Condominium Offering Plan
for
104 Wooster Street Condominium

104 WOOSTER STREET • NEW YORK, NEW YORK 10012

The 104 Wooster Street Condominium shall consist of 8 Residential (Joint Live-Work) Units and 3 Commercial Units

8 Residential (Joint Live-Work) Units	$32,000,000.00
1 Commercial Unit	7,400,000.00 (1)
Total Amount of Offering:	$39,400,000.00 (2)

(1) Sponsor is only currently offering Commercial Unit A for sale. Commercial Units B and C are not for sale at this time.

(2) Asking prices are negotiable and may be changed. The number of units may also be changed. (See "Section 1. Changes in Prices and Units")

SPONSOR:
102-106 WOOSTER LLC
c/o Carter Management Corp.
750 Lexington Avenue, Suite 600
New York, New York 10022

SELLING AGENT:
Corcoran Group Marketing LLC
490 Broadway
New York, New York 10012

DATE OF ACCEPTANCE FOR FILING: MAY 4, 2000
THIS PLAN MAY NOT BE USED AFTER MAY 4, 2001 UNLESS EXTENDED BY AMENDMENT

SEE SECTION A FOR SPECIAL RISKS TO PURCHASERS.

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

THIRD AMENDMENT TO OFFERING PLAN

104 WOOSTER STREET
NEW YORK, NEW YORK

Condominium: 104 Wooster Street Condominium
Sponsor: 102-106 Wooster LLC

This Third Amendment modifies and supplements the terms of the Offering Plan (the "Plan"), dated May 4, 2000, as amended.

The terms of this Third Amendment are as follows:

1. DECLARATION OF EFFECTIVENESS

The Sponsor hereby declares the Plan effective based upon the receipt of five (5) Purchase Agreements. The percentage of Residential Units which have been purchased and are being counted for the purpose of declaring the Plan effective is 62%. Annexed to this Amendment as an Exhibit is a copy of an affidavit by the Sponsor in support of effectiveness, pursuant to Section 20.5(e)(5) of the Attorney General's Regulations.

2. CERTAIN CONDITIONS OF CLOSING

The Sponsor confirms that:

(i) each of the Residential Units to be closed will be constructed substantially in accordance with applicable plans and specifications; and

(ii) it has complied, or shall prior to closing title to any Residential Units comply, with each and all of the remaining conditions of closing such Residential Units set forth in the Plan.

3. LOBBY EXPANSION AND TRASH CHUTE

The lobby expansion and installation of the trash chute system will be completed on or before November 1, 2001.

4. INCORPORATION OF PLAN

The Plan, as modified and supplemented hereby, is incorporated herein by reference with the same effect as if set forth at length.

5. CAPTIONS

The captions used herein are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Third Amendment or the intent of any provision hereof.

6. DEFINITIONS

All terms used in this Third Amendment, not otherwise defined herein, shall have the same meanings ascribed to them in the Plan.

7. NO MATERIAL CHANGES

Except as set forth in this Third Amendment, there have been no material changes to the Plan.

8. EXTENSION OF THE TERM OF THE PLAN

The Plan, as amended, is hereby extended for an additional term of six months from the date this Third Amendment is accepted for filing.

Dated: New York, New York
May 8, 2001

Sponsor:

102-106 Wooster Realty LLC

Affidavit of Effectiveness

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

JASON D. CARTER being duly sworn, deposes and says as follows:

1. Your deponent is a principal of 102-106 Wooster LLC, Sponsor of that certain condominium offering plan, as amended to date (the "Plan"), for premises located at 104 Wooster Street, New York, New York, and submits this affidavit in support of the Third Amendment to the Plan, submitted for filing to the Department of Law in confirmation of the declaration of effectiveness of the Plan.

2. The Plan was accepted for filing by the Department of Law on May 4, 2000.

3. All purchasers who are counted for purposes of declaring the Plan effective:

(a) are bona fide purchasers as that term is used in General Business Law § 352-eeee;

(b) are not purchasing as an accommodation to or for the account or benefit of the Sponsor or principals of the Sponsor; and

(c) have duly executed purchase agreements and paid the downpayment as required in the Plan.

4. There are no material changes to the budget for the first year's operation from the budget contained in the Plan.

5. Annexed to this affidavit is a list of the residential units which are being counted to meet the minimum percentage that is needed to declare the Plan effective in accordance with its terms, and the data of each purchase agreement for such units.

102-106 Wooster LLC

By: _____
Jason D. Carter, Managing Member

Sworn to before me this
10th day of April, 2001

_____
Notary Public

DANSINGHANI, MOHAN K.
NOTARY PUBLIC, STATE OF NEW YORK
NO. 01DA5039674
QUALIFIED IN NASSAU COUNTY
COMMISSION EXP FEB. 21, 2003

3644/027/225324.1

Purchasers

Unit	Date of Contract
2N	March 1, 2001
2S/3S	March 9, 2001
4N	April 4, 2001
4S	April 9, 2001

SECOND AMENDMENT TO OFFERING PLAN

104 WOOSTER STREET
NEW YORK, NEW YORK

Condominium: 104 Wooster Street Condominium

Sponsor: 102-106 Wooster LLC

This Second Amendment modifies and supplements the terms of the Offering Plan (the "Plan"), dated May 4, 2000, as amended.

The terms of this Second Amendment are as follows:

1. DOORMAN/CONCIERGE SERVICES

The Condominium shall have a part-time doorman/concierge ("doorman") who shall be stationed primarily in the lobby of the Building eight hours per day, five days a week. The doorman will be on duty to screen and admit guests, visitors, employees and invitees, receive packages and other deliveries for Unit Owners and assist Unit Owners entering and leaving the Building. In connection with the provision of such service, the layout of the Building's lobby area has been changed as reflected on the revised floor plan attached hereto as a part of Exhibit "A". Full size architectural floor plans (with dimensions) for the cellar and ground floor will be kept on file at the Selling Agent's office and will be available for inspection by prospective purchasers.

2. STORAGE ROOMS

Each Residential Unit shall include as a part of such unit a storage room in the basement of the Premises. All storage rooms must be used in accordance with all governmental laws and regulations and the Condominium By-laws and Rules and Regulations. Each Residential Unit

Owner shall be responsible for the cleaning, maintenance and repair of his/her storage room. In connection with the creation of the storage rooms, the layout of the basement has been changed as reflected in the revised floor plans attached hereto as a part of Exhibit "A". The floor plan indicates the location of the storage room for each of the Residential Units. Full size architectural floor plans (with dimensions) for the cellar and ground floor will be kept on file at the Selling Agent's office and will be available for inspection by prospective purchasers.

3. COOLING TOWER

Pursuant to the terms of the Plan, the Commercial Unit Owners are responsible for providing air conditioning to the Commercial Units and have the right, at their option, to receive condenser water for such air conditioning units from the cooling tower located on the roof of the Building. The Plan is hereby amended to reflect that the Commercial Units will be connected to the cooling tower and receive condenser water therefrom. The increased common charges payable with respect to the Commercial Unit Owners in connection with this change is set forth in revised budget in Paragraph 4 below.

4. REVISED BUDGET

Schedule B of the Plan is hereby revised as set forth in the attached Exhibit "B" to this Amendment to reflect the increase in labor costs associated with the doorman services and the use of the cooling tower by the Commercial Units. Updated certifications of Sponsor's expert concerning the adequacy of both the Condominium budget and the Common Charges paid by the Commercial Unit Owners are attached hereto collectively as Exhibit "C".

5. REVISED SCHEDULE "A"

The revised Schedule "A" of the Plan which reflects the changes in Common Charges resulting from the revised Budget is attached hereto as Exhibit "D".

6. REVISED PURCHASE AGREEMENT

Attached hereto as Exhibit "E" is the revised form of Purchase Agreement. The exhibits to the Purchase Agreement as set forth in the Plan remain unchanged.

7. REVISED DECLARATION AND BY-LAWS

The Declaration and By-laws have been revised to set forth the allocation and apportionment of the Common Profits and Common Expenses. In connection with such revisions Section H-2 of the Plan is amended as follows:

H-2. Allocation and Apportionment of Receipts and Expenses

H-2.1. Specific Allocation and Apportionment Method Under the Condominium Documents

The Common Profits and Common Expenses shall be specifically allocated and apportioned

("Specific Allocation and Apportionment Method") by the Condominium Board to each Unit Owner based, in the case of the Common Profits and Common Expenses of the Common Elements, same shall be allocated to all Residential Units pro rata to their respective Common Interests and all Commercial Units pro rata to their respective Common Interests and apportioned and charged to each such category of Units based strictly upon the amounts fairly and properly attributable to them.

In so allocating and apportioning the Common Profits and Common Expenses, the principles, rules, requirements and procedures set forth in the following subsections H-2.2 through H-2.3 shall govern, apply and be observed.

H-2.2 Allocations and Apportionments to Residential Units and Commercial Units

In accordance with this Specific Allocation and Apportionment Method:

(a) the receipts and expenses of the operations and affairs of the Residential Units or Commercial Units shall be specifically allocated and credited (as to receipts) and charged (as to expenses) entirely to, and all such expenses shall be payable solely by:

(i) the Residential Unit Owners pro rata to their respective Common Interests, in the case of the Residential Units;

or

(ii) the Commercial Unit Owners pro rata to their respective Common Interests, in the case of the Commercial Units;

and

(b) the receipts and expenses (constituting the Common Expenses) of operations and affairs of the Common Elements or the whole Condominium generally shall be allocated to all Residential Units pro rata to their respective Common Interests and all Commercial Units pro rata to their respective Common Interests and apportioned and credited (as to receipts) or charged (as to expenses) to each such category of Units in accordance with the methods and percentages set forth in the First Year's Budget, which shall be deemed conclusively to be based strictly upon the amounts fairly and properly attributable to each Unit.

H-2.3 Allocation or Apportionment Change

In the event of a measurable change in allocation or in apportionment in the receipts or expenses of the Budget of general operations resulting from a new or different use, service or benefit, the affected item(s) of receipt(s) or expense(s) shall be appropriately allocated or apportioned (as applicable) and (in the case of a receipt) credited to, or (in the case of an expense) charged to, each applicable Unit to reflect such change in use, service or benefit that is fairly and properly attributable to such Unit.

The revised Sections 9.2 and 9.4 of the Declaration and Section 8.1.2 of the By-laws are attached hereto as Exhibits "F" and "G" respectively.

8. LITIGATION

The principals of the Sponsor are party to the following legal dispute which the Sponsor does not believe will impair Sponsor's obligations under the Plan and the laws and regulations applicable thereto:

> Driade New York, Inc. v. Jason Carter and Julia Carter, Supreme Court, New York County, Index No. 604891/00. This matter involves a commercial tenant of the Building which was served with a notice to cure concerning insurance and alteration issues and such tenant filed an action seeking (i) a "Yellowstone Injunction" to toll tenant's time to cure such default and (ii) other relief.

9. LOBBY EXPANSION AND TRASH CHUTE

The lobby expansion and installation of the trash chute system will not be completed until on or before January 2002. Until such system is completed, the visiting superintendent will remove the trash from the stairwell landing outside of each Residential Unit each weekday. If Sponsor is able to resolve certain issues with one of the current commercial tenants of the Building, it is possible that the lobby expansion and installation of the trash chute system will be completed as early as September 2001.

10. INCORPORATION OF PLAN

The Plan, as modified and supplemented hereby, is incorporated herein by reference with the same effect as if set forth at length.

11. CAPTIONS

The captions used herein are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Second Amendment or the intent of any provision hereof.

12. DEFINITIONS

All terms used in this Second Amendment, not otherwise defined herein, shall have the same meanings ascribed to them in the Plan.

13. NO MATERIAL CHANGES

Except as set forth in this Second Amendment, there have been no material changes to the Plan.

Dated: New York, New York
January 30, 2001

Sponsor:

102-106 Wooster Realty LLC

EXHIBIT "A"

Revised Ground Floor and Cellar Plan

EXHIBIT "B"

Revised Schedule "B"

EXHIBIT "C"

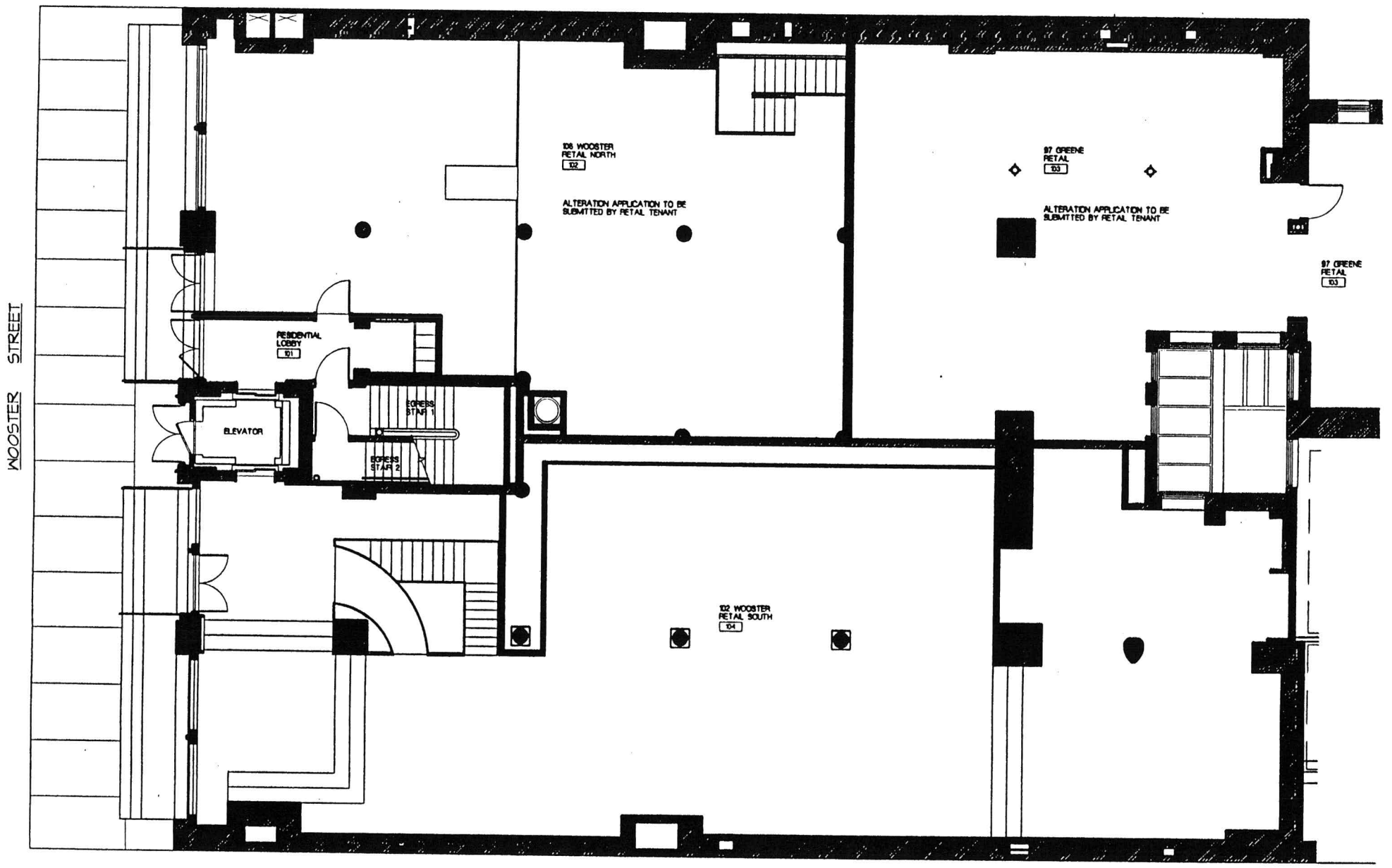
Updated Budget and Commercial Unit Common Charge Certifications

EXHIBIT "D"

Revised Schedule "A"

EXHIBIT "A"

Revised Ground Floor and Cellar Plan



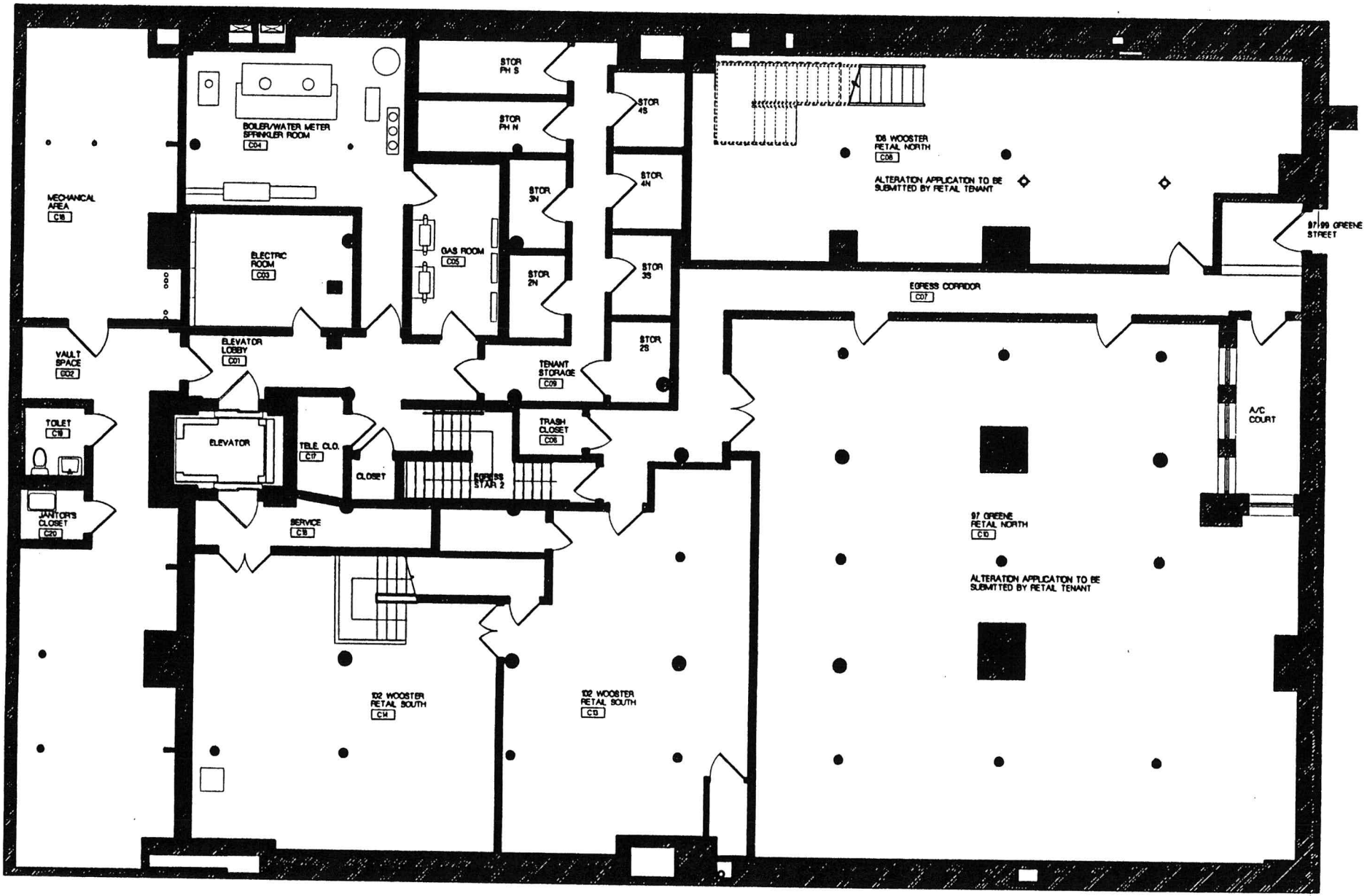
LI•SALTZMAN ARCHITECTS, P.C.
ARCHITECTURE AND PRESERVATION
62 WHITE STREET NY, NY 10013.3598
TEL: 212.941.1838 FAX: 212.941.1834

102-106 WOOSTER STREET
NEW YORK, NEW YORK
SOHO CAST IRON HISTORIC DISTRICT

1ST FLOOR
PLAN

DATE: 01.16.01
SCALE: N.T.S.

A 1.1



LI•SALTZMAN ARCHITECTS, P.C.
ARCHITECTURE AND PRESERVATION
62 WHITE STREET NY, NY 10013.3598
TEL: 212.941.1838 FAX: 212.941.1834

102-106 WOOSTER STREET
NEW YORK, NEW YORK
SOHO CAST-IRON HISTORIC DISTRICT

CELLAR PLAN

DATE: 01.16.01
SCALE: N.T.S.

A-1.0

EXHIBIT "B"

Revised Schedule "B"

104 WOOSTER STREET

PROJECTED BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION

Income:

TYPE OF INCOME	PROJECTED RESIDENTIAL	PROJECTED COMMERCIAL	PROJECTED TOTAL
(1) Residential Common Charges	145,944	N/A	145,944
(2) Commercial Common Charges	N/A	29,056	29,056
(3) Total Income:	**145,944**	**29,056**	**175,000**

Expenses:

TYPE OF EXPENSE	PROJECTED RESIDENTIAL	PROJECTED COMMERCIAL	PROJECTED TOTAL
(4) Labor	46,836	2,981	49,817
(5) Gas - Heating, Hot Water & Cooking	22,714	5,631	28,345
(6) Electricity	14,103	896	14,999
(7) Water Charges & Sewer Rents (Includes Cooling Tower)	9,511	2,115	11,626
(8) Service Contracts	11,689	7,160	18,849
(9) Repairs, Maintenance & Supplies	4,800	1,200	6,000
(10) Insurance	12,400	3,100	15,500
(11) Management Fees	9,600	2,400	12,000
(12) Legal Fees & Audit Fees	2,800	700	3,500
(13) Administrative Expenses	1,200	300	1,500
(14) Miscellaneous (Permits, Fees, Taxes, Licenses)	800	200	1,000
(15) Reserves for Future Facade Maintenance	2,400	600	3,000
(16) Contingency	7,091	1,773	8,864
Total Expense:	**145,944**	**29,056**	**175,000**
Net Difference:	0	0	0

Footnotes to 104 Wooster Street Budget

(1) Residential Common Charges **$ 145,944**

The amount of the Common Charges is the estimated income needed to pay the Common Expenses attributable to the Common Elements of the Building. The Residential Common Charges for individual Units are derived by evaluating the relative size, layout and amenities of each Unit and assigning a proportionate percentage to that Unit relative to the rest of the Residential Units in the Building. For the purposes of this Budget, only the total Residential Common Charges will be estimated.

(2) Commercial Common Charges **$ 29,058**

Commercial Common Charges represent the estimated Commercial Unit contribution to paying the Common Expenses of the Building. Because the Commercial Units typically use a disproportionately smaller amount of Common Elements than Residential Units, Commercial Unit Common Charges are typically lower than Common Charges for Residential Units of similar size.

There are three designated Commercial Units in the Building, with a combined percentage ownership of 21.41%. Many of the items in the Budget do not pertain to specific systems in the Building, and the associated costs for these items can therefore be divided along percentage ownership lines. These elements are:

Repairs, Maintenance & Supplies
Insurance
Management Fees
Legal Fees and Audit Fees
Administrative Expenses
Miscellaneous (Permits, Fees, Taxes & Licenses)
Reserves for Future Facade Maintenance
Contingency

For all of the above common elements, the Commercial Units will be responsible for their entire 21.41% of ownership.

For labor, the Commercial Units will be responsible for their proportionate 21.41% share of the part-time superintendent / porter only, but will contribute nothing to the cost of the concierges / doormen, whose use and benefits will be limited to the Residential Units only.

For gas (heating, hot water & cooking), the Commercial Units will share the heating and hot water systems, but will have no use of

domestic cooking gas. The Commercial Units' contribution has been calculated by the Building's mechanical engineer, and the amounts are listed later in this Budget.

For electricity, most of the common electric usage will not benefit the Commercial Units at all (public hallway and stairwell lighting, passenger elevator, etc.). They will, however, enjoy some benefits (electric in common basement areas, pumps and machinery for the heating and hot water systems, limited use of one elevator and electric usage for the cooling tower system). The Commercial Units' contribution has been calculated by the Building's mechanical engineer, and the amounts are listed later in this Budget.

For water & sewer charges, the Commercial Units will have no water usage for bathing, however a variety of usage levels is possible depending on the type of business which eventually occupies each Commercial space. Also, the cooling tower and its systems will be available year-round to the Commercial Units. The Commercial Units' contribution has been calculated by the Building's mechanical engineer, and the amounts are listed later in this Budget.

For service contracts, the Commercial Units will receive no benefits from the telephone / internet line service to the Residential Units, and they will have limited use of one elevator, which can be used to access the basement areas. These elevator costs for the Commercial Units are estimated at 5% of the contract total. They will, however, be responsible for their full 21.41% of the costs for exterminating and for maintenance of the alarm / sprinkler systems. For the cooling tower and associated water treatments, the Commercial Units will be responsible for 50% of these costs, considering the Commercial Units will use these systems year-round, while the Residential Units will not.

(3) Total Common Charges **$ 175,000**

The amount above represents the total projected income necessary to operate the Condominium during its first fiscal year.

(4) Labor **$ 49,817**

The figure shown includes wages, workers' compensation and disability insurance, payroll taxes and payroll processing. It also includes 3 paid sick days, 3 paid personal days, 2 weeks

paid vacation and a basic health insurance package. The Building staff will consist of one part-time superintendent/porter, working twenty (20) hours per week at a rate of $12.00 per hour. There will also be 1 concierge / doormen, providing 8 hours per day coverage, 5 days per week, at the rate of $14.00 per hour. All salaries and benefits are assuming non-unionized employees.

SUPERINTENDENT / PORTER

Total annual wages	$	12,960
FICA	$	991
FUTA	$	56
SUI	$	306
Disability	$	39
Workers' compensation	$	551
COST FOR SUPER / PORTER:	$	14,903

CONCIERGES / DOORMEN

Total annual wages	$	30,912
FICA	$	2,365
FUTA	$	56
SUI	$	306
Disability	$	39
Workers' compensation	$	1,236
COST FOR CONCIERGES / DOOR MEM:	$	34,914
GRAND TOTAL COST FOR ALL LABOR:	$	49,817

(5) Gas - Heating, Hot Water & Cooking $ 28,345

The heating plant for the Building will consist of one pre-existing gas-fired, 1,404.000 btu/hr hot water boiler manufactured by Burnham. The boiler is in good condition, and should continue to operate for approximately 15 years. The heating plant will be responsible for both heat and domestic hot water. The Commercial Units will utilize the Building's boiler for its heating and hot water needs, as these mechanical systems have not been separated.

Information regarding expected gas usage was provided by Lehr Associates, 130 West 30th Street, New York, NY 10001. They are the current consulting engineers for the Building. The engineers

have estimated the Commercial Units' contribution to gas expenses to be approximately 21.41%.

(6) Electricity **$ 14,999**

Electricity covers electric services to the elevator machinery, pumps and fans, as well as usage in halls, entrances and other common spaces. Common electric charges for this Building will also include an air conditioning cooling tower located on the roof. Similar condominiums in the are with comparable systems have had either expenses of between $10,000 - $16,000 per year over the last three years.

Information regarding expected electric usage was provided by Lehr Associates. The engineers have estimated the Commercial Units' contribution to electricity expenses to be approximately 6%.

(7) Water Charges & Sewer Rents **$ 11,626**

Water and sewer charges for a metered building are assessed by the City of New York based on the actual amount of usage. There will be only one water meter for the entire Building, measuring usage for the residential and commercial portions of the Building combined.

The City of New York currently charges $1.25 per hundred cubic feet of water (approximately 748 gallons). Charges for waste water and storm sewer service are billed at 159% of water charges. The budget item for water and sewer is computed on the projected consumption of 2,700,000 gallons during the first year of operation.

The number listed above includes expected peak demand for water by the cooling tower on the roof over the summer months. This cooling tower usage causes the expected water consumption to be somewhat higher than other buildings of comparable size.

Information regarding expected water usage was provided by Lehr Associates. The engineers have estimated the Commercial Units' contribution to water & sewer charges to be approximately 18%.

(8) Service Contracts **$ 18,849**

This figure is intended to cover service contracts for repair and maintenance of the following systems in the Building:

Footnotes to 104 Wooster Street Budget

Air Conditioning / Cooling Tower:	$ 10,392
Alarm & Sprinkler Systems:	$ 1,250
Elevator:	$ 3,600
Exterminating:	$ 900
Water Tower (Treatments):	$ 2,707

All estimates are drawn from the following sources:

Air Conditioning / Cooling Tower estimate provided by Lazar Mechanical Corp., 2 Bond Street, New York, NY 10012.

Alarm & Sprinkler Systems estimate provided by ADT Security Services, Inc., P.O. Box 18389, Newark, NJ 07191.

Elevator estimate provided by D.T.M. Elevator Consulting, 120-02 14th Road, College Point, NY 11356.

Exterminating estimate provided by Eddie's Pestfree, Inc., 48 Farmingdale Avenue, Bloomfield, NJ 07003.

Water Tower (Treatments) estimate was provided by Lazar Mechanical Corp., 2 Bond Street, New York, NY 10012.

(9) Repairs, Maintenance & Supplies $ 6,000

Repairs & maintenance cover general repairs to the Building as a whole, and in particular to the Building's equipment and machinery. This includes but is not limited to repairs to carpentry, doors & windows, electrical systems, floors, intercom, ironworks, masonry, paint & plaster, plumbing and roofing. This figure only covers the cost of maintaining the Common Elements, as each Residential Unit Owner shall be responsible for the cost of interior maintenance, repairs, decoration and painting of their respective Residential Units, including the appliances. During the first year of operation, major repairs are not expected to be necessary.

Supplies consist of all materials necessary for the Building staff to maintain the Building in proper, presentable order, as directed by the Board of Managers.

(10) Insurance $ 15,500

This projection is based on the estimates of the annual premiums payable on the coverage listed below:

Footnotes to 104 Wooster Street Budget

General Coverage	Amount
Real Property Building - includes All Risk, Replacement Cost / Agreed Value, No Co-Insurance, $2,500 Deductible	$ 5,000,000
Loss of Business Income / Extra Expense	Actual Loss
Earthquake ($25,000 deductible)	$ 1,000,000
Flood ($25,000 deductible)	$ 1,000,000
Commercial Liability	
General Aggregate	$ 2,000,000
Each Occurrence	$ 1,000,000
Personal & Advertising Injury	$ 1,000,000
Water Damage & Legal Liability	Included
Non-Owned Automobile	$ 1,000,000
Directors & Officers Liability	
Limit	1,000,000
Deductible	1,000
Retention	1%
Managing Agent's Rider	Included
Employee Dishonesty	
Limit	250,000
Deductible	1,000
Managing Agent's Rider	Included
Boiler & Machinery	
Limit	$ 5,000,000
Comprehensive Form	Included
Deductible	$ 1,000
Business Income / Extra Expense	Included
Deductible	12 Hrs.

The above described insurance coverage and the annual premium therefore are based on estimates made by Owens Group, 619 Palisade Avenue, Englewood Cliffs, NJ 07632.

The proposal will provide "replacement cost coverage" for the Building. In the opinion of the above named insurance broker, the foregoing insurance is sufficient to restore the Building in the event of a covered loss, however, it is not intended to take

the place of a professional appraiser's estimate in determining the actual replacement cost.

The insurance policy will also be on terms that provide: (a) that each Unit Owner is an insured party as to common areas only; and (b) that there will be no cancellation of the policy without notice to the Board of Managers and the Unit Owners.

The quotation is an indication of insurance premiums at current rates. It is not possible to predict whether future coverage will continue to be available at the same premium. Generally, the projected premium contemplates a rise in rates.

Section 339-bb of the New York Real Property Law provides that in charging insurance premiums to Unit Owners, consideration may be given to the higher premium rates on some units than others.

The insurance scheduled for the Building does not cover fire and casualty losses to the contents of individual Units, nor does it cover replacements of or additions to the fixtures and improvements in individual Units, or liability coverage for occurrences within Units. Unit Owners will be responsible for purchasing such insurance at their own cost and expense. It is recommended that Unit Owners consult with an insurance broker as to the necessity for, and the desirability of obtaining coverage for one or more of such risks and as to the amount of such coverage.

(11) Management Fees **$ 12,000**

The Building will be managed by Andrews Building Corporation, having principal offices at 666 Broadway, 12th floor, New York, New York 10012. The period of the initial management agreement shall be for one year at an annual fee of $12,000, payable in equal monthly installments of $1,000.

(12) Legal Fees & Audit Fees **$ 3,500**

A certified public accountant will be responsible for auditing the Condominium's books and records and preparing the requisite audited financial statements. In addition the accountant will be responsible for filing federal, state and city income tax returns. The amount set aside for this service is $2,500.

Footnotes to 104 Wooster Street Budget

Legal fees of $1,000 have been set aside, both to engage counsel on a retainer and to cover miscellaneous legal matters which may arise during the first year of operation.

(13) Administrative Expenses **$ 1,500**

Administrative costs cover photocopying, faxing and postage, as well as messenger services as required. Bank fees and charges are also included.

(14) Miscellaneous (Permits, Fees, Taxes, Licenses)

$ 1,000

Various permits and/or inspections by city and state agencies may be required throughout the year. In addition, there may be unforeseeable fees, corporate and other taxes, or licensing expenses which the Condominium may be required to pay.

(15) Reserves for Future Facade Maintenance **$ 3,000**

The Building is located in a designated Historic District in the Borough of Manhattan. As such, it is required that its appearance be maintained to a higher standard than buildings located in non-historically designated neighborhoods. Therefore, $3,000 per year will be set aside in reserve to comply with potential future facade maintenance needs in order to meet the requirements of both city and federal landmark's preservation standards.

(16) Contingency **$ 8,864**

The contingency provides a fund for possible expenses not included in the projected Budget, or possible increases in one or more categories of operating expense beyond the projected amounts. There can be no assurance that such fund will be sufficient to pay for major capital repairs or replacement items which may be needed within the first five years of the Condominium's operation. If additional funds are required over and above these funds, it may be necessary to increase Common Charges or separately assess all Unit Owners.

EXHIBIT "C"

Updated Budget and Commercial Unit Common Charge Certifications

ANDREWS BUILDING CORPORATION

666 Broadway
New York, NY 10012
Tel: (212) 529-5688
Fax: (212) 529-7987

CERTIFICATION AS TO THE ADEQUACY OF SCHEDULE B, PURSUANT TO SECTION 20.4 (d) OF THE REGULATIONS ISSUED PURSUANT TO GENERAL BUSINESS LAW, ARTICLE 23-A AS AMENDED

~~December 1, 2000~~

New York State Department of Law
Real Estate Financing Bureau
120 Broadway, 23rd Floor
New York, NY 10271

Re: Re: *104 Wooster Street Condominium*
102-106 Wooster
New York, NY

Gentlemen:

The undersigned, Eugene Andrews, President of Andrews Building Corporation, certifies as follows:

The Sponsor of the Condominium Offering Plan for the captioned Property retained our firm to review Schedule B containing projections of income and expenses for the first year of Condominium operation.

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

We have reviewed the Schedule and investigated the facts set forth in the Schedule and the facts underlying them with due diligence in order to form a basis for this certification.

We certify that the projections in Schedule B appear reasonable and adequate based on present prices (adjusted to reflect continued inflation and present levels of consumption for comparable units similarly situated).

We certify that the certification and all documents prepared by us hereafter that concern the Schedule does:

(i) set forth, in detail, the terms of the transaction as it relates to the Schedule, are complete, current and accurate;

(ii) affords 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, 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 and which we (a) knew the truth; (b) with reasonable effort could have known to be the truth; (c) made no reasonable effort to ascertain the truth or; (d) did not have the knowledge concerning the representations or statements made.

We further certify that we are not owned or controlled by and have no beneficial interest in the Sponsor, and that our compensation for preparing this certification is not contingent on the conversion of the property to a condominium or on the profitability or price of the offering. We understand that a copy of this certification is intended to be incorporated into the Offering Plan so that prospective purchasers may rely on it.

We have been licensed real estate brokers since 1987 and a management firm employing multiple dwelling managing agents presently managing over 80 condominium projects. Properties presently managed by us in New York include over 2,000 cooperative apartments and over 1,000 condominium apartment units. We have been consulted by cooperative and condominium sponsors as to the adequacy of projected budgets.

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

Very truly yours,
ANDREWS BUILDING CORP.

By: Eugene Andrews, Pres.

Sworn to before me this
11 day of December, 2000

Notary Public

STEPHEN D. KESSLER
Notary Public, State of New York
No. 4689100
Qualified in New York County
Term Expires December 31, 200_

ANDREWS
BUILDING
CORPORATION

666 Broadway
New York, NY 10012
Tel: (212) 529-5688
Fax: (212) 529-7987

CERTIFICATION OF EXPERT CONCERNING THE ADEQUACY OF COMMON CHARGES PAYABLE BY THE COMMERCIAL UNIT OWNERS PURSUANT TO SECTION 20.4 (e) OF THE REGULATIONS ISSUED PURSUANT TO GENERAL BUSINESS LAW, ARTICLE 23-A AS AMENDED

December 11, 2000

New York State Department of Law
Real Estate Financing Bureau
120 Broadway, 23rd Floor
New York, NY 10271

Re: *104 Wooster Street Condominium*
102-106 Wooster
New York, NY

Gentlemen:

The Sponsor of the Condominium Offering Plan for the captioned property retained our firm to prepare Schedule B, containing projections of common charges payable by the owners of the commercial units for the first year of condominium operation.

Andrews Building Corp. has been engaged in the management of residential real estate for the past ten years. Our experience in this field includes management of the operation of comparable condominium and cooperative buildings in Manhattan for over ten years. Andrews Building Corp. is a licensed real estate broker in the State of New York.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to commercial units listed in Schedule B.

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

We certify that the projections in Schedule B for the common charges payable by the owners of the commercial units appear reasonable and adequate under existing circumstances to meet the anticipated operating expenses fairly attributable to such commercial units for the projected first year of condominium operation and that the allocation of common charges attributable to the commercial units also reflects special or exclusive use or available or exclusive control of particular common areas.

We certify that the Schedule:

(1) sets forth in detail the projected common charges for the commercial units for the first year of condominium operation;

(2) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the common charges payable by the owners of the commercial units;

(3) does not omit any material fact;

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

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

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

(7) does not contain any representation or statement which is false, where we:

(a) knew the truth;

(b) with reasonable effort could have known the truth;

(c) made no reasonable effort to ascertain the truth; or

(d) did not have knowledge concerning the representation or statement made.

We further certify that we are not owned or controlled by the Sponsor. We understand that a copy of this Certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the common charges fairly attributable to the commercial units for the first year of condominium operation.

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

Sworn to before me this
11th day of December, 2000

Notary Public
STEPHEN D. KESSLER
Notary Public, State of New York
No. 4689100
Qualified in New York County
Term Expires December 31, 200__

ANDREWS BUILDING CORP.

By: Eugene Andrews
President

EXHIBIT "D"

Revised Schedule "A"

OFFERING PRICES AND RELATED INFORMATION

Schedule "A"

SCHEDULE OF OFFERING PRICES AND OTHER FINANCIAL
DETAILS OF THE FIRST YEAR OF OPERATION (1)

Unit (2)	Number of Bedrooms and Baths (3)	Approx. Total Area (4)	Offering Price (5)	Common Interest (6)	Common Charges (7)		Real Estate Taxes (8)		Post - Completion Real Estate Taxes (9)		Total Carrying Charges (10)	
					Monthly	Annual	Monthly	Annual	Monthly	Annual	Monthly	Annual
Residential Units												
2N	3/3	3,093	$2,750,000	8.14%	$1,259.69	$15,116.23	$778.78	$9,008.38	$1,586.17	$19,776.50	$2,038.47	$24,124.61
2S	2/3	3,167	2,850,000	8.34%	1290.64	15,487.63	797.92	9,229.71	1,625.15	20,262.41	2,088.56	24,717.34
3N	3/3	3,093	2,950,000	8.14%	1259.69	15,116.23	778.78	9,008.38	1,586.17	19,776.50	2,038.47	24,124.61
3S	2/3	3,167	2,950,000	8.34%	1290.64	15,487.63	797.92	9,229.71	1,625.15	20,262.41	2,088.56	24,717.34
4N	3/3	3,051	3,150,000	8.03%	1242.66	14,911.95	768.26	8,886.64	1,564.74	19,509.25	2,010.92	23,798.59
4S	2/3	3,142	3,150,000	8.00%	1238.02	14,856.24	765.39	8,853.44	1,558.89	19,436.37	2,003.41	23,709.68
5N	4/4 - T	4,074	6,950,000	14.70%	2274.86	27,298.34	1,406.40	16,268.20	2,864.46	35,714.32	3,681.26	43,566.54
5S	3/4 - T	4,183	7,250,000	14.90%	2305.81	27,669.75	1,425.55	16,489.54	2,903.44	36,200.24	3,731.36	44,159.29
Totals for Residential Units		26,970	$32,000,000	78.59%	$12,162.01	$145,944.00	$7,519.00	$86,974.00	$15,314.17	$190,938.00	$19,681.01	$232,918.00
Commercial Units												
A	-	6,000	$7,400,000	11.02%	$1,246.29	$14,955.49	$1,153.77	$12,195.60	$4,136.79	$89,578.03	$2,400.06	$27,151.09
B	-	2,800	--	7.10%	802.96	9,635.57	743.35	7,857.42	2,665.26	57,713.62	1,546.31	17,492.99
C	-	5,000	--	3.29%	372.08	4,464.94	344.46	3,640.98	1,235.03	26,743.35	716.54	8,105.92
Totals for Commercial Units		13,800	$7,400,000	21.41%	$2,421.33	$29,056.00	$2,241.58	$23,694.00	$8,037.08	$174,035.00	$4,662.91	$52,750.00
	GRAND TOTAL	40,770	$39,400,000	100.00%	$14,583.34	$175,000.00	$9,760.58	$110,668.00	$23,351.25	$364,973.00	$24,343.92	$285,668.00

EXHIBIT "E"

Revised Purchase Agreement

PURCHASE AGREEMENT

[Please sign 4 originals]

This Purchase Agreement is dated and made as of _____, 200_, between: "**you**", 102-106 Wooster LLC, the "Seller", having an address for notices c/o Carter Management Corp., 750 Lexington Avenue, New York, New York 10022; and "**me**" the party signing below as "Purchaser".

---

1. Agreement to Purchase and Sell

1.1 You agree to sell to me, and I irrevocably agree to purchase from you, for the Purchase Price stated in paragraph "2" and on the terms and conditions referred to in paragraph "3" the following Unit ("Unit") of the proposed 104 Wooster Street Condominium located at 104 Wooster Street, New York, New York, together with such Unit's Common Interest in the Common Elements of the Property:

Unit Type*	Unit No.	Common Interest
_____	_____	_____%

*[INSERT "RESIDENTIAL" OR "COMMERCIAL"]

2. Purchase Price

2.1 The "**Purchase Price**" of the Unit is $_____.

2.2 I agree to pay the Purchase Price to you as follows:

$_____* ("Downpayment") on signing this Purchase Agreement; and

$_____ ("Balance") at closing.

*Includes any sum previously deposited on my receipt of the Plan.

3. Terms and Conditions of Purchase and Sale

3.1 The terms and conditions upon which I am to purchase, and you are to sell, the Unit are contained in paragraphs "1" through "9" on this page as well as the following page entitled "*Terms and Conditions of Purchase Agreement*" (consisting of paragraphs "10" to "50") and any riders to this Purchase Agreement signed by us, all of which form a part of this Purchase Agreement.

4. Dates of Receipt and Delivery

4.1 I acknowledge:

a. receiving the Plan and ____amendments at _____(A.M.)(P.M.) on _____, 2000; and

b. delivering this Purchase Agreement and the check for the Downpayment at ___(A.M.)(P.M.) on _____, 2000.

5. Information on Purchaser for Notices, Tax Reporting and Deed

5.1 My address for notices and personal information for this transaction are:

Street: _____Apt. No.____

City: _____State: ___ Zip Code: _____

Telephone #: Home _____; Daytime: _____

Social Security/Federal EID No.: _____

Social Security/Federal EID No.: _____

If Purchaser is more than one person (not husband and wife), the Deed is to state ownership of the Unit as [(√) appropriate box]:

☐ Joint Tenants (title passes to survivor)

☐ Tenants in Common (title passes to estate of deceased owner).

6. Seller Financing Contingency

6.1 In accordance with the Plan in "Section K-4. Mortgage Financing Contingency" and the Rider hereto:

☐ a. **I hereby elect to make my obligations contingent upon obtaining financing (20% Downpayment required)**

OR

☐ b. **I hereby elect to NOT to make my obligations contingent upon obtaining financing. (15% Downpayment required)**

7. Intentionally Omitted

8. Identity of Participating Broker

8.1 The only brokers and salespersons that I have dealt with on this transaction are the Selling Agent, Corcoran Group Marketing, and:

Participating Broker:_____*

Salesperson:_____*

*[If inapplicable, state "None".]

9. Purchaser's Attorney

9.1 The attorney who is representing me on this transaction is:

Individual Attorney: _____

Firm Name:_____

Address:_____

_____

_____

Phone #: (___)_____

Fax #: (___)_____

We have executed this Purchase Agreement as of the above date to evidence our agreement that these provisions are legal, valid, binding and fully enforceable in accordance with its terms with respect to each of us.

SELLER:

102-106 Wooster LLC

By:_____

By:
Signature: _____

Print Name: _____

Title: _____

Date Accepted: _____

PURCHASER:

Signature: _____*

Print Name: _____

Signature: _____*

Print Name: _____

***NOTE: THIS IS THE EXACT NAME THAT WILL BE USED ON THE DEED.**

10.1 These "Terms and Conditions of Purchase Agreement" from a part of the Purchase Agreement and are additional provisions governing your agreement to sell, and my agreement to purchase, the Unit.

11. Definitions

11.1 The definitions of the following words within quotation marks, as well as those defined elsewhere in this Purchase Agreement (including the first page), apply wherever these words are used in these "Terms and Conditions of Purchase Agreement". Any words not defined in this paragraph "11", or elsewhere in the text of this Purchase Agreement, have the same meanings indicated in the Plan (including its amendments, if any).

"Agreement": This Purchase Agreement.

"amendment": The amendment or amendments to the Plan filed by the Department of Law.

"Attorney General": The Attorney General of the State of New York.

"Building": The building located at 104 Wooster Street, New York, New York.

"business day": Any day that is not a Saturday, Sunday or legal holiday of the State of New York or the U.S. government.

"business hours" Between the hours of 9:00 A.M. and 5:30 P.M.

"claim": Each or every kind whatsoever of claim, right, cause for lawsuit and lawsuit.

"Closing Date", "closing", "closing of title", "title closing" and words of similar import: The date upon which, among other things, you deliver the Deed for the Unit to me and I pay the Balance to you.

"Condominium": The condominium to be known as 104 Wooster Street Condominium and to be established on the Property by filing and recording the Condominium Documents.

"Condominium Board": The Board or Manager of the Condominium.

"costs and expenses": Each or every kind whatsoever of: loss, damage, penalty, fine, liability, judgment, award, cost, expense and amount (including reasonable legal fees and disbursements, court costs and all other litigation expenses) paid, payable or incurred in connection with any claims or to perform, observe, enforce, uphold, protect, defend, maintain and collect sums payable under a right, remedy, obligation, requirement, agreement or indemnity given in or pursuant to this Purchase Agreement.

"Declaration": The document establishing condominium ownership of the Property, to be executed by Seller and recorded in the Register's Office.

"Depository": Citibank, N.A. at its branch located at 120 Broadway, New York, New York.

"Department of Law": Department of Law of the State of New York.

"I", "me" and **"mine"**: The person or persons signing this Purchase Agreement as "Purchaser".

"include", "includes", "including", "such as", "for example" and similar words: Whenever these words precede a list of one or more items, the list is not to be limited to the item(s) mentioned and shall always be construed as though followed by the words "but not limited to".

"Indemnify" or a derivation thereof: This includes to defend and to hold harmless.

"interest": Interest on the Downpayment, to the extent such interest is earned and collected from the Depository.

"laws": Each or every applicable law and ordinance of federal, state, city or other Governmental Authority and each and every regulation, code, rule, order, directive, permit and requirement of: (a) all governmental or quasi-governmental authorities having jurisdiction over the Property, the Units or the Condominium; or (b) an insurer of the Building.

"lawsuits": Each or every kind whatsoever of suit and litigation, whether legal or equitable, brought in or before any: court, tribunal or judicial system (federal, state, local or international); governmental administrative authority; arbitration or mediation association; or alternative dispute resolution body.

"liabilities and expenses": All kinds whatsoever of claims and costs and expenses.

"our", "us" and **"we"**: Both you and I, unless the context clearly indicates a contrary intent.

"party": We are the "parties" to this Purchase Agreement and each of us is a "party".

"Plan": The Condominium Offering Plan for the Property and all amendments to such Condominium Offering Plan filed prior to the date upon which I sign this Purchase Agreement. The "Plan" includes the Condominium Documents reproduced in Part II of the Condominium Offering Plan.

"Property": The Building and the land upon which it is erected. The legal description of the land is contained in the form Deed reproduced as Document 4 to the Plan.

"Purchase Monies": The Downpayment (which is not to exceed 10% of the Purchase Price) and any other sum I pay to you prior to closing toward the Purchase Price or for special work I order to be done to the Unit.

"Selling Agent": Corcoran Group Marketing

"sign in recordable form": The proper notarization and acknowledgment of a signature in the form required to record or file the document in question.

"Title Insurance Company": First American Title Insurance Company of New York

"you", "your" and **"yours"**: 102-106 Wooster LLC, the seller of the Unit under this Purchase Agreement.

12. Payment of Purchase Price

12.1 I am herewith paying the Downpayment by my good personal check or (at your option) by good certified personal check or bank money order or official cashier's or bank check. You acknowledge receiving a check for the Downpayment, but your agreements and obligations under this Purchase Agreement are conditional upon the collection of the check.

12.2 I will pay the Balance by my good certified personal check or official cashier's or bank check. At your option, I will pay the Balance in "immediately available funds" (that is, by electronic wire transfer to a bank account designated by you). Any payment made by wire transfer shall not be deemed to have been made until confirmed as received by your bank and credited to your account.

12.3 All checks for the Downpayment and Balance must be drawn on (and payable by) a member bank of the New York Clearing House Association and must be unendorsed and made payable to the direct order of:

a. in the case of the Downpayment, "*Mandel Resnik & Kaiser P.C., as Escrowee for 104 Wooster Street Plan*"; and

b. in the case of the Balance, "102-106 Wooster LLC" or to such other payee(s) that you specify on not less than 2 business days' prior oral notice or 3 business days' prior written notice to me.

I will not use a third party check (other than that of an institutional mortgage lender), including a corporate check (unless I am the corporation), to pay either the Downpayment or the Balance.

12.4 The Purchase Price and all other dollar amounts in this Agreement mean the currency of the United States (that is, U.S. dollars).

13. Closing Date, Time, Place and Location

13.1 After the Plan is declared effective, the date, time and place (in the City and State of New York) for closing of title to the Unit will be fixed by you on not less than 30 days' prior written notice to me. You shall not send such notice before the Effectiveness Amendment is sent to me.

