satisfied. I will not be required to pay Lender for the discharge, but I will pay all costs of recording the discharge in the proper official records.

22. AGREEMENTS ABOUT NEW YORK LIEN LAW

I will receive all amounts lent to me by Lender subject to the trust fund provisions of Section 13 of the New York Lien Law. This means that if, on the date this Security Instrument is recorded, construction or other work on any building or other improvement located on the Property has not been completed for at least four months, I will: (A) hold all amounts which I receive and which I have a right to receive from Lender under the Note as a "trust fund"; and (B) use those amounts to pay for that construction or work before I use them for any other purpose. The fact that I am holding those amounts as a "trust fund" means that for any building or other improvement located on the Property I have a special responsibility under the law to use the amount in the manner described in this Paragraph 22.

23. RIDERS TO THIS SECURITY INSTRUMENT

If one or more riders are signed by Borrower and recorded together with this Security Instrument, the promises and agreements of each rider are incorporated as a part of this Security Instrument. [Check applicable box(es)]

- ☐ Adjustable Rate Rider
- ☒ Condominium Rider
- ☐ 2-4 Family Rider
- ☐ Graduated Payment Rider
- ☐ Planned Unit Development Rider
- ☐ Other(s) [specify]

BY SIGNING BELOW, I accept and agree to the promises and agreements contained in pages 1 through 6 of this Security Instrument and in any rider(s) signed by me and recorded with it.

Witnesses:

.... (Seal) —Borrower

.... (Seal) —Borrower

.... (Seal) —Borrower

.... (Seal) —Borrower

CONDOMINIUM RIDER

THIS CONDOMINIUM RIDER is made this ..... day of ....., 19....., and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Note to ..... Mountbatten Equities ..... (the "Lender") of the same date and covering the Property described in the Security Instrument and located at:

..... 421 Hudson Street, New York, New York 10014 .....
[Property Address]

The Property includes a unit in, together with an undivided interest in the common elements of, a condominium project known as:

..... Printing House Condominium .....
[Name of Condominium Project]

(the "Condominium Project"). If the owners association or other entity which acts for the Condominium Project (the "Owners Association") holds title to property for the benefit or use of its members or shareholders, the Property also includes Borrower's interest in the Owners Association and the uses, proceeds and benefits of Borrower's interest.

CONDOMINIUM COVENANTS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

A. **Condominium Obligations.** Borrower shall perform all of Borrower's obligations under the Condominium Project's Constituent Documents. The "Constituent Documents" are the: (i) Declaration or any other document which creates the Condominium Project; (ii) by-laws; (iii) code of regulations; and (iv) other equivalent documents. Borrower shall promptly pay, when due, all dues and assessments imposed pursuant to the Constituent Documents.

B. **Hazard Insurance.** So long as the Owners Association maintains, with a generally accepted insurance carrier, a "master" or "blanket" policy on the Condominium Project which is satisfactory to Lender and which provides insurance coverage in the amounts, for the periods, and against the hazards Lender requires, including fire and hazards included within the term "extended coverage," then:

(i) Lender waives the provision in Uniform Covenant 2 for the monthly payment to Lender of one-twelfth of the yearly premium installments for hazard insurance on the Property; and

(ii) Borrower's obligation under Uniform Covenant 5 to maintain hazard insurance coverage on the Property is deemed satisfied to the extent that the required coverage is provided by the Owners Association policy.

Borrower shall give Lender prompt notice of any lapse in required hazard insurance coverage.

In the event of a distribution of hazard insurance proceeds in lieu of restoration or repair following a loss to the Property, whether to the unit or to common elements, any proceeds payable to Borrower are hereby assigned and shall be paid to Lender for application to the sums secured by the Security Instrument, with any excess paid to Borrower.

C. **Public Liability Insurance.** Borrower shall take such actions as may be reasonable to insure that the Owners Association maintains a public liability insurance policy acceptable in form, amount, and extent of coverage to Lender.

D. **Condemnation.** The proceeds of any award or claim for damages, direct or consequential, payable to Borrower in connection with any condemnation or other taking of all or any part of the Property, whether of the unit or of the common elements, or for any conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender. Such proceeds shall be applied by Lender to the sums secured by the Security Instrument as provided in Uniform Covenant 9.

E. **Lender's Prior Consent.** Borrower shall not, except after notice to Lender and with Lender's prior written consent, either partition or subdivide the Property or consent to:

(i) the abandonment or termination of the Condominium Project, except for abandonment or termination required by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain;

(ii) any amendment to any provision of the Constituent Documents if the provision is for the express benefit of Lender;

(iii) termination of professional management and assumption of self-management of the Owners Association; or

(iv) any action which would have the effect of rendering the public liability insurance coverage maintained by the Owners Association unacceptable to Lender.

F. **Remedies.** If Borrower does not pay condominium dues and assessments when due, then Lender may pay them. Any amounts disbursed by Lender under this paragraph F shall become additional debt of Borrower secured by the Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and provisions contained in this Condominium Rider.

..... (Seal)
-Borrower

..... (Seal)
-Borrower

REGULAR
RIDER TO MORTGAGE

I further promise and agree with the Lender as follows:

CHANGES AND ADDITIONS TO THE MORTGAGE AND OTHER RIDERS:

This Rider makes certain changes and additions to the attached Mortgage and other Riders. Whenever the terms, conditions and promises contained in the Mortgage (Paragraphs 1 to 23) and other Riders differ or are in conflict with this Rider, the provisions of this Rider will control.

24. DESCRIPTION OF THE PROPERTY

I give the Lender additional rights in the Property as follows:

(K) Any and all awards for any reason whatsoever made and to be made by any governmental body, sub-division, authority or agency to me and all subsequent owners of the Property, including any award or awards for any change of grade of streets affecting or abutting said Property which awards I hereby assign to Lender.

25. MONTHLY PAYMENTS FOR TAXES AND INSURANCE

The first unnumbered subparagraph of Paragraph 2(C) of the Mortgage is changed to read as follows:

Adjustments to The Funds

"If Lender's estimates are too high or if taxes and insurance rates go down, the amounts that I pay under this Paragraph 2 will be too large. If this happens at a time when I am keeping all of my promises and agreements made in this Security Instrument, I will have the right to have the excess amount either promptly repaid to me as a direct refund or credited to my future monthly payments of Funds. There will be excess amounts if, at any time, the sum of (i) the amount of Funds which Lender is holding or keeping for each escrow item, plus (ii) the amount of the monthly payments of Funds for each escrow item which I still must pay between that time and one month before the due date of each escrow item is greater than the amount necessary to pay the escrow items when they are due."

26. APPLICATION OF BORROWER'S PAYMENTS

Paragraph 3 of the Mortgage is hereby changed to read as follows:

"Unless the law requires otherwise, the Lender will apply each of my payments under the loan and under Paragraphs 1 and 2 of the Mortgage in the following manner and for the following purposes:

(A) First, to pay interest due;
(B) Next, to pay principal due;
(C) Next, to pay amounts due under Paragraph 2;
(D) Next, to pay prepayment charges due under Note;
(E) Last, to pay late charges due under Note."

27. LENDER'S RIGHT TO INSURANCE PROCEEDS IN THE EVENT OF LOSS

The fourth unnumbered subparagraph of Paragraph 5 of the Mortgage is changed to read as follows:

"The amount paid by the insurance company is called "proceeds." The Lender, at its choice, may use the proceeds to reduce the amount that I owe to Lender under the Note and under this Mortgage (whether or not repairs have been made by me), or Lender may release the proceeds to me for use in the repair or restoration of the damaged Property."

28. INTEREST ON AMOUNTS SPENT BY LENDER TO PROTECT THE PROPERTY OR LENDER'S RIGHTS IN THE PROPERTY

I agree to pay interest at the yearly rate of twenty-four percent on all amounts that I must repay Lender which Lender may spend to protect the Property or Lender's rights in the Property, all as described in Paragraph 7 of the Mortgage.

29. NOTICE TO BORROWER NOT REQUIRED

Lender is not required to give me any notice before taking any action to protect the Property or Lender's rights in the Property, or to make an inspection of the Property, in spite of the provisions contained in the Mortgage.

30. AGREEMENTS ABOUT CONDEMNATION

The second unnumbered subparagraph of Paragraph 9 of the Mortgage is changed to read as follows:

"If all or any part of the Property is taken, the proceeds will be used to reduce the amount that I owe to Lender under the Note and under the Mortgage unless Lender and I agree in writing to do otherwise. The remainder of the proceeds, if any, will be paid to me. If all of the Property is taken, I agree to pay to Lender the difference between the interest paid (if any) on the proceeds by the taking authority and the interest stated in the Note."

31. LENDER'S RIGHTS IF BORROWER FAILS TO KEEP PROMISES

Paragraph 19 of the Mortgage is changed to read as follows:

"If I fail to keep any promise or agreement made in the Note or in this Mortgage, including the promises to pay when due the amounts I owe to Lender, the Lender may require that I pay immediately the entire amount then remaining unpaid under the Note and under this Mortgage. Lender may do this without making any further demand for payment. This requirement will be called "Immediate Payment in Full."

If Lender requires the Immediate Payment in Full, I agree to pay interest on the entire amount remaining unpaid at the yearly rate of twenty-four percent from the date I failed to keep any promise or agreement made in the Note or in the Mortgage.

If Lender requires the Immediate Payment in Full, Lender may bring a lawsuit to take away all of my remaining rights in the Property and to have the Property sold. At the sale, Lender or another person, may acquire the Property. This is known as "Foreclosure and Sale."

In any lawsuit for foreclosure and sale, Lender will have the right to (a) collect all costs allowed by law; (b) have the Property sold as one parcel; and (c) have a Receiver appointed by the court without first giving notice to me and without regard to the value of the Property."

32. NO RIGHT TO DISCONTINUANCE OF LAW SUIT

Paragraph 18 of the Mortgage will not be effective.

33. LENDER'S RIGHTS TO RENTAL PAYMENTS FROM ME

Paragraph 20 of the Mortgage is changed to add a new subparagraph to read as follows:

"If Lender requires Immediate Payment in Full, I agree to pay monthly in advance to Lender or any court appointed Receiver, the fair and reasonable value for my use and occupancy of the Property. If I fail to make such payment, the Lender or Receiver may sue to collect it or to remove me from the Property."

34. ADDITIONAL CHARGES

I agree to pay all reasonable charges in connection with the servicing of this loan including but not limited to obtaining tax searches and bills; in processing dishonored checks, insurance loss payments, ownership transfers, releases, easements, consents, extensions, modifications, agreements, assignments, reduction and satisfaction certificates and the reasonable attorney fees for the preparation and drawing of said documents, in spite of the provisions of Paragraph 21 of the Mortgage.

35. STATEMENT OF AMOUNT DUE AND OF NO DEFENSE

Within ten days after request, I will give the Lender a signed written statement, acknowledged before a notary, indicating the amount due under the Note and the Mortgage and stating whether I have any claims or defenses which would offset or reduce this amount.

36. AGREEMENTS ABOUT EXISTING MORTGAGE (If Applicable)

This Mortgage is subordinate to an existing first mortgage given to _____ and recorded on _____ in the office of the _____ of _____ County in Liber _____, page _____, the principal amount of which has been reduced to $_____. Any default under the first mortgage will be a default under this Mortgage. Lender may cure any default under the first mortgage and add to the amount due under this Mortgage all amounts paid by Lender to cure those defaults, which amounts will also be secured by this Mortgage.

37. AGREEMENTS ABOUT BUILDING LOAN (If Applicable)

If it is intended that this loan is made for the purpose of constructing a building on the property, then this Mortgage is made pursuant to a certain Agreement for a building loan between the Borrower and the Lender dated _____ and filed in the Office of the Clerk of _____ County and is subject to all the terms, conditions and provisions contained in said Building Loan Agreement. If Borrower fails to keep any of the promises and agreements contained in the Building Loan Agreement, Lender may require Immediate Payment in Full.

38. CHANGE IN LAW

If any law is passed after the date of this Mortgage which requires the Lender to pay any tax or assessment because it is the holder of the Note and Mortgage, the Lender may require Immediate Payment in Full after giving me thirty (30) days written notice of the passage of such a law.

39. THE NOTE IS A PART OF THIS MORTGAGE

I agree that all of the promises and agreements which I made in the Note are incorporated in and are a part of this Mortgage.

40. RIDER VOID IF MORTGAGE SOLD TO FNMA, GNMA, FHLMC, RFC OR SMSC

If the Federal National Mortgage Association (FNMA), Government National Mortgage Association (GNMA), Federal Home Loan Mortgage Corporation (FHLMC), Residential Funding Corporation (RFC) or Sears Mortgage Securities Corporation (SMSC) buys all or some of the Lender's rights under the Mortgage and the Note, the promises and agreements in this rider will no longer have any force or effect, except those promises and agreements which are accepted by the purchasing organization.

FOR MORTGAGE TAX PURPOSES ONLY, THE BORROWER HEREBY REPRESENTS AND CERTIFIES TO THE STATE OF NEW YORK, DEPARTMENT OF TAX AND FINANCE, THAT THIS PROPERTY IS OR WILL BE PRINCIPALLY IMPROVED BY A ONE OR TWO-FAMILY HOUSE OR DWELLING ONLY AND THE MAXIMUM AMOUNT OF INDEBTEDNESS SECURED OR WHICH UNDER ANY CONTINGENCIES MAY BECOME SECURED BY THIS MORTGAGE IS $_____.

By signing this, I agree to all of the above.

Witnesses

_____ _____ Borrower

_____ _____ Borrower

_____ _____ Borrower

_____ _____ Borrower

Exhibit 3

FORM OF POWER OF ATTORNEY
(Printing House Condominium)

The undersigned, _____, the owner(s) of Residential Unit No. ____ in the Building known as and by the street address of 421 Hudson Street, in the Borough of Manhattan, City, County and State of New York, as designated and described in the Declaration establishing the Printing House Condominium dated _____, 19__, recorded in the Office of the City Register, New York County, on _____, 19__, in Reel _____ at Page _____, and on the Floor Plans prepared by _____, Architect on file in the Real Property Assessment Department of the City of New York as Condominium Plan No. _____, do hereby irrevocably nominate, constitute and appoint the persons who from time to time shall constitute the Board of Managers of the Printing House Condominium, and their successors in office, jointly, true and lawful attorneys in fact for the undersigned, coupled with an interest, with power of substitution: (1) to acquire in their own name, as members of the Board of Managers, or in the name of their designee, corporate or otherwise, (a) on behalf of all owners of Units in said Condominium property, in accordance with their respective Common Interests, any Residential Unit and the undivided interest in the Common Elements appurtenant thereto (i) designated or to be designated in the Condominium Declaration or by resolution for the use of a resident superintendent or (ii) which shall be the subject of a foreclosure or other judicial sale or whose owner desires to abandon or surrender same in accordance with the By-Laws or (b) on behalf of all owners of Residential Units in said property, in accordance with their respective Common Interests, any Residential Unit and the undivided interest in the Common Elements (i) whose owner desires to transfer or sell the same, the undivided interest in the Common Elements appurtenant thereto, the interest of such Unit Owner in any other Residential Units theretofore acquired by the Board of Managers, or its designee, on behalf of all Unit Owners, or in the proceeds of sale or lease thereof, if any, and the interest of such Residential Unit Owner in all other assets of the Condominium (hereinafter collectively called the "Appurtenant Interests"), and (ii) to lease any Residential Unit whose owner desires to rent the same, at such price or at such rental, as the case may be, and on such other terms and conditions as said attorneys in fact shall deem proper; and (2) thereafter to convey, sell, lease, mortgage, vote or otherwise deal with any such Unit so acquired by them, or to sublease any such Unit so leased by them, on such terms and conditions as said attorneys in fact may determine, granting to said attorneys in fact the power to do all things in the said premises which the undersigned could do if the undersigned were personally present; and (3) to execute,

acknowledge and deliver (a) any declaration or other instrument which, subject to the terms, conditions and limitations of the Declaration and the By-Laws of the Condominium, the Board of Managers deems necessary, appropriate, or is required to deliver pursuant to the Declaration or By-Laws or to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Common Elements or (b) any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Common Elements which the Board of Managers deems necessary or appropriate; and (4) to act as an agent of each Unit Owner to complain or apply to the board of assessment review of the assessing agency by filing a single complaint on behalf of all Unit Owners pursuant to sections five hundred twelve and five hundred twenty-six of the Real Property Tax Law as same may from time to time be amended (or any successor statute) and to commence and prosecute a special proceeding for the review of assessments of real property as an aggrieved person pursuant to section seven hundred four of the Real Property Tax Law as same may from time to time be amended (or any successor statute). The Board of Managers may retain legal counsel for the purpose of the proceedings or actions described in this paragraph on behalf of all Unit Owners for whom counsel is filing such complaint and charge all such Unit Owners a pro rata share of the expenses, disbursements and legal fees for which charges the Board of Managers shall have a lien pursuant to section three hundred thirty-nine-z of the Real Property Law; and (5) to act as agent for each Unit Owner to execute, acknowledge, and deliver any declaration, instrument or document to change or amend the Declaration, By-Laws or Rules and Regulations required to enable Declarant (as defined therein) or a Commercial Unit Owner to effectuate any change, alteration, or amendment to be made by such Owner pursuant to such Declaration and By-Laws.

The acts of a majority of such persons constituting the Board of Managers shall constitute the acts of said attorneys in fact.

The foregoing provisions of this power of attorney shall not apply to any purchase, lease, or sale of any Commercial Unit(s) or otherwise apply to any Commercial Unit Owner or adversely affect the rights granted to the Sponsor or any Commercial Unit Owner pursuant to the Declaration or By-Laws.

The undersigned do hereby nominate, constitute and appoint the persons who from time to time shall be the Commercial Members of the Board of Managers, designated or

elected by the Commercial Unit Owners, to execute on their behalf and to represent them on the Board of Managers to execute, acknowledge and deliver any declaration, instrument or document required to alter, change or amend the Condominium Declaration and By-Laws which is required to enable a Commercial Unit Owner to effectuate any such alteration, change or amendment permitted to be made by such owner pursuant to the Declaration and By-Laws.

This power of attorney is irrevocable and shall not be affected by the subsequent disability or incompetence of the undersigned.

IN WITNESS WHEREOF, the undersigned has (have) executed this Power of Attorney this day of 19 .

_____

_____

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

On the day of , 19 , before me personally came , to me known, and known to me to be the individual(s) described in, and who executed the foregoing instrument, and duly acknowledged to me that (s)he (they) executed the same.

_____
Notary Public

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

On the day of , 19 , before me personally came , to me known, and known to me to be the individual(s) described in, and who executed the foregoing instrument, and duly acknowledged to me that (s)he (they) executed the same.

_____
Notary Public

Exhibit 4 FORM OF RESIDENTIAL UNIT DEED

THIS INDENTURE, made the ____ day of _____, 19__ between MOUNTBATTEN EQUITIES, a New York limited partnership, with an office at 421 Hudson Street, New York, New York 10014, "Grantor", and _____ residing at _____ "Grantee".

W I T N E S S E T H :

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

The Unit known as Residential Unit No. ____ (hereinafter called the "Unit") in the Building known as and by the street address of 421 Hudson Street, in the Borough of Manhattan, City, County and State of New York, designated and described as Unit No. _____ in the Declaration establishing the Printing House Condominium (hereinafter called the "Property"), made by the Grantor under the Condominium Act of the State of New York (Article 9-B of the Real Property Law of the State of New York), dated _____, 198_, recorded in the Office of the City Register, New York County, on the ____ day of _____ _____, 19__, in Reel ____, at Page _____ (hereinafter called the "Declaration"), and designated also as Block No ____, Tax Lot No._____ on the Floor Plans (the "Floor Plans") of the Building, certified by _____, Architect, filed in the Real Property Assessment Department of the City of New York on _____, 19__, as Condominium Plan No. _____ and filed in said Register's Office on _____ _____, 19__.

The land on which the Building is located is described on Exhibit A attached hereto and made a part hereof.

TOGETHER with an undivided _____ percent interest appurtenant to the Unit in the Common Elements (as defined in the Declaration) of the Property (hereinafter called the "Common Elements");

TOGETHER with an easement for support and for the continuance of all encroachments by the Unit on any adjoining Units or Common Elements or Limited Common Elements now existing as a result of construction of the Building or which may come into existence hereafter as a result of settling or shifting of all or a portion of the Building, or as a result

of repair or restoration of the Building or of such Unit or Common Elements or Limited Common Elements after damage or destruction by fire or other casualty, or after a taking in condemnation or eminent domain proceedings, or by reason of an alteration or repair to the Common Elements or Limited Common Elements made by or with the consent of the Board of Managers of the Condominium in accordance with the Declaration and the By-Laws annexed thereto, so that any such encroachments may remain so long as the Building shall stand;

TOGETHER with an easement in common with the owners of other Units to use, install, operate, maintain, alter, repair, rebuild, restore and replace any pipes, flues, 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 Unit;

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

TOGETHER with and SUBJECT to (i) all easements created in the Declaration and (ii) easements of necessity in favor of the Unit or in favor of other Units or the Common Elements, and (iii) a right of way through the Common Elements to the public streets;

TOGETHER with the benefits, rights, privileges, and easements and SUBJECT also to the terms, burdens, conditions, easements, covenants and provisions of the Declaration and of the By-Laws 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 Office of the City Register, New York County, which benefits, rights, privileges, terms, conditions, easements, covenants and provisions, together with any amendments thereto, shall constitute covenants running with the land and shall bind any person having at any time any interest or estate in the Unit, as though such provisions were recited and stipulated at length herein;

TOGETHER with the exclusive right to the use of Residential Limited Common Elements and Special Residential Limited Common Elements in accordance with the Declaration and By-Laws, and SUBJECT to the rights of other Unit Owners to use the Special Residential Limited Common Elements appurtenant to their Units;

SUBJECT to easements in favor of adjoining Units and in favor of the Common Elements and Limited Common Elements for support and the continuance of all encroachments of such adjoining Units or Common Elements or Limited Common Elements on the Unit now existing as a result of construction

of the Building, or which may come into existence hereafter as a result of settling or shifting of all or a portion of the Building, or as a result of repair or restoration of all or a portion the Building or of any adjoining Unit or of the Common Elements or Limited Common Elements after damage or destruction by fire or other casualty, or after a taking in condemnation or eminent domain proceedings, or by reason of an alteration or repair to the Common Elements or Limited Common Elements made by or with the consent of the Board of Managers of the Condominium in accordance with the Declaration and By-Laws, so that any such encroachments may remain so long as the Building shall stand;

SUBJECT also to an easement in favor of the other Units to use, install, operate, maintain, repair, alter, rebuild, restore and replace such other units and the pipes, wires, ducts, conduits, cables, utility lines, flues and other Common Elements located in the Unit or elsewhere on the Property and serving such other units provided that access to any unit or the Common Elements in furtherance of such easement shall be exercised in such manner as will not unreasonably interfere with the use thereof for residential purposes;

SUBJECT also to any other declaration or instrument affecting the Property which Grantor has filed to comply with any law, ordinance, regulation, zoning resolution or requirement of any public agency or authority, applicable to construction, alteration, repair or restoration of the Building;

SUBJECT also to a right of access to the Common Elements, the Unit and other units by the Grantor or its designee, and its respective successors and assigns, their contractors, subcontractors, agents and employees, for (i) the purposes of (a) construction, installation, maintenance, ingress to and egress from and the right to use (in common with all Unit Owners) pipes, flues, conduits, ducts, cables, wires, storm drainage facilities, water sewer and municipal and other utility systems and all fixtures and equipment serving any portion of the Property and (b) completing any required construction or work in the Building in accordance with the plans and specifications therefor and to fulfill Grantor's obligations as set forth in the Offering Plan for the Condominium, (ii) ingress to and egress from all parts of the Property, and the use thereof in common with Unit Owners for all lawful purposes and (iii) the erection, maintenance, repair and replacement from time to time of one or more signs on the Property relating to the sale of Units or leasing of space in any Unit;

SUBJECT also to existing easements and the right reserved in the Declaration to establish, grant and create additional utility easements, in favor of any utility company

for construction, use, maintenance, repair and replacements of all utility lines, sewers, plumbing, heating, gas, telephone, wires, terminal boxes, mains, pipes, cables, amplifiers, poles, transformers, conduits and other equipment and facilities in, under, over and across the Property (including, but not limited to any agreement with any cable franchise permitted by municipal regulation to locate and maintain television cable and equipment in the Common Elements);

SUBJECT also to any and all other liens, covenants, encumbrances, or restrictions of record, if any, as of the date hereof provided same do not prevent the use of the Unit for the purposes provided herein or materially adversely affect its value; and

SUBJECT also to the additional encumbrances set forth in Exhibit B attached to and made a part hereof;

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

The Unit shall be used as a residence (including permissible home occupation and other uses) as permitted by the Declaration, By-Laws and applicable law.

The Grantor covenants that the Grantor has not done or suffered anything whereby the premises have been encumbered in any way whatever, except as aforesaid.

The Grantor, in compliance with Section 13 of the Lien Law, covenants that the Grantor will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund for the purpose of paying the cost of the improvement and will apply the same first to the payment of the cost of the improvement before using any part of the same for any other purpose.

The Grantee accepts and ratifies the provisions of the Declaration and the By-Laws and the Rules and Regulations of the Condominium recorded simultaneously with and as part of the Declaration and agrees to comply with all the terms and provisions thereof, as the same may be amended from time to time by instruments recorded in the Office of the New York City Register, New York County.

The term "Grantee" shall be read as "Grantees" whenever the sense of this deed so requires.

IN WITNESS WHEREOF, the Grantor and the Grantee have duly executed this deed the day and year first above written.

Grantor

MOUNTBATTEN EQUITIES

By_____
General Partner

Grantee

_____
Grantee

_____
Grantee

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

On the ____ day of _____, 198_ before me personally came _____ to me known, and known to me to be the individual described in, and who executed the foregoing instrument, and duly acknowledged that he executed the same as a general partner of Mountbatten Equities, the partnership described in and which executed the foregoing Deed.

_____
Notary Public

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

On the ____ day of _____, 198_ before me personally came _____ to me known, and known to me to be the individual(s) described in, and who executed the foregoing instrument, and duly acknowledged to me that (s)he (they) executed the same.

_____
Notary Public

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

On the ____ day of _____, 198_ before me personally came _____ to me known, and known to me to be the individual(s) described in, and who executed the foregoing instrument, and duly acknowledged to me that (s)he (they) executed the same.

_____
Notary Public

EXHIBIT A

Description of Property

ALL that certain lot, 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 the corner formed by the intersection of the northerly side of Clarkson Street with the westerly side of Hudson Street;

THENCE northerly along the westerly side of Hudson Street 200 feet 2 inches to the corner formed by the intersection of the said westerly side of Hudson Street with the southerly side of Leroy Street;

THENCE westerly along the said southerly side of Leroy Street, 125 feet 4½ inches to the easterly face of the easterly wall of building on premises adjoining premises herein described on the west;

THENCE southerly along the easterly face of the easterly wall of said building, 99 feet 8 3/4 inches to the southerly face of the southerly wall of said building;

THENCE westerly along the southerly face of the said southerly wall 25 feet 3¼ inches to a line drawn in prolongation northwardly of the easterly face of the easterly wall of the building on premises adjoining on the west;

THENCE southerly along said line and along the easterly face of said wall 100 feet 5 3/4 inches to a point in the northerly line of Clarkson Street distant 150 feet 4½ inches from the point of beginning measured along the northerly side of Clarkson Street;

THENCE easterly along the northerly side of Clarkson Street, 150 feet 4½ inches to the point or place of BEGINNING.

EXHIBIT B

Additional Title Encumbrances

1. State of facts shown on survey of Louis W. Reuter Jr., Inc., dated February 23, 1977 and last redated January 14, 1983 and any changes therefrom which a subsequent accurate current survey or personal inspection of the Unit would show;

2. Zoning and other resolutions, laws, regulations and ordinances and any amendments thereto now or hereafter adopted provided that neither the Building nor other buildings located on the land, nor their proposed use would be prohibited thereby and any Declaration of Zoning Lot Restrictions and Zoning Lot Ownership Statement filed in connection with the Declaration and By-Laws;

3. Consents by the Seller or any former owner of the Property for the erection of any structure on, under or above any street or streets on which the Property may abut;

4. Revocability of licenses for vault space in the Property, if any, under the sidewalks;

5. Leases, tenancies, license agreements and other agreements with occupants or tenants, if any, of the Unit or portions of the Common Elements of the Property;

6. New York State Franchise Taxes and New York City General Corporation Taxes of any corporation in the chain of title;

7. Current real estate taxes not yet due and payable;

8. Water meter charges affecting the Common Elements since the date of the last meter reading and the sewer rents relating thereto;

9. Encroachments of balconies and terraces on any adjoining Unit or the Common Elements and of stoops, areas, cellar steps, trim coping, foundations, fences, cornices and similar projections, if any, on, over and under the Property or the streets or sidewalks abutting the Property and the rights of governmental authorities to require the removal of any such projections, and variations between record lines of the Property and retaining walls, if any.

Exhibit 5 FORM OF DECLARATION

DECLARATION

Establishing a Plan for Condominium Ownership of the Premises 421 Hudson Street, New York, New York, Pursuant to Article 9-B of the Real Property Law of the State of New York

Name-- Printing House Condominium

Declarant-- Mountbatten Equities

Date of Declaration--

The land affected by the within instrument lies in Block 601, Lot 58 on the Tax Map of the Borough of Manhattan, City of New York.

Wien, Malkin & Bettex
Attorneys for Declarant
60 East 42nd Street
New York, New York 10165-0015

INDEX TO DECLARATION

Section	Subject
1.	Submission of Property
2.	Building
3.	Name of Condominium
4.	Definitions
5.	Units
6.	Dimensions of Units
7.	Use of the Building Units
8.	Common Elements
9.	Determination of Percentage in Common Elements
10.	Encroachments
11.	Easements
12.	Power of Attorney to Board of Managers
13.	Acquisition of Units by Board of Managers
14.	Person to Receive Service
15.	Units Subject to Declaration, By-Laws and Rules and Regulations
16.	Amendment of Declaration
17.	Definition of Declarant or its Designee
18.	Common Charges
19.	Conveyance of a Unit
20.	Termination of Condominium
21.	Changes by Commercial Unit Owner
22.	Changes by Residential Unit Owner

23. Additional Rights of Declarant

24. Invalidity

25. Waiver

26. Captions

27. Gender

Schedule A - Property Description

Schedule B - Building Description

Schedule C - Unit Designation

DECLARATION ESTABLISHING THE "PRINTING HOUSE CONDOMINIUM" FOR PREMISES 421 HUDSON STREET, NEW YORK, NEW YORK, PURSUANT TO ARTICLE 9-B OF THE REAL PROPERTY LAW OF THE STATE OF NEW YORK.

MOUNTBATTEN EQUITIES, a New York limited partnership with an office at 421 Hudson Street, New York, New York 10014, hereinafter referred to as the "Declarant" or "Sponsor", does hereby declare:

1. Submission of Property. The Declarant hereby submits the land more particularly described on Schedule A attached hereto and made a part hereof, together with the Building and improvements thereon erected or to be erected (hereinafter called the "Building") owned by the Declarant in fee simple absolute (the land and Building hereinafter collectively called the "Property") to the provisions of Article 9-B of the Real Property Law of the State of New York (the "Condominium Act").

2. Building. Schedule B attached hereto and made a part hereof contains a description of the Building, including the number of stories and cellar, the number of Units and the principal materials of which it is constructed.

3. Name of Condominium; By-Laws. (a) This Condominium shall be known as the "Printing House Condominium" (the "Condominium") and (b) attached to this Declaration and made a part hereof are the By-Laws of The Condominium, which By-Laws set forth detailed provisions governing the operation, use and occupancy of the Condominium. Said By-Laws, as they may be amended from time to time, are hereinafter referred to as the "By-Laws."

4. Definitions.

(a) Unit. Any space in the Building designated as a Residential or Commercial Unit in the Declaration, together with said Unit's appurtenant undivided interest in the Common Elements. All such Residential and Commercial Units are collectively called "Units".

(b) Residential Unit. A Unit designated as such in the Declaration, together with said Unit's appurtenant undivided interest in the Common Elements.

(c) Residential Unit Owner. The owner of a Residential Unit.

(d) Residential Section. The portion of the Building containing the Residential Units, the Special Resi-

dential Limited Common Elements and the Residential Limited Common Elements.

(e) Commercial Unit. The Unit designated as a Commercial Unit in the Declaration, together with said Unit's appurtenant undivided interest in the Common Elements.

(f) Commercial Unit Owner. The owner of the Commercial Unit.

(g) Commercial Section. The portion of the Building containing the Commercial Unit and Commercial Limited Common Elements.

5. Units. Annexed hereto and made part hereof as Schedule C is a list of all Units in the Building, their Unit designations and the tax lot numbers, locations, approximate areas, number of rooms, Common Elements to which each has immediate access (all as shown on the floor plans of the Building, certified by Luke Licalzi, P.E., P.C., and filed in the Office of the City Register, New York County, simultaneously with the recording of this Declaration) and the percentage of interest of each Unit in the Common Elements.

6. Dimensions of the Units. (a) Each Unit consists of the area measured horizontally from the inside face of glass or inside face of masonry block of the exterior walls to the unexposed surface of the walls separating one Unit from another Unit, or separating a Unit from corridors, stairs, elevators and mechanical equipment rooms. Vertically, each unit consists of the space between the top of its concrete floor and the underside of its ceiling or of joists and includes:

(i) The interior walls, partitions and floor coverings and finished ceilings affixed, attached or appurtenant to such Unit, (ii) any and all equipment, fixtures and appliances (including without limitation, heating and plumbing facilities, sinks, bathtubs, water closets, refrigerators, ranges, dishwashers and any other fixtures and equipment), affixed, attached or appurtenant to such Unit and benefiting only that Unit, and (iii) any floor constituting a mezzanine or balcony contained within the Unit and any interior stairway leading from and to the upper and lower levels of any Unit.

(b) So long as the Declarant or its designee (as defined in Article 17 of this Declaration) shall have an interest in any Unit, the Declarant or its designee shall have the right, without the consent of the Board of Managers, other Unit Owners or the holders of Unit mortgages, to (i) make alterations, additions or improvements, structural and non-structural, ordinary and extraordinary, interior and

exterior, in, to and upon any Units owned by it, (ii) change the layout or number of rooms in its Units, (iii) change the size and/or number of such Units by subdividing a Unit, combining separate Units (including those resulting from such subdivision or otherwise) into one or more Units, altering the boundary walls between Units or otherwise, and (iv) reapportion among the Units affected by such change their appurtenant interests in the Common Elements, provided, however, that in each instance, Declarant shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold the Board of Managers and all other Unit Owners harmless from any liability arising therefrom.

7. Use of the Building Units. (a) Each of the Residential Units in the Building shall be used as a residence only, except that (i) while the Declarant or its designee owns any Unit, Declarant or its designee shall have the right to use any such Unit for general and sales office purposes, or as models and to use such Units and the Common Elements for other purposes connected with the promotion, sale or leasing of Units, and to erect and maintain signs at any location in its Units or on the Common Elements in connection with the offering and sale by Declarant or its designee of Units therein, and (ii) to the extent permitted by law, any Unit may be used for any ancillary use, such as a permissible home occupation.

(b) The Commercial Unit shall be used only for lawful business or professional purposes consistent with the certificate of occupancy and building laws, codes, rules, and regulations except that no obscene, pornographic or sex related material and no material depicting nude or semi-nude individuals may be exhibited or sold therein.

8. Common Elements. (a) The Common Elements of the Condominium (the "Common Elements") consist of the entire Property including the Land, and all parts of the Building and improvements thereon other than the Units (Residential or Commercial). The Common Elements include, but are not limited to, those rooms, areas, corridors, spaces and other parts of the Building and all equipment, systems and facilities therein for the common use of the Units and the Unit Owners or which are necessary or convenient for the existence, maintenance or safety of the Property. The Limited Common Elements of the Condominium (the "Limited Common Elements") consist of those Common Elements which serve or benefit exclusively (a) the Residential Units or the Residential Unit Owners (in which event they are called "Residential Limited Common Elements") or (b) the Commercial Unit or the Commercial Unit Owner (in which event they are called "Commercial Limited Common Elements"). A Common Element which is neither

a Residential or Commercial Limited Common Element is a "General Common Element." Within the category of Residential Limited Common Elements is the sub-category "Special Residential Limited Common Elements" which are Residential Limited Common Elements appurtenant to a particular Residential Unit, the use of which is restricted to the Owner of such Residential Unit. In the event the Commercial Unit is subdivided, any Commercial Limited Common Element which is appurtenant to a particular Commercial Unit, the use of which is restricted to the Owner of such Commercial Unit, shall be a "Special Commercial Limited Common Element."

(b) General Common Elements. The General Common Elements consist of all portions of the Property, other than the Units and the Residential and Commercial Limited Common Elements, including without limitation, the following:

(i) The land on which the Building is erected and all other land within the boundaries of the Property;

(ii) All foundations, columns, girders, beams and supports, including load bearing walls;

(iii) All walls and partitions separating Units from corridors, elevator shafts, stairs, compactors and other mechanical equipment and spaces; all walls and partitions separating a Unit from other Units or Common Elements located beyond the side of the unexposed surface of the Unit walls; all exterior walls of the Building, but not including (w) the portions thereof on the Unit side of such walls, or (x) windows, or (y) window frames or casements, or (z) entrance doors;

(iv) All floor slabs, ceilings and all public halls, landings, lobbies, fire passages and doors, stairs, stairwells elevator shafts, and equipment rooms (except for those contained within Units and those which are Residential Limited Common Elements or Commercial Limited Common Elements);

(v) All utility rooms, the porters' locker room and shower room, toilet facilities and superintendent's office and work rooms, if any (except rooms and spaces designated as Units on Condominium Floor Plans or as Residential or Commercial Limited Common Element);

(vi) The pump room and compactor and underground utility room and all central and appurtenant installations for services such as power, light, telephone, television, gas, sewer, waste, hot and cold water, heat and compacting (including all pipes, ducts, wires, chutes, cables and conduits used in connection with any such service whether

located in Common Elements or in Units), and all other mechanical equipment spaces;

(vii) All tanks, pumps, motors, fans, compressors and control equipment except pump and hot water heaters servicing the fitness center and racquetball club in the Commercial Unit which are Commercial Limited Common Elements;

(viii) The roof of the ten story portion of the Building except that portion designated on the Floor Plans as a Commercial Limited Common Element and except any portion thereof designated as a terrace, which shall be a Special Residential Limited Common Element;

(ix) The entranceway, lobby and exits from the Building, except that (x) with respect to the Commercial Section, the Commercial Lobby and all corridors and halls on the 1st floor, 1st floor mezzanine, 9th and 10 floors shall be a Commercial Limited Common Element for the exclusive use of the Commercial Unit Owners, their employees, guests, lessees and invitees, and (y) with respect to the Residential Section, the entranceway, the Residential Lobby as shown on the Floor Plans of the 1st floor, and the corridors and halls on floors 2 through 8, and the Mews shall be a Residential Limited Common Element for the exclusive use of the Residential Unit Owners their guests, lessees and invitees;

(x) Unit 325, which may be used as the superintendent's apartment;

(xi) All corridor supply risers and ducts, CATV risers, kitchen and toilet exhaust risers and ducts, pipe risers and shafts, kitchen and toilet water, vent and soil stacks and shafts; and

(xii) All other parts of the Property and all apparatus and installations existing in the Building or on the Property including but not limited to shafts, pipes, wires, ducts, vents, cables, conduits and lines which serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of the Property as shown on the Floor Plans of the Building.

(c) Residential Limited Common Elements.

The following portions of the Common Elements will be Residential Limited Common Elements for the exclusive use of all Residential Unit Owners (their guests, employees, lessees, invitees and residents of the Units) ("Residential Limited Common Elements"):

(i) the Residential Laundry Room located in the cellar;

(ii) All passages, hallways and corridors, trash rooms, entrances to trash rooms, trash chutes, all mechanical spaces and all other rooms, areas, spaces and other parts of the Building located on the 2nd through the 8th floor which are not Residential Units, General Common Elements or Commercial Limited Common Elements;

(iii) Residential passenger elevators including their respective shafts, pits, machine rooms and appurtenant facilities;

(iv) The Mews which is located on the west side of the Building;

(v) Trash compactor room and service hallway located on the first floor;

(vi) Residential canopies and entrances on the first floor, Residential Lobby on the first floor, interior and exterior window glass in Residential Lobby area, lobby, mail and package room, including their respective floor slabs and ceilings;

(vii) The roof of Townhouse Units M9 through M13;

(viii) The windows and window frames serving a Residential Unit;

(ix) All doors in the Residential Section, including, without limitation, doors opening from common corridors and providing entrance to Residential Units, but excluding locks installed in the aforesaid entrance doors and excluding interior doors in Residential Units (which excluded locks and interior doors are considered part of the Residential Unit);

(x) Security monitors and communication equipment at the doorman's desk located in the Residential Lobby of the Building and all other security equipment and facilities within the Residential Section, except such security equipment and facilities located within any Unit; and

(xi) All passages and corridors, mechanical and other rooms, areas and spaces located in the Building exclusively serving the Residential Section and which are not General Common Elements, Commercial Limited Common Elements or part of any Unit.

(d) Special Residential Limited Common Elements

The following portions of the Common Elements will be Special Residential Limited Common Elements ("Special Residential Limited Common Elements") for the exclusive use of the Residential Unit Owners (their guests, employees, lessees, invitees and residents of the Units) to whose Units they are appurtenant:

(i) The roof terrace appurtenant to Townhouse Units M9 through M13.

(e) Commercial Limited Common Elements.

The following portions of the Common Elements shall be Commercial Limited Common Elements for the exclusive use of the Commercial Unit Owner (its employees, guests, lessees and invitees) ("Commercial Limited Common Elements"):

(i) Commercial Unit elevator including its shaft, pit, machine room and appurtenant facilities;

(ii) The roof of the ten story portion of the Building not otherwise designated on the Floor Plans as a General Common Element;

(iii) Commercial Unit entrances on Leroy, Hudson and Clarkson Streets, Commercial Lobby including their respective floor slabs and ceilings located on the first floor of the Building;

(iv) All passages and corridors, areaways, mechanical and other rooms, areas and spaces located in the Building and serving or benefiting the Commercial Unit as designated on the Floor Plans and which are not General Common Elements, Residential Limited Common Elements or part of any Unit; and

(v) The exterior facade and wall of the Building located adjacent to the Commercial Unit from the Street level through the ceiling located on the first floor of the Building (if the Commercial Unit is subdivided, the portion of this Commercial Limited Common Element adjacent to each Unit shall be a Special Commercial Limited Common Element).

The Common Elements are not subject to partition and they are not severable from the Units except in accordance with the Condominium Act.

In general, the cost of maintaining and repairing the Common Elements shall be treated as an expense of the Unit Owner or Unit Owners receiving the benefits thereof or who otherwise have the exclusive use of such Common Elements.

Accordingly, the cost of all painting, decorating, maintenance, repair and replacement, whether structural or non-structural, ordinary or extraordinary to the (i) General Common Elements shall be undertaken by the Board of Managers and shall constitute a General Common Expense, unless such work is necessitated by the negligence, misuse, or neglect of a Unit Owner in which event such expense will be charged to such Unit Owner, (ii) Commercial Limited Common Elements shall be undertaken by the Commercial Committee and shall constitute a Commercial Common Expense unless such work is necessitated by the negligence, misuse, or neglect of a Unit Owner in which event such expense will be charged to such Unit Owner, (iii) Residential Limited Common Elements shall be undertaken by the Residential Committee and shall constitute a Residential Common Expense unless such work is necessitated by the negligence, misuse, or neglect of a Unit Owner in which event such expense will be charged to such Unit Owner, (iv) Special Residential Limited Common Elements shall be undertaken by the Residential Unit Owner to whose Unit such Special Residential Common Element is appurtenant at his sole cost and expense unless such work is necessitated by the negligence, misuse or neglect of another Unit Owner in which event such expense will be charged to such Unit Owner. Notwithstanding the foregoing, if any repair or maintenance to a Unit or to a Special Residential Limited Common Element is necessitated by causes arising from or due to the General Common Elements or Residential or Commercial Limited Common Elements, the cost and expense of such repair shall constitute a General Common Expense or Residential or Commercial Common Expense, respectively. To the extent any of the foregoing work is necessitated by the negligence, misuse or neglect of more than one Unit Owner, the cost of maintenance and repair shall be borne by all such responsible Unit Owners in the proportion that their percentage interest in the Common Elements bears to the percentage interest in the Common Elements of all Unit Owners responsible therefor.

All furnishings, furniture, fixtures and equipment located and installed in the Residential Lobby or Commercial Lobby by Declarant or by any designee of Declarant shall not be changed or altered in any manner by any Unit Owners or by the Board of Managers, and no additions or deletions whatsoever shall be made therein or thereto by any Unit Owners or by the Board of Managers, unless and until, in each instance, same shall first be approved in writing by the Board of Managers, by any and all governmental authorities having jurisdiction and by Declarant, so long as Declarant or its designee shall own at least one Unit. Unless and until all of such approvals shall first be obtained in writing, no furniture, furnishings, fixtures, equipment, signs or hangings, wall, floor or other surface coverings, barriers or partitions, other matter or material will be located or in-

stalled in or on, or be affixed or attached to the Residential Lobby or Commercial Lobby, by the Board of Managers or by any Unit Owners, and no structural or non-structural alterations or changes will be made in or to the Residential Lobby or Commercial Lobby by the Board of Managers or by any Unit Owners, unless required pursuant to any applicable requirements of law or by any governmental authorities having jurisdiction.

9. Determination of Percentages in Common Elements. The percentage of interest in the Common Elements applicable to each Unit as shown in Schedule C was determined pursuant to Section 339-(i)(1)(ii) of the Condominium Act and is based upon the approximate proportion that the floor area of the Unit bears to the aggregate floor area of all of the Units, but such proportion reflects the substantially exclusive advantages enjoyed by one or more, but not all of the Units in a part or parts of the Common Elements. The aggregate Common Interest of all Units is 100%.

10. Encroachments. If any portion of the Common Elements now encroaches upon any Unit, or if any Unit now encroaches upon any other Unit or upon any portion of the Common Elements as a result of the construction of the Building, or if any such encroachment shall occur hereafter as a result of settling or shifting of the Building, or by reason of the repair and/or restoration by the Board of Managers of the Building, any Unit or the Common Elements, or by reason of the installation, maintenance, repair or replacement of flues, vents, air conditioning, heating, ventilation and other mechanical fixtures or equipment on the exterior wall or on the roof or elsewhere a valid easement for the encroachment and for the maintenance thereof, so long as the Building stands, shall exist. In the event the Building, any Units or any Common Elements shall be partially or totally destroyed as a result of fire or other casualty or shall be taken as a result of condemnation or eminent domain proceedings and then be repaired or rebuilt, thereafter, encroachments of parts of the Common Elements upon any Unit or of any Unit upon any other Unit or upon any portion of the Common Elements, due to such repair or rebuilding, shall be permitted and valid easements for such encroachments and the maintenance thereof shall exist so long as the Building shall stand.

11. Easements. (a) Each Unit Owner shall have an easement in common with the owners of all other Units to use, install, operate, maintain, alter, repair, rebuild, restore and replace all pipes, wires, ducts, vents, ventilating shafts and flues, 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, install, operate,

maintain, alter, repair, rebuild, restore and replace all pipes, wires, ducts, vents, ventilating shafts and flues, cables, conduits, public utility lines and other Common Elements located in any of the other Units and serving his Unit and other Common Elements serving such other Units and located in such Unit.

(b) The Board of Managers shall have a right of access to each Unit to inspect the same, to remove violations therefrom and to maintain, repair or replace the Common Elements contained therein or elsewhere in the Building.

(c) Each Residential Unit Owner shall have in common with all other Residential Unit Owners, an easement for the exclusive use of the Residential Limited Common Elements. The Commercial Unit and the Residential Units shall be subject to such easement.

(d) The Commercial Unit Owner shall have an easement for the exclusive use of the Commercial Limited Common Elements. The Residential Units shall be subject to such easement.

(e) Each Unit Owner shall have in common with all other Unit Owners, an easement for ingress and egress through the Residential Section and the Commercial Section and for the use of any Common Element, to the extent such is necessitated by an emergency. In furtherance of this, the Commercial Unit Owner, its employees, tenants, guests and invitees shall have an easement (i) to use the residential elevators and entry vestibules and stair tower whenever the commercial elevator is not operational for any reason, and (ii) for access to its mailboxes located in the Residential Lobby and for access to doorman services including package delivery.

(f) Each Residential Unit Owner shall have in common with all other Residential Unit Owners, and each Unit shall be subject to, an easement (i) to install, operate, maintain, repair, alter, rebuild, restore and replace the Residential Limited Common Elements located in, over, under, through or upon any Unit, or any other Common Elements or elsewhere on the Property, and (ii) to maintain any encroachment on any Unit, the General Common Elements or the Limited Common Elements resulting from the repair, alteration, rebuilding, restoration or replacement of the Residential Units or the Residential Limited Common Elements; provided that access to any Unit or the Common Elements in furtherance of such easement shall be exercised in such a manner as will not unreasonably interfere with the normal conduct of business of the tenants and occupants of the Commercial Unit or with the use of the Residential Units for their permitted purposes. Such entry shall be permitted on not less than one day's

prior notice, except that no notice will be necessary in the case of an emergency.

(g) The Commercial Unit Owner shall have, and all Residential Units shall be subject to, an easement (i) to install, operate, maintain, repair, alter, rebuild, restore and replace the Commercial Unit or the Commercial Limited Common Elements located in, over, under, through or upon any Residential Unit, any other Common Elements, or elsewhere on the Property, and (ii) to maintain any encroachment on any Unit, the General Common Elements or the Limited Common Elements resulting from the repair, alteration, rebuilding, restoration or replacement of the Commercial Unit or the Commercial Limited Common Elements, provided that access to any Unit or the Common Elements in furtherance of such easement shall be exercised in such a manner as will not unreasonably interfere with the use of the Residential Units for their permitted purposes. Such entry shall be permitted on not less than one day's prior notice, except that no notice will be necessary in the case of emergency.

(h) Each Unit shall have an easement of support and of necessity and shall be subject to an easement of support and necessity in favor of all other Units and the Common Elements.

(i) Declarant or its designee and their respective successors and assigns shall, to the extent permitted by law, have an easement to erect, maintain, repair and replace, from time to time, one or more signs on the Property for the purposes of advertising the sale or lease of any Unsold Unit and shall have an additional easement providing access in and to all Units and Common Elements consistent with the Offering Plan for condominium ownership of the Property, as amended from time to time, including without limitation, the right to develop, renovate, maintain, repair, refurnish, offer, sell and lease Units. The Commercial Unit Owner and its respective successors and assigns shall, to the extent permitted by law, have an easement to erect, maintain, repair and replace, from time to time, one or more signs on the Property for the purposes of advertising the sale or lease of all or any portion of the Commercial Unit and the operation of any business of a tenant or occupant of all or any portion of the Commercial Unit.

(j) Declarant or its designee and the Board of Managers shall have the right to grant such additional electric, gas, steam or other utility easements or relocate any existing utility easements upon any portion of the Residential Section, the Commercial Section or the Property, as the case may be, as Declarant or its designee, or the Board of Managers, as the case may be, shall deem necessary or desir-

able for the proper operation and maintenance of the Building or any portion thereof, or for the general health or welfare of the owners, tenants and occupants of the appropriate Units, provided that such additional utilities or the relocation of existing utilities will not prevent or unreasonably interfere with the normal conduct of business of the tenants and occupants of the Commercial Unit or with the use of the Residential Units for their permitted purposes. Any utility company and its employees and agents shall have the right of access to any Unit or the Common Elements in furtherance of such easement, provided such right of access shall be exercised in such a manner as to not unreasonably interfere with the normal conduct of business of the tenants and occupants of the Commercial Unit or with the use of the Residential Units for their permitted purposes.

The beneficiary of any easement granted by the above sub-paragraphs of this paragraph 11 shall have the responsibility of repairing any damage resulting from the exercise thereof.

12. Power of Attorney to Board of Managers. Subject to any express provision to the contrary contained in this Declaration, each Unit Owner shall grant to the persons who shall from time to time constitute the Board of Managers, an irrevocable power of attorney, coupled with an interest, in recordable form on behalf of all Residential Unit Owners, (1) (i) to acquire title to or to lease any Residential Unit whose owner desires to sell or to lease the same, or (ii) on behalf of all Unit Owners to acquire any Unit which may be used as a superintendent's apartment or may be surrendered or which may be the subject of a foreclosure or other judicial sale in the name of the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners, and to convey, sell, lease, mortgage, vote the votes appurtenant thereto (other than for the election of members of the Board of Managers) or otherwise deal with any such Unit so acquired or to sublease any Unit so leased by the Board of Managers, or (2) to create any easements or carry out the provisions of the Offering Plan for the Condominium, or (3) subject to any express provisions to the contrary contained in this Declaration, to execute, acknowledge and deliver a declaration or other instrument which the Board deems necessary or appropriate to comply with any law, ordinance or regulation of any agency or instrumentality of the City of New York in connection with the Common Elements, or (4) to act as agent for each Unit Owner in a single administrative or judicial proceeding for real estate assessment review and reduction, to retain legal counsel for such purposes and to charge all such Unit Owners whose Units are the subject thereof, a pro rata share of the expenses, disbursements and legal expenses for which the Board of Managers shall have a lien pursuant to

section 339-Z of the Real Property Law, and (5) to act as agent for each Unit Owner to execute, acknowledge and deliver any declaration, instrument or document to change or amend the Declaration, By-Laws or Rules and Regulations which is required to enable the Declarant or its designee or a Commercial Unit Owner to effectuate any such alteration, change or amendment permitted to be made by such owner pursuant to the Declaration and By-Laws. The Board of Managers shall cause such power of attorney to be recorded in the Office of the City Register, New York County, at the expense of the Unit Owner immediately upon receipt by the Board of Managers thereof.

The foregoing provisions of this power of attorney shall not apply to the Declarant or its designee or the Commercial Unit Owner, or to any lease or sale of a Unit owned by the Declarant or its designee or Commercial Unit Owner, or in any other manner which would materially adversely affect the rights of Declarant or its designee or the Commercial Unit Owner granted hereby or by the By-Laws.

13. Acquisition of Units by Board of Managers. (a) In the event any Unit Owner shall surrender his Unit, together with (i) the undivided interest in the Common Elements appurtenant thereto, (ii) the interest of such Unit Owner in any other Units acquired by the Board of Managers or its designees on behalf of all Unit Owners or the proceeds of the sale or lease thereof, if any, and (iii) the interest of such Unit Owner in any other assets of the Condominium (hereinafter collectively called the "Appurtenant Interests"), pursuant to the provisions of Section 339-x of the Real Property Law of the State of New York, or (b) the Board of Managers shall purchase from any Residential Unit Owner who has elected to sell the same, a Unit, together with the Appurtenant Interests, pursuant to Section 1 of Article VII of the By-Laws, or (c) the Board of Managers shall purchase at a foreclosure or other judicial sale, a Unit, together with the Appurtenant Interests, title to any such Unit, together with the Appurtenant Interests, shall be held by the Board of Managers or its designee, on behalf of all Unit Owners who shall be entitled to receive the income therefrom or bear the expenses thereof, in proportion to their respective Common Interest if it acquired the Unit under (a) or (c) above or on behalf of all Residential Unit Owners in proportion to their respective Common Interest between Residential Unit Owners if it acquired the Unit under (b) above.

14. Person to Receive Service. The person who from time time holds the office of President of the Board of Managers (or in the absence of the President, any other member of the Board of Managers) of the Condominium residing

at the Condominium, is hereby designated to receive notice of process in any action which may be brought against the Condominium.

15. Units Subject to Declaration, By-Laws and Rules and Regulations. All present and future owners, tenants and occupants of Units shall be subject to and shall comply with the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time and any recorded encumbrances to which they are subordinate. The acceptance of a deed or conveyance or the entering into of a lease or the entering into occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such owner, tenant or occupant, and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed or conveyance or lease thereof.

16. Amendment of Declaration. (a) Subject to the provisions contained herein or in the By-Laws with respect to certain types of amendments by or affecting Declarant, or its designee or the Commercial Unit Owner and except for the provisions of this Paragraph 16, (i) this Declaration may be amended only by the vote of at least 70% in number and in 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, provided, however, that the Common Interest appurtenant to each Unit as expressed in this Declaration shall not be altered without the consent of all Unit Owners affected, (ii) any provision of this Declaration affecting only the Residential Section or the Residential Unit Owners may be amended by vote of at least 70% in number and Common Interest of all Residential Unit Owners cast in person or by proxy at a meeting duly held in accordance with the By-Laws, provided, however, that the Common Interest appurtenant to each Residential Unit as expressed in this Declaration shall not be altered without the written consent of all Residential Unit Owners affected, and (iii) any provision of this Declaration affecting only the Commercial Section or the Commercial Unit Owner, or if such Unit has been subdivided, then by vote of at least 70% in number and in Common Interest of all Commercial Unit Owners cast in person or by proxy at a meeting duly held in accordance with the provisions of the By-Laws, provided however, that the Common Interest appurtenant to each Commercial Unit as expressed in this Declaration shall not be altered without the written consent of all Commercial Unit Owners affected. Subject to the provisions contained herein or in the By-Laws with respect to amendments by or

affecting Declarant or its designee or any Unsold Unit or the Commercial Unit, no amendment to the Declaration may be made without the written consent of the holders of Residential and Commercial Unit mortgages, if required by the terms of such mortgages. In all events, any Residential or Commercial Unit mortgage must state that if consent by the holder thereof to amendments to the Declaration is necessary, such consent shall not be unreasonably withheld or delayed. No such amendment shall be effective until recorded in the Office of the City Register, New York County.