13.2 You have the right to adjourn the closing one or more times to remove a title objection or satisfy a closing prerequisite under the Plan or for any other good faith reason. In the event you adjourn the closing or I fail to close on the date fixed by you

in accordance with paragraph "13.1" (or any postponed date fixed by you in accordance with this paragraph "13.2"), you will fix a new date, time and place (in the City and State of New York) for closing. I will be given written or oral notice of an adjournment by you and at least 10 days' written notice of the new date, time and place of closing fixed by you. In the event you postpone the closing, I will pay the full amount of my closing payments under paragraph "17", including the Balance of the Purchase Price, on the postponed date, without reduction, adjustment or credit or provision for escrow or any kind of recourse against you.

13.3 Under the Plan, the First Closing is targeted to occur on March 1, 2001. However:

a. you do not represent, assure or guarantee when the actual date of the First Closing will occur, which might be earlier or substantially later;

b. you do not represent, assure or guarantee when the actual day of closing of title to the subject Unit will occur, which might be substantially after the First Closing;

c. you will determine the order of closings of Residential Units and Commercial Units, which need not coincide with the sequence in which they are contracted for sale or the numerical order of the floors;

and

d. I will not be excused from paying the full Purchase Price, without reduction, adjustment or credit, and without legal recourse against you for any claims or costs and expenses, in the event the First Closing occurs substantially later than said targeted closing date or the closing of title to the subject Unit is substantially after the First Closing or is postponed.

14. Purchaser's Closing Costs

14.1 At title closing I will pay the following "mandatory" closing costs:

a. I will pay the New York City Real Property Transfer Tax and the New York State Real Estate Transfer Tax (including the mansion tax) applicable to this sale;

b. I will pay the governmental fees and service charge of a title insurer to file said New York City and New York State Transfer Tax returns and to record the Deed and Unit Owner's Power of Attorney;

c. (in the case only of a Residential Unit) I will make a payment for the Working Capital Fund in an amount equal to 2 month's projected Common Charges for the Unit (if the Unit is a combination of 2 or more units, my payment shall equal the total of said 2 months' projected Common Charges for each such unit combined into the Unit) as set forth in the Purchase Price Schedule (Schedule A in Section D of the Plan), as such projected monthly Common Charge amount may be revised in an amendment prior to the First Closing (this payment will be made payable, and delivered, to you until the amounts paid by Purchasers who close title fully reimburses you for the initial Working Capital Fund paid by you as set forth in the Plan and, thereafter, will be made payable as directed by the Condominium Board and delivered to you for forwarding to the Condominium Board or its Managing Agent);

and

d. $1,500.00 to your designated attorney for preparing the Unit deed and Unit Owner's Power of Attorney and for coordinating and attending the closing.

14.2 At title closing, I will also pay the following "elective" closing costs:

a. if I elect to obtain a mortgage loan:

(i) I will pay the mortgage recording tax, the governmental fee to record the mortgage and a service charge to the title company to record the mortgage;

(ii) I will pay you an amount equal to all of my savings in the mortgage recording tax to which I am entitled, whether such savings results from an assignment of an existing mortgage on the Unit or is pursuant to Real Property Law Section 339-ee or otherwise;

(iii) if the mortgage lender or its attorney refuses to close at the offices of your designated attorney, I will also pay your designated attorney a travel fee of $300.00 (in the case of a closing held in Manhattan) or $500.00 (in the case of a closing held elsewhere in New York City) (NOTE: You and your counsel are not required to travel outside of New York City);

(iv) I will pay the premium for mortgage title insurance;

and

(v) I will pay all escrows (such as for Common Charges and real estate taxes) and other mortgage closing costs and expenses required by my mortgage lender;

b. if I elect to order title insurance, I will pay my title insurance company's premium for the policy;

c. if I elect to retain an attorney, I will pay my attorney's fees and other charges;

and

d. if I have dealt with any broker other than your Selling Agent and the Participating Broker (if any) identified in paragraph "8.1", I will pay the fee and commission earned by such broker.

14.3 At title closing I will also pay the following delinquent closing costs if, through no fault of yours, I fail for any reason whatsoever to close on the Closing Date fixed by you in accordance with paragraph "13.1" or if the closing is postponed because I or my attorney fail to timely notify you of a title objection as provided in paragraph "19.3":

a. I will reimburse you for lost opportunity of earnings on the Purchase Price at the annual rate of 10% of the Purchase Price, prorated for each day's delay through the end of the day prior to the actual date title closes;

and

b. I will also reimburse you for the Unit's common charges and real estate taxes for the period of such delay, after deducting any rent you collect from me as a tenant of the Unit for such period (if I rent the Unit prior to closing);

and

c. I will pay Mandel Resnik & Kaiser P.C. or your designated attorney the amount of $150.00 for each default notice sent to me (for the costs to send such notice) and a further sum of $150.00 for each time the closing is rescheduled (for the costs to fix a new Closing Date and time, to coordinate the attendance of all persons, to redate the closing documents and to recalculate the closing apportionments).

14.4 I will pay my closing costs under this paragraph "14" based on the applicable governmental and title company rates in effect at closing.

14.5 If the closing is postponed, the provisions of paragraph "14.3" shall apply if, through no fault of yours, I fail to close on the postponed Closing Date fixed by you in accordance with paragraph "13.2".

14.6 All sums payable to you and Mandel Resnik & Kaiser P.C. (or another attorney designated by you) under paragraph "14.3" shall be:

a. paid by my good certified personal check or bank money order or an official cashier's or bank check;

and

b. drawn on and payable by a member bank of the New York Clearing House Association;

and

c. unendorsed and made payable to the direct order of the appropriate recipient.

14.7 The New York City and New York State transfer taxes payable by me under paragraph "14.1" shall be paid by my unendorsed certified check or unendorsed official cashier's or bank check made payable directly to the "New York City Department of Finance" or other appropriate taxing authority.

14.8 I will pay any additional tax or tax deficiency in such New York City and New York State

will pay any additional tax or tax deficiency in the mortgage recording tax payable by me under paragraph "14.2". I will also pay any interest and penalties assessed by a taxing authority in connection with any of these additional tax or tax deficiency payments.

14.9 I will indemnify you (with attorneys selected by you) from all liabilities and expenses resulting from my agreements in paragraphs "14.1" and "14.8".

14.10 My obligations under paragraph 14.1 (*to pay the New York City and New York State transfer taxes)*, paragraph 14.2 (*to pay the commission earned by my broker other than the Participating Broker, if any*), paragraph "14.8" (*to pay all additional taxes, tax deficiencies, interest and penalties*) and paragraph "14.9" (*to indemnify you from any breach of my obligations in paragraph "14.8"*) shall survive the closing.

15. Closing and Post Closing Apportionments

15.1 At closing, you and I will apportion the following costs as of 11:59 p.m. of the preceding day:

a. real estate taxes and the then current installment of any special real estate tax assessment for the tax period within which the closing occurs;

b. common charges and the then current installment for any special assessment levied by the Condominium Board for the month in which title closes (based on the actual number of days in such month);

and

c. (if I rent the Unit now or hereafter) rent for the month in which title closes (based on the actual number of days in such month).

15.2 The net amount resulting from the apportionments in paragraph "15.1" shall be paid to the proper party at closing (and, if owed by me, is in addition to the Purchase Price).

15.3 Installments for any real estate tax assessments or for any special assessments of the Condominium Board due after the closing are not a defect in, or objection to, title and will be paid by me without a Purchase Price reduction, adjustment or credit and without any kind of recourse against you. However, the then current installment for any special real estate tax assessment or any Condominium Board special assessment will be apportioned at closing in accordance with paragraph "15.1".

15.4 All conventional practices recommended by The Real Estate Board of New York, Inc. in its "Customs in Respect to Title Closings" shall be followed for closing apportionments unless inconsistent with the express provisions of this paragraph "15".

15.5 Any errors or omissions in computing apportionments at closing shall be corrected, and payment made to the proper party, promptly after receipt of a written notice containing a calculation of the amount owed.

15.6 If I rent the Unit, I will pay you at closing any past due rent for other than the month of closing (which is to be apportioned). My failure to make such payment will not excuse my rent obligation and you may close without prejudice to your right to collect the overdue rent from me after closing. I will also reimburse you for your costs and expenses of collection. Nothing herein will excuse me from my obligation to timely pay the rent nor prevent or otherwise impair your rights and remedies against me if I default in paying the rent.

15.6A. In the event I receive subsequent to closing a refund or reduction in the Unit's real estate taxes for the fiscal tax year in which the closing is held, I will be obligated:

a. first, to pay the costs and expenses (or, if other units of the Condominium are also involved, the Unit's pro rata share of the costs and expenses) to obtain the refund or reduction (including reimbursing you for any of these costs and expenses paid by you), but under no circumstance will my payment exceed the amount of the refund or reduction;

and

b. second, the balance will be apportioned between me and you in accordance with the respective portions of the tax year that each owns the Unit.

15.7 In the event an amount owed after closing is not received by the applicable party within 10 days after giving a payment will be reimbursed by the delinquent party:

a. an amount equal to 10% a year on the amount owed, pro rated for each day's delay following the end of said 10 day period to the end of the day prior to the date of full payment of the amount owed (such payment is compensation for loss opportunity of earnings on the amount owed);

and

b. all costs and expenses of collection.

15.8 Our respective obligations under paragraphs "15.5", "15.6", "15.6A", "15.7" and "15.8" shall survive the closing.

16. Document to Accompany Purchase Agreement

16.1 At the time I sign and return this Purchase Agreement, I will also properly complete, sign and deliver to you or your Selling Agent, the following:

a. Inspection Report (on the form set forth as Document 1F of the Plan) if the Unit is completed; if Unit is not completed, I will submit the Inspection Report to you 2 days prior to closing);

and

b. (if I am subject to backup withholding rules) Internal Revenue Service ("IRS") form W-8 "Certificate of Foreign Status (if I am a non-resident alien or foreign entity) or form W-9 "Request for Taxpayer Identification Number and Certification" (if I am a United States citizen or resident alien).

17. Closing Payments and Documents

17.1 At closing:

a. I will pay the Balance in the amount stated in paragraph "2.2" and in the manner described in paragraphs "12.2" and "12.3";

b. I will pay my closing costs as described in paragraph "14";

c. the net closing apportionments will be paid to the appropriate party as described in paragraph "15";

d. I will sign in recordable form (in triplicate) and deliver the Unit Owner's Power of Attorney substantially in the form reproduced in the Plan;

e. we will sign in recordable form (in duplicate) and deliver the then current forms for the New York State and New York City transfer tax returns applicable to the Unit and the New York City Smoke Detecting (Alarm) Device Affidavit;

f. I will deliver the required checks in the proper amounts and to the proper payees of such State and City transfer taxes;

g. If I am obtaining mortgage financing, I will sign and deliver an appropriate affidavit for exemption from, reduction of and/or credit against the mortgage recording tax as a result of an assignment of an existing mortgage or the mortgage tax credit under Real Property Law Section 339-ee or otherwise; the foregoing notwithstanding, you may (at your option) sign in recordable form and deliver said affidavit (regardless of who signs the affidavit, I will pay you the amount of my available savings in the mortgage recording tax as provided in paragraph 14.2(a)(ii);

h. you will sign in recordable form and deliver your standard Bargain and Sale Deed ("Deed") with covenant against grantor's acts (substantially in the form reproduced in the Plan), whereby you transfer legal ownership (fee simple title) of the Unit to me;

i. you will deliver a release and UCC-3 Termination Statement or other appropriate instrument (signed in recordable form) discharging my Unit and its contents from any mortgage lien (but not from the lien of any mortgage loan that I obtain);

j. you will deliver an affidavit, signed in recordable form, stating that my Unit is not a "multiple dwelling" as defined in applicable laws;

k. you will deliver to me your signed certification of non-foreign status as required by the applicable provisions of the federal income tax code and regulations, or (if you are a foreign person) such other documents as are appropriate showing

compliance with these tax provisions;

l. you will deliver to me a certificate from the Condominium Board's insurer of the Property showing me as an additional insured party under the Condominium Board's master policy and (if I am obtaining a mortgage loan) you will also deliver to my mortgage lender a similar certificate showing it as an additional insured party;

m. (if I rent the Unit now or hereafter) you will instruct the depository to return to me any unapplied rent security that I might have deposited with you together with any interest (I will allow 30 days to receive this payment);

n. you will deliver to me a statement by the Condominium Board or its managing agent as to the status of payment of common charges and any special assessments for the Unit (such statement will be sufficient for apportioning these items under paragraph "15.1" and paragraph "15.3");

and

o. you will deliver to me all keys to the Unit's doors and any mail box.

17.2 The following documents and checks described in paragraph 17.1 shall be delivered to my title insurance company (or, if none, to your attorney for forwarding to the Title Insurance Company) for recording or submission to the New York City Register's Office in the County in which the Building is located: Unit Owner's Power of Attorney, New York State and New York City transfer tax returns and checks, New York City Smoke Detector Affidavit, Deed, mortgage lien release and multiple dwelling affidavit. After being recorded:

a. one of the three originals of the Unit Owner's Power of Attorney shall be returned to the Condominium Board and the other two originals shall be returned to you;

and

b. the Deed and the mortgage lien release (if any) shall be returned to me.

17.3 Your covenant in the Deed is for my personal benefit and will not inure to the benefit of my successors or subrogees (including my title insurance company). I must first look to my title insurance company before seeking recourse against you for recovery on any claim based upon a breach of such covenant. This provision shall survive the closing.

17.4 My payment of the Balance and acceptance of the Deed shall constitute my recognition that you have satisfactorily performed those obligations stated in the Plan and Amendments and this Purchase Agreement to be performed by you prior to closing. This, however, shall not excuse you from performing those obligations (if any) expressly stated in the Plan and amendments and this Purchase Agreement to be performed subsequent to the closing, nor reduce or otherwise abridge any of my rights under Article 23-A of the General Business Law, the Plan, amendments or Part 20 of the Regulations issued by the Department of Law.

17.5 The exact name I use for signing on the first page of this Purchase Agreement shall be used in the closing documents described in this paragraph "17" (including in the Unit Owner's Power of Attorney, the State and City transfer tax returns and the Deed).

18. Intentionally Omitted

19. State of Title

19.1 I will acquire title to the Unit subject only to the encumbrances ("Permitted Encumbrances") listed in EXHIBIT A to, and forming a part of, this Purchase Agreement. The Deed shall be considered to be subject to the Permitted Encumbrances, even though they are not repeated or referred to in the Deed.

19.2 Any lien, encumbrance or title condition not included in the Permitted Encumbrances shall not be an objection to title, and you are not obligated to cause my title company to omit it from my title insurance policy, if:

a. at or prior to the closing, the instrument requirement to remove it "of record" has been delivered to the Title Insurance Company for recording in the proper office, together with the requisite recording or filing fees, and a copy of said instrument is delivered to the representative of my title insurance company or my attorney (or, if none, to such other person as I direct) at the closing;

or

b. if the item in question is a lien, the Title Insurance Company is willing to insure me (at my expense, but at its regular rate and without additional premium) against collection or enforcement out of the Unit;

or

c. if the item in question is a violation, an architect or engineer designated by you certifies in writing to me that the condition causing the violation has been corrected and you agree in writing to me to diligently use reasonable efforts to cause the violation to be removed of record (such agreement shall survive the closing).

19.3 At least 10 days prior to the Closing Date, your attorneys, Mandel Resnik & Kaiser P.C. at 220 East 42nd Street, New York, New York 10017, Attn: Barry H. Mandel, Esq., or any other attorney designated by you in a notice to me, will receive from me or my attorney written notice of any and all title objections. If I elect to obtain title insurance, then a copy of the title report and every continuation thereof issued by my title company will suffice. In such event, the title report also must be received by your attorneys at least 10 days prior to the Closing Date and each continuation must be sent within 2 business days after being received by me or my attorney.

19.4 If you are required to adjourn the closing to remove a title objection, I will be at fault for such adjournment if I fail to timely comply with paragraph "19.3" and the objectionable title condition existed at the time I am required to send the title objection notice. However, I will not be at fault if I timely send you a title report and every continuation in accordance with paragraph "19.3" and the objectionable title condition arises after such title report and any continuation are issued.

19.5 In the event I am at fault for the adjournment of the closing, I will pay you and (if applicable) Mandel Resnik & Kaiser P.C. (or other applicable attorney designated by you) the amounts stated or calculated in paragraph "14.3".

19.6 I am not required to obtain title insurance. However, if I choose to, I will pay the title insurance premium. I have the right to obtain title insurance from the Title Insurance Company or from any other title company I prefer.

NOTE: Because the Title Insurance Company is already familiar with title to the Property, any title issues might be more easily resolved by obtaining title insurance from the Title Insurance Company. Please note that if you opt to obtain title insurance from another company, I will pay your attorney a fee of $250.00.

20. Personal Property Included in Sale

20.1 This sale includes the following "Personal Property" to the extent owned by you and existing in the Unit on the date of this Purchase Agreement: kitchen appliances (including a refrigerator-freezer, range and oven, kitchen and bathroom cabinets and countertops, lighting fixtures, plumbing fixtures (including sinks, bathtub(s), toilet(s), window treatments (including shades), switch plates and door hardware.

20.2 No portion of the Purchase Price is attributable to the Personal Property, which will be transferred to me without consideration at the closing. If the closing does not occur, I will not have any right or interest in, and may not acquire or purchase, the Personal Property.

20.3 The Unit will be purchased by me without any furniture, furnishings or decorations, and without any obligation by you to make any alterations, additions or improvements. I acknowledge and agree that this sale does not include any furniture, furnishings, decorations (including wall and floor coverings and finishes, and window treatments) belongings and household items of any tenant or occupant of the Unit or that are in or about any model unit (which are for display and promotional purposes only).

21. Unit and Contents Sold "As Is"

21.1 I will purchase the Unit and acquire all Personal Property included in this sale in their "as is" condition on the date of this Purchase Agreement.

21.2 I will also purchase and acquire the Unit and such Personal Property, without a Purchase Price reduction, adjustment or credit and without any kind of recourse against you or provision for escrow, in the event the condition of the Unit or such Personal Property at closing is not as good as now due

21.3 You are not required to make any repairs, alterations or changes to the Unit. You also are not obligated to alter, change or improve the Unit or its contents nor provide any type of extra unless we sign and attach a separate rider to this Purchase Agreement stating your undertaking and who is to pay for the work.

22. Inspection of Unit by Purchaser

22.1 I and my representatives (including my architect, engineer, decorator and appraiser) will have the right to inspect the Unit a reasonable number of times, on reasonable advance written or oral notice and at reasonable hours on business days, including within 48 hours prior to closing. In such event, I will not be entitled to delay or adjourn the closing to make an inspection so long as I am given reasonable access to the Unit within 48 hours prior to closing to ascertain the condition of the Unit and its contents.

22.2 My right to inspect does NOT entitle me to (and I shall not):

a. probe, penetrate or disturb the surfaces of the Unit's walls, floors or ceilings;

or

b. make any alterations or changes to the Unit;

or

c. store my furniture or other belongings in the Unit prior to closing.

23. Risk of Loss

23.1 In all cases where I am not required to assume the risk of loss or damage to the Unit or its contents prior to closing under the following paragraph "23.2", the following shall apply:

a. you assume all risk of loss or damage to the Unit and its Personal Property;

b. you have the option (but not the obligation) to make, or to allow the Condominium Board to make, all needed repairs or to cancel this Purchase Agreement;

c. if you elect to do, or to permit the Condominium Board to do, the repairs, you are entitled to a reasonable period of time for the repairs to be completed;

d. I will not be required to close title until:

(i) all repairs to the Unit and its Personal Property are substantially completed;

(ii) the Unit and its Personal Property are in the condition required under this Purchase Agreement;

and

(iii) the Unit has all essential Building services (such as gas, electricity and heat) and a reasonable means of access to and from the street;

e. when the requirements in the preceding clause "d" are met, I will close title and pay the full amount of my closing payments under paragraph "17", including the Balance of the Purchase Price, without reduction, adjustment or credit or provision for escrow or any kind of recourse against you;

f. all monies payable on account of the loss or damage, whether resulting from insurance or settlement of a Claim, shall belong to you and, if received by me, will be promptly endorsed and turned over to you (my obligation to make such payment to you will survive the closing);

g. I will assume that you have elected to do, or to allow the Condominium Board to do, the repairs until you send me a written notice stating otherwise;

and

h. in the event you send me a written notice of your election to cancel this Purchase Agreement, you will refund the Purchase Monies with any interest to me.

23.2 I will assume all risks of loss or damage to the Unit and its Personal Property prior to closing if:

Unit under an interim lease or other occupancy agreement and the casualty or other cause of loss or damage originates in the Unit and is not due to your fault or that of your contractors, agents or employees;

or

b. the loss or damage is due to my fault or that of my contractors, agents or employees.

23.3 If I am required to assume the risk of loss or damage in accordance with paragraph 22.2, the following shall apply:

a. I alone will be obligated to make and pay for all repairs;

b. I will not be entitled to delay the closing to make repairs;

c. I will close on the date to be fixed by you in accordance with paragraph "13.1" or any adjourned date fixed by you in accordance with paragraph "13.2";

and

d. at closing, I will pay the full amount of all my closing payments under paragraph "17", including the Balance of the Purchase Price, without reduction, adjustment or credit or provision for escrow or any kind of recourse against you, and regardless of the condition of the Unit and its Personal Property.

24. Purchaser's Events of Default; Seller's Remedies

24.1 I will be in default upon the occurrence of any of the following "Events of Default" (individually, "Event of Default" or "default"):

a. my failure to properly pay the full amount of the Balance on the Closing Date in accordance with paragraphs "2.2", "12.2" and "12.3";

b. my failure to pay any of my closing costs as required in paragraph 14;

c. my failure to pay the net closing apportionments, if in your favor, as required in paragraph "15";

d. my failure to deliver any of the documents (properly completed and signed in recordable form, where required) in accordance with paragraph "17.1", including:

(i) the Unit Owner's Power of Attorney;

(ii) the New York Real Estate Transfer Tax Form TP-584;

(iii) the New York City Real Property Transfer Tax Return;

and

(iv) the New York City Smoke Detecting (Alarm) Device Affidavit;

e. the dishonor or failure of collection of my check or instrument in payment of the Downpayment or any other sum paid by me under this Purchase Agreement;

f. if I rent the Unit now or hereafter and default in paying the rent or any other lease or tenancy obligation, such default shall become a default under this Agreement if a final judgment or order is issued granting you possession of the Unit by a court or other governmental authority of competent jurisdiction or I vacate or abandon the Unit (in such case, I will not have any further grace period to cure such default);

or

g. my failure to pay, perform or observe any of my other obligations in this Purchase Agreement or any other Purchase Agreement between us for another Unit of the Condominium, or any of my representations this Purchase Agreement or such other Purchase Agreement shall not be truthful or correct (I intend and agree that: my default under this Purchase Agreement or such other Purchase Agreement shall be a default under both Purchase Agreements; and I will have only the one grace period (if any) to cure the default as set forth in the applicable Purchase Agreement for which I am initially in default).

24.2 Upon the occurrence of an Event of Default, you will have the right (in your sole discretion):

a. to cancel this Purchase Agreement and retain, as liquidated

damages, all Purchase Monies, with any interest, and (to the extent applicable) recover the costs and expenses of all "Unit Changes" (defined below) and not paid from any special work payment given by me to you; however, there will be no limit on your remedies for a breach of my representation in paragraph 33.1 ("Broker");

or

b. (in case of my default under paragraph "24.1(e)") to cancel this Purchase Agreement and, at your sole option, either: return to me the dishonored or uncollected check or instrument (in which case I will have no grace period to cure the default); or sue me on such failed or uncollected check or instrument and retain as liquidated damages all sums as may be collected and/or recovered together with the costs and expenses of collection thereof (in which case I will have a grace period of 3 business days only from the giving of notice of such default within which you or Escrowee must receive my unendorsed good, collectible certified personal check or unendorsed official cashier's or bank check in the required amount and drawn and payable as provided in paragraph "12.3";

or

c. (in the case of a default NOT involving the payment of the Balance of the Purchase Price) to proceed with the closing without prejudicing or impairing your right to recover from me all costs and expenses to which you are entitled by reason of my default, together with your costs and expenses of collection thereof; however, if I fail or refuse to close, this provision shall NOT permit you to compel me to specifically perform my obligation to pay the Balance of the Purchase Price.

You will send me written notice of the remedy you select. The term "Unit Changes" include both changes to the Unit requested by me and work to restore the Unit to its condition before undertaking such changes.

24.3 If you select the remedy in paragraph "24.2a" (*to cancel and retain the Purchase Monies*), I will have 30 days from the sending of your cancellation notice to cure the specified default. **TIME IS OF THE ESSENCE** for me to cure the default within such 30 day period. If I fail to timely do so, I will lose all Purchase Monies and any interest thereon and (if applicable) said costs and expenses of Unit Changes (which is the limit on the amount you may recover and will be regarded as full settlement of all potential costs and expenses occasioned by my default). I agree that your actual damages would be impossible to ascertain and that your retention of the Purchase Monies and any interest thereon and (if applicable) said costs and expenses of Unit Changes would be fair and reasonable compensation to you under the circumstances.

24.4 In the case of a dishonored or uncollected check or instrument, I will have no grace period to cure the default (if you return the dishonored or uncollected check or instrument to me) or the said 3 business days' grace period (if you sue on such dishonored or uncollected instrument), as applicable and as provided in paragraph "24.2(b)".

24.5 If you select the remedy in subparagraph "24.2(c)" (*to proceed with the closing without prejudice to your rights to recover lawful amounts from me due to my default*), I also will be obligated to reimburse you for your costs and expenses of collection.

24.6 The provisions of paragraphs "24.2" through "24.5" shall survive the closing.

25. Purchaser's Remedies on Seller's Default or Inability to Perform

25.1 If you default in paying, performing or complying with any of your agreements, obligations, representations or conditions in this Purchase Agreement, whether at or prior to closing, I shall give you written notice of the default.

25.2 You shall be allowed a grace period to cure the default. The grace period shall start from your receipt of the default notice and shall run for 30 days thereafter or (if the default is not reasonably capable of being cured within 30 days) such longer period as is reasonable to cure the default, but in no event more than 90 days.

25.3 If you fail to cure the default within the grace period, my only legal and equitable rights and remedies shall be to require you to specifically perform your obligations (other than those you are unable in good faith to perform and subject to paragraph "25.5") or to cancel this Purchase Agreement and recover all my Purchase Monies and any interest.

25.4 In the event I elect to cancel, the Purchase Monies and any interest will be refunded to me within 30 days after you and Escrowee (defined in paragraph "27.2") receive my cancellation notice. I shall in no event have legal recourse of any kind whatsoever against you for any costs and expenses beyond the recovery of the Purchase Monies and any interest by reason of your uncured default or good faith inability to perform. Upon the refund of the Purchase Monies and any interest, we shall have no further liability or obligation to each other under this Purchase Agreement, the Plan or amendments, except that we shall remain liable for those indemnities, obligations and liabilities expressly stated to survive the cancellation or termination of this Purchase Agreement.

25.5 You are not required to bring a lawsuit or spend any sum in excess of 0.5% of the Purchase Price to remove a title objection involving only the Unit. However, this will not excuse you from a willful default for intentionally causing a title objection to frustrate this sale in bad faith, nor excuse you from obtaining a release of lien from any mortgage on the Unit (other than a mortgage I obtain to purchase the Unit).

25.6 If at closing you shall be unable in good faith to perform your obligations or satisfy any condition applicable to you in accordance with this Purchase Agreement or title to the Unit shall not be in accordance with this Purchase Agreement, my sole right and remedy shall be either:

a. to fully pay, perform and comply with my agreements and obligations under this Purchase Agreement and to accept such title to the Unit as you are able to convey, without any kind of Purchase Price reduction, adjustment or credit or provision for escrow or recourse against you;

or

b. to cancel this Purchase Agreement and recover the Purchase Monies with any interest, which is the limit on the amount I may recover, regardless of any costs and expenses I may have (except we shall remain liable for those indemnities, obligations and liabilities expressly stated to survive the cancellation or termination of this Purchase Agreement).

25.7 I shall elect either of such right and remedy in the preceding paragraph "25.6" in writing given at closing or sooner. If I fail to close as provided in paragraph "25.6(a)", then I shall be deemed to conclusively have elected to cancel this Purchase Agreement as provided in paragraph "25.6(b)".

25.8 You will be excused from performing your agreements and obligations during any period when you are prevented from performing them due to force majeure, such as: fire, explosion, storm, power failure, strikes, material shortages or any other events or circumstances (whether or not similar to these) beyond your reasonable control. Your time to perform such agreements and obligations will be extended for a period equal in length to the period during which your performance is excused.

26. Claims Released On Cancellation and Disbursement of Purchase Monies

26.1 Upon the cancellation of this Purchase Agreement and payment of the Purchase Monies and interest to the proper party pursuant to the provision of this Purchase Agreement and (if applicable) the payment to you for Unit Changes, our rights, obligations and liabilities, under this Purchase Agreement, the Plan and amendments shall end and be void, and all liabilities and expenses of each party and your employees and agents hereunder shall be released and discharged, except that we shall remain liable for, and not be released or discharged from, those indemnities, obligations or liabilities expressly stated to survive the cancellation of this Purchase Agreement.

27. Purchase Monies Held in Escrow

27.1 You agree to comply with the escrow and trust fund provisions of General Business Law Sections 352-e(2-b) and 352-h and Lien Law Section 71-a(3) of the State of New York and Part 20 of the regulations issued by the Attorney General, and all funds paid by me will be handled in accordance with these statutes and regulations. Any purported waiver of the escrow and trust fund provisions of the Attorney General's regulations is void. The escrow and trust fund provisions of the Attorney General's regulations shall prevail over any conflicting or inconsistent provisions in the Plan or this Purchase Agreement.

27.2 All Purchase Monies paid by me prior to closing

("escrow account") of Mandel Resnik & Kaiser P.C. ("Escrowee") maintained at (the Depository, Citibank, N.A., at its branch office located at 120 Broadway, New York, New York.

27.3 The escrow account number is _____ and the name of the escrow account is "Mandel Resnik & Kaiser P.C. as Escrowee".

27.4 The principals of Mandel Resnik & Kaiser P.C. are the sole signatories authorized to withdraw monies from the escrow account.

27.5 The escrow account will bear interest at a fluctuating rate fixed from time to time by the Depository for its regular customers of "day of deposit to day of withdrawal" accounts. The escrow account is not an Interest on Lawyers Account established pursuant to Judiciary Law Section 497.

27.6 No interest will be earned until the Downpayment check is deposited with and collected by the Depository. Interest will not be earned after a withdrawal is made from the escrow account in anticipation of the closing. Such withdrawal might result in the loss of interest for up to one full month.

27.7 All Purchase Monies received from me prior to closing on account of the Purchase Price, whether in the form of checks, drafts, money orders, wire transfers or other instruments which identify the payor, shall be deposited into a separate subaccount of the escrow account. All instruments to be deposited into the escrow account shall be made payable to the Escrowee as provided in paragraph "12.3(a)". Any instrument payable other than as required in paragraph "12.3(a)", and which cannot be deposited into the escrow account, shall be returned to me promptly, but in no event more than 5 business days following receipt of such instrument by the Escrowee. In the event of such return, the instrument shall be regarded not to have been delivered to Escrowee in violation of the provisions of this Purchase Agreement. The foregoing does not apply to an instrument which is dishonored or fails of collection. The Escrowee is authorized to deliver to you the dishonored or uncollected instrument and you will have your choice of the remedies set forth in paragraph "24.2" (which includes suing on such dishonored or uncollected instrument or (at your option) canceling this Purchase Agreement and returning the instrument to me without affording me a grace period to cure such default).

27.8 I will sign and hand deliver this Purchase Agreement together with the other purchase documents listed in paragraph "16.1" and the check for the Downpayment to you or your Selling Agent as directed by you. Within 5 business days after this Purchase Agreement is fully signed by you and me, the check for the Downpayment will be deposited into the escrow account. In the event you do not sign this Purchase Agreement within 10 business days after this Purchase Agreement and the Downpayment check are hand delivered to you or your Selling Agent as provided in this paragraph "27.8", then the Downpayment check will be deposited in the escrow account without prejudice to your right to reject this Purchase Agreement as provided in paragraph "31.5".

27.9 After Escrowee receives the check for my Downpayment and IRS Form W-8 or W-9 (as applicable), Escrowee is to send me by ordinary mail written notice ("Deposit Notice") of the deposit of the Downpayment check for collection in the escrow account at the Depository. The Deposit Notice will also state the individual account number for my Downpayment and the initial interest rate in effect on or about the date of deposit. If the requisite IRS form W-8 or W-9 does not accompany the Downpayment check, then such check will be deposited in a non-interest bearing IOLA escrow account of Escrowee at the Depository pending receipt thereof.

27.10 The Deposit Notice is to be sent to me within 10 business days after I tender (defined below) the Downpayment check with this Purchase Agreement. The term "tender" means the date delivered by hand or 5 days after being sent by mail. The Downpayment check will be delivered to Escrowee promptly after receipt by you or your Selling Agent in order that the Deposit Notice may timely be sent to me.

27.11 If I do not receive the Deposit Notice within 15 business days after I tender the Downpayment check in accordance with paragraph "27.8", my sole remedy will be either (at my option):

a. to cancel this Purchase Agreement and recover my Purchase Monies with any interest;

or

[illegible] to apply to the Attorney General for relief.

I must elect to cancel in writing sent to you within 90 days after tender the Downpayment check, but in no event later than th closing. I will be regarded as having conclusively waived m right to cancel in the event I do not send the cancellation notic in such period ("***TIME BEING OF THE ESSENCE***"). understand and agree that I will not have the right to cancel thi Purchase Agreement or recover the Purchase Monies and an interest where proof satisfactory to the Attorney General i submitted establishing that the Downpayment check was timel deposited and the Deposit Notice was timely mailed to me i accordance with the Attorney General's regulations.

27.12 Escrowee will hold and disburse the monies deposited into the escrow account and collected by the Depository ("Escrow Fund") together with the interest thereon in accordance with these escrow provisions and those in the Escrow Agreement ("Escrow Agreement") between you and Escrowee (which Escrow Agreement is referred to in the Plan) as well as the applicable regulations of the Attorney General pertaining to the release of escrowed funds. The Escrow Fund is regarded as my property until disbursed in accordance with the escrow provisions of this Agreement and the Escrow Agreement and the escrow and trust fund regulations of the Attorney General. The Escrow Fund is not regarded as your or Escrowee's property and shall not be part of the estate of you or Escrowee upon any death, dissolution, bankruptcy or in-capacity).

27.13 At closing, Escrowee is hereby authorized and directed to pay the Escrow Fund to you and to instruct the Depository to pay the interest to me. I will allow 30 days to receive the interest.

27.14 If I timely elect to cancel this Purchase Agreement in accordance with my rights (if any) under this Agreement or an Amendment to the Plan granting me a right to cancel, Escrowee will release the Escrow Fund and any interest to me and you will not object to such release.

27.15 If the closing does not occur and you demand that the Escrow Fund and any interest be paid to you based upon my uncured default or otherwise, the following will apply:

a. Escrowee will give me not fewer than 10 business days' written notice of your demand for payment of the Escrow Fund and any interest;

b. at the expiration of such 10 business days, Escrowee will pay the Escrow Fund and any interest to you unless prior to making the payment:

(i) Escrowee receives written notice from me that I have made application ("Dispute Resolution Application" or "Application") to the Attorney General pursuant to the dispute resolution provisions contained in the Attorney General's regulations;

or

(ii) Escrowee is served with a judgment or order ("Restraining Order") of a court of competent jurisdiction restraining Escrowee from making such payment;

c. Escrowee will continue to hold the Escrow Fund and interest for as long as required by any interim directive issued by the Attorney General or a Restraining Order (whichever is applicable);

d. if the Attorney General denies the Dispute Resolution Application or the Restraining Order is vacated (as applicable), Escrowee will pay the Escrow Fund and any interest to you;

and

e. if the Attorney General grants the Dispute Resolution Application or the Restraining Order is not vacated (as applicable), Escrowee will pay the Escrow Fund and any interest in accordance with:

(i) (in the case of a Dispute Resolution Application) a determination of the Attorney General served on Escrowee;

or

(ii) (in the case of a Restraining Order) a judgment or order of a court of competent jurisdiction served on Escrowee.

27.16 In the event of a dispute, the following will apply:

a. you must, and I or the Escrowee may, submit a Dispute Resolution Application to the Attorney General for a determination on the disposition of the Escrow Fund and any interest (a form for this purpose is available from the Department of Law);

b. the party making the Dispute Resolution Application shall contemporaneously send to all other parties a copy of such Application;

c. you shall not initiate a lawsuit to resolve the dispute unless you submit a Dispute Resolution Application to the Attorney General and the Application is denied (however, this does not preclude you from bringing an appropriate lawsuit to review and overturn an unfavorable determination by the Attorney General);

d. instead of applying to the Attorney General:

(i) I may initiate a lawsuit to resolve the dispute;

or

(ii) the Escrowee will have the right of a stakeholder either to continue to hold the Escrow Fund and interest or to deposit them or the disputed portion into court as permitted by law;

e. pending the determination of the Attorney General to grant or deny the Application, you, I and the Escrowee will abide by any interim directive issued by the Attorney General;

f. if the Application permitting release of funds is granted, the Escrow Fund and any interest will be disposed of in accordance with the determination of the Attorney General, subject to any court action in which preliminary relief is granted;

g. if the Application is denied, Escrowee will either deposit the Escrow Fund and interest (or the disputed amount) into court as permitted by law or continue to hold and disburse them in accordance with:

(i) a written direction signed by both you and me; or

(ii) a judgment or order of a court of competent jurisdiction served on Escrowee;

h. in no event will Escrowee release the Escrow Fund or interest in dispute unless paid into court or until the dispute is finally resolved either by written agreement signed by you and me, or a determination of the Attorney General or a judgment or order of a court of competent jurisdiction;

and

i. in the event Escrowee is uncertain as to Escrowee's duties or doubts the genuineness of any document or signature, Escrowee may refrain from taking any action and continue to hold the Escrow Fund and interest until the uncertainty or genuineness is resolved or deposit them (or the amount in question) in court.

27.17 Escrowee shall maintain and make available to the Attorney General all records concerning the escrow account pursuant to the terms of the Escrow Agreement.

27.18 You and your agents, including your Selling Agent, shall immediately deliver to Escrowee all deposits and payments received from me by you or your agents prior to closing on account of the Purchase Price.

27.19 You shall not interfere with Escrowee's performance of Escrowee's fiduciary duties and compliance with the Attorney General's regulations.

27.20 You will have the right to terminate the duties of the Escrowee on written notice to Escrowee and Escrowee will have the right to resign on written notice to you. In either case, you will have the exclusive right to designate a new escrow agent to replace Escrowee. Such termination or resignation will not take effect, and Escrowee will continue to be bound by these escrow provisions, until an amendment to the Plan is filed disclosing a successor escrow agent. Upon the filing of such amendment, Escrowee will deliver to the new escrow agent the Escrow Fund and any interest, together with all agreements and documents maintained by Escrowee relating to the escrow account.

27.21 These escrow provisions will be binding upon the new escrow agent with regard to events occurring on and after the date the appointment of the new escrow agent takes effect.

27.22 Escrowee, you and Selling Agent will not be liable for the amount of interest earned or collected on the Escrow Fund or for any losses resulting from the failure of the Depository. The Escrow Fund will be maintained in an account insured by the Federal Deposit Insurance Corporation for the maximum amount insured by applicable federal law.

27.23 Escrowee may represent you in any Lawsuit, whether or not related to this transaction and irrespective of Escrowee being in possession of the Escrow Fund.

27.24 You will compensate Escrowee for acting as such. You shall also be responsible for all administration costs for the escrow account.

27.25 Upon the deposit of the Escrow Fund into Escrowee's escrow account at the Depository, Escrowee is considered to have accepted and agreed to be bound by, and may rely upon and is to benefit from, these escrow provisions.

27.26 I understand and agree that:

a. you are required by the Attorney General's regulations to deposit the Downpayment check within the 10 business day period stated in paragraph "27.8";

and

b. such deposit of the Downpayment check shall not constitute, nor be construed to constitute, your acceptance of this Purchase Agreement nor prejudice your right to reject this Purchase Agreement.

28. Plan and Amendments are Binding; Plan Effectiveness Requirement

28.1 The Plan and amendments to the Plan (whether filed before or after the date of this Purchase Agreement, but before closing) form a part of this Purchase Agreement. We are bound by the provisions of the Plan and all such amendments. Any inconsistency or conflict between the Plan and such amendments and this Purchase Agreement shall be resolved according to the terms of the Plan and such amendments.

28.2 You have the right to file amendments to the Plan without my consent. The amendments may change, among other things, the amount of the projected common charges and the projected real estate taxes to be paid by me, or any of the other provisions of the Plan or this Purchase Agreement (except that after I sign and return this Purchase Agreement, you may not change the Purchase Price or the payment provisions in paragraphs "2.1" and "2.2" or the Mortgage Financing Contingency in paragraph "6"). The Plan and all amendments filed prior to closing, including all material adverse changes:

a. will be binding on me;

and

b. will not excuse me from paying the full amount of all closing payments under paragraph "17", including the Balance of the Purchase Price, without any kind of reduction, adjustment or credit or provision for escrow or recourse against you (except as otherwise provided in paragraph "28.3").

28.3 In the case only of a material adverse amendment affecting me as provided in Part 20 of the Regulations issued by the Department of Law, the amendment will afford me the right to rescind this Purchase Agreement and recover the Purchase Monies with any interest. If I am allowed to rent the Unit under an interim lease, my election to cancel will result in the automatic cancellation of my interim lease, effective 90 days thereafter. At such time, I and my family and all occupants shall vacate the Unit. My Purchase Monies will be refunded to me when the Unit is vacated and unoccupied, free and clear of all tenancies, occupancies and rights or claims to possession.

28.4 In accordance with the Plan:

a. your obligations under this Purchase Agreement are contingent upon your declaring the Plan effective and the filing of the Effectiveness Amendment by the Department of Law;

b. you may declare the Plan effective only in accordance with the terms contained in the Plan in "Section O. Effective Date";

election, I am irrevocably bound by this Agreement and may not cancel it by reason of this contingency;

d. you may abandon the Plan at any time before declaring it effective; and if you exercise your election and declare the Plan effective, you may thereafter and before the First Closing abandon the Plan in the limited circumstances explained in the Plan in said "Section O. Effective Date";

e. if you elect to abandon the Plan or the Plan is deemed abandoned because you do not declare it effective within the required 15 month period stated in said "Section O" of the Plan, this Purchase Agreement will be cancelled automatically and my Purchase Monies will be refunded to me together with any earned interest;

f. upon making such refund, neither of us shall have any obligation or liability to the other for any claims or costs and expenses based on this Purchase Agreement or the Plan or any amendments, except we shall not be released from those indemnities, liabilities and obligations expressly stated to survive a termination or cancellation of this Agreement;

and

g. unless and until the Plan is abandoned by you or deemed abandoned, I will remain fully bound to pay and perform all of my agreements and obligations as provided in this Purchase Agreement.

29. Purchaser's Time to Review Plan and Amendments

29.1 At your option:

a. I will be given at least 3 business days to review Plan and any amendments before I sign and deliver this Purchase Agreement and the check for the Downpayment;

or

b. (only if I am given less than 3 business days for such review) I will have 7 days after I sign and deliver this Purchase Agreement and the check for the Downpayment to rescind this Purchase Agreement and recover my Purchase Monies without interest.

In the latter case, I must elect to rescind in a written notice sent to you within the mentioned 7 day period ("***TIME BEING OF THE ESSENCE***"). If I fail to timely do so, I will no longer have the right to rescind under this paragraph "29.1" and will be fully bound to purchase the Unit.

30. Prices and Other Terms are Negotiable

30.1 I understand that you have the right to negotiate prices and other purchase terms with purchasers of Units on an individual basis. Accordingly, I am free to negotiate for a lower purchase price and more favorable purchase terms than those offered in the Plan and any amendments. However, you are not obligated to sell the Unit at any price or terms better than those stated in the Plan or any amendment.

30.2 In all other cases, in the event you offer or contract to sell other Units for substantially lower prices or better terms, whether before or after I sign this Purchase Agreement:

a. I will not benefit from any of these more beneficial prices or terms;

b. I will not have the right to cancel this Purchase Agreement;

and

c. I will not be entitled to a Purchase Price reduction, adjustment or credit and will not have any kind of recourse against you.

As a result, I understand that I might purchase the Unit on substantially less favorable terms (including price) than existing or future purchasers.

30.3 The following lists some of the typical terms that purchasers generally negotiate: the purchase price; the amount of the downpayment; the right to cancel the Purchase Agreement and recover the Downpayment if a purchaser is unable to obtain financing or close by the a specified date; the closing date and the minimum period required to fix a new closing date following an adjournment; free upgraded appliances, fixtures or equipment; free alterations, additions or other improvements to the Unit; waiver of closing costs and/or penalties for closing late; longer time periods to pay or perform of the essence provisions, improved seller financing (which must be disclosed in an amendment) or paying purchaser's lender to buy down the interest rate; price or common charge rebates or a buy-back (which must be secured by a letter of credit or other security); seller paying or guaranteeing common charges and/or real estate taxes for a given period (which also must be secured by a letter of credit or other security in the case of an undertaking to make these payments); allowances or credits against the purchase price for decorations or rent paid under an interim lease for the Unit or otherwise; rent abatements or reductions under an interim lease for the Unit; consent to harboring pets or combining two Units or incorporating an adjacent hallway in the unit or installing air conditioning units, a washer-dryer, a whirlpool bathtub or other appliances or fixtures; and giving a purchaser the benefit of any more favorable terms offered or given to another purchaser. I am not limited to this list and have the right to negotiate for anything that meets my needs or desires.

30.4 Nothing in this paragraph 30 will excuse you from complying with the requirements of Article 23-A of the General Business Law or Part 20 of the regulations issued by the Department of Law. In addition, you are not permitted to modify this Purchase Agreement to waive your obligations or representations in the Plan or to reduce or abridge any rights I may have under said Article 23-A.

31. Seller's Acceptance or Rejection of Purchase Agreement

31.1 You have the absolute discretion to accept or reject (without cause or explanation) this Purchase Agreement, but are not permitted to reject it based on my race, color, national origin, ancestry, sex, age, disability, marital status or other unlawful reason.

31.2 You are not bound by this Purchase Agreement until you or your duly authorized agent signs and returns a duplicate original of this Purchase Agreement to me. No inference shall be drawn that you accepted this Purchase Agreement or are bound by its provisions based on:

a. the submission of the Plan or Purchase Agreement to me;

b. the delivery to you or your Selling Agent or broker of my signed Purchase Agreement and check for the Downpayment;

or

c. the deposit of my Downpayment check for collection (whether or not inadvertent).

31.3 Until you reject or are deemed to have rejected this Purchase Agreement as provided in paragraph "31.4", I am irrevocably bound by its provisions and will not be entitled or permitted to recover my Downpayment.

31.4 You will be deemed to have rejected this Purchase Agreement unless, within 30 days after my signed Purchase Agreement, Downpayment check and purchase documents set forth in paragraph "16" are received by you or your Selling Agent, you send to me a duplicate original of this Purchase Agreement signed by you or your duly authorized agent. In the event you reject or are deemed to have rejected this Purchase Agreement, my Purchase Monies will be promptly refunded to me, without interest. Upon making such refund, neither party shall have any obligation or liability to the other based on this Purchase Agreement or the Plan or any amendments.

31.5 I understand that you are required by regulation of the Attorney General to deposit my Downpayment check within the 10 business day period stated in paragraph "27.8", which may be before the lapse of the 30 days you have to accept or reject this Purchase Agreement in paragraph "31.4". I agree that such deposit of the Downpayment check will NOT be regarded as your acceptance of this Purchase Agreement nor prejudice or impair your right to reject this Purchase Agreement as provided in this paragraph "31" and paragraph "27.8".

32. Restriction on Assignment By Purchaser

32.1 I may not assign this Purchase Agreement or my rights under it before the Effectiveness Amendment is filed by the Attorney General. Thereafter, my right to assign this Purchase Agreement (if any) shall be governed strictly by, and on the terms and conditions stated in, the Plan in Section N, subsection "N-2. After Effectiveness".

32.2 Except as provided in said "Section N" of the Plan, you are not obligated to consent to my assigning this Purchase

Agreement and, if you refuse to consent, I will not be excused from my obligations under this Purchase Agreement and will have no recourse of any kind against you. Any purported assignment by me in violation of this provision will be null and void, as well as an "Event of Default" under paragraph "24.1".

33. Broker

33.1 I represent to you that I have not dealt with any broker or finder, whether licensed or unlicensed, in connection with this purchase other than your Selling Agent or its salespersons and the Participating Broker (if any) and its sales person identified in paragraph "8.1".

33.2 You will pay the commission earned by your Selling Agent and the Participating Broker (if any) pursuant to your separate agreement with each of them. This obligation will survive the closing. Your Selling Agent and the Participating Broker (if any) shall not be deemed a third-party beneficiary of this provision.

33.3 Each of us agrees to indemnify the other (with attorneys selected by you) from any and all liabilities and expenses arising from:

a. (in my case) my representation in paragraph "33.1";

or

b. (in your case) your agreement in paragraph "33.2".

This indemnity shall survive the closing or (if the closing does not occur) the cancellation or termination of this Purchase Agreement.

34. Notices

34.1 Unless otherwise expressly provided elsewhere in this Purchase Agreement, any notice (other than a Deposit Notice in paragraph "27.9"), request, consent, election, demand or other communication (collectively, "notice") to be given or made by the parties or Escrowee under this Purchase Agreement must be in writing and either:

a. delivered by hand, telecopier (with electronic confirmation of transmission followed by regular mail confirmation given within 1 business day thereafter) or overnight delivery by Federal Express, United Parcel Service or other nationally recognized courier;

or

b. sent by certified or registered mail, return receipt requested, postage prepaid.

34.2 Each notice to be given:

a. to me, will be addressed to me at my address set forth on the first page of this Purchase Agreement (or addressed to me at the Building, if given after the closing);

b. to you, will be addressed to you at your address set forth on the first page of this Purchase Agreement;

c. to Escrowee, will be addressed to:

Mandel Resnik & Kaiser P.C.
220 East 42nd Street
New York, New York 10017

34.3 A copy of each notice must be sent simultaneously and in like manner to the following persons:

a. (in case of a notice to me) to my attorney (if any) identified in paragraph "9.1";

or

b. (in case of a notice to you) to:

Mandel Resnik & Kaiser P.C.
220 East 42nd Street
New York, New York 10017
Attention: Barry H. Mandel, Esq.

34.4 Each of us may, by notice to the other, change the address to which future notices are to be sent or change a person to whom a notice or a copy of a notice is to be sent.

34.5 Unless otherwise provided elsewhere in this Purchase Agreement, each notice shall be considered to be given on:

a. the date delivered by hand or telecopier, unless it is not a business day or is received after business hours, in either such case the notice shall be deemed to be given on the first business day after being sent;

b. the next business day after being sent by overnight courier;

c. the second full business day following the date of mailing in the City and State of New York;

or

d. the third full business day following the date of mailing outside the City and State of New York.

However, a notice to Escrowee, or a notice of a change of address or person pursuant to paragraph "34.4", shall not be deemed given until received.

34.6 A notice that is mailed must be deposited into an official mail depository maintained by the United States Postal Service or (if mailed outside the United States) by an equivalent postal authority.

34.7 Failure to accept a notice is deemed receipt of it and does not invalidate the notice or excuse or justify delaying the performance of an obligation.

35. Authorization of Representatives of Seller and Purchaser for Certain Actions

35.1 The Selling Agent and Mandel Resnik & Kaiser P.C. are each authorized by you, and my attorney (if any) identified in paragraph "9.1" is authorized by me, to sign any notice or extend any time period in this Purchase Agreement. The partners, counsel, associate attorneys and legal assistants so authorized by our respective attorneys are similarly authorized to act for each of us.

36. Representations and Reliance

36.1 You have cautioned me that:

a. no oral "statements" (defined below) are part of this Purchase Agreement;

b. all statements must be in writing and attached to this Purchase Agreement for you to be bound by them;

c. absolutely no one (including any Selling Agent, broker or salesperson) is authorized to make any statements which are contrary to, or inconsistent with, the Plan and amendments;

and

d. the only statements I am entitled to rely upon are those in the Plan and Amendments or in this Purchase Agreement.

The term "statements" includes representations, promises, understandings, discussions, negotiations, agreements, estimates, valuations, projections and opinions, whether written or oral, as well as a broker's set-up, terms sheet, floor plans, drawings and data of any kind.

36.2 I will purchase the Unit and pay the full amount of all my closing payments under paragraph "17", including the Balance of the Purchase Price, without any kind of reduction, adjustment or credit, or provision for escrow or recourse against you, notwithstanding any variation or discrepancy between the Unit's actual layout or size (including any of its rooms, closets, bathroom(s), terrace (if any) or other area) and any floor plan for the Unit.

36.3 I understand and agree as follows:

a. any floor plan of the Unit in a brochure or elsewhere, are only approximations of its configuration, fenestration and dimensions (collectively "Unit Layout") and may be estimates based on construction plans and drawings;

b. in accordance with customary practice in New York City, any dimensions and measurements shown are measured from points behind the walls enclosing the Unit and thus exceed the Unit's usable floor area;

c. the actual Unit Layout may differ from construction plans or drawings due to changes: (i) required by the New York City Department of Buildings or other governmental authorities having jurisdiction; or (ii) necessitated by site or other construction conditions; or (iii) resulting from normal construction allowances and variations;

and

upon any floor plan of the Unit; and the actual Unit Layout as constructed will govern and supersede any variation (substantial or otherwise) from any floor plan of the Unit.

37. Entire Agreement

37.1 All prior and contemporaneous "statements" (defined in paragraph "36.1") made to each other with regard to this transaction, as well as all prior and contemporaneous "statements" made between us and Escrowee with regard to the escrow provisions of paragraph "27", are merged in this Purchase Agreement and have no effect unless they are expressly contained in this Purchase Agreement or in the Plan or amendments. This Purchase Agreement, together with the Plan and amendments (as they might be further amended from time-to-time prior to closing), constitute our entire agreement.

38. Changes and Waivers

38.1 A provision of this Purchase Agreement will be considered to have been changed or waived only if the change or waiver is expressly made in writing signed by the party to be charged or (if applicable) by Escrowee.

38.2 The failure to insist on strict performance of any provision will not mean that the provision has been waived or that the right to insist thereafter on strict performance of that or any other provision has been waived.

39. Parties to Cooperate

39.1 We will reasonably cooperate with each other, and each party is to obtain, execute and/or deliver (as applicable) such documents as are in the possession or control of such party and are reasonably necessary in order to close or effectuate or confirm any provision of this Purchase Agreement. These documents include:

a. the federal tax forms to report the closing and my receipt of interest on the Escrow Fund;

and

b. documents my title company might reasonably require to show that:

(i) delivery of the Deed has been properly authorized by your organization;

and

(ii) any judgments, bankruptcies or other title issues against names the same or similar to yours are not against you.

This, however, does not obligate either of us to give an indemnity, to escrow monies or to make representations not contained in this Purchase Agreement.

39.2 The provisions of this paragraph "39" shall survive the closing.

40. Governing Law; Venue for Lawsuits

40.1 The laws of the State of New York will govern this Purchase Agreement and the interpretation and enforcement of its provisions, without regard to legal principles of conflict of laws.

40.2 Any lawsuit arising out of this Purchase Agreement or the Plan:

a. must be brought either in the Supreme Court of the State of New York;

b. must be brought in the county in which the Unit or you are located;

and

c. may be commenced by serving the summons and/or complaint by certified or registered mail (return receipt requested), postage prepaid, deposited in an official depository maintained by the U.S. Postal Service, and sent to the party at the party's address referred to in paragraph "34.2" or any other address of which the party has given notice in accordance with paragraph "34.4".

40.3 The provisions of this paragraph "40" shall survive the closing or (if the closing does not occur) the cancellation or termination of this Purchase Agreement.

41.1 Each of us waives the right to a trial by jury in any lawsuit arising from this Purchase Agreement or the Plan and amendments, other than a lawsuit in which a jury trial cannot legally be waived.

41.2 Any claim for which a jury trial cannot legally be waived shall not be asserted as a counterclaim or joined with any lawsuit in which a jury trial is waived, unless the failure to assert it would prevent the claim from being made later.

41.3 The provisions of this paragraph "41" shall survive the closing or (if the closing does not occur) the cancellation or termination of this Purchase Agreement.

42. Liability of Co-Purchasers

42.1 If Purchaser is more than one person, then each is jointly obligated with the other, and each is fully and personally obligated, to pay and perform Purchaser's obligations under this Purchase Agreement.

42.2 In addition, any notice given to or by one co-Purchaser, and any provision changed or waived by one co-Purchaser, will be sufficient to bind all co-Purchasers.

43. Successors

43.1 Our respective heirs, personal and legal representatives and successors in interest, and your assignee and (if I am entitled to assign this Agreement pursuant to "Section N" of the Plan and I comply with the requirements set forth therein) my permitted assignee, will succeed to our respective rights (other than my right to cancel under the Seller financing contingency provisions of paragraph "6") and will be fully responsible to pay and perform all of our obligations under this Purchase Agreement.

44. Purchase Agreement is Not a Lien

44.1 Neither this Purchase Agreement nor the Purchase Monies are a lien against the Property or the Unit. I shall not record this Purchase Agreement and will be in default if I try to record it.

44.2 This Purchase Agreement and all of my rights under it are subordinate to the liens of all mortgages, and renewals, extensions and modifications thereof, and to all advances, fundings and payments thereunder, whether made before or after I sign this Purchase Agreement. No further legal document is required to be signed by me to effectuate this subordination. However, if requested, I will promptly sign in recordable form and return to you a document prepared by your attorney which confirms the subordination.

45. Invalid Provisions Severed

45.1 The invalidity or unenforceability of any provision of this Purchase Agreement shall not affect the validity of the other provisions, which shall be enforced to the fullest extent permitted by law.

46. Indemnities Generally

46.1 The indemnities given by one party ("Indemnifying Party") to the other ("Indemnified Party") in this Agreement, or in any document delivered pursuant to this Agreement, shall include and be deemed to include and to inure to the benefit of, the Indemnified Party's past, present and future shareholders, officers and directors or partners or members (as applicable) and principals, and the employees and agents of each of the foregoing.

46.2 Promptly after being notified of a claim or served in a lawsuit for which indemnity is sought, the Indemnified Party shall give notice thereof to the Indemnifying Party.

46.3 Unless otherwise provided in the indemnity, the Indemnifying Party, at such Indemnifying Party's sole cost and expense, shall be entitled:

a. to control the defense, compromise and settlement of such claim or lawsuit;

and

b. to choose the attorneys, who shall be reasonably satisfactory to the Indemnified Party.

46.4 The Indemnified Party shall cooperate fully and make available to the Indemnifying Party such information and

documents under the control or in the possession of the Indemnified Party as are reasonably related to the defense of the claim or lawsuit.

46.5 The Indemnified Party shall have the right, but not the obligation, at such Indemnified Party's sole cost and expense, to participate and be represented by separate counsel (chosen by the Indemnified Party) in the defense, compromise and settlement of the claim or lawsuit.

47. No Negative Construction Against Drafting Party

47.1 The parties acknowledge and agree that they are sophisticated and/or are represented by experienced, knowledgeable attorneys and/or advisors; and the normal rules of construction to resolve ambiguities against the party whose counsel drafted this Agreement shall not be followed in the interpretation of this Agreement. Consequently, no negative inference or interpretation shall be made by a court in enforcing the provisions of this Agreement against the party whose attorney drafted this Agreement.

48. Agreement is Valid Without Corporate Seal or Acknowledgment or Notarization of Signatures

48.1 This Agreement is effective, binding and enforceable without the seal of a corporate party or the acknowledgment or notarization of a signature.

49. Lead-Based Paint and/or Lead-Based Paint Hazards

49.1 The provisions of this paragraph "49" apply if, and only if, the Unit is a Residential unit and is larger than a "studio apartment". A "studio apartment" is a dwelling in which the living area is not separated from the sleeping area.

49.1A. I understand that under applicable Federal regulations (namely, 24 CFR Part 35 and 40 CFR Part 745), before I become obligated under this Purchase Agreement:

a. I must be permitted a 10-day period to conduct a risk assessment or inspection (collectively, "test/ inspection") for the presence of lead-based paint and/or lead-based paint hazards;

or

b. I may waive in writing my opportunity to conduct such test/inspection for the presence of lead-based paint and/or lead-based paint hazards.

49.2 At or prior to signing this Purchaser Agreement, I have indicated (where appropriate) and signed a certain form ("Disclosure Form") entitled "Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards" acknowledging (among other things) my choice to conduct such test/inspection for the presence of lead-based paint and/or lead-based paint hazards or to waive my opportunity to do so. An uncompleted and unexecuted copy of such Disclosure Form is annexed to this Agreement as EXHIBIT B.

49.3 I hereby repeat and affirm all of my acknowledgements on my signed Disclosure Form, which by this reference are hereby made a part of this Purchase Agreement.

50. General Miscellaneous

50.1 The paragraph captions and Table of Contents are for convenience only. They are not part of the text of this Purchase Agreement, nor to be used to interpret its provisions.

50.2 All references in this Agreement to a paragraph, subparagraph, clause, Exhibit or Schedule, refer to the paragraphs, subparagraphs and clauses of this Agreement and to an Exhibit or Schedule attached to this Agreement. Similarly, the words "hereof", "herein", "above", "below" and similar terms mean this Purchase Agreement.

50.3 An Exhibit or Schedule (if any) attached to this Agreement is part of this Agreement.

50.4 Any word or term in this Purchase Agreement that is: used in the singular, shall include the plural and vice versa; or used in any gender shall include any other gender; or used in any tense (past, present or future), shall include any other tense, whenever required by the sense of this Agreement and is not contrary to the express context.

50.5 All payments and dollar amounts are in the currency of the United States (i.e., U.S. dollars).

50.6 Any date or period specified in this Purchase Agreement which does not fall on a business day shall be extended to the following first business day.

END OF TERMS AND CONDITIONS OF PURCHASE AGREEMENT

The Exhibits to this Purchase Agreement start below.

EXHIBIT A – Permitted Exceptions

1. Zoning laws and regulations which are not violated by the Unit and which are not violated by the Common Elements to the extent that access to or use of the Unit would be materially and adversely affected.
2. Consents of record for the erection of any structure or structures on, under or above any street or streets on which the Building may abut.
3. The terms, burdens, covenants, restrictions, conditions, easements and rules and regulations set forth in the Declaration, By-Laws and rules and regulations of the Condominium, the Power of Attorney from Purchaser to the board of managers of the Condominium and the floor plans of the Condominium, all as may be amended from time to time.
4. Rights of utility companies to lay, maintain, install and repair pipes, lines, poles, conduits, cable boxes and related equipment on, over and under the Building and Common Elements, provided that none of such rights imposes any monetary obligation on the owner of the Unit or materially interferes with the use of or access to the Unit.
5. Encroachments of stoops, areas, cellar steps, trim, cornices, lintels, window sills, awnings, canopies, ledges, fences, hedges, coping and retaining walls projecting from the Building over any street or highway or over any adjoining property and encroachments of similar elements projecting from adjoining property over the Common Elements.
6. Any state of facts which an accurate survey or personal inspection of the Building, Common Elements or Unit would disclose, provided that such facts do not prevent the use of the Unit for dwelling purposes. For the purposes of this Contract, none of the facts shown on the survey, if any, identified below, shall be deemed to prevent the use of the Unit for dwelling purposes, and Purchaser shall accept title subject thereto. The survey referred to in this paragraph above was prepared by Charles J. Dearing, dated February 10, 1964, and last revised by Earl B. Lovell – S.P. Blecher, Inc. on December 6, 1999.
7. The lien of any unpaid common charge, real estate tax, water charge, sewer rent or vault charge, provided the same are paid or apportioned at the Closing as herein provided.
8. The lien of any unpaid assessments to the extent of installments thereof payable after the Closing.
9. Liens, encumbrances and title conditions affecting the Common Elements which do not materially and adversely affect the right of the Unit Owner to use and enjoy the Common Elements.
10. Notes or notices of violations of law or governmental orders, ordinances or requirements (a) affecting the Unit and noted or issued subsequent to the date of this Contract by any governmental department, agency or bureau having jurisdiction and (b) any such notes or notices affecting only the Common Elements which were noted or issued prior to or on the date of this Contract or at any time hereafter.
11. Any other matters or encumbrances subject to which Purchaser is required to accept title to the Unit pursuant to this Contract.
12. The designation of the area in which the Building is located as a Landmark Historic District by notice recorded in the New York County Register's office on August 8, 1973 in Reel 288 at Page 1059.
13. Easement to New York Telephone Company, dated October 25, 1985, and recorded on January 1, 1985 in the New York County Register's Office in Reel 986, Page 202.
14. Right of access easement granting a right of access to Jason Carter and Julia Carter, dated January 21, 1985, and recorded on January 27, 1985 in the New York County Register's Office in Reel 1018, Page 1253.
15. The declaration of restrictions made by Jason Carter and Julia Carter, dated October 30, 1985, and recorded in the New York Coutny Register's Office on January 31, 1985 in Reel 872 Page 663.
16. The declaration of restrictions made by 93-99 Greene Street Corporation, dated December 20, 1983, and records in the New York County Register's Office on March 8, 1985 in Reel 884, Page 315.
17. The declaration made by 102-106 Wooster LLC, dated July 9, 1999, and recorded on November 30 1999 in the New York County Register's Office in Reel 3000, Page 453.

EXHIBIT "F"

Revisions to Declaration

The existing Section 9.2 of the Declaration is hereby deleted and is replaced with the following:

Section 9.2 Specific Allocation and Apportionment Method

The Common Profits and Common Expenses shall be specifically allocated and apportioned ("Specific Allocation and Apportionment Method") by the Condominium Board to each Unit Owner based, in the case of the Common Profits and Common Expenses of the Common Elements, same shall be allocated to all Residential Units pro rata to their respective Common Interests and all Commercial Units pro rata to their respective Common Interests and apportioned and charged to each such category of Units based strictly upon the amounts fairly and properly attributable to them. In so allocating and apportioning the Common Profits and Common Expenses, the principles, rules, requirements and procedures set forth in this Section 9.2 and the following Sections 9.3 through 9.9 shall govern, apply and be observed.

In accordance with this Specific Allocation and Apportionment Method:

a. the receipts and expenses of the operations and affairs of the Residential Units or Commercial Units shall be specifically allocated and credited (as to receipts) and charged (as to expenses) entirely to, and all such expenses shall be payable solely by:

(i) the Residential Unit Owners pro rata to their respective Common Interests, in the case of the Residential Units;

or

(ii) the Commercial Unit Owners pro rata to their respective Common Interests, in the case of the Commercial Units;

and

b. the receipts and expenses (constituting the Common Expenses) of operations and affairs of the Common Elements or the whole Condominium generally shall be allocated to all Residential Units pro rata to their respective Common Interests and all Commercial Units pro rata to their respective Common Interests and apportioned and credited (as to receipts) or charged (as to expenses) to each such category of Units in accordance with the methods and percentages set forth in the First Year's Budget, which shall be deemed conclusively to be based strictly upon the amounts fairly and properly attributable to each Unit.

The existing Section 9.4 of the Declaration is hereby deleted and is replaced with the following:

Section 9.4 Allocation or Apportionment Change

In the event of a measurable change in allocation or in apportionment in the receipts or expenses of the Budget of general operations resulting from a new or different use, service or benefit, the affected item(s) of receipt(s) or expense(s) shall be appropriately allocated or apportioned (as applicable) and (in the case of a receipt) credited to, or (in the case of an expense) charged to, each applicable Unit to reflect such change in use, service or benefit that is fairly and properly attributable to such Unit.

EXHIBIT "G"

Revisions to By-laws

The existing Section 9.4 of the Declaration is hereby deleted and is replaced with the following:

8.1.2 Determination by Board

The Condominium Board shall determine the Common Expenses each Budget Year in accordance with the procedure set forth in Section 9.3 of the Declaration. The Common Charges shall be based on the Board's determination of the Common Expenses each Budget Year and shall be assessed or levied against all Residential and Commercial Unit Owners in accordance with the Specific Allocation and Apportionment Method set forth in Section 9.2 of the Declaration. The provisions of the Declaration, including in particular (but not limited to) Article 9 thereof, are hereby incorporated herein and are paramount and shall govern the principles, rules, requirements and procedures applicable to such determination and application of the Common Profits, the Common Expenses and the Common Charges payable by each Unit Owner. In the event of any inconsistency between the Declaration and these By-Laws, the Declaration shall govern and prevail.

FIRST AMENDMENT TO OFFERING PLAN

104 WOOSTER STREET
NEW YORK, NEW YORK

Condominium: 104 Wooster Street Condominium

Sponsor: 102-106 Wooster LLC

This First Amendment modifies and supplements the terms of the Offering Plan (the "Plan") dated May 4, 2000.

The terms of this First Amendment are as follows:

1. CHANGE IN SELLING AGENT

The Selling Agent under the Plan has been changed to Corcoran Group Marketing LLC with an address at 490 Broadway, New York, New York. The Selling Agent is licensed as a real estate broker in New York State and has been involved in the sales of cooperative and condominium apartments in Manhattan for over 25 years. The Selling Agent and its principals have no prior felony convictions. In addition, in the last fifteen (15) years, there were no bankruptcies, convictions, injunctions or judgments against the Selling Agent or any of its principals, excluding possible civil judgments which are not material to this Plan or to any offering of securities generally.

2. INCORPORATION OF PLAN

The Plan, as modified and supplemented hereby, is incorporated herein by reference with the same effect as if set forth at length.

3. CAPTIONS

The captions used herein are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this First Amendment or the intent of any provision hereof.

4. DEFINITIONS

All terms used in this First Amendment, not otherwise defined herein, shall have the same meanings ascribed to them in the Plan.

5. NO MATERIAL CHANGES

Except as set forth in this First Amendment, there have been no material changes to the Plan.

Dated: New York, New York
October 11, 2000

Sponsor:

102-106 Wooster Realty LLC

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PART ONE

OF

104 WOOSTER STREET

CONDOMINIUM

OFFERING PLAN

SECTION A. SPECIAL RISKS

The special risks summarized below are explained more fully in other sections of this Plan. You should therefore read the entire Plan to completely understand these and other material aspects of this offering. See subsection "B-8 Glossary" in Section B for the meanings of the capitalized words in this section.

A-1. Financing Contingency

Your Purchase Agreement for a Residential Unit, but not a Commercial Unit, can be contingent upon your obtaining a mortgage loan from a bank or other Institutional Lender for seventy-five percent (75%) of the Purchase Price, bearing interest and payable in accordance with the Institutional Lender's customary terms. You must strictly comply with specified Financing Obligations and Additional Financing Obligations to be entitled to cancel under this provision. These obligations require you to act diligently to obtain and close the mortgage loan commitment within given time periods. If a mortgage loan commitment is issued, but is to expire before you close, you are also obligated to endeavor to obtain an extension. You must pay any fees and costs of the Institutional Lender to obtain the extension and to accept an extension even if the interest rate is higher. See Section K, subsection "K-4. Mortgage Financing Contingency" for full explanation. Please note that if you elect to make your purchase agreement contingent upon your obtaining financing, (i) you must apply for a mortgage loan through The Manhattan Mortgage Company (although you may, at your option, apply for such loan through other Institutional Lenders in addition to The Manhattan Mortgage Company) and (ii) the amount of your Downpayment will increase to twenty percent (20%) of the Purchase Price.

It is noted that Sponsor is not obligated and does not intend to provide or arrange mortgage financing for you. Accordingly, you will be required to make your own arrangements for mortgage financing. Sponsor cannot, and does not, represent, assure or guarantee that:

(a) you will be able to obtain mortgage financing (which will likely depend, in part, on your income and creditworthiness);

or (if you succeed)

(b) the terms or costs of such financing or whether your title closing will be held before the loan commitment or any lock-in rate will expire.

A-2. Sponsor's Remedies on Purchaser's Default Under the Purchase Agreement; 30 Day "Time of The Essence" for Purchaser to Cure Default

You must be given written notice of a default under your Purchase Agreement and thirty (30) days from the sending of the default notice within which to cure the default. If you do not remedy the default within such thirty (30) day grace period, ***TIME BEING OF THE ESSENCE***, Sponsor will have the right to cancel your Purchase Agreement and

retain as liquidated damages your Downpayment, any interest earned thereon and the cost of Unit Changes (if any) ordered by you (see Section K, subsection "K-5. Purchaser's Events of Default; Sponsor's Remedies").

A-3. Purchaser's Closing Costs

At closing, you will pay (among other closing costs) the New York State and New York City transfer taxes due on the sale and conveyance of the Unit to you. These transfer taxes are usually paid by a seller of real property, other than the so-called "mansion tax" imposed by State law on a purchaser. When the obligation to pay these taxes is transferred from a seller to a purchaser, the tax is computed by adding the basic tax to the Purchase Price before calculating the actual tax, resulting in a higher tax amount. You should also note that if you utilize a title company other than First American Title Company of New York, you will pay to Sponsor's attorney a fee of $250.00.

If through no fault of Sponsor you fail to close on the date fixed by Sponsor, then you will also pay the following "delinquency" closing costs:

(a) you will reimburse Sponsor for lost opportunity of earnings at the annual rate of ten percent (10%) of the Purchase Price, prorated for each days' delay through the end of the day prior to the actual date title closes;

(b) you will also reimburse Sponsor for the Unit's carrying charges (that is, Common Charges and real estate taxes) during the period of delay;

and

(c) you will pay to defray the service fees of Sponsor's attorneys of $250.00 for each default letter sent to you and $250.00 for each notice sent to you to reschedule the Closing.

All of these and other closing costs you will pay are set forth in Section O, subsection "O-1. Purchaser's Closing Costs".

A-4. Working Capital Fund and Reserve Fund

At title closing of a Unit (Residential or Commercial), you will make a payment, in addition to the Unit's Purchase Price, for your contribution to the Condominium's Working Capital Fund. Your payment will equal two (2) months' projected Common Charges for each Unit you purchase in the amount stated in the Offering Price Schedule (SCHEDULE A in Section E). In the event the projected Common Charges are revised by amendment prior to the First Closing, your Working Capital Fund contribution will be based on the revised amount of projected Common Charges for the Unit(s). These contributions for the Working Capital Fund are required to be made by only the first person who purchases or acquires a Unit and not by succeeding Owners of such Unit.

The first $10,000.00 of these Working Capital Fund contributions will be paid directly to, and retained by, Sponsor as reimbursement for Sponsor's $10,000.00 payment of the

initial Working Capital Fund. When Sponsor is fully reimbursed, all subsequent Working Capital Fund contributions will be paid to the Condominium Board and given to Sponsor at title closing for forwarding to the Condominium Board. The Working Capital Fund is ultimately to total $21,500.00 and will be fully funded only if and when all Units are sold and title is conveyed.

At the First Closing, the Working Capital Fund will be applied to the extent of not more than $10,000.00 to pay certain net closing apportionments, if in favor of Sponsor. The unpaid amount (if any) of net Closing apportionments owed to Sponsor will be paid over one year, in twelve (12) equal, consecutive monthly installments together with interest at the yearly rate of ten percent (10%), starting the first day of the first calendar month following the First Closing. The payments for such installments will be taken from the contingency funds set aside in the budget (see Section O, subsection "O-3 Closing Appointments Between Sponsor and Condominium Board" for full discussion).

The balance of the Working Capital Fund is to be used at the discretion of the Condominium Board, as determined by the Board Members, to pay the Common Expenses (see Section X, subsection "X-4. Use of Working Capital Fund") and may be exhausted during the period Sponsor has voting control of the Condominium Board (see next subsection "A-5. Sponsor Board Control and Sponsor Veto Control"). However, Sponsor and Sponsor Board Members shall not use the Working Capital Fund to reduce Common Charges below the amount projected in the First Year's Budget (SCHEDULE B in Section F).

The Working Capital Fund is to provide cash for (among other things) to pay bills for operations when the amount on hand may be insufficient due to (for example) the unevenness of expenses, or the late payment of Common Charges or otherwise. Sponsor cannot, and does not, represent, assure or guarantee that the amount on hand in the Working Capital Fund will be sufficient to pay for operations or any needed repairs or replacements. The Working Capital Fund is not intended to be sufficient to meet potential future needs for ordinary or capital repairs or replacements.

Due in part to this being a renovated Building with mostly new Building systems as described in this Plan (the existing boiler and air conditioning tower unit were installed in 1987 and shall not be replaced), no reserve fund for capital replacements or repairs is being provided by Sponsor to the Condominium and none is budgeted in the First Year's Budget (SCHEDULE B in Section F). The Condominium Board may, in its discretion, create such a reserve fund by Special Assessment to the Unit Owners or by increases in the Common Charges, subject to certain restrictions contained in the Declaration and By-Laws and subject further to obtaining Sponsor's consent during the Initial Control Period.

A-5. Sponsor Board Control and Sponsor Veto Control

Sponsor (or, after Sponsor no longer owns any Unsold Units, other Unsold Unit Owners, if any) will appoint and designate a majority of the Board Members and thereby have voting control of the Board Members during the Initial Control Period, which will end on the earlier of:

(a) when the Unsold Residential and Commercial Units constitute less than twenty-five percent (25%) in number and aggregate Common Interests of all Units;

or

(b) the fifth anniversary of the First Closing of a Residential Unit.

In addition, during the Initial Control Period, the prior written consent of Sponsor (or, after Sponsor no longer owns any Unsold Units, other Unsold Unit Owners, if any) will be required as to the following (sometimes referred to in this Plan as Sponsor's "veto control"):

(a) to raise Common Charges or impose a Special Assessment: (i) to pay for alterations; (ii) to create a reserve fund for repairs, alterations and/or other contingencies in excess of five percent (5%) of the projected annual Common Expenses; (iii) to hire more Building employees or to otherwise change the Building staff or the work hours and days of the part-time visiting superintendent; (iv) to increase or decrease Building services; or (v) to increase or decrease the amounts or change the types of insurance coverage from those set forth in the First Year's Budget (SCHEDULE B in Section F);

or

(b) to borrow money.

However, the Condominium Board will not be required to obtain Sponsor's consent to pay for expenses required to: (a) comply with applicable laws; or (b) remedy a governmental notice of a violation or a work order of an insurer of the Building. In addition, Sponsor's consent shall not be required if the proposed expenditure, when added to all other budgeted Common Expenses, will not increase the Common Charges by more than five percent (5%) above the Common Charges for the preceding Budget Year.

See "Section Q. Control By The Sponsor" for full discussion of Sponsor's voting control of the Board and Sponsor's veto control over certain Board expenditures and actions.

A-6. Election and Composition of Condominium Board

Initially, the Condominium Board will consist of one (1) member appointed and designated exclusively by Sponsor. Approximately ninety (90) days after title closes to

fifty percent (50%) of the Residential Units (in number and aggregate Common Interests) or on or about the first anniversary of the First Closing, whichever is sooner, the first meeting of Unit Owners will be held to elect a new five (5) member Condominium Board.

Sponsor (or, after Sponsor no longer owns any Unsold Units, other Unsold Unit Owners, if any) will have the following exclusive and preferential voting rights for the election of the five (5) Board Members:

(a) during the Initial Control Period, the five (5) Board Members will comprise: (i) three (3) Sponsor Board Members appointed or designated exclusively by Sponsor (or, after Sponsor no longer owns any Unsold Units, other Unsold Unit Owners, if any); and (ii) two (2) Independent Board Members nominated and voted upon by all Unit Owners (including Sponsor);

and

(b) after the end of the Initial Control Period, the five (5) Board Members shall comprise the following number of Sponsor Board Members appointed or designated exclusively by Sponsor (or, after Sponsor no longer owns any Unsold Units, other Unsold Unit Owners, if any): (i) one (1) Sponsor Board Member for so long as Sponsor owns at least one (1) Unsold Unit and (ii) one (1) Sponsor Board Member for so long as Sponsor owns at least one (1) Unsold Commercial Unit. If the Sponsor no longer owns any Commercial Units, the Commercial Unit Owners shall elect one (1) Board member.

After the end of the Initial Control Period:

(a) Sponsor (and other the Unsold Unit Owners, if any) shall continue to have the right to *vote* (without restriction or limitation) for any and all candidates nominated to serve as Independent Board Members;

(b) Sponsor (and other the Unsold Unit Owners, if any) shall have the right to (collectively) nominate only that number of candidates to serve as Independent Board Members which, when added to the then number of Sponsor Board Members to serve on the Board following such election, shall equal not more than one (1) less than a majority of the Board Members;

and

(c) at any election at which there will be no Sponsor Board Member serving on the Board following the election, Sponsor (and other Unsold Unit Owners, if any) may nominate (without restriction or limitation), as well as vote for, any number of candidates to serve as Independent Board Members.

A-7. Permissible Uses and Changes in Number and Size of Units

A-7.1. Permissible Uses

The Condominium is planned to consist of eight (8) Residential Units and three (3) Commercial Units. The Residential Units may only be used as joint live-work Units allowed by law.

Pursuant to Article 7-B of the New York Multiple Dwelling Law (the "MDL") and Section 42-14(D) of the Zoning Code, a joint live-work Unit may be occupied only as "joint living-work quarters for artists." As used in the MDL, the term "artist" is defined as "a person who is regularly engaged in the fine arts, such as painting and sculpture, or in the performing or creative arts, including choreography and film making, or in the composition of music on a professional basis," and is so certified by the New York City Department of Cultural Affairs ("DCA") and/or New York State Council on the Arts ("SCA"). Joint living-work quarters for artists must be occupied by at least one (1) such artist.

As a consequence of these legal requirements, each Residential Unit is to be occupied only by households that include at least one Artist. The acceptance by Sponsor from any person of a signed Purchase Agreement or Downpayment shall not be deemed a representation or warranty by Sponsor to any Purchaser or to the DCA or any other agency that any Purchaser of a Residential Unit meets the legal requirements necessary to occupy a joint live-work quarters. Further, nothing contained in this Plan shall be deemed a representative or warranty by Sponsor to any Purchaser regarding the DCA's artist certification procedures or any related laws, rules and regulations as they presently exist or may exist in the future.

Units may not be used for any use (collectively, "Prohibited Uses") that would: (a) impair or unreasonably threaten the structural components or the structural integrity of the Building, or the material health or safety of the Owners or permitted tenants or occupants of Units; (b) violate applicable laws; (c) be an unreasonable and unauthorized annoyance or nuisance to the Owners or permitted tenants or occupants of Units or an unreasonable and unauthorized interference with the peaceful possession or proper use of the Units or Common Elements as permitted or stated in the Condominium Documents (as each may be duly amended from time to time); or (d) result in the cancellation, or increase the rate or premium, of insurance maintained by the Condominium Board.

Unsold Residential and Commercial Units may be used as models, offices for the sale, rental, promotion, operation or management of Unsold Units and any other lawful purpose (other than Prohibited Uses). The Commercial Units may only be used for commercial purposes. The permitted uses of the Unsold Units may be noisy, emit odors, involve heavy traffic and need not be compatible with the primary use of the Building for residential dwelling purposes. Except as otherwise set forth herein, the Condominium Board and the Sold Unit Owners will not have the right to approve the use or any changes in use or the tenants or occupants or operations of, or the business conducted in, the Unsold Units, or any portions thereof.

A-7.2. Changes in Number and Size

Sponsor (and other Unsold Unit Owners, if any) will have the following rights from time to time:

(a) the right to subdivide the Owner's Unit;

and

(b) the right to combine the Owner's Unit with all or part of one or more other Units owned by such Owner or owned by other persons who have consented to such combination.

All of these Unit changes may be made freely and without consent, payment or restriction, other than those expressly set forth in Section I, subsections "I-2. Changes in Unsold Units" and "I-4. Terms of Unit Changes". As a result, the number and/or size of Unsold Units may change.

A-8. Occupancy of Residential Units by Renters

Sponsor intends to sell the Residential Units to Purchasers who are buying for their or their family's personal occupancy. However, Sponsor reserves the right to sell Residential Units to investors who intend to rent and not to personally occupy their Residential Units. In addition, Unsold Units may be rented from time to time by Sponsor (or other Unsold Unit Owners, if any) in accordance with applicable law, freely and without consent, payment or restriction of any kind whatsoever. As a result, a number of the Residential Units (including Sold and/or Unsold Units) may be occupied by renters and not Owners. In addition, you may purchase a Unit that has been previously occupied, but Sponsor shall not lease your Unit to anyone else after you enter into a Purchase Agreement. If the Unit is leased or occupied when you sign the Purchase Agreement, the Unit will be delivered to you at title closing free and clear of all leases and tenancies, unless you expressly agree otherwise in the Purchase Agreement.

A-9. Initial Building Services and Facilities

From and after the First Closing, a part-time visiting superintendent will be hired to maintain the Building. Sponsor reserves the right: (a) to use the elevator and (b) to temporarily interrupt water, electric, gas and other Building equipment and services in connection with the completion of Sponsor's construction or the performance of Sponsor's construction obligations under this Plan, an amendment or in a Purchase Agreement for a Unit. However, Sponsor will endeavor to minimize inconveniencing the Owners, Tenants and occupants of Sold Residential Units. At your title closing, Sponsor will meet all legal requirements to permit you to occupy your Residential Unit for use as a joint live-work dwelling. However, the construction, decoration and finishes of the public and common areas of the Common Elements and other Units may be incomplete.

Actual Common Charges will be based on the level of Building services and facilities being provided from time to time and initially may be less than those projected in the First Year's Budget (which are based on the estimated costs to provide all Building services and facilities set forth in this Plan when the Building is fully or substantially occupied).

A-10. Prohibition Against Advertising

You are prohibited from advertising or publicizing the availability of your Unit(s) for sale or lease prior to Closing of Title. See Section K, subsection "K-26 Prohibition Against Advertising" for further discussion.

A-11. Sponsor's Financial Resources for Construction and Carrying Costs of Unsold Units

Sponsor represents that it has the financial resources to complete all planned construction of the Units and Common Elements, to obtain a final or permanent Certificate of Occupancy for all Units of the Condominium and to pay for all "carrying costs" (namely, Common Charges, Special Assessments (if any) of the Condominium Board and real estate taxes) of Unsold Units. No bond or security is being provided to secure Sponsor's obligations for construction or carrying costs of Unsold Units. Accordingly, Sponsor's ability to meet these obligations will depend on Sponsor's financial resources if and when called upon to perform. See "Section P. Rights and Obligations of the Sponsor" for further discussion.

A-12. Bank Account for Downpayment is Federally Insured to $100,000.00

Your Downpayment will be kept in a segregated subaccount of an attorney's master escrow account at Citibank, N.A. The account is insured by federal bank deposit insurance to a maximum of $100,000.00. If your Downpayment is more than $100,000.00, the excess above $100,000.00 will not be federally insured. Sponsor, and the Escrowee holding the Downpayment will not be liable for any losses resulting from the failure of the Depository.

A-13. Board Consent Required for Lease Term of Less Than One (1) Year

You must obtain the consent of the Condominium Board to lease your Sold Residential Unit for less than one (1) year to anyone other than a member of your immediate family. The Condominium Board may withhold its consent without explanation or justification. This restriction does not apply to Unsold Units or the Commercial Units.

A-14. Lot Line Windows

New windows to be installed at the east Building elevation on the north and south extension wings on the second, third and fourth floors in Residential Units 2S, 3S and 4S are "lot line" windows. There will be seven (7) south facing lot line windows in Residential Unit 5S. An easement has been granted with respect to certain east Building elevation lot line windows which will permit a Unit Owner to construct, at his or

her sole cost and expense, a third bedroom along the east wall in Residential Units 2S, 3S and 4S. The estimated cost of such construction is estimated by the Sponsor's architect to be between $10,000.00 to $15,000.00.

Such lot line windows may remain until (but must be closed when) a building on an adjacent parcel is constructed or altered to be within a certain distance from them. The closing of lot line windows will not affect the legal use of the rooms in which such windows are located other than the third bedrooms (if any) constructed by Unit Owners in Residential Units 2S, 3S and 4S. The closing of the affected lot line windows would be performed by the Condominium Board as a part of the Common Expenses (at an estimated cost of $1,500.00 per window). Sponsor is not aware of any planned building construction or alteration that would affect the lot line windows, but cannot, and does not, represent, assure or guarantee the continued existence of any lot line windows.

A-15. Downpayment

At the time a Purchase Agreement is executed, you will be responsible to make a Downpayment in an amount equal to:

(a) fifteen percent (15%) of the Purchase Price if your Purchase Agreement is not contingent upon your obtaining financing; or

(b) twenty percent (20%) of the Purchase Price if the Purchase Agreement is contingent upon your obtaining financing.

Please note that if you default under your Purchase Agreement, the Sponsor may retain the full amount of your Downpayment as liquidated damages, in addition to holding you responsible for the cost of any additional work performed with respect to your Unit. All funds received by the Sponsor for upgrades or extras must initially be placed in the escrow account. However, you should note that such funds may be released from the escrow account by the escrow agent as long as the Sponsor uses the funds for such upgrades or extras. As a result, in the event you are entitled to rescission, you will not receive a refund of any funds used for upgrades or extras.

A-16. Historic District

The Building is located in the Soho Cast-Iron Historic District section of Manhattan. Any work performed on the facade of the Building, any exterior portions of the property visible to the street, or any interior or other portions of the Property visible to the street, must first be approved by the New York City Landmarks Preservation Commission ("LPC"). The LPC may disapprove of proposed alterations, approve same, or approve alterations subject to certain conditions which may increase the cost of proposed alterations. There may be legal, architectural or engineering costs necessitated by this requirement of the LPC approval which might not be necessary costs absent historic district designation. Accordingly, the status of being in an historic district is a general limitation upon the right to alter the facade and external space and a restriction on title.

Pursuant to a declaration of covenants and restriction (the "Landmark Declaration"), Sponsor is required to complete certain work (the "Landmark Work"), which generally consists of the restoration of the Building facade and is described in more detail in the section of the Plan entitled "Rights and Obligations of the Sponsor". No new Certificate of Occupancy can be issued until the LPC notifies the New York City Department of Buildings (the "Buildings Department") that the Landmark Work has been completed or that it otherwise has no objection to the issuance of a Certificate of Occupancy. The Landmark Work will be completed as part of Sponsor's work as more particularly described in the section of the Plan entitled "Rights and Obligations of the Sponsor", Subsection P-3.16 "Landmark Work".

Under the Landmark Declaration, the obligation to perform the Landmark Work is limited to Sponsor and its successors-in-interest and is not the obligation of the Condominium. Sums payable by Sponsor to perform the Landmark Work therefore will not be included in Common Charges. However, each Unit Owner, as a successor-in-interest of Sponsor, will be bound by the terms of the Landmark Declaration and a default by Sponsor in its obligation to perform the Landmark Work that occurs after Units are conveyed may subject the Units to a lien by the City for costs expended by the City in curing Sponsor's default.

In addition to the Landmark Work to be performed by Sponsor, the Condominium is required under the Landmark Declaration to, among other things, undertake a program of regular inspection and maintenance to ensure the continued preservation of the Building (the "Continuing Maintenance Program"). The Continuing Maintenance Program includes a requirement that a periodic inspection of the Building be made every five (5) years by a qualified professional to be hired by the Condominium and approved by the LPC. The Condominium is required to perform all work identified in the resulting inspection report as being necessary to maintain the Building in a sound, first-class condition. The Condominium must also establish an Emergency Protection Program (as defined in the Landmark Declaration), which will obligate the Condominium, under certain prescribed circumstances, to repair and restore the Building in the event of such casualty. All costs incurred in connection with the Continuing Maintenance and Emergency Protection Program shall be included as part of the Common Charges.

The City has the right to cure defaults by Sponsor or the Condominium, as the case may be, in performing the obligations set forth in the Declaration and may later seek recovery for its costs.

(See DOCUMENT 9 for the text of the Landmark Declaration.)

A-17. Housing Merchant Implied Warranty

The Building is subject to the Housing Merchant Implied Warranty. The coverage includes the following: (a) for one (1) year, each Residential Unit must be free from defects caused by workmanship or materials that do not meet the standards of the applicable building code; for items not covered by code, the construction must be in accordance with locally accepted building practices; (b) for two (2) years, the plumbing,

electrical, heating, cooling and ventilation systems must be free from defects caused by unskillful installation; and (c) for six (6) years, Residential Units must be free from physical defects in the structural elements (foundation, floors, walls, roof framing) which make it unsafe or unlivable.

In this Plan, the Housing Merchant Implied Warranty is limited. It excludes all consequential and incidental damages, except as required by New York law. You will be required to execute the Limited Warranty when you sign the Purchase Agreement. See DOCUMENT 1-H for the Limited Warranty and DOCUMENT 1G for the full text of the Housing Merchant Implied Warranty statute.

A-18. Minimum Sales Issues

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

You should note that banks and other lenders may impose various restrictions on loans which may include a requirement that a certain percentage of the units in a building be sold before the lender will consider making a loan. Thus, it may be possible for a Purchaser to experience difficulty obtaining a loan in a building where the percentage of units purchased is lower than a lender's particular sales minimum. Even once a building becomes a condominium, lenders may still impose minimum sales requirements before granting a loan. It then may be difficult for you to resell or refinance your Unit if loans are not obtainable due to such minimum sales requirements.

SECTION B. INTRODUCTION

B-1. Purpose of Plan

The purpose of this Plan is to explain all of the important sale terms of the Units to potential Purchasers. This Plan includes all Documents in Part II and Parts A, B and C of the Exhibits submitted to the Department of Law. All material terms of this offering are contained in this Plan. You and your attorney may inspect (without charge) and copy (at reasonable charge) the Plan (including the Part II Documents and the mentioned Exhibits) at the office of Sponsor stated on the cover page of this Plan or at the Building's sales office, if any. You may be required to deposit two hundred dollars ($200.00) to obtain the Plan and any amendments. The deposit will be credited to the Unit's Purchase Price or will be refunded if the Plan and any amendments are returned within thirty (30) days in reasonably good, reusable condition.

Sponsor reserves the right, from time to time, to file amendments to this Plan which will change its terms. All material revisions must be contained in an amendment filed with the Department of Law and thereafter served on all then existing Purchasers and (after the First Closing) Sold Unit Owners, none of whom will have the right to approve the amendment. However, Sponsor cannot unilaterally cancel your Purchase Agreement (unless you default or the Plan is abandoned), or increase the Purchase Price or change the payment terms or the mortgage financing contingency of your Purchase Agreement. In addition, after the First Closing, Sponsor cannot unilaterally be relieved of obligations or undertakings in effect at the First Closing.

After you sign a Purchase Agreement, the Plan may be amended to unfavorably affect one of your material rights. In such case, the amendment will allow you to cancel the Purchase Agreement and recover your Downpayment with any earned interest as your sole remedy and recourse. In the event you are allowed to become a tenant of a Unit under an interim lease or otherwise, your election to cancel will result in the automatic cancellation of your interim lease effective thirty (30) days thereafter, at which time you, your family and all occupants must vacate the Unit and remove all personal belongings and furniture. Upon surrendering vacant possession of the Unit, your Downpayment and any earned interest will be refunded.

B-2. Establishment of Condominium

The Condominium will be called 104 Wooster Street Condominium and will be subject to, and established in accordance with, the New York Condominium Act (Article 9-B of the Real Property Law of the State of New York) by duly recording and filing the Condominium Documents (that is, the Declaration and the Exhibits thereto (which include the By-Laws and the Rules and Regulations) and the Floor Plans of the Units and the Building).

B-3. Sponsor

102-106 Wooster LLC, a New York limited liability company, having an address c/o Carter Management Corp., 750 Lexington Avenue, Suite 600, New York, New York

10022, is the Sponsor and acquired legal title to the Property by a deed recorded on January 27, 1998.

B-4. The Units

Upon completion of renovation, the Building is planned to contain a total of eight (8) Residential Units which are subject to the joint live-work requirements and three (3) Commercial Units. Residential Units 5N and 5S are duplex units, each with two terraces and an addition on the roof of the Building.

Sponsor reserves the right to change the size and number of Unsold Units not under contract from time to time before and after the First Closing, freely and without consent, payment or restriction, other than those requirements set forth in Section I, subsection "I-4. Terms of Unit Changes".)

B-5. The Offering

Sponsor is offering for sale under this Plan at total of eight (8) Residential Units and Commercial Unit A. The Sponsor is not offering the other Commercial Units for sale at this time. Sponsor may offer the other Commercial Units for sale in the future upon the filing of an amendment to the Plan setting forth the terms of such offer.

The Units are offered for sale on the terms set forth in this Plan and on any revised or new terms contained in an amendment. This offering is made to all individuals age eighteen (18) years or older, and other persons who are legally competent to own real estate in the State of New York.

Sponsor reserves the following additional rights:

(a) to limit you to buying only one (1) Residential Unit;

(b) to determine the order in which Residential Units are sold;

(c) to temporarily withdraw a Unit from sale without notice while processing a price increase amendment or to withhold Units from time to time for future sale, without prior notice, but subject to amending the Plan to identify the Units being so withheld;

(d) to reject any purchase offer without cause or explanation, except that no offer will be rejected based on race, creed, color, national origin, sex, marital status, disability or other ground prohibited by law;

and

(e) to rent Unsold Units and to sell Unsold Residential Units to Purchasers who are investors and buying for rental investment instead of personal occupancy or use (which may result in a number of Residential Units being occupied by renters instead of Owners).

Sponsor will not be regarded to have approved a sale or otherwise be obligated to sell a Unit simply because you are given, or you return (completed and signed), a Purchase Application or a Purchase Agreement and/or a Downpayment check. Sponsor will not be bound until Sponsor or its duly authorized agent or representative signs and returns a Purchase Agreement to you.

Sponsor also reserves the right to retain for investment and rental one or more Units (Residential and/or Commercial). All Unsold Units rented by Sponsor (if any), remain Unsold Units and will continue to be subject to this Plan and the requirements of the GBL.

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

B-6. Asking Prices of Units

The Units are initially being offered at the asking prices listed in SCHEDULE A in "Section E. Offering Prices and Related Information". The asking prices of Residential Units include the appliances, cabinets, electrical and plumbing fixtures, wall finishes and flooring outlined in DOCUMENT 4 "Description of Property and Specifications or Building Condition." You should read DOCUMENT 4 for a more detailed description of the Units and Building. Asking prices are negotiable and may be changed by Sponsor (see "Section I. Changes in Prices and Units").

The asking prices of Units are not subject to approval by the Department of Law or any other government agency.

B-7. Features Of Condominium Ownership

B-7.1. Ownership and Possession

At the closing under your Purchase Agreement, you will become the legal ("fee title") Owner of the Unit (Residential and/or Commercial) having the right to exclusive use, possession and occupancy of the Unit and the terrace (if any) to which you have access from the interior of your Unit. Owning a Residential Unit also includes many of the same tax advantages and rights as owning a home. These include, in the opinion of Mandel Resnik & Kaiser P.C. (Sponsor's counsel), a discussion of the availability of federal, state and city income tax deductions for the Residential Unit's real estate taxes and (if applicable) interest on the Residential Unit's purchase money mortgage, assuming you itemize deductions and use the Residential Unit as your principal residence or your personal residence for a certain minimum period each year (see "Section V. Opinion of Counsel" for full discussion).

In addition to owning your Unit, you will own an undivided percentage interest (i.e., the "Common Interest") in the Common Elements of the Property. The Common Interest in the Common Elements cannot be separated from the Unit to which it appertains. The

amount of your percentage interest in the Common Elements is the Common Interest listed for your Unit in the Offering Price Schedule (SCHEDULE A in Section E) and repeated in EXHIBIT B to the Declaration (DOCUMENT 7).

Your Common Interest entitles you:

(a) to use the General Common Elements (for example, the Land) in common with all other Unit Owners;

and

(b) (in the case of a Residential Unit) to use the Residential Limited Common Elements (for example, the residential lobby, corridors, hallways, fire stairs and elevator) in common with all other Residential Unit Owners.

All of these uses are subject and subordinate to certain rights and easements (including those in favor of the Condominium Board and Sponsor) as well as rules and regulations governing use and conduct under the Condominium Documents and as may be adopted by the Condominium Board from time to time.

B-7.2. Common Elements

The Common Elements are:

(a) the Land (other than the portions thereof occupied by the Units) and all spaces or areas of the Property, and the equipment, facilities and installations in, on, above, under or adjacent thereto, which service or benefit more than one (1) Unit, and are not expressly stated to be part of a Unit;

(b) all other portions of the Property necessary or convenient to its existence, maintenance and safety, or normally in common use, and not expressly stated to be part of a Unit;

and

(c) all assets and interests held or owned from time to time by the Condominium Board on behalf of Unit Owners, whether real or personal property, chattel real, intangibles or otherwise.

All Unit Owners own, in common, an undivided interest in the Common Elements. See Article 7 of the Declaration (DOCUMENT 7 of this Plan) for a description of the Common Elements.

Although the Common Elements are owned by all Unit Owners, certain of the Common Elements are for the use in common by all Unit Owners (called "General Common Elements") and other Common Elements are limited or restricted completely or primarily to the use of one (1) or more specified Unit Owners to the exclusion of all other Unit Owners (called "Limited Common Elements"). However, all uses of the Common Elements are subject and subordinate to: (a) compliance with the Condominium Documents; (b) the

right of the Condominium Board to establish and amend from time to time the Rules and Regulations governing the use of the Common Elements by the Owners and Permitted Tenants/Occupants/Invitees of Units; and (c) certain rights and easements reserved and granted to the Condominium Board, Sponsor and other persons, all as and to the extent set forth in this Plan, the Condominium Documents and the Condominium Act.

The Limited Common Elements consist of the following:

(a) the Residential Limited Common Elements, which are limited or restricted completely or primarily to the use in common by all Residential Unit Owners to the exclusion of the Commercial Unit Owners;

(b) the Commercial Limited Common Elements, which are limited or restricted completely or primarily to the use in common by all Commercial Unit Owners to the exclusion of Residential Unit Owners;

and

(c) the Individual Limited Common Elements (if any), which are limited or restricted completely to the use of one (1) specified Unit Owner to the exclusion of all other Unit Owners.

B-7.3. Compliance with the Condominium Documents

As a Unit Owner, you will be obligated to comply with the Declaration, By-Laws and Rules and Regulations, as they may be duly amended from time to time. These Condominium Documents, among other things, place reasonable restrictions on the use of the Units and Common Elements in order to avoid one Unit Owner from unreasonably interfering with the rights or enjoyment of another Unit Owner or to prevent the Common Elements from being used improperly. If you violate any of these provisions, you may be enjoined by a court in a lawsuit brought by the Condominium Board.