(b) The Declarant shall have the right, without vote or consent of other Unit Owners or the Board of Managers or the holders of Unit mortgages, to execute or upon request, to require the Board of Managers to execute and record in the Office of the City Register, New York County, and elsewhere if required by law, an amendment or amendments to this Declaration (together with such other documents, plans and maps as may be required to effectuate the amendment) to reflect any changes in Units and the reapportionment of the Common Elements resulting therefrom made by the Declarant in accordance with subparagraph (c) of this Paragraph 16. All expenses in connection with the preparation, recording and filing of any such amendment shall be paid by the Declarant.

(c) Except as provided in this Paragraph 16 with regard to the right of the Declarant to amend this Declaration, Paragraphs 5, 6 and 23 of this Declaration may not be amended without the consent of the Unit Owner of every Unit affected by such amendment.

(d) No amendment shall change a Unit Owner's proportionate share of the Common Interest, unless all Unit Owners affected thereby agree to such amendment by recorded instrument.

(e) No amendment shall be passed which shall impair or prejudice the rights and priorities of mortgagees.

(f) Irrespective of any other provision of this Declaration, no action of partition or division of the Common Elements shall be brought nor shall Condominium ownership of the Property be terminated where such partition, division or termination will result in a violation of the then existing local zoning or building laws or codes.

(g) If (i) the Commercial Unit is subdivided or the size thereof is otherwise changed and the percentage interest in the Common Elements appurtenant to the Commercial Unit is reapportioned among any newly created commercial condominium units resulting from any subdivision of the Commercial Unit (or any combining of newly created Commercial

Units), or (ii) a Commercial Limited Common Element is designated as part of a newly created commercial condominium unit or part of a Commercial Unit is designated as a newly created Commercial Limited Common Element, all in accordance with paragraph 21 hereof, then a Commercial Unit Owner shall have the right to require, following written request, any other Unit Owner or the Board to execute, and record in the Office of the City Register, New York County, and elsewhere, if required by law, an amendment to this Declaration (together with such other documents as the Commercial Unit Owner deems appropriate to effectuate the same) reflecting (A) such change in the size of the Commercial Unit or the subdivision of the Commercial Unit into separate commercial condominium units (or the subsequent combination of such newly created commercial condominium units) and the reapportionment of the percentage interests in the Common Elements among such newly created commercial condominium units or (B) such designation of a Commercial Limited Common Element in a newly created commercial condominium unit or such designation of part of the Commercial Unit as a newly created Commercial Limited Common Element. In such event, the approval of at least 70% in number and in Common Interest of all Unit Owners shall be deemed granted (if required) in accordance with the procedure set forth herein and in the By-Laws for amending the Declaration by virtue of the power of attorney granted to the Board of Managers by each Unit Owner. The foregoing right of a Commercial Unit Owner is subject to the requirements set forth in Articles II and V of the By-Laws that such amendment or change not adversely affect the Residential Unit Owners or the Residential Section.

(h) Amendments, modifications, additions or deletions of or to this Declaration, the By-Laws and the Rules and Regulations may be necessary, appropriate or desirable in connection with the operation of the Commercial Unit or the subdivision of the Commercial Unit into additional separate commercial condominium units and/or the offering for sale or lease of all or any portion of the Commercial Unit and it is contemplated that in connection therewith, the Commercial Unit Owner will cause this Declaration to be so amended, modified, added to or deleted from and that the resulting provisions thereof may be similar or dissimilar to those currently affecting the Residential Section and Residential Unit Owners.

(i) The provisions of paragraphs 16 and 22 may not be modified, amended, added to or deleted, in whole or in part, without the consent of Declarant or its designee so long as Declarant or its designee owns any Unit and the provisions of paragraphs 16 and 21 may not be modified, amended, added to or deleted, in whole or in part, without the consent of the Commercial Unit Owner.

17. Definition of Declarant or its Designee. The term "Declarant" or "its designee" or "Declarant or its designee" as used in this Declaration shall mean Declarant or any affiliate of Declarant or any person or entity appointed or designated by Declarant to act for or on behalf of Declarant in connection with the Condominium and/or the Board of Managers of the Condominium including any Committee of said Board of Managers. An affiliate of Declarant shall be deemed to be a person or an entity who or which (i) owns more than 50% of the legal or beneficial interest of Declarant or any partner in Declarant, or (ii) an entity with respect to which Declarant or any partner in Declarant owns more than 50% of the legal or beneficial interest, or (iii) is or was a partner in Declarant. A Declarant shall have the right to designate a person or entity to succeed to its rights and any such designee shall also be deemed a "designee."

18. Common Charges. All sums assessed by the Board of Managers of the Condominium as Common Charges which shall include General Residential Common Charges and General Commercial Common Charges and Residential Common Charges and Commercial Common Charges but unpaid, together with interest thereon at the maximum rate permitted by law, shall constitute a lien on the Unit prior to all other liens except (a) tax or assessment liens on the Unit by the taxing subdivision of any governmental authority, and (b) all sums unpaid on any first mortgage of record encumbering the Unit. A lien for Common Charges may be filed against a delinquent Unit and foreclosed by the Condominium when Common Charges are past due in accordance with the laws of the State of New York in like manner as a mortgage on real property. In any such foreclosure, the Condominium shall also have a right to recover all costs and expenses incurred, including reasonable attorneys' fees. In the event the proceeds of the foreclosure sale are not sufficient to pay such unpaid Common Charges, the unpaid balance shall be charged to all Unit Owners as a Common Expense. However, where the holder of an institutional first mortgage of record, or other purchaser of a Unit at a foreclosure sale of an institutional mortgage obtains title to a Unit as a result of foreclosure, or the institutional mortgage holder obtains title in lieu of foreclosure, such acquirer of title, his successors or assigns, shall not be liable and the Unit shall not be subject to a lien for the payment of Common Charges payable by such Unit, which were assessed and became due prior to the acquisition of title to such Unit by such acquirer. In such event, the unpaid balance of Common Charges shall be charged to all Unit Owners as a Common Expense. The term "institutional mortgage" used herein shall mean a first mortgage granted by a federal or state savings and loan association, savings or commercial bank, life insurance company, trust company, pension fund, agency of the United States or of the City or State of New York, or other similar

institutional lender or a purchase money mortgage granted by the seller of the Unit.

Every Unit Owner shall pay the Common Charges assessed against him or his Unit when due and no Unit Owner may exempt himself or the Unit from liability for the payment of Common Charges assessed against him or the Unit by waiver of the use of any of the Common Elements or by abandonment of the Unit. However, no Unit Owner shall be liable for the payment of any Common Charges accruing subsequent to a sale, transfer or other conveyance by him of such Unit made in accordance with Section 339-x of the Condominium Act or in accordance with the provisions of the Declaration and the By-Laws.

19. Conveyance of a Unit. In any conveyance of a Unit in accordance with this Declaration and By-Laws, the Grantee of the Unit shall be jointly and severally liable with the Grantor for any unpaid Common Charges against the Grantor through the time of the grant or conveyance, without prejudice to the Grantee's right to recover from the Grantor the amounts paid by the Grantee therefor. Any such Grantee shall be entitled to a statement from the Board of Managers setting forth the amount of Common Charges then due and outstanding and such Grantee shall not be liable for any unpaid Common Charges against the Grantor in excess of the amount set forth in such statement. "Grantee" as used in this paragraph shall not include either the holder of an institutional mortgage of record or other purchaser of a Unit at a foreclosure sale of an institutional mortgage.

20. Termination of Condominium. The Condominium shall continue and shall not be subject to an action for partition until (a) terminated by casualty loss, condemnation or eminent domain, as more particularly provided in the By-Laws, or (b) such time as withdrawal of the Property from the provisions of the New York Condominium Act is authorized by a vote of at least 80% in number and in Common Interest of all Unit Owners. No such vote under clause (b) in the preceding sentence shall be effective without the written consent (which consent shall not be unreasonably withheld or delayed) of at least two-thirds (2/3) of the holders of Residential and Commercial Unit first mortgages (based upon one vote for each first mortgage owned), if any. Declarant or its designee will not vote its interest appurtenant to any Unsold Residential Unit for such withdrawal unless at least 80% in number and in Common Interest of all other Unit Owners so elect such withdrawal at which time Declarant or its designee may choose to vote either in favor of or against withdrawal from condominium ownership, as it sees fit. 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 Unit Owners in proportion to their respective Common Interests, provided, however, that no payment shall be made to a Unit Owner until there has first been paid out of his share of such net proceeds all liens on the Unit, in the order of priority of such liens.

21. Changes by the Commercial Unit Owner. Except to the extent prohibited by law, the Commercial Unit Owner shall have the right, without prior notice and without the vote or consent of the Board of Managers, any other Unit Owners or the holders of Residential Unit mortgages, to (a) decorate or make alterations, additions or improvements, whether structural or non-structural, interior or exterior, ordinary or extraordinary, of any type or nature whatsoever, in, to and upon the Commercial Unit; (b) change the layout of, or number of rooms in the Commercial Unit from time to time; (c) change the Commercial Unit by subdividing the same into any desired number of commercial condominium units (or by combining any units resulting from such subdivision); (d) designate a Commercial Limited Common Element as part of a newly created commercial condominium unit or a Special Commercial Limited Common Element or designate part of the Commercial Unit as a newly created Commercial Limited Common Element or Special Limited Common Element; (e) reapportion among the newly created commercial condominium units resulting from any subdivision (or combination) their percentage interests in the Common Elements; and (f) change, alter or modify the facade and exterior portion of any Commercial Unit; provided, however, that (1) the percentage interest in the Common Elements of any Unit shall not be changed by reason thereof, unless the owner of such Unit shall consent thereto, (2) the Commercial Unit Owner shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold the Board of Managers and all other Unit Owners harmless from any liability arising therefrom, and (3) the Commercial Unit Owner establishes to the reasonable satisfaction of the Board of Managers that said Unit Owner has procured adequate liability insurance for the work being performed. In addition, to the extent permitted by law, the Commercial Unit Owner may erect, maintain, repair and replace one or more signs on the Property for the purpose of advertising the operation of any business of the Commercial Unit Owner or of the tenants or occupants of the Commercial Unit. In the event the Commercial Unit Owner shall apply for a variance in connection with the use of the Commercial Unit or Commercial Limited Common Elements, the Board of Managers shall execute and deliver all documents necessary in connection with such application, provided that the Commercial Unit Owner shall reimburse the Board of Managers for any reasonably necessary expenses actually incurred and

shall indemnify the Board of Managers from and against all liabilities, costs and expenses. The Residential Unit Owners shall not object to any application for such variance. The provisions of this paragraph 21 may not be added to, amended, modified or deleted without the prior written consent of the Commercial Unit Owner(s).

22. Changes in the Residential Section. Except to the extent prohibited by law, Declarant or its designee shall have the right, without prior notice and without the vote or consent of the Board of Managers, any other Unit Owner or the holders of Residential or Commercial Unit Mortgages, if any, to: (a) make alterations, additions or improvements, whether structural or non-structural, interior or exterior, ordinary or extraordinary, in, to and upon Unsold Residential Units; (b) change the layout of or number of rooms in, any Unsold Residential Units from time to time; (c) change the size and/or number of Unsold Residential Units by subdividing one or more Unsold Residential Units into two or more separate Residential Units, combining separate Unsold Residential Units (including those resulting from such subdivision or otherwise) into one or more Residential Units, altering the boundary walls between any Unsold Residential Units, or otherwise; and (d) if appropriate, reapportion among the Unsold Residential Units affected by any such change in size or number pursuant to the preceding clause (c), their percentage interests in the Common Elements; provided, however, that the percentage interest in the Common Elements of any other Units (other than Unsold Residential Units) shall not be changed by reason thereof unless the owners of such Units shall consent thereto and, further provided, that Declarant shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold the Board of Managers and all other Unit Owners harmless from any liability arising therefrom. The provisions of this paragraph 22 may not be added to, amended, modified or deleted without the prior written consent of Declarant or its designee.

23. Additional Rights of Declarant. Declarant hereby reserves to itself the right for itself and its designees, invitees, contractors, agents, employees and tenants, of ingress, egress and access in and to the Units, Common Elements and Limited Common Elements to make such changes, alterations, repairs, adjustments or to take such other actions as may be necessary or desirable to enable the completion of construction of the Property substantially in accordance with any alteration filing now or hereafter made, as same have or may be amended, with the New York City Department of Buildings and other applicable governmental authorities having jurisdiction thereof in accordance with the Offering Plan for Condominium Ownership of the Property .

24. Invalidity. The invalidity of any provision of this Declaration or the By-Laws shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the remainder of this Declaration and By-Laws, and, in such event, all of the other provisions of this Declaration and By-Laws shall continue in full force and effect as if such invalid provision had never been included herein.

25. 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.

26. 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 hereof.

27. Gender. The use of the masculine gender in this Declaration shall be deemed to refer to the feminine or neuter gender and the use of the singular shall be deemed to refer to the plural, and vice versa, whenever the context so requires.

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be executed this day of , 198 .

MOUNTBATTEN EQUITIES, Declarant

By: _____
Withrop D. Chamberlin,
General Partner

By: _____
Barnet L. Liberman,
General Partner

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

On the day of , 198_ before me personally came Winthrop D. Chamberlin, to me known, and known to me to be the individual described in, and who executed the foregoing instrument, and acknowledged to me that he executed the same as a general partner of MOUNTBATTEN EQUITIES the partnership who executed the foregoing instrument.

Notary Public

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

On the day of , 198_ before me personally came Barnet L. Liberman, to me known, and known to me to be the individual described in, and who executed the foregoing instrument, and acknowledged to me that he executed the same as a partner of MOUNTBATTEN EQUITIES the partnership who executed the foregoing instrument.

Notary Public

EXHIBIT A

Description of Property

Block 601 Lot 58 on the Tax Map of New York County.

ALL that certain 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 the corner formed by the intersection of the northerly side of Clarkson Street with the westerly side of Hudson Street;

THENCE northerly along the westerly side of Hudson Street 200 feet 2 inches to the corner formed by the intersection of the said westerly side of Hudson Street with the southerly side of Leroy Street;

THENCE westerly along the said southerly side of Leroy Street, 125 feet 4½ inches to the easterly face of the easterly wall of building on premises adjoining premises herein described on the west;

THENCE southerly along the easterly face of the easterly wall of said building, 99 feet 8 3/4 inches to the southerly face of the southerly wall of said building;

THENCE westerly along the southerly face of the said southerly wall 25 feet 3¼ inches to a line drawn in prolongation northwardly of the easterly face of the easterly wall of the building on premises adjoining on the west;

THENCE southerly along said line and along the easterly face of said wall 100 feet 5 3/4 inches to a point in the northerly line of Clarkson Street distant 150 feet 4½ inches from the point of beginning measured along the northerly side of Clarkson Street;

THENCE easterly along the northerly side of Clarkson Street, 150 feet 4½ inches to the point or place of BEGINNING.

Schedule B

Description of Building and Units

The Building consists of 184 Residential Condominium Units located on the 2nd through 8th floors and Townhouse Units of the Building. The Building also contains 1 Commercial Condominium Unit which consists of office, manufacturing, storage and recreational space on the cellar, first floor, first floor mezzanine, 9th and 10th floors. The total height of the Building from average curb to the high-point of the main roof is approximately 168 feet.

The Building foundation is concrete, and structural walls are made of concrete block. The primary structural system for the floors and roof is reinforced concrete supported by steel columns, beams and joists.

The exterior of the building is composed of brick and limestone.

All windows are aluminum framed insulated glass.

SCHEDULE C
PRINTING HOUSE CONDOMINIUM
421 HUDSON STREET
NEW YORK, NEW YORK

UNIT DESIG./ APT. NO.	LOCATION IN PORTION OF BLDG. FACING DIRECTION SET FORTH BELOW	APPROX. SQ. FT.	NUMBER OF RMS / BATH	COMMON ELEMENTS ACCESS	PERCENT INTEREST
201	N(Leroy St) E(Hudson St)	832	3 / 1	public corridors, stairs,elevators	0.0036
202*	E(Hudson St)	725	3 / 1	public corridors, stairs,elevators	0.0032
203*	E(Hudson St)	1140	4 / 2	public corridors, stairs,elevators	0.0050
204	E(Hudson St)	912	3 / 2	public corridors, stairs,elevators	0.0040
205	E(Hudson St)	898	3 / 2	public corridors, stairs,elevators	0.0039
206*	E(Hudson St)	1279	4 / 2	public corridors, stairs,elevators	0.0056
207	E(Hudson St)	912	3/1.5	public corridors, stairs,elevators	0.0040
208	E(Hudson St)	898	3/1.5	public corridors, stairs,elevators	0.0039
209*	E(Hudson St)	1290	4 / 2	public corridors, stairs,elevators	0.0056
210	E(Hudson St.)	912	3 / 1	public corridors, stairs,elevators	0.0040
211*	E(Hudson St)	898	3 / 1	public corridors, stairs,elevators	0.0039
212	E(Hudson St) S(Clarkson St)	1315	4 / 2	public corridors, stairs,elevators	0.0058
213	S(Clarkson St)	804	3 / 1	public corridors, stairs,elevators	0.0035
214	S(Clarkson St) W(Courtyard)	865	3 / 1	public corridors, stairs,elevators	0.0038
215	W(Courtyard)	803	3 / 1	public corridors, stairs,elevators	0.0035
216	W(Courtyard)	912	3 / 1	public corridors, stairs,elevators	0.0040
217	W(Courtyard)	1279	4 / 2	public corridors, stairs,elevators	0.0056
218	W(Courtyard)	898	3/1.5	public corridors, stairs,elevators	0.0039
219*	W(Courtyard)	912	3/1.5	public corridors, stairs,elevators	0.0040
220*	W(Courtyard)	1290	4 / 2	public corridors, stairs,elevators	0.0056
221	W(Courtyard)	898	3 / 2	public corridors, stairs,elevators	0.0039
222	W(Courtyard)	865	3 / 2	public corridors, stairs,elevators	0.0038
223	W(Courtyard)	1060	4 / 2	public corridors, stairs,elevators	0.0046
224	W(Courtyard)	721	3 /1.5	public corridors, stairs,elevators	0.0032
225*	W(Courtyard)	920	3 / 1	public corridors,	0.0040

SCHEDULE B
PRINTING HOUSE CONDOMINIUM
421 HUDSON STREET
NEW YORK, NEW YORK

UNIT DESIG./ APT. NO.	LOCATION IN PORTION OF BLDG. FACING DIRECTION SET FORTH BELOW	APPROX. SQ. FT.	NUMBER OF RMS / BATH	COMMON ELEMENTS ACCESS	PERCENT INTEREST
301	N(Leroy St) E(Hudson St)	832	3 / 1	public corridors, stairs,elevators	0.0036
302*	E(Hudson St)	725	3 / 1	public corridors, stairs,elevators	0.0032
303*	E(Hudson St)	1140	4 / 2	public corridors, stairs,elevators	0.0050
304	E(Hudson St)	912	3 / 2	public corridors, stairs,elevators	0.0040
305	E(Hudson St)	898	3 / 2	public corridors, stairs,elevators	0.0039
306	E(Hudson St)	1279	4 / 2	public corridors, stairs,elevators	0.0056
307*	E(Hudson St)	912	3/1.5	public corridors, stairs,elevators	0.0040
308	E(Hudson St)	898	3/1.5	public corridors, stairs,elevators	0.0039
309	E(Hudson St)	1290	4 / 2	public corridors, stairs,elevators	0.0056
310*	E(Hudson St.)	912	3 / 1	public corridors, stairs,elevators	0.0040
311	E(Hudson St)	898	3 / 1	public corridors, stairs,elevators	0.0039
312	E(Hudson St) S(Clarkson St)	1315	4 / 2	public corridors, stairs,elevators	0.0058
313	S(Clarkson St)	804	3 / 1	public corridors, stairs,elevators	0.0035
314	S(Clarkson St) W(Courtyard)	865	3 / 1	public corridors, stairs,elevators	0.0038
315*	W(Courtyard)	803	3 / 1	public corridors, stairs,elevators	0.0035
316	W(Courtyard)	912	3 / 1	public corridors, stairs,elevators	0.0040
317	W(Courtyard)	1279	4 / 2	public corridors, stairs,elevators	0.0056
318	W(Courtyard)	898	3/1.5	public corridors, stairs,elevators	0.0039
319	W(Courtyard)	912	3/1.5	public corridors, stairs,elevators	0.0040
320	W(Courtyard)	1290	4 / 2	public corridors, stairs,elevators	0.0056
321	W(Courtyard)	898	3 / 2	public corridors, stairs,elevators	0.0039
322	W(Courtyard)	865	3 / 2	public corridors, stairs,elevators	0.0038
323	W(Courtyard)	1060	4 / 2	public corridors, stairs,elevators	0.0046
324	W(Courtyard)	721	3 /1.5	public corridors, stairs,elevators	0.0032
325	Supt.				

SCHEDULE C
PRINTING HOUSE CONDOMINIUM
421 HUDSON STREET
NEW YORK, NEW YORK

UNIT DESIG./ APT. NO.	LOCATION IN PORTION OF BLDG. FACING DIRECTION SET FORTH BELOW	APPROX. SQ. FT.	NUMBER OF RMS / BATH	COMMON ELEMENTS ACCESS	PERCENT INTEREST
401	N(Leroy St) E(Hudson St)	832	3 / 1	public corridors, stairs,elevators	0.0036
402	E(Hudson St)	725	3 / 1	public corridors, stairs,elevators	0.0032
403	E(Hudson St)	1140	4 / 2	public corridors, stairs,elevators	0.0050
404*	E(Hudson St)	912	3 / 2	public corridors, stairs,elevators	0.0040
405	E(Hudson St)	898	3 / 2	public corridors, stairs,elevators	0.0039
406	E(Hudson St)	1279	4 / 2	public corridors, stairs,elevators	0.0056
407	E(Hudson St)	912	3/1.5	public corridors, stairs,elevators	0.0040
408	E(Hudson St)	898	3/1.5	public corridors, stairs,elevators	0.0039
409	E(Hudson St)	1290	4 / 2	public corridors, stairs,elevators	0.0056
410	E(Hudson St.)	912	3 / 1	public corridors, stairs,elevators	0.0040
411	E(Hudson St)	898	3 / 1	public corridors, stairs,elevators	0.0039
412	E(Hudson St) S(Clarkson St)	1315	4 / 2	public corridors, stairs,elevators	0.0058
413	S(Clarkson St)	804	3 / 1	public corridors, stairs,elevators	0.0035
414*	S(Clarkson St) W(Courtyard)	865	3 / 1	public corridors, stairs,elevators	0.0038
415*	W(Courtyard)	780	3 / 1	public corridors, stairs,elevators	0.0035
416	W(Courtyard)	888	3 / 1	public corridors, stairs,elevators	0.0040
417	W(Courtyard)	1279	4 / 2	public corridors, stairs,elevators	0.0056
418	W(Courtyard)	898	3/1.5	public corridors, stairs,elevators	0.0039
419	W(Courtyard)	912	3/1.5	public corridors, stairs,elevators	0.0040
420	W(Courtyard)	1290	4 / 2	public corridors, stairs,elevators	0.0056
421	W(Courtyard)	872	3 / 2	public corridors, stairs,elevators	0.0039
422	W(Courtyard)	839	3 / 2	public corridors, stairs,elevators	0.0038
423	W(Courtyard)	1060	4 / 2	public corridors, stairs,elevators	0.0046
424	W(Courtyard)	721	3 /1.5	public corridors, stairs,elevators	0.0032
425	W(Courtyard)	920	3 / 1	public corridors, stairs,elevators	0.0040

SCHEDULE C
PRINTING HOUSE CONDOMINIUM
421 HUDSON STREET
NEW YORK, NEW YORK

UNIT DESIG./ APT. NO.	LOCATION IN PORTION OF BLDG. FACING DIRECTION SET FORTH BELOW	APPROX. SQ. FT.	NUMBER OF RMS / BATH	COMMON ELEMENTS ACCESS ·	PERCENT INTEREST
501	N(Leroy St) E(Hudson St)	832	3 / 1	public corridors, stairs,elevators	0.0036
502	E(Hudson St)	725	3 / 1	public corridors, stairs,elevators	0.0032
503	E(Hudson St)	1140	4 / 2	public corridors, stairs,elevators	0.0050
504	E(Hudson St)	912	3 / 2	public corridors, stairs,elevators	0.0040
505	E(Hudson St)	898	3 / 2	public corridors, stairs,elevators	0.0039
506	E(Hudson St)	1279	4 / 2	public corridors, stairs,elevators	0.0056
507	E(Hudson St)	912	3/1.5	public corridors, stairs,elevators	0.0040
508	E(Hudson St)	898	3/1.5	public corridors, stairs,elevators	0.0039
509*	E(Hudson St)	1290	4 / 2	public corridors, stairs,elevators	0.0056
510	E(Hudson St.)	912	3 / 1	public corridors, stairs,elevators	0.0040
511	E(Hudson St)	898	3 / 1	public corridors, stairs,elevators	0.0039
512	E(Hudson St) S(Clarkson St)	1315	4 / 2	public corridors, stairs,elevators	0.0058
513*	S(Clarkson St)	804	3 / 1	public corridors, stairs,elevators	0.0035
514	S(Clarkson St) W(Courtyard)	865	3 / 1	public corridors, stairs,elevators	0.0038
515	W(Courtyard)	803	3 / 1	public corridors, stairs,elevators	0.0035
516	W(Courtyard)	912	3 / 1	public corridors, stairs,elevators	0.0040
517	W(Courtyard)	1279	4 / 2	public corridors, stairs,elevators	0.0056
518	W(Courtyard)	898	3/1.5	public corridors, stairs,elevators	0.0039
519*	W(Courtyard)	912	3/1.5	public corridors, stairs,elevators	0.0040
520	W(Courtyard)	1290	4 / 2	public corridors, stairs,elevators	0.0056
521	W(Courtyard)	898	3 / 2	public corridors, stairs,elevators	0.0039
522	W(Courtyard)	865	3 / 2	public corridors, stairs,elevators	0.0038
523	W(Courtyard)	1060	4 / 2	public corridors, stairs,elevators	0.0046
524	W(Courtyard)	721	3 /1.5	public corridors, stairs,elevators	0.0032
525	W(Courtyard)	920	3 / 1	public corridors, stairs,elevators	0.0040

SCHEDULE C
PRINTING HOUSE CONDOMINIUM
421 HUDSON STREET
NEW YORK, NEW YORK

UNIT DESIG./ APT. NO.	LOCATION IN PORTION OF BLDG. FACING DIRECTION SET FORTH BELOW	APPROX. SQ. FT.	NUMBER OF RMS / BATH	COMMON ELEMENTS ACCESS	PERCENT INTEREST
601	N(Leroy St) E(Hudson St)	832	3 / 1	public corridors, stairs,elevators	0.0036
602	E(Hudson St)	725	3 / 1	public corridors, stairs,elevators	0.0032
603	E(Hudson St)	1140	4 / 2	public corridors, stairs,elevators	0.0050
604	E(Hudson St)	912	3 / 2	public corridors, stairs,elevators	0.0040
605	E(Hudson St)	898	3 / 2	public corridors, stairs,elevators	0.0039
606	E(Hudson St)	1279	4 / 2	public corridors, stairs,elevators	0.0056
607	E(Hudson St)	912	3/1.5	public corridors, stairs,elevators	0.0040
608	E(Hudson St)	898	3/1.5	public corridors, stairs,elevators	0.0039
609*	E(Hudson St)	1290	4 / 2	public corridors, stairs,elevators	0.0056
610	E(Hudson St.)	912	3 / 1	public corridors, stairs,elevators	0.0040
611	E(Hudson St)	898	3 / 1	public corridors, stairs,elevators	0.0039
612	E(Hudson St) S(Clarkson St)	1315	4 / 2	public corridors, stairs,elevators	0.0058
613*	S(Clarkson St)	804	3 / 1	public corridors, stairs,elevators	0.0035
614	S(Clarkson St) W(Courtyard)	865	3 / 1	public corridors, stairs,elevators	0.0038
615	W(Courtyard)	803	3 / 1	public corridors, stairs,elevators	0.0035
616	W(Courtyard)	912	3 / 1	public corridors, stairs,elevators	0.0040
617	W(Courtyard)	1279	4 / 2	public corridors, stairs,elevators	0.0056
618	W(Courtyard)	898	3/1.5	public corridors, stairs,elevators	0.0039
619	W(Courtyard)	912	3/1.5	public corridors, stairs,elevators	0.0040
620	W(Courtyard)	1290	4 / 2	public corridors, stairs,elevators	0.0056
621	W(Courtyard)	898	3 / 2	public corridors, stairs,elevators	0.0039
622	W(Courtyard)	865	3 / 2	public corridors, stairs,elevators	0.0038
623	W(Courtyard)	1060	4 / 2	public corridors, stairs,elevators	0.0046
624	W(Courtyard)	721	3 /1.5	public corridors, stairs,elevators	0.0032
625	W(Courtyard)	920	3 / 1	public corridors, stairs,elevators	0.0040

SCHEDULE C
PRINTING HOUSE CONDOMINIUM
421 HUDSON STREET
NEW YORK, NEW YORK

UNIT DESIG./ APT. NO.	LOCATION IN PORTION OF BLDG. FACING DIRECTION SET FORTH BELOW	APPROX. SQ. FT.	NUMBER OF RMS / BATH	COMMON ELEMENTS ACCESS	PERCENT INTEREST
701	N(Leroy St) E(Hudson St)	832	3 / 1	public corridors, stairs,elevators	0.0036
702	E(Hudson St)	725	3 / 1	public corridors, stairs,elevators	0.0032
703*	E(Hudson St)	1140	4 / 2	public corridors, stairs,elevators	0.0050
704	E(Hudson St)	912	3 / 2	public corridors, stairs,elevators	0.0040
705	E(Hudson St)	898	3 / 2	public corridors, stairs,elevators	0.0039
706	E(Hudson St)	1279	4 / 2	public corridors, stairs,elevators	0.0056
707	E(Hudson St)	912	3/1.5	public corridors, stairs,elevators	0.0040
708	E(Hudson St)	898	3/1.5	public corridors, stairs,elevators	0.0039
709	E(Hudson St)	1290	4 / 2	public corridors, stairs,elevators	0.0056
710	E(Hudson St.)	912	3 / 1	public corridors, stairs,elevators	0.0040
711	E(Hudson St)	898	3 / 1	public corridors, stairs,elevators	0.0039
712*	E(Hudson St) S(Clarkson St)	1315	4 / 2	public corridors, stairs,elevators	0.0058
713	S(Clarkson St)	804	3 / 1	public corridors, stairs,elevators	0.0035
714*	S(Clarkson St) W(Courtyard)	865	3 / 1	public corridors, stairs,elevators	0.0038
715	W(Courtyard)	780	3 / 1	public corridors, stairs,elevators	0.0035
716	W(Courtyard)	888	3 / 1	public corridors, stairs,elevators	0.0040
717	W(Courtyard)	1279	4 / 2	public corridors, stairs,elevators	0.0056
718*	W(Courtyard)	898	3/1.5	public corridors, stairs,elevators	0.0039
719	W(Courtyard)	912	3/1.5	public corridors, stairs,elevators	0.0040
720	W(Courtyard)	1290	4 / 2	public corridors, stairs,elevators	0.0056
721	W(Courtyard)	872	3 / 2	public corridors, stairs,elevators	0.0039
722*	W(Courtyard)	839	3 / 2	public corridors, stairs,elevators	0.0038
723	W(Courtyard)	1060	4 / 2	public corridors, stairs,elevators	0.0046
724	W(Courtyard)	721	3 /1.5	public corridors, stairs,elevators	0.0032
725*	W(Courtyard)	920	3 / 1	public corridors, stairs,elevators	0.0040

SCHEDULE C
PRINTING HOUSE CONDOMINIUM
421 HUDSON STREET
NEW YORK, NEW YORK

UNIT DESIG./ APT. NO.	LOCATION IN PORTION OF BLDG. FACING DIRECTION SET FORTH BELOW	APPROX. SQ. FT.	NUMBER OF RMS / BATH	COMMON ELEMENTS ACCESS	PERCENT INTEREST
801*	N(Leroy St) E(Hudson St)	1037	4 / 1	public corridors, stairs,elevators	0.0045
802	E(Hudson St)	712	3 / 1	public corridors, stairs,elevators	0.0031
803	E(Hudson St)	1392	5 / 2	public corridors, stairs,elevators	0.0061
804	E(Hudson St)	1058	3 / 2	public corridors, stairs,elevators	0.0046
805	E(Hudson St)	2845	6/2.5	public corridors, stairs,elevators	0.0124
807	E(Hudson St)	1144	3/1.5	public corridors, stairs,elevators	0.0050
808	E(Hudson St)	2857	6/3.5	public corridors, stairs,elevators	0.0125
810*	E(Hudson St.)	878	3 / 1	public corridors, stairs,elevators	0.0038
811	E(Hudson St)	853	3 / 1	public corridors, stairs,elevators	0.0037
812*	E(Hudson St) S(Clarkson St)	1394	4 / 2	public corridors, stairs,elevators	0.0061
813*	S(Clarkson St)	1089	4/1.5	public corridors, stairs,elevators	0.0048
814*	S(Clarkson St) W(Courtyard)	1167	4/1.5	public corridors, stairs,elevators	0.0051
815*	W(Courtyard)	809	3 / 1	public corridors, stairs,elevators	0.0035
816	W(Courtyard)	915	3 / 1	public corridors, stairs,elevators	0.0040
817	W(Courtyard)	1556	5 / 2	public corridors, stairs,elevators	0.0068
818	W(Courtyard)	1108	3/1.5	public corridors, stairs,elevators	0.0048
819	W(Courtyard)	1144	3/1.5	public corridors, stairs,elevators	0.0050
820	W(Courtyard)	2646	8 / 4	public corridors, stairs,elevators	0.0116
822	W(Courtyard)	1150	3 / 2	public corridors, stairs,elevators	0.0050
823	W(Courtyard)	1233	5 / 2	public corridors, stairs,elevators	0.0054
824*	W(Courtyard)	687	3 /1.5	public corridors, stairs,elevators	0.0030
825*	N(Leroy St) W(Courtyard)	1257	4/1.5	public corridors, stairs,elevators	0.0055

SCHEDULE C
PRINTING HOUSE CONDOMINIUM
421 HUDSON STREET
NEW YORK, NEW YORK

UNIT DESIG./ APT. NO.	LOCATION IN PORTION OF BLDG. FACING DIRECTION SET FORTH BELOW	APPROX. SQ. FT.	NUMBER OF RMS / BATH	COMMON ELEMENTS ACCESS	PERCENT INTEREST
M-1*	N(Leroy St)	876	4 /1.5	courtyard	0.0038
M-2	W(Courtyard)	876	4 /1.5	courtyard	0.0038
M-3	W(Courtyard)	876	4 /1.5	courtyard	0.0038
M-4	W(Courtyard)	876	4 /1.5	courtyard	0.0038
M-5	W(Courtyard)	876	4 /1.5	courtyard	0.0038
M-6	W(Courtyard)	876	4 /1.5	courtyard	0.0038
M-7	W(Courtyard)	876	4 /1.5	courtyard	0.0038
M-8	W(Courtyard)	876	4 /1.5	courtyard	0.0038
M-9	E(Courtyard)	1240	5 /1.5	courtyard & roof	0.0054
M-10	E(Courtyard)	1240	5 /1.5	courtyard & roof	0.0054
M-11	E(Courtyard)	1240	5 /1.5	courtyard & roof	0.0054
M-12	E(Courtyard)	1240	5 /1.5	courtyard & roof	0.0054
M-13*	E(Courtyard)	1240	5 /1.5	courtyard & roof	0.0054
C-1**	E,W,N,S	41,144			0.1808
TOTAL		227,593			1.0000

*Vacant Apartment

**NOTE: Commercial square footage and percentage allocation based on cellar area taken at 50% of actual square footage as used primarily for storage.

Exhibit 6

Condominium By-Laws

BY-LAWS

of

Printing House Condominium
421 Hudson Street
New York, New York

(Part 2 of the Declaration)

Wien, Malkin & Bettex
Attorneys for Declarant
60 East 42nd Street
New York, New York 10165-0015

TABLE OF CONTENTS

ARTICLE TITLE

I Plan of Unit Ownership .....

Sec. 1-Unit Ownership .....
Sec. 2-Applicability of By-Laws .....
Sec. 3-Application .....
Sec. 4-Office .....

II Board of Managers .....

Sec. 1-Number and Qualification .....
Sec. 2-Powers and Duties .....
Sec. 3-Managing Agent and Manager .....
Sec. 4-Election and Term of Office .....
Sec. 5-Removal of Members of the Board of Managers .....
Sec. 6-Vacancies .....
Sec. 7-Organization Meeting .....
Sec. 8-Regular Meetings .....
Sec. 9-Special Meetings .....
Sec. 10-Waiver of Notice .....
Sec. 11-Quorum of Board of Managers .....
Sec. 12-Fidelity Bonds .....
Sec. 13-Compensation .....
Sec. 14-Liability of the Board of Managers .....
Sec. 15-Executive Committee .....
Sec. 16-Other Committees .....
Sec. 17-Resolutions.....

III Unit Owners .....

Sec. 1-Annual Meetings .....
Sec. 2-Place of Meetings .....
Sec. 3-Special Meetings .....
Sec. 4-Notice of Meetings .....
Sec. 5-Adjournment of Meetings .....
Sec. 6-Order of Business .....
Sec. 7-Title to Units .....
Sec. 8-Voting .....
Sec. 9-Majority of Unit Owners .....
Sec. 10-Quorum .....
Sec. 11-Majority Vote .....
Sec. 12-Action Without Meeting .....

IV Officers .....

Sec. 1-Designation .....
Sec. 2-Election of Officers.....
Sec. 3-Removal of Officers .....
Sec. 4-President .....
Sec. 5-Vice President .....
Sec. 6-Secretary .....
Sec. 7-Assistant Secretary .....
Sec. 8-Treasurer .....
Sec. 9-Assistant Treasurer .....
Sec. 10-Agreements, Contracts, Deeds, Checks, etc.....
Sec. 11-Compensation of Officers .....

V Operation of the Property .....

Sec. 1-Determination of Common Expenses and Fixing of Common Charges .....
Sec. 2-Insurance .....
Sec. 3-Repair or Reconstruction After Fire or Other Casualty .....
Sec. 4-Payment of Common Charges .....
Sec. 5-Collection of Assessments .....
Sec. 6-Default in Payment of Common Charges .....
Sec. 7-Foreclosure of Liens for Unpaid Common Charges .....
Sec. 8-Statement of Common Charges .....
Sec. 9-Abatement and Enjoinment of Violations by Unit Owners .....
Sec. 10-Maintenance and Repairs .....
Sec. 11-Violations of Maintenance Obligations.....
Sec. 12-Use of Units .....
Sec. 13-Additions, Alterations or Improvements by Board of Managers ...
Sec. 14-Additions, Alterations or Improvements by Unit Owners .....
Sec. 15-Use of Common Elements and Facilities .....
Sec. 16-Right of Access .....
Sec. 17-Water Charges and Sewer Rents .....
Sec. 18-Gas and Electricity .....
Sec. 19-Removal of Garbage and Refuse.....

VI Mortgages .....

Sec. 1-Notice to Board of Managers .....
Sec. 2-Notice of Unpaid Common Charges or Other Default .....
Sec. 3-Notice of Default .....
Sec. 4-Examination of Books .....

VII Sales, Leases and Mortgages of Units .....

Sec. 1-Sales and Leases .....
Sec. 2-Consent of Unit Owners to Purchase of Residential Units by Board of Managers .....
Sec. 3-No Severance of Ownership .....
Sec. 4-Release by Board of Managers of Right of First Refusal .....
Sec. 5-Certificate of Termination of Right of First Refusal .....
Sec. 6-Financing of Purchase of Residential Units by Board of Managers .....
Sec. 7-Exceptions .....
Sec. 8-Gifts and Devises, etc. .....
Sec. 9-Waiver of Right of Partition with respect to such Units as are acquired by the Board of Managers, or its Designee, on behalf of all Unit Owners as tenants-in-common .....
Sec. 10-Payment of Assessments .....
Sec. 11-Mortgage of Units .....

VIII Condemnation .....

Sec. 1-Condemnation .....

IX Records .....

Sec. 1-Records and Audits .....

X Miscellaneous .....

Sec. 1-Notices .....
Sec. 2-Invalidity .....
Sec. 3-Captions .....
Sec. 4-Gender .....
Sec. 5-Waiver .....
Sec. 6-Insurance Trustee .....

XI Amendments to By-Laws and Rights of Declarant .....

Sec. 1-Amendments to By-Laws .....
Sec. 2-Declarant's Rights .....
Sec. 3-Use Changes .....
Sec. 4-Compliance with Applicable Rent Laws .....

XII Conflicts .....

Sec. 1-Conflicts .....

Exhibit A - Rules and Regulations .....

BY-LAWS

of

PRINTING HOUSE CONDOMINIUM

(421 Hudson Street, New York, New York)

ARTICLE I

Plan of Unit Ownership

Section 1. Purpose. The purpose of these By-Laws is to set forth the rules and procedures governing the operation and conduct of The Printing House (the "Condominium"). The Condominium comprises the land situated in the Borough of Manhattan, and City, County and State of New York, more particularly described in Schedule A of the Declaration recorded in the Office of the City Register, New York County, simultaneously herewith, and the Building constructed on said land (the land and Building hereinafter are collectively called the "Property"). The Property has been submitted pursuant to the provisions of Article 9-B of the Real Property Law of the State of New York (hereinafter referred to as the "Condominium Act") by the recording of the Declaration. All Units are hereinafter referred to as "Residential Unit(s)", "Commercial Unit(s)", "Unit" or "Units."

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 Building and all other improvements thereon (including the Units and the General Common Elements and Residential and Commercial Limited Common Elements), owned in fee simple and all easements, rights and appurtenances belonging thereto, and all other property, personal or otherwise 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.

Section 3. Application. All present and future owners, mortgagees, lessees and occupants of Units and their employees, agents or licensees 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 Exhibit A, each as amended from time to time.

The acceptance of a deed or conveyance or the succeeding to title to a Unit (by operation of law or otherwise) or the entering into of a lease or the act of occupancy or acceptance of surrender 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 assumed, 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

Board of Managers

Section 1. Number and Qualification. The affairs of the Condominium shall be governed by a Board of Managers. The Board of Managers shall initially consist of three (3) persons designated by Declarant until their successors shall have been elected by the Unit Owners, including Declarant or its designee, at the first meeting of Unit Owners held pursuant to Section 1 of Article III of these By-Laws, at which meeting a new ten (10) member Board of Managers shall be installed in accordance with these By-Laws. Of these ten (10) members, seven (7) shall be elected by the Residential Unit Owners (including Declarant or its designee) and shall be referred to herein as the "Residential Members" and they shall constitute the "Residential Committee," and three (3) shall be elected by the Commercial Unit Owner (including Declarant or its designee) and shall be referred to herein as the "Commercial Members" and they shall constitute the "Commercial Committee." Notwithstanding the foregoing, the Declarant or its designee shall have the right to elect members of the Board of Managers subject to the provisions of Section 4 of Article II of these By-Laws.

All members of the Board of Managers shall be owners or spouses of owners or mortgagees of Units or, in the case of partnership owners or mortgagees, shall be members or employees of such partnership or, in the case of corporate owners or mortgagees, shall be officers, directors, shareholders or employees of such corporations or, in the case of fiduciary owners or mortgagees, shall be the fiduciaries or officers or employees of such fiduciaries or, in the case of the Declarant, shall be the designees of the Declarant.

Section 2. Powers and Duties. (a) The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the Condominium and may do

all such acts and things except as by law or by the Declaration or by these By-Laws may not be delegated to the Board of Managers by the Unit Owners. Such powers and duties of the Board of Managers shall include, but shall not be limited to the following:

(i) Operation, care, upkeep and maintenance of the Common Elements (as such term is defined in the Declaration);

(ii) Determination of the Common Expenses required for the affairs of the Condominium, including, without limitation, the operation and maintenance of the Common Elements;

(iii) Collection of the Common Charges from the Unit Owners;

(iv) Employment and dismissal of the personnel necessary for the maintenance and operation of the Common Elements;

(v) Adoption and amendment of rules and regulations covering the details of the operation and use of the General Common Elements and Limited Common Elements, except that no rule or regulation may be adopted in connection with the use or operation of the Commercial Unit or Commercial Limited Common Elements unless consented to in writing by a majority of the Commercial Committee of the Board of Managers;

(vi) Opening and maintaining of bank accounts on behalf of the Condominium and designating the signatories required therefor;

(vii) Purchasing or leasing or otherwise acquiring in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all Residential Unit Owners, Residential Units offered for sale or lease by their owners to the Board of Managers;

(viii) Acquiring by surrender or by purchase, Units at foreclosure or other judicial sales in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners;

(ix) Acquiring in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners, rights and interests in real and personal property for use in connection with the ownership and operation of the Common Elements;

(x) Selling, leasing, mortgaging, voting the votes appurtenant to (other than for the election of members of the

Board of Managers), or otherwise dealing with Units acquired by, and subleasing Units leased by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners;

(xi) Organizing corporations to act as designees of the Board of Managers in acquiring title to or leasing Units or rights and interests in real and personal property for use in connection with the ownership and operation of the Common Elements on behalf of all Unit Owners;

(xii) Leasing laundry machines and other portions of the Common Elements and granting licenses for vending machines;

(xiii) Obtaining insurance, pursuant to the provisions of Article V, Section 2 hereof;

(xiv) Making repairs, additions and improvements to or alterations of the Common Elements and making of repairs to and restoration of the Common Elements in accordance with the other provisions of these By-Laws after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings;

(xv) Borrowing money on behalf of the Condominium when required in connection with the operation, care, upkeep and maintenance of the Common Elements, provided, however, that (A) the consent of at least 70% in number and in Common Interest of the Unit Owners, present in person and/or by proxy and voting at a meeting duly called and held for such purpose in accordance with the provisions of these By-Laws, shall be required for the borrowing of any sum in excess of $100,000 for the General Common Elements or if the $100,000 be for the Residential Limited Common Elements or for the Commercial Limited Common Elements, then the required 70% in number shall be of the Residential Unit Owners or Commercial Unit Owners, respectively, and (B) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the Common Elements without the consent of the Unit Owner. If any sum borrowed by the Board of Managers on behalf of the Condominium pursuant to the authority contained in this paragraph (xv) is not repaid by the Board, a Unit Owner who pays to the creditor such proportion thereof as his interest in the Common Elements bears to the interests in the Common Elements of all the Unit Owners responsible for paying therefor shall be entitled to obtain from the creditor a release of any judgment or other lien which said creditor shall have filed or shall have the right to file against the Unit Owner's Unit;

(xvi) Levying fines against Unit Owners for violations of the rules and regulations governing the operation and use of the Common Elements, except that no fines shall be levied against the Declarant or the owner or tenants of the Commercial Unit except by the consent of at least two of the Commercial Members of the Board of Managers; and

(xvii) Adjusting and settling claims under insurance policies obtained pursuant to Article V, Section 2, and executing and delivering releases upon settlement of such claims on behalf of all Unit Owners.

(b) Residential Committee. The Residential Committee shall be entitled, to the extent permitted by law, to make determinations and undertake certain of the foregoing tasks on behalf of the Board of Managers, insofar as said determination and tasks affect only the Residential Section and do not adversely affect the Commercial Section. Thus, subject to the foregoing, the determinations and actions the Residential Committee may make, include without limitation, those concerning:

(i) Operation, care, upkeep, maintenance, repair and replacement of the Residential Section;

(ii) Determination of Residential Common Charges (which are in addition to the Residential Unit Owners' share of the General Common Charges as determined by the Board of Managers) subject to the requirement that the Residential Committee may not eliminate services which benefit the Commercial Unit Onwer as provided in Schedule BB contained in the Offering Plan;

(iii) Employment and dismissal of the personnel necessary for the maintenance and operation of the Residential Section;

(iv) Ordinary repairs, restorations, additions and improvements to, or alteration of, the Residential Limited Common Elements;

(v) Repairs to and restorations of the Residential Section or parts thereof damaged or destroyed by fire or other casualty or necessitated as a result of condemnation or eminent domain proceedings;

(vi) Enforcing obligations of Residential Unit Owners;

(vii) Opening and maintaining bank accounts on behalf of the Residential Section (with respect to matters within

its jurisdiction as provided in these By-Laws) and designate the signatories required therefor; and

(viii) Borrowing money on behalf of the Residential Section when required in connection with the operation, care, upkeep and maintenance of, or the making of repairs, replacements, restorations or additions to or alterations of, the Residential Section or otherwise in connection with any permitted action or activity of the Residential Committee, provided, however, that (A) the consent of at least 70% of all Residential Unit Owners authorized to vote and present in person or by proxy at a meeting duly called and held for such purpose in accordance with these By-Laws, shall be required for any borrowings in excess of the aggregate amount of $100,000 (including the pro rata share of the Residential Section with respect to any borrowing made by the Condominium Board pursuant to Article II, Section 2(a)(xv)) in any one fiscal year (regardless of the balance of any loans outstanding from previous years), (B) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the Common Elements without the consent of the Owner of such Unit, and (C) the Commercial Unit Owner will not be liable for repayment of any portion of any such loan. If any sum borrowed by the Residential Committee pursuant to the authority contained in this subparagraph (viii) is not repaid by said Committee, a Residential Unit Owner who pays to the creditor such proportion thereof as his interest in the Common Elements bears to the interest of all Residential Unit Owners in the Common Elements shall be entitled to obtain from the creditor a release of any judgment or any lien which said creditor has filed or has the right to file against such Residential Unit Owner's Unit.

(c) Commercial Committee. The Commercial Committee shall be entitled, to the extent permitted by law, and by the Owner of the Commercial Unit, to make determinations and undertake certain tasks ascribed to the Board of Managers in Section 2(a) of this Article II, on behalf of the Board of Managers, insofar as said determinations and tasks affect only the Commercial Unit and do not adversely affect the Residential Section. Thus, subject to the foregoing, the determinations and actions the Commercial Committee may make, include without limitation, those concerning:

(i) Operation, care, upkeep, maintenance, repair and replacement of the Commercial Unit and Commercial Limited Common Elements;

(ii) Determination of the amount and nature of the costs and expenses in connection with the operation, care, upkeep, maintenance, repair and replacement of the Commercial

Unit and Commercial Limited Common Elements to be reflected in the Commercial Common Charges, subject to the determination of the Board of Managers to fix the Commercial Unit Owner's Share of the General Common Charges;

(iii) Maintaining bank accounts with respect to the Commercial Unit (with respect to matters in the Committee's jurisdiction) and designating the signatories required therefor; and

(iv) Borrowing money when requested by the Commercial Unit Owner to be used in connection with the operation, care, upkeep and maintenance of, or the making of repairs, replacements, restorations or additions to or alterations of, the Commercial Unit or otherwise in connection with any permitted action or activity of the Commercial Unit Owner provided, however, that (A) no lien to secure repayment of any sum borrowed may be created on any Commercial or Residential Unit or its appurtenant interests in the Common Elements without the consent of the Owner of such Unit and (B) Residential Unit Owners will not be liable for repayment of any portion of any such loan.

(d) Action By Residential Committee or Commercial Committee. Any action required or permitted to be taken by either the Residential Committee or the Commercial Committee pusuant to the provisions of these By-Laws or the Declaration, may, if required, be taken by either the Residential Committee or the Commercial Committee in the name of the Condominium Board which shall upon request, execute, acknowledge and deliver any and all instruments, documents or applications in connection therewith; provided, however, that the party desiring to take such action shall indemnify and hold harmless the other and, in the case of action taken by the Commercial Committee, the Commercial Committee shall also indemnify and hold harmless the Residential Unit Owners from any expense or liability thereof or therefrom.

(e) Actions Where No Consent Necessary. Notwithstanding anything to the contrary contained in these By-Laws, (a) no action which is taken or omitted to be taken by or on behalf of the Residential Committee or Residential Unit Owners shall be deemed to adversely affect in any way the Commercial Unit or the use of the Commercial Unit for its permitted purposes and thus shall not require the consent or approval of the Commercial Unit Owner unless the use of any portion of the Residential Section would result in or involve a violation of the provisions of Article V, Sections 12, 13 or 14 and (b) no action which is taken or omitted to be taken by or on behalf of the Commercial Committee or Commercial Unit Owner shall be deemed to affect adversely in any way the Residential

Section or the use of Residential Units for their permitted purposes and thus shall not require the consent or approval of the Residential Committee or Residential Unit Owners unless the use of the Commercial Unit (or any portion thereof) would result in or involve a violation of the provisions of Article V, Sections 12, 13 or 14.

(f) Limitations During Period of Declarant Control. Notwithstanding anything to the contrary contained in these By-Laws, so long as Declarant or its designee shall continue to own at least one Residential Unit, but not longer than two years from the date of conveyance of title to the first Residential Unit, neither the Residential Committee nor the Board of Managers may, without the prior written consent of Declarant or its designee, (i) make any addition, alteration or improvement to the General or Residential Limited Common Elements or to any Unit, or (ii) assess any Common Charges for the creation of, addition to or replacment of all or part of a reserve, contingency or surplus fund (however, Declarant will not unreasonably withhold consent to additions to the Reserve for Contingencies provided for in Schedule B to the Offering Plan for the Condominium to the extent assessments are necessary to make expenditures required by law), or (iii) hire any employee in addition to the employees referred to in the Offering Plan, or (iv) enter into any service or maintenance contract for work not covered by contracts in existence on the date of the first closing of title to a Unit, or (v) borrow money on behalf of the Condominium (except where necessary to perform work required by law to the extent existing reserves are insufficient). Subject to the foregoing, Declarant or its designee shall have the right to withhold its consent to any of the foregoing actions.

Section 3. Managing Agent and Manager. The Board of Managers may employ for the Condominium (and/or for the Residential Section of the Condominium) a managing agent and/or a manager at a compensation established by the Board of Managers (or by the Residential Committee if a Residential Section managing agent is employed), to perform such duties and services as the Board of Managers shall authorize, including, but not limited to the duties listed in subdivisions (i), (iii), (iv), (xii) and (xiv) of Section 2, paragraph (a) of this Article II. The Board of Managers may delegate to the manager or managing agent all of the powers granted to the Board of Managers by these By-Laws other than the powers set forth in subdivisions (ii), (v), (vi), (vii), (viii), (x), (xi), (xv) and (xvii) of Section 2, paragraph (a) of this Article II.

Section 4. Election and Term of Office. (a) Except as provided in Section 1 of Article III of these By-Laws, at

the first meeting of Unit Owners, the term of office of two (2) Residential Members of the Board of Managers shall be fixed at three (3) years or until their successors shall have been elected, the term of office of three (3) Residential Members of the Board of Managers shall be fixed at two (2) years or until their successors shall have been elected and the term of office of two (2) Residential Members of the Board of Managers shall be fixed at one (1) year or until their successors shall have been elected. In addition, the term of office of each of the three (3) Commercial Members of the Board of Managers shall be fixed at one (1) year or until their successors shall have been elected and all successive Commerical Members shall be elected for a term of one (1) year. The nominees to the Residential Committee receiving the highest number of votes shall serve the longest terms. However, if at the first meeting Declarant may appoint a majority of Residential Members in accordance with paragraph (b) of this Section 4 of this Article II of these By-Laws, two (2) of Declarant's appointees shall hold the two (2) year terms and two (2) of Declarant's appointees shall hold the one (1) year term. At the expiration of the initial term of office of each Residential Member of the Board of Managers, his successor shall be elected to serve for a term of three (3) years. Notwithstanding, the foregoing, each member of the Board of Managers shall hold office until his respective successor shall have been elected by the Unit Owners.

(b) Notwithstanding the foregoing, before the fifth anniversary of the conveyance of title to the first Residential Unit, so long as the Declarant shall continue to own (i) at least 50% of the Residential Units, the Declarant shall be entitled to appoint a majority of the Residential Committee members; and (ii) (a) at least two (2) of the Residential Units, the Declarant shall have the right to appoint one (1) Residential Committee member, and (b) the number of members of the Residential Committee and of the Board of Managers may not be changed without Declarant's consent. At such time as Declarant or its designee may no longer appoint a majority of Residential members or shall own fewer than two (2) Residential Units, Declarant's appointees to the Residential Committee shall relinquish their position at the end of their respective terms and a successor shall be elected for a term equal to that of his predecessor.