B-7.4. Common Charges

The Common Charges are the amounts payable by all Unit Owners (pro rata to their respective Common Interests) to pay the Common Expenses. The Common Expenses are the costs and expenses to operate the Common Elements and the Condominium generally. The Common Interest of each Unit (Residential and Commercial) is based, in part, on the portion of the Common Expenses fairly and properly attributable to such Unit, giving consideration to the availability of the Common Elements for exclusive or shared use and the Building services and facilities to be provided to, and used by, each category of Units.

If you fail to pay the Common Charges, the Condominium Board will have a lien on your Unit, which may be foreclosed similar to a mortgage. In a foreclosure, you would lose possession and the Unit would be sold at public auction or sale. The proceeds of the foreclosure would be used to pay (a) the costs and expenses incurred by the

Condominium Board in the foreclosure and (b) the amount of the lien. If the foreclosure proceeds are insufficient to make these payments, you would be liable for the deficiency. On the other hand, you would be entitled to any surplus after first paying any other lien on your Unit, in the order of priority of such liens.

B-7.5. Common Interests

The Common Interest of each Unit is its undivided percentage interest in the Common Elements and is based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit, in accordance with Section 339-i 1(iv) of the Condominium Act. The Common Interest of each Residential and Commercial Unit is listed in the Offering Price Schedule (SCHEDULE A in Section E) and the Common Interests of all Units total one hundred percent (100%). The floor areas (that is, square footages) of Units were measured by Li/Saltzman Architects, Sponsor's architect, and are approximate, with an allowance of plus or minus five percent (5%). A minor inaccuracy or error in a floor plan or drawing of a Unit or the amount stated as the approximate floor area (that is, square footage) or dimensions of a Unit will not affect the Common Interest appurtenant to such Unit nor excuse you from paying the full Purchase Price of a Unit, without any kind whatsoever of price reduction, adjustment or credit or recourse against Sponsor.

B-7.6. Restrictions and Requirements on Use and Occupancy of Units

Each Residential Unit may be used only as joint living-work quarters for Artists (see Section D-3 for a more detailed description of issues relating to the lawful use and occupancy of joint live-work Units) and for no other purpose, and shall be occupied in accordance with laws prohibiting overcrowding and the requirements of the Condominium Documents. The Condominium Documents limit occupancy of Sold Residential Units to the Owner and the Owner's immediately family or an unrelated companion and such companion's dependent children, domestic servants and (for a limited period) guests. If the Owner is an entity, then occupancy by a related party of such entity shall be permitted as occupancy by the Owner.

Each Commercial Unit may be used only for commercial purposes, and for no other purpose, in compliance with applicable laws, but may not be used for any Prohibited Uses.

Sold and Unsold Residential and Commercial Units shall not be used for any Prohibited Uses. Unsold Residential and Commercial Units may be used for any lawful purposes (other than Prohibited Uses as shall be determined from time to time by Sponsor (or the Owner of such Unsold Unit, if any). Such uses include models, offices for the sale, rental, promotion, operation and management of the Unsold Units, or otherwise. The permitted uses of such Unsold Units may be noisy, emit odors, involve heavy traffic and need not be compatible with the primary use of the Building for dwelling purposes. The Board and Sold Unit Owners shall not have the right to approve or pass upon the use, occupancy, tenants, or operation of Unsold Units or the businesses conducted therein.

Unsold Units may be used, leased, occupied, and operated freely and without consent, payment or restriction, other than the restriction against Prohibited Uses and the requirement to comply with applicable laws.

B-7.7. Restrictions on Sale or Lease of Sold Units

When selling or leasing your Sold Residential Unit, you must offer the Condominium Board the "Right of First Refusal" to purchase or lease (as the case may be) the Unit on the same terms offered by a bona fide purchaser or tenant. This Right of First Refusal does not apply to the sale or lease of a Sold Commercial Unit or to the sale or lease of Unsold Units (Residential or Commercial) or to certain sales or leases of Sold Residential Units which are exempt from this Right of First Refusal (such as a sale or lease to an adult member of your immediate family or a transfer by gift or a devise under a will following your death). The Condominium Board and Unit Owners do not have the right to approve the terms of sale or lease of Sold Units, except: in the case of a Sold Residential Unit: (i) the lease shall provide for the continued use of the Sold Residential Unit primarily as a joint live-work dwelling permitted by applicable law and may only be occupied in accordance and compliance with applicable laws and the requirements in the Condominium Documents and (ii) you must obtain the consent of the Condominium Board (whose consent may be withheld or denied without cause or explanation and without recourse against the Board by reason thereof) to lease your Sold Residential Unit for less than one (1) year to other than a member of your immediate family;

The restrictions and related requirements relating to selling or leasing Sold Units and the costs you will incur are more fully explained below under Section S, subsection "S-4. Selling and Leasing Units".

These restrictions do not apply to Unsold Residential or Commercial Units, which may be sold or leased freely and without consent, payment or restriction, other than the requirement that a Unit may not be used for any Prohibited Uses.

B-7.8. Mortgaging of Units

You may place one or more mortgages on your Sold Unit without the consent of the Condominium Board. However, you are required to give the Condominium Board notice of each mortgage and you are not permitted to mortgage your Unit while you have unpaid Common Charges outstanding or other unpaid liens on the Unit (apart from a prior Permitted Mortgage). Nevertheless, failure to comply with these requirements will not affect the validity of enforceability of the mortgage. This is more fully discussed in Section S, subsection "S-2. Mortgaging Units."

Your Unit will not be subject to the lien of any mortgage on any other Unit and you will not be obligated to pay the mortgage on any other Unit. However, the payments made pursuant to a mortgage on a Unit acquired by the Condominium Board would be included in the Common Expenses payable by all Units Owners pro rata to their respective Common Interests.

B-7.9. The Condominium Board

The affairs of the Condominium and the operation of the Building will be governed and administered by the Condominium Board.

Initially, the Condominium Board will consist of two (2) Board Member appointed and designated exclusively by Sponsor. Approximately ninety (90) days after title closes to fifty percent (50%) of the Residential Units (in number and aggregate Common Interests) or on or about the first anniversary of the First Closing, whichever is sooner, the first meeting of Unit Owners will be held to elect a new five (5) member Condominium Board.

During the Initial Control Period, the five (5) Board Members shall comprise: (a) three (3) Sponsor Board Members, who shall be appointed and designated exclusively by Sponsor (or, after Sponsor no longer owns any Unsold Units, other Unsold Unit Owners, if any); and (b) two (2) Independent Board Members, who shall be nominated and voted by all Sold and Unsold Unit Owners (including Sponsor). Accordingly, after such first meeting of Unit Owners, there shall always be at least two (2) Independent Board Members to represent the interests of the Sold Residential Unit Owners.

After the end of the Initial Control Period, the five (5) Board Members shall comprise the following number of Sponsor Board Members, who shall be appointed and designated exclusively by Sponsor (or, after Sponsor no longer owns any Unsold Units, other Unsold Unit Owners, if any): (a) one (1) Sponsor Board Member for so long as Sponsor owns at least one (1) Unsold Unit; or (b) one (1) Sponsor Board Member for so long as Sponsor owns at least one (1) Unsold Commercial Unit. If Sponsor no longer owns any Commercial Units, the Commercial Unit Owners shall elect one (1) Board member. In addition, after the end of the Initial Control Period: (a) Sponsor (and all other Unsold Unit Owners, if any) shall continue to always have the unrestricted right to vote for any and all candidates to serve as Independent Board Members (including individuals who are residents or occupants of the Building and unrelated to Sponsor or other Unsold Unit Owners); and (b) Sponsor (and all other Unsold Unit Owners, if any) shall have the right (collectively) to nominate only that number of individuals to serve as Independent Board Members which, when added to the then number of Sponsor Board Members to serve on the Board following such election, shall equal one (1) less than a majority of the Board Members (for example: while there are two (2) Sponsor Board Members who will serve on the Board following an election, Sponsor (and other Unsold Unit Owners, if any) may not nominate any individuals to serve as Independent Board Members; and while there is one (1) Sponsor Board Member who will serve on the Board following an election, Sponsor (and other Unsold Unit Owners, if any) may (collectively) nominate not more than one (1) candidate for election as an Independent Board Member).

Apart from the election of Independent Board Members, Sponsor (and other Unsold Unit Owners, if any) will have the full voting rights of all other Unit Owners on all transactions and matters to be voted upon by Unit Owners, without restriction or limitation. All Board Members will serve for a term of one (1) year and there is no limit on the number of successive terms anyone may serve as a Board Member. See "Section Q. Control By The Sponsor" for full discussion. When voting for a Board Member, each Residential

and Commercial Unit Owner (including Sponsor) will be entitled to cast one (1) vote for each 0.1% Common Interest appurtenant to the Owner's Unit.

These provisions are more fully explained under Section R, subsection R-"3 Nominating, Voting and Election of the Condominium Board".

B-7.10. Real Estate Taxes

After the Condominium is established, The City of New York will separately assess and bill each Unit for real estate taxes. The estimated real estate taxes for each Unit for the Projected First Year of Condominium Operation is listed in the Offering Price Schedule (SCHEDULE A in Section E). These estimates are based on certain assumptions and are not assured or guaranteed (see footnotes (8) and (9) to SCHEDULE A in Section E).

Generally, the City will start separately billing each Unit for real estate taxes within approximately six (6) months after the Condominium Documents are recorded and filed. During the interim period, the real estate taxes will continue to be assessed against the entire Property and will be paid by the Condominium Board as a Common Expense payable by all Unit Owners as explained more fully in said footnotes (8) and (9) to SCHEDULE A and in "Section T. Real Estate Taxes". After the Units are separately assessed and billed, you will not be liable for the real estate taxes payable by other Unit Owners and no lien may be placed against your Unit because of non-payment of the real estate taxes on another Unit.

B-7.11. Maintenance and Repairs

You will be responsible, at your sole cost and expense, to paint, clean, maintain, repair and alter the interior of your Residential or Commercial Unit including: (a) the interior side of all walls, floors and ceilings; (b) both sides of all windows; (c) all tile, wood, carpet or other flooring on top of the wooden plank subfloor of your Unit, including its terrace (except, in the case of a terrace, the roofing system); (d) all appliances; and (e) all bathroom and kitchen fixtures. You will also be responsible to maintain, clean and keep free of snow, ice, water accumulation and debris the surface of your Unit's terrace, if applicable. All maintenance and repairs involving the Building's structural components (e.g., columns, beams, girders, supports, wood comprising the floors, ceilings and roof enclosing or bordering a Residential or Commercial Unit), the roofing system (but not any tiles, deck or other protective flooring of a terrace) and the Building's exterior walls are to be performed and paid by the Condominium Board as part of the Common Expenses payable by all Unit Owners pro rata to their respective Common Interests.

The Condominium Board will be responsible to paint, clean, maintain, repair and alter the Common Elements (including both the General Common Elements, Residential Limited Common Elements and Commercial Limited Common Elements), as a Common Expense, payable by all Unit Owners (Residential and Commercial) pro rata to their respective Common Interests.

B-7.12. Insurance

The Condominium Board will maintain fire and other casualty insurance insuring the Building, the Building's equipment, the boundary walls of each Unit and the Building standard bathroom and kitchen fixtures installed in each Residential Unit at the time of title closing. The insurance will include the interests of the Condominium Board, each Unit Owner and Permitted Mortgagee. This insurance will not cover losses to your furniture, furnishings, personal belongings or other contents in your Unit, including coverings and decorations of walls, floors, ceilings and windows. If you desire to insure your personal property and Unit contents, you will be responsible to obtain and pay for such coverage.

The Condominium Board will also maintain liability insurance covering claims for personal injury and property damage arising from occurrences on the Common Elements, but not within Units. The insurance will include the interests of the Condominium Board, its officers, employees and agents, and each Unit Owner. If you desire insurance to protect you against liability for occurrences within your Unit, you will be responsible to obtain and pay for the coverage.

The premiums for the casualty and liability insurance maintained by the Condominium Board will be included in the Common Expenses payable by all Unit Owners pro rata to their respective Common Interests. The minimum amount of insurance coverage is contained in the First Year's Budget (see SCHEDULE B in Section F).

B-7.13. Sidewalks

The sidewalks adjacent to the Building (i.e., the sidewalks immediately adjacent to, and fronting, the Property) are owned by The City of New York and are not part of the Condominium or Common Elements.

Nevertheless, each property owner is required by law to keep the immediately adjacent sidewalks clean and free from snow, ice and debris and properly maintained and repaired. Under the Condominium Documents, all sidewalk repair obligations will be performed and paid by the Board as a Common Expense payable by all Unit Owners pro rata to their respective Common Interests. All sidewalk cleaning obligations for the sidewalk adjacent to the Commercial Units shall be the responsibility of the Commercial Unit Owners. The sidewalk cleaning obligation in front of the entrance and elevator doors of the Building shall be the responsibility of the Board.

During and after the Initial Control Period, Sponsor shall have preference and priority over the Board and other Unit Owners to use the immediately adjacent sidewalks to the Building, in connection with the sale, rental, promotion and operation of its Unsold Units and the construction and outfitting of the Building (including the installation thereon or therein of signs, structures or other objects). Such preferential use by Sponsor may be exercised and performed freely and without consent, payment or restriction, other than the requirement to comply with applicable work requirements set forth in the Declaration.

During the Initial Control Period, Sponsor (or, after Sponsor no longer owns any Unsold Units, other Unsold Unit Owners, if any) shall have the exclusive right to make all determinations as to any use by the Board or other Unit Owners of the immediately adjacent sidewalks of the Building. Thereafter, the Condominium Board shall make such determinations with respect only to any proposed uses by Sold Unit Owners, however, any such uses by the Board or Sold Unit Owners shall be subject and subordinate to Sponsor's right to use the immediately adjacent sidewalks to the Building.

B-7.14. Vaults

A vault is below ground space (customarily underneath sidewalks) owned by The City of New York and used by the owners of property immediately adjacent to the vault under a revocable license. There is a vault space extending underneath the sidewalk adjacent to the Property. The vault is not part of the Property or the Condominium. However, the license from The City of New York to use the northerly half of such vault shall be held by the Condominium Board (on behalf and as agent of all Unit Owners) and its use shall be determined by the Board and the southerly half of such vault shall be held by the Commercial Unit Owners(s) and its use shall be determined by the Commercial Unit Owner(s). The obligation to maintain the northerly half of vault space shall belong to the Condominium while the obligation with respect to the southerly half shall belong to the Commercial Unit Owners.

B-8. Glossary

The meanings stated for the words within quotation marks in this subsection B-8 or elsewhere in this Plan will apply wherever these words appear in this Plan. Unless the context otherwise requires, words used in the singular include the plural, and vice versa, and a reference to any one gender (masculine, feminine or neuter) includes the other two.

"**agents, employees and contractors**": This term also includes subcontractors and the employees and workers of agents, contractors and subcontractors.

"**alter**", "**alters**", "**alterations**" and other derivations thereof: All alterations, additions, improvements, installations, demolitions, removals or replacements, whether structural or non-structural, or extraordinary or ordinary.

"**amend**", "**amended**", "**amendment**" and variations thereof: An amendment to this Plan accepted and filed by the New York State Department of Law or to any of the Condominium Documents (as indicated by the text), including any modification, addition, deletion, repeal or other change to a provision thereof.

"**Artist**": A person who, (a) as defined in section 276 of the MDL, is regularly engaged in the fine arts, such as painting and sculpture, or in the performing or creative arts, including choreography and film making, or in the composition of music on a professional basis, and is so certified by the DCA and/or SCA, pursuant to Chapter 1 of Title 58 of the Rules of the City of New York (the "DCA Rules"), as qualified to occupy

joint living-work quarters for artists or (b) is otherwise qualified to occupy joint living-work quarters for artists pursuant to the MDL and the DCA, as they may be amended from time to time, or pursuant to any other applicable laws, rules and regulations.

"Board Member": A member of members of the Condominium Board, including one or more Sponsor Board Members and/or Independent Board Members.

"Budget": The Budget of Projected Receipts and Expenses of Operations of the Condominium for a Budget Year adopted and determined by the Condominium Board.

"Budget Year": A Budget for the twelve (12) month period (fiscal or calendar) determined and adopted by the Board Members.

"Building": The building to be known as 104 Wooster Street Condominium and by the street address of 104 Wooster Street, New York, New York.

"business day": Any day of the year that is not a Saturday, Sunday or a legal holiday of the State of New York or United States government.

"business hours": Between the hours of 9:00 a.m. and 5:30 p.m.

"By-Laws": The By-Laws of the Condominium set forth as EXHIBIT D to the Declaration, as such By-Laws or a provision thereof may be Amended from time to time in accordance with its provisions. The By-Laws provide for (among other matters) the administration and governance of the Condominium, the Operation and uses of the Property and Units and the rights and obligations of the Condominium Board and the Unit Owners. The proposed By-Laws are set forth as DOCUMENT 8 of this Plan.

"claim": Each or every kind whatsoever of claim, right, cause for a lawsuit and lawsuits.

"closing date", "closing", closing of title" and words of similar import: The date that Sponsor signs, duly acknowledges and delivers a deed for a Unit to you and you properly pay the required balance of the Purchase Price to Sponsor.

"Commercial Limited Common Elements": The portions of the Common Elements that are limited or restricted completely or primarily for the exclusive or substantially exclusive use, service or benefit in common by all Commercial Unit Owners and include all commercial equipment in such areas or elsewhere which enclose or service or benefit only all or part of commercial space and are not expressly stated in the Declaration to be part of a Unit.

"Commercial Unit": The portion of the commercial space of the Building described as such in EXHIBIT B to the Declaration, and comprising one or more of Commercial Units A, B and C, together with the Common Interest of each such Unit. A Commercial Unit includes all equipment, facilities and installations (if any) that are for the exclusive use, service or benefit of such Unit or its Owner and are not expressly stated to be part of the Common Elements or another Unit.

"Commercial Unit Owner": The Owner of a Commercial Unit or the Owners of the Commercial Units.

"Common Charges": The amount or amounts assessed or levied from time to time by the Condominium Board against all Unit Owners (Residential and Commercial) to pay the Common Expenses and include real estate taxes assessed against the Property by the taxing authority until each of the Units is separately assessed and billed for real estate taxes. The Common Charges shall be assessed and levied against each Unit pro rata to its Common Interest, which has been determined, in part, on the amount of the Common Expenses that is fairly and properly attributable to each category of Units (i.e., all Residential Units and Commercial Units are each a separate category of Units), giving consideration to the availability of the Common Elements for exclusive or shared use and the Building services and facilities to be provided to, and used by, each category of Units. The Common Charges include the regular monthly payments (or such other periodic payments as the Board shall determine from time to time) and Special Assessments, if any.

"Common Elements": All of the following: (a) the Land (except that the portions thereof occupied by the Units are included in, and part of, the Units) and all spaces or areas of the Property, and the equipment, facilities and installations in, on, above, under or adjacent thereto, which service or benefit one (1) or more Units and are not expressly stated to be part of a Unit; (b) all other portions of the Property necessary or convenient to its existence, maintenance and safety, or normally in common use, and not expressly stated to be part of a Unit; (c) and all assets and interests owned, leased or held from time to time by the Condominium Board on behalf of Unit Owners, whether real or personal property, chattel real, intangibles or otherwise. All Unit Owners own, in common, an undivided interest in the Common Elements. The Common Elements consist of the General Common Elements, the Residential Limited Common Elements, the Commercial Limited Common Elements and the Individual Limited Common Elements, if any.

"Common Expenses": One (1) or more of the costs and expenses (including loan payments, inclusive of interest and principal) to own, hold, use, operate, lease, license, mortgage, pledge, sell, promote, manage, administer, clean, maintain, repair, alter or make any disposition of the Common Elements (including any Unit owned, leased, held or operated at the time by the Condominium Board as agent and on behalf of Unit Owners). The Common Expenses shall be charged to, and payable by, all Unit Owners pro rata to their respective Common Interest, which has been determined, in part, on the amount of the Common Expenses fairly and properly to each category of Units (i.e., all Residential Units and all Commercial Units are each a separate category of Units), giving consideration to the availability of the Common Elements for exclusive or shared use and the Building services and facilities to be provided to, and used by, each category of Units.

"Common Interests": The undivided percentage interest of each Unit or the undivided percentage interests of two (2) or more Units in the Common Elements.

"Common Profits": The excess of (a) all receipts of rents, profits and revenues from the Common Elements, and the operation and governance of the Condominium by the Board, over (b) the Common Expenses.

"Condominium": The condominium, which is the subject of this Plan, to be known as 104 Wooster Street Condominium and to be established on the Property by the filing and recording of the Condominium Documents. The term refers to the unincorporated association of Unit Owners, or the Property as a whole or the Common Elements, as may be required, indicated or inferred by the context.

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

"Condominium Board" or **"Board"**: The Board of Managers of the Condominium, which is the body that governs the affairs of the Condominium and the operation of the Common Elements. The Condominium Board comprises the Independent Board Members and the Sponsor Board Members.

"Condominium Documents": The Declaration, including the Exhibits thereto (such as the By-Laws and Rules and Regulations), and the Floor Plans of the Condominium, as each may be amended from time to time.

"costs and expenses": Each or every kind whatsoever of: costs, expenses and amounts (including reasonable legal fees and disbursements, court costs and all other litigation expenses) paid, payable or incurred in connection with any liabilities and expenses or to perform, observe, enforce, uphold, protect, defend, maintain and collect sums payable under a right, remedy, obligation, requirement, agreement or indemnity given in or pursuant to this Plan or a Plan amendment.

"Declaration": The instrument establishing the Condominium, to be executed by Sponsor and recorded in the Register's Office.

"declare effective", **"declared effective"** and similar words: The election of Sponsor to declare this Plan effective based upon the Purchase Agreements for not less than the required minimum fifteen percent (15%) of the number of Residential Units being signed by bona fide Purchasers under this Plan. Such election shall be made in a written notice to all then existing Purchasers or (at Sponsor's option) in the Effectiveness Amendment.

"Department of Law" or "Attorney General": The Department of Law of the State of New York.

"Depository": Citibank, N.A. at its office at 120 Broadway, New York, New York, where the purchase monies of Purchasers will be deposited.

"disposition": To own, hold, use, operate, lease, sublease, rent, grant easements or concessions, license, mortgage, grant security interests, collateralize, assign, transfer, sell, convey, market, advertise, promote, offer, manage, administer, clean, maintain, repair, alter, combine, subdivide, expand, contract or make any other disposition of

assets or interests (whether real or personal property, chattel real, intangible or otherwise) allowed by law, whether or not similar to the foregoing (but not to cast the votes appurtenant to any Unit owned by the Condominium Board).

"Downpayment": The amount you pay toward the Purchase Price of a Unit at the time you sign the Purchase Agreement.

"duty": Each or every kind whatsoever of duty, obligation, burden, responsibility, requirement and service.

"elect", "elected", "election" and similar words and derivations: In the case of the election of the Condominium Board: (a) the Independent Board Members shall be elected by nomination and voting by all Sold and Unsold Unit Owners (Residential and Commercial); and (b) each Sponsor Board Member shall be elected by appointment and designation in writing exclusively by Sponsor (or, after Sponsor no longer owns any Unsold Unit, other Unsold Unit Owners, if any).

"Effectiveness Amendment": The amendment disclosing that Sponsor notified then existing Purchasers of Sponsor's election to declare this Plan effective or (at Sponsor's option) a Plan amendment in which Sponsor elects to declare this Plan effective.

"entity": A partnership, limited liability partnership or company, corporation, trust, estate, fiduciary, unincorporated association, syndicate, joint venture, organization, government, embassy, consulate, governmental authority or any other entity legally competent to own real property.

"existing lease": Each and every lease demising space in the Building in effect on the date the Declaration is recorded in the Register's Office, excluding any amendments or extensions thereto thereafter made, so long as each and every such lease remains in effect.

"existing tenant": A tenant under an existing lease.

"facilities": All equipment, installations, fixtures and personal property, now or hereafter existing, in, on, or under the Land or Building and for the use, service or benefit of one (1) or more Units or Unit Owner(s) or forming a part of the Common Elements, or necessary or desirable for the existence, maintenance, health or safety of the Property or any portion thereof or the Owners or occupants of one (1) or more Units.

"families", "family," "family member", "immediate family" or similar words: A spouse, child (whether by blood, marriage or adoption), parent (including a step-parent or parent-in-law), grandparent and sibling.

"Filing Date": The date on a letter from the Department of Law advising that this Plan or a Plan amendment has been filed or accepted for filing by the Department of Law.

"First Closing": The first Residential Unit conveyed to a bona fide Purchaser under this Plan.

"First Year's Budget": The projection of receipts and expenses of the Property for the first twelve (12) months following the projected date of First Closing contained in "Section F. Budget for First Year of Condominium Operation".

"Floor Plans": The floor plans of the Building (showing, among other things, the layout, location and approximate dimensions of the Units as built) to be filed with the Real Property Assessment Department for the Borough, City and State of New York and in the Register's Office.

"force majeure": Acts of nature (such as flood or other severe or unusually inclement weather), explosion, fire, strikes, work stoppage or showdown, unavailability of materials supplies, war, emergencies, national defense preemptions, governmental restrictions or actions, injunctions or court orders, or other similar causes beyond control of a person in question and not attributable to the improper or bad faith acts or omissions of such person.

"freely and without consent, payment or restriction": This term means and includes, unless otherwise expressly provided: (a) without consent or approval of the Condominium Board or other Unit Owners or mortgagees of Units; (b) without paying any kind of fee, rental, charge, imposition or other sum to the Condominium Board or Unit Owners; and (c) without complying with any kind of work rule, restriction, requirement or limitation.

"GBL": Article 23-A of the General Business Law of the State of New York.

"General Common Elements": The portions of the Common Elements to be used in common by all Unit Owners. However, such common use is subject and subordinate to: (a) compliance with the Condominium Documents; (b) the right of the Condominium Board to establish and amend from time to time Rules and Regulations governing the use thereof; and (c) certain rights and easements reserved and granted to the Condominium Board, Sponsor and other Persons, all as and to the extent set forth in this Plan, the Condominium Documents and the Condominium Act.

"governmental authority": Each or every authority, agency, department, assessor, board, body, court or other instrumentality of a federal, state, county, municipal, village, local, foreign, international, regional, domestic or other governmental or quasi-governmental authority having jurisdiction.

"government document": Each or every kind of notice, report, registration, application, petition, declaration, easement, license form, item, paper or other document to be filed with, or given or submitted to, a governmental authority, including any government document that is required to be signed by the Condominium Board on behalf and as agent of the Unit Owners in connection with any permit, approval, consent, waiver, exemption, variance or license, building notice, alteration, application or other form of legally required permission to or from a governmental authority (including a permit that is necessary to perform work on any part of the Property), including: (a) a notice, report, registration or other information to be filed with a governmental authority relative to a Unit, or an Owner, tenant or occupant of such Unit; (b) any proposed Unit Change to a

Unit in accordance with the Declaration; (c) an application, petition or other document required for a zoning variance or an amended or new Certificate of Occupancy for the Building related to such Unit Change of a Unit or an obligation undertaken in the Plan, a Plan amendment or a Purchase Agreement for an Unsold Residential Unit; (d) any signs permitted to be installed, altered or replaced pursuant to the Declaration or the By-Laws; or (e) an application, petition or other document required to increase the rent of an Unsold Residential Unit or to obtain a real estate tax or other tax exemption, abatement or benefit for a Unit.

"include", "includes", including", "such as", "for example" and similar words and derivations: Wherever these words precede a list of one or more items, the list is not be limited to the item(s) mentioned and shall always be construed as though followed by the words "but not limited to".

"indemnify": Whenever this term is used, it shall include to defend and hold harmless.

"Independent Board Member": The member or members of the Condominium Board who have no family, employment or business relationship or affiliation with Sponsor or an Unsold Unit Owner or a related party to Sponsor or an Unsold Unit Owner. Generally, the Independent Board Members are the Owners, occupants or tenants of Sold Residential or Commercial Units or their respective family members or related parties.

"Individual Limited Common Elements": The portion or portions of the Common Elements (if any) limited or restricted completely to the use of one (1) specified Unit Owner to the exclusion of all other Unit Owners, or an area or space forming a part of the Common Elements which is physically incorporated in, or reserved for the exclusive use of: (a) an Unsold Residential or Commercial Unit; or (b) a Unit whose Owner has been given such exclusive use by Sponsor or an Unsold Residential or Commercial Unit Owner; or (c) a Sold Residential or Commercial Unit in connection with a permitted Unit Change as provided in the Declaration or By-Laws. However, such exclusive use is subject and subordinate to: (a) compliance with the Condominium Documents; (b) the right of the Condominium Board to establish and amend from time to time Rules and Regulations governing the use thereof by the Owner and Permitted Tenants/Occupants/Invitees of such Unit; and (c) certain rights and easements reserved and granted to the Condominium Board, Sponsor and other persons, all as and to the extent set forth in this Plan, the Condominium Documents and the Condominium Act.

"Initial Control Period": The period ending on the earlier of: (i) when the Unsold Units (Residential and Commercial) constitute less than twenty-five percent (25%) in number and aggregate Common Interests of all Units or (ii) the fifth anniversary of the First Closing of a Residential Unit.

"installations": A portion or portions of the equipment, facilities, structures, systems and materials now or hereafter existing in, on or under the Land or Building and intended for the use, service or benefit of one (1) or more Units or Unit Owner(s) or forming a part of the Common Elements, or necessary or desirable for the use and

enjoyment of the Property or any portion thereof or the Owners or occupants of one (1) or more Units.

"Institutional Lender": A savings bank; savings and loan association; bank or trust company; credit union; insurance company; real estate investment trust; mortgage trust; or a federal, state, municipal, union or other employee, welfare, pension or retirement fund or system (for purpose of the financing contingency only, a licensed mortgage broker or mortgage broker shall be deemed to be an Institutional Lender).

"Institutional Mortgage": Any mortgage covering one or more Units that is a Permitted Mortgage and the initial holder of which is either an Unsold Unit Owner (including Sponsor) or its designee or an Institutional Lender.

"Insurance Trustee": An Institutional Lender having both an office in the City and State of New York and a capital surplus and undivided profits of $100,000,000.00 or more, from time-to-time appointed to serve as such by the Condominium Board.

"Land": The parcel of land on which the Building is located, whose area is more particularly identified in EXHIBIT A to the Declaration in Part II of this Plan and includes all space above and below such area. The portions of the land occupied by the Units are included in, and are part of, the Units and all other portions of the land are included in, and part of, the Common Elements.

"laws": Each or every applicable law and ordinance of federal, state, city or other local governmental authorities and each and every applicable regulation, code, rule, order, permit, directive and requirement of all governmental authorities having jurisdiction over the Property or the Condominium.

"lawsuits": Each or every kind whatsoever of suit and litigation, whether legal or equitable, brought in or before any court or judicial system (federal, state, local or international), governmental or administrative authority, arbitration or mediation association or alternative dispute resolution body.

"liabilities and expenses": All kinds whatsoever of: liabilities, judgments, awards, losses, damages, penalties, fines and costs and expenses.

"Limited Common Elements": The portions of the Common Elements limited or restricted completely or primarily to the use of a specified Unit Owner, or to the use in common of a specified category of Unit Owners, to the exclusion of all other Unit Owners. However, such exclusive use is subject and subordinate to: (a) compliance with the Condominium Documents; (b) the right of the Condominium Board to establish and amend from time to time Rules and Regulations governing the use thereof by the Owners and Permitted Tenants/Occupants/Invitees of Units; and (c) certain rights and easements reserved and granted to the Condominium Board, Sponsor and other persons, all as and to the extent set forth in this Plan, the Condominium Documents and the Condominium Act.

"litigation document": Any pleading, affidavit, petition, application, motion, interrogatory or other document utilized in connection with any litigation, including any litigation required to be brought or defended in the name of the Condominium Board or in the name of the Condominium Board as agent and on behalf of the Unit Owners, such as litigation instituted or defended at the request of Sponsor or an Unsold Unit Owner relative to: (a) any government document or any matter which is the subject of a government document; or (b) any of Sponsor's Rights or the rights, powers, easements, licenses, privileges, exemptions, indemnities, remedies and other benefits of Sponsor, an Unsold Unit Owner or Commercial Unit Owner under the Condominium Documents.

"majority": More than fifty percent (50%). In the event there is an even number of Board Members, or Independent Board Members or Sponsor Board Members, a majority thereof shall consist of fifty percent (50%) or half the number.

"Managing Agent": The person engaged from time to time by the Condominium Board to perform the duties of a managing agent of the Building. The Managing Agent shall be a reputable management firm experienced in the management of primarily residential buildings comparable to the Building in the Borough, City and State of New York. Andrews Building Corporation, having an office at 666 Broadway, New York, New York 10012, is the proposed first managing agent to be engaged by the Condominium Board.

"Mortgage Representatives": The representatives of the holders of all mortgages encumbering Units, designated by the holders of Institutional Mortgages in accordance with the terms of the By-Laws.

"Offering Price Schedule": The list of asking prices of Residential and Commercial Units in SCHEDULE A in "Section E. Offering Prices and Related Information" of this Plan.

"operate", "operates", "operation", "operations" or derivations thereof: To operate, maintain, repair, alter or other disposition.

"Owner": The legal owner of fee simple title of a Unit or the legal owners of fee simple title of two (2) or more Units, including (as indicated, or otherwise expressly provided, by the text): a Unit Owner or Unit Owners; a Residential Unit Owner or the Residential Unit Owners and a Commercial Unit Owner or Commercial Unit Owners.

"Permitted First Mortgage": A first mortgage placed on a Unit in compliance with the By-Laws.

"Permitted First Mortgagee": The holder of a Permitted First Mortgage.

"Permitted Mortgage": A mortgage placed on a Unit in compliance with the By-Laws.

"Permitted Mortgagee": The holder of a Permitted Mortgage.

"Permitted Tenants/Occupants/Invitees": The tenants, occupants, invitees, contractors, subcontractors, agents, employees and workers permitted or authorized to

occupy, use, visit or enter a Unit by the Owner of such Unit or pursuant to laws or the Condominium Documents;

"person": A natural person (i.e. individual) or an entity.

"Plan": This Condominium Offering Plan for the Property.

"plans and specifications": The plans and specifications for the renovation of the Building which (to the extent required by law) have been or will be filed with the Department of Buildings and which may, from time to time, hereafter be amended in accordance with the provisions of this Plan.

"powers": Each or every kind whatsoever of power, right, authority, remedy, protection and benefit.

"presentation date", "presentation", "presented" and similar words: The day of hand delivery or (if mailed) the fifth day after mailing (whichever is the last to occur) of this Plan or a Plan amendment to a prospective Purchaser or to all then existing Purchasers and (after the First Closing) Sold Residential and Commercial Unit Owners.

"Prohibited Uses": Any use that would (a) impair or unreasonably threaten the structural components or the structural integrity of the Building, or the material health or safety of the Owners or permitted tenants or occupants of Units; (b) violate applicable laws; (c) be an unreasonable and unauthorized annoyance or nuisance to the Owners or permitted tenants or occupants of Units or an unreasonable and unauthorized interference with the peaceful possession or proper use of the Units or Common Elements as permitted or stated in the Condominium Documents (as each may be duly amended from time to time); or (d) result in the cancellation, or increase the rate or premium, of insurance maintained by the Condominium Board.

"Projected First Year of Condominium Operation": The first twelve (12) months following the First Closing, which is projected to be the period from July 1, 2000 to June 30, 2001.

"promote", "promotion" or derivations thereof: All manner of offering, advertising, marketing, signage, displays and other promotion and promotional activities in connection with the sale, rental or operation of a Unit or a business conducted in a Unit.

"Property": The Land, the Building and all other improvements on the Land.

"pro rata": In the proportion that the Common Interest or floor area or asking price of a Unit bears to the total Common Interests or the total floor areas or total asking prices of all or specified Units (respectively), or otherwise, as the context indicates.

"Purchase Agreement": The agreement to purchase a Unit pursuant to this Plan, which is in the form set forth as Document 1 in this Plan.

"purchase monies": The Downpayment under a Purchase Agreement and any other sums deposited by a Purchaser to pay for special work in a Unit.

"Purchaser": A person or persons buying a Residential or Commercial Unit under a fully executed Purchase Agreement, whether for personal occupancy or use of the Purchaser or a member of Purchaser's family or for rental or other investment purposes.

"reasonable approval" or **"reasonably approved"** or similar words: The approval required to be obtained shall not be unreasonably withheld or delayed.

"Register's Office": The office of the Register of the County, City and State of New York.

"related parties": A natural person who has or had an employment, business or family relationship to a Unit Owner(s) or an entity comprising a Unit Owner or a partner, member, manager, shareholder, officer, director or principal of a Unit Owner or an entity comprising a Unit Owner; or an entity whose legal, equity or beneficial interest is owned (directly or indirectly) by a Unit Owner or an entity comprising a Unit Owner or a partner, member, manager, shareholder, officer, director or principal of a Unit Owner or an entity comprising a Unit Owner.

"repair", "repaired", "repairs" or derivations thereof: Each or every kind of repair, correction, rebuilding, restoration, replacement, substitution, removal and any other Work, apart from alterations, performed in or to a Unit or the Common Elements.

"Residential Limited Common Elements": Those Common Elements that are limited or restricted completely or primarily to the exclusive use, service or benefit of two or more Residential Units or their Owners and include all equipment, facilities and installations in such areas or elsewhere which enclose, service or benefit only two or more Residential Units or their Owners and are not expressly stated to be part of a Unit. However, such exclusive or primarily exclusive use is subject and subordinate to: (a) compliance with the Condominium Documents; (b) the right of the Condominium Board to establish and amend from time to time Rules and Regulations governing the use thereof; and (c) certain rights and easements reserved and granted to the Condominium Board, Sponsor and other persons, as and to the extent set forth in this Plan, the Condominium Documents and the Condominium Act.

"Residential Unit": The portion of the proposed residential space in the Building comprising one (1) or more of the planned eight (8) Residential Units (including a Sold and Unsold Residential Unit, unless the context expressly provides otherwise) and described as such in EXHIBIT B to the Declaration, together with the Common Interest of each such Unit. Each Residential Unit includes as part of the Unit all equipment, facilities and installations (if any) that are expressly stated to be part of such Unit or are for the exclusive use, service or benefit of such Unit or its Owner and are not expressly stated to be part of the Common Elements or another Unit.

"Residential Unit Owner": The Owner of a Residential Unit or the Owners of two (2) or more Residential Units.

"Selling Agent": Douglas Elliman, 575 Madison Avenue, New York, New York 10022, shall act as the Selling Agent.

"sidewalk cleaning obligations": The obligations imposed by law to keep the adjacent sidewalks clean and free of snow, ice and debris.

"sidewalk repair obligations": The obligations imposed by law to keep the adjacent sidewalks properly maintained and repaired.

"sign", "signs" or **"signage"** or similar words: Each or every kind whatsoever of: sign, inscription or lettering (on doors, windows or elsewhere), banners, flags, awnings, canopies, structures, placards, boards, stanchions and displays used for sales, rental, promotional, advertising, identity, business, operations and/or any other lawful purpose. There is no restriction or limitation whatsoever on the nature, composition, material, design, size, illumination, configuration, fabrication, quality, character, color, appearance or content of signs, unless otherwise expressly provided.

"Sold Unit": A Commercial or Residential Unit(s) that is (are) sold and conveyed to a bona fide Purchaser(s) under this Plan (including a bona fide Purchaser who is buying for personal use or occupancy by the Purchaser or Purchaser's family or an investor who is buying for rental or investment). Generally, a Sold Unit is any Residential or Commercial Unit that is not an Unsold Residential or Commercial Unit.

"Sold Unit Owner": The Owner or Owners of a Sold Residential or Commercial Unit(s), or Sold Unit(s).

"Special Assessments": The amount or amounts assessed by the Condominium Board to pay a portion of the Common Expenses and payable by the Unit Owners in the time and manner determined by the Condominium Board. Special Assessments are Common Charges and may be payable in an amount or amounts and time period other than that applicable to the regular Common Charges, as determined by the Condominium Board. Special Assessments are payable by all Unit Owners pro rata to their respective Common Interests.

"Sponsor": 102-106 Wooster LLC, the offeror of the Units under this Plan.

"Sponsor Board Member": The member or members appointed and designated exclusively by Sponsor (or, after Sponsor no longer owns any Unsold Units, other Unsold Units, if any) to serve as a Board Member or as Board Members and represent the interests of Sponsor and other Unsold Unit Owners on the Condominium Board. There is no restriction or limitation whatsoever on who may serve as a Sponsor Board Member and may be anyone that either has or does not have a family, employment or business relationship or affiliation with Sponsor or other Unsold Unit Owner or a related party to either.

"Sponsor's Rights": Each or every one of the rights, powers, easements, licenses, privileges, exemptions, indemnities, remedies, protections and other benefits of Sponsor in Sections P and Q of this Plan, in any other Sections of this Plan, in any Plan amendment and in the Condominium Documents (as each of the latter may be Amended from time to time in accordance with the applicable provisions of the Declaration or By-Laws). The Sponsor Rights apply to all Units owned by Sponsor or

Sponsor's designee at the time in question, including Sold Units reacquired by Sponsor, or Sponsor's designee, whether such reacquisition results from the exercise of a right of rescission or a right to sell back to Sponsor or a mortgage foreclosure or a deed given in lieu of such foreclosure or otherwise. However, such reacquired Units shall not be regarded as Unsold Units for purposes of determining the Initial Control Period.

"Sponsor Unit": Each or every Unit (including a Residential or Commercial Unit) owned by Sponsor at the time in question.

"structural components": The following components of the Building: foundations, foundation walls, footings and pilings; structural columns, beams, supports, girders and related or similar structural members; load bearing walls (if any); wooden plank sub-floors; and roof(s).

"Unit": Any one or more of the Residential Units or the Commercial Units. A Unit is a portion of the Property owned separately and exclusively by its Owner together with the Common Interest appurtenant to the Unit. Each Owner has exclusive ownership and possession of the Owner's Unit, subject to certain use and occupancy restrictions, and certain rights and easements (including those in favor of the Condominium Board and Sponsor), as and to the extent set forth in this Plan and the Condominium Documents.

"Unit Owner": The Owner of one or more Units.

"Unsold Commercial Unit" or **"Unsold Residential Unit"**: Any Commercial or Residential Unit owned at the time in question by Sponsor or an Unsold Commercial or Residential Unit Owner, respectively.

"Unsold Commercial Unit Owner" or "Unsold Residential Unit Owner": Sponsor and (if applicable) a person designated by Sponsor in writing or a Plan amendment as an Unsold Commercial Unit Owner or Unsold Residential Unit Owner, having, with regard to the Unsold Commercial Unit or Unsold Residential Unit owned by such designated person: (a) all of Sponsor's Rights under this Plan and Plan amendments and (b) all of the rights, powers, easements, licenses, privileges, exemptions, indemnities, remedies, protections and other benefits of Sponsor under the Condominium Documents, but subject in each case to the same limitations and restrictions as Sponsor under the Plan, Plan amendments and the Condominium Documents.

"Unsold Unit": Any Unit or Units (Residential or Commercial) owned at the time in question by an Unsold Unit Owner (regardless of whether such Owner is Sponsor and/or other person). A Sold Unit that is reacquired by Sponsor shall not be regarded as an Unsold Unit for purposes of determining the Initial Control Period. An Unsold Unit shall retain its status and character as an Unsold Unit until: (a) it is no longer owned by Sponsor or an Unsold Unit Owner; (b) it is occupied by its Owner or a family member of the Owner; or (c) it is conveyed to a bona fide Purchaser for personal occupancy (by the Purchaser or a family member of the purchaser) or for rental investment and such Purchaser is not designated as an Unsold Unit Owner.

"Unsold Unit Owner": Sponsor and (if applicable) a person designated by Sponsor in writing or a Plan amendment as an Unsold Unit Owner having, with regard to the Unsold Unit owned by such designated person: (a) all of Sponsor's Rights under this Plan and Plan amendments; and (b) all of the rights, powers, easements, licenses, privileges, exemptions, indemnities, remedies, protections and other benefits of Sponsor under the Condominium Documents, but subject in each case to the same limitations and restrictions as Sponsor under the Plan, Plan amendments and the Condominium Documents.

"use and enjoy", "use and enjoyment" or **"used and enjoyed"** or similar words: This term means and includes existence, use, enjoyment, service, benefit, sale, rental, granting of licenses or concessions, management, control, operation, function, business, signage, market, advertisement, promotion, maintenance, repair, rebuilding, restoration, alteration, health, safety, preservation, welfare, security, protection, appearance or other disposition.

"work" or derivations thereof: All labor performed, and all materials and supplies used, to maintain, repair, alter or perform other Work in or to a Unit or the Common Elements.

"Working Capital Fund": The amounts to be advanced by Sponsor and to be paid to the Condominium Board by Purchasers of Units. The Working Capital Fund is to be applied to pay the Common Expenses (including certain net closing apportionments, if in favor of Sponsor) as set forth in "Section X. Working Capital Fund".

"you", "your" and **"yours"**: As indicated or required by the context: a prospective Purchaser who is given this Plan and any amendments; a Purchaser under a fully executed Purchase Agreement entered into pursuant to this Plan or (after the First Closing) a Unit Owner.

"Zoning Resolution": The Zoning Resolution of The City of New York, effective as of December 15, 1961, as the same has been and hereafter may be amended from time to time.

SECTION C. DESCRIPTION OF THE PROPERTY AND IMPROVEMENTS

The following is a general description of the Property, including the Land, Building, Units and Common Elements, as well as certain facilities and services to be provided at the Condominium. For a more detailed physical description of the Property, see DOCUMENT 4. "Description of Property and Specifications" in Part II of this Plan.

C-1. Location

The Building is located on a parcel of the Land situated about 125 feet of the north corner of Wooster Street and Spring Street, in Manhattan. The Land has a frontage of approximately 75 feet on the east side of Wooster Street.

C-2. The Renovation

C-2.1. Standard of Construction

The Building will be renovated, with new, fully modernized, energy-efficient electrical, mechanical, ventilating, plumbing and telephone systems, suitable for the new quality residential use. The standard of construction will be comparable to, or better than, current prevailing local standards for buildings renovated in the locale of the Building.

C-2.2. Construction Professionals

Sponsor has engaged Li/Saltzman Architects, 62 White Street, New York, New York, as the architect of record, Anthony M. Giudice, P.E., 588 Broadway, New York, New York, as the structural engineer, Lehr Associates, 130 West 30th Street, New York, New York, as the mechanical engineer, and the general contractor is Ryder Construction Inc., 330 West 42nd Street, New York, New York. The construction Plans and Specifications have been prepared by such architect.

C-2.3. Applicable Laws

Construction for the Building, including the individual Units, will be completed substantially in accordance with the Plans and Specifications, the Zoning Resolution, the Building Code of the City of New York and all other applicable governmental requirements.

C-2.4. Construction Changes

Sponsor has the right to amend and change ("construction changes") the Plans and Specifications from time to time. Construction changes include: (a) changes in layout, size and number of Units; (b) changes in design and configuration of the Common Elements; (c) changes in: equipment; appliances; cabinetry; carpentry; countertops; finishings or coverings of walls, ceilings and floors; decorations of Common Elements (including vestibule, corridors, lobbies, hallways, elevator cab and Building entrances); and (d) generally all other materials and construction details. Nevertheless, all construction changes will comply with the following "construction change requirements":

(a) (in the case of changes in materials) the substitute materials must be substantially similar or better in quality and design;

(b) the construction changes must comply with all applicable laws;

(c) the construction changes must be approved by all governmental authorities having jurisdiction and the construction lender (if, when and to the extent required or applicable by law and the provisions of a construction loan mortgage);

and

(d) the construction changes affecting the percentage of Common Interest or adversely affecting the value of a Unit: (i) to which you have closed title, may not be made without your written consent; or (ii) for which you have signed a Purchase Agreement that is still in effect, may not be made unless you consent in writing thereto.

Construction changes may be made without prior notice or amendment. However, this Plan will be amended to disclose material and substantial construction changes as required by the GBL and Part 20 of the Attorney General's regulations.

C-2.5. Construction Schedule

Based on the current schedule, renovation of the Building is targeted to be sufficiently completed to permit the issuance of a temporary or permanent Certificate of Occupancy for the Building in or about the month of July 2000, unless delayed by force majeure. Completion of Residential Units will occur at different times over a period that may begin prior to, and will likely extend beyond, such date.

C-2.6. Target Date for First Closing

The First Closing under this Plan is targeted to occur on or about July 1, 2000, the projected date for the start of Condominium operation under the First Year's Budget (see SCHEDULE B in Section F). You will be given not less than thirty (30) days prior written notice of the date, time and location of your title closing. The title closing notice shall not have been sent until this Plan is declared effective and the Effectiveness Amendment is accepted for filing by the Department of Law.

Sponsor does not represent, assure or guarantee the actual date of First Closing under this Plan or when your title closing will occur or how soon after title closing you will be scheduled to move into your Residential Unit. In the event the First Closing occurs earlier or later than said targeted date or your title closing is scheduled thereafter or is postponed by Sponsor, you shall not be entitled to any Purchase Price reduction, adjustment or credit or otherwise be excused from paying the full amount of the Purchase Price and all closing costs, and otherwise complying with all of your obligations under the Purchase Agreement, without recourse against Sponsor.

However, if the First Closing is not held before the end of the projected first year of Condominium operation as set forth in the First Year's Budget (SCHEDULE B in Section

F), you will be offered the option to rescind the Purchase Agreement and recover your Downpayment and earned interest as your sole right and remedy; provided, however, that you will not be offered, and will not have, the right to rescind if, at such time, the Plan is declared effective and you are in default beyond the applicable grace period under your Purchase Agreement.

After the Effectiveness Amendment is filed by the Department of Law and a temporary or permanent Certificate of Occupancy is issued for the use of the Unit you are buying for the purposes set forth in this Plan, you will be obligated to close title and pay the full Purchase Price. If you enter into the Purchase Agreement before the filing of the Effectiveness Amendment, your title closing will be held on a date fixed by Sponsor on not less than thirty (30) days' prior written notice given after filing of the Effectiveness Amendment. If you are amongst the first Purchasers to close, it is expected that the construction of other Units and portions of the Common Elements will be in progress and certain amenities as well as the furnishings (such as wall and floor finishes and/or coverings and decorations) may be incomplete. These conditions will not excuse you from closing without delay or from paying the full Purchase Price, without reduction, adjustment or credit and without escrowing any monies payable to Sponsor or other recourse against Sponsor.

C-3. Residential and Commercial Units

C-3.1. Number and Sizes

Under current plans, the Building is to contain a total of eight (8) Residential Units on floors numbered two through five. The fifth floor Residential Units will be duplexes, each with two rooftop terraces. The Building will contain a total of eight (8) construction levels, consisting of a cellar, five floors and two roof levels. The Commercial Units will be located on the first floor and in the cellar. Residential Units will range in size from approximately 3,051 square feet to 4,183 square feet. The Commercial Units will be entered from separate street entrances leading to such Unit. The size of Commercial Unit A (the only Commercial Unit now being offered for sale) is approximately 5,000 square feet. All square footages are estimates and approximations based on construction plans and drawings. In accordance with customary practice in New York City, the estimated square footages of Residential and Commercial Units are based on measurements from points behind the walls enclosing the Units and, thus, will exceed their useable floor areas (see footnote (1) to SCHEDULE A in Section E for additional discussion). Sponsor reserves the right to change the size and number of Units as provided in Section I, subsection "I-2 Changes in Unsold Units".

C-3.2. Terraces

The Residential Units on the fifth floor will each have an upper and a lower terrace.

C-3.3. Appliances and Finishes

Each Residential Unit will contain kitchen and bathroom cabinets and sinks, kitchen counter tops, lavatory, bathtub in each full bathroom, a gas cooktop and oven,

dishwasher, refrigerator, clothes washer and dryer and with two (2) water cooled packaged air conditioners in each Unit (except for Units 5S and 5N which will contain three air conditioners). Generally, the flooring of Residential Units will be: wood tongue and groove plank flooring with marble and/or ceramic tiles in the bathrooms. Walls of Residential Units will be wallboard, prime coated and finished with one (1) coat of light colored latex paint of Sponsor's choice, except bathroom walls will have marble, ceramic or glass tile wainscot.

The Residential Units will receive heat and hot water from gas-fired hot water boiler which was installed in 1987. A separate boiler is provided for the Commercial Units which was also installed in 1987.

Furnishings, furniture, appliances not expressly set forth in this Plan, wall, floors or ceiling finishes on coverings, window treatments and all other decorations in or about any sales model or office are for display purposes only and not included in the sale. You, at your sole cost and expense, will be responsible to repaint and repair any damage to your Unit or its contents that might be caused when you move in.

See DOCUMENT 4 "Description of Property and Specifications or Building Condition" for additional details and appliance makers. Sponsor reserves the right to substitute materials and appliances of equal or better quality than those set forth in DOCUMENT 4.

C-3.4. Included in Unit

The following will be part of each Residential Unit and (to the extent applicable) Commercial Unit: terrace (if any) and the doors leading thereto; Unit entrance doors; all windows (including their casements, frames, panes, glass and mechanisms); the tile, wood, carpet and other flooring above the wooden plank subfloors including its terrace, if any; all interior partitions and doors; all appliances, cabinets, countertops, sinks, water closets, lavatories and bathtubs; and the exposed and unexposed electrical, lighting, gas, plumbing, air conditioning units, heating, ventilating, telephone, intercom, cable television and mechanical fixtures, lines, outlets, hardware and related equipment that service only the Unit.

The exterior Building walls, the wooden plank subfloors comprising the floors, ceilings, terraces and the roofing system, all of which enclose or border or are adjacent to a Residential or Commercial Unit, are not part of the Unit and will be part of the Common Elements.

C-3.5. Floor Plans

The floor plans of each Unit (reproduced in DOCUMENT 5 of this Plan) are estimates and approximations of the planned configuration, layout and size of each Residential and Commercial Unit, based on the construction plans and drawings. In accordance with the customary practice in New York City, the estimated dimensions and square footages on the floor plans (DOCUMENT 5) of Residential and Commercial Units are measured to include (i) the outside face perimeter brick masonry walls, (ii) the

unexposed Unit side of walls enclosing the stair and elevator, (iii) the demising wall centerline, (iv) the columns, (v) the centerline of windowed walls and (vi) the Common Elements (such as trash chutes and Building service zones which are divided between the two Units on each floor). If the actual overall size of a Unit is not more than five percent (5%) smaller than its floor plan in DOCUMENT 5, then the inaccuracy shall be considered to be minor and, regardless of any inaccuracies in individual room sizes (whether greater or smaller), you will not be excused from paying the full Purchase Price, without reduction, adjustment or credit or recourse against Sponsor. If you sign the Purchase Agreement after the Unit is sufficiently completed with all boundary walls and interior partitions installed, you will be allowed to inspect the Unit and may not rely upon the Unit's floor plan in DOCUMENT 5 of any other drawings or diagrams. In such case the Unit as actually constructed shall supersede and govern any variation (substantial or otherwise) from any and all floor plans, drawings and diagrams. If such is not the case and the actual overall size of a Unit is more than five percent (5%) smaller than its floor plan in DOCUMENT 5, the Plan will be amended to offer you the right for fifteen (15) days after presentation of the amendment to rescind your Purchase Agreement and recover your Downpayment with any earned interest, which shall be the limit of your remedy and your sole recourse against Sponsor.

Sponsor reserves the right to change the size, layout, configuration and number of Units (see Section I, subsection "I-2 Changes in Unsold Units" for full discussion).

C-3.6. Lot Line Windows

New windows to be installed at the east Building elevation on the north and south extension wings on the second, third and fourth floors are "lot line" windows. There will also be seven (7) south facing lot line windows in Residential Unit 5S. The lot line windows may remain until (but must be closed when) a building on an adjacent parcel is constructed or altered to be within a certain distance from them. An easement granted with respect to certain east Building elevation lot line windows will permit the Unit Owner, at his or her sole cost and expense, to construct of a third bedroom along the east wall of Residential Units 2S, 3S and 4S. The estimated cost to construct such third bedroom will be approximately $10,000.00 to $15,000.00.

The closing of the affected lot line windows would be performed by the Condominium Board as a part of the Common Expenses and, except for the third bedrooms in Residential Units 2S, 3S and 4S, will not affect the legal use of the rooms in which such windows are located. Sponsor is not aware of any planned building construction or alteration that would affect the lot line windows, but cannot, and does not, represent, assure or guarantee the continued existence of any lot line windows.

C-4. Common Elements

C-4.1. Definition

The Common Elements are all portions of the Property (Land and Building), other than the Units, and are owned in common by all Unit Owners (Residential and Commercial). The Common Elements will consist of: (a) the General Common Elements, which are

for the use in common by all Unit Owners, (b) the Residential Limited Common Elements, which are limited or restricted completely or primarily to the use in common by all Residential Unit Owners to the exclusion of the Commercial Unit Owners and (c) the Commercial Limited Common Elements, which are limited or restricted completely or primarily to the use of the Commercial Unit Owners to the exclusion of the Residential Unit Owners. Individual Limited Common Elements, which are portions of the Common Elements limited or restricted completely to the use of a specified Unit Owner (Residential or Commercial) to the exclusion of all other Unit Owners, may be established by Sponsor before or after the First Closing in connection with "Unit Changes" (as defined and provided in Section I, subsection "I-2 Changes in Unsold Units").

The right of Unit Owners or applicable Unit Owners to use the Common Elements are subject and subordinate to: (a) the right of the Condominium Board to determine the use thereof; and (b) the rights and easements reserved and granted to the Condominium Board, Sponsor and other persons, all as and to the extent set forth in this Plan, the Condominium Documents and the Condominium Act.

C-4.2. General Common Elements

The General Common Elements are all areas, equipment, facilities and installations that service or benefit all Units or all Residential and Commercial Units. They will include the Land, all structural components (which includes the Building's exterior walls, roof and wooden plank subfloors and ceilings of Units), the roofing system and the following in the locations indicated: meter room; Building entrance, vestibule, lobby and corridors; and generally all equipment, facilities and installation (including the rooms or areas in which they are housed) that service or benefit both the Residential Units and Commercial Units, or any one (1) or more of each.

The General Common Elements will also include: (a) the ventilating, the elevator, air conditioning (if any), security, fire protection, plumbing, sanitary sewer, storm drainage, electrical, gas, mechanical, domestic water, intercom and telephone equipment, facilities and installations servicing the equipment or areas comprising the General Common Elements or more than one (1) category of Units (i.e., Residential and/or Commercial Units); and all other parts of the Property that will exist for the common use, service or benefit of more than one (1) more category of Units or are necessary or convenient for the use and enjoyment of the Property as a whole and not expressly stated to be part of a Unit, the Residential Limited Common Elements or the Commercial Limited Common Elements.

C-4.3. Residential Limited Common Elements

The Residential Limited Common Elements are all areas, equipment, facilities and installations that service or benefit exclusively or primarily two (2) or more Residential Units. The Residential Limited Common Elements will include: all or those portions (as applicable) of the heating, ventilating, security, fire protection, sprinkler, smoke detector alarm, plumbing, sanitary sewer, refuse chute, storm drainage, electrical, gas, mechanical, domestic water, intercom, telephone, master television antenna (if any) and

cable television equipment, facilities and installations that service only the Residential Units and all other portions of the Building and the equipment, facilities and installations in, under, above or adjacent to the Building (other than those expressly stated to be part of a Unit or the General Common Elements) which are for the exclusive use and enjoyment of only the Residential Units or necessary or convenient for the use and enjoyment of the Residential Units.

C-4.4. Commercial Limited Common Elements

The Commercial Limited Common Elements are all areas, equipment, facilities and installations that service or benefit exclusively or primarily two (2) or more Commercial Units. The Commercial Limited Common Elements will include: all or those portions (as applicable) of the heating, ventilating, security, fire protection, sprinkler, smoke detector alarm, plumbing, sanitary sewer, refuse chute, storm drainage, electrical, gas, mechanical, domestic water, intercom, telephone, master television antenna (if any) and cable television equipment, facilities and installations that service only the Commercial Units and all other portions of the Building and the equipment, facilities and installations in, under, above or adjacent to the Building (other than those expressly stated to be part of a Unit or the General Common Elements) which are for the exclusive use and enjoyment of only the Commercial Units or necessary or convenient for the use and enjoyment of the Commercial Units. The Commercial Limited Common Elements include the roofs directly above the Commercial Units and any skylights or installations on such roof servicing all the Commercial Units and any installations servicing only the Commercial Units.

C-4.5.Individual Commercial Limited Common Elements

The Individual Limited Common Elements include, without limitation, the street entrances (if any) to the Commercial Units and the ceiling plenum between the hung ceiling of a Commercial Unit and the wooden plank subfloor.

C-5. Building Standard Services and Facilities (included in Common Charges payable by Unit Owners)

C-5.1. Common Expenses

The Building is to include the services and facilities listed below in this subsection C-6. All costs and expenses of these services and facilities are part of the Common Expenses to be charged to, and payable by, all Unit Owners (Residential and Commercial) pro rata to their respective Common Interests (which is based, in part, on the amount of Building services and facilities intended to be provided to each category of Units as set forth below). Accordingly, the Common Charges of each Unit is in accordance with the amount of the Common Expenses that is fairly and properly attributable to such Unit.

C-5.2. Security

The doors to the Building's main entrance and elevator entrance will be locked from the outside. Entry by Owners and occupants of Residential Units will be by key. Entry by

visitors will be controlled through a video intercom system which will operate to and from each Residential Unit. Closed circuit cameras will be installed in the entrance lobby and elevator. Each Residential Unit will have a viewing monitor for such system.

C-5.3. Heating and Hot Water

Heat will be provided to the Residential Units and Commercial Units by two separate gas-fired boilers. Hot water will be provided to the Residential Units by two hot water heaters and to the Commercial Units by one hot water heater.

C-5.4. Air Conditioning

Residential Units will each contain two (2) water cooled package air conditioners (except for Residential Units 5N and 5S which will each contain three (3) such units). The Commercial Unit Owners shall each be responsible for providing air conditioning to their Commercial Unit. The Commercial Unit Owners (including the Sponsor) shall have the right to connect their Commercial Units to the water cooling tower on the Building's roof and shall pay their proportionate share of the expenses in connection therewith.

C-5.5. Utilities

Residential and Commercial Units will be provided with the following (unless otherwise expressly stated):

Gas for cooking, fireplaces and dryers will be provided to Residential Units only. The cost of gas will be paid by the Condominium as a Common Expense.

Electricity for power (such as for lighting fixtures and outlets; see DOCUMENT 4 for details). The cost of electricity will be individually metered and payable by you directly to the utility as and when billed.

Local telephone service will be provided by Bell Atlantic or other service provider. To obtain this service, you must arrange with the service provider for connection to its system. The charges for connection and installation (including wiring and outlets to and in the Unit), and monthly use charges, will be individually billed by, and are to be paid by you directly to, the service provider.

Cable television service will be provided to Residential Units only by Time Warner Cable of New York City, Inc. and/or RCN (or other cable company). To obtain this service, you must arrange with the cable companies for connection to their system. The charges for connection and installations, and the monthly use charges, will be individually billed by, and are to be paid by you directly to, the cable company.

Internet Access will be available through an internal computer network. To obtain this service, you must install a network hub at your expense.

C-5.6. Refuse

Refuse is to be deposited by residents in the refuse chute located on floors two (2) through five (5). The chutes will lead directly to a storage container in the cellar level. The Owners, tenants and occupants of the Residential Units shall be permitted to use the refuse chute to dispose of ordinary and non-hazardous waste. Refuse will be stored in the cellar and the visiting superintendent will take it to the curb side for pick-up by the New York City Department of Sanitation.

C-5.7. Mail

Residential Unit Owners will receive mail deposited by the postal authority directly into individual mail boxes for each Residential Unit to be located in a designated area of the Building's lobby.

C-5.8. Packages

The Owners and tenants of Residential and Commercial Units are to make their own separate arrangements for receipt of packages. The part-time superintendent will, if available, accept packages and store them in a package closet.

C-5.9. Elevator Service

Residential Units will be served by one (1) automatic self-service passenger elevator. The Commercial Units will be served by the Building's elevator between the cellar and first floor only. The passenger elevator will be in service from and after the First Closing. Sponsor (and its agents, employees and contractors) shall use the passenger elevator in order to complete construction and outfitting of the Building and Units as well as to fulfill its construction obligations under this Plan and (if applicable) under a Purchase Agreement. However, Sponsor will endeavor to minimize inconveniencing the Owners, tenants and occupants of Residential Units.

C-5.10. Visiting Superintendent

A part-time visiting superintendent is to be engaged generally to clean and maintain the lobby, residential hallways, fire stairs and elevator; to clean and sweep the sidewalks in front of the Building and elevator entrances; remove snow from the sidewalks in front of the Building and elevator entrances; and bring refuse to the sidewalk for pick up by the New York City Department of Sanitation.

C-5.11. Governing Condominium Documents; Changes and Interruptions in Building Services

The foregoing Building services will be governed by, and subject to, the Declaration, By-Laws and the Rules and Regulations (as each may be amended from time to time by the Condominium Board). The Board, Sponsor and Managing Agent will not be responsible for (a) the quality or level of Building services, which is within the discretion of the Condominium Board, but subject to certain rights, benefits and veto powers reserved to Sponsor) or (b) a change, reduction or discontinuance of Building services

(which also is within the discretion of the Condominium Board, but subject to certain rights, benefits and veto powers reserved to Sponsor). However, while the Sponsor Board Members are a majority of the Board Members and at least one (1) Residential Unit is occupied, the Building services set forth in this Plan will not be reduced or eliminated without the consent of a majority of the Independent Board Members. It is noted that from and after the First Closing, a part-time, visiting superintendent will be hired and working to adequately maintain the Building (see Section "A-9" Initial Building Services and Facilities").

Sponsor, Managing Agent and Condominium Board will not be responsible for an interruption in Building services:

(a) in connection with Sponsor's completion of construction or Sponsor's performance of construction obligations under this Plan a Plan amendment or a Purchase Agreement;

(b) caused by force majeure;

or

(c) personal injury or property damage resulting from the acts or omissions of third parties, including persons engaged by the Condominium Board or Sponsor to provide Building services.

The Plan will be amended to disclose an adverse change in a material Building service. Nothing herein will relieve Sponsor of its construction obligations under this Plan nor excuse Sponsor, Managing Agent or the Condominium Board from its own negligence.

SECTION D. LOCATION AND AREA INFORMATION

D-1. Location

The addresses of the Property is 104 Wooster Street, New York, New York 10012. The legal designation of the Property on the New York City land tax map of the County of New York is Block 500, Lot 2. See Section C, subsection "C-1 Location" for the size and location of the Land and Building.

D-2. Area Information

The immediate neighborhood is mixed-use containing residences, restaurants, galleries and boutiques. It is known as a center of the New York art scene and a place where artists can work and live.

The number 6 and F subway stations are located on Spring Street and the N and RR subway station is located at Prince Street.

The City of New York provides services for police, fire, water, sanitation (for Residential Units only) and street snow removal and maintenance. The nearest police station is the First Precinct located at 16 Ericsson Place (approximately 8 blocks away), while the

nearest fire station is Ladder Company No. 8 located at 14 North Moore Street (approximately 10 blocks away). Maintenance of the sidewalks outside the Building entrance and elevator doors will be performed by the Condominium Board as a Common Expense and payable by all Unit Owners pro rata to their respective Common Interests. Nearby hospitals include Bellevue Hospital, Beth Israel Hospital, NYU Medical Center and St. Vincent's Hospital. Various houses of worship are located in the vicinity of the Property.

D-3. Zoning and Exterior Changes

The Property is currently zoned M1-5A under the Zoning Resolution, which permits joint work-live occupancy as set forth below. The intended uses of the Building as described in this Plan will be in compliance with the current requirements of the Zoning Resolution.

The Building is located in the Soho Cast-Iron Historic District section of Manhattan. Any work performed on the facade of the building, any exterior portions of the Property visible to the street, or any interior or other portions of the Property visible to the street, must first be approved by the LPC. The LPC may disapprove of proposed alterations, approve same, or approve alterations subject to certain conditions which may increase the cost of proposed alterations. There may be legal, architectural or engineering costs necessitated by this requirement of the LPC's approval which might not be necessary absent historic district designations. Accordingly, the status of being in an historic district is a general limitation upon the right to alter the facade and external and internal space and a restriction on title.

Under Article 7-B of the MDL and the Zoning Resolution, certification by at least one (1) member of a household as an Artist is necessary in order for a household to qualify for occupancy of joint living-work space in the M1-5A zoning district.

As a consequence of these legal requirements, a joint live-work Unit may be occupied only by households that include at least one (1) Artist. The acceptance by Sponsor from any person of a signed Purchase Agreement or Downpayment shall not be deemed a representation or warranty by Sponsor that any joint live-work Unit Purchaser meets the legal requirements necessary to qualify for occupancy of its Unit and nothing contained in this Plan shall be deemed a representation or warranty by Sponsor concerning the DCA's artist certification procedures or any related laws, rules and regulations as they presently exist or may exist in the future.

SECTION E. OFFERING PRICES AND RELATED INFORMATION

Schedule "A"

SCHEDULE OF OFFERING PRICES AND OTHER FINANCIAL DETAILS OF THE FIRST YEAR OF OPERATION (1)

Unit (2)	Number of Bedrooms and Baths (3)	Approx. Total Area (4)	Offering Price (5)	Common Interest (6)	Common Charges (7)		Real Estate Taxes (8)		Post - Completion Real Estate Taxes (9)		Total Carrying Charges (10)	
					Monthly	Annual	Monthly	Annual	Monthly	Annual	Monthly	Annual
Residential Units												
2N	3/3	3,093	$2,750,000	8.14%	$934.10	$11,209.25	$778.78	$9,008.38	$1,586.17	$19,776.50	$1,712.88	$20,217.63
2S	2/3	3,167	2,850,000	8.34%	957.06	11,484.66	797.92	9,229.71	1,625.15	20,262.41	1,754.98	20,714.37
3N	3/3	3,093	2,950,000	8.14%	934.10	11,209.25	778.78	9,008.38	1,586.17	19,776.50	1,712.88	20,217.63
3S	2/3	3,167	2,950,000	8.34%	957.06	11,484.66	797.92	9,229.71	1,625.15	20,262.41	1,754.98	20,714.37
4N	3/3	3,051	3,150,000	8.03%	921.48	11,057.78	768.26	8,886.64	1,564.74	19,509.25	1,689.74	19,944.42
4S	2/3	3,142	3,150,000	8.00%	918.04	11,016.47	765.39	8,853.44	1,558.89	19,436.37	1,683.43	19,869.91
5N	4/4 - T	4,074	6,950,000	14.70%	1686.90	20,242.75	1,406.40	16,268.20	2,864.46	35,714.32	3,093.30	36,510.95
5S	3/4 - T	4,183	7,250,000	14.90%	1709.85	20,518.18	1,425.55	16,489.54	2,903.44	36,200.24	3,135.40	37,007.72
Totals for Residential Units		26,970	$32,000,000	78.59%	$9,018.59	$108,223.00	$7,519.00	$86,974.00	$15,314.17	$190,938.00	$16,537.59	$195,197.00
Commercial Units												
A	-	6,000	$7,400,000	11.02%	$891.18	$10,694.19	$1,153.77	$12,195.60	$4,136.79	$89,578.03	$2,044.95	$22,889.79
B	-	2,800	--	7.10%	574.17	6,890.08	743.35	7,857.42	2,665.26	57,713.62	1,317.52	14,747.50
C	-	5,000	--	3.29%	266.06	3,192.73	344.46	3,640.98	1,235.03	26,743.35	610.52	6,833.71
Totals for Commercial Units		13,800	$7,400,000	21.41%	$1,731.41	$20,777.00	$2,241.58	$23,694.00	$8,037.08	$174,035.00	$3,972.99	$44,471.00
	GRAND TOTAL	40,770	$39,400,000	100.00%	$10,750.00	$129,000.00	$9,760.58	$110,668.00	$23,351.25	$364,973.00	$20,510.58	$239,668.00

Footnotes to SCHEDULE A

Legend: "T"-Terrace

(1) The amounts shown in Schedule "A" for Common Charges, Real Estate Taxes and Total Carrying Charges are for the projected first year of Condominium operation beginning on the date of the First Closing. The Sponsor anticipates that such first year will commence on July 1, 2000, however, no representation or warranty is given that the First Closing will actually occur on or about that date.

(2) The numbered designation of the Units refers to the designation shown on the floor plans which may be found in Part II of this Plan as a part of DOCUMENT 5. A total of eight (8) Residential Units and one (1) Commercial Unit are being offered for sale under this Plan, subject to the right of Sponsor to change the number of Units offered for sale (see Section I, subsection "I-2, Changes in Unsold Units").

(3) The number of bedrooms and bathrooms in each Residential Unit are set forth. Each of the Residential Units on the fifth floor will have an upper and a lower terrace.

(4) Each Unit's floor area was computed by Sponsor's architect from the construction floor plans and drawings and are estimates and approximations, with an allowance of plus or minus five percent (5%). Floor plans of the planned configuration, layout and approximate size of each Unit are reproduced in DOCUMENT 5 of this Plan. The floor plans and any other diagram you may be shown, and all dimensions and square footages noted thereon are only approximations and estimates based on the construction floor plans. In accordance with customary practice in New York City, the estimated dimensions and floor area of each Residential and Commercial Unit is measured to include (i) the outside face perimeter brick masonry walls, (ii) the unexposed Unit side of walls enclosing the stair and elevator, (iii) to the demising wall centerline, (iv) the columns, (v) the centerline of windowed walls and (vi) Common Elements (such as trash chutes and Building service zones which are divided between the two Units on each floor) and, thus, will exceed the Unit's useable floor area. The actual dimensions, configuration and fenestration (collectively, "unit layout") of a Unit may differ from its floor plan due to: (a) changes required by the New York City Department of Buildings or other government authorities having jurisdiction; (b) necessitated by site or other construction conditions; (c) resulting from normal construction allowances and variances; and (d) varied masonry bearing wall thicknesses. You will not be excused from your obligations under the Purchase Agreement to pay the full Purchase Price and all Closing costs, without reduction, adjustment or credit or recourse against Sponsor: (a) in the event of a minor inaccuracy in a Unit's size as shown on its floor plan in DOCUMENT 5 (or any other drawing or diagram) or (b) if the Unit is sufficiently completed (with all boundary walls and interior partitions installed) and available for inspection before you sign a Purchase Agreement, in which case the Unit as actually constructed shall supersede and govern any variation, substantial or otherwise, from any and all floor plans, drawings and diagrams.

An inaccuracy shall be counted as minor if the actual overall size of a Unit is not more than five percent (5%) smaller than its estimated approximate floor area in DOCUMENT 5, regardless of any inaccuracies in individual room sizes (whether greater or smaller). If the inaccuracy is greater than five percent (5%) and the Unit is not sufficiently completed and available for inspection when you sign the Purchase Agreement, the Plan will be amended to offer you the right for fifteen (15) days after presentation of the amendment to rescind and recover your Downpayment with any earned interest, which shall be the limit of your remedy and your sole recourse against Sponsor. Sponsor reserves the right to make changes in unit layout (see Section I, subsection "I-2 Changes in Unsold Units"). The floor area set forth in Schedule A only includes the interior floor area of each Unit. Units 5N and 5S shall each include as a part of such Units an upper and lower terrace. The terraces for Unit 5N shall have approximately 1,128 square feet and the terraces for Unit 5S shall have approximately 1,135 square feet.

(5) The asking prices and other terms of sale for Units not under contract are negotiable and may be changed by Sponsor from time to time in accordance with See Section I, subsection "I-1. Changes in Prices". As a result, you may purchase on less favorable terms (including price) than other Purchasers for similar Units.

In addition to the Purchase Price, you will pay various Closing costs (see full discussion in "Section O. Unit Closing Costs and Adjustments"). Further, if you fail to Close on the date scheduled for Closing in accordance with your Purchase Agreement, you will be required to reimburse Sponsor for certain losses and expenses (see Section O, subsection "O-1.3 Delinquency Closing Costs").

(6) In accordance with Section 339-i (1)(iv) of the Condominium Act, the Common Interest of each Unit in the Common Elements has been determined based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of the Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit.

(7) These projections are based upon the projections contained in "Projected Budget for First Year of Condominium Operation - Schedule B" (set forth in Section F below), which were made based on the assumption that the first year of Condominium Operation will be from on or about July 1, 2000 to June 30, 2001. The actual first year of operation may be earlier or later. In the event the actual or anticipated commencement date of the first year of Condominium operation is to be delayed by six (6) months or more, Sponsor will amend the Plan to include a revised budget with current projections. If the projected Common Charges in the revised budget exceeds those in this budget by twenty-five percent (25%) or more, the amendment will include an offer allowing you (if at the time you are not in default beyond any applicable grace period and the Plan has been declared effective) the right for fifteen (15) days following the presentation of the amendment to rescind your Purchase Agreement and recover your Downpayment with any earned interest.

As discussed in Section A, subsection "A-9 Initial Building Services and Facilities", the Common Charges payable by the Unit Owners will reflect the level of Building services and facilities being provided from time to time and initially may be less than those projected in the First Year's Budget (SCHEDULE B in Section F), which are based on the estimated costs to provide all Building services and facilities when the Building is fully or substantially occupied. However, from and after the First Closing, a part-time visiting superintendent will be hired and working to adequately clean and to maintain the Building for the level of occupancy at any given time.

It is impossible to predict whether there will be an interim period of reduced Common Charges or the amounts of the Common Charges that will be payable during such period. These determinations will depend, in part, upon the timing of the completion of construction of various areas of the Building, the sequence in which such construction is performed, the rate at which the various Units become occupied, the sequence in which such occupancy takes place and other similar factors.

The estimated Common Charges do not include the following Unit ownership expenses that you will pay separately: (a) utility company bills for electricity supplied to your Residential Unit; (b) mortgage payments for any loan obtained to purchase the Unit; (c) costs to paint, clean, repair and maintain the interior of your Unit (including its appliances and other equipment); (d) premiums for any insurance you may wish to obtain to insure your furniture, belongings and other personal property against loss from fire or other casualty or to insure against claims for personal injury or property damage arising from incidents in your Unit (these matters will not be covered under the insurance maintained by the Condominium Board); (e) charges for telephone service, data services and any cable television you may install; and (f) parking charges for any car garaged near the Property.

(8) The amounts shown reflect the estimated amount of real estate taxes, on a monthly and annual basis, payable by each Residential Unit Owner during the first year of Condominium operation, based upon projections prepared by Stephen E. McArdle, 317 Madison Avenue, New York, New York, summarized as follows.

2000/2001		
	Actual Assessed Value (Residential Units and Commercial Units)	$1,323,000.00
	Transitional Value	1,107,900.00
	Tax Rate (Class II)	X 9.989%
	Annual Real Estate Tax Residential	$ 86,974.00
	Annual Real Estate Tax Commercial	$ 23,694.00

Annual Real Estate Tax Payable by Residential Units and Commercial Units during First Year of Operation	$ 110,668.00

Pursuant to Article 18 of the Real Property Assessment Tax Law, real estate taxes are based on the lower of the actual value or transitional value. In the case of the Premises, the 2000/2001 real estate taxes will be based upon the transitional value which is lower than the actual value.

Using the 2000/2001 amount noted above, the total projected real estate tax for the first year of Condominium operation would be $110,668.00. The projected real estate taxes payable by each Unit Owner are based upon the applicable Common Interest multiplied by the aggregate projected real estate taxes payable by all Unit Owners noted above, and does not include any potential effect upon the assessed valuation of a particular Unit due to improvements which a Unit Owner may elect to make to his or her Unit and which may result in a change in the assessed valuation of such Unit.

The Condominium Board and Sponsor will not apportion real estate taxes for the entire Property at the First Closing. Instead, real estate taxes will be apportioned between Sponsor and each Purchaser as each Unit closes title. See "Section O. Unit Closing Costs and Adjustments" for further details. Until the Units are separately assessed and billed, the real estate taxes will be included in the Common Charges payable by all Unit Owners. In such case, the Condominium Board shall apportion said real estate taxes as follows: 78.59% to all Residential Units and 21.41% to all Commercial Units, which is in accordance with their approximate relative values for tax assessment purposes as estimated by Stephen E. McArdle. The real estate taxes for all Residential and Commercial Units will then be further apportioned as to each Unit in the same category of Units in the proportion that the initial offering price of each Residential or Commercial Unit in SCHEDULE A bears to the total initial offering prices of all Residential or Commercial Units, respectively, in SCHEDULE A.

If at the time you close title your Unit is not separately assessed and billed for real estate taxes by the taxing authority, then you and Sponsor will apportion real estate taxes in accordance with the foregoing formula (see Section O, subsection "O-2. Closing Apportionments" for full discussion). After your Unit is separately assessed and billed for real estate taxes, you and Sponsor will adjust post-Closing any overpayment or underpayment of real estate taxes apportioned at Closing. The adjustment shall be based on the product of:

(a) the taxable assessed valuation of the Property at your Title Closing;

<u>multiplied by</u>

(b) the ratio that the initial actual separate assessed valuation of your Residential or Commercial Unit (as applicable) bears to the aggregate initial actual separate assessed valuations of all Residential and Commercial Units;

multiplied by

(c) the tax rate applicable to the Unit at your Closing.

In addition, as to any real estate taxes collected by the Condominium Board as part of the Common Charges before the Units are separately assessed and billed, the Condominium Board and all Unit Owners will similarly adjust (based on the formula described above, except the tax rate applicable to the Property during the period real estate taxes are paid by the Condominium Board shall be used) any overpayments or underpayments of such real estate taxes promptly after the Units are separately assessed and billed. Any underpayment owing to the Condominium Board will be regarded as Common Charges and, if not paid, will entitle the Condominium Board to all the rights and remedies in the case of non-payment of Common Charges. Any overpayment to the Condominium Board will be credited against (that is, reduce) the next due payments of Common Charges or (at the sole option of the Condominium Board) refunded to you.

In the case of such post-closing adjustment with Sponsor, you shall pay Sponsor the amount of any underpayment, and Sponsor shall pay you the amount of any overpayment, in real estate taxes apportioned at Closing (as applicable). Such payment is to be made within fifteen (15) days after either party sends to the other a written calculation of the amount due. Failure to make such payment within the required fifteen (15) day period will obligate the delinquent party to reimburse the other party for lost opportunity of earnings during the period of delinquency at the annual rate of ten percent (10%) plus the costs and expenses of collection.

At such time as the Units are separately assessed and billed, your Unit will be taxed as a separate Unit for real estate tax purposes and you will not be responsible for the payment of, nor will your Unit be subject to, any lien arising from the non-payment of real estate taxes on any other Units.

No representation, assurance or guaranty is given that:

(a) any projected or estimated amount set forth above (including: the estimates of the Property's assessed valuations during the first year of Condominium Operation; the estimates of the portions of such assessed valuations that will be allocable to the Units; the projections of the real estate tax rates that will be in effect during such first year;

(b) the New York City Real Estate Tax Assessment Bureau will allocate the Property's aggregate assessed valuation among the Units in accordance with their values, or that such Bureau will allocate the aggregate assessed valuation attributable to the Units among the different Units as described above;

or

(c) any of the projections or estimates made above and in SCHEDULE A are accurate.

Notably, actual Purchase Prices of Units will likely vary from their initial asking prices and are the truer indication of value that may be used by the taxing authority as one of the indicia in determining each Unit's assessed valuation. Such allocation is to be established by the City taxing authority in the proportion that each Unit's assessed valuation bears to the assessed valuation of the entire Property as determined by the taxing authority.

Under State law, increases in a property's assessed value due to: (a) improvements are to be fully reflected in the following fiscal tax year; or (b) changes in its market value are to be phased in over five (5) years in equal annual increments of twenty percent (20%). Any further increase in the assessed value during such five (5) year period resulting from a still higher market value is to be similarly phased in over an additional five (5) year period from the date of such increase. The full increased assessed value targeted to be paid at the end of five (5) years is called the "actual assessed valuation" and the amount of such assessed value on which taxes are computed each year is called the "transitional assessed valuation".

If the assessed valuation of a Residential Unit is $40,000.00 or less, the real estate taxes on such Residential Unit may be paid quarterly in advance beginning on July 1st of each year. Once a Residential Unit's assessed valuation exceeds $40,000.00, the real estate taxes will be due in semi-annual installments in advance on July 1st (for six (6) month period from July through December) and January 1st (for the six (6) month period from January through June).

In the opinion of Mandel Resnik & Kaiser P.C., Sponsor's counsel, if you buy a Residential Unit and itemize deductions, you may, under the income tax laws in effect as of the date of this Plan, deduct from your income, for Federal, New York State and New York City income tax purposes: (a) real estate taxes assessed against your Residential Unit and paid or incurred by you and (b) interest paid or incurred by you on any mortgage indebtedness incurred to acquire, construct or substantially improve your Residential Unit and which is secured by your Residential Unit; provided that: (aa) the Residential Unit constitutes a "qualified residence", as defined below; (bb) your deduction may be limited to the extent that interest paid or accrued on the aforesaid indebtedness, when added to your other indebtedness incurred with respect to each "qualified residence", exceeds certain limits (described below) set forth in Section 163(h) of the IRC; and (cc) your deduction may further be limited under certain other circumstances described in "Section V. Opinion of Counsel". However, the amount of such deductions may vary from year to year due to changes in the amount of the real estate taxes payable by the Unit Owner (which might result from changes in the assessed valuation of the Unit, the tax rate and/or the manner of assessing real property).

A "qualified residence" generally means (i) the Residential Unit Owner's "principal residence" and (ii) one other residence, which is selected by the Residential Unit Owner for the taxable year and, if such residence is rented at any time during the taxable year, such residence must be used for such owner's "personal purposes" for a number of days which exceeds the greater of fourteen (14) days or ten percent (10%) of the

number of days during which such residence is rented at fair rental (see Internal Revenue Code Section 280A). Section 163(h), which concerns the deduction of home mortgage interest, limits the deduction of interest paid or accrued on (i) indebtedness incurred to acquire, construct or substantially improve "qualified residences", and which is secured by such residences, to interest paid or accrued on $1,000,000.00 of such indebtedness $500,000.00 in the case of a married individual filing a separate return), and (ii) indebtedness other than that set forth in clause (i) above, which is secured by "qualified residences", to the lesser of interest paid or accrued on $100,000.00 of such indebtedness (or $50,000.00 in the case of a married individual filing a separate return) or on the amount of such indebtedness, when added to the indebtedness described in clause (i) above with respect to each "qualified residence", equals the fair market value of such "qualified residence". See "Section V. Opinions of Counsel" for full discussion.

You may also be entitled to an investment tax credit referred to herein as the Historic Tax Credit to the extent you use the Unit for business purposes and provided that certain other conditions are satisfied. See "Section U-2. Historic Tax Credit" and "Section V. Opinions of Counsel" for full discussion.

You may also be eligible for a reduction in real estate taxes pursuant to the cooperative/condominium tax abatement program established by the City of New York. In order to obtain reduction, the condominium, on behalf of the Unit Owners, must file an application with the City of New York and meet certain eligibility requirements. The program is currently in effect for the 1999/2000 and 2000/2001 tax years and it may or may not be extended in future tax years.

(9) The amounts shown reflect the estimated amount of real estate taxes, on a monthly and annual basis, payable by each Unit Owner assuming tax assessment following completion of the Improvements. These amounts will most likely not be assessed until at least the 2001/2002 tax year, and are based upon projections prepared by Stephen E. McArdle, summarized as follows.

2001/2002	Actual Assessed Value of Residential Units (based upon 100% completion of the Improvements)	$1,742,138.00
	Tax Rate (Class II)	X 10.960%
	Annual Residential Real Estate Tax	$ 190,938.00
	Actual Assessed Value of Commercial Units (based upon 100% completion of Improvements)	$1,725,000.00
	Tax Rate (Class IV)	X 10.089%
	Annual Commercial Real Estate Tax	$ 174,035.00

Annual Real Estate Taxes Payable by Residential Units and Commercial Units (based upon 100% completion of Improvements)	$ 364,973.00

Pursuant to Article 18 of the Real Property Assessment Tax Law, real estate taxes are based on the lower of the actual value or transitional value. The projected post-completion real estate taxes will be based upon the actual value.

Using the projected actual valuation and estimated tax rate noted above, the total projected annual post-completion real estate taxes would be $364,973.00. The projected real estate taxes payable by each Unit Owner are based upon the applicable Common Interest multiplied by the aggregate projected real estate taxes payable by all Unit Owners noted above, and does not include any potential effect upon the assessed valuation of a particular Unit due to improvements which a Unit Owner may elect to make to his or her Unit and which may result in a change in the assessed valuation of such Unit.

The foregoing projections are not guaranteed. The real estate taxes for future years will vary in accordance with the tax rate and each Unit's assessed valuation. There is no representation, guarantee or assurance that the New York City taxing authority will allocate taxes among Units in proportion to their respective Common Interests. If they are not so allocated, Unit Owners having the same Common Interests may be required to pay different amounts of real estate taxes. In addition, no representation, warranty or assurance is given as to the amount of the assessed valuation of the Building, any Unit, the applicable tax rate in effect for any future tax year or the amount of real estate taxes which will be due with respect to a Unit.

(10) The amounts of the projected monthly and annual carrying charges reflect the projected Common Charges and real estate taxes payable (on a monthly and an annual basis) with respect to each Unit for the projected first year of Condominium operation. Carrying charges will vary in the future as Common Charges and real estate taxes vary. Projected carrying charges do not include costs for which each Unit Owner shall be separately responsible, including, by way of example, the costs of electricity, cable television service, fire insurance covering personal property and fixtures within the Unit, liability insurance, and the cost of repairs, maintenance and decorating incurred with respect to a Unit. Each Unit Owner shall also be responsible for payment of principal and interest to a lender if the Unit Owner has elected to finance any portion of the Purchase Price.

SECTION F. BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION

SCHEDULE B

Budget of Projected Receipts and Expenses of Operations For the 12 Months Projected to Begin July 1, 2000

Projected Receipts:

First Year's Common Charges (1):

8	Residential Units	$108,223.00
3	Commercial Units	20,777.00
	Total Projected Receipts:	$129,000.00

Projected Expenses (2):

Labor (3)	$14,903.00
Heating, Hot Water and Cooking (Gas) (4)	26,722.00
Electricity (5)	14,845.00
Water Charge and Sewer Rent (6)	11,189.00
Repairs, Maintenance and Supplies (7)	6,000.00
Service Contracts (8)	13,550.00
Insurance (9)	15,500.00
Management Fee (10)	12,000.00
Legal and Audit Fees (11)	3,500.00
Other Expenses (12)	1,000.00
Administrative Expenses (13)	1,500.00
Reserves for Facade Maintenance (14)	3,000.00
Contingencies (15)	5,291.20
Total Projected Expenses:	$129,000.00

Footnotes to "Budget of Projected Receipts and Expenses of Operations For the 12 Months Projected to Begin July 1, 2000":

1. **First Year's Projected Common Charges $129,000.00**

8	Residential Units	$108,223.00
3	Commercial Units	20,777.00

All amounts are projections for the first twelve (12) months of Condominium Operation, which is assumed (for budget purposes) to begin on July 1, 2000, the projected date of First Closing under this Plan. The actual first year of Condominium Operation may being earlier or later.

In the event the actual commencement date of the first year of Condominium operation is six (6) months or more later than the projected July 1, 2000 date of the First Closing, the Plan will be amended to include a revised Budget disclosing then current Budget projections. If the projected Common Charges in the revised Budget exceed the earlier projections by twenty-five percent (25%) or more, the amendment will offer you the right to rescind your Purchase Agreement and recover your Downpayment.

The Projected Receipts do not include any interest or investment income that may be received by the Condominium Board from investment of the Working Capital Fund, which will be established in increments at and after the First Closing. It is expected that all or part of the Working Capital Fund will be expended during the first or subsequent years of Condominium Operation and/or applied for cash flow purposes to cover (for example) unevenness in receipts or expenses. Accordingly, such interest or investment income is not expected to be significant. For this reason, and for the further reason that such interest or investment income does not reflect normally anticipated income from operations, no interest or investment income (if any) from investment of the Working Capital Fund has been included in this Budget. Nevertheless, any interest or investment income earned on the Working Capital Fund (after deducting income taxes based thereon) will be available to pay the Common Expenses.

The Common Charges are the amounts payable by all Unit Owners to pay the projected Common Expenses and are assessed against all Unit Owners pro rata to their respective Common Interests. The Common Interest of each Unit (Residential and Commercial) is based, in part, on the portion of the Common Expenses fairly and properly attributable to such Unit, giving consideration to the availability of the Common Elements for exclusive or shared use and the Building services and facilities to be provided to, and used by, each category of Units.

Commercial Unit Common Charges represent the estimated Commercial Unit contributions to the Common Expenses of the Building. Because the Commercial Units typically use a disproportionately smaller amount of Common

Elements than Residential Units, Commercial Unit Common Charges are typically lower than Common Charges for Residential Units of similar size.

There are three designated Commercial Units in the Building, with a combined percentage ownership of twenty-one and 41/100 percent (21.41%). Many of the items on the Budget do not pertain to specific systems in the Building, and the associated costs for these items can therefore be divided along percentage ownership lines. These elements are:

Labor
Repairs, Maintenance & Supplies
Insurance
Management Fees
Legal Fees and Audit Fees
Administrative Expenses
Other Expenses (Permits, Fees, Taxes & Licenses)
Reserves for Future Facade Maintenance
Contingency

For all of the above common elements the Commercial Units will be responsible for their entire twenty-one and 41/100 percent (21.41%) of ownership.

For gas, the Commercial Units will share the heating and hot water systems, but will have no use of domestic cooking gas. Therefore, the Commercial Units will only be responsible for fifteen percent (15%) of these costs.

For electricity, most of the common electric usage will not benefit the Commercial Units at all (elevators, public hallway and stairwell lighting and air conditioning systems). They will, however, enjoy some benefits (electric in common basement areas, and pumps and machinery for the heating and hot water systems). For these minor electric benefits, the Commercial Units will be responsible for only five percent (5%) of the total common electric costs.

For water and sewer charges, the Commercial Units will have no water usage for bathing, however a variety of usage levels is possible depending on the type of business which occupies each Commercial Unit. Since the water will NOT be separately metered for the Commercial Units, they will be charged fifteen percent (15%) of the total water usage in the Building.

For service contracts, the Commercial Units will receive no benefits from the telephone/internet line service to the Residential Units. They will, however, be responsible for their full share of their Common Interest for the remaining items: cooling tower (which also services the heating system and is therefore common to the Commercial Units as well as the Residential Units), elevator, alarm and sprinkler systems, exterminating and water tower treatments.

In the opinion of Andrews Building Corporation ("Andrews"), the estimated amount of each Budget item of Common Expenses and the portion thereof payable by the Commercial Units appear reasonable and adequate under existing circumstances to meet the reasonably anticipated Common Expenses fairly attributable to the Commercial Units. However, Sponsor and Andrews cannot, and do not, represent, assure or guarantee the actual amount of the Common Expenses (which may be higher or lower than the estimates in this Budget). Further, Sponsor and Andrews cannot, and do not, assure or guarantee the actual amounts of the Common Expenses that are fairly attributable to the Commercial Units, which may vary from their estimates in this Budget.

BUDGET FORECASTS ARE INHERENTLY UNCERTAIN AS OPERATING EXPENSES WILL BE AFFECTED BY MANY AND VARIABLE FACTORS AS WELL AS UNFORESEEABLE EVENTS. THE PROJECTED EXPENSES IN THIS BUDGET ARE GOOD FAITH ESTIMATES, BUT CANNOT BE, AND ARE NOT, ASSURED OR GUARANTEED. IN ALL LIKELIHOOD, THE ACTUAL EXPENSES WILL VARY FROM THEIR ESTIMATES.

IF THE TOTAL ACTUAL EXPENSES ARE HIGHER THAN PROJECTED, THEN THE COMMON CHARGES WILL INCREASE TO PAY THE SHORTFALL. COMMON CHARGES OF UNIT OWNERS ARE THE SOLE SOURCE OF RECEIPTS AVAILABLE TO PAY THE PROJECTED EXPENSES IN THIS FIRST YEAR'S BUDGET.

2. <u>First Year's Projected Expenses $129,000.00</u>

All expenses are projections for the first twelve (12) months of Condominium Operation, which is assumed (for budget purposes) will begin July 1, 2000, the projected date of First Closing under the Plan. The actual first year of operation may being earlier or later.

The projected expenses in this Budget are based mostly on: (a) estimates of reasonably anticipated costs or operation for the Budget Year under existing circumstances and (b) the assumption that present trends and conditions, to the extent applicable, will continue. Certain of the estimated expenses (where indicated below) are based on proposals, but are not binding or guaranteed. This Budget has been reviewed and certified to be adequate by Andrews (see DOCUMENT 10C of this Plan).

Before First Closing, Sponsor has reserved the right, from time-to-time, to enter into, modify, renew and replace service, maintenance, employment, concessionaire and other agreements and insurance policies that will be binding on the Condominium Board after the First Closing. However, the Plan will be amended to disclose the terms of any service or maintenance contract not set forth in this Budget that would materially increase the first year's projected Common Charges or is for a term in excess of two (2) years.

3. **Labor $14,903.00 (Residential $11,922.00; Commercial $2,981.00)**

The Building staff will consist of a part-time (approximately twenty (20) hours per week at a rate of $12.00 per hour), visiting non-union superintendent. The labor charges include payroll taxes, unemployment insurance, vacation pay and worker's compensation. The charges do not provide for sick days, holidays or health insurance benefits.

The projected wages, benefits and payroll-related expenses of the superintendent/porter are estimated by Andrews as follows and are based on a work week of twenty (20) hours:

Wages (including vacation)	$12,960.00
F.I.C.A. (7.65% of gross wages)	991.00
Federal and State Unemployment	362.00
Worker's Compensation	551.00
Disability	39.00
Projected Total For Budget Year	$14,903.00

The services to be provided by such superintendent will include: (a) clean and sweep the sidewalk in front of the Building entrance and elevator doors; (b) bring refuse to the sidewalk for pickup by the New York City Department of Sanitation; (c) clean and maintain the lobby area, hallways, fire stairs and elevator; (d) minor repairs to Common Elements (when needed); and (e) remove snow from sidewalk in front of the Building entrance and elevator doors.

4. **Heating, Hot Water and Appliances (Gas) $26,722.00 (Residential $22,714.00; Commercial $4,008.00)**

The heating plant for the Residential Units will consist of one pre-existing gas fired, 1,404,000 btu/hr boiler manufactured by Burnham. The boiler is in good condition, and should continue to operate for approximately fifteen (15) years. Hot water will be supplied to the Residential Units by two new hot water heaters. The Commercial Units will have a separate boiler for their heating and hot water needs. The annual costs for comparable buildings in the area which use gas for heating and hot water have fluctuated between $8,000.00 to $18,000.00 over the last three (3) years. Gas is also provided to the Residential Units for cooking, dryers and fireplaces and cost for such usage is estimated to be $1,500.00 per year.

Information regarding expected gas usage was provided by Lehr Associates, 130 West 30th Street, New York, NY 10001. They are the current consulting engineers for the Building's rehabilitation project.

The estimated cost of gas is based upon a rate of $11.82 for the first 3.0 therms, plus $0.784 for each additional therm, a field adjustment of $0.03 per therm, 12%

sales tax and a 2% escalation factor. The actual cost of gas will depend on the level of consumption and the gas rate. Consumption will be affected by various and unpredictable factors, including the severity of the weather and conservation measures (such as staggering the hours of heating), if any, adopted by the Condominium Board. The gas rates also will be affected by numerous, unpredictable variables that impact on energy prices. Gas rates and energy prices fluctuate and are regarded as volatile and inherently uncertain.

5. **Electricity $14,845.00 (Residential $14,103.00; Commercial $742.00)**

Electricity covers electric services to the elevator machinery, pumps and fans, as well as usage in halls, entrances and other Common Elements. Common electric charges for this Building will also include an air conditioning cooling tower located on the roof. Similar condominiums in the area with comparable systems have had electric expenses of between $8,000.00 - $14,000.00 per year over the last three (3) years.

Each Residential Unit Owner and Commercial Unit Owner will separately pay directly to the utility for the Unit's electric consumption, as measured by the Unit's individual meters. Electricity is provided to these Units for lighting and power.

The cost of electricity is based upon a basic charge of $7.43 per month, plus $0.01225 per kilowatt hour for the first 250 kilowatt hours, $0.013138 per kilowatt hour for each additional kilowatt hour, 12% sales tax and a 2% escalation factor. The actual cost of electric will depend on the level of consumption and the electric rate. Consumption will be affected by various and unpredictable factors, including the severity of the weather and conservation measures, if any, adopted by the Condominium Board. The electric rates also will be affected by numerous, unpredictable variables that impact on energy prices. Electric rates and energy prices fluctuate and are regarded as volatile and inherently uncertain.

Information regarding expected electricity usage was provided by Lehr Associates.

6. **Water Charges and Sewer Rents $11,189.00 (Residential $9,511.00; Commercial $1,678.00)**

Water and sewer services are provided to the Residential and Commercial Units (for domestic hot and cold water, and sanitary sewerage) and certain areas of the Common Elements (such as the cooling tower, sprinklers and portions of the fire safety system).

Water service to the Units and Common Elements are not separately metered. The budgeted figure is based upon a water and sewer formula which considers estimated number of families and plumbing fixtures (such as tubs, toilets and washing machines) that are in each Residential and/or Commercial Unit, number of floors in the Building and street frontage. Water and sewer charges for a metered building are assessed by the City of New York based on the actual

amount of usage. There will be only one water meter for the entire Building, measuring usage for the Residential and Commercial Units of the Building combined.

The City of New York currently charges $1.25 per hundred cubic feet of water (approximately 748 gallons). Charges for waste water and storm sewer service are billed at 159% of water charges. The budget item for water & sewer is computed on the projected consumption of 2,700,000 gallons during the first year of operation. The estimates set forth herein assume a 2% escalation factor.

The number listed above includes expected peak demand for water by the cooling tower on the roof over the summer months. This cooling tower usage causes the expected water consumption to be somewhat higher than other buildings of comparable size.

Information regarding expected water usage was provided by Lehr Associates.