Section 5. Removal of Members of the Board of Managers. At any regular or special meeting of Unit Owners, any one or more of (i) the Residential Committee members (other than a member designated by the Declarant or its designee) may be removed with or without cause by a majority of the Residential Unit Owners and a successor may then and there, or thereafter be elected by the Residential Unit Owners

to fill the vacancy thus created and (ii) the Commercial Committee members (other than a member designated by the Declarant or its designee) may be removed with or without cause by a majority of the Commercial Unit Owners and a successor may then and there, or thereafter be elected by the Commercial Unit Owner(s) to fill the vacancy thus created. Any member of the Board of Managers whose removal has been proposed shall be given an opportunity to be heard at the meeting. If a member of the Board of Managers ceases to be a Unit Owner or mortgagee (or a partner, officer, director, stockholder or employee of a partnership or corporate owner or mortgagee or fiduciary owner or mortgagee), unless such member is a designee of the Declarant or its designee, he shall be deemed to have resigned effective as of the date such ownership or mortgage interest ceased.

Section 6. Vacancies. Vacancies in the Residential Committee and Commercial Committee of the Board of Managers caused by any reason other than the removal of a member thereof by a vote of the Residential or Commercial Unit Owners, respectively, shall be filled by vote of a majority of the remaining Committee members, respectively, at a special meeting of the respective Committee held for that purpose promptly after the occurrence of any such vacancy, even though the members present at such meeting may constitute less than a quorum, and each person so elected shall be a member of the Board of Managers for the remainder of the term of the predecessor member and until a successor shall be elected at the next annual meeting of Unit Owners.

Section 7. Organization Meeting. The first meeting of the members of the Board of Managers following each annual meeting of the Unit Owners shall be held within ten (10) days thereafter at such time and place as shall be fixed by a majority of the members of the Board of Managers and no notice shall be necessary to the newly elected members of the Board of Managers in order legally to constitute such meeting, providing a majority of the whole Board of Managers shall be present thereat. The first meeting of the Residential Committee shall be held immediately following the first meeting of the Board of Managers.

Section 8. Regular Meetings. Regular meetings of the Board of Managers and of the Residential Committee may be held at such time and place as shall be determined from time to time by a majority of the members of the Board of Managers or Residential Committee, respectively, but at least four such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Managers and Residential Committee shall be given to each member of the Board of Managers and Residential Committee, by mail or telegram, at least

three (3) business days prior to the day named for such meeting.

Section 9. Special Meetings. Special meetings of the Board of Managers, Residential Committee or Commercial Committee may be called by the President upon three (3) business days' notice to each member of the Board of Managers or Committee, given by mail or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Managers or Committee shall be called by the President or Secretary in like manner and on like notice on the written request of at least three (3) members of the Board of Managers or Committee, respectively.

Section 10. Waiver of Notice. Any member of the Board of Managers or Residential or Commercial Committee may at any time waive notice of any meeting of the Board of Managers or Committee in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Managers or Committee at any meeting of the Board or Committee shall constitute a waiver of notice by him of the time and place thereof. Any one or more members of the Board of Managers or any committee thereof may participate in a meeting of the Board or committee by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at a meeting. If all the members of the Board of Managers or Committee are present at any meeting of the Board or Committee, respectively, no notice shall be required and any business may be transacted at such meeting.

Section 11. Quorums. (a) Except as otherwise required in these By-Laws, all determinations of the Board of Managers or Committee shall be made at a meeting of the Board or Committee at which a quorum is present. At all meetings (i) of Committee a majority of the members thereof, at least one of whom shall be a member designated by the Declarant so long as the Declarant shall have the right to do so, and (ii) of the Board of Managers, a majority of the members thereof at least one of whom shall be a Commercial Committee member, shall constitute a quorum for the transaction of business, and the votes of a majority of the members of the Committee or Board of Managers, respectively present at a meeting at which a quorum is present shall constitute the decision of the Committee or Board of Managers, respectively. If at any meeting of the Board of Managers or Committee there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which

a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice. Any action required or permitted to be taken by the Board of Managers or any committee thereof may be taken without a meeting if all members of the Board or the committee consent in writing to the adoption of a resolution authorizing such action and the writing or writings are filed with the minutes of the proceedings of the Board or the Committee.

(b) When the Residential Committee and the Commercial Committee, each acting in accordance with the provisions of this Article II, have made the same determination as to any matter which is required or permitted to be determined by the Condominium Board, such determination shall constitute the determination of the Condominium Board and no further meeting of the Condominium Board shall be necessary.

Section 12. Fidelity Bonds. The Board of Managers shall obtain adequate fidelity bonds for all members of the Board of Managers, officers and employees of the Condominium and the managing agent handling or responsible for Condominium funds. The premiums on such bonds shall constitute a Common Expense.

Section 13. Compensation. No member of the Board of Managers shall receive any compensation from the Condominium for acting as such.

Section 14. 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 liability to others arising from their acts as, or by reason of the fact that such person was a member 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 within the scope of their authority. 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 interest in the Common Elements bears to the interests of all Unit Owners in the Common Elements. Every agreement made by the Board of Managers or by the managing agent on behalf of the Condominium shall provide that the members of the Board of Managers, or the managing agent, as the case may be, are acting only as agents for the Unit Owners and shall have no

personal liability thereunder (except as Unit Owners), and that any liability of a Unit Owner thereunder shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interests of all Unit Owners in the Common Elements.

Section 15. Executive Committee. The Board of Managers may, by resolution duly adopted, appoint an Executive Committee to consist of three (3) or more members of the Board of Managers, at least one of whom shall be designated by the Declarant, so long as the Declarant has the right to designate a Residential Committee member, and one of whom shall be a Commercial Committee member. Such Executive Committee shall have and may exercise all the powers of the Board of Managers in the management of the business and affairs of the Condominium during the intervals between the meetings of the Board of Managers insofar as may be permitted by law, except that the Executive Committee shall not have power (a) to determine the Common Charges and Common Expenses, (b) to determine the Common Charges payable by the Unit Owners to meet the Common Charges and Common Expenses, (c) to adopt or amend the rules and regulations covering the details of the operation and use of the Common Elements, or (d) to exercise any of the powers set forth in subdivisions (vii), (viii), (ix), (x), (xiii), (xiv), (xv) and (xvii) of Section 2, paragraph (a) of this Article II.

Section 16. Other Committees. The Board of Managers may by resolution create such other committees as it shall deem appropriate and such committees shall have such powers and authority as the Board of Managers shall vest therein. Any such Committee shall consist of a member appointed by Declarant or its designee so long as Declarant or its designee shall have the right to appoint a Residential Committee member. Unless the provisions of the Declaration or By-Laws expressly require otherwise, the decisions of any such committee shall be based upon a vote by a majority of the committee members.

Section 17. Resolutions. The Residential Committee and Commercial Committee shall each cause to be promptly delivered to the other, copies of all resolutions adopted by it affecting the Property.

ARTICLE III

Unit Owners

Section 1. Annual Meetings. Within thirty (30) days after the earlier of (i) conveyance of title by Declar-

ant to purchasers of 15% in number and in Common Interest of the Residential Units, or (ii) two years following the first closing of title to a Residential Unit, the Declarant shall call the first meeting of Unit Owners. Thereafter, annual meetings of Unit Owners shall be held on the anniversary of the first meeting unless such date shall occur on a Saturday or Sunday, in which event the meeting shall be held on the succeeding Monday. At such meeting the Residential Committee members shall be elected by ballot of the Residential Unit Owners, including Declarant or its designee, in accordance with the requirements of Section 4 of Article II of these By-Laws. When Declarant no longer owns two (2) Residential Units, Declarant shall have no further right to appoint any Residential Committee member. The Unit Owners may transact such other business at such meetings as may properly come before them.

Section 2. Place of Meetings. Meetings of the Unit Owners and Residential Unit Owners shall be held at the principal office of the Condominium or at such other suitable place convenient to the Unit Owners and Residential Unit Owners as may be designated by the Board of Managers or Residential Committee respectively.

Section 3. Special Meetings. It shall be the duty of the President (who shall also be the President of the Residential Committee) to call a special meeting of the Unit owners or Residential Unit Owners if so directed by resolution of the Board of Managers, or Residential Committee respectively, or upon a petition signed and presented to the Secretary by not less than 25% in Common Interest, in the aggregate, of all Unit Owners with respect to calling a special meeting of all Unit Owners, or 25% in Common Interest, in the aggregate, with respect to calling a special meeting of Residential Unit Owners. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 4. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting of the Unit Owners at least ten (10) but not more than forty (40) days prior to such meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Unit Owner of record, at the Property or at such other address as such Unit Owner shall have designated by notice in writing to the Secretary. If the purpose of any meeting shall be to act upon a proposed amendment to the Declaration or to these By-Laws, the notice of meeting shall be mailed at least thirty (30) days prior to such meeting.

The mailing of a notice of meeting in the manner provided in this Section shall be considered service of notice.

Section 5. Adjournment of Meetings. If any meeting of Unit Owners cannot be held because a quorum is not present, a majority in Common Interest of the Unit Owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

Section 6. Order of Business. The order of business at all meetings of the Unit Owners shall be as follows:

(a) Roll call.

(b) Proof of notice of meeting.

(c) Reading of minutes of preceding meeting.

(d) Reports of officers.

(e) Report of Board of Managers.

(f) Reports of committees.

(g) Election of inspectors of election (when so required).

(h) Election of members of the Board of Managers (when so required).

(i) Unfinished business.

(j) New business.

Section 7. Title to Units. Title to Units may be taken in the name of an individual or in the names of two or more persons, as tenants-in-common or as joint tenants or as tenants by the entirety, or in the name of a corporation or partnership, or in the name of a fiduciary.

Section 8. Voting. The owner or owners of each Unit (except the Board of Managers or its designee) or some person designated by such owner or owners to act as proxy on his or their behalf and who need not be an owner, shall be entitled to cast the votes appurtenant to such Unit at all meetings of Unit Owners. The designation of any such proxy shall be made in writing to the Secretary, and shall be revocable at any time by written notice to the Secretary by the owner or owners so designating. Any or all of such owners may be present at any meeting of the Unit Owners and may vote

or take any other action as a Unit Owner either in person or by proxy (those owning a Unit jointly or in common must act unanimously). The total number of votes of all Unit Owners shall be 1,000,000 and each Unit Owner (including the Declarant or its designee, if the Declarant shall then own one or more Units and the Board of Managers) shall be entitled to cast one vote at all meetings of the Unit Owners for each .0001 per cent of interest in the Common Elements appurtenant to his or their Unit. A fiduciary shall be the voting member with respect to any Unit owned in a fiduciary capacity.

Section 9. Majority of Unit Owners. As used in these By-Laws (i) "majority of Unit Owners" shall mean those Unit Owners having more than 50% of the total authorized votes of all Unit Owners present in person or by proxy, and (ii) "majority of Residential Unit Owners" shall mean those Residential Unit Owners having more than 50% of the total authorizated votes of all Residential Unit Owners present in person or by proxy. In both cases, such majority, present in person or by proxy and voting at any meeting of the Unit Owners or Residential Unit Owners, as the case may be, shall be determined in accordance with the provisions of Section 8 of this Article III.

Section 10. Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of Unit Owners having one-third of the total authorized votes of all Unit Owners shall constitute a quorum at all meetings of Unit Owners and the presence in person or by proxy of Residential Unit Owners having one-third of the total authorized votes of all Residential Unit Owners shall constitute a quorom at all meetings of Residential Unit Owners.

Section 11. Majority Vote. Except where otherwise provided in the Declaration, these By-Laws or by law, a higher percentage vote is required, (a) the vote of a majority of Unit Owners at a meeting at which a quorum shall be present shall be binding upon all Unit Owners for all purpose, and (b) the vote of a majority of Residential Unit Owners at a meeting at which a quorom shall be present shall be binding upon all Residential Unit Owners for all purposes.

Section 12. Action Without Meeting. (a) Any action required or permitted to be taken by the Unit Owners may be taken without a meeting if the number of Unit Owners required by the Declaration, these By-Laws or applicable law consent in writing to the adoption of a resolution authorizing such action and the writing or writings are filed with the records of the Condominium.

(b) When Residential Unit Owners and Commercial Unit Owners, each acting separately in accordance with this Article III, have made the same determination as to any matter which is required or permitted to be determined by all Unit Owners, such determination shall constitute the determination of all Unit Owners and no joint meeting of all Unit Owners shall be necessary to constitute a determination by all Unit Owners.

ARTICLE IV

Officers

Section 1. Designation. The principal officers of the Condominium shall be the President, Vice President, Secretary, Assisant Secretary, Treasurer, and Assistant Treasurer, all of whom (except the Assistant Secretary and Assistant Treasurer) shall be elected by the Board of Managers. All officers except the Assistant Treasurer, Assistant Secretary and the Secretary must be Residential Unit Owners. The President, Vice-President and Treasurer must be members of the Residential Committee as well, and shall hold the same offices with respect to the Residential Committee. The Secretary may be a Residential Unit Owner or may be an employee of the Managing Agent, but in any event need not be a member of the Board of Managers and shall not be appointed Secretary with respect to both the Board of Managers and the Residential Committee. The Assistant Secretary and Assistant Treasurer shall be appointed by the Commercial Unit Owner or the Commercial Committee, and need not be a Unit Owner. The Board, or the Residential Committee, as the case may be, may appoint such other officers as in its judgment may be necessary.

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.

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. Any officer whose removal has been proposed shall be given an opportunity to be heard at the meeting.

Section 4. President. The President, who shall be a Residential Unit Owner, shall be the chief executive officer of the Condominium and the Residential Section. He shall preside at all meetings of the Unit Owners, Board of

Managers, Residential Unit Owners and Residential Committee. Subject to the provisions of these By-Laws, he shall have all of the general powers and duties which are incident to the office of president of a 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, who shall be a Residential Unit Owner member, 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 or the Residential Committee as the case may be, shall appoint some other member of the Board of Managers or Residential Committee 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 corporation organized under the Business Corporation Law of the State of New York.

Section 7. Assistant Secretary. The Assistant Secretary shall assist the Secretary as necessary with respect to items concerning the Condominium generally, and shall have responsibility for all books and records (other than financial books and records) affecting the Commercial Unit.

Section 8. Treasurer. The Treasurer of the Condominium shall also be the Treasurer of the Residential Section and shall have the responsibility for Condominium and Residential Section 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 monies and other valuable effects in the name of the Board of Managers, or the Residential Committee or the managing agent, in such depositories as may from time to time be designated by the Board of Managers, or the Residential Committee and he shall perform, in general, all the duties incident to the office of treasurer of a corporation organized under the Business Corporation Law of the State of New York.

Section 9. Assistant Treasurer. The Assistant Treasurer shall assist the Treasurer as necessary with general Condominium funds and accounting, but generally shall have responsibility for keeping full and accurate financial records showing all receipts and disbursements for the Commercial Unit.

Section 10. Agreements, Contracts, Deeds, Checks, etc. All agreements, contracts, deeds, leases, checks and other instruments of the Condominium or Residential Committee, as the case may be, shall be executed by any two officers of the Condominium, or by such other person or persons as may be designated by the Board of Managers or the Residential Committee.

Section 11. Compensation of Officers. No officer shall receive compensation from the Condominium for acting as such. The provisions of this Section 11 of this Article IV shall not be amended so long as Declarant shall own more than 50% of the Units.

ARTICLE V

Operation of the Property

Section 1. Determination of Common Expenses and Fixing of Common Charges. (a) Except as otherwise provided herein, the Board of Managers shall from time to time, and at least annually, prepare a budget for the Condominium, determine the amount of the General Common Charges payable by the Unit Owners to meet the General Common Expenses of the Condominium and determine the portion of General Common Expenses to be paid by the Residential Unit Owners (the "General Residential Common Charges") and the portion of General Common Expenses to be paid by the Commercial Unit Owner (the "General Commercial Common Charges") according to their respective Common Interests. The General 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 Section 2 of this Article V. The General 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 for working capital of the Condominium for a general operating reserve, for a reserve fund for replacement, and to make up any deficit in the General Common Expenses for any prior year.

(b) The Board of Managers or any of its committees shall advise all Unit Owners promptly, in writing, of the

amount of General Commercial Common Charges, General Residential Common Charges, Commercial Common Charges or Residential Common Charges, if applicable, payable by each of them, respectively, as determined by the Board of Managers or respective Committees as aforesaid, and shall furnish to all Unit Owners copies of each budget upon which such Common Charges and Expenses are based. That portion of the Common Charges which is allocated by the Board of Managers to principal payments on indebtedness or for capital improvements shall be treated upon the books of the Condominium as capital contributions.

The Declarant or its designee shall be responsible for the Common Charges assessed against a Residential or Commercial Unit owned by it from the date of the first conveyance of title to a Residential Unit, until such Unit is sold to a bona fide purchaser.

(c) Notwithstanding the Residential Unit Owners' share of the General Common Expenses and except as otherwise provided herein, all costs and expenses in connection with the repair, maintenance, replacement, restoration and operation of and any alteration, addition or improvement to the Residential Limited Common Elements ("Residential Common Expenses") may be determined by the Residential Committee and shall be borne solely by the Residential Unit Owners. Residential Common Expenses may include, without limitation, such amounts as the Residential Committee may require for the purchase, lease or sublease by the Board of Managers or its designee, corporate or otherwise, on behalf of all Residential Unit Owners, of any Residential Unit whose owner has elected to sell, lease, transfer or convey such Unit. Residential Common Expenses shall also include all such other items provided for in the Declaration or these By-Laws to be Residential Common Expenses. The Residential Committee shall from time to time, and at least annually, prepare a budget to meet Residential Common Expenses and shall allocate and assess to the Residential Unit Owners, pro rata in accordance with their respective Common Interests (except as otherwise provided in the Declaration or these By-Laws), charges ("Residential Common Charges") to meet the Residential Common Expenses. The Residential Committee shall promptly advise all Residential Unit Owners, in writing, of the amount of Residential Common Charges payable by each of them and shall furnish to all Residential Unit Owners, copies of each budget upon which such Residential Common Charges are based.

(d) Except as otherwise provided herein, all costs and expenses in connection with the repair, maintenance, replacement, restoration and operation of and any alteration, addition or improvement to, the Commercial Limited Common

Elements ("Commercial Common Expenses") may be determined by the Commercial Committee and shall be borne solely by the Commercial Unit Owner ("Commercial Common Charges").

Section 2. Insurance. The Board of Managers shall be required to obtain and maintain, to the extent obtainable and to the extent determined by the Board of Managers to be appropriate or relevant, the following insurance: (1) fire insurance with extended coverage, vandalism and malicious mischief endorsements insuring the Building (including all structural elements of the Units and the bathroom and kitchen fixtures installed therein by Declarant, partitions, floors and ceilings within the Units, but not including furniture, furnishings, kitchen appliances or other personal property supplied or installed by Unit Owners or tenants of Unit Owners), together with all service machinery contained therein, and covering the interests of the Condominium, the Board of Managers, and all Unit Owners and their mortgagees, as their interests may appear, in an amount equal to the full replacement value of the Building (exclusive of the cost of excavation and foundations), without deduction for depreciation; each of said policies shall contain a New York standard mortgagee clause in favor of each mortgagee of a Unit which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee hereinafter set forth; (2) rent insurance covering the General Common Charges and Expenses payable by the Unit Owners; (3) worker's compensation insurance for Condominium employees; (4) boiler and machinery insurance; (5) water damage legal liability insurance; (6) Officers' and Directors' Liability Insurance; (7) Fidelity Insurance covering the Managing Agent and all employees and members of the Board of Managers who handle Condominium funds; and (8) such other insurance as the Board of Managers may determine necessary or prudent. The proceeds of all policies of physical damage insurance will be payable to the Board of Managers if $100,000 or less, and to a bank, trust company or savings and loan association designated by the Board of Managers as the "Insurance Trustee", if more than $100,000, in accordance with the terms of these By-Laws, to be applied for the purpose of repairing, restoring or rebuilding the Building unless otherwise determined by the Unit Owners as hereinafter set forth. No portion of the insurance proceeds shall be applied to the payment of the mortgage indebtedness of any Unit Owner unless the Unit Owners determine not to repair, restore or rebuild the Building.

The amount of fire insurance to be maintained until the first meeting of the Board of Managers following the

first annual meeting of the Unit Owners shall be at least in the sum of $18,000,000.

All policies of physical damage insurance shall contain waivers of subrogation and waivers of any defense based on co-insurance or of invalidity arising from any acts of the insured, or of pro-rata reduction of liability, and shall provide that such policies may not be cancelled or substantially modified without at least thirty (30) days' prior written notice to all of the insureds, including all mortgagees of Units. Duplicate originals of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all mortgagees of Units at least ten (10) days prior to expiration of the then current policies and each Unit Owner shall receive a certificate of such insurance. Prior to obtaining any policy of fire insurance or any renewal thereof, the Board of Managers shall obtain an appraisal from a fire insurance company or otherwise of the full replacement value of the Building (exclusive of the cost of excavation and foundations) including all of the Units and all of the Common Elements therein, without deduction for depreciation, for the purpose of determining the amount of fire insurance to be effected pursuant to this Section.

The Board of Managers shall also be required to obtain and maintain, to the extent obtainable, public liability insurance in such limits as the Board of Managers may from time to time determine, covering each member of the Board of Managers, the managing agent, the manager, and each Unit Owner. Such public liability coverage shall also cover cross liability claims of one insured against another. The Board of Managers shall review such limits once each year. Until the first meeting of the Board of Managers following the first annual meeting of the Unit Owners, umbrella public liability insurance shall be in a single limit of $5,000,000 covering all claims for bodily injury or property damage arising out of one occurrence and in a limit of $1,000,000 for each occurrence for water damage legal liability claims.

The Commercial Unit Owner shall obtain and keep in full force and effect during the period of its ownership a policy of comprehensive general public liability and property damage insurance with a broad form contractual liability endorsement under which the insurance company waives subrogation, the Commercial Unit Owner is named as the insured, the Board of Managers as agent for the Unit Owners is named as an additional insured, and under which the insurer agrees to indemnify and hold the Board harmless from and against all cost, expense and/or liability arising out of or based upon any and all claims, accidents, injuries and damages caused by

the Commercial Unit Owner's conduct and/or use or misuse of the Commercial Unit and any Commercial Limited Common Element appurtenant thereto. Such policy shall contain a provision that no act or omission of the Commercial Unit Owner shall affect or limit the obligation of the insurance company to pay the amount of any loss sustained and shall be non-cancellable with respect to the Board without thirty (30) days' prior written notice to the Board by certified mail, return receipt requested, which notice shall contain the policy number and the names of the insureds. A certificate thereof shall be delivered to the Board. Failure to deliver said certificate shall not absolve the Commercial Unit Owner of liability or render the Board liable. The minimum limits of liability shall be a combined single limit with respect to each occurrence in an amount of not less than $1,000,000 for injury or death and damage to property. All insurance required to be carried by the Commercial Unit Owner pursuant to the terms of the Declaration and/or By-Laws shall be effected under valid and enforceable policies issued by reputable and independent insurers admitted and licensed to do business in the State of New York.

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

Section 3. Repair or Reconstruction After Fire or Other Casualty. In the event of damage to or destruction of the Building as a result of fire or other casualty (unless such damage or destruction shall give a Unit Owner or lienor a right of partition as provided by the Condominium Act), the Board of Managers shall arrange for the prompt repair and restoration of the Building (including any damaged Units, and any kitchen or bathroom fixtures installed therein, and partitions, floors and ceilings within the Unit, but not including any wall, ceiling or floor decorations or coverings or furniture, furnishings, fixtures, appliances or equipment supplied or installed by Unit Owners or tenants of Unit Owners) and the Board of Managers or the Insurance Trustee, as the case may be, shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a General Common Expense and the Board of Managers may assess all the Unit Owners for such deficit as part of the Common Charges.

If, as the result of damage to or destruction of the Building by fire or other casualty, the Property becomes subject to an action for partition at the suit of any Unit Owner or lienor as if owned in common, in accordance with the provisions of the Condominium Act, the Property will not be repaired and the net proceeds of sale, together with the net proceeds of insurance policies (or if there shall have been a repair or restoration pursuant to the first paragraph of this Section 3, and the amount of insurance proceeds shall have exceeded the cost of such repair or restoration, then the excess of such insurance proceeds) shall be divided by the Board of Managers or the Insurance Trustee, as the case may be, among all the Unit Owners in proportion to their respective Common Interest, after first paying out of the share of each Unit Owner the amount of any unpaid liens on his Unit, in the order of the priority of such liens.

Section 4. Payment of Common Charges. Each Unit Owner shall be obligated to pay the Common Charges allocated to his Unit pursuant to the provisions of Section 1 of this Article V at such time or times as the Board of Managers shall determine. Residential Unit Owners shall be obligated to pay General Residential Common Charges and Residential Common Charges. Commercial Unit Owners shall be obligated to pay General Commercial Common Charges.

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 (made in accordance with the provisions of Section 1 of Article VII of these By-Laws) of such Unit, together with the Appurtenant Interests, as defined in Section 1 of Article VII hereof. In addition, any Unit Owner may, subject to the terms and conditions specified in these By-Laws, provided that his Unit is free and clear of liens and encumbrances other than a permissible mortgage and the statutory lien for unpaid Common Charges, convey his Unit, together with the "Appurtenant Interests", to the Board of Managers, or its designee, corporate or otherwise, on behalf of all other Unit Owners, and in such event be exempt from Common Charges thereafter assessed. A purchaser of a Unit shall be liable for the payment of Common Charges assessed against such Unit prior to the acquisition by him of such Unit, except that a first mortgagee or other purchaser of a Unit from a first mortgagee at a foreclosure sale of such Unit shall not be liable for and such Unit shall not be subject to a lien for the payment of Common Charges assessed prior to the foreclosure sale (except for Common Charges due prior to the date of the first mortgage).

Section 5. Collection of Assessments. The Board of Managers shall assess Common Charges against the Unit Owners from time to time and at least annually and shall take prompt action to collect any Common Charges due from any Unit Owner which remains unpaid for more than 30 days from the due date for payment thereof.

Section 6. Default in Payment of Common Charges. 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 Owner shall be obligated to pay interest at the maximum rate permitted by law on such Common Charges or assessments from the due date thereof until paid, together with all expenses, including attorneys' fees and disbursements, 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 attorneys' fees, in an action 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.

Section 7. 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 to the appointment of a receiver to collect the same. The Board of Managers, acting on behalf of all Unit Owners, shall have power to purchase such Unit at the foreclosure sale and to acquire, hold, lease, mortgage, vote the votes appurtenant to (other than for the election of members of the Board of Managers), convey or otherwise deal with the same. A suit to recover a money judgment for unpaid Common Charges shall be maintainable without foreclosing or waiving the lien securing the same.

Section 8. Statement of Common Charges. The Board of Managers (or a managing agent on its behalf) shall promptly provide any Unit Owner with a written statement of all unpaid Common Charges due from such Unit Owner upon written request therefor.

Section 9. 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 rights 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 provision hereof (provided, however, that no prior notice shall be required in the event that the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the property or for the safety of the residents of the Condominium or other persons or required to avoid the suspension of any necessary service to the Condominium); or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

Section 10. Maintenance and Repairs. (a) All maintenance of and repairs to any Unit, structural or non-structural, ordinary or extraordinary (other than maintenance of and repairs to any Common Elements contained therein and not necessitated by the negligence, misuse or neglect of the Owner of such Unit) shall be made by the Owner of such Unit. Each Unit Owner shall be responsible for all damages to any and all other Units and/or to the Common Elements that occur as a result of his failure to perform such maintenance and repairs.

(b) All painting, decorating, maintenance, repairs and replacements, whether structural or non-structural, ordinary or extraordinary, to the General Common Elements or Residential Limited Common Elements, whether located inside or outside of the Units (unless necessitated by the negligence, misuse or neglect of a Unit Owner, in which case such expense shall be charged to such Unit Owner), shall be made by the Board of Managers if concerning a General Common Element, or the Residential Committee if concerning a Residential Limited Common Element, and shall be charged to all the Unit Owners as a General Common Expense if concerning a General Common Element, or to the Residential Unit Owners as a Residential Common Expense if concerning the Residential Limited Common Elements. Notwithstanding the foregoing, Residential Unit Owners shall paint, decorate and generally maintain the Unit side of the door to their Unit opening onto the public corridor.