The actual level of water and sewer services will depend, in part, on the level of water consumption and the rates and formula for these services set by the City of New York. Consumption will largely be affected by the amount water usage in the individual Residential and Commercial Units.

7. **Maintenance, Repairs and Supplies $6,000.00 (Residential $4,800.00; Commercial $1,200.00)**

The Condominium Board is to provide for maintenance, repairs and supplies to: the Common Elements, including the lobby, corridors, hallways, roof, elevator, intercom, ironworks and other areas as well as systems, equipment and facilities comprising the Common Elements. Each Residential and Commercial Unit Owner is responsible to pay and perform or provide for any needed or desired repairs (other than structural repairs), maintenance and supplies for the Owner's Unit and the Unit's equipment and facilities (including: appliances; bathroom and kitchen sinks; toilet; and related hardware), as well as Unit painting and decorations.

This projection is an estimate of the reasonably anticipated costs of general, routine maintenance and repairs of a rehabilitated Building of this size and character, and includes an estimated $1,500.00 for janitorial supplies, for the projected Budget Year under existing circumstances and assumes present trends and conditions, to the extent applicable, will continue.

8. Service Contracts $13,550.00 (Residential $11,740.00; Commercial $1,810.00)

At or prior to the First Closing, Sponsor will enter the following service and maintenance contracts which will be binding on the Condominium Board and Unit Owners and will be paid by Unit Owners as part of the Common Expenses:

Air Conditioning/ Cooling Tower:	$2,500.00
Alarm and Sprinkler Systems:	$1,250.00
Elevator:	$3,600.00
Exterminating:	$ 900.00
Telephone/Internet Line:	$1,800.00
Water Tower (treatments):	$3,500.00

All estimates are drawn from the following sources:

Air Conditioning/Cooling Tower and Water Tower estimates provided by Mechanical Cooling, Inc., 531 West 49th Street, New York, NY 10019.

Alarm and Sprinkler Systems estimate provided by ADT Security Services, Inc., P.O. Box 18389, Newark, NJ 07191

Elevator estimate provided by Robert Elevator Company, 34-11 11th Street, Long Island City, NY 11356.

Exterminating estimate provided by Eddie's Pestfree, Inc., 48 Farmingdale Avenue, Bloomfield, NJ 07003.

Telephone/Internet Line estimate was provided by Bell Atlantic, 1095 Avenue of the Americas, New York, NY.

9. Insurance $15,500.00 (Residential $12,400.00; Commercial $3,100.00)

This budget item is based on: (a) the following insurance coverages recommended by Owens Group, Inc. in a letter dated May 14, 1999; and (b) the estimated premiums for such coverages for the projected Budget Year, which allows a five percent (5%) increase above the premiums applicable on May 14, 1999.

General Coverage	Amount
Real Property Building - includes All Risk, Replacement Cost/Agreed Value, No Co-Insurance, $2,500.00 Deductible	$5,000,000.00
Loss of Business Income/Extra Expense	Actual Loss
Earthquake ($25,000.00 deductible)	$1,000,000.00

Flood ($25,000.00 deductible)	$1,000,000.00
Commercial Liability	
General Aggregate	$2,000,000.00
Each Occurrence	$1,000,000.00
Personal & Advertising Injury	$1,000,000.00
Water Damage & Legal Liability	Included
Non-Owned Automobile	$1,000,000.00
Directors & Officers Liability	
Limit	$1,000,000.00
Deductible	$ 1,000.00
Retention	-1%
Managing Agent's Rider	Included
Employee Dishonesty	
Limit	$ 250,000.00
Deductible	$ 1,000.00
Managing Agent's Rider	Included
Boiler & Machinery	
Limit	$5,000,000.00
Comprehensive Form	Included
Deductible	$ 1,000.00
Business Income/Extra Expense	Included
Deductible	12 Hrs.

At the First Closing, Sponsor will deliver to the Condominium Board, at the expense of the Condominium Board (payable by Unit Owners as part of the Common Expenses), policies or binders for the insurance coverage set forth above in favor of the Condominium Board. The actual cost of such coverage will depend on the premiums in effect at the First Closing. In past years, insurance premiums have fluctuated substantially. The direction and amount of future premiums cannot be predicted.

The All Risk coverage limit is based upon an agreed amount replacement cost for the Building. The insurance policy will include a provision known as an "agreed amount replacement cost endorsement" whereby the insurance carrier agrees to reimburse the insured for losses up to the full amount of the policy regardless of the actual replacement value of the Building. This clause has the effect or waiving any co-insurance the insurer might otherwise require. This clause does not mean that the Condominium Board would necessarily receive sufficient proceeds to actually fully rebuild or restore the Building in the event of its substantial or total destruction. The Condominium Board should periodically review the amount of casualty insurance for the Building to insure that the amount of coverage is sufficient.

The fire, casualty and liability policies will provide that each Unit Owner is an additional insured and that there will be no cancellation without notice to the Condominium Board, Unit Owners and Permitted Mortgagees who have requested such notice in writing. The policy will waive subrogation, invalidity because of the acts of the insured and Unit Owners and any pro-rata reduction if Unit Owners obtain additional coverage.

Each Residential and Commercial Unit Owner should consider the desirability of obtaining additional insurance at the Owner's own cost for the following coverage, which is not included in the above coverage:

(a) fire or casualty losses to the contents of the Owner's Unit, including any replacement, additions, improvements and upgraded equipment and installations (that is, other than those installed by Sponsor); and

(b) liability for personal injury or property damage as a result of occurrences in or on the Owner's Unit including water damage legal liability to cover damage arising from leaks or other conditions within or on the Unit.

10. **Management Fee $12,000.00 (Residential $9,600.00; Commercial $2,400.00)**

This budget expense item is based on the proposed management agreement with Andrews Building Corporation. Such proposal is for an initial term of one (1) year, starting on the date of First Closing, at an annual fee of $12,000.00, payable in equal monthly installments. The agreement shall be renewed each year unless it is cancelled by the Condominium Board upon giving not less than thirty (30) days' prior written notice to the Managing Agent.

In addition to the management fee:

(a) the Managing Agent will be reimbursed certain costs and expenses (such as postage for mass mailings);

(b) the Managing Agent will receive commissions for placing insurance maintained by the Condominium Board and for renting space (if any) in the Common Elements, if authorized and retained for such purpose by the Condominium Board (NOTE: no such rentable space is contemplated or available);

and

(c) the Managing Agent will receive fees from Owners of Sold Residential and Commercial Units in connection with the following Unit services:

(i) $500.00 for processing a sale or conveyance of a Sold Unit that is not exempt from the "Right of First Refusal" of the Condominium Board;

(ii) $350.00 for processing a lease or rental of a Sold Unit that is not exempt from the "Right of First Refusal" of the Condominium Board;

and

(iii) $150.00 in connection with any application for an appraisal or mortgage refinancing.

See Section Y of the Plan for a more complete summary of the provisions of the management agreement.

The management fee is fixed for the first twelve (12) months of the Condominium Operation. Thereafter, the fee is negotiable and subject to change. The fee is the prevailing rate for management services in residential cooperatives or condominiums comparable to this Building.

NOTE: Sponsor does not represent, assure or guarantee that the management agreement will remain in effect for the entire one (1) year term. In the event the Condominium Board or the Managing Agent exercises the option to cancel the agreement, then a new management agreement at a market rate fee will have to be negotiated with another agent chosen by the Condominium Board. In such event, the new management fee may be higher and may cause Common Charges to increase accordingly.

11. Legal and Audit Fees $3,500.00 (Residential $2,800.00; Commercial $700.00)

The Condominium Board will incur auditing fees in connection with the preparation of the Condominium association's first year's audited financial statements and its Federal, State and City income or franchise tax returns. No accountant has been engaged for these services as of this writing. The projection is based on an estimate of $2,500.00 for preparing the Condominium's certified annual financial statements and its Federal, State and City income or franchise tax returns. Legal fees of $1,000.00 have been set aside, both to engage counsel on a retainer and to cover miscellaneous legal matters which may arise during the first year of operation.

12. Other Expenses $1,000.00 (Residential $800.00; Commercial $200.00)

The budget expense item is to pay for licenses and permits such as elevator inspection. The budgeted amount is also to provide a fund for other potential miscellaneous expenses not provided in other budget items and possible interest (if any) payable by the Condominium Board to Sponsor under a promissory note for the net amount of the closing apportionments, if in favor of Sponsor (see Section O, subsection "O-3. Closing Apportionments Between Sponsor and Condominium Board").

This projection is an estimate of the reasonably anticipated customary miscellaneous expenses of the Condominium Board for the projected Budget Year under existing circumstances and assumes present trends and conditions, to the extent applicable, will continue.

13. **Administrative Expenses $1,500.00 (Residential $1,200.00; Commercial $300.00)**

Administrative costs cover photocopying, faxing and postage, as well as messenger services as required. Bank fees and charges are also included.

14. **Reserves for Facade Maintenance $3,000.00 (Residential $2,400.00; Commercial $600.00)**

The Building is located in a designated Historic District in the borough of Manhattan. As such, it is required that its appearance be maintained to a higher standard than buildings located in non-historically designated neighborhoods. Therefore, $3,000.00 per year will be set aside in reserve to comply with potential future facade maintenance needs in order to meet the requirements of both city and federal landmark's preservation standards.

15. **Contingency $5,291.00 (Residential $4,233.00; Commercial $1,058.00)**

This budget expense item is to provide a fund for unanticipated contingencies before or during the first year of Condominium operation, including an allowance for a possible increase in one (1) or more expense items in this Budget and/or to add to this Budget one (1) or more new expense items. Should there be expenses incurred by the Condominium with respect to installment payments made to the Sponsor for closing adjustments or tax payments owed by the Condominium to a governmental entity, such payments will be taken from this fund. There can be no assurance that such fund will be sufficient to pay for major capital repairs or replacement items which may be needed within the first five (5) years of the Condominium's operation. If additional funds are required over and above these funds, it may be necessary to increase Common Charges or separately assess all unit owners.

This projection is an estimate of the reasonably anticipated customary contingency expenses of the Condominium Board for the projected Budget Year under existing circumstances and assumes present trends and conditions, to the extent applicable, will continue.

SECTION G. OPINION OF REALTOR ON COMPLIANCE WITH REAL PROPERTY LAW SECTION 339-i(1)(iv)

ANDREWS
BUILDING
CORPORATION

666 Broadway
New York, NY 10012
Tel: (212) 529-5688
Fax: (212) 529-7987

COMPLIANCE WITH SECTION 339 (i)(1)(iv)

February 29, 2000

New York State Department of Law
Real Estate Financing Bureau
120 Broadway, 23rd Floor
New York, NY 10271

Re: *104 Wooster Street Condominium*
102-106 Wooster Street
New York, New York

Gentlemen:

I have reviewed the percentage of common interest allocated to each Unit as shown on Schedule A, for inclusion in the above referenced Offering plan for the subject property, which has been prepared by the Sponsor of 104 Wooster Street Condominium. In accordance with Section 339-i (1)(iv) of the Condominium Act, the percentage interest in the Common Elements allocated to each Unit has been determined upon the floor space, subject to the location of such space and the additional factors of relative value to other space in the condominium, the uniqueness of the unit, the availability of common elements for exclusive or shared use, and the overall dimensions of the particular unit.

In my opinion, therefore, the Condominium Plan and the allocation of percentage interest in the Common Elements in the Land and Building at 102-106 Wooster Street, New York, New York, attributable to each Unit conforms to Section 339-i (1)(iv) of the New York Real Property Law.

Andrews Building Corporation is a licensed real estate brokerage and management firm. I have had extensive experience in the preparation of Offering Plans as well as the sale of Condominium Units. I therefore believe I have sufficient qualifications, knowledge, and expertise to write this opinion.

I have no financial or other beneficial interest in Sponsor; I will not participate in the profits derived from this Condominium conversion; and I am not the Selling Agent for the Sponsor.

You have advised me of your intention to incorporate this letter in the Plan, and I hereby consent to such inclusion.

Very Truly Yours,
ANDREWS BUILDING CORP.

By: Eugene Andrews, Pres.

Sworn to Before Me this
29 day of February, 2000

Notary Public

STEPHEN D. KESSLER
Notary Public, State of New York
No. [illegible]
Qualified in New York County
Term Expires December 31, 20[illegible]

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SECTION H. COMMERCIAL UNITS

H-1. Use

There are three (3) Commercial Units. Sold Commercial Units may only be used in accordance and compliance with the Condominium Documents and applicable law.

The use of the Sold Commercial Units shall not be subject to the approval of the Board or Sold Unit Owners, but shall be subject to the approval of Sponsor or (after Sponsor no longer owns any Unsold Unit) other Unsold Unit Owners, if any. However, the Owners, tenants and occupants of Sold Commercial Units shall not be subject to the approval of the Board, other Unit Owners, Sponsor or Unsold Unit Owners.

Sold and Unsold Commercial Units shall only be used for commercial purposes and shall not be used for any "Prohibited Uses", namely, any use that would: (a) impair or unreasonably threaten the structural components or the structural integrity of the Building, or the material health or safety of the Owners or permitted tenants or occupants of Units; (b) violate applicable laws; (c) be an unreasonable and unauthorized annoyance or nuisance to the Owners or permitted tenants or occupants of Units or an unreasonable and unauthorized interference with the peaceful possession or proper use of the Units or Common Elements as permitted or stated in the Condominium Documents (as each may be duly amended from time to time); or (d) result in the cancellation, or increase the rate or premium, of insurance maintained by the Condominium Board.

Unsold Commercial Units may be used as models, offices for the sale, rental, promotion, operation or management of Unsold Units and any other lawful purpose (other than Prohibited Uses). Nonetheless, such permitted uses of the Unsold Commercial Units may be noisy, emit odors, involve heavy traffic and need not be compatible with the primary use of the Building for residential dwelling purposes. The Condominium Board and the Sold Unit Owners will not have the right to approve the use or any changes in the use or tenants or occupants operation of, the Unsold Commercial Units, or any portions thereof.

H-2. Common Charges

The share of the Common Expenses payable by each Commercial Unit Owner shall be pro rata to the Unit's Common Interest, which is based, in part, on the Common Elements (i.e., the Building's services and facilities) intended for the use, service and benefit of the Commercial Units, and gives due consideration to those Common Elements intended for the special or exclusive use or availability, or exclusive control, service or benefit, of only the Residential Units. Accordingly, the Common Charges payable by each Commercial Unit Owner shall be sufficient to cover the Common Expenses fairly and properly attributable to such Owner's Commercial Unit.

H-3. Changes in Size and Number

A Sold Commercial Unit Owner shall have the same rights and shall be subject to all of the same restrictions and requirements applicable to a Sold Residential Unit Owner to subdivide or make other changes in the size or number of the Owner's Commercial Unit as set forth in the Declaration and By-Laws. Sponsor (or other Unsold Commercial Unit Owner) shall have the right to make "Unit Changes" to Unsold Commercial Units in accordance with the "Terms of Unit Changes", as the quoted terms are defined and provided below in Section I, subsections "I-3. Rights of Unsold Unit Owner" and "I-4. Terms of Unit Changes".

H-4. Sale or Lease

The sale or lease of a Sold Commercial Unit shall not be subject to the Right of First Refusal in favor of the Condominium Board; however, the lease is required to expressly provide that the Sold Commercial Unit shall be used for commercial purposes, and for no other purpose, in compliance with applicable law and shall not be used for any Prohibited Uses (which shall be expressly enumerated in the lease).

Unsold Commercial Units (whether owned by Sponsor or other persons) may be sold and leased freely and without consent, payment or restriction (including without being offered to the Board pursuant to its Right of First Refusal and without restriction; except that no Unsold Commercial Units may be used or leased for any Prohibited Uses. The permitted uses of Unsold Commercial Units may be noisy, emit odors, involve heavy traffic and need not be compatible with the primary use of the Building for residential dwelling purposes.

The Condominium Board and other Sold and Unsold Unit Owners (including Sponsor) shall not have the right to approve the Owner, tenants or occupants of a Sold Commercial Unit or the rental or lease term (which is not required to be one (1) year or more as in the case of Sold Residential Units).

H-5. Other Rights and Obligations

A Sold Commercial Unit, at the Owner's sole cost and expense, shall have the right, subject to obtaining the reasonable approval of the Board, to install a sign on the exterior of the Building identifying the name(s) of the Owner, tenants and/or occupants of the Sold Commercial Unit and the nature of the business(s) conducted therein (the existing signage and flagpoles for the current commercial tenants shall be deemed approved by the Board). The Board shall have the right to reasonably approve the size, design, material, color, appearance, location and installation of the sign and to require the Commercial Unit Owner, before installing the sign, to enter into an Alteration Agreement or other agreement (in form and content prepared and approved by the Board and its attorney and/or Managing Agent) relating to the performance of the work to install, maintain, repair and remove the sign and containing such indemnities and other provisions as the Board shall reasonably require. The Sold Commercial Unit Owner, at its sole cost and expense, shall be obligated: (a) to maintain and repair any

sign it installs; (b) to remove such sign upon the sale of its Commercial Unit or to install a new sign to reflect any change in the identity; (c) to repair all damage to the Building caused by such installation or removal so as to restore the affected area to the condition existing immediately prior thereto; and (d) to indemnify the Condominium Board and all Unit Owners from and against all claims and liabilities and expenses arising in connection with the installation or removal of such sign or signs. The Sold Commercial Unit Owners shall have the right to install holiday decorations on the mezzanine fire escape so long as such installation shall not violate any governmental law or regulation.

All other rights and obligations of a Sold Commercial Unit Owner, apart from those expressly set forth in this Section H, shall be generally the same as those applicable to a Sold Residential Unit Owner. Sponsor (and other Unsold Commercial Unit Owners, if any) shall have all of the same Sponsor Rights as to its Unsold Commercial Units as are applicable to Unsold Residential Units, as set forth in this Plan and the Declaration and By-Laws.

SECTION I. CHANGES IN PRICES AND UNITS

I-1. Changes In Prices

I-1.1. General Changes in Price and Purchase Terms

Sponsor reserves the right from time to time before and after the First Closing to change the asking prices and other purchase terms of Units, without prior notice and without consent of the Board, any Purchaser, Unit Owner or mortgagee, in accordance with the following: (a) asking prices may be decreased on an individually negotiated basis without amendment; (b) the Plan shall be amended to increase the asking price of any Unit or to increase or decrease asking prices "across the board" for one (1) or more lines or types of Units or to advertise changes in asking prices or changes in other purchase terms, and (c) the escrow and other terms of the Purchase Agreement shall comply with (and may not be changed in violation of) Part 20 of the Attorney General's Regulations. Apart from the foregoing, asking prices and other purchase terms of one (1) or more Units not then under contract may be changed by Sponsor without prior notice or amendment to the Plan.

I-1.2. Prices and Other Terms Are Negotiable

Sponsor may negotiate asking prices and other purchase terms of Units not under contract on an individual basis, but is not required to sell any Unit at a price or on terms more favorable than those stated in this Plan or an amendment. As a result, you may purchase a Unit on less favorable terms (including price) than those offered or given to prospective, existing or future Purchasers of similar Units.

After you enter into a Purchase Agreement: (a) you will not benefit from a better price or other purchase terms that might be offered or given to other prospective, existing or future Purchasers and (b) you may not cancel the Purchase Agreement and you will have no legal recourse whatsoever against Sponsor by reason of your not being offered or given such better price or other purchase terms.

The following lists some of the typical terms that purchasers generally negotiate: the Purchase Price; the amount of the Downpayment; the right to cancel the Purchase Agreement and recover the Downpayment if a Purchaser is unable to obtain financing or close by a specified date; the Closing Date and the minimum period required to fix a new Closing Date following an adjournment; free upgraded appliances, fixtures or equipment; free alterations, additions or other improvements to the Unit; waiver of Closing costs and/or penalties for Closing late; longer time periods to pay or perform obligations under the Purchase Agreement; elimination of "time of the essence" provisions; Sponsor financing (which must be disclosed in the Plan or an amendment); paying Purchaser's lender to buy down the interest rate; Purchase Price or Common Charge rebates or a buy-back (which must be secured by a letter of credit or other security); Sponsor paying or guaranteeing Common Charges and/or real estate taxes for a given period; allowances or credits against the Purchase Price for decorations, rent paid under an interim lease for the Unit or otherwise; rent abatements or reductions

under an interim lease for the Unit; consent to harboring pets, or combining two Units, or incorporating a portion of an adjacent hallway in the Unit, or installing or upgrading certain appliances or fixtures; and giving a Purchaser the benefit of any more favorable terms offered or given to another Purchaser. You are not limited to this list and may negotiate for anything that meets your needs or desires.

Nothing in this subsection will excuse Sponsor from complying with the requirements of Article 23-A of the General Business Law or Part 20 of the Regulations issued by the Department of Law of the State of New York. In addition, Sponsor is not permitted to modify a Purchase Agreement to waive Sponsor's obligations or representations in the Plan or to reduce or abridge any rights you might have under said Article 23-A.

I-2. Changes In Unsold Units

In order to meet the possible demand for Units of different sizes and/or configurations, or to meet particular requirements of Purchasers or prospective Purchasers, or for any other reason, Sponsor reserves the right from time to time before and after the First Closing to change the layout, entrance, number and size of Unsold Units (collectively, "Unit Changes" and individually, "Unit Change"). The size or number of Unsold Units may be changed: (a) by subdividing an Unsold Unit ("Unit Subdivision") and establishing new boundary walls separating the Units established on such Unit Subdivision or (b) by combining all or portions of two or more Unsold Units ("Unit Combination") and incorporating walls, floors, ceilings or other portions of the Common Elements (where entire Units are combined into one (1) Unit) or to establish new boundary walls, floors and/or ceiling or other portions of the Common Elements (where portions of Units are combined). In connection with any such unit change, Sponsor shall have the right, freely and without consent, payment or restriction, to revise the Declaration and Floor Plans (if not yet recorded and filed) and to duly execute and record an amendment to the Declaration and to duly file an amendment to the Floor Plans whereby the newly established boundary walls, floors and/or ceilings of Units involved in a unit change are made part of the Common Elements and/or the incorporated portions of the Common Elements (e.g., hallways, walls, floors, ceilings or other space) bordering or adjacent to or within an Unsold Unit are made part of such Unit and/or (at Sponsor's option) an Individual Limited Common Element appurtenant thereto.

The Plan will be amended to disclose a change in the size, number or Common Interest of an Unsold Unit.

In the event the size or number of Unsold Units is changed, the Common Interest of each affected Unsold Unit will be appropriately increased, decreased or apportioned by Sponsor in accordance with the Condominium Act, except that the Common Interest will not be modified because the size of an Unsold Unit is increased by incorporating a portion of the Common Elements after the First Closing. If the size of an Unsold Unit is significantly increased by incorporating a portion of the Common Elements prior to the First Closing, the Plan will be amended to appropriately increase the Common Interest of such Unit and to appropriately decrease the Common Interests of all other Units in

accordance with the formula used in this Plan to determine the Common Interests, if and to the extent required by the Condominium Act. The Plan will also be amended to correct the Common Interest of any Unit or Units in order to comply with the Condominium Act. Your rights in connection with these changes are discussed herein below.

In the case of a change in the size, number or Common Interest of any Unsold Unit after the First Closing, Sponsor will amend the Plan to disclose such change and also will execute and duly record and file an amendment to the Declaration and Floor Plans to reflect such change to the extent required by the Condominium Act. The amendment to the Declaration and Floor Plans may be made unilaterally by Sponsor, without the consent or execution thereof by the Condominium Board, other Unit Owners, Unit mortgage lenders or Purchasers. However, the aggregate Common Interests of all affected Unsold Units will remain the same and the Common Interests of all Units (including those being changed) must always add up to one hundred percent (100%).

All of these Unit Changes may be made by Sponsor freely and without consent, payment or restriction, other than those stated in this Section I. Accordingly, the Condominium Board, Unit Owners, Unit mortgage lenders and Purchasers will not have the right to approve these changes or to impose any work rules, charges or fees in connection with performing these changes. However, Sponsor will make these changes in compliance with all applicable laws and the other applicable work requirements set forth in the Declaration.

In addition, no such change will prevent legal access by a neighboring Unit to fire exits or elevator or interfere with any systems (such as electric, heating, plumbing, air conditioning (if any), ventilation, telephone, cable television or intercom) servicing any other Unit without such Unit Owner's prior written consent. Any Common Elements so incorporated in an Unsold Unit will be used exclusively by the Owner of such Unsold Unit and such Owner's successors.

No material change will be made in the size or quality of the Common Elements except by amendment to the Plan and, when applicable, the Condominium Documents. No material change will be made to the entrance, size or layout of your Residential or Commercial Unit, nor may the Unit's Common Interest be materially increased, after you sign and deliver a Purchase Agreement to Sponsor or its Selling Agent (if any), unless required to comply with the Condominium Act or you consent thereto or your Purchase Agreement was previously canceled and is then no longer in effect. After you close title, your Unit's Common Interest may not be changed without your prior written consent. In the event of material increase in your Unit's Common Interest prior to title closing or a material change is made in the size, or a material adverse change is made in the quality, of the Common Elements, the Plan will be amended to offer you, if you are not then in default under your Purchase Agreement beyond the applicable grace period and the Plan has been declared effective, a right, for fifteen (15) days following the presentation of such amendment, to rescind the Purchase Agreement and recover your Downpayment with any earned interest. Such right of rescission will be your sole remedy and recourse and in no event shall you be entitled to any Purchase Price reduction, adjustment or credit by reason thereof. If you are given possession of the

Residential or Commercial Unit under an interim lease or occupancy agreement, your election to rescind will result in the automatic cancellation of such interim lease or occupancy agreement effective thirty (30) days thereafter, at which time you, your family and all other occupants must surrender vacant possession of the Unit to Sponsor, free of all tenants and occupants. Promptly following such surrender of vacant possession of the Unit to Sponsor, your Downpayment and any earned interest thereon will be refunded to you.

I-3. Rights of An Unsold Unit Owner

An Owner of an Unsold Unit (Residential or Commercial) will have all of Sponsor's Rights with respect to such Owner's Unsold Unit(s) under this Plan (including this Section I), the Declaration and By Laws, but subject to all of the same restrictions and limitations imposed on Sponsor.

I-4. Terms of Unit Changes

All of the following "Terms of Unit Changes" apply to each and every Unit Change by Sponsor (as to Unsold Units) and (where applicable) to permitted Unit Changes made by Sold Unit Owners:

(a) each Unit Change of Unsold Units may be made freely and without consent, payment or restriction (i.e., (i) without the approval or consent of the Condominium Board, other Unit Owners or Unit mortgage lenders; (ii) without complying with any regulations, rules or other requirements of the Condominium Board for alterations or changes to Units; (iii) without paying any kind whatsoever of fee or other charge of the Condominium Board or its Managing Agent or attorneys or other professional; and (iv) without the plans or specifications of the proposed Unit Change being submitted to, or reviewed by, the Condominium Board or an architect, engineer or other professional chosen by the Condominium Board), other than those requirements expressly stated herein;

(b) a Unit Change incorporating or otherwise affecting the Common Elements shall be reflected in an amendment to the Declaration and/or Floor Plans, if and to the extent required by the Condominium Act;

(c) each Unit Change shall be performed in compliance with all applicable laws and the other applicable work requirements set forth in the Declaration;

(d) a Unit Change shall not: (i) prevent legal access by another Unit Owner to fire exits or the elevator or to the street or (ii) unreasonably impair or interfere with any equipment servicing another Unit;

(e) Intentionally Omitted;

(f) the Condominium Documents shall be amended to subdivide a Unit or to combine a Unit with all or part of another Unit;

(g) the Owner of a Unit involved in a Unit Subdivision or Unit Combination, at the sole cost and expense of such Owner, shall prepare and duly sign and acknowledge the required amendment to the Declaration and an architect or engineer selected by such Owner shall prepare, certify and duly sign and (if required by the Condominium Act) seal the required amendment to the Condominium's Floor Plans;

(h) these amendments to the Condominium Documents may be made: (i) in the case of Sponsor or other Unsold Unit Owner, without approval or consent of the Condominium Board and without the execution thereof by the members or officers of the Condominium Board; or (ii) in the case of a Sold Unit Owner, subject to the reasonable approval of the Condominium Board and the execution thereof by the members or officers of the Condominium Board;

(i) in the case of a Unit Subdivision: (i) the applicable Unit Owner shall apportion the Common Interest of the original Unit among the Units ("New Units") established on the Unit Subdivision in accordance with the Condominium Act (subject to the reasonable approval of the Condominium Board in the case of a Sold Unit, but not an Unsold Unit) and (ii) the total of the Common Interests of the New Units must equal exactly the Common Interest of the original Unit being subdivided;

(j) in the case of Unit Combination: (i) where entire Units are combined into a single Unit, the Common Interest of the resulting combined Unit shall equal exactly the total of the Common Interests of all Units involved in such Unit Combination or (ii) where a portion of a Unit ("Divided Unit") is combined with another Unit: (aa) the Common Interest of the original Divided Unit shall be apportioned by its Owner between the remaining portion of the Divided Unit and the resulting combined Unit in accordance with the Condominium Act (subject to the reasonable approval of the Condominium Board in the case of a Sold Unit, but not an Unsold Unit) and (bb) the total of the Common Interests of the remaining portion of the Divided Unit and resulting combined Unit shall equal exactly the total of the Common Interests of the original Units involved in such Unit Combination;

and

(k) in each case, the required amendment to the Declaration shall reflect a Unit Subdivision or a Unit Combination and the resulting changes in Common Interests.

SECTION J. INTERIM LEASES

J-1. Sponsor's Right and Purchaser's Obligation to Lease Units

At the time you sign a Purchase Agreement for a Residential or Commercial Unit, Sponsor reserves the right to rent such Unit to you under an "interim lease" (see following subsection "J-2. Terms of Interim Lease" for summary of its provisions). However, Sponsor is not obligated: to rent you the Unit, or to permit you prior to Closing to decorate, alter, repair or occupy the Unit or store your furniture or belongings in the Unit.

While your Purchase Agreement for a Residential or Commercial Unit is in effect, Sponsor may not rent or lease your Unit to anyone other than you. If you are allowed to rent the Unit, no portion of the rent paid under the interim lease will be credited to the Purchase Price of the Unit unless the lease and Purchase Agreement for the Unit shall expressly so provide.

J-2. Terms of Interim Lease

If Sponsor elects to rent the Residential or Commercial Unit to you, your interim lease will be on Sponsor's standard form for the type of Unit, and will include the following provisions (among others):

Rent Amount: The rent will be in an amount mutually agreed to by you and the Sponsor.

NOTE: The rent is not subject to any laws regulating rent.

Rent Payment: The rent will be payable monthly in advance on the first day of each month.

Rent Apportionments: If the interim lease does not begin on the first day of a month or end on the last day of a month, the first or last monthly payment, respectively, will be appropriately apportioned as of the end of the preceding day for the actual number of days of such month.

Lease Period Begins and Ends: The interim lease and your obligation to pay rent will begin on: (a) the date agreed to by you and Sponsor and will continue on a month-to-month basis thereafter until expiration on the date set for Closing specified in, or by Sponsor in accordance with, your Purchase Agreement or (b) the thirtieth day after you are given written notice of Sponsor's election to abandon or withdraw this Plan, whichever is applicable, unless sooner terminated because of the cancellation of the Purchase Agreement for your uncured default or a right of termination or other reason. In the event of abandonment or withdrawal of the Plan or the cancellation of the Purchase Agreement, your lease, occupancy and rights of use and occupancy will end: (a) thirty (30) days after notice is given of such abandonment or withdrawal or your permitted termination of the Purchase Agreement or (b) immediately upon cancellation by Sponsor based on your uncured default.

NOTE: The interim lease is not subject to any laws protecting your occupancy or possession nor laws allowing you to renew or extend your lease after expiration.

Cross Default Provision: A default under your Purchase Agreement which is not cured within the thirty (30) day grace period following the giving of notice of default, is a default under the interim lease permitting Sponsor to cancel your interim lease on the date ("Cancellation Date") cancellation of your Purchase Agreement becomes effective, without any further opportunity by you to cure the default under your Purchase Agreement. On the cancellation date, you, your family and all occupants will be required to vacate and surrender possession of the Unit and remove all personal furniture, belongings and other personal property therefrom.

Similarly, a default under your interim lease resulting in a court order or judgment of eviction or your vacating the Unit, is a default under your Purchase Agreement permitting Sponsor to cancel the Purchase Agreement and retain your Downpayment and any earned interest thereon, without any further opportunity by you to cure the lease default.

Termination of Purchase Agreement: If you are given the right to terminate the Purchase Agreement (whether pursuant to an offer to rescind contained in an amendment or a right to terminate under the mortgage contingency or other provision of the Purchase Agreement or otherwise), your exercise of such right of termination shall result in the automatic termination of the interim lease. In such event, you, your family and all other occupants will be obligated to vacate and surrender vacant possession of the Unit and to remove all personal furniture, belongings and possessions within thirty (30) days thereafter. Promptly after the Unit is so vacated and surrendered, your Downpayment will be refunded and any earned interest thereon will be sent to you within approximately thirty (30) days thereafter.

Costs and Expenses: In the event you are obligated to vacate and surrender vacant possession of the Unit (whether following an uncured default under the lease, or the mentioned cross default provision, or your permitted termination of the Purchase Agreement or otherwise) and fail to timely do so, you will be obligated to reimburse Sponsor for all liabilities and expenses of Sponsor to recover possession of the Unit.

J-3. Procedure

Sponsor alone has the option to rent you the Residential or Commercial Unit at the time you are to enter into the Purchase Agreement. If Sponsor exercises this option, the interim lease must be signed by you and returned together with the Purchase Agreement and your checks for the Downpayment, the first month's rent and a security deposit of one (1) month's rent.

If you fail to comply or you and Sponsor do not agree upon any of the lease provisions (including the rent amount or the date the lease period is to begin), Sponsor has the absolute right and discretion to reject your Purchase Agreement and return your Downpayment, without interest.

If Sponsor chooses not to permit you to rent or occupy the Unit prior to Closing, you may not require Sponsor to do otherwise and may not cancel your Purchase Agreement or recover your Downpayment based thereon.

J-4. Non-Purchasers

Sponsor reserves the right from time to time before and after the First Closing, without notice or amendment to the Plan, freely and without consent, payment or restriction, to rent or lease any Unsold Unit not under contract to non-Purchasers on such terms (including rent and lease period) and to such renters as Sponsor may determine (in its sole and absolute discretion). Accordingly, you may be purchasing a Unit that has been previously occupied. However, unless otherwise specifically agreed to in writing by you and Sponsor, such Unit will be delivered to you at Closing vacant and free and clear of all leases, tenancies and rights of occupancy.

SECTION K. PROCEDURE TO PURCHASE

K-1. Purchase Agreement and Downpayment

To purchase a Residential or Commercial Unit, you must properly complete, sign, have notarized (where applicable) and deliver to the Sponsor at the office stated on the cover page of this Plan or the Building's sales office (if any):

(a) your personal collectible check for the Downpayment of fifteen percent (15%) of the Purchase Price if your Purchase Agreement is not contingent upon obtaining financing or twenty percent (20%) if your Purchase Agreement is contingent;

(b) four (4) originals of the Purchase Agreement (on the form reproduced as DOCUMENT 1 of this Plan);

(c) three (3) originals of the following: (if you are not subject to back-up withholding rules) Internal Revenue Service form W-8 "Certificate of Foreign Status" (in the case of a non-resident alien or foreign entity) or form W-9 "Request for Taxpayer Identification Number and Certification" (in the case of a U.S. citizen or resident alien) (see DOCUMENTS 1B and 1C of this Plan, respectively, for forms in use at the date of this writing);

and

(d) (in the case only of a completed Residential Unit or Commercial Unit) four (4) originals of the Unit Inspection Report (on the form reproduced as DOCUMENT 1F of this Plan). If the Unit has not been completed, the Unit Inspection Report must be submitted no less than two (2) days prior to the closing of title on the Unit.

The check for the Downpayment need not be certified, but is received subject to collection. If the Downpayment is dishonored or returned uncollected, the Purchase Agreement shall be voidable at the sole option of Seller. The check for the Downpayment is to be: (a) made payable to the order of "*Mandel Resnik & Kaiser P.C. as Ecrowee for 104 Wooster Street Condominium*"; and (b) drawn on and payable by a member bank of the New York Clearing House Association or a local New York City bank acceptable to Sponsor (in its sole and absolute discretion). Third party checks (other than that of an Institutional Lender) may not be used to pay any portion of the Purchase Price. Thus, corporate or company checks are not permitted unless the corporation or company is the Purchaser.

Under the terms of the Residential Lead-Based Paint Hazard Reduction Act of 1992, you are entitled to a ten (10) day period prior to the date any Purchase Agreement sale becomes binding to conduct an inspection or risk assessment for the presence of lead-based paint or lead-based paint hazards. You will be given (i) an acknowledgement form containing disclosure information on lead-based paint and/or lead-based paint hazards and (ii) a lead paint information pamphlet entitled "Protect Your Family From Lead in Your Home".

NOTE: The Unit deed and all Closing documents must match exactly the name you use on the Purchase Agreement. If you intend that legal ownership of the Unit is to be in the name of you and your spouse or other person, then both should sign the Purchase Agreement. In the event only one signs the Purchase Agreement, the Unit deed will be issued only in the name of that person unless Sponsor (in its sole and absolute discretion) permits the Purchase Agreement to be assigned to the intended legal owner(s) of the Unit. This Plan prohibits you from assigning the Purchase Agreement. See "Section L. Assignment of Purchase Agreement" for further discussion.

K-2. Downpayment Held in Escrow

K-2.1. Trust Funds

Sponsor will comply with the escrow and trust fund provisions of Sections 352-e(2-b) and 352-h of the General Business Law, Section 71-a(3) of the Lien Law and Part 20 of the Regulations issued by the Attorney General. Any contract or agreement, whether oral or in writing by which you purport to waive or indemnify any obligation of the escrow agent holding trust funds is absolutely void. The escrow and trust fund provisions of the Attorney General's Regulations shall prevail over any conflicting or inconsistent provisions in the Plan and the Purchase Agreement. You are not obligated to pay any legal or other expense of Sponsor in connection with the establishment, maintenance or defense or obligations arising from the handling or disposition of trust funds.

K-2.2. Escrow Agent

All Downpayments, deposits or advances made by you prior to Closing on account of the Purchase Price will be delivered to Mandel Resnik & Kaiser P.C. ("Escrowee"), at 220 East 42nd Street, New York, New York (telephone number (212) 573-0000), for holding in escrow in accordance with the terms of the Escrow Agreement (reproduced as DOCUMENT 1D of this Plan) between Sponsor and Escrowee. The Escrow Agreement incorporates the terms of the Attorney General's Regulations.

K-2.3. Escrow Account

All funds delivered to Escrowee will be deposited into a segregated subaccount of an attorneys' master escrow account of Escrowee entitled "Mandel Resnik & Kaiser Attorney Escrow Account" ("escrow account") maintained at Citibank, N.A. (the "Depository") at its branch at 120 Broadway, New York, New York. The signatories on the escrow account will be Barry H. Mandel, Richard M. Resnik, Robert W. Freiman, Elizabeth D. Schrero, Nicholas J. Kaiser, Richard Ehrlich and Lorrie B. Franco.

The Depository is covered by federal bank deposit insurance to a maximum of $100,000.00 per individual account. If your Downpayment is in excess of $100,000.00, it is a special risk of this offer that the Downpayment will not be federally insured in excess of $100,000.00. Sponsor, its Selling Agent and Escrowee will not be liable for any losses resulting from the failure of the Depository.

K-2.4. Interest

The escrow account will bear interest at a fluctuating rate fixed from time to time by the Depository for its regular customers of "day of deposit to day of withdrawal" accounts. On February 10, 2000, such interest rate was 2.26% per annum for deposits between $100,000.00 and $499,999.00 and 2.41% per annum for deposits between $500,000.00 and $999,999.00. Sponsor and Escrowee do not assure, represent or guarantee that such rate will remain in effect throughout the escrow period and will not be liable for the amount of interest earned or collected. No interest will be earned until your Downpayment check is deposited with and collected by the Depository. Interest will not be earned after a withdrawal is made from the escrow account in anticipation of the Closing. Such withdrawal might result in the loss of interest for up to one (1) full month (as a result, for example, of requirements (if any) of the Depository for the deposit to be withdrawn only on certain days of a month or maintained in the escrow account to the end of a calendar month). The interest earned on your Downpayment will be paid in accordance with the provisions of the Purchase Agreement summarized below in subsection "K-2.6 Payment of Escrow Fund and Interest".

K-2.5. Deposit of Funds

All funds received from you prior to Closing on account of the Purchase Price ("Downpayment"), whether in the form of checks, drafts, money orders, wire transfers or other instruments, shall be made payable to "*Mandel Resnik & Kaiser P.C. as Escrowee for 104 Wooster Street Condominium*". Any instrument payable other than as set forth in the immediately preceding sentence and that cannot be deposited into the escrow account shall be returned to you promptly, but in no event more than five (5) business days following receipt of such instrument by Escrowee. In the event of such return, the instrument shall be regarded not to have been delivered in violation of the provisions of the Purchase Agreement. The foregoing does not apply to an instrument that is dishonored or fails of collection. The Escrowee is authorized to deliver to Sponsor the dishonored or uncollected instrument, and Sponsor may sue on such dishonored or uncollected instrument or (at Sponsor's sole option) cancel the Purchase Agreement (and return the instrument to you).

You must sign and hand deliver the Purchase Agreement and the check for the Downpayment to Sponsor's Selling Agent. Within five (5) business days after the Purchase Agreement is fully signed by you and Sponsor, the check for the Downpayment will be delivered to Escrowee and deposited into the escrow account. In the event Sponsor does not sign the Purchase Agreement within ten (10) business days after tender of the Purchase Agreement and the Downpayment check to Sponsor's Selling Agent, then the Downpayment check will be delivered to Escrowee and deposited in the escrow account. The deposit of the Downpayment check will not be regarded as an acceptance of the Purchase Agreement by Sponsor nor prejudice Sponsor's right to reject the Purchase Agreement.

After Escrowee receives your Downpayment check (together with the requisite Internal Revenue Service form W-8 or W-9, as applicable), Escrowee shall send you written

notice ("Deposit Notice") by ordinary mail of the deposit of the Downpayment check for collection in the escrow account at the Depository. The Deposit Notice will also state the individual account number for your escrowed funds and the initial interest rate in effect on or about the date of deposit. If such form W-8 or W-9 does not accompany the Downpayment check, then said check will be deposited into a non-interest bearing IOLA account pending receipt by Escrowee of such form.

The Deposit Notice is to be sent to you within ten (10) business days after you tender the Downpayment check with the Purchase Agreement. The term tender means the date delivered by hand or five (5) days after being sent by mail. Your Downpayment check will be delivered to Escrowee promptly after receipt by Sponsor or its Selling Agent in order that the Deposit Notice may timely be sent to you.

If you do not receive the Deposit Notice within fifteen (15) business days after you tender the Downpayment check as described in this paragraph (e), your sole remedy will be either (at your option): (i) to cancel the Purchase Agreement and recover your Downpayment with any interest or (ii) to apply to the Attorney General for relief. If you elect to cancel, you must do so in a writing sent to Sponsor (as provided in the Purchase Agreement) within ninety (90) days after you tender the Downpayment check, but in no event later than the date you are scheduled to close title. You will be regarded as having conclusively waived your right to cancel in the event you do not send the cancellation notice in such period, **TIME BEING OF THE ESSENCE**. You will not have the right to cancel the Purchase Agreement or recover the Downpayment and any interest where proof satisfactory to the Attorney General is submitted establishing that the Downpayment check was timely deposited and the Deposit Notice was timely mailed to you in accordance with the Attorney General's Regulations.

K-2.6. Payment of Escrow Fund and Interest

Escrowee will hold and disburse your Downpayment deposited into the escrow account and collected by the Depository ("Escrow Fund") and the interest earned thereon in accordance with the escrow provisions of the Purchase Agreement, the Escrow Agreement and the applicable regulations of the Attorney General pertaining to the release of escrowed funds.

The Escrow Fund is regarded as your property until disbursed in accordance with such escrow provisions and the escrow and trust fund regulations of the Attorney General. The Escrow Fund is not regarded as the property of Sponsor or Escrowee upon the death, dissolution or bankruptcy of either (in which event the successor or legal representative will succeed to the rights of Sponsor or Escrowee, as the case may be).

At Closing, Escrowee will pay the Escrow Fund to Sponsor and will instruct the Depository to pay the interest to you. You should allow thirty (30) days to receive the interest. Sponsor will not object to the release of the Escrow Fund and interest to you if:

(a) you timely and properly elect to cancel the Purchase Agreement in accordance with its provisions or the express terms of an amendment to this Plan granting you a right to cancel;

or

(b) an amendment abandoning this Plan is accepted for filing by the Department of Law.

Under no circumstances shall Sponsor apply for release of the Escrow Fund to Sponsor based on your default until after the First Closing occurs. Thereafter, Sponsor may demand that the Escrow Fund and any interest be paid to Sponsor based upon your uncured default. In such case, the following procedure will apply:

(a) Escrowee will give you not fewer than ten (10) business days' written notice of a demand by Sponsor for payment of the Escrow Fund and any interest;

(b) at the expiration of such ten (10) business days, Escrowee will pay the Escrow Fund and any interest to Sponsor unless prior to making the payment: (i) Escrowee receives written notice from you that you have made application ("Dispute Resolution Application" or "Application") to the Attorney General pursuant to the dispute resolution provisions contained in the Attorney General's Regulations or (ii) Escrowee is served with a judgment or order ("Restraining Order") of a court of competent jurisdiction restraining Escrowee from making such payment;

(c) Escrowee will continue to hold the Escrow Fund and interest for as long as required by any interim directive issued by the Attorney General or a Restraining Order (whichever is applicable);

(d) if the Attorney General denies the Dispute Resolution Application or the Restraining Order is vacated (as applicable), Escrowee will pay the Escrow Fund and any interest to Sponsor;

and

(e) if the Attorney General grants the Dispute Resolution Application or the Restraining Order is not vacated (as applicable), Escrowee will pay the Escrow Fund and any interest in accordance with: (i) (in the case of a Dispute Resolution Application) a determination of the Attorney General served on Escrowee or (ii) (in the case of a Restraining Order) a judgment or order of a court of competent jurisdiction served on Escrowee.

K-2.7. Disputes

In the event of a dispute, the following will apply:

(a) Sponsor must, and you or Escrowee may, submit a Dispute Resolution Application (on the form annexed as DOCUMENT 1E of this Plan) to the Attorney General for a determination on the disposition of the Escrow Fund and any interest;

(b) the party making the Dispute Resolution Application shall contemporaneously send to all other parties a copy of such Application;

(c) Sponsor shall not initiate a lawsuit to resolve the dispute unless Sponsor submits a Dispute Resolution Application to the Attorney General and the Application is denied (however, this does not preclude Sponsor from bringing an appropriate legal proceeding to review and overturn an unfavorable determination by the Attorney General);

(d) instead of applying to the Attorney General: (i) you may initiate a lawsuit to resolve the dispute or (ii) Escrowee will have the right of a stakeholder either to continue to hold the Escrow Fund and interest or to deposit them or the disputed portion into court as permitted by Law;

(e) pending the determination of the Attorney General to grant or deny the Application, Sponsor, you and Escrowee will abide by any interim directive issued by the Attorney General;

(f) if the Application permitting release of funds is granted, the Escrow Fund and any interest will be disposed of in accordance with the determination of the Attorney General, subject to any court action in which preliminary relief is granted;

(g) if the Application is denied, Escrowee will either deposit the Escrow Fund and interest (or the disputed amount) into court as permitted by Law or continue to hold and disburse them in accordance with: (i) a written direction signed by both Sponsor and you or (ii) a judgment or order of a court of competent jurisdiction served on Escrowee;

(h) in no event will Escrowee release the Escrow Fund or interest in dispute unless paid into court or until the dispute is finally resolved either by written agreement signed by Sponsor and you, or a determination of the Attorney General or a judgment or order of a court of competent jurisdiction;

and

(i) in the event Escrowee is uncertain as to Escrowee's duties or doubts the genuineness of any document or signature, Escrowee may refrain from taking any action and continue to hold the Escrow Fund and interest until the uncertainty or genuineness is resolved or deposit them (or the amount in question) in court.

K-2.8. Books and Records

Escrowee shall maintain all records concerning the escrow account for seven (7) years after release of the Escrow Fund.

K-2.9. Escrowee May Represent Sponsor in a Lawsuit

Escrowee may represent Sponsor in any lawsuit, whether or not related to a Purchase Agreement or the Plan and irrespective of Escrowee being in possession of the Escrow Fund.

K-3. Sponsor's Acceptance or Rejection of Purchase Agreement

K-3.1. Sponsor's Right to Accept or Reject

Sponsor has the absolute right and discretion to accept or reject (without cause or explanation) a Purchase Agreement, but is not permitted to reject a Purchase Agreement based on your race, color, national origin, ancestry, sex, age, disability, marital status or other unlawful reason.

K-3.2. Sponsor Not Bound

Sponsor shall not be bound by a Purchase Agreement until Sponsor or Sponsor's duly authorized agent or representative signs and returns a duplicate original of the Purchase Agreement to you. No inference will be drawn that Sponsor has accepted your Purchase Agreement or is bound by its provisions based upon: (a) your being given the Plan, amendments (if any), or a Purchase Agreement; (b) your delivering to Sponsor or a broker your signed Purchase Agreement and check for the Downpayment; or (c) your Downpayment check being deposited for collection (whether or not inadvertent).

K-3.3. Rejection of Purchase Agreement

Sponsor will be regarded as having rejected your Purchase Agreement unless, within twenty (20) days after Sponsor receives your signed Purchase Agreement and Downpayment check, a duplicate original Purchase Agreement signed by or in behalf of Sponsor is sent to you. In the event Sponsor rejects or is deemed to have rejected your Purchase Agreement, your Downpayment will promptly be refunded without interest. Upon making such refund, you and Sponsor will have no obligation or liability to the other based upon the Purchase Agreement or this Plan or amendments (if any).

K-4. Mortgage Financing Contingency

The Purchase Agreement for a Residential Unit (but not a Commercial Unit) can be contingent upon your obtaining from a bank, licensed mortgage broker or banker or other Institutional Lender chosen by you, a mortgage loan for seventy-five percent (75%) of the Purchase Price (or such lower amount as may be acceptable to you). If you do not choose to seek financing, you shall elect to purchase your Unit on an all cash basis. While you may obtain financing from any lender, the Purchase Agreement and your obligations thereunder will be contingent upon obtain mortgage financing from an Institutional Lender only. The payment terms (including interest rate) and charges for the mortgage shall be those customary required by the Institutional Lender. You should be aware that if you succeed in obtaining a mortgage commitment, its term and

any lock-in interest rate will likely be limited and could expire before your Closing Date. You should also note that (i) you must apply for a mortgage loan through The Manhattan Mortgage Company (although you may, at your option, apply to other Institutional Lenders in addition to The Manhattan Mortgage Company) and (ii) your Downpayment will be increased to twenty percent (20%) of the Purchase Price if your Purchase Agreement is contingent upon your obtaining financing. If you chose to obtain financing subject to the mortgage financing contingency you must complete the Mortgage Contingency Rider set forth in DOCUMENT 1A.

You must strictly comply with certain financing obligations requiring your good faith efforts to obtain a mortgage commitment. These include, among others:

(a) applying for the loan within ten (10) days after the Effectiveness Amendment is sent to you;

(b) applying to an Institutional Lender which is currently issuing commitments to purchasers of residential condominium units in the same county as the Property;

(c) inquiring with not fewer than five (5) Institutional Lenders if you are unable to find an Institutional Lender which meets this qualification;

and

(d) furnishing Sponsor or its attorneys, Mandel Resnik & Kaiser P.C., with a copy of the loan applications and a copy of any commitment letter or rejection letter within forty-five (45) days after the effectiveness amendment is mailed to you.

If you are issued a mortgage commitment, you must also strictly comply with certain "additional financing obligations" requiring your good faith efforts (i) to extend the commitment period if it is to expire before your Closing occurs and (ii) to close the loan. In the case of an extension, your good faith effort obligations include, among others:

(a) applying to the Institutional Lender for an extension or new commitment at least ten (10) days before the commitment expires;

(b) accepting an extension or new loan commitment so long as it is for not less than the loan amount stated in the mortgage contingency or any lower amount stated in the expired commitment, regardless of whether the other loan terms are less favorable than those in the expired commitment;

(c) making any payments required by the Institutional Lender to obtain the extension or new loan commitment;

(d) furnishing Sponsor or its attorneys, Mandel Resnik & Kaiser P.C., with a copy of your application for the extension or new loan commitment and a copy of any written extension or new commitment letter or rejection letter (as the case may be);

and

(e) if the Institutional Lender declines to extend the commitment or to issue a new commitment or fails to act on your application for fifteen (15) days, you must so notify Sponsor in writing and apply to any Institutional Lender that Sponsor may elect to designate (NOTE: Sponsor is not obligated to find an Institutional Lender or arrange such financing, but if Sponsor elects to do so, you must comply with the applicable financing obligations with regard to such designated Institutional Lender as more fully explained in the mortgage contingency provision).

If you comply with your financing obligations and fail to obtain a commitment letter for the loan within the forty-five (45) day period, or (if a commitment is issued) you comply with your additional financing obligations and fail to obtain an extension or new commitment, you may cancel the Purchase Agreement and recover your Downpayment with any earned interest by sending written notice of your election to cancel within five (5) days after your right to cancel arises (as explained more fully in the mortgage contingency provision). In either such event, Sponsor also has the right to cancel the Purchase Agreement and refund the Downpayment with any earned interest to you.

TIME IS OF THE ESSENCE for you to pay and perform your obligations under this provision. If you fail to timely do so or fail to comply with your financing obligations and (if applicable) additional financing obligations, you may not cancel nor recover your Downpayment and the earned interest thereon. Your failure to timely comply with your financing obligations and (if applicable) additional financing obligations is also an event of default.

K-5. Purchaser's Event's of Default; Sponsor's Remedies

K-5.1. Purchaser's Events of Default

You will be in default upon the occurrence of any of the following "Events of Default" (individually, an "Event of Default"):

(a) you fail to properly pay the balance of the Purchase Price on the Closing Date;

(b) you fail to pay any of your closing costs;

(c) you fail to pay the net closing apportionments, if in Sponsor's favor;

(d) you fail to properly sign and deliver any of the documents required under the Purchase Agreement (such as the Unit Owner's Power of Attorney, the New York State and City transfer tax returns and the New York City Smoke Detecting Alarm (Device) Affidavit);

(e) the dishonor or failure of collection of your check in payment of the Downpayment or any other sum paid by you under the Purchase Agreement;

(f) you are permitted to rent the Unit and are evicted by an order or judgment of a court having jurisdiction or you vacate the Unit following your default;

or

(g) you fail to pay, perform or observe any of your other obligations in the Purchase Agreement or a Purchase Agreement for another Unit (it being intended that a default under either Purchase Agreement is default under both Purchase Agreements).

K-5.2. Sponsor's Remedies

(a) Upon the occurrence of an Event of Default, Sponsor will have the right (in Sponsor's sole discretion) either:

(b) to cancel the Purchase Agreement and retain, as liquidated damages, all Downpayment, with any earned interest, and the cost of "Unit Changes" (defined below), except there will be no limit on Sponsor's remedies for a breach of your representation in the "Broker" provision of the Purchase Agreement; or

(c) to cancel the Purchase Agreement and (in the case of your default under subsection K-5.1(e) above) return your dishonored or uncollected check;

or

(d) (in the case only of a default not involving payment of the balance of the Purchase Price) to proceed with the closing without prejudice to Sponsor's right to recover from you any claims for liabilities and expenses to which Sponsor is entitled by reason of your default and Sponsor's costs and expenses of collection; however this provision does not permit a lawsuit by Sponsor to compel you to pay the balance of the Purchase Price.

"Unit Changes" include both changes to the Unit agreed to in the Purchase Agreement and the work to restore the Unit to the condition that would have existed had such Unit Changes not been made.

If Sponsor selects the remedy in clause (a) (to cancel and retain the Downpayment, interest and cost of Unit Changes) you will have thirty (30) days from the sending of the cancellation notice to cure the specified default. **TIME IS OF THE ESSENCE** for you to cure the default within such thirty (30) day period. If you fail to timely do so, you will lose all Downpayment and the interest thereon and you will be liable for the cost of Unit Changes (which is the limit on the amount Sponsor may recover as full settlement of all potential claims occasioned by the default). This is called "liquidated damages" and eliminates the need to prove actual damages or losses. You will also pay any sums Sponsor recovers against you in a claim for a dishonored or uncollected check and all costs and expenses of collection thereof. The foregoing thirty (30) day grace period will not extend any shorter grace period in an interim lease (if any) for the Unit. If you do not cure your lease default within any grace period permitted in the lease, Sponsor may pursue all remedies allowed by the lease or law. If Sponsor selects the remedy in clause (b) (to cancel and return your dishonored or uncollected check), you will not have the opportunity to cure the default.

K-6. Purchaser's Remedies

K-6.1. Purchaser's Remedies on Sponsor's Default

Sponsor shall be allowed a grace period to cure the default. The grace period shall start from Sponsor's receipt of your default notice and shall run for thirty (30) days or (if the default is not reasonably capable of being cured within thirty (30) days) such longer period as is reasonable, but in no event to exceed ninety (90) days.

If Sponsor fails to cure the default within the grace period, your only rights and remedies will be either:

(a) to require Sponsor to specifically perform Sponsor's obligations under the Purchase Agreement (other than those Sponsor is unable to perform);

or

(b) to cancel the Purchase Agreement and recover your Downpayment and any earned interest.

In the event you elect to cancel, the Downpayment and any earned interest are to be refunded to you within thirty (30) days after Sponsor and the Escrowee receive your cancellation notice. In the case of cancellation, you shall have no other legal recourse of any kind whatsoever against Sponsor beyond the recovery of your Downpayment and any earned interest. Upon such refund being made, you and Sponsor shall have no further liability or obligation to the other under the Purchase Agreement, this Plan or amendments, except for those indemnities, liabilities and obligations expressly stated in the Purchase Agreement to survive its cancellation or termination.

Sponsor is not required (and nothing herein shall be construed to require Sponsor) to bring a lawsuit, or spend (as estimated by Sponsor) in excess of the Abandonment Amount The Abandonment Amount is $197,000.00 (i.e., approximately one-half of one percent (0.5%) of the total initial asking prices for all Units), however, this will not excuse Sponsor from a willful default for intentionally causing a title objection to frustrate the sale in bad faith or to remove a mortgage or other lien created by Sponsor.

K-6.2. Purchaser's Remedies on Sponsor's Inability to Perform

If at closing Sponsor is unable to perform an obligation or satisfy a condition or transfer title to the Unit in accordance with the Purchase Agreement, Sponsor will amend the Plan to disclose such inability. In such event, your sole right and remedy shall be either:

(a) to fully pay, perform and comply with your obligations and accept such title to the Unit as Sponsor is able to transfer, without any kind whatsoever of a Purchase Price reduction, adjustment or credit or legal recourse against Sponsor;

or

(b) to cancel the Purchase Agreement and recover your Downpayment and any earned interest (which is the limit on the amount you may recover and your sole recourse against Sponsor, regardless of any other claims you have or costs and expenses you may have incurred).

You will have fifteen (15) days from the presentation of the amendment to hand deliver or mail to Sponsor written notice of your election between the foregoing alternative remedies. If you fail to so elect either remedy within such fifteen (15) day period, you shall be deemed conclusively to have elected the first remedy (to close and accept title subject to the title defect).

K-6.3. Extension of Time Periods for Sponsor To Perform

Sponsor's time to perform under the Purchase Agreement will be extended for a period equal in length to the period Sponsor's performance is delayed due to events or circumstances beyond Sponsor's reasonable control.

K-7. Closing Date

Condominium operation will begin on consummation of the First Closing of a Residential Unit, which is projected to occur on or about the projected date set forth in the First Year's Budget (SCHEDULE B in Section F) for commencement of the first year of Condominium The date set forth in the First Year's Budget is only a projection of the date the First Closing, and the start of Condominium operation, will occur. Sponsor cannot, and does not, represent, assure or guarantee the actual date of First Closing and start of Condominium operation, which may be substantially earlier or later. If the actual date of First Closing (and the commencement of Condominium operation) is delayed twelve (12) months or more, and such projection has not been revised in an Amendment to this Plan when you sign the Purchase Agreement, you will be offered the right to rescind your Purchase Agreement and recover in full your Downpayment and any earned interest; provided, however, that you will not be offered and will not have the right to rescind if at such time the Plan is declared effective and you are in default beyond the applicable grace period under you Purchase Agreement. If the Plan is amended to revise such commencement date and you sign and deliver the Purchase Agreement after such amendment is presented to you, such right to rescind the Purchase Agreement and recover the Downpayment will only arise if the actual commencement date of Condominium operation is delayed twelve (12) months or more following the revised projected commencement date.

The First Closing will not occur until the Effectiveness Amendment is filed by the Attorney General and served on all then existing Purchasers and the Condominium Documents are duly recorded or filed (as applicable).

If your Purchase Agreement is signed before the filing of the Effectiveness Amendment, you will be required to close title to the Unit you are purchasing on the date to be fixed by Sponsor after the filing of the Effectiveness Amendment. You will be given at least thirty (30) days' prior written notice of your title closing date. You may waive this thirty

(30) days notice and close sooner on a date mutually satisfactory to you and Sponsor, but may not close title before the filing of the Effectiveness Amendment.

If your Purchase Agreement is signed after the filing of the Effectiveness Amendment, your Purchase Agreement may specify a date for title closing that is mutually agreed to by you and Sponsor.

After you are served with the Effectiveness Amendment, you should finalize all financial and legal matters for the closing. These include arranging for payment of the balance of the Purchase Price and your closing costs.

K-8. Closing Payments, Documents and Apportionments

K-8.1. The Balance of the Purchase Price

The balance of the Purchase Price is due at closing and is to be paid by your good certified check or official cashier's or bank check or (at Sponsor's option) in immediately available funds electronically transferred to a bank account designated by Sponsor. You may apply the proceeds of a mortgage loan from an Institutional Lender toward payment of the balance of the Purchase Price.

All checks for the balance due at closing:

(a) must be drawn on a member bank of the New York Clearing House Association;

(b) must be unendorsed;

and

(c) must be made payable to the direct order of Sponsor or to such other person(s) as Sponsor may specify on not less than two (2) business days' prior oral notice or five (5) business days' prior written notice to you.

No portion of the Purchase Price may be paid from a check drawn on the account of your corporation or company (unless the corporation or company is the Purchaser) or anyone else other than an Institutional Lender.

K-8.2. Purchaser's Closing Costs

Your closing costs will include (among others) the New York State and New York City transfer taxes. All of your closing costs are set forth in the Purchase Agreement under the provision entitled "Purchaser's Closing Costs" and are summarized below in Section O, subsection "O-1. Purchaser's Closing Costs".

K-8.3. Closing Apportionments

At title closing, you and Sponsor will apportion real estate taxes, Common Charges and rent (if any) for the Unit in accordance with the rules contained in the Purchase

Agreement under the provision entitled "Closing Apportionments" and summarized below in Section O, subsection "O-2. Closing Apportionments".

K-8.4. Purchaser's Closing Payments and Documents

Your payments at title closing will include:

(a) the balance of the Purchase Price;

(b) closing costs;

and

(c) net closing apportionments (if in favor of Sponsor).

If you are permitted to rent the Unit prior to closing and owe rent at closing, Sponsor's delivery of the deed will not excuse your liability for the overdue rent and the costs and expenses of collection, which will survive the closing.

You will sign and deliver at closing:

(a) the New York State and New York City transfer tax returns and your checks for such transfer taxes;

(b) the Unit Owner's Power of Attorney (on the form reproduced as DOCUMENT 2 of this Plan);

(c) the New York City Smoke Detecting Alarm (Device) Affidavit;

and

(d) (if you are obtaining mortgage financing) the appropriate affidavit for exemption, reduction or credit against the mortgage recording tax as a result of an assignment of an existing mortgage or the partial mortgage recording tax credit under Section 339-ee of the Condominium Act or otherwise (Sponsor will have the option to instead sign this affidavit, but regardless of who signs the affidavit you will reimburse Sponsor as part of your closing costs an amount equal to the available savings in the mortgage tax that you would otherwise pay).

K-8.5. Sponsor's Closing Payments and Documents

Sponsor will sign and/or deliver to you or your title company (if any) at closing:

(a) a bargain and sale deed with covenant against grantor's acts conveying legal (fee) ownership of the Unit to you on the form reproduced as DOCUMENT 3 (NOTE: Sponsor's covenant in the deed is for your personal benefit and will not inure to the benefit of your successors or any title company; if you order title insurance, you must first look to your title insurer before seeking recourse against Sponsor for recovery on any claim based upon the breach of such covenant);

(b) the New York State and New York City transfer tax returns (however, you and not Sponsor will be solely and fully obligated to pay the requisite transfer taxes);

(c) a release of the Unit from the lien of any then existing mortgage covering your Unit together with a UCC-3 Financing Statement (signed in recordable form by the holder of the mortgage) terminating any UCC-1 Financing Statement affecting your Unit that may have been filed (Sponsor will be responsible for all payments to obtain and record such release and UCC-3 Financing Statement);

(d) an affidavit signed by Sponsor in recordable form stating that your Unit is not a multiple dwelling;

(e) Sponsor's certification of non-foreign status as required under the federal tax code or (if Sponsor is a foreign person) such other documents showing Sponsor's compliance with these tax provisions;

(f) a statement from the Condominium Board or its Managing Agent on the payment status of the Common Charges and any Special Assessments for your Unit;

(g) an insurer's certificate showing you as an additional insured party under the Condominium's master policy and (if you are getting a mortgage loan) a similar certificate showing your lender as an additional insured party;

(h) (if you are permitted to rent the Unit) Sponsor will instruct the depository in writing to deliver to you any unapplied rent security deposit and the interest earned on it (allow approximately thirty (30) days to receive these monies);

(i) (in the case of a Residential Unit only) all transferable and unexpired manufacturer's warranties if and to the extent received by Sponsor for the appliances and other personal property (if any) included in the sale of a Residential Unit, together with an assignment of such manufacturer's warranties by Sponsor to you (such assignment shall be: without guaranty, warranty or representation by Sponsor; subject to all faults, risks, damages, conditions and need for repairs; and without recourse against Sponsor for any claims or liabilities and expenses);

and

(j) all keys to the Residential or Commercial Unit's entrance door and mailbox.

K-8.6. Status of Sponsor's Obligations After Closing

Upon consummation of title closing, Sponsor will be regarded as having satisfactorily performed all obligations to be performed by Sponsor under this Plan or the Purchase Agreement other than those that are expressly stated of this Plan or an amendment or the Purchase Agreement to be performed after closing or those which arise under Article 23-A of the General Business Law or Part 20 for the Regulations issued by the Department of Law. This does not excuse Sponsor from compliance with these laws nor reduce or otherwise abridge any rights you might have under them.

K-9. Purchaser's Right to Review Plan and Amendments

You will be afforded at least three (3) business days to review the Plan and any amendments before signing the Purchase Agreement. However, for the convenience of some Purchasers, Sponsor may receive the executed Purchase Agreement before the expiration of such three (3) business day period. In the event only that you are afforded fewer than three (3) business days, then you will have seven (7) days (**TIME BEING OF THE ESSENCE**) after you sign and deliver the Purchase Agreement within which to rescind the Purchase Agreement and recover your Downpayment (without interest). You must rescind in a written notice to Sponsor delivered by hand or mailed (and postmarked) within such seven (7) day period, failing which the Purchase Agreement will remain in full force and effect.

K-10. Loan Closing

If you are obtaining a mortgage loan, you will be responsible to satisfy all requirements to close the loan on the closing date specified in, or fixed by Sponsor pursuant to, your Purchase Agreement. To facilitate your closing, you are to furnish Sponsor's attorneys, Mandel Resnik & Kaiser P.C., with a copy of your loan commitment letter. Sponsor's counsel will endeavor to coordinate with your lender or its counsel to attend the closing. However, your lender's failure to fund the loan or to attend the closing on your closing date may subject you to payment of certain delinquency closing costs as defined and provided in Section O, subsection O-1.3" Delinquency Closing Costs".

K-11. Title Insurance

If you intend to obtain a title search or to insure your title to the Unit, you or your attorney should order a title report. A copy of the report and a written notice of any title objections must be received by Mandel Resnik & Kaiser P.C. at least ten (10) days before your scheduled closing date (see Section O, subsection O-1, "(c) Delinquency Closing Costs" for additional closing costs you will pay if the closing is postponed due to your failure to timely notify Mandel Resnik & Kaiser P.C. of a title objection). You will not incur these delinquency closing costs if: (a) you or your attorney timely send Sponsor's attorneys a copy of your title insurer's report and each continuation thereof and (b) the title objection arises after the issuance of such title report and any continuation, respectively.

NOTE: If you are obtaining financing, your lender may require you to obtain a title report and/or insurance in favor of the lender.

First American Title Insurance Company of New York ("First American"), 228 East 45th Street, New York, N.Y. 10017, is most familiar with title to the Property and, therefore, is best able to facilitate your closing. Its title insurance number for the Property is 135NYNY29681-C. You are not required to obtain a title report or insurance and (if you elect to obtain a title report or insurance) you need not obtain it from this insurer. You may choose any title insurance company that you prefer and that is approved by your lender (if you are obtaining a mortgage loan). Please note, however, if you decide to

use a title company other than First American, you will be obligated to pay Mandel Resnik & Kaiser P.C. a fee in the amount of $250.00 for their time in coordinating and arranging for closing with such other title company.

K-12. Possession

You may not occupy, decorate or store your furniture or other personal belongings in the Residential or Commercial Unit before closing unless Sponsor elects to lease the Unit to you. Sponsor is not obligated to rent the Unit to you. However, if Sponsor chooses not to rent it to you, the Unit may not be rented to anyone else while your Purchase Agreement is in effect. At closing, Sponsor will deliver to you vacant possession of the Unit, free and clear of all tenants and occupants (unless otherwise provided in your Purchase Agreement if at the time it is signed the Unit is under lease with someone else).

K-13. State of Title

You will acquire title to the Unit subject only to the Permitted Encumbrances listed on EXHIBIT A to the Purchase Agreement. The Permitted Encumbrances include any item that First American is willing to insure you (at your expense, but at its regular rate and without additional premium) against collection or enforcement out of the Unit, regardless of which title insurance company you use. At least ten (10) days prior to closing, Sponsor's counsel, Mandel Resnik & Kaiser P.C., must receive written notice of all title objections existing at such time. You will be at fault if Sponsor is required to adjourn the closing to remove a title objection that existed at least ten (10) days before the closing date and was not included in your or your attorney's written objections or your title insurer's report. See Section O, subsection "O-1.3 Delinquency Closing Costs" for a full explanation of the additional Closing costs you will pay as a result of such adjournment.

K-14. Personal Property Included in Sale

The sale of a Unit includes only the personal property outlined in DOCUMENT 4 "Description of Property and Specifications or Building Condition". See DOCUMENT 4 for manufacturers and model numbers (where applicable).

Each Unit is to be sold unfurnished. Furniture, floor coverings, wall coverings, furnishings and other decorations, finishes and treatments in or about a model unit, if any, are for display purposes only and are not included in the sale. There will be no modifications or extras unless expressly agreed to in writing by Sponsor. Units used from time to time as sales offices or models (if any) are not being offered and are reserved for future sale. In addition, Sponsor reserves the right to sell a model Unit (if any) with its furnishings. The Plan will be amended to disclose the additional price to purchase the furnishings once Sponsor determines to offer a model Unit for sale.

K-15. Inspection of the Unit By Purchaser

You and your representative may be permitted to inspect the Unit before you enter into the Purchase Agreement subject to the degree of completion of such Unit. At

conclusion of the inspection, if the Unit has been completed, you are to complete and sign the Inspection Report (on the form reproduced as DOCUMENT 1F) containing all items for correction and unfinished work (collectively, "punch list work"). Otherwise you will be required to submit the Inspection Report within two (2) days of the date of the title closing for the Unit. Sponsor will not be required to perform any punch list work which is: (a) not required to be performed under the Purchase Agreement or this Plan or (b) not noted on the Inspection Report, other than Latent Construction Defects as defined and set forth in Section P, subsection "P-3 Sponsor's Construction Rights and Obligations". The completed and signed Inspection Report is to be delivered to Sponsor together with the Purchase Agreement.

You will be required to close title and pay the full Purchase Price on the date specified in, or fixed by Sponsor in accordance with, your Purchase Agreement (all without delay; without a Purchase Price reduction, adjustment or credit; and without escrowing monies) notwithstanding:

(a) your failure to arrange or attend the Unit inspection or to complete, sign and deliver the Inspection Report;

(b) the existence of required punch list work not performed or completed, provided the Residential or Commercial Unit (as applicable) is covered by a temporary or permanent Certificate of Occupancy and has been substantially completed with an operable kitchen (in the case only of a Residential Unit) and bathroom, and with all windows, interior partitions and flooring installed substantially in accordance with this Plan;

(c) any punch list work noted in your Inspection Report (which Sponsor shall complete or correct in accordance with its obligations under this Plan);

or

(d) the incomplete construction and decoration of the Common Elements (including the street entrance, residential lobbies, corridors, hallways or other public or common areas), provided there is a reasonable means of access to and from the Unit through the public areas or Common Elements.

Sponsor's obligation to perform and complete the required punch list work and the construction and decoration of the Common Elements in accordance with this Plan or an amendment will survive closing.

K-16. Risk of Loss

K-16.1. Sponsor's Risk of Loss

In all cases where you are not required to assume the risk of loss or damage to the Unit prior to closing under the next subsection K-16.2, the following shall apply:

(a) Sponsor will assume all risk of loss or damage to the Unit and its contents;

(b) Sponsor has the option (but not the obligation) to make, or (after the First Closing) to allow the Condominium Board to make, all needed repairs or to cancel the Purchase Agreement;

(c) if Sponsor elects to do or to permit the Condominium Board to do the repairs, Sponsor is entitled to a reasonable period of time for the repairs to be completed;

(d) you will not be required to close title until: (i) all repairs to the Unit are substantially completed; (ii) the Unit and its contents are substantially in the condition required at closing in accordance with the Purchase Agreement; and (iii) the Unit has all essential Building services (such as gas, electricity, heat and hot water) and a reasonable means of access to the street;

(e) when the requirements in the preceding clause (d) are met, you must close title and pay the full Purchase Price, without reduction, adjustment or credit and without requiring any monies to be escrowed;

(f) all monies payable on account of the loss or damage, whether resulting from insurance or settlement of a claim or action, shall belong to Sponsor and, if received by you, must promptly be endorsed and turned over to Sponsor (your obligation to make such payment to Sponsor will survive the closing);

(g) you will assume that Sponsor has elected to make the repairs, or to allow the Condominium Board to do so, until Sponsor sends you a written notice stating otherwise;

and

(h) in the event Sponsor elects to cancel the Purchase Agreement, Sponsor will refund the Downpayment to you with any earned interest.

K-16.2. Purchaser's Risk of Loss

You will assume all risk of loss or damage to the Unit and its contents prior to closing if:

(a) you are given possession of the Unit;

and

(b) the casualty or other cause of loss or damage originates in the Unit and is not due to the fault of Sponsor or Sponsor's agents, employees and contractors. You will also assume such risk when you are not in possession if the loss or damage is due to your fault or the fault of your agents, employees and contractors.

If you are required to assume the risk of loss or damage in accordance with the foregoing, the following shall apply:

(a) you alone will be obligated to make and pay for all repairs;

(b) you will not be entitled to delay title closing to make repairs;

(c) you must close on the date specified in, or set by Sponsor in accordance with, the Purchase Agreement;

and

(d) at closing, you will pay Sponsor the full Purchase Price, without reduction, credit, adjustment and without escrowing any monies of recourse against Sponsor, and regardless of the condition of the Unit and its contents.

K-17. Claims Released on Cancellation and Disbursement of Downpayment

Upon cancellation of the Purchase Agreement and payment of the Downpayment and earned interest to the proper party and (if applicable) payment of the costs of any Unit Changes and any costs and expenses of collection owed Sponsor, all rights, obligations and liabilities under the Purchase Agreement, this Plan and any amendments will end and be void and all claims against you or Sponsor and Sponsor's agents, employees and attorneys will be released and discharged (except Sponsor and you will not be released from those indemnities, liabilities and obligations expressly stated in the Purchase Agreement to survive its cancellation or termination).

K-18. Plan Binding on Parties

K-18.1. Plan and Amendments Govern

This Plan and all amendments to this Plan (whether filed before or after the date of the Purchase Agreement) form a part of the Purchase Agreement. Both Sponsor and you are bound by the provisions of this Plan and all amendments. Any inconsistency or conflict between this Plan as amended and the Purchase Agreement shall be resolved according to the terms of this Plan as amended.

K-18.2. Sponsor's Right to Amend Plan

Sponsor has the exclusive right to amend this Plan from time to time without your consent. Such amendments may change, among other things, the projected Common Charges and real estate taxes to be paid by you, or any of the other provisions of this Plan or the Purchase Agreement, other than the provisions concerning the Purchase Price, the payment of the Purchase Price, the mortgage contingency and the escrow, trust funds and other provisions required by the Attorney General's Regulations. All amendments, including all material adverse changes:

(a) will be binding upon you;

(b) will not excuse you from paying the full Purchase Price (except as otherwise provided in subsection "K-18-3" immediately below), without reduction, adjustment or credit;

and

(c) will not entitle you to any legal recourse against Sponsor for any claims or for any costs and expenses.

The Purchase Agreement and Plan may not contain, or be modified to contain, a provision waiving Sponsor's obligations or any rights you may have as a Purchaser under Article 23-A of the General Business Law.

K-18.3. Purchaser's Right to Rescind

In the case only of a material adverse amendment affecting you as provided in Part 20 of the Regulations issued by the Department of Law of the State of New York, the amendment will afford you the right to rescind the Purchase Agreement and recover your Downpayment with any earned interest. If Sponsor elects to give you an interim lease for the Unit, your election to cancel will result in the automatic cancellation of your interim lease effective thirty (30) days thereafter. At such time, you, your family and all occupants must vacate the Unit. Your Downpayment and any earned interest thereon will be refunded when the Unit is vacated.

K-19. Prohibition Against Assignment of Purchase Agreement

You may not assign the Purchase Agreement without Sponsor's prior written consent, which may be denied or withheld without cause or explanation. You will not be excused from your obligations under the Purchase Agreement and will have no recourse against Sponsor if such consent is not given (see "Section L. Assignment of Purchase Agreements" for discussion as to requirements in the event Sponsor, in its sole or absolute discretion, consents to such assignment).

K-20. Broker

You represent to Sponsor that you have not dealt with any broker or finder, whether licensed or unlicensed, in connection with the purchase other than any broker expressly stated in your Purchase Agreement to have been engaged by Sponsor. Sponsor will pay the commission earned by such specified broker (if any) pursuant to a separate sales agency or brokerage agreement. This obligation will survive the closing. Such specified broker (if any) shall not be deemed a third-party beneficiary of this provision.

Each party will indemnify the other from all claims for liabilities and expenses arising from the representation and agreement made by each as set forth above. As a result, you will be responsible for the commissions earned by any broker with whom you dealt other than said specified broker (if any). This indemnity shall survive the Closing or (if the Closing does not occur) the termination or cancellation of the Purchase Agreement.

K-21. Sponsor's Obligations Contingent Upon Sponsor Declaring the Plan Effective

Sponsor's obligations under the Purchase Agreement are contingent upon Sponsor declaring this Plan effective. Sponsor may declare this Plan effective only in accordance with the terms contained in "Section M. Effective Date". Sponsor may (in its sole and absolute discretion) abandon this Plan at any time before declaring it effective. Thereafter and before the First Closing, Sponsor may abandon this Plan in the limited circumstances explained in the Effective Date Section.

If Sponsor elects to abandon this Plan, the Purchase Agreement will be canceled automatically and your Downpayment will be refunded to you together with any earned interest. Until this Plan is abandoned, you will remain fully bound to pay and perform all your obligations as provided in the Purchase Agreement.

K-22. Purchaser's Representations

You will represent in the Purchase Agreement that: (a) you are a bona fide Purchaser; (b) you are not related to the Sponsor or Managing Agent or to any of their respective principals, by blood, marriage or adoption or as a business associate, an employee, a shareholder or a limited partner; and (c) you are not purchasing as an accommodation to, or for the account or benefit of, Sponsor or a principal of Sponsor.

K-23. Governing Law; Venue for Lawsuits

The laws of the State of New York will govern the Purchase Agreement and the interpretation and enforcement of its provisions, without regard to legal principles of conflicts of laws. Any lawsuit arising out of the Purchase Agreement or this Plan or an Amendment: (a) shall be brought in the county in which the Unit or Sponsor is located; and (b) may be commenced by serving the summons and/or complaint by certified or registered mail (return receipt requested), postage prepaid, deposited in an official mail depository maintained by the United States Postal Service, and sent to the party at the party's address in the Purchase Agreement or any other address of which the party has given notice in accordance with the Purchase Agreement.

K-24. Waiver of Jury Trial

The parties waive the right to a trial by jury in any lawsuit arising from the Purchase Agreement or this Plan or an amendment, other than a lawsuit in which a jury trial cannot legally be waived. Any lawsuit in which a jury trial cannot legally be waived cannot be asserted as a counterclaim or joined with any lawsuit in which a jury trial is waived, unless the failure to assert it would prevent the lawsuit from being brought later.

K-25. Purchase Agreement Is Not A Lien

Neither the Purchase Agreement nor the Downpayment are a lien against the Property or the Unit. You may not record the Purchase Agreement and will be in default if you try to record it.

K-26. Prohibition Against Advertising

Until title closes, you are prohibited from advertising or publicizing the availability of your Unit for sale or lease. Any violation of this prohibition shall be a material event of default by you under the Purchase Agreement.

SECTION L. ASSIGNMENT OF PURCHASE AGREEMENTS

L-1. No Right to Assign

You do not have the right to assign the Purchase Agreement without Sponsor's prior written consent, which may be denied or withheld without cause or explanation (in Sponsor's sole and absolute discretion). If Sponsor refuses to give or withholds its consent, you shall remain fully obligated under the Purchase Agreement and shall not be entitled to any Purchase Price reduction, adjustment or credit and shall have no recourse whatsoever against Sponsor by reason thereof.

L-2. Requirements if Consent Given

Sponsor recognizes that a Purchaser may wish to take title in the name of an entity related to, or controlled by, Purchaser, or may ask to add, delete or substitute the name of a family member of Purchaser. In the event Sponsor, in its sole and absolute discretion, permits any of these or other name changes to occur, Sponsor's attorneys must receive all of the following, properly completed, signed and notarized (where applicable) at least twenty (20) days prior to the date scheduled or fixed for closing pursuant to your Purchase Agreement:

(a) four (4) originals of an agreement assigning and assuming the Purchase Agreement (to be signed by both the original and the new Purchaser on the form prepared by Sponsor's attorneys and in content satisfactory to Sponsor only, in its sole and absolute discretion);

(b) three (3) originals of either Internal Revenue Service Form W-9 (Request for Taxpayer Identification Number and Certification) or Form W-8 (Certificate of Foreign Status), as applicable, in the form required by law;

and

(c) an unendorsed personal certified check of the original or the new Purchaser or an official cashier's or bank check in the amount of $300.00 made payable directly to the order of "Mandel Resnik & Kaiser P.C." (for services rendered in connection with the assignment). In no event will you be entitled to delay or postpone your closing as a result of such name change or permitted assignment.

SECTION M. EFFECTIVE DATE

M-1. Closings Contingent Upon Plan Being Declared Effective

Sponsor's offer and obligations under this Plan and Purchase Agreements are contingent upon Sponsor declaring this Plan effective. The Plan may only be declared effective in compliance with this Section. Sponsor has the exclusive right and discretion to declare the Plan effective or to abandon the Plan. Until Sponsor makes this election, you will be irrevocably bound by your Purchase Agreement and may not unilaterally cancel it by reason of this contingency.

The date for the First Closing will not be fixed until the Effectiveness Amendment is accepted for filing by the Department of Law. After the Effectiveness Amendment is accepted for filing, Sponsor will set one or more dates for the closing of Units then under contract. You will be given a separate written notice of your closing date scheduled by Sponsor in accordance with your Purchase Agreement.

M-2. Rules to Declare the Plan Effective

M-2.1. Minimum Sales Requirement

This Plan will not be declared effective unless Purchase Agreements are entered into with "bona fide Purchasers" (defined in subsection M-2.2 immediately below) for at least any two (2) Residential Units, which equals not less than fifteen percent (15%) of all eight (8) Residential Units being offered for sale (hereafter called the "15% Sales Minimum"). Once this 15% Sales Minimum is met, Sponsor has the option (but is not required) to declare this Plan effective. Sponsor will declare this Plan effective when Purchase Agreements for any seven (7) Residential Units are signed and delivered by bona fide Purchasers.

M-2.2. Computing the 15% Sales Minimum Requirement

In computing the 15% Sales Minimum needed to declare this Plan effective, only Purchase Agreements for Residential Units entered into with bona fide Purchasers (including investors) shall be counted. A bona fide Purchaser is a Purchaser buying in good faith either:

(a) for the personal occupancy of Purchaser or Purchaser's family or a related party to Purchaser;

or

(b) for rental or investment (and not for personal occupancy).

However, the following shall not be regarded as bona fide Purchasers and their Purchase Agreements shall not be counted toward effectiveness:

(a) a Purchaser who has been granted a right of rescission that has not yet expired or been waived;

(b) a Purchaser who is not afforded protections required by Section 20.3(o)(10) of Part 20 of the Attorney General's Regulations (which requires that a Purchaser be afforded at least three (3) business days to review the Plan and all then existing Amendments (if any) before signing a Purchase Agreement or (if afforded less than three (3) business days) seven (7) days after delivering an executed Purchase Agreement and Downpayment to rescind the Purchase Agreement and recover the Downpayment);

(c) a Purchaser who is the Sponsor or a principal of the Sponsor;

or

(d) a Purchaser who is the Selling Agent, the Managing Agent or a person who is related to Sponsor, any principal of the Sponsor, the Selling Agent or Managing Agent by blood, marriage or adoption, or as a business associate, an employee, a shareholder of a closely held corporation or a limited partner of a closely held limited partnership; except that such a Purchaser in this clause (d) may be counted if the Sponsor has submitted proof satisfactory to the Department of Law establishing that the Purchaser is bona fide.

M-2.3. Method To Declare the Plan Effective

The Plan will be declared effective by Sponsor in an Effectiveness Notice either in an amendment or (at Sponsor's option) sending to the then existing Purchasers by mail (regular or registered or certified), a written notice declaring this Plan effective. In the latter case, the Effectiveness Notice will be signed by Sponsor or its authorized representative and either a signed original or (at Sponsor's option) a copy thereof will be served on all then existing Purchasers.

Within five (5) days after the Effectiveness Notice is sent, Sponsor is to submit the Effectiveness Amendment to the Department of Law confirming that the Plan was declared effective on the date the Effectiveness Notice was mailed. The Effectiveness Amendment will disclose all information required by Part 20 of the Attorney General's Regulations, including the names of all Purchasers being counted toward the 15% Sales Minimum and the Residential Units contracted for purchase.

M-3. Goal Date to Declare Plan Effective; Purchaser's Right to Rescind

M-3.1. Goal Date to Declare Plan Effective

Sponsor's goal is to declare this Plan effective before the start of the projected first year of Condominium operation set forth in the First Year's Budget (Schedule B in Section F). Sponsor cannot, and does not, represent, assure or guarantee that this goal will be met. Failure to meet this goal will not excuse your obligation to pay the full Purchase Price (without reduction, adjustment or credit) nor entitle you to cancel the Purchase

Agreement (except as provided in subsection "M-3.2" immediately below) or to any other recourse whatsoever against Sponsor.

M-3.2. Purchaser's Right to Rescind

If the Plan is not declared effective before the end of said projected first year of Condominium operation, you will be offered the right, and your only recourse and remedy will be, to rescind your Purchase Agreement and recover in full your Downpayment with any earned interest. However, if you sign and deliver the Purchase Agreement after an amendment is filed disclosing a revised projected first year of Condominium operation, your right to rescind the Purchase Agreement and recover your Downpayment will only arise if the Plan is not declared effective before the end of such revised projection of the first year of Condominium operation. You will also be offered the option to rescind your Purchase Agreement and recover your Downpayment with any earned interest as your sole right and remedy in the event the projected first year of Condominium operation set forth in this Plan, or in an amendment which is filed before you enter into the Purchase Agreement, is delayed by twelve (12) months or more. In no event shall Sponsor be liable to you for any claims or for any of your liabilities and expenses resulting from any delay in declaring this Plan effective or from abandoning this Plan.

M-4. Rules to Abandon the Plan

Sponsor has the exclusive and absolute right and discretion to abandon this Plan and may do so at any time before the Effectiveness Amendment is accepted for filing by the Department of Law. After the Effectiveness Amendment is so filed, the Plan may not be abandoned unless Sponsor elects to abandon it based upon the occurrence of any one of the following ("Permitted Abandonment Events"): (a) a defect in title (including violations or determinations by any authority or regulatory association having jurisdiction over the Property) which cannot be cured without litigation or for less than the Abandonment Amount (which equals approximately one half of one percent (0.5%) of the total initial asking prices for all Units), as reasonably estimated by Sponsor; (b) substantial damage or destruction of the Building by fire or other cause which cannot be totally repaired for less than the Abandonment Amount, as reasonably estimated by Sponsor; or (c) the taking of all or a material portion of the Property by condemnation or eminent domain or giving a deed for such portion in lieu of such contemplated taking.

The Abandonment Amount shall exclude legal fees and any title defects (including violations or determinations of any authority or regulatory association having jurisdiction over the Property) which exist on the date of presentation of this Plan and either are known to Sponsor or a matter of public record.

If one of the Permitted Abandonment Events occurs and Sponsor chooses not to abandon the Plan, then by the First Closing or within a reasonable period of time thereafter, Sponsor will cure (regardless of costs) all such title defects affecting the Units or the Property at the First Closing (other than violations to be performed by any then existing tenants in their respective leased spaces) and repair the damage resulting

from any casualty or other cause or taking by condemnation or eminent domain. Any such work to be performed after the First Closing will be secured at the First Closing by a letter of credit or cash deposit escrowed with Sponsor's attorneys, Mandel Resnik & Kaiser P.C. The security will be in an amount determined by an architect or engineer selected by Sponsor to be sufficient to perform the work (see "Section DD. Sponsor's Statement of Building Condition" for full details of this escrow).

In the event this Plan is abandoned, Sponsor will submit to the Department of Law a notice of abandonment on the Attorney General's RS-3 form and an amendment disclosing the abandonment. After its acceptance for filing, the amendment will be served on then existing Purchasers. Within approximately fifteen (15) days after the amendment is accepted for filing, all Downpayment under Purchase Agreements then in effect will be fully refunded to Purchasers together with any interest earned thereon. Upon making such refund, the Purchase Agreement will be void and unenforceable and Sponsor and Purchasers will have no further claims against each other under the Purchase Agreement or this Plan or any amendment (other than those expressly stated in the Purchase Agreement to survive its cancellation or termination).

SECTION N. TERMS OF SALE

N-1. Prerequisites and Requirements For First Closing

N-1.1. Prerequisites for First Closing

Before the First Closing is held:

(a) Sponsor must declare this Plan effective and the Effectiveness Amendment must be accepted for filing by the Department of Law;

(b) Sponsor must record or file (as applicable) the Declaration, By-Laws and Floor Plans establishing the Condominium and such other documents as may be required by Law;

and

(c) a temporary or permanent Certificate of Occupancy for the Building must be issued authorizing the use of each Residential or Commercial Unit that closes for dwelling purposes or commercial purposes, respectively.

N-1.2. Requirements for First Closing

At the First Closing:

(a) Sponsor will transfer and assign (without any kind whatsoever of guaranty, warranty, representation or recourse and subject to all faults, risks, damages, conditions and need for repairs) to the Condominium Board in behalf of all Unit Owners: (i) all personal property and equipment comprising part of the Common Elements owned by Sponsor, subject to the terms and easements contained in the Declaration and By-Laws; (ii) all service, maintenance and employment agreements for the Building in accordance with the First Year's Budget (the Condominium Board will deliver to Sponsor an agreement assuming such agreements and indemnifying Sponsor from all liability arising under them for events occurring on or after the First Closing); and (iii) any warranties, guaranties or bonds for the Common Elements (including the equipment) that are transferable and have not yet expired;

(b) Sponsor will obtain, at the expense of the Condominium Board, the insurance coverage disclosed in the First Year's Budget insuring the interests of the Condominium Board, Unit Owners and Permitted Mortgagees;

(c) Sponsor will pay to the Condominium Board the Working Capital Fund (see "Section X. Working Capital Fund");

and

(d) Sponsor and the Condominium Board will apportion the usual Building expense items as explained in the immediately following subsection N-1.3.

N-1.3. Closing Apportionments

At the First Closing, Sponsor and the Condominium Board will apportion as of the end of the day immediately preceding the First Closing, all Building expense items customarily apportioned in New York City by a seller and purchaser of a multiple dwelling (apart from real estate taxes). See Section O, subsection "O-3, Closing Apportionments between Sponsor and Condominium Board" for full discussion of the items to be apportioned and the requirements for payment of the net amount resulting from such apportionments (whether owed to Sponsor or to the Condominium Board).

N-2. Obligations of Purchaser and Sponsor For Each Unit Closing

At your Unit closing, you will make the payments and execute and deliver the documents required in the Purchase Agreement and summarized in Section K, subsection "K-8.4. Purchaser's Closing Payments and Documents". In return, Sponsor will do the following:

(a) Sponsor will deliver all of the documents listed in Section K, subsection "K-8.5. Sponsor's Closing Payments and Documents", including: (i) a bargain and sale deed with covenant against grantor's acts (substantially in accordance with the form Unit Deed reproduced as DOCUMENT 3 of this Plan); (ii) a release of mortgage lien and UCC-3 Termination Statement (releasing your Unit and its Common Interest and the personal property included in the sale from the lien of any mortgage covering your Unit and any other Unit); (iii) (as to a Residential Unit only) an assignment (without guaranty, warranty or representation by, or recourse against, Sponsor) of personal property (transferring all personal property included in the sale of the Residential Unit to you); and (iv) the New York State and New York City transfer tax returns (but you, and not Sponsor, will be required to pay such transfer taxes);

(b) Sponsor and you will apportion the Unit's Common Charges, real estate taxes and any rent in accordance with the Purchase Agreement (see summary in Section O, subsection "O-2. Closing Apportionments Between Sponsor and Purchasers");

(c) title to the Unit and its Common Interest will be conveyed free and clear of all liens, encumbrances and title exceptions other than the Permitted Encumbrances (listed in EXHIBIT A to the Purchase Agreement) as required in the Purchase Agreement (see additional discussion in Section K, subsection "K-13. State of Title");

(d) if the Unit is damaged from a casualty or other cause for which Sponsor has assumed the risk and Sponsor or the Condominium Board elects to repair the damage, Sponsor or the Condominium Board (as applicable) will substantially complete the repairs to the Unit and its contents and restore all essential Building services (such as gas, electricity and heat) before the closing (see full explanation in Section K, subsection "K-16. Risk of Loss");

(e) if you are permitted to rent the Unit being purchased prior to closing, Sponsor will instruct the depository to refund to you any rent security deposit not previously applied together with any earned interest (allow approximately thirty (30) days to receive the refund);

(f) Sponsor will give you possession of the Unit, free of all leases, occupancies and right of occupancies by others (unless the Unit is leased to someone else when you sign the Purchase Agreement and the Purchase Agreement expressly provides otherwise);

and

(g) the Unit shall be authorized on a temporary or permanent Certificate of Occupancy of the Building for the use indicated in this Plan.

SECTION O. UNIT CLOSING COSTS AND APPORTIONMENTS

O-1. Purchaser's Closing Costs

O-1.1. Mandatory Closing Costs

(a) At closing, you will pay the following mandatory closing costs:

(b) all governmental fees to record the deed and Unit Owner's Power of Attorney and the service charge of the title company to record these documents;

(c) the New York State real property transfer tax and New York City real estate transfer tax;

(d) a payment for the Working Capital Fund in an amount equal to two (2) month's projected Common Charges for each Unit you purchase as set forth in the Offering Price Schedule (SCHEDULE A in Section E), as such projected monthly Common Charge amount may be revised in an Amendment filed prior to the First Closing (this payment will be made payable, and delivered, to Sponsor until the amounts paid by Purchasers who close title fully reimburses Sponsor for the initial Working Capital Fund advanced by Sponsor and, thereafter, will be made payable as directed by the Condominium Board and delivered to Sponsor at title closing for forwarding to the Condominium Board or its Managing Agent);

(e) the legal fee of Sponsor's attorneys, Mandel Resnik & Kaiser P.C., of $1,500.00 for each Unit closing for preparing the Unit Deed and Unit Owner's Power of Attorney and for coordinating and attending the Closing;

and

(f) the mansion tax imposed by the State of New York whenever the Purchase Price exceeds $1,000,000.00.

O-1.2. Elective Closing Costs

At title closing, you will pay the following elective closing costs:

(a) if you elect to obtain a mortgage loan:

(i) you will pay the mortgage closing costs as required by your lender (such as: mortgage title insurance; mortgage recording tax; mortgage recording fee; title company service charge (if any) to record the mortgage; appraisal fee, loan application fee, lender's legal fee, title search, origination fee and escrows for real estate taxes and/or insurance);

(ii) you will pay Sponsor an amount equal to the savings available to you in the mortgage recording tax, whether such available savings results from an exemption from all or a portion of the mortgage tax otherwise payable

or the partial mortgage tax credit pursuant to Section 339-ee of the Condominium Act or otherwise;

and

(iii) if the mortgage lender or its attorney refuses to close at the offices of Sponsor's attorneys, Mandel Resnik & Kaiser P.C., you will also pay such attorneys a travel fee of $350.00 (in the case of a closing held in Manhattan) or $500.00 (in the case of a closing held elsewhere in New York City) (NOTE: Sponsor and Sponsor's counsel are not required to travel outside of New York City);

(b) if you elect to obtain title insurance, you will pay the premium for the amount of insurance requested;

(c) if you retain an attorney, you will pay your attorney's fees and disbursements;

and

(d) if you have dealt with any broker apart from any broker engaged in writing by Sponsor, you will pay any commission earned by such broker.

NOTE: Until the Units are separately assessed and billed, you will pay the real estate taxes attributable to your Unit to the Condominium Board as part of your monthly Common Charges. You will be required to make this payment to the Condominium Board even though your mortgage lender may require that you separately escrow the real estate taxes with it.

O-1.3. Delinquency Closing Costs

At closing, you will pay the following delinquency closing costs if you or your mortgage lender (if any) or an attorney representing you or your lender (if any) is at fault for not closing on the date specified in, or set by Sponsor in accordance with, the Purchase Agreement:

(a) you will pay Sponsor a sum equal to ten percent (10%) a year times the Purchase Price (prorated for each day's delay through the day prior to the actual closing date) to reimburse Sponsor for lost opportunity of earnings on the Purchase Price;

(b) you will reimburse Sponsor for the Unit's Common Charges and real estate taxes for the period of such delay, after deducting any rent paid by you (if you are permitted to rent the Unit) for such period;

and

(c) you will pay Sponsor's attorneys, Mandel Resnik & Kaiser P.C., $250.00 for each default notice, $250.00 for each notice sent to reschedule the closing and an

additional travel fee for each aborted closing attended by a representative of such firm, to defray the costs and expenses of such legal services.

O-1.4. Illustration of Mandatory and Elective Closing Costs

The following illustrates the projected mandatory and elective closing costs (based on rates in effect as of this writing) of a typical Residential Unit (e.g., Residential Unit 2N) purchased at a Purchase Price of $2,750,000.00, using the form documents in the Part II of this Plan and assuming: (a) seventy-five percent (75%) of the Purchase Price (i.e., $2,062,500.00) is financed with a mortgage loan and (b) First American is engaged for title services (all amounts are rounded to the nearest whole dollar):

Mandatory Closing Costs

(a)	governmental fee to record the Unit deed (4 pages) and Unit Owner's Power of Attorney (8 pages) at the rate of $27.00 for each instrument plus $5.00 a page, and $25.00 for the New York City Real Property Transfer Tax Return:	$ 139.00
(b)	New York State Transfer Tax (also called the documentary stamps), at the rate equal to the "Adjusted Purchase Price" (defined below) x .4% (rounded up to nearest $500.00):	11,000.00
(c)	New York State Mansion Tax:	27,500.00
(d)	New York City Transfer Tax, at the rate of 1.425% of an Adjusted Purchase Price of more than $500,000.00:	39,187.50
(e)	Working Capital Fund payment:	1,868.20
(f)	legal fee to Sponsor's attorneys (assuming closing is held at such firm's office):	1,500.00
Total Projected Mandatory Closing Costs[1]:		$81,194.70

Elective Closing Costs

(a)	mortgage recording tax at the rate of 2% of the mortgage (if less than $500,000.00) or 2.125% of the mortgage (if $500,000.00 or more), minus $25.00 and minus .25% payable by the mortgage lender, assuming the Lender agrees to make this payment (before deducting the amount payable to Sponsor on the available savings in the mortgage tax based on the permitted statutory exemption or credit against the mortgage tax):	$39,162.50

(b)	mortgage recording fee (assuming a mortgage of 20 pages at the rate of $27.00 per instrument and $5.00 per page):	127.00
(c)	combined premium for fee title insurance ($7,057.00) and mortgage title insurance ($1,359.00):	8,416.00
(d)	other projected potential mortgage loan costs (assuming: points of 1% of mortgage amount, application fee of $250.00, appraisal of $500.00, lender's legal fee of $500.00, UCC-1 filing fee of $30.00 and lender does not require an escrow deposit for real estate taxes or insurance):	21,905.00
(e)	title company charges for municipal and tax searches:	350.00
	Total Projected Elective Closing Costs[1][2][3]:	$69,960.50

FOOTNOTES:

(1) Governmental recording fees may vary from time to time. Title company service charges may also vary and may differ depending upon the title agent or insurer.