(c) The interior and exterior surfaces of all exterior windows located in a Residential Unit and in the Commercial Unit are to be cleaned by the Unit Owner at the Unit Owner's expense. Broken exterior windows in a Unit shall be replaced by the Board of Managers at the Unit Owner's sole cost and expense, unless the breakage was caused by the

Board of Managers or its agents, in which case replacement shall be by the Board at its sole cost and expense.

(d) The Commercial Unit Owner, at its expense, shall keep the Commercial Unit in good order, shall cause the Commercial Unit, the street level entrance door or doors and all street level glass surfaces and any service entrance area to be cleaned at regular intervals (but not less frequently than weekly), shall not at any time sweep any refuse, rubbish or dirt into the gutters or streets, and shall cause any portions of the Commercial Unit used for storage, preparation, service or consumption of food or beverages to be exterminated against infestation by vermin, roaches or rodents regularly, and in addition, whenever there shall be evidence of any infestation.

(e) All painting, decorating, maintenance, repairs and replacements, whether structural or non-structural, ordinary or extraordinary, in or to the Commercial Limited Common Elements (except any Special Commercial Limited Common Elements) will be made by the Commercial Committee, unless otherwise provided in these By-Laws.

Section 11. Violations of Maintenance Obligations. (a) In the event any Residential Unit Owner, after receipt of written notice from the Board of Managers or Residential Committee, fails or neglects in any way to perform any obligations with respect to the painting, decorating, maintenance, repair or replacement of his Unit as provided in this Article V or of any Common Element for which such Unit Owner is responsible under the Declaration or these By-Laws, the Residential Committee may perform or cause to be performed such painting, decorating, maintenance, repair or replacement unless such Residential Unit Owner, within five (5) days after receiving notice of such default by the Residential Committee, cures such default, or in the case of a default not reasonably susceptible to cure within such period, commences and thereafter prosecutes to completion, with due diligence, the curing of such default. All sums expended and all costs and expenses incurred in connection with the making of any such painting, decorating, maintenance, repair or replacement in such Residential Unit Owner's Unit, together with interest thereon at the maximum rate permitted by law, shall be immediately payable by such Residential Unit Owner to the Board of Managers and shall, for all purposes hereunder, constitute Common Charges payable by such Residential Unit Owner.

(b) In the event that the Commercial Unit Owner fails or neglects in any way to perform any obligation with respect to the repair or replacement of any part of the Com-

mercial Unit, the Board of Managers may, but shall not be obligated to perform or cause to be performed any such repair or replacement provided that (i) the Board of Managers gives the Commercial Unit Owner written notice that such repair or replacement is necessary and that the Condominium Board will complete such repair or replacement in the event the Commercial Unit Owner does not promptly act or complete the repair or replacement, and (ii) in the event the Board of Managers shall make such repair or replacement, it shall be at the expense of the Board of Managers which shall then submit a bill for reimbursement to the Commercial Unit Owner. The Board of Managers shall have the right, in the event that the Commercial Unit Owner disputes the amount of such payment or liability of the Commercial Unit Owner to pay same, to submit such dispute to Arbitration. If the Commercial Unit Owner has disputed the bill, the Commercial Unit Owner shall pay the cost of such repair or replacement only after a determination by Arbitration, provided that such Arbitration determines that (i) the cost of such repair or replacement was reasonable, (ii) the Commercial Unit Owner failed to perform such repair or replacement, and (iii) the repair or replacement was required to be performed by the Commercial Unit Owner. In the event that such repair or replacement is made by the Board of Managers, the Board of Managers shall indemnify the Unit Owner and hold it harmless from and against any claims, costs, expenses or liabilities whatsoever, including counsel fees, in any way incurred by the Commercial Unit Owner in connection with the completion of such repair or replacement by the Board of Managers or any defect therein (but not for the existence of the condition requiring such repair or replacement).

Section 12. 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 provisions:

(a) The Residential Units shall be used for dwelling purposes only, except that (i) to the extent permitted by law, home occupation and other ancillary uses are permitted, (ii) while the Declarant owns any Residential Unit, the Declarant shall have the right to use such Residential Unit for general and sales office purposes, as models and for other promotional purposes in connection with the sale or lease of Residential Units of the Condominium, (iii) a Residential Unit may only be used for professional offices with the prior written consent of the Board of Managers, which shall not be unreasonably withheld, unless such use is prohibited by law, and (iv) the Commercial Unit shall be used for any legal business or professional purpose consistent

with applicable zoning and Building laws, codes, or regulations and any private covenants and restriction affecting the Property. The Commercial Unit shall not be used for any obscene or pornographic purposes or any sort of commercial sex establishment. The owner or lessee of a Commercial Unit shall not (a) bring, permit or sell any obscene or pornographic material in any Commercial Unit, (b) permit or conduct any obscene, nude, or seminude performance in any Commercial Unit, (c) permit, conduct or use any Commercial Unit for nude modeling, rap sessions, or for the sale of sex-related paraphernalia or as a sex club of any sort, or as a massage parlor or permit or conduct any use similar to those specifically prohibited as above described. Nothing herein shall be deemed to preclude the use of the Commercial Unit as a fitness center or as a raquetball or squash club or similar facility;

(b) The Property shall only be used for its intended purposes as provided hereunder and in the Declaration. The use of the Residential Section of the Building as residences by Residential Unit Owners shall not be deemed to be objectionable by the Commercial Unit Owner or Board of Managers and any lawful use of the Commercial Unit shall not be deemed to be objectionable by the Residential Unit Owners or the Board of Managers;

(c) No immoral, improper, offensive or unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof relating to any portion of the Property, shall be complied with by and at the sole expense of the Unit Owners or the Board of Managers, whoever shall be responsible to maintain or repair, that portion of the Property to which such violations relate;

(d) No portion of any Residential Unit (other than the entire Residential Unit) may be rented and no transient tenants may be accommodated therein;

(e) Rules, regulations and By-Laws concerning the Residential Units and the Residential Limited Common Elements may be promulgated and amended from time to time by the Residential Committee provided that copies are furnished to each Unit Owner not less than five (5) days prior to the time that they become effective. Any residential rule or regulation may be rescinded by vote of 70% of the Residential Unit Owners at a meeting duly called for that purpose. Rules, regulations and By-Laws affecting the Commercial Unit may be promulgated,

amended and rescinded only by unanimous consent of the Commercial Committee of the Board of Managers. The initial Rules and Regulations are attached hereto as Exhibit A;

(f) The Commercial Unit Owner, at its sole expense, shall comply with all laws, orders and regulations of federal, state and municipal authorities and with any direction of any public officer or officers, pursuant to law, and all rules, orders, regulations or requirements of the New York Board of Fire Underwriters, or any other similar body which shall impose any violation, order or duty upon the Condominium, its Board of Managers or the Commercial Unit Owner, with respect to said Commercial Unit as a result of (i) any authorized or unauthorized use or occupation thereof by said Unit Owner or its tenants, or (ii) the conduct by the Commercial Unit Owner of its business in the Commercial Unit in a manner different from the ordinary and proper conduct of such business. The Commercial Unit Owner shall not do or permit to be done any act or thing in or upon the Commercial Unit or Common Elements of the Condominium which will invalidate or be in conflict with any insurance policies covering the Condominium and fixtures and property therein, and shall not do, or permit anything to be done in or upon the Commercial Unit, or bring or keep anything therein, except as now or hereafter permitted by the New York City Fire Department, New York Board of Fire Underwriters, New York Fire Insurance Rating Organization or other authority having jurisdiction;

(g) The Commercial Unit Owner shall not at any time use or occupy or suffer or permit anyone to use or occupy the Commercial Unit or do anything in the Commercial Unit or the Building, or suffer or permit anything to be done in the Commercial Unit or the Building, in violation of any temporary or permanent certificate of occupancy issued for the Unit and/or the Building, and in the event that any Department of the City or State of New York shall at any time contend and/or declare by notice, violation, order or in any other manner whatsoever that the Commercial Unit is used for a purpose which is a violation of such certificate of occupancy, the Commercial Unit Owner shall, upon sixty (60) days' written notice from the Board of Managers, immediately discontinue such use of the Commercial Unit unless such Unit Owner shall be contesting by bona-fide claim, the propriety of such claim and no Unit Owner or member of the Board of Managers shall be subject to criminal prosecution as a result thereof and the Residential Unit Owners are not prohibited from using their Units as a result thereof; and

(h) The Commercial Unit Owner, including the Sponsor, may install in or on the Commercial Unit (within the area designated as a Commercial Limited Common Element)any

door and store front and such exterior signs as may be reasonably appropriate for the Building but such signs may not utilize moving parts or flashing, oscillating or moving lights, or lighting of variable intensities, unless the Board of Managers shall have first approved the Unit Owner's plans for any such signs with moving parts, moving lights or flashing lights. The Commercial Unit Owner, unless the Sponsor in which event consent is not required, may not install or erect any signs or exterior decorations or advertisements in or on the General Common Elements of the Condominium unless the Board of Managers shall have given prior written approval to such installation or use of the General Common Elements. The Board of Managers' approval in both of the foregoing regards may not be unreasonably withheld or delayed. The Commercial Unit Owner must maintain its signs, awnings and exterior decorations in good condition and repair at all times.

Section 13. Additions, Alterations or Improvements by Board of Managers. (a) Whenever in the judgment of the Board of Managers the General Common Elements shall require additions, alterations or improvements costing in excess of $100,000, and the making of such additions, alterations or improvements shall have been approved by 70% in number and in Common Interest of all Unit Owners present in person and/or by proxy and voting at a meeting duly held in accordance with these By-Laws (and by the holders of Unit first mortgages, if such approval is required), the Board of Managers shall proceed with such additions, alterations or improvements and shall assess all Unit Owners for the cost thereof as a General Common Charge. Any additions, alterations or improvements to the General Common Elements costing $100,000 or less may be made by the Board of Managers without approval of the Unit Owners, or the holders of Unit first mortgages and the cost thereof (unless paid from the contingency fund) shall constitute part of the General Common Expenses payable by the Unit Owners.

(b) Whenever in the judgment of the Residential Committee, the Residential Limited Common Elements shall require additions, alterations or improvements costing in excess of $100,000 and the making of such additions, alterations or improvements shall have been approved by 70% in number and in Common Interest of the Residential Unit Owners present in person and/or by proxy and voting at a meeting duly held in accordance with these By-Laws (and by the holder of Unit first mortgages, if such approval is required), the Board of Managers shall proceed with such additions, alterations or improvements and shall assess all Residential Unit Owners for the costs thereof as a Residential Common Charge. Any addition, alteration or improvement to the Residential Limited Common Elements costing $100,000 or less may be made by the Board of Managers without approval of the Residential Unit

Owners or the holders of Unit first mortgages provided the Residential Committee has approved such addition, alteration or improvement, and the cost thereof shall constitute part of the Residential Common Expenses payable only by the Residential Unit Owners.

(c) So long as the Declarant or its designee shall own at least two (2) Units, neither the Board of Managers nor the Residential Committee may make any addition, alteration or improvement to the General Common Elements or Residential Limited Common Elements respectively without the Declarant's or its designee's prior written consent, which consent shall not be unreasonably withheld.

Section 14. Additions, Alterations or Improvements by Unit Owners. No Residential Unit Owner shall install any appliance or make any structural addition, alteration or improvement in or to his Residential Unit without the prior written consent thereto of the Residential Committee. The Residential Committee shall have the obligation to answer any written request by a Residential Unit Owner for approval of a proposed installation or structural addition, alteration or improvement in such Unit Owner's Residential Unit within thirty (30) days after such request, and failure to do so within the stipulated time shall constitute a consent by the Residential Committee to the proposed installation, addition, alteration or improvement except that the passage of time shall not constitute approval for the installation of a clothes washing or drying appliance. Any application to any department of The City of New York, or to any other governmental authority for a permit to make an installation, addition, alteration or improvement in or to any Residential Unit shall be executed by the Board of Managers only, without, however, incurring any liability on the part of the Board of Managers or any of them to any contractor, subcontractor, materialman, architect or engineer on account of such installation, addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom. The provisions of this Section 14 shall not apply to a Residential Unit owned by Declarant or its designee.

The Declarant or its designee shall have the right, without the consent of the Board of Managers, other Unit Owners or the holders of Unit mortgages, to (i) make alterations, additions or improvements, structural and non-structural, ordinary and extraordinary, interior and exterior, in, to and upon any Unit owned by it, (ii) change the layout or number of rooms in the Unit, (iii) change the size and/or number of such Units by subdividing a Unit, combining separate Units (including those resulting from such subdivision or

otherwise) into one or more Units, altering the boundary walls between Units or otherwise, and (v) reapportion among the Units affected by such change their appurtenant interests in the Common Elements, provided, however, that in each instance there shall be compliance with any and all laws, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold the Board of Managers and all other Unit Owners harmless from any liability arising therefrom.

The Declarant and every subsequent Owner of a Commercial Unit (or Units, if it be subdivided) shall have the right, without the consent of the Board of Managers, other Unit Owners, or the holders of mortgages on any other Units, to (a) make alterations, additions or improvements, structural and non-structural, interior and exterior, ordinary and extraordinary, in, to and upon their respective Units, (b) alter or improve the Commercial Limited Common Elements (until the Commercial Unit is subdivided and, thereafter, the Special Commercial Limited Common Elements); (c) subdivide the Commercial Unit into single Units and recombine Units resulting from such subdivision; and (d) alter any boundary walls between one or more subdivided Commercial Units, provided, however, that in each instance the Commercial Unit Owner shall comply, if applicable, with all laws, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold the Board of Managers and all other Unit Owners harmless from any liability arising therefrom, except that any Commercial Unit Owner must also receive the consent of the Commercial Committee of the Board of Managers, which consent may not be unreasonably withheld or delayed. If Commercial Unit(s) are subdivided, recombined, or boundary walls altered, the Owners thereof shall have the right, without the consent of the Board of Managers, other Unit Owners, or the holders of mortgages on other Units, to apportion among the resulting Units their appurtenant interests in the Common Elements.

If any Commercial Unit is subdivided, (i) a dividing wall or walls shall be deemed Special Commercial Limited Common Elements for the exclusive use of the Unit Owners whose Units are separated by such walls and shall be maintained, repaired and replaced by the Owners of the subdivided Units at their sole cost and expense and as their joint and several obligation, and (ii) all drains, flues, vents, condensate and refrigerant lines and other mechanical fixtures and equipment (except fixtures and equipment installed by the Owner of a subdivided Unit or a tenant of such Owner) used in common by two or more Unit Owners shall be maintained, repaired and replaced by the Owners of such subdivided Units

at their sole cost and expense and as their joint and several obligation.

Section 15. Use of Common Elements and Facilities. (a) A Unit Owner shall not place or cause to be placed in the lobbies, vestibules, public halls, stairways, elevators, 8th floor secondary means of egress or other Common Elements or common facilities, other than the areas designated as storage areas, any furniture, packages or objects of any kind. The lobbies, vestibules, public halls, stairways and elevators shall only be used for normal transit.

(b) Residential Unit Owners shall require their tradesmen to utilize exclusively the elevators designated by the Residential Committee for transporting packages, merchandise or any other objects which may affect the comfort or well-being of the passengers of the elevators used for transportation of owners, residents and their invitees.

(c) The Common Elements and facilities shall be used only for their intended purposes. No Residential Unit Owner shall make any addition, alteration, improvement or change in or to any Common Element without the prior written consent of the Residential Committee (and the holders of Unit mortgages, if required).

(d) So long as the Declarant owns any Unit, the Declarant shall have the right to maintain general and sales offices on or about the Property, to have the Declarant's employees present on the Property, to use the Common Elements and to do all things necessary or appropriate to sell Units located at the Property, including but not limited to the right to erect and maintain signs on exterior portions of the Building and elsewhere on the Property, but the Declarant shall be obligated to repair and maintain the portions of the Property used by the Declarant for such purpose for so long as such use shall continue.

Section 16. Right of Access. All Unit Owners shall grant the Managing Agent and/or any other person authorized by the Board of Managers or the Managing Agent a right of access to his Unit for the purpose of making inspections or for the purpose of correcting any condition originating in his Unit and which threatens 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, or to correct any condition which violates the provisions of any mortgage covering another Unit, 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.

Section 17. Water Charges and Sewer Rents. Water shall be supplied to all of the Units and the Common Elements through two master Building meters. The Board of Managers shall pay as a General Common Expense the cost of water supplied to all Units and Common Elements together with all related sewer rents arising therefrom promptly after the bills for same shall have been rendered. In the event of a proposed sale of a Unit by the Owner thereof, the Board of Managers (or the managing agent on its behalf) 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 Unit as of the date of closing of title to such Unit, and payable by the Board of Managers, promptly after such charges shall have been billed by the City Collector.

Section 18. Gas and Electricity. Gas shall be supplied to the Residential Units and the Common Elements through the Building meter or meters and the bills therefor shall be paid by the Board of Managers as a General Common Expense. Electricity for the Common Elements including the public lobbies, elevators, corridors and entranceways will be paid by the Board of Managers as a General Common Expense. Electricity shall be supplied to all Units through individual meters and each Unit Owner shall pay all charges therefor directly to the public utility company.

Section 19. Removal of Garbage and Refuse. Garbage and refuse removal from the Residential Units shall be conducted in accordance with such rules as the Residential Committee shall enact. The City of New York provides such service initially and the cost of such removal, if any, shall be a Residential Common Expense of all Residential Unit Owners. Garbage and refuse removal from the Commercial Unit shall be conducted in accordance with such rules as the Commercial Committee shall enact subject to these By-Laws. The Commercial Unit Owner shall arrange for such service directly and at its own cost and expense. In the event the Commercial Unit is subdivided, the Commercial Committee may arrange for such service for Commercial Unit Owners collectively and the cost and expense for such service shall be borne by those Commercial Unit Owners in the proportion that the Common Interest allocable to the Unit of each such Owner bears to the Common Interest to all such Commercial Units.

ARTICLE VI

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 conformed 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 or Other Default. The Board of Managers, whenever so requested in writing by a mortgagee of a Unit, shall promptly report any then unpaid Common Charges due, or other default, by the owner of the mortgaged Unit.

Section 3. Notice of Default. Whenever the Board of Managers shall give notice to a Unit Owner of a default in paying Common Charges or other default it shall simultaneously send a copy of such notice to each holder of a mortgage covering such Unit whose name and address has theretofore 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, but not more often than once a month.

ARTICLE VII

Sales, Leases and Mortgages of Units

Section 1. Sales and Leases. (a) No Residential Unit Owner may sell his Unit or any interest therein except by complying with the following provisions:

Any Residential Unit Owner who receives an offer (hereinafter called an "Outside Offer") for the sale of his Residential Unit together with: (i) the undivided interest in the Common Elements appurtenant thereto; (ii) the interest of such Unit Owner in any Units theretofore acquired by the Board of Managers, or its designee, on behalf of all Unit Owners, or the proceeds of the sale or lease thereof, if any; and (iii) the interest of such Unit Owner in any other assets of the Condominium (hereinafter collectively called the "Appurtenant Interests"), which he intends to accept, shall give notice to the Board of Managers of such offer and of such intention, the name and address of the proposed purchaser, the terms of the proposed transaction and the proposed contract of sale and such other information as the

Board of Managers may reasonably require, and shall offer to sell such Residential Unit, together with the Appurtenant Interest, to the Board of Managers, or its designee, corporate or otherwise, on behalf of the owners of all other Residential Units on the same terms and conditions as contained in such Outside Offer. The giving of such notice shall constitute a warranty and representation by the Unit Owner who has received such offer, to the Board of Managers on behalf of the other Residential Unit Owners, that such Unit Owner believes the Outside Offer to be bona fide in all respects. Within thirty (30) days after receipt of such notice, the Board of Managers may elect, by notice to such Unit Owner, (a) to purchase such Residential Unit, together with the Appurtenant Interest (or to cause the same to be purchased by its designee, corporate or otherwise), on behalf of all other Residential Unit Owners, on the same terms and conditions as contained in the Outside Offer and as stated in the notice from the offering Unit Owner, or (b) to produce a Purchaser who will purchase such Unit, together with the Appurtenant Interest, on the same terms and conditions as contained in the Outside Offer and as stated in the notice from the offering Unit Owner. In the event the Board of Managers shall elect to purchase such Residential Unit, together with the Appurtenant Interests, or to cause the same to be purchased by its designee, corporate or otherwise, title shall close at the office of the attorneys for the Condominium in accordance with the terms of the offer but not less than forty-five (45) days after the giving of notice by the Board of Managers of its election to accept such offer. At the closing, the Unit Owner shall convey the Residential Unit and Appurtenant Interests to the Board of Managers or to its designee, on behalf of all other Residential Unit Owners, by deed in the form required by Section 339-o of the Real Property Law of the State of New York, with all transfer stamps affixed, and shall pay all New York City Real Property Transfer Taxes and all other taxes arising out of such sale including, if applicable, the tax on gains from certain real property transfers required pursuant to Article 31-B of the Tax Law of the State of New York and The Foreign Investment in Real Property Transfer Act of 1984. Real estate taxes, mortgage interest and Common Charges and Expenses shall be apportioned between the Unit Owner and the Board of Managers, or its designee, as of the closing date. In the event the Board of Managers or its designee shall fail to accept such offer or to produce a purchaser within thirty (30) days as aforesaid or fails to act within said thirty-day period, the offering Unit Owner shall be free to contract to sell such Residential Unit, together with the Appurtenant Interests, within sixty days after the expiration of the period in which the Board of Managers or its designee might have accepted such offer, to the Outside Offeror, on the terms and condi-

tions set forth in the notice from the offering Unit Owner to the Board of Managers of such Outside Offer and in the proposed contract of sale submitted therewith. Any such deed to an Outside Offeror shall provide that the acceptance thereof by the grantee shall constitute an assumption of the provisions of the Declaration, the By-Laws and the Rules and Regulations, as the same may be amended from time to time. In the event the offering Unit Owner shall not, within such 60-day period, contract to sell such Residential Unit, together with the Appurtenant Interests, to the Outside Offeror on the terms and conditions contained in the Outside Offer, or if the Unit Owner shall so contract to sell his Unit and the Appurtenant Interests within such sixty day period, but such sale shall not be consummated pursuant to the terms of such contract within 180 days after the date of such contract, then should such offering Unit Owner thereafter elect to sell such Residential Unit, together with the Appurtenant Interests, to the same or another Outside Offeror on the same or other terms and conditions, the Offering Unit Owner shall be required to again comply with all of the terms and provisions of this Section 1 of this Article VII.

Any purported sale of a Residential Unit in violation of this Section shall be voidable at the election of the Board of Managers. The granting of an option to purchase a Residential Unit shall be deemed to be a sale of the Residential Unit and the provisions of this Section shall apply thereto.

(b) No Residential Unit Owner may lease his Unit except by complying with the following provisions:

Any Residential Unit Owner who receives an offer for a lease of his Unit which he intends to accept shall give notice to the Board of Managers of such offer and of such intention, the name and address of the proposed lessee, the terms of the proposed lease, references, and such other information as the Board of Managers may reasonably require, including, but not limited to a copy of the proposed lease. The Board of Managers shall from time to time prescribe a form upon which the aforesaid information shall be listed. No such lease of the Residential Unit shall be made without the prior written consent thereto of the Board of Managers. The Board of Managers shall, within thirty (30) days after receipt of a fully completed application form, advise the Unit Owner in writing of its consent or refusal to consent, and failure to so advise the Unit Owner within said period shall be deemed a consent to the said lease. In the event the Board of Managers consents to the proposed lease, the offering Unit Owner shall be free to lease such Unit to the lessee named in said notice upon the terms and conditions set

forth therein. The consent of the Board of Managers to a lease shall not in anyway be construed to relieve the Residential Unit Owner from obtaining the consent of the Board of Managers to another lease and a Unit Owner who subsequently desires to lease such Residential Unit shall be required to comply again with all the terms and provisions of this Section 2 of Article VII. Any such lease shall be consistent with these By-Laws and shall provide that without the prior written consent of the Board of Managers, it may not be modified, amended, extended or assigned; the tenant shall not sublet the demised premises, or any part thereof; the Board of Managers shall have power to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the landlord thereunder in the event of a default by the tenant in the performance of such lease, and the Board of Managers shall have the right to terminate the lease on not less than thirty (30) days' prior written notice upon foreclosure of the lien granted by Section 339-z of the Real Property Law of the State of New York. Except as hereinbefore set forth, the form of any such lease shall be the then current form of apartment lease recommended by The Real Estate Board of New York, Inc., with such modifications as shall be approved in writing by the Board of Managers and the term of such lease shall not be in excess of three (3) years nor less than six (6) months.

If the Board of Managers does not consent to the proposed lease, it shall within said 30-day period either (a) produce a tenant for the Residential Unit on the same terms as stated in the Unit Owner's notice to the Board of Managers or (b) agree to lease the Residential Unit on behalf of all other Residential Unit Owners on the same terms as stated in the Unit Owner's notice to the Board of Managers. The Board of Managers may not, however, lease a Residential Unit without the approval of a majority of the Residential Unit Owners. If the Board of Managers does not have sufficient funds on hand for the lease of a Unit which has been approved by a majority of the Residential Unit Owners, the Board of Managers may assess the Residential Unit Owners therefor in proportion to their respective interests. If the Board of Managers does not either produce a tenant or agree to lease the Residential Unit as set forth herein within the aforesaid 30-day period, the Residential Unit Owner shall have the right to consummate the lease on the terms submitted to the Board of Managers.

Any purported lease of a Residential Unit in violation of this Section shall be voidable at the election of the Board of Managers.

(c) The provisions of this Section 1 of Article VII shall not apply to the Commercial Units or to any Unit

owned by Declarant or its designee. No transfer fee or similar charge or assignment shall be made against Declarant or its designee with respect to any such transfer, sale or lease.

Section 2. Consent of Unit Owners to Purchase of Residential Units By Board of Managers. The Board of Managers shall not exercise any option hereinabove set forth to purchase any Residential Unit without the prior approval of a majority of the Residential Unit Owners.

Section 3. No Severance of Ownership. No Unit Owner shall execute any deed, mortgage or other instrument conveying or mortgaging title to his Unit without including therein the Appurtenant Interests, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage or other instrument purporting to affect one or more of such interests, without including all such interests, shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the Appurtenant Interests of any Unit may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of the Unit to which such interests are appurtenant, or as part of a sale, transfer or other disposition of such part of the Appurtenant Interests of all Units.

Section 4. Release by Board of Managers of Right of First Refusal. The right of first refusal contained in Section 1 of this Article VII may be released or waived by the Board of Managers, only in writing, in which event the Residential Unit, together with the Appurtenant Interests, may be sold, conveyed or leased free and clear of the provisions of such Section. Any such waiver or release shall be furnished in recordable form without charge.

Section 5. Certificate of Termination of Right of First Refusal. A certificate, executed in recordable form and acknowledged by the Secretary of the Condominium, stating that the provisions of Section 1 of this Article VII have been met by a Unit Owner, or have been duly waived by the Board of Managers, and that the rights of the Board of Managers thereunder have terminated, shall be conclusive upon the Board of Managers and the Unit Owners in favor of all persons who rely thereon in good faith. Such certificate shall be furnished to any Unit Owner who has in fact complied with the provisions of Section 1 of this Article VII or in respect to whom the provisions of such Section have been waived and to all Commercial Unit Owners, upon request.

Section 6. Financing of Purchase of Residential Units by Board of Managers. Acquisition of Residential Units by the Board of Managers, or its designee, on behalf of all Residential Unit Owners, may be made from the working capital and Common Charges in the hands of the Board of Managers, or if such funds are insufficient, the Board of Managers may levy an assessment against each Residential Unit Owner in proportion to his ownership in the Common Elements, as a Common Charge, which assessment shall be enforceable in the same manner as provided in Sections 6 and 7 of Article V, or the Board of Managers, in its discretion, may borrow money to finance the acquisition of such Residential Unit, provided, however, that no financing may be secured by an encumbrance or hypothecation of any property other than the Residential Unit, together with the Appurtenant Interest in the Common Element, so to be acquired by the Board of Managers.

Section 7. Exceptions. The restrictions set forth in the provisions of Section 1 of this Article VII shall not apply with respect to (a) any sale or conveyance by a Unit Owner of his Unit, together with the Appurtenant Interest in the Common Elements, to his spouse or to any of his adult children or grandchildren or to his parents or grandparents or his brothers or sisters, or any one or more of them, or (b) the sale or lease of a Residential Unit owned by the Declarant or its designee or (c) the acquisition, sale or lease of a Unit, together with the Appurtenant Interest in the Common Element, by a bona fide mortgagee who shall acquire title to such Unit by foreclosure or by deed in lieu of foreclosure, or (d) the sale or lease of a Commercial Unit by the Declarant or its designee or any other subsequent or other owner of a Commercial Unit.