(2) If you elect to obtain fee title insurance, you will pay a premium which will vary depending upon the amount of insurance requested. The premium for fee title insurance if ordered from First American will be $260.00 for the first $35,000 of fee insurance plus $4.31 for each $1,000 of additional fee insurance up to $50,000. If you elect to simultaneously obtain both fee title insurance and mortgage title insurance from First American, the premium for the mortgage title insurance will be at a simultaneous rate. The premium on the amount of the loan policy that does not exceed the owner's policy shall be calculated at thirty percent (30%) of the regular scheduled rate for loan policies.

(3) This projection does not include: (a) escrows for real estate taxes, insurance or other sums that might be required by your mortgage lender, (b) a travel fee to Sponsor's attorneys in the event your mortgage lender or its counsel refuses to close at the office of Sponsor's attorneys or (c) a fee to any attorney you may engage.

The "Adjusted Purchase Price" is the sum of (a) the Purchase Price plus (b) the product of the Purchase Price times .014 (if the Purchase Price is $500,000.00 or less) or times .01825 (if the Purchase Price is more than $500,000.00). It is noted that the State and City transfer taxes (other than the mansion tax) are imposed by statute on sellers and are based on the actual Purchase Price. When these transfer taxes are paid by purchasers (which often is the case in condominium transactions involving a sponsor), these transfer taxes are based on the Adjusted Purchase Price. The effect of this is to

pay a transfer tax on the transfer tax as though the Purchase Price were increased to include the transfer tax.

The combined rates for the New York State and New York City transfer taxes, excluding or including the mansion tax are:

Purchase Price	Combined Rates Excluding Mansion Tax	Combined Rates (Including Mansion Tax)
Under $500,000.00	1.400%	1.400%
$500,000.00 to $999,999.00	1.825%	1.825%
$1,000,000.00 and above	1.825%	2.825%

Your actual closing costs will be based on the applicable governmental and title company rates in effect on your Unit Closing Date.

As noted above in subsection O-1.2(ii), if you obtain a mortgage loan, you will reimburse Sponsor at title closing to the extent of any savings in the mortgage recording tax that is available to you whether such available savings results from a permitted exemption from all or a portion of the mortgage tax otherwise payable or the permitted partial mortgage tax credit pursuant to Section 339-ee(2) of the Condominium Act, or otherwise. In no event shall your payment to Sponsor exceed the amount of mortgage tax which would have been payable by you to the taxing authority if such mortgage tax exemption or credit had not been available to you.

The foregoing projection of mandatory and elective closing costs are not guaranteed. Although the projections are believed to be reasonable, there are a number of unknown factors (such as the mortgage loan closing costs, which may vary widely). As a result, the actual closing costs may be higher or lower, perhaps substantially, than those projected.

O-2. Closing Apportionments Between Sponsor and Purchasers

At closing, you and Sponsor will apportion as of end of the preceding day: (a) real estate taxes for the Unit for the tax period within which the closing occurs; (b) Common Charges; and (c) if you are permitted to rent the Unit prior to closing, the rent payable for the Unit for the month of closing (based on the actual number of days in such month. Common Charges will commence at the First Closing. Accordingly, Common Charges will not be apportioned for those Units only that close on the day of the First Closing; however, you may be required to pay at closing the Common Charges for the Unit (including real estate taxes, if not separately assessed and billed) for the month immediately following the closing.

The net amount resulting from these apportionments will be paid to the proper party at closing. If the payment is to be made to Sponsor, it will be in addition to your payments for the Purchase Price and closing costs.

Installments for any Special Assessments for real estate taxes or for Common Expenses will be paid by the party owning the Unit at the time the installments are payable. However, the then current installment of any Special Assessment for real estate taxes or Common Expenses will be equitably apportioned as of the end of the day preceding the closing and paid to the appropriate party at closing.

The "Customs in Respect of Title Closings" recommended by The Real Estate Board of New York, Inc., as amended to date, will apply to all apportionments between Sponsor and you, except as may expressly be provided otherwise in this section. Any errors or omissions in computing the apportionments discovered after closing will be corrected and payment made to the proper party promptly after receipt of a written notice detailing the calculation of the amount owed.

If at the time of closing the Unit is not separately assessed and billed for real estate taxes: (a) the apportionment for Common Charges will exclude any Common Charges attributable to the Unit's real estate taxes and (b) the apportionment for real estate taxes will be based upon the Unit's projected real estate taxes in the Offering Price Schedule (SCHEDULE A in Section E). When the Unit is separately assessed and billed for real estate taxes, you and Sponsor will adjust any overpayment or underpayment of the real estate taxes originally apportioned as explained more fully in footnote (6) to the Offering Price Schedule.

The amount of the overpayment or underpayment is required to be paid within fifteen (15) days after you (in the case of an underpayment by you) or Sponsor (in the case of an overpayment by you) is sent written notice detailing the calculation of the amount owed. The notice must be accompanied by suitable proof of the real estate tax for the Unit (such as a real estate tax bill or title report). If the amount due is not paid within the fifteen (15) day period, then the party owed payment will be reimbursed: (a) interest on the unpaid amount at the yearly rate of sixteen percent (16%) computed from the end of the fifteen (15) day period until payment is received (to compensate for lost opportunity of earnings on the amount past due) and (b) the costs and expenses of collection. The obligation to adjust the apportionment for real estate taxes and to pay the appropriate party will survive your closing.

O-3. Closing Apportionments Between Sponsor and Condominium Board

At the First Closing, Sponsor and the Condominium Board will apportion as of the end of the day immediately preceding the First Closing, all Building expense items customarily apportioned in New York City by a seller and purchaser of a multiple dwelling (apart from real estate taxes), including:

(a) accrued and prepaid employee's wages, vacation and severance pay, pension and welfare benefits and all other payments and obligations relative to the Building's visiting part-time superintendent;

(b) cost of fuel including sales tax, if any;

(c) payments under any assignable service, maintenance and concessionaire agreements;

(d) premiums for transferable insurance policies;

(e) water charges, sewer rents and vault charges based on the fiscal or calendar year for which assessed;

(f) cost of unused Building supplies on hand, at Sponsor's cost, including sales tax (the Managing Agent will verify the inventory of such supplies);

(g) charges for electricity for the Common Elements, charges for gas for both the Common Elements and the Units and deposits with utility companies;

(h) fees of any governmental authority for inspections, permits and licenses;

(i) management fee;

and

(j) dues to the Realty Advisory Board on Labor Relations, Inc. or similar real estate industry group (if any).

The "Customs in Respect to Title Closings" recommended by The Real Estate Board of New York, Inc., as amended to date, will apply to these apportionments, except as may expressly be provided otherwise in this Section. Any error or omission in computing the apportionments discovered after the First Closing will be corrected and payment made to the proper party promptly after receipt of a written notice detailing the calculation of the amount owed. This provision will survive the First Closing.

If the closing apportionments results in a net amount to be paid by the Condominium Board to Sponsor, the Condominium Board will pay such net amount to Sponsor at the First Closing as follows:

(a) the first $10,000.00 will be paid in cash, which will be taken from the Working Capital Fund advanced by Sponsor;

and

(b) the balance above $10,000.00 (if any) will be paid by the Condominium Board, as agent and on behalf of Unit Owners, executing and delivering to Sponsor a promissory note in favor of Sponsor in the amount of such balance, bearing interest

at the yearly rate of ten percent (10%) and payable in twelve (12) equal consecutive monthly installments of principal and interest on the first day of each month in an amount sufficient to fully repay the loan with interest over twelve (12) consecutive months, starting with the month immediately following the first full calendar month after the First Closing; however if the First Closing does not occur on the first day of a month, the first payment will be for interest only for the remaining days of such month, payable on the first day of the month immediately following the First Closing and the twelve (12) consecutive monthly installments of principal and interest will begin on the first day of the next ensuing month.

Interest will be calculated on the basis of a three hundred sixty (360) day year having thirty (30) day months and will be computed from the First Closing for the actual number of days that have elapsed. The interest and principal payments of this note will be included in the Common Expenses payable by all Units pro rata to their respective Common Interests.

The note will provide that if a monthly installment is not received by Sponsor within ten (10) days of the date due: (a) Sponsor will have the right to accelerate the maturity date and require immediate payment in full of all unpaid principal and interest; (b) the interest rate will increase to sixteen percent (16%) a year (computed from the due date and until payment is received by Sponsor); and (c) the Condominium Board will reimburse Sponsor, promptly following demand, for all costs and expenses incurred to collect on the note. However, Sponsor may not enforce these provisions if the late payment or default occurs while the Sponsor Board Members constitute a majority of the Board Members.

The Condominium Board will have the right to prepay the whole (but not less than the whole) unpaid principal amount of the note at any time, without penalty, but with interest accrued to the date prepayment is received by Sponsor.

If the net amount of the closing apportionments is in favor of the Condominium Board:

(a) Sponsor's payment of the initial Working Capital Fund will be credited against the net amount owed and (if insufficient) the excess of the net amount above the Working Capital Fund will be paid by Sponsor to the Condominium Board at the First Closing;

and

(b) an amount equal to such credit that otherwise is to be reimbursed to Sponsor from the first Working Capital Fund contributions of Purchasers of Units will not be paid to Sponsor and instead will be paid to the Condominium Board.

O-4. Real Estate Tax Reduction Proceedings

If proceedings are pending for remission, certiorari or other reduction of real estate taxes on the Property for any tax year prior to or covering the First Closing or a closing under a Purchase Agreement, the Condominium Board and Unit Owners, or the

applicable Purchaser under such Purchase Agreement, shall continue such proceedings with the attorney previously employed by Sponsor prior to the First Closing or such closing (as applicable). Sponsor shall also have the sole right to negotiate and settle all claims in connection with these proceedings. The cost of such proceedings and (in the event that taxes are reduced) any refund shall be apportioned between you and Sponsor as of the closing date under your Purchase Agreement. Accordingly, any refund covering a period prior to the First Closing and all expenses incurred in connection with obtaining such refund, shall belong to and be incurred by Sponsor alone. However, if any tax reduction proceeding results in a refund, reduction or savings in the real estate taxes payable by you after your title closing, you shall pay or reimburse Sponsor for your pro rata share of the expenses incurred in connection with such proceeding (including legal fees and disbursements), provided however, that in no event shall your payment for said expenses exceed the amount of reduction or savings in real estate taxes.

SECTION P. RIGHTS AND OBLIGATIONS OF THE SPONSOR

P-1. General Rights of Sponsor and Unsold Unit Owners

P-1.1. Sponsor's Rights

This Section P summarizes many of the more important of Sponsor's rights under this Plan and the Condominium Documents. The Sponsor's rights apply to Sponsor and will also apply and inure to the benefit of each and every Unsold Unit Owner. The summary is not intended to be exhaustive and should be read in conjunction with the other sections of this Plan.

The Sponsor's rights apply to all Units (collectively, "Sponsor Units" and individually, "Sponsor Unit") owned by Sponsor at the time in question, including Unsold Units and Units reacquired by Sponsor or Sponsor's designee, whether such reacquisition results from the exercise of a right of rescission or a right to sell back to Sponsor or a mortgage foreclosure or a deed given in lieu of such foreclosure or otherwise. However, such reacquired Units shall not be regarded as Unsold Units for purposes of determining the Initial Control Period.

Each and every Unsold Unit Owner automatically will succeed to all of Sponsor's rights upon being designated an Unsold Unit Owner by Sponsor in writing or in an amendment. All references to Sponsor or a Sponsor Unit in this subsection "P-1. General Rights of Sponsor and Unsold Unit Owners" shall include each and every Unsold Unit Owner and Unsold Unit, respectively, unless otherwise expressly stated.

P-1.2. Status of Unsold Unit

An Unsold Unit shall retain its status and character as an Unsold Unit until: (a) it is no longer owned by Sponsor or an Unsold Unit Owner; or (b) it is occupied by its Owner or a family member of the Owner; or (c) it is conveyed to a bona fide Purchaser: (i) for personal occupancy (by the Purchaser or a family member or a related party of the Purchaser) or (ii) for rental or investment and such Purchaser is not designated as an Unsold Unit Owner.

P-1.3. Sponsor's Right to Change Prices, Units and Common Elements

Sponsor has the right to change the asking prices, the Units and the Common Elements on the terms stated in "Section I. Changes in Prices and Units".

P-1.4. Sponsor's Rights to Sell, Lease and Mortgage Unsold Units and to Convey Units Mortgaged to Sponsor Following a Foreclosure or Deed Given in Lieu of Foreclosure

Each and every Sponsor Unit may be sold, conveyed, leased or mortgaged (with one (1) or more mortgages), and each and every Unit ("Sponsor-Mortgagee Unit") mortgaged to Sponsor may be conveyed or sold following a foreclosure of Sponsor's

mortgage or a deed given to Sponsor or Sponsor's designee in lieu thereof and may be leased from time to time pending the consummation of such mortgage foreclosure or deed in lieu of foreclosure, all freely and without consent, payment or restriction of any kind, including:

(a) without the consent or approval of the Condominium Board or Unit Owners;

(b) without complying with any kind whatsoever of condition, requirement or restriction (including: without offering the Condominium Board the Right of First Refusal to purchase or lease the Unit on the same terms offered by a proposed purchaser or tenant; and without complying with any requirements as to the form or content (including the term or other provision) of a lease, mortgage or other instrument);

(c) without paying any kind whatsoever of fee, charge, flip tax, imposition or expense of the Condominium Board or its Managing Agent or attorneys (however, this will not excuse the payment of any applicable governmental taxes by the party charged by law, such as the New York City and New York State transfer taxes);

and

(d) without the proposed Purchaser, Owner or tenant submitting an application, financial or bank statement, copies of income tax returns, references or other documents or attending an interview.

A lien in favor of the Condominium Board for unpaid Common Charges or other indebtedness under the By-Laws and the Condominium Act shall be subordinate to, and shall not affect the validity or enforceability of, a prior recorded first mortgage on an Unsold Unit.

Within ten (10) days after written notice of a proposed sale, conveyance, lease or mortgage of a Sponsor Unit or a Sponsor Mortgagee Unit is hand delivered or mailed to the Condominium Board or its Managing Agent, the Condominium Board shall duly sign and return to Sponsor, and Sponsor shall receive:

(a) (in the case of a proposed sale or lease) a certificate stating that the transaction is exempt from the Condominium Board's Right of First Refusal;

and

(b) a certificate setting forth:

(i) the status of payment of Common Charges, Special Assessments and other payments (if any) for the applicable Sponsor Unit or Sponsor-Mortgagee Unit, or of any other indebtedness of Sponsor to the Condominium Board;

(ii) whether a notice of default under, or violation of, the Condominium Documents by the Sponsor has been given and (if given) whether or not it has been corrected;

and

(iii) whether an event is known to have occurred which with notice or the passage of time or both would constitute a default under, or violation of, the Condominium Documents by Sponsor.

Each such certificate shall be in form and content satisfactory to, and shall be prepared by an attorney designated by, Sponsor.

P-1.5. Sponsor's Right to Alter Unsold Units, Individual Limited Common Elements and Common Elements

Sponsor will have the right ("Sponsor's Right to Alter") to alter any and all Sponsor Units and the Common Elements, and each and every first Owner of a Unit who has been so authorized in writing by Sponsor will have the right to alter the Owner's Unit and its Individual Limited Common Element (if any), freely and without consent, payment or restriction, other than the requirement to comply with the applicable work requirements set forth in the Declaration. Sponsor's right to alter includes all changes to Units and Common Elements (including changes in the description of a portion or portions of a Unit affected by a Unit Change to instead comprise part of the Common Elements and changes in the description of the Common Elements affected by such Unit Change to instead comprise part of the Unit or Units involved in such Unit Change or an Individual Limited Common Element appurtenant to such Unit), as more particularly set forth in Section I, subsection "I-2. Changes in Unsold Units". However, all alterations to Sponsor Units, Individual Limited Common Elements appurtenant to Sponsor Units, if any, and Common Elements shall comply with applicable work requirements set forth in the Declaration and the Sponsor or authorized first Unit Owner making the alterations (as applicable) will indemnify the Condominium Board and all other Unit Owners from all claims and all liabilities and expenses arising from the alterations.

P-1.6. Sponsor's Right for Use and Occupancy of Unsold Units

Sponsor Units are exempt from all restrictions and requirements in the Condominium Documents as to use and occupancy of Units, other than the requirement to comply with applicable laws, including joint live-work requirements, and the restriction against Prohibited Uses.

Accordingly, Sponsor Units may be used as models and offices for the sale, rental, promotion, operations or management of Unsold Units and for any other lawful purpose, other than Prohibited Uses (namely: any use that would (a) impair or unreasonably threaten the structural components or the structural integrity of the Building, or the material health or safety of the Owners or permitted tenants or occupants of Units; (b) violate applicable laws; (c) be an unreasonable and unauthorized annoyance or nuisance to the Owners or permitted tenants or occupants of Units or an unreasonable

and unauthorized interference with the peaceful possession or proper use of the Units or Common Elements as permitted or stated in the Condominium Documents (as each may be duly amended from time to time); or (d) result in the cancellation, or increase the rate or premium, of insurance maintained by the Condominium Board). However, such permitted uses of Unsold Units may be noisy, emit odors, involve heavy traffic and need not be compatible with the primary use of the Building for residential dwelling purposes. Sponsor reserves the right (but has no present intention) to amend the Building's Certificate of Occupancy or obtain a new Certificate of Occupancy or a zoning variance to authorize a different use.

Moreover, Sponsor Units may be occupied by any person or persons approved by Sponsor, regardless of any relationship or lack of relationship with Sponsor.

P-1.7. Sponsor's Right to Use Common Elements

(a) Sponsor will have the right, freely and without consent, payment or restriction (other than the requirement to comply with the applicable work requirements set forth in the Declaration) to use the Common Elements (including the General Common Elements, the Commercial Limited Common Elements and Residential Limited Common Elements, and specifically the exterior walls of the Building, the Building's entrance, lobbies and corridors, and the sidewalks adjacent to the Building) for all lawful purposes, including in connection with the following (among others):

(b) the sale, rental, promotion, operation, management, use, occupancy or ownership of Sponsor Units including: (i) to install, maintain and repair furnishings, wall and floor coverings and other decorations in the public and residential areas such as the Building's entrance vestibule, lobbies, corridors, hallways and other portions of the Common Elements; (ii) to station sales and rental staff in the lobbies, corridors; (iii) to erect, maintain, repair and alter one or more signs of any size, content, composition, material, design, illumination, character, color and/or appearance on the Building's exterior walls and adjacent sidewalks, in the Building's entrance, lobbies, corridors and hallways, and elsewhere in or on the Common Elements; and (iv) to provide access to: sales and rental personnel, outside brokers, prospective Purchasers and renters, contractors and their subcontractors and workers, architects, engineers, decorators and other persons authorized by Sponsor;

(c) the construction and outfitting of the Building (including the Common Elements and Units) and the alteration and repair of Sponsor Units;

and

(d) the transportation and storage of materials, equipment and supplies, and the temporary interruption of elevator, water, plumbing, electric and other Building services, in connection with the performance of: the construction, outfitting, alteration or repair of the Building (including the Common Elements and Units) or obligations or work undertaken by Sponsor in this Plan or a Plan amendment or a

Purchase Agreement; or obligations of Sponsor to tenants or other occupants of Sponsor Units.

The Condominium Board may not impose any fees, charges, impositions, restrictions, requirements or other limitations on any of these uses of the General Common Elements, the Residential Limited Common Elements or the Commercial Limited Common Elements. In addition, the Condominium Board may not prevent or unreasonably impede or interfere with any of these uses of the General Common Elements, the Residential Limited Common Elements or the Commercial Limited Common Elements, or any disposition of a Sponsor Unit. Nevertheless, such uses of the General Common Elements, the Residential Limited Common Elements or the Commercial Limited Common Elements must comply with all applicable Laws and may not unreasonably interfere with the quiet enjoyment of a Unit or the use of a Residential or Commercial Unit for the permitted uses stated in this Plan. In addition, Sponsor must repair all damages caused by Sponsor's use and restore the affected General Common Elements, the Residential Limited Common Elements or the Commercial Limited Common Elements to as near as reasonable to their former condition when such uses end.

So long as Sponsor owns a Unit, no Sold Unit Owner may alter the windows or entrance doors of the Owner's Unit, or the Unit's terrace, without the prior written approval or consent of Sponsor in each instance. Sponsor's approval or consent is discretionary and may be withheld or denied without cause or explanation.

P-1.8. Sponsor's Right to Obtain Cooperation of Condominium Board

The Condominium Board will fully cooperate with Sponsor in connection with Sponsor's completion of construction and outfitting of the Building (including the Common Elements and Units), Sponsor's construction obligations under this Plan or a Plan amendment or a Purchase Agreement, or the exercise of Sponsor's Rights, including any disposition of any one or more Sponsor Units (i.e., all Residential and Commercial Units owned by Sponsor at the time in question), freely and without consent, payment or restriction, except those out-of-pocket costs set forth below in connection with a government document or litigation document.

In furtherance of such cooperation, within ten (10) days after written request therefor is hand delivered or mailed to the Condominium Board or its Managing Agent, the Condominium Board will properly complete, sign and return to Sponsor, and Sponsor shall receive, any requested government document or litigation document. Sponsor will:

(a) pay or reimburse the Condominium Board for the governmental fees and charges or court costs in connection with a government document or litigation document, respectively, executed at the request of Sponsor under this subsection;

(b) have the exclusive right to conduct and make all decisions in connection with the lawsuit which is the subject of the litigation document, including the rights to select the attorney and to negotiate and determine the terms of settlement;

(c) pay all legal fees and disbursements (other than those of any separate attorney the Condominium Board may retain), court costs and other expenses of such lawsuit;

and

(d) indemnify the Condominium Board and its officers, Board Members, employees and agents and from all claims resulting from the Condominium Board's execution of a government document or litigation document or from any authorized work performed by contractors or other workers engaged by Sponsor pursuant to a government document or from any action or inaction taken or omitted at the request of Sponsor in accordance with this subsection.

P-1.9. Sponsor's Right of Board Control and Representation

During the Initial Control Period, a majority of the Condominium Board shall be Sponsor Board Members who shall be appointed or designated exclusively by Sponsor (or, after Sponsor no longer owns any Unsold Units, other Unsold Unit Owners, if any). Accordingly, during the Initial Control Period, the five (5) Board members shall comprise three (3) Sponsor Board Members appointed or designated exclusively by Sponsor (or, after Sponsor no longer owns any Unsold Unit, other Unsold Unit Owners, if any) and two (2) Independent Board Members nominated and elected by all Sold and Unsold Unit Owners (including Sponsor). As a result, during the Initial Control Period, Sponsor will exercise voting control over the Condominium Board and the decisions to be made by the Board Members and thereby indirectly control the maintenance, operation and services of the Building and determine the Common Charges and the expenditures from the Working Capital Fund. After the end of the Initial Control Period, the five (5) Board Members will consist of not less than three (3) Independent Board Members and not more than two (2) Sponsor Board Members. Sponsor (or, after Sponsor no longer owns any Unsold Unit, other Unsold Unit Owners, if any) will always have the exclusive right to appoint or designate at least one (1) Sponsor Board Member for so long as there is at least one (1) Unsold Unit. These provisions are explained more fully in "Section Q. Control By The Sponsor".

Sponsor Board Members may be removed with good cause by a majority of the Owners of Sold Residential and Commercial Units (both in number and aggregate Common Interests) or without cause by Sponsor only. Any vacancy by a Sponsor Board Member (whether resulting from removal, resignation, death, incompetency, incapacity or otherwise) may be filled by Sponsor only.

P-1.10. Sponsor's Right of Veto Control

Sponsor will have the right to veto certain expenditures and actions of the Condominium Board (including decisions made by the Independent Board Members) during the Initial Control Period.

Sponsor's right to veto applies generally to Board actions to raise Common Charges (including Special Assessments) or to borrow money for non-essential purposes as explained more fully in Section Q, subsection "Q-2. Sponsor's Control Over Certain

P-1.11. Sponsor's Right For Tenants of Unsold Units To Receive Building Services

The Condominium Board shall provide to each tenant of a Sponsor Unit, and such tenant shall receive, without discrimination, all of the same Building services and facilities as are provided to all Unit Owners. No fee, charge, imposition or cost and expense shall be assessed by the Condominium Board against the tenant or Sponsor for Building services and facilities, other than regular Common Charges payable by all Unit Owners.

Building services and facilities include (if and to the extent applicable) all Building systems (such as heat, electricity, gas, ventilation, elevator, intercom and plumbing) and amenities (such as the lobby).

The Condominium Board will diligently and in good faith remove any violation noted or issued against the Building if failure to do so: (a) prevents Sponsor from obtaining a rent increase or a desired amended or new Certificate of Occupancy; or (b) is grounds to reduce or withhold the rent of a tenant or occupant of a Sponsor Unit.

The Condominium Board also will be obligated to maintain and operate the Building after the end of the Initial Control Period in substantially the same or better manner and condition as exists during the Initial Control Period.

The Condominium Board will have no legal recourse against Sponsor for a violation of the Condominium Documents by a tenant or occupant of a Unit owned by Sponsor: (a) if the violation may not be enforced against such tenant or occupant; or (b) if (and during the period) Sponsor endeavors in good faith and with reasonable diligence to abate, enjoin or remedy the violation.

Any permitted fee, charge, imposition or cost and expense properly assessed by the Condominium Board against a tenant or occupant of a Sponsor Unit in accordance with this Plan and the Condominium Documents shall be the personal responsibility of such tenant or occupant. In no event shall the Condominium Board have any recourse against Sponsor or a Sponsor Unit, and Sponsor shall not be liable and no lien against Sponsor's Unit shall arise, by reason of non-payment thereof by such tenant or occupant.

Nothing herein will excuse Sponsor from paying the Common Charges levied against all Unit Owners to pay the Common Expenses.

P-1.12. Sponsor's Rights of Indemnity and Self-Help

If the Condominium Board violates any of Sponsor's rights or fails to perform or comply with its obligations under this Plan, an amendment or the Condominium Documents, including those relating to the construction, alteration, repair, maintenance or restoration (after a casualty or a taking by eminent domain or condemnation) of the Building or any portion thereof, then:

(a) the Condominium Board shall indemnify Sponsor from any resulting claims and all liabilities and expenses;

and

(b) Sponsor will have the right (but not the obligation) and an irrevocable power of attorney (coupled with an interest) to correct such violation or perform such defaulted obligation in the name, and at the cost and expense, of the Condominium Board.

This indemnity and right of self-help will apply only if: (a) the Board's violation or failure to perform occurs while the Independent Board Members constitute a majority of the Board Members and (b) (in the case of a violation issued or noted by a governmental authority against the Building) Sponsor is not obligated to correct the violation under this Plan.

In addition, before Sponsor undertakes any work to be paid or reimbursed by the Condominium Board:

(a) Sponsor must first send to any Independent Board Member written notice ("self-help notice") of Sponsor's election to do the work at the cost and expense of the Condominium Board;

(b) the Condominium Board must be given the following period to commence the work: (i) thirty (30) days from sending the self-help notice (if, in Sponsor's reasonable judgment, the work will cost under $100,000.00); (ii) sixty (60) days from sending the self-help notice (if, in Sponsor's reasonable judgment, the work will cost $100,000.00 or more); or (iii) ninety (90) days from receipt of any proceeds of insurance (in the case of a casualty) or of any award (in the case of a taking by eminent domain or condemnation);

and

(c) the Condominium Board must be allowed to complete the work with reasonable diligence.

In the event the Condominium Board does not begin the work within the applicable time period or the Condominium Board does not complete the work with reasonable diligence, Sponsor may (but is not obligated) to proceed to do the work in the name, and at the cost and expense, of the Condominium Board. In the event Sponsor elects to do the work, the Condominium Board will reimburse Sponsor, promptly after written demand is made, for Sponsor's costs and expenses. Sponsor's demand must be accompanied by a detailed statement of the costs and expenses to be reimbursed and copies of any bills. If full payment is not received by Sponsor within ten (10) business days after sending the demand, the Condominium Board will reimburse Sponsor for lost opportunity of earnings on the amount owed at the annual rate of sixteen percent (16%) (computed from the first day following the ten (10) business day period through the date

payment is received by Sponsor). In addition, the Condominium Board will reimburse Sponsor for the costs and expenses incurred to collect the amount owed.

P-1.13. Sponsor's Rights To Amend, and to Approve Amendments to, the Condominium Documents

Sponsor will have the right to amend the Condominium Documents without consent or approval of the Condominium Board or other Unit Owners or representatives of Unit mortgage lenders:

(a) to reflect Unit Changes to Sponsor Units or to a Unit whose Owner has been transferred certain rights in the Declaration;

(b) to apportion the Common Interests of the Sponsor Units or other Unit affected by such Unit Changes whose Owner has consented thereto;

and

(c) to conform to objections made by: (i) an Institutional Lender in connection with an existing or proposed Unit mortgage; or (ii) a governmental authority having jurisdiction over the Condominium or the Property; or (iii) a title insurance company insuring title to a Unit.

However, such amendment may not change the Common Interest of your Unit, or require your Unit to be physically modified, or adversely affect the priority or validity of the lien of any purchase money mortgage or Institutional Lender's mortgage on your Unit, unless you or the mortgage lender (as may be appropriate) consent in writing to the amendment.

So long as there is a Sponsor Unit, Sponsor's written consent is required for any amendment of any one or more provisions of the Condominium Documents which would:

(a) adversely affect, or unreasonably interfere with the value, marketing, promotion or other disposition of a Sponsor Unit;

(b) adversely affect any of Sponsor's rights;

(c) impose any discriminatory fee, charge, imposition, or cost and expense against Sponsor or a Purchaser or tenant of a Sponsor Unit;

or

(d) change the permitted use or occupancy, or Common Interest or value, of a Sponsor Unit.

P-1.14. Sponsor's Right to Grant Easements, Licenses and Leases

For so long as Sponsor owns any Unit, Sponsor will have the right, in behalf of all Unit Owners, to grant easements, licenses and leases to all or any portion of the Property as Sponsor deems necessary or desirable for:

(a) the proper operation and maintenance of all or any portion of the Building;

(b) the general health, safety or welfare of Owners or occupants of one or more Units;

or

(c) compliance with applicable laws or requirements of governmental authorities having jurisdiction (including requirements to obtain a temporary or permanent Certificate of Occupancy for the Building or a governmental permit to operate any Building equipment).

This Sponsor's right includes:

(a) granting of easements for: (i) telephone, electricity, gas, cable or wireless satellite television or other media, water, storm, sewer, drainage and other utilities; (ii) a right of way; (iii) ingress and egress; and (iv) support or necessity;

and

(b) relocating easements.

However, no easements may be granted which will unreasonably interfere with the use of Units for their permitted purposes under this Plan or the operation of, or business conducted in, the Commercial Units.

A utility company or other person who is granted an easement shall have and be given reasonable access to the Units and Common Elements in connection with work to be performed in furtherance of the easement. This right of access extends to the agents, employees and contractors of the grantee of such an easement.

P-2. General Obligations of Sponsor

P-2.1. Sponsor's Obligations Contingent on Consummation of Plan

The obligations (collectively, "Sponsor's Obligations" and individually, "Sponsor's Obligation") of Sponsor contained in this subsection "P-2" or elsewhere in this Plan or an amendment or the Condominium Documents are contingent on Sponsor declaring this Plan effective, the Effectiveness Amendment being accepted for filing by the Department of Law and the Plan being consummated with the First Closing. Nothing contained herein will excuse Sponsor from Sponsor's obligations to comply with Article 23-A of the General Business Law or Part 20 of the Attorney General's Regulations.

P-2.2. Who May Enforce Sponsor's Obligations

Only the Condominium Board will have the right to enforce Sponsor's Obligations other than the Sponsor's Obligations which the Department of Law has the sole right to enforce under Article 23-A of the General Business Law or other applicable law. However, nothing herein will prevent you from separately enforcing any violation of your rights under the Purchase Agreement that involves only your Unit.

P-2.3. Sponsor's Obligation to Pay the Initial Working Capital Fund

Sponsor will pay the Initial Working Capital Fund at the First Closing in accordance with "Section X. Working Capital Fund".

P-2.4. Sponsor's Obligation for Carrying Costs of Unsold Units

Sponsor will pay all Common Charges, any Special Assessments, real estate taxes and mortgage payments for Sponsor's Unsold Units. Sponsor represents that it has the financial resources to make such payments for Sponsor's Unsold Units. These resources include funds to be realized from projected sales of Unsold Units, the net proceeds from the rental or mortgage financing of Unsold Units, existing cash reserves and/or payments from Sponsor's principals (if and to the extent made available to Sponsor). No bond or other security is being provided to secure this or any other Sponsor's Obligation.

P-2.5. Sponsor's Obligation for Offering and Sales Expenses

Sponsor will pay all expenses in connection with the preparation, filing and distribution of this Plan and all amendments promulgated by Sponsor, and the offering for sale and the sale of Sponsor Units. These expenses include: (a) the filing fees of the Department of Law; (b) fees and disbursements of Sponsor's attorneys, architect, engineer and other professionals; (c) printing costs; (d) commissions earned by any broker Sponsor may engage; and (e) all title closing expenses to be paid by Sponsor under the Purchase Agreement.

P-2.6. Sponsor's Obligation for Expenses to Establish the Condominium

Sponsor will pay all expenses to prepare, record and file the Condominium Documents with the appropriate governmental authorities.

P-2.7. Sponsor's Obligation to Defend and Indemnify Condominium Board and Unit Owners for Sponsor's Negligence or Improper Acts or Omissions

Sponsor will defend (with attorneys selected by Sponsor) and indemnify the Condominium Board and the Unit Owners against claims and liabilities and expenses arising out of Sponsor's negligent or improper acts or omissions. This indemnity does not include claims or liabilities and expenses arising from the ownership, use, operation, administration, management, cleaning, repair, maintenance, alteration or other disposition of the Common Elements after the First Closing or of any Unit after title to the Unit closes. However, this will not excuse Sponsor from liability from Sponsor's negligence or failure to perform an obligation imposed upon Sponsor by law.

P-2.8. Survival of Representations and Certain Obligations

Sponsor's representations under this Plan and in any amendments filed by Sponsor, Sponsor's obligations under the GBL and such additional obligations under this Plan or an amendment that are expressly stated to be performed by Sponsor subsequent to the First Closing, will survive the delivery of the deed to each Unit.

P-2.9. Sponsor's Obligation If a Unit is Damaged Prior to Closing

If the Unit you have contracted to buy is damaged from a casualty or other cause before you close title, Sponsor will have the right (but will not be obligated) to repair the damage. In the event Sponsor elects to repair the damage or (if the damage occurs after the First Closing) the Condominium Board is obligated to make the repairs, you will not be required to close title until repairs are substantially completed.

If the damage is not to be repaired by Sponsor or the Condominium Board (as applicable) and you are not at fault for the damage, your Purchase Agreement will be canceled and your Downpayment will be refunded to you with any earned interest, all as explained in Section K, subsection "K-16. Risk of Loss".

P-2.10. Sponsor's Obligations for First Closing

Sponsor will fulfill obligations Sponsor is to perform at or prior to the First Closing in accordance with this Plan (see Section N, subsection "N-1 Prerequisites and Requirements For First Closing"). These obligations include, among others, obtaining (at the cost and expense of the Condominium Board) the fire, casualty, liability and other insurance coverage listed in a footnote to the First Year's Budget (Schedule B in Section F). These policies will insure the interests of the Condominium Board, Unit Owners and Unit mortgage lenders pursuant to an agreed amount replacement policy or in an amount sufficient to avoid co-insurance as provided in the Budget footnote and the Condominium Documents.

P-2.11. Sponsor's Obligations Regarding Documents For Public Inspection and Delivery to Condominium Board

Sponsor will comply with the requirements of "Section BB. Documents on File." These include:

(a) the requirement for six (6) years from the First Closing to make available for public inspection and copying the Plan, amendments filed by Sponsor and certain other documents and exhibits referred to in the Plan or filed with the Department of Law;

and

(b) the requirement to deliver to the Condominium Board a coy of the recorded Declaration (any By-Laws) establishing the Condominium.

P-2.12. Sponsor's Obligation on Dissolution or Liquidation of Sponsor or Bulk Sale of Unsold Units

Sponsor or the principals of Sponsor will provide financially responsible entities or individuals to own the Unsold Units that are transferred in connection with:

(a) the dissolution or liquidation of Sponsor;

or

(b) a transfer of ten (10) or more Units or twenty percent (20%) or more of the total number of Units in the Condominium, whichever is less. The new Owners of these Unsold Units will assume the status of Sponsor, including all of Sponsor's Rights and Sponsor's Obligations, for such Unsold Units under this Plan, amendments and all applicable laws.

P-3. Sponsor's Construction Rights and Obligations

P-3.1. Construction

Sponsor will rehabilitate the Building (including the Residential Units and Common Elements) and improve the Property, in accordance with certain plans and specifications for the Building which have been filed with, and approved by, the Department of Buildings of The City of New York and in accordance with the terms of the Landmark Declaration. A copy of the plans and specifications has been submitted to the and is available for public inspection. A report describing some of the material aspects of the plans and specifications prepared by Sponsor's architect is set forth as DOCUMENT 4 of this Plan and the Landmark Declaration is set forth as DOCUMENT 9 of this Plan.

P-3.2. Changes to Plans and Specifications

Sponsor has the right to amend the Plan and specifications from time to time. Construction changes include:

(a) Unit Changes (e.g., changes in layout, size and number of Units);

(b) changes in design and configuration of the Common Elements;

and

(c) changes in equipment; appliances; cabinetry; carpentry; countertops; finishings or coverings of walls, ceilings and floors; decorations of Common Elements (including public and common corridors, hallways, elevator cab and Building entrances); and generally all other materials and construction details.

However, all construction changes will comply with the following construction change requirements:

(a) (in the case of changes in materials) the substitute materials shall be of substantially similar or better quality and design;

(b) the construction changes shall comply with all applicable laws;

(c) the construction changes shall be approved by all governmental authorities having jurisdiction and (if applicable) a Building construction lender, if, when and to the extent required by applicable laws and (if applicable) the provisions of a construction loan mortgage (as appropriate);

and

(d) the construction changes affecting the percentage of Common Interest or adversely affecting the value of a Unit: (i) to which you have closed title, may not be made without your written consent or (ii) for which you have a Purchase Agreement that is still in effect, may not be made unless you consent in writing thereto or you are offered the right to rescind the Purchase Agreement and recover your Downpayment with any earned interest.

Construction changes may be made without prior notice or amendment. However, this Plan will be amended to disclose material and substantial construction changes as required by the GBL and Part 20 of the Attorney General's regulations.

P-3.3. Target Dates to Complete Construction

Sponsor will endeavor to substantially complete the construction to the extent sufficient for the issuance of:

(a) a temporary or permanent Certificate of Occupancy for the Building, or a partial Certificate of Occupancy permitting occupancy of one (1) or more Units to be Closed, by the start of the projected first year of Condominium Operation set forth in the First Year's Budget (SCHEDULE B in Section F);

and

(b) a permanent Certificate of Occupancy permitting occupancy of all Residential Units sold and conveyed, within two (2) years following the original issuance of a temporary Certificate of Occupancy for each of such Units.

These time periods are goals and may be delayed by events and circumstances beyond Sponsor's control. Accordingly, Sponsor cannot, and does not, represent, assure or guarantee that these goals will be achieved.

The issuance of a permanent Certificate of Occupancy will be regarded as presumptive evidence that the Building (including the Units and Common Elements) have been substantially completed in accordance with the plans and specifications (as amended by construction changes, if any, made in accordance with construction change requirements). However, this does not excuse Sponsor from Sponsor's obligation to correct defects in construction (if any) to the extent required below in subsection "P-3.8 Sponsor's Obligation to Correct Construction Defects."

A temporary Certificate of Occupancy may only be renewed for a period of two (2) years from the date of its original issuance. If a temporary Certificate of Occupancy expires before obtaining a permanent Certificate of Occupancy, residential occupancy of Residential Units will be violation of the Multiple Dwelling Law ("MDL"), subjecting the occupants, Unit Owners and the Condominium Board to potential penalties under the MDL, including possible eviction of residential occupants.

P-3.4. Status of Construction and Building Services at First Closing

At the First Closing, Sponsor anticipates that all planned construction to the common areas and public portions of the Building will be completed or substantially completed.

At the time you close title:

(a) your Unit will be authorized for the use designated in this Plan by a temporary or permanent Certificate of Occupancy, although the construction of other Units and Common Elements may still be in progress;

(b) you will have reasonable access to and from your Unit through the Common Elements, although the decoration, outfitting and furnishings of the Common Elements may be incomplete;

and

(c) the contemplated Building services for the Residential Units (see Section C, subsection "C-5. Building Standard Services and Facilities") will be provided namely: (i) a part-time, visiting superintendent will be hired and working and (ii) the passenger elevator will be in operation.

P-3.5. Standard Construction

The quality of construction of the Building will be comparable to, or better than, current prevailing local standards for rehabilitated buildings located in the locale of the Property and containing facilities and amenities comparable to this Building.

P-3.6. Access to Units and Common Elements

After the First Closing, Sponsor and Sponsor's agents, employees and contractors shall have the right, and shall be allowed, reasonable access to the Units and the Common Elements for the purposes of:

(a) completing the construction in accordance with the Plans and Specifications and permitted construction changes thereto;

(b) completing all work required for the issuance of a permanent Certificate of Occupancy covering all Units;

and

(c) performing all construction obligations of Sponsor under this Plan, an amendment or a Purchase Agreement.

Such access will not unreasonably prevent or interfere with, but may temporarily interrupt, the permitted use or operation of a Unit or the Common Elements. Sponsor or Sponsor's agents, employees and contractors will give reasonable advance oral or written notice to you before entering your Unit.

In the event of damage to a Unit and/or the Common Elements caused by Sponsor or Sponsor's agents, employees and contractors, Sponsor's only obligation will be to repair and restore the affected area to substantially its condition immediately before being damaged. In no event will Sponsor be liable for consequential or other damages.

P-3.7. Construction Defect Defined

A "Construction Defect" is a defect in construction caused by substantially improper workmanship or material which substantially varies from the plans and specifications (as modified by construction changes, if any, made in accordance with construction change requirements) or a defect in design which renders a portion of the Building (including the Common Elements and Units, and the equipment in each) unsafe or inoperable.

An "Insubstantial Construction Defect" are any of the following:

(a) all construction changes made in accordance with construction change requirements;

(b) all insubstantial variations from: the plans and specifications, the thickness of the masonry bearing walls, the floor plans of a Unit or a description of the construction and the Building (including the Units and Common Elements) set forth in this Plan;

(c) all variations necessitated by site conditions or construction or job requirements, provided all construction change requirements are met to the extent applicable;

(d) all construction defects covered by assignable unexpired warranties or other undertakings (however denoted) from manufacturers, contractors, material suppliers or others which are assigned to, or benefit (without assignment), a Unit Owner or the Condominium Board;

(e) any condition caused by normal use, wear, tear, deterioration, settlement or shifting;

and

(f) all insubstantial conditions or defects involving color, alignment, fit, noise, drafts, cracks, chips, scratches, breaks, warpage or other imperfections.

Insubstantial Construction Defects, whether affecting your Unit and/or the Common Elements or existing at the time of your title closing or arising thereafter: (a) shall not be corrected or repaired by Sponsor; (b) shall not be the basis of any claims against, or liabilities and expenses recoverable from, Sponsor; and (c) shall not excuse you from your obligations under the Purchase Agreement to pay the full Purchase Price, without reduction, adjustment or credit and without recourse against Sponsor or its agents, employees or contractors (it being intended that the Units shall be sold and conveyed, and purchased and acquired by Purchasers, subject thereto).

A "Patent Construction Defect" is a Construction Defect that is visible or ascertainable on inspection (without intrusive examination behind walls, floors or ceilings).

A "Latent Construction Defect" is a Construction Defect that is not a Patent Construction Defect.

P-3.8. Sponsor's Obligation to Correct Construction Defects

Sponsor's only obligations and liability for Construction Defects are as follows:

(a) (in the case of a Unit) to reasonably correct the Patent Construction Defects in your Unit that are listed in your Inspection Report (to be completed and signed by you, and delivered to Sponsor or its representative together with your Purchase Agreement) and to reasonably correct the Latent Construction Defects in your Unit that are listed in a written notice signed by you and received by Sponsor within six (6) months following your closing to the Unit;

and

(b) (in the case of the Common Elements) to correct those Construction Defects (both Patent and Latent) in the Common Elements that are listed in a written notice ("Defect Notice") signed by any Independent Board Member and received by Sponsor within six (6) months after the first election of an Independent Board Member, except: (i) (with respect only to a portion of the Common Elements for which construction is completed after such six (6) months period) such Defect Notice must be received by Sponsor within three (3) months after completion of construction of such portion of the Common Elements or (ii) (with respect only to a portion of the Common Elements that is within, encloses or affects only an Unsold Residential or Commercial Unit and can only be detected after the Unsold Unit is occupied) such Defect Notice must be received by Sponsor within three (3) months after the earlier of the occupancy or title closing with a bona fide Purchaser of such Unsold Unit.

TIME IS OF THE ESSENCE as to all time periods stated above. As a result, Sponsor will have no obligation or liability for:

(a) Patent Construction Defects in your Unit which are not listed in your Inspection Report received by Sponsor by your title closing;

or

(b) Latent Construction Defects in your Unit or Patent and Latent Construction Defects in the Common Elements for which written notice is not received by Sponsor within the applicable six (6) months or three (3) months time period set forth above.

Sponsor will be regarded as having satisfied Sponsor's obligation to correct Construction Defects if the corrective work is done in accordance with prevailing local standards as determined in the sole judgment of Sponsor's architect, engineer or contractor (who shall not be a principal of Sponsor).

Sponsor will be excused, released and discharged from Sponsor's obligation for Construction Defects in a Unit or the Common Elements if reasonable access thereto by Sponsor and Sponsor's agents, employees and contractors is prevented and is not given within thirty (30) days after written notice is mailed or hand delivered to: (a) (in the case of a Unit) the Owner of such Unit or (b) (in the case of the Common Elements) an Independent Board Member.

The Building is subject to the Housing Merchant Implied Warranty Law (GBL Article 36-B). The coverage includes the following: (a) for one (1) year, each Residential Unit must be free from defects caused by workmanship or materials that do not meet the standards of the applicable building code; for items not covered by code, the construction must be in accordance with locally accepted building practices; (b) for two (2) years, the plumbing, electrical, heating, cooling and ventilation systems must be free from defects caused by unskillful installation; and (c) for six (6) years, Residential Units

must be free from physical defects in the structural elements (foundation, floors, walls, roof framing) which make it unsafe or unlivable.

In this Plan, the Housing Merchant Implied Warranty is limited. It excludes all consequential and incidental damages, except as required by New York law. You will be required to execute the Limited Warranty when you sign the Purchase Agreement. (See DOCUMENT 1G for the full text of such Housing Merchant Implied Warranty and DOCUMENT 1H for the Limited Warranty.)

Except as otherwise set forth herein, the Sponsor gives no warranty as to the materials or workmanship that shall survive the transfer of the Unit.

P-3.9. Security for Sponsor's Obligation to Obtain a Final or Permanent Certificate of Occupancy and Complete Public Area Construction

Until a permanent Certificate of Occupancy is issued and the construction ("Public Area Construction") to the public portions and common areas of the Building are completed, Sponsor will maintain all Downpayments in the attorneys' escrow account until released in accordance with the provisions of the Purchase Agreement and the following requirements and procedure:

(a) an architect, engineer or other qualified expert who is not related to Sponsor or any of Sponsor's principals ("Construction Expert") designated by Sponsor shall certify ("Sponsor's Construction Expert Certification") in writing as to the amount ("Completion Amount") reasonably necessary to complete the Work needed to obtain the permanent Certificate of Occupancy and to complete the Public Area Construction;

(b) Sponsor shall certify ("Sponsor's Certification") in writing: (i) the amount of all Downpayments then being held in the special escrow account; (ii) the amount of the Building construction loan then unfunded; and (iii) no default notice from the lender under the building construction loan is in effect;

(c) the amount ("Release Amount") of Downpayments permitted to be released to Sponsor shall equal the sum by which: (i) the total of all Downpayments and the unfunded portion of the Building construction loan as set forth in Sponsor's Certification exceeds (ii) the Completion Amount as set forth in Sponsor's Construction Expert Certification;

(d) Sponsor, at its option, may increase the Release Amount by depositing with Mandel Resnik & Kaiser P.C., an unconditional letter of credit or letter guaranteeing payment from an Institutional Lender doing business in New York or a surety bond of a recognized surety company doing business in New York in a sum equal to the amount of the increase above the Release Amount;

(e) a copy of Sponsor's Construction Expert Certification and an original of Sponsor's Certification shall be delivered to Mandel Resnik & Kaiser P.C., the escrowee of Downpayments under this Plan, prior to releasing Downpayments to Sponsor;

(f) Downpayments may be released to Sponsor from time to time in accordance with the foregoing as work progresses and the Completion Amount set forth in Sponsor's Construction Expert Certification is reduced, and/or the amount of Downpayments being held in the attorneys' escrow account are increased as a result of additional Purchase Agreements for Units being executed and/or additional security being deposited with Mandel Resnik & Kaiser P.C. in accordance with clause (d) above;

(g) Mandel Resnik & Kaiser P.C. shall be entitled to rely completely upon Sponsor's Construction Expert Certification and Sponsor's Certification in releasing Downpayments to Sponsor and shall have no duty to investigate or verify the truth or accuracy of the statements contained therein;

and

(h) (if said letter of credit, letter guaranteeing payment or surety bond is issued) Mandel Resnik & Kaiser P.C. shall have no duty to evaluate or monitor the financial condition of the Institutional Lender or surety company issuing such instrument, and shall not be responsible or liable for any claims, or for any liabilities and expenses, resulting from a failure of such Institutional Lender or surety company.

No other security is being provided for Sponsor's obligations to obtain a final or permanent Certificate of Occupancy, to complete this Public Area Construction or to perform any other of Sponsor's Obligations under this Plan.

P-3.10. Who May Enforce Sponsor's Obligations for Construction Defects

Sponsor's Obligation to correct Construction Defects in your Unit (as provided in the subsection "P-3.8. Sponsor's Obligations to Correct Construction Defects") shall be enforceable only by you and all other Sponsor Obligations under said subsection "P-3.8." (including Sponsor's Obligations to Complete Construction in accordance with the plans and specifications and permitted construction changes thereto, to obtain a permanent Certificate of Occupancy and to correct Construction Defects relating to the Common Elements) shall be enforceable only by the Condominium Board or (during the Initial Control Period) a majority of the Independent Board Members.

P-3.11. Sponsor's Obligation to Pay for Construction

Sponsor will pay for the authorized and proper work involved in the rehabilitation of the Building.

P-3.12. Sponsor's Obligations to Remove Mechanics' Liens

All mechanics' liens arising from the authorized and proper work involved in the rehabilitation of the Building will be discharged by bonding or otherwise by Sponsor with reasonable promptness. Alternatively, at Sponsor's option, Sponsor may cause your title insurer to affirmatively insure you and your mortgage lender (if any), without

additional premium, that any such mechanics' liens shall not be collected from, or enforced against, your Unit and its appurtenant Common Interest.

P-3.13. Sponsor's Obligation to Deliver "As Built" Plans to Condominium Board

With reasonable promptness after issuance of the permanent Certificate of Occupancy for the Building, Sponsor