Section 8. Gifts and Devises, etc. Any Unit Owner shall be free to convey or transfer his Unit and Appurtenant Interests by gift, or to devise his Unit and Appurtenant Interests by will, or to pass the same by intestacy, without restriction.

Section 9. Waiver of Right of Partition with Respect to Such Units as Are Acquired by the Board of Managers, or its Designee, on Behalf of All Unit Owners as Tenants-in-Common. In the event that a Unit shall be acquired by the Board of Managers, or its designee, on behalf of all Unit Owners as tenants-in-common, all such Unit Owners shall be deemed to have waived all rights of partition with respect to such Unit.

Section 10. Payment of Assessments. No Unit Owner shall be permitted to convey, mortgage, pledge, hypothecate, sell or lease his Unit unless and until he shall have paid

in full to the Board of Managers all unpaid Common Charges and assessments theretofore assessed by the Board of Managers against his Unit and until he shall have satisfied all unpaid liens against such Unit, except permitted mortgages.

Section 11. Mortgage of Units. Each Residential Unit Owner shall have the right to mortgage his Unit without restriction provided that (i) any such Residential Unit mortgage shall be substantially in the form of the New York statutory form of mortgage, or in such form as an institutional lender (bank, trust company, insurance company or savings and loan association) shall require, (ii) the Board of Managers is notified in writing of the making of the mortgage and receives a conformed copy of the mortgage and note, (iii) the mortgage states that if consent by the mortgagee is required to any amendment to the Condominium Declaration and By-Laws such consent will not be unreasonably withheld or delayed, and (iv) the Unit Owner making such mortgage first pays all assessments and Common Charges previously assessed by the Board of Managers against the Unit, and satisfies all unpaid liens against the Unit, except for the lien of a permitted mortgage. The Commercial Unit Owner shall have the right to mortgage the Commercial Unit without restriction or limitation, but such mortgage shall contain the representation in clause (iii) of this paragraph regarding consents, if applicable.

ARTICLE VIII

Condemnation

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 $100,000 or less and to the Insurance Trustee if such award amounts to more than $100,000. If 75% or more of the Unit Owners duly and promptly approve the repair and restoration of such Common Elements the Board of Managers 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 75% or more of Unit Owners do not 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 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 3 of Article V of these By-Laws.

ARTICLE IX

Records

Section 1. Records and Audits. The Board of Managers or the managing agent shall keep detailed records of the actions of the Board of Managers and the managing agent, minutes of the meetings of the Board of Managers and Committees, minutes of the meetings of the Unit Owners, and financial records and books of account of the Condominium, including a chronological listing of receipts and expenditures, as well as a separate account for each Unit which, among other things, shall contain the amount of each assessment of Common Charges against such Unit, the date when due, the amounts paid thereon, and the balance remaining unpaid. An annual report of the receipts and expenditures of the Condominium audited by an independent certified public accountant, shall be rendered by the Board of Managers to all Unit Owners, promptly after the end of each fiscal year. The cost of such report shall be paid by the Board of Managers as a Common Expense. Records of the Board of Managers shall be kept at its offices at the Property and shall be available for inspection by all Unit Owners and other interested persons.

ARTICLE X

Miscellaneous

Section 1. Notices. All notices hereunder shall be sent by registered or certified mail to the Board of Managers c/o the Managing Agent, or if there be no managing agent, to the office of the Board of Managers or to such other address as the Board of Managers may hereafter designate from time to time, by notice in writing to all Unit Owners and to all mortgagees of Units. All notices to any Unit Owner shall be sent by registered or certified mail to the Building or to such other address as may have been designated by him from time to time, in writing, to the Board of Managers. All notices to mortgagees of Units shall be sent by registered or certified mail to their respective addresses, as designated by them from time to time, in writing, to the Board of Managers. All notices shall be deemed to have been given when mailed, except notices of change of address which shall be deemed to have been given when received.

Section 2. Invalidity. The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these By-Laws.

Section 3. 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 these By-Laws, or the intent of any provision thereof.

Section 4. Gender. The use of the masculine gender in these By-Laws shall be deemed to be the feminine or neuter gender and the use of the singular shall be deemed to be the plural, whenever the context so requires or admits.

Section 5. 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, irrespective of the number of violations or breaches thereof which may occur.

Section 6. Insurance Trustee. The Insurance Trustee shall be a bank or trust company in The City of New York, designated by the Board of Managers and having a capital, surplus and undivided profits of $50,000,000 or more. In the event that the Insurance Trustee shall resign, the new Insurance Trustee shall also be a bank or trust company in the City of New York, designated by the Board of Managers and having a capital surplus and undivided profits of $50,000,000 or more. The Board of Managers shall pay the fees and disbursements of any Insurance Trustee and such fees and disbursements shall constitute a General Common Expense of the Condominium.

ARTICLE XI

Amendments to By-Laws and Rights of Declarant

Section 1. Amendments to By-Laws. Except as otherwise provided herein, these By-Laws may be modified or amended by the vote of at least 70% in number and in Common Interest of all Unit Owners at a meeting of Unit Owners duly held for such purpose, but only with the written approval of the holders of Unit mortgages, if such approval is required. However, By-Laws affecting the Commercial Unit may be amended only by the unanimous consent of the Commercial Committee.

The following provisions of these By-Laws may not be amended without the consent in writing of the Declarant, so long as the Declarant shall be the owner of one or more Residential Units and the Commercial Unit Owner, if such amendment may adversely affect such Commercial Unit Owner, or any rights appurtenant to its Unit:

A. Section 1 of Article III insofar as it provides that the Declarant, so long as the Declarant is the

owner of Residential Units and the Commercial Unit Owners, shall be entitled to elect members of the Board of Managers;

B. Section 2 of Article II insofar as it provides that the Board of Managers may not exercise certain powers without the Declarant's prior written consent and as to any charge which may affect the Commercial Unit Owner.

C. Section 4(b) of Article II.

D. Sections 15 and 16 of Article II insofar as they provide for representation of the Declarant, so long as it is the owner of one or more Units, and Commercial Unit Owner on any committee created by the Board of Managers;

E. Section 8 of Article III insofar as it provides that the Declarant, so long as the Declarant is the owner of one or more Units, may vote the votes appurtenant thereto;

F. Section 1 of Article V insofar as it provides for allocation of certain expenses.

G. Section 13(c) of Article V.

H. Section 14 of Article V insofar as it provides that the provisions of such Section shall not apply to any Unit owned by the Declarant or its designee or a Commercial Unit Owner who shall have the right to make alterations, additions and improvements thereto and to subdivide and combine Units and alter the boundary walls thereof without the consent of the Board of Managers, other Unit Owners or the holders of Unit mortgages;

I. Section 15(d) of Article V insofar as it provides for the right of the Declarant to use the Common Elements and to do all things necessary and appropriate to sell unsold Units;

J. Section 1(c) of Article VII and Section 7 of Article VII insofar as it provides that the provisions of Section 1 of Article VII shall not apply with respect to a sale or lease of a Residential Unit owned by the Declarant or its designee or to the sale or lease of any Commercial Unit; and

K. All or any portion of Sections 1, 2, 3 or 4 of this Article XI.

Section 2. Declarant's Rights. The rights contained in this Declaration and these By-Laws in favor of

Declarant or Sponsor or the designee of either shall inure to the benefit of any successor or assign thereof and any successor, purchaser or transferee of a Unit designated as a successor, assign or designee thereof in the specific deed affecting the conveyance thereof.

Section 3. Use Changes. Notwithstanding anything to the contrary herein contained, no provision of these By-Laws relating to the use of the Units may be amended without the consent of every Unit Owner affected by such amendment, nor shall these By-Laws be amended so as to adversely effect the rights, privileges, duties and obligations of each Unit Owner unless the Unit Owner adversely affected gives his written consent to such Amendment.

ARTICLE XII

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.

EXHIBIT A

RULES AND REGULATIONS OF RESIDENTIAL UNITS
IN THE PRINTING HOUSE CONDOMINIUM

One. Unit Owners will not clean, nor require, permit, suffer or allow any windows to be cleaned from the outside in violation of Section 202 of the Labor Law or of the rules of the Board of Standards and Appeals or of any other board or body having or asserting jurisdiction.

Two. No article shall be placed in any of the halls or on any of the staircases or fire tower landings, nor shall any fire exit be obstructed by any object including 8th floor secondary means of gress. Nothing shall be hung or shaken from the doors or windows or placed upon the window sills or any other exterior surface of the Building.

Three. Children shall not play in the public halls, basement space, Building exits, Building entrances, elevator vestibules, stairways, roof or roof landings, fire towers, elevators or other common areas.

Four. No hallway or elevator vestibule of the Building which is a Residential Limited Common Element shall be decorated or furnished by any Unit Owner in any manner except upon written consent of the Residential Committee.

Five. Each Unit Owner shall keep his Unit in a good state of preservation and cleanliness, and shall not sweep or throw or permit to be swept or thrown therefrom, or from the doors or windows thereof, any dirt or other substance.

Six. No window fans, terrace or balcony enclosures, window air-conditioner or awnings shall be used or installed in or about any Residential Unit except such as shall have been approved in writing by the Residential Committee.

Seven. No radio or television aerial shall be attached to or hung from the exterior of the Building and no awning, sign, notice, display, advertisement or illumination shall be inscribed or exposed on or at any window of, or on or at any terrace or balcony of a Residential Unit except such as shall have been approved in writing by the Residential Committee or the managing agent on behalf of the Committee, which approval may be granted or refused in the sole discretion of the Committee or the managing agent. No consent shall be necessary for any sign, notice, advertisement or illumination the Declarant may place on or at any window of a

Residential Unit owned by Declarant or its designee nor shall anything be projected from any window of a Residential Unit without similar approval.

Eight. No ventilator, air conditioning unit, washing machine, dryer or other major appliance other than one customary apartment refrigerator, range, microwave oven and/or dishwasher shall be installed in any Residential Unit without the prior written approval of the Residential Committee or the managing agent as to the type, location and manner of installation of such appliance, which approval may be granted or refused in the sole discretion of the Residential Committee. The Unit Owner shall keep such approved appliance in good order and repair and properly painted. The Board of Managers or the managing agent, in their discretion, may remove such appliance from the Unit, charging the cost of removal to the Unit Owner, and the appliance shall not be replaced until it has been put in proper condition and only with the further written consent of the Residential Committee.

Nine. All radio, television or other electrical equipment of any kind or nature installed or used in each Unit shall fully comply with all rules, regulations, requirements or recommendations of the New York Board of Fire Underwriters and the public authorities having jurisdiction, and the Unit Owner alone shall be liable for any damage or injury caused by any radio, television or other electrical equipment in such Unit Owner's Unit. No Unit Owner shall use any electrical equipment which shall interfere with television or radio reception or computer operation.

Ten. No bicycles, scooters, baby carriages or similar vehicles shall be allowed to be ridden or stored in the public halls, passageways, courts or other public areas of the Building.

Eleven. No Unit Owner shall make or permit any disturbing noises in the Building, or do or permit anything to be done therein which will interfere with the rights, comforts or conveniences of other Unit Owners. No Unit Owner shall play upon or suffer to be played upon any musical instrument or operate or permit to be operated a phonograph or a radio or television set or other loud speaker in such owner's Unit, if the same shall disturb or annoy other occupants of the Building, and in no event shall practice or suffer to be practiced either vocal or instrumental music between the hours of ten P.M. and the following nine A.M.

Twelve. No bird, reptile, or other animal shall be permitted, kept or harbored in any Unit (except for one dog or one cat in any Residential Unit) unless the same in each

instance be expressly permitted in writing by the Board of Managers or the managing agent and such consent, if given, shall be revocable by the Board of Managers or the managing agent in their sole discretion, at any time. In no event shall any bird, reptile, dog, cat or other animal be permitted in any elevators, other than the elevator designated by the Board of Managers or the managing agent for that purpose, or in any of the public portions of the Building, unles carried or on leash. Any pets approved by Board that are not carried shall be transported only in the elevator designated by the Board of Managers or the managing agent for that purpose.

Thirteen. Supplies, goods and packages of every kind are to be delivered to Units only through the entrance of the Building designated by the Board of Managers (or the Residential Committee), or the managing agent and by the elevator designated by the Board of Managers or the managing agent for that purpose. Trunks and heavy baggage shall be taken in or out of the Building by the elevator designated by the Board of Managers or the managing agent or the manager for that purpose, and through the designated entrance only.

Fourteen. No bulky refuse from the Residential or Commercial Units shall be left for disposal in the public halls of the Building.

Fifteen. Water-closets and other water apparatus in the Building shall not be used for any purpose other than those for which they were designed, nor shall any sweepings, rubbish, rags or any other article be thrown into the same. Any damage resulting from misuse of any water-closets or other apparatus in a Unit shall be repaired and paid for by the owner of such Unit.

Sixteen. No occupant of the Building shall send any employee of the Board of Managers or of the managing agent out of the Building on any private business.

Seventeen. The agents of the Board of Managers or the managing agent, and any contractor or workman authorized by the Board of Managers or the managing agent, may enter any Unit in the Building at any reasonable hour of the day with prior notice for the purpose of inspecting such Unit for the presence of any vermin, insects or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects or other pests.

Eighteen. Corridor doors and roof doors shall be kept closed at all times except when in actual use for in-

gress or egress to and from public corridors, and doormats may not be placed in the corridors.

Nineteen. The Board of Managers or the managing agent may retain a pass-key to each Unit.

Twenty. No vehicle belonging to a Unit Owner or to a member of the family or guest, tenant or employee of a Unit Owner shall be parked in such manner as to impede or prevent ready access to the Building entrance or exit.

Twenty-One. The Board of Managers or the managing agent may from time to time curtail or relocate any space devoted to storage or service purposes in the Building.

Twenty-Two. Complaints regarding the service to the Building shall be made in writing to the Board of Managers or to the managing agent.

Twenty-Three. Any consent or approval given under these rules and regulations may be added to, amended or repealed at any time by resolution of the Board of Managers.

Twenty-Four. Clothes and other articles shall not be dried or aired on the roof, from the windows, terraces or balconies.

Twenty-Five. No garbage cans, ice, mats or other articles shall be placed in the halls or on the staircase landings, nor shall anything be hung from the windows, or placed upon the window sills. No linens, cloths, clothing, curtains, rugs or mops be shaken or hung from or on any of the windows or doors.

Twenty-Six. Unit Owners will faithfully observe the following procedures with respect to the use of the compactor: (a) wrap dust, floor and powdered waste in compact packages before depositing the same; (b) thoroughly drain and wrap in paper all garbage before depositing the same; (c) refrain from forcing large bundles into the chute; (d) crush or tie into tight bundles all loose papers before placing the same in the hopper door; (e) cause all bundles of waste to slide out of the hopper into the chute; (f) refrain from depositing waste of an explosive nature therein.

Twenty-Seven. Except for owners of Units having roof terraces, if any, Unit Owners, their families, guests, servants, employees, agents, visitors or licensees shall not at any time or for any reason whatsoever enter upon or attempt to enter upon the roof of the Building.

Twenty-Eight. Unit Owners shall not cause or permit any unusual or objectionable noise, odors or substances to be produced upon or to emanate from their Units.

Twenty-Nine. No Unit Owner or any of his agents, servants, employees, licensees or visitors shall at any time bring into or keep in his Unit any inflammable, combustible or explosive fluid, material, chemical or substance, except for normal household or professional office use.

Thirty. If any key or keys are entrusted by a Unit Owner or by any member of his family or by his agent, servant, employee, licensee or visitor to an employee of the Board of Managers or of the managing agent, whether for such Unit Owner's Unit or an automobile, trunk or other item of personal property, the entrusting of the key shall be at the sole risk of such Unit Owner, and neither the Board of Managers nor the managing agent shall be liable for injury, loss or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

The Floor Plans referred to in the foregoing Declaration were filed in the Office of the City Register, County of New York, on , 198 , as Condominium Plan No. .

EXHIBIT 7. COUNSEL'S TAX OPINION

WIEN, MALKIN & BETTEX

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[5] ADMITTED IN FLORIDA ONLY

Mountbatten Equities
421 Hudson Street
New York, New York 10014

Re: Offering Plan for Condominium Ownership
Printing House Condominium
421 Hudson Street, New York, New York

Gentlemen:

You have requested our opinion with respect to the deductibility for federal, New York State and New York City income tax purposes of mortgage interest and real estate taxes paid by a person (a "Residential Unit Owner") who purchases a Residential Unit under the above-referenced Offering Plan (the "Plan"). The Plan provides for condominium ownership of the land and the building at 421 Hudson Street, New York, New York. One hundred eighty four (184) Residential Units will be offered for sale. The commercial space (the "Commercial Unit") and one apartment are not being offered for sale. The apartment not offered for sale will be reserved for the use of a superintendent and will be part of the General Common Elements. Capitalized terms used and not defined herein shall have the meanings provided in the Plan.

In connection with this opinion we have reviewed the Plan (including the schedules and exhibits thereto).

The opinions expressed herein are based upon the assumptions that the Plan becomes effective and is consummated

in accordance with its terms so that condominium ownership of the premises known as 421 Hudson Street, New York, New York (the "Property") is established upon the filing of a condominium declaration. Pursuant to the Plan:

A. a Residential Unit Owner will own fee title to his Residential Unit and an undivided interest in the Common Elements;

B. each Residential Unit, together with its appurtenant interest in the Common Elements, will be a separate tax lot for purposes of New York City real estate taxes; the Residential Unit Owner will be directly liable for the real estate tax assessment with respect to his Residential Unit, but not with respect to any other Unit;

C. a Residential Unit Owner may mortgage his Residential Unit as he wishes, and the Residential Unit will not be subject to the lien of any mortgage placed on other Units; and

D. a Residential Unit Owner may separately transfer his Residential Unit subject, with certain exceptions, to certain rights of the Board of Managers described in the Plan.

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

Based upon the foregoing, it is our opinion that under present laws and regulations:

(1) an individual Residential Unit Owner who purchases for residential use and who itemizes deductions will be entitled to deduct from adjusted gross income for federal income tax purposes, real estate taxes assessed against such Owner's Unit. However, subject to certain phase-in rules for 1987 through 1990, the interest deduction of such a purchaser will be allowed on

the loan secured by the Unit only (a) if such Unit is designated by such purchaser as a "principal" or "other" personal residence and (b) to the extent that the amount of the loan does not exceed the lesser of (i) the sum of the purchase price of the Unit, the cost of improvements thereto and the cost of certain medical and educational expenses and (ii) the fair market value of the Unit. See sections 163 and 164 of the Internal Revenue Code of 1986 (the "Code"), Rev. Rul. 64-31, 1964-1 (Part I) C.B. 300.

(2) A Residential Unit Owner who purchases a Unit for use in his profession or business will be allowed deductions for real estate taxes, interest, Common Charges and depreciation.

(3) The deduction of losses incurred by a Residential Unit Owner who purchases a Unit for investment purposes, including the rental of such Unit, will be limited by the "passive loss limitation," i.e., such losses will be deductible only against taxable income from passive activities and not against earned income or portfolio income (e.g., interest and dividends). An exception to the limitation on deductibility of passive losses is provided for a taxpayer who actively participates in the rental activity; up to $25,000 of losses may be applied against other income if such taxpayer meets certain adjusted gross income requirements.

The deduction of losses may also be limited by the "at risk" limitations which will be applicable to real estate. Furthermore, the tax benefit of the foregoing deductions may be mitigated if a Residential Unit Owner is subject to the alternative minimum tax.

The New York State and New York City tax laws incorporate by reference (with certain modification not here applicable) both the federal deductions allowed in connection with the business or other income-producing activities and the itemized deductions allowed to an individual in connection with the ownership of his residence. Hence, the present federal tax laws and regulations referred to herein should apply under the New York State and New York City income tax statutes. However, representatives of New York State have proposed amendments to its tax laws as a result of the adoption of the Tax Reform Act of 1986. It is possible that such amendments, when finally adopted, may adversely affect the ability of Unit purchasers to deduct the items discussed heretofore.

It is also our opinion that pursuant to Section 458 of the New York State Real Property Tax Law certain owners of condominium units who are veterans of the United States Armed

Forces may be entitled to exemptions covering part of the real estate taxes otherwise assessed by the tax authorities against their units.

Although there is authority for treating a condominium as an association taxable as a corporation, the law in this area is uncertain and we are unable to express an opinion as to the status of the Condominium for federal (and New York State and City) income tax purposes as either an aggregation of the Unit Owners or as an association taxable as a corporation.

If the Condominium is treated for tax purposes as merely an aggregation of the Unit Owners, the income received by the Condominium and the Board of Managers and the expenses incurred would be deemed to be income and expenses of the individual Unit Owners, in proportion to their respective interests, and the amount of such income less such expenses would be taxable to them.

The Internal Revenue Service may, however, assert that the Condominium constitutes an association taxable as a corporation. See Section 301.7701-2 of the Treasury Regulations. If so, it would be subject to the federal corporate income tax (as well as to the New York State and City corporate franchise and income taxes) on its taxable income. For this purpose, gross income will include Common Charges paid by the Residential Unit Owners. However, any portion of the Common Charges which is segregated and used to finance specified capital expenditures should not be required to be included in gross income. See Rev. Rul. 75-371, 1975-2 C.B. 52; Rev. Rul. 75-370, 1975-2 C.B. 25; Rev. Rul. 74-563, 1974-2 C.B. 38.

It appears that less than 85% of the total square footage of the Units will be used for residential purposes. Accordingly, the Condominium will not satisfy the requirements of Code section 528, so that it will not be eligible to elect to be exempt from federal income taxes on membership dues, fees and assessments received from Residential Unit Owners. However, even if it is taxable as a corporation, it does not appear that the Condominium would incur substantial taxes. If, as anticipated, its income is largely offset by expenses, the ultimate income tax payable will be small. Hence, the major concern is not so much about its status as an association, but in assuring that its net taxable income reportable in any year is minimal. With careful attention to the various accounting and other administrative details, this should not be difficult to accomplish. For example, assessments for capital expenditures should be made and held in trust by the Board of Managers until the funds are disbursed, and careful documentation to this effect should be prepared on each occasion.

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

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

Very truly yours,

WIEN, MALKIN & BETTEX

By: /s/ Richard A. Shapiro

Exhibit 8 GENERAL BUSINESS LAW SECTION 352-eeee AND LOCAL LAW 70

GENERAL BUSINESS LAW SECTION 352-eeee

Section 352-eeee. Conversions to cooperative or condominium ownership in the City of New York. 1. As used in this section, the following words and terms shall have the following meanings:

(a) "Plan". Every offering statement or prospectus submitted to the department of law pursuant to section three hundred fifty-two-e of this article for the conversion of a building or group of buildings or development from residential rental status to cooperative or condominium ownership or other form of cooperative interest in realty, other than an offering statement or prospectus for such conversion pursuant to article two, eight or eleven of the private housing finance law.

(b) "Non-eviction plan". A plan which may not be declared effective until written purchase agreements have been executed and delivered for at least fifteen percent of all dwelling units in the building or group of buildings or development by bona fide tenants in occupancy or bona fide purchasers who represent that they intend that they or one or more members of their immediate family intend to occupy the unit when it becomes vacant. As to tenants who were in occupancy on the date a letter was issued by the attorney general accepting the plan for filing, the purchase agreement shall be executed and delivered pursuant to an offering made in good faith without fraud and discriminatory repurchase agreements or other discriminatory inducements.

(c) "Eviction plan". A plan which, pursuant to the provisions of this section, can result in the eviction of a non-purchasing tenant by reason of the tenant failing to purchase pursuant thereto, and which may not be declared effective until at least fifty-one percent of the bona fide tenants in occupancy of all dwelling units in the building or group of buildings or development on the date the offering statement or prospectus was accepted for filing by the attorney general (excluding, for the purposes of determining the number of bona fide tenants in occupancy on such date, eligible senior citizens and eligible disabled persons) shall have executed and delivered written agreements to purchase under the plan pursuant to an offering made in good faith without fraud and with no discriminatory repurchase agreements or other discriminatory inducements.

(d) "Purchaser under the plan". A person who owns the shares allocated to a dwelling unit or who owns such dwelling unit itself.

(e) "Non-purchasing tenant". A person who has not purchased under the plan and who is a tenant entitled to possession at the time the plan is declared effective or a person to whom a dwelling unit is rented subsequent to the effective date. A person who sublets a dwelling unit from a purchaser under the plan shall not be deemed a non-purchasing tenant.

(f) "Eligible senior citizens". Non-purchasing tenants who are sixty-two years of age or older on the date the attorney general has accepted the plan for filing, and the spouses of any such tenants on such date, and who have elected, within sixty days of the date the attorney general has accepted the plan for filing, on forms promulgated by the attorney general and presented to such tenants by the offeror, to become non-purchasing tenants under the provisions of this section; provided that such election shall not preclude any such tenant from subsequently purchasing the dwelling unit on the terms then offered to tenants in occupancy.

(g) "Eligible disabled persons". Non-purchasing tenants who have an impairment which results from anatomical, physiological or psychological conditions, other than addiction to alcohol, gambling or any controlled substance, which are demonstrable by medically acceptable clinical and laboratory diagnostic techniques, and which are expected to be permanent and which prevent the tenant from engaging in any substantial gainful employment on the date the attorney general has accepted the plan for filing, and the spouses of any such tenants on such date, and who have elected, within sixty days of the date the attorney general has accepted the plan for filing, on forms promulgated by the attorney general and presented to such tenants by the offeror, to become non-purchasing tenants under the provisions of this section; provided, however, that if the disability first occurs after acceptance of the plan for filing, then such election may be made within sixty days following the onset of such disability unless during the period subsequent to sixty days following the acceptance of the plan for filing but prior to such election, the offeror accepts a written agreement to purchase

the apartment from a bona fide purchaser; and provided further that such election shall not preclude any such tenant from subsequently purchasing the dwelling unit or the shares allocated thereto on the terms then offered to tenants in occupancy.

2. The attorney general shall refuse to issue a letter stating that the offering statement or prospectus required in subdivision one of section three hundred fifty-two-e of this chapter has been filed whenever it appears that the offering statement or prospectus offers for sale residential cooperative apartments or condominium units pursuant to a plan unless:

(a) The plan provides that it will be deemed abandoned, void and of no effect if it does not become effective within fifteen months from the date of issue of the letter of the attorney general stating that the offering statement or prospectus has been accepted for filing and, in the event of such abandonment, no new plan for the conversion of such building or group of buildings or development shall be submitted to the attorney general for at least twelve months after such abandonment.

(b) The plan provides either that it is an eviction plan or that it is a non-eviction plan.

(c) The plan provides, if it is a non-eviction plan, as follows:

(i) The plan may not be declared effective until written purchase agreements have been executed and delivered for at least fifteen percent of all dwelling units in the building or group of buildings or development subscribed for by bona fide tenants in occupancy or bona fide purchasers who represent that they intend that they or one or more members of their immediate family occupy the dwelling unit when it becomes vacant. As to tenants who were in occupancy on the date a letter was issued by the attorney general accepting the plan for filing, the purchase agreement shall be executed and delivered pursuant to an offering made without discriminatory repurchase agreements or other discriminatory inducements.

(ii) No eviction proceedings will be commenced at any time against non-purchasing tenants for

failure to purchase or any other reason applicable to expiration of tenancy; provided that such proceedings may be commenced for non-payment of rent, illegal use or occupancy of the premises, refusal of reasonable access to the owner or a similar breach by the non-purchasing tenant of his obligations to the owner of the dwelling unit or the shares allocated thereto; and provided further that an owner of a unit or of the shares allocated thereto may not commence an action to recover possession of a dwelling unit from a non-purchasing tenant on the grounds that he seeks the dwelling unit for the use and occupancy of himself or his family.

(iii) Non-purchasing tenants who reside in dwelling units subject to government regulation as to rentals and continued occupancy prior to the conversion of the building or group of buildings or development to cooperative or condominium ownership shall continue to be subject thereto.

(iv) The rentals of non-purchasing tenants who reside in dwelling units not subject to government regulation as to rentals and continued occupancy and non-purchasing tenants who reside in dwelling units with respect to which government regulation as to rentals and continued occupancy is eliminated or becomes inapplicable after the plan has been accepted for filing by the attorney general shall not be subject to unconscionable increases beyond ordinary rentals for comparable apartments during the period of their occupancy. In determining comparability, consideration shall be given to such factors as building services, level of maintenance and operating expenses.

(v) The plan may not be amended at any time to provide that it shall be an eviction plan.

(vi) The rights granted under the plan to purchasers under the plan and to non-purchasing tenants may not be abrogated or reduced notwithstanding any expiration of, or amendment to, this section.

(vii) After the issuance of the letter from the attorney general stating that the offering statement or prospectus required in subdivision one of section three hundred fifty-two-e of this article has been filed, the

offeror shall, on the thirtieth, sixtieth, eighty-eighth and ninetieth day after such date and at least once every thirty days until the plan is declared effective or is abandoned, as the case may be, and on the second day before the expiration of any exclusive purchase period provided in a substantial amendment to the plan, (1) file with the attorney general a written statement, under oath, setting forth the percentage of the dwelling units in the building or group of buildings or development subscribed for by bona fide tenants in occupancy or bona fide purchasers who represent that they intend that they or one or more members of their immediate family occupy the dwelling unit when it becomes vacant as of the date of such statement and, (2) before noon on the day such statement is filed post a copy of such statement in a prominent place accessible to all tenants in each building covered by the plan.

(d) The plan provides, if it is an eviction plan, as follows:

(i) The plan may not be declared effective unless at least fifty-one percent of the bona fide tenants in occupancy of all dwelling units in the building or group of buildings or development on the date the offering statement or prospectus was accepted for filing by the attorney general (excluding, for the purposes of determining the number of bona fide tenants in occupancy on such date, eligible senior citizens and eligible disabled persons) shall have executed and delivered written agreements to purchase under the plan pursuant to an offering made in good faith.without fraud and with no discriminatory repurchase agreements or other discriminatory inducements.

(ii) No eviction proceedings will be commenced against a non-purchasing tenant for failure to purchase or any other reason applicable to expiration of tenancy until the later to occur of (1) the date which is the expiration date provided in such non-purchasing tenant's lease or rental agreement, and (2) the date which is three years after the date on which the plan is declared effective. Non-purchasing tenants who reside in dwelling units subject to government regulation as to rentals and continued occupancy prior to conversion shall continue to be subject thereto during the period of occupancy provided in this paragraph. Thereafter, if a tenant has not purchased, he

may be removed by the owner of the dwelling unit or the shares allocated to such dwelling unit.

(iii) No eviction proceedings will be commenced, except as hereinafter provided, at any time against either eligible senior citizens or eligible disabled persons. The rentals of eligible senior citizens and eligible disabled persons who reside in dwelling units not subject to government regulation as to rentals and continued occupancy and eligible senior citizens and eligible disabled persons who reside in dwelling units with respect to which government regulation as to rentals and continued occupancy is eliminated or becomes inapplicable after the plan has been accepted for filing shall not be subject to unconscionable increases beyond ordinary rentals for comparable apartments during the period of their occupancy considering, in determining comparability, such factors as building services, level of maintenance and operating expenses; provided that such proceedings may be commenced against such tenants for non-payment of rent, illegal use or occupancy of the premises, refusal of resonable access to the owner or a similar breach by the tenant of his obligations to the owner of the dwelling unit or the shares allocated thereto.

(iv) Eligible senior citizens and eligible disabled persons who reside in dwelling units subject to government regulation as to rentals and continued occupancy shall continue to be subject thereto.

(v) The rights granted under the plan to eligible senior citizens and eligible disabled persons may not be abrogated or reduced notwithstanding any expiration of, or amendment to, this section.

(vi) Any offeror who disputes the election by a person to be an eligible senior citizen or an eligible disabled person must apply to the attorney general within thirty days after receipt of the election forms for a determination by the attorney general of such person's eligibility. The attorney general shall, within thirty days thereafter, issue his determination of eligibility. The foregoing shall, in the absence of fraud, be the sole method for determining a dispute as to whether a person is an eligible senior citizen or an eligible disabled person. The determination of the attorney general shall be reviewable only through a proceeding under article seventy-eight of the

civil practice law and rules, which proceeding must be commenced within thirty days after such determination by the attorney general becomes final.

(vii) After the issuance of the letter from the attorney general stating that the offering statement or prospectus required in subdivision one of section three hundred fifty-two-e of this article has been accepted for filing, the offeror shall, on the thirtieth, sixtieth, eighty-eighth and ninetieth days after such date and at least once every thirty days until the plan is declared effective or abandoned, as the case may be, and on the second day before the expiration of any exclusive purchase period provided in a substantial amendment to the plan, (1) file with the attorney general a written statement, under oath, setting forth the percentage of bona fide tenants in occupancy of all dwelling units in the building or group of buildings or development on the date the offering statement or prospectus was accepted for filing by the attorney general who have executed and delivered written agreements to purchase under the plan as of the date of such statement, and (2) before noon on the day such statement is filed, post a copy of such statement in a prominent place accessible to all tenants in each building covered by the plan.

(viii) If the plan is amended before it is declared effective to provide that it shall be a non-eviction plan, any person who has agreed to purchase under the plan prior to such amendment shall have a period of thirty days after receiving written notice of such amendment to revoke his agreement to purchase under the plan.

(ix) The tenants in occupancy on the date the attorney general accepts the plan for filing shall have the exclusive right to purchase their dwelling units or the shares allocated thereto for ninety days after the plan is accepted for filing by the attorney general, during which time a tenant's dwelling unit shall not be shown to a third party unless he has, in writing, waived his right to purchase; subsequent to the expiration of such ninety day period, a tenant in occupancy of a dwelling unit who has not purchased shall be given the exclusive right for an additional period of six months from said expiration date to purchase said dwelling unit or the shares allocated thereto on the same terms and conditions as are contained in an

executed contract to purchase said dwelling unit or shares entered into by a bona fide purchaser, such exclusive right to be exercisable within fifteen days from the date of mailing by registered mail of notice of the execution of a contract of sale together with a copy of said executed contract to said tenant.

(e) The attorney general finds that an excessive number of long-term vacancies did not exist on the date that the offering statement or prospectus was first submitted to the department of law. "Long-term vacancies" shall mean dwelling units not leased or occupied by bona fide tenants for more than five months prior to the date of such submission to the department of law. "Excessive" shall mean a vacancy rate in excess of the greater of (i) ten percent and (ii) a percentage that is double the normal average vacancy rate for the building or group of buildings or development for two years prior to the January preceding the date the offering statement or prospectus was first submitted to the department of law.

(f) The attorney general finds that, following the submission of the offering statement or prospectus to the department of law, each tenant in the building or group of buildings or development was provided with a written notice stating that such offering statement or prospectus has been submitted to the department of law for filing. Such notice shall be accompanied by a copy of the offering statement or prospectus and a statement that the statements submitted pursuant to subparagraph (vii) of paragraph (c) or subparagraph (vii) of paragraph (d) of this subdivision, whichever is applicable, will be available for inspection and copying at the office of the department of law where the submission was made and at the office of the offeror or a selling agent of the offeror. Such notice shall also be accompanied by a statement that tenants or their representatives may physically inspect the premises at any time subsequent to the submission of the plan to the department of law, during normal business hours, upon written request made by them to the offeror, provided such representatives are registered architects or professional engineers licensed to practice in the state of New York. Such notice shall be sent to each tenant in occupancy on the date the plan is first submitted to the department of law.

3. All dwelling units occupied by non-purchasing tenants shall be managed by the same managing agent who manages all other dwelling units in the building or group of buildings or development. Such managing agent shall provide to non-purchasing tenants all services and facilities required by law on a non-discriminatory basis. The offeror shall guarantee the obligation of the managing agent to provide all such services and facilities until such time as the offeror surrenders control to the board of directors or board of managers.

4. It shall be unlawful for any person to engage in any course of conduct, including, but not limited to, interruption or discontinuance of essential services, which substantially interfers with or disturbs the comfort, repose, peace or quiet of any tenant in his use or occupancy of his dwelling unit or the facilities related thereto. The attorney general may apply to a court of competent jurisdiction for an order restraining such conduct and, if he deems it appropriate, an order restraining the owner from selling the shares allocated to the dwelling unit or the dwelling unit itself or from proceeding with the plan of conversion; provided that nothing contained herein shall be deemed to preclude the tenant from applying on his own behalf for similar relief.

5. Any local legislative body may adopt local laws and any agency, officer or public body may prescribe rules and regulations with respect to the continued occupancy by tenants of dwelling units which are subject to regulation as to rentals and continued occupancy pursuant to law, provided that in the event that any such local law, rule or regulation shall be inconsistent with the provisions of this section, the provisions of this section shall control.

6. Any provision of a lease or other rental agreement which purports to waive a tenant's rights under this section or rules and regulations promulgated pursuant hereto shall be void as contrary to public policy.

7. The provision of this section shall only be applicable in the City of New York.

§ 3. Subdivision a of section Y51-6.0 of the administrative code of the City of New York is amended by adding a new paragraph seven to read as follows:

(7) The eviction is sought by the owner of a dwelling unit or the shares allocated thereto where such dwelling unit is located in a structure owned as a cooperative or as a condominium and an offering prospectus for the conversion of such structure pursuant to an eviction plan shall have been submitted to the attorney general pursuant to section three hundred fifty-two-eeee of the general business law and accepted for filing by the attorney general, and been declared effective in accordance with such law, and any right of continued occupancy granted by such law to a non-purchasing tenant in occupancy of such dwelling unit shall have expired; provided that the owner of the dwelling unit or the shares allocated thereto seeks in good faith to recover possession of a dwelling unit for his own personal use and occupancy or the use and occupancy of his immediate family.

§ 4. The opening paragraph of subdivision a of section YY51-3.0 of such code, as amended by chapter five hundred seventy-six of the laws of nineteen hundred seventy-four, is amended to read as follows:

Class A multiple dwellings not owned as a cooperative or as a condominium, except as provided in section three hundred fifty-two-eeee of the general business law, containing six or more dwelling units which:

§ 5. Subdivision c of section YY51-3.0 of such code, as amended by local law number thirty-nine of the City of New York for the year nineteen hundred eighty-one, is amended to read as follows:

c. Buildings or structures, not owned as a cooperative or as a condominium, except as provided in section three hundred fifty-two-eeee of the general business law, or housing accommodation in such buildings or [structure] structures eligible to receive the benefits of secton J51-2.5 or section J51-5.0 of the administrative code of the City of New York and not subject to the provisions of title Y of this code where the owner thereof subjects such buildings and structures to regulation under this title YY.

§ 6. Paragraph nine of subdivision c of section YY51-6.0 of such code is REPEALED and two new paragraphs nine and nine-a are added to read as follows:

(9) provides that an owner shall not refuse to renew a lease except where he intends in good faith to demolish the building and has obtained a permit therefor from the department of buildings.

(9-a) provides that where an owner has submitted to and the attorney general has accepted for filing an offering plan to convert the building to cooperative or condominium ownership and the owner has presented the offering plan to the tenants in occupancy, any renewal or vacancy lease may contain a provision that if a building is converted to cooperative or condominium ownership pursuant to an eviction plan, as provided in section three hundred fifty-two-eeee of the general business law, the lease may only be cancelled upon the expiration of three years after the plan has been declared effective, and upon ninety days notice to the tenant that such period has expired or will be expiring.

§ 7. The real estate industry stabilization association shall submit amendments to the code of the real estate industry stabilization association to implement the provisions of sections two, three, four, five and six of this act to the New York City Department of Housing Preservation and Development within sixty days of the effective date of this act, and such department shall amend or promulgate regulations regarding the status of apartments subject to the New York City Rent and Rehabilitation Law consistent with the provisions of this act within sixty days of the effective date of this act.

§ 8. Severability. If any clause, sentence, paragraph, section or part of this act shall be adjudged by any court of competent jurisdiction to be invalid such judgment shall not affect, impair or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, section, or part thereof directly involved in the controversy in which such judgment shall have been rendered.

§ 9. Section three hundred fifty-two-eeee of the general business law as added by this act shall be

applicable to every offering statement or prospectus submitted to the attorney general after the effective date of this act and to every offering statement or prospectus submitted to the attorney general but for which a letter of acceptance for filing has not been issued as of such date.

§ 10. This act shall take effect immediately; provided, that the provisions of sections one, two and nine of this act shall remain in full force and effect only until July first, nineteen hundred eighty-five; provided further that the provisions of section three of this act shall remain in full force and effect only so long as the public emergency requiring the regulation and control of residential rents and evictions continues as provided in subdivision three of section one of the local emergency housing rent control act; provided further that the provisions of sections four, five, six and seven of this act shall expire in accordance with the provisions of section YY51-8.0 of the administrative code of the City of New York as such section of the administrative code is, from time to time, amended; provided further that the provisions of section YY51-6.0 of the administrative code of the City of New York, as amended by this act, which the New York City Department of Housing Preservation and Development must find are contained in the code of the real estate industry stabilization association of such city in order to approve it, shall be deemed contained therein as of the effective date of this act; and provided further that any plan accepted for filing by the department of law on or before the effective date of this act shall continue to be governed by the provisions of section three hundred fifty-two-eeee of the general business law as they had existed immediately prior to the effective date of this act.

THE COUNCIL

Int. No. 1323 September 30, 1982

Introduced by Council Members Manton, Dryfoos, Eisland, Orlow and Micheis; also Council Members Foster, Friedlander, Gerges, Kaufman, Messinger, Pinkett, Ryan, Wallace, Stern, Alter, Leffler and Olmedo—read and referred to the Committee on Housing and Buildings. Ordered printed and laid over.

A LOCAL LAW

To amend the administrative code of the city of New York, in relation to the conversion of residential rental housing to cooperative or condominium ownership.

Be it enacted by the Council as follows:

Section 1. Legislative declaration. The council finds that the protection of the health, safety and welfare of persons within the city who reside in residential buildings being converted from rental status to cooperative or condominium ownership requires that such persons be informed of the physical condition of such buildings and of any outstanding notices of code violations issued with respect to such buildings. The council further finds that for the health, safety and welfare of residents of the city and for the preservation and improvement of this substantial and increasing form of housing accommodation it is essential that funds be set aside for the purpose of making capital repairs, replacements and improvements to such buildings.

§2. Chapter fifty-one of the administrative code of the city of New York is amended by adding a new title YYYY to read as follows:

TITLE YYYY

COOPERATIVE AND CONDOMINIUM CONVERSIONS

§ YYYY51-1.0 Application. The provisions of this title shall apply to conversions from rental to cooperative or condominium status of a building or a group of buildings

or a development for which a plan must be filed with the state department of law pursuant to section three hundred fifty-two-eeee of the general business law.

§ YYYYS1-2.0 Definitions.—As used in this title the following words shall mean:

a. "Building"—any building, group of buildings or development.

b. "Total price"—

(1) with respect to cooperative conversions, the number of all shares in the offering multiplied by the last price per share which was offered to tenants in occupancy prior to the effective date of the plan regardless of number of sales made;

(2) with respect to condominium conversions, the sum of the cost of all units in the offering at the last price which was offered to tenants in occupancy prior to the effective date of the plan regardless of number of sales made.

c. "Capital replacement"—a building-wide replacement of a major component of any of the following systems:

(1) elevator;

(2) heating, ventilation and air conditioning;

(3) plumbing;

(4) wiring;

(5) window;

or, a major structural replacement to the building; provided, however, that replacements made to cure code violations of record shall not be included.

d. "Offeror"—the offeror, his nominees, assignees and successors in interest.

§ YYYYS1-3.0 Establishment of reserve fund.—a. Within thirty days after the closing of a conversion pursuant to an offering plan the offeror shall establish and transfer to the cooperative corporation or condominium board of managers, a reserve fund to be used exclusively for making capital repairs, replacements and improvements necessary for the health and safety of the residents of such buildings. Such reserve fund shall be exclusive of any other funds required to be reserved under the plan or applicable law or regulation

of the state attorney general, except a fund for capital repairs, replacements and improvements substantially similar in purpose to and in an amount not less than the reserve fund mandated by this section. Such reserve fund also shall be exclusive of any working capital fund and shall not be subject to reduction for closing apportionments.

b. Such fund shall be established in an amount equal to either (i) three per cent of the total price or, (ii) (A) three per cent of the actual sales price of all cooperative shares or condominium units sold by the offeror at the time the plan is declared effective, provided, however, that if such amount is less than one per cent of the total price, then the fund shall be established as a minimum of one per cent of the total price; plus (B) supplemental contributions to be made by the offeror at a rate of three per cent of the actual sales price of cooperative shares or condominium units for each unit or its allocable shares held by the offeror and sold to bona fide purchasers subsequent to the effective date of the plan and within 5 years of the closing of the conversion pursuant to such plan notwithstanding that the total amount contributed may exceed three per cent of the total price; and provided, further, that if five years from thirty days after the closing of the conversion pursuant to such plan the total contributions by the offeror to the fund are less than three per cent of the total price the offeror shall pay the difference between the amount contributed and three per cent of the total price. Supplemental contributions shall be made within 30 days of each sale.

c. The contributions required pursuant to this section may be made earlier or in an amount greater than so provided. An offeror may claim and receive credit against the mandatory initial contribution to the reserve fund for the actual cost of capital replacements which he has begun after the plan is submitted for filing to the state department of law and before the plan is declared effective; provided, however, that any such replacements must be set forth in the plan together with their actual or estimated costs and further provided, that such credit shall not exceed the lesser of the actual cost of the capital replacements or one per cent of the total price.

d. Any building, construction of which was completed within three years prior to the closing of a conversion pursuant to an offering plan, shall be exempt from the requirements of this section.

§ YYYY51-4.0 Report on status of reserve fund.—The cooperative corporation or condominium board of managers shall report to shareholders and unit owners on a semi-annual basis with respect to all deposits into and withdrawals from the reserve fund mandated by section YYYY51-3.0.

§ YYYY51-5.0 Posting of violations.—The offeror, not later than the thirtieth day following the acceptance of a plan for filing by the state department of law pursuant to section three hundred fifty-two-eeee of the general business law and until the closing of the conversion pursuant to such plan, shall post and maintain in a prominent place accessible to all tenants in each building covered by the plan, a listing of all violations of record against such buildings as determined by the department of buildings and the department of housing preservation and development. All newly issued violations shall be posted within forty-eight hours of their issuance and maintained as described above. The offeror may satisfy the requirements of this section by designating an agent on the premises with whom such listing shall be made available for inspection by the tenants.

§ YYYY51-6.0 Report on condition of premises.—Where, pursuant to law or regulation of the state attorney general, an offeror is required to file a report with the state department of law describing the condition of the physical aspects of the premises to be converted and the surrounding neighborhood a copy of such report shall be submitted simultaneously to the commissioner of buildings.

§ YYYY51-7.0 No waiver of rights.—Any provision purporting to waive the provisions of this title in any contract to purchase or agreement between an offeror and the cooperative corporation or the condominium board of managers pursuant to a conversion plan shall be void as against public policy.

§ YYYY51-8.0 Criminal and civil penalties; enforcement.—a. Except as otherwise provided in subdivision b of this section, any person who knowingly violates or assists

in the violation of any section of this title shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of not less than one hundred nor more than one thousand dollars. Except as otherwise provided in subdivision b of this section, any person who violates or assists in the violation of any section of this title shall be subject to a civil penalty of one hundred dollars per day per unit for each day that a building is not in compliance with the provisions of such sections; provided, however, that such civil penalty shall not exceed one thousand dollars per unit.

b. Any person who knowingly violates or assists in the violation of section YYYY 51-3.0 shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine not more than two times the amount required to be reserved by section YYYY 51-3.0 which was not so reserved. Any person who violates or assists in the violation of section YYYY51-3.0 shall also be subject to a civil penalty of one thousand dollars per day for each day that the reserve fund required by section YYYY51-3.0 is not established; provided, however, that such civil penalty shall not exceed the amount required to be reserved pursuant to section YYYY51-3.0.

c. In addition, any other action or proceeding in any court of competent jurisdiction that may be appropriate or necessary for the enforcement of the provisions of this title may be brought in the name of the city, including actions to secure permanent injunctions enjoining any acts or practices which constitute a violation of any provision of this title, mandating compliance with the provisions of this title or for such other relief as may be appropriate. In any such action or proceeding the city may apply to any court of competent jurisdiction, or to a judge or justice thereof, for a temporary restraining order or preliminary injunction enjoining and restraining all persons from violating any provision of this title, mandating compliance with the provisions of this title, or for such other relief as may be appropriate, until the hearing and determination of such action or proceeding and the entry of final judgment or order therein. The court, or judge or justice thereof, to whom such application is made, is hereby authorized forthwith to make any or all of the orders above specified, as may be required in such application, with or

without notice, and to make such other or further orders or directions as may be necessary to render the same effectual. No undertaking shall be required as a condition of the granting or issuing of such order, or by reason thereof.

d. Nothing contained in this section shall impair any rights, remedies or causes of action accrued or accruing to purchasers of cooperative shares or condominium units.

e. The department of housing preservation and development is empowered to enforce the provisions of this title.

§ 3. If any provision of this local law or the application of such provision to any person or circumstances shall be held invalid, the validity of the remainder of this local law and the applicability of such provision to any other person or circumstances shall not be affected thereby.

§ 4. This local law shall take effect February first nineteen hundred eighty-three and shall apply to all plans not yet accepted for filing by the state department of law pursuant to section three hundred fifty-two-eeee of the general business law as of that date.

Exhibit 9 FORM OF LEASE TERMINATION AGREEMENT

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mountbatten Equities
c/o Habitations Ltd. Inc.
421 Hudson Street
New York, New York 10014

Re: Apartment ____, (the "Apartment")
421 Hudson Street
New York, New York

Gentlemen:

In accordance with the provisions of the Offering Plan to convert the premises located at 421 Hudson Street, New York, New York to condominium ownership, the undersigned hereby exercises the right to receive the Relocation Allowance and to cancel and terminate the undersigned's tenancy and any lease and all possession and other rights to the above-referenced Apartment.

Such cancellation and termination shall be effective on _____ (the "Effective Date"), which is not later than ninety (90) days from the date of presentation of the Plan. On the Effective Date, (i) the lease affecting the Apartment and the tenancy and right of the undersigned and the undersigned's family to occupy and possess the Apartment shall terminate and come to an end, without the execution of any further documents and (ii) the undersigned and the undersigned's family shall quit and surrender possession of the Apartment to you, free and clear of all leases, tenancies, occupants and rights of others to possession.

On the Effective Date, you shall pay to the undersigned the Relocation Allowance set forth in said Offering Plan, provided the undersigned shall timely comply with all of the Relocation Conditions enumerated in the Offering Plan (which conditions are incorporated by reference as though set forth in full herein). To induce you to make such payment and to accept my surrender of possession of the Apartment, the undersigned represents and warrants that (i) the undersigned has not assigned, transferred, pledged or otherwise disposed of the lease affecting the Apartment or sublet the

Apartment; and (ii) the only occupants of the Apartment are the undersigned and members of the undersigned's family.

At the time of payment of the Relocation Allowance, (i) you and the undersigned shall apportion as of the Effective Date the rent and utility charges (if any) and (ii) you shall refund to me the unapplied rent security deposit together with the interest earned thereon.

I understand and agree that I am not eligible to obtain this Relocation Allowance if prior to the date of the Offering Plan was presented to me, I notified you (orally or in writing) of my intention to move or to not renew my lease.

Very truly yours,

Date:

_____ (Signature)
(Print Name Below)

_____ (Signature)
(Print Name Below)

Exhibit 10 Certifications

1. Sponsor's Certification
2. Sponsor's Engineer's Certification
3. Sponsor's Budget Expert's Certification

CERTIFICATION OF SPONSOR AND SPONSOR'S
PRINCIPALS PURSUANT TO PART 19
OF THE REGULATIONS ISSUED BY THE ATTORNEY GENERAL
PURSUANT TO GENERAL BUSINESS LAW, ARTICLE 23-A,
AS AMENDED.

New York State Department of Law
Two World Trade Center
New York, New York 10047

Att: Real Estate Financing Bureau

Re: The Printing House Condominium
421 Hudson Street
New York, New York 10014

We are the sponsor and the principals of sponsor of the offering to convert this property to a condominium.

We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the New York Condominium Act, the regulations promulgated by the Attorney General in 13NYCRR Part 19, 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 making this certification. We jointly and severally certify that the offering plan does, and that documents submitted hereafter by us which amend or supplement the offering plan will:

(i) set forth the detailed terms of the transaction and be complete, current and accurate;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;

(iii) not omit any material fact;

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

(v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or preteneded purchase or sale;

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

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

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

MOUNTBATTEN EQUITIES

By: _____
Barnet L. Liberman, General Partner

SPONSOR'S PRINCIPALS:

_____
Barnet L. Liberman

_____
Winthrop D. Chamberlin

Sworn to before me this
24 day of MARCH, 1986.7

_____
Notary Public

JANET GRONIERI
Notary Public, State of New York
No. 31-4501747
Qualified in New York County
Commission Expires 5-31-89

LUKE LICALZI, P.E., P.C.
CONSULTING ENGINEERS
330 WEST 45TH STREET - SUITE 1J
NEW YORK, NEW YORK 10036
(212) 247-5577

CERTIFICATION OF SPONSOR'S ENGINEER OR ARCHITECT PURSUANT TO SECTION 18.4(c) OF THE REGULATIONS ISSUED PURSUANT TO GENERAL BUSINESS LAW, ARTICLE 23-A AS AMENDED

New York State Department of Law
120 Broadway
New York, N.Y. 10271

Attention: Real Estate Bureau, 23rd Floor

Re: 405-421 Hudson Street
New York, New York

The sponsor of the offering plan to convert the captioned property to cooperative ownership retained our firm to prepare a report disclosing the condition of the property ("The Report"). We visually inspected the property on June 3rd and August 8,1986, and March 9,1987, and prepared the Report dated August 12,1986, and the revised and updated Report dated March 10,1987, a copy of which is intended to be incorporated into the offering plan so that prospective purchasers may rely on the Report.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Attorney General in Part 18 insofar as they are applicable to this Report.

We have read the entire Report and investigated the facts set forth in the Report and the facts underlying them and conducted the visual inspections referred to above with diligence in order to form a basis for this certification.

We 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. We certify that the Report based on our visual inspections:

(i) sets forth in narrative form the physical condition of the entire property and is current and accurate as of the date of inspections;

Re: 405-421 Hudson Street
New York, New York

(ii) Affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the physical conditions of the property;

(iii) Does not omit any material fact;

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

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

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

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

(viii) It is to be understood that all aspects of the the physical condition of the property cannot be determined by a visual inspection and that all statements contained in this certification are premised on and limited to such visual inspection.

I further certify that I am not owned or controlled by and have no beneficial interest in the Sponsor and that my compensation for preparing this Report is not contingent on the conversion of the property to a cooperative 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.

Luke LiCalzi, P.E.

Sworn to before me this

20th day of MARCH, 1987

JON O. LIBASCI
Notary Public, State of New York
No. 4860308
Qualified in Nassau County
Commission Expires May 27, 19 88

MARIMAR MANAGEMENT, INC. • 129-09 26th Avenue, Flushing, New York 11354 • (718) 961-6000

March 19, 1987

New York State Department of Law
Two World Trade Center
New York NY 10047

Attn: Real Estate Financing Bureau

Re: The Printing House Condominium
421 Hudson Street
New York, New York 10014
County of New York
State of New York

Gentlemen:

The undersigned hereby certifies as follows:

The Sponsor of the condominium offering plan for the captioned property retained me to review Schedules B, B1, and BB containing projections of income and expenses for the first year of condominium operation.

I understand that I am responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Attorney General in 13NYCRR Part 19 insofar as they are applicable to Schedules B, B1, and BB.

I have reviewed the Schedules and investigated the facts set forth in the Schedules and the facts underlying them with due diligence in order to form a basis for this certification.

I hereby certify that the projections in Schedules B, B1 and BB 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 ownership based on present prices (adjusted to reflect continued inflation).

I certify that this certification and all documents prepared by me hereafter that concern the Schedule do:

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

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

(iii) not omit any material fact;

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

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

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

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

I further certify that I am not owned or controlled by and have no beneficial interest in the Sponsor and that my compensation for preparing this Certification is not contingent on the conversion of the property to a condominium or on the profitability or price of the offering. I understand that a copy of this Certification is intended to be incorporated into the offering plan so that prospective purchasers may rely on it. This statement is not intended as a guarantee or warranty of the income and expenses for the first year of condominium ownership.

My experience spans fifteen years of cooperative housing involvement, first as a managing agent and quickly thereafter as a principal in a management firm. Today, as president of Marimar Management, Inc., I am working with thirty-six cooperatives/condominiums providing them with both fiscal and physical management services. Some of my clients have been with me for thirteen years.

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

BY: Frank Bernstein
Frank Bernstein, President

Sworn to before me this
19th day of March, 1987.

TRICIA J. PEGGOUDAKIS
NOTARY PUBLIC, State of New York
No. 41-6729653
Qualified in Queens County
Commission Expires Oct. 20, 1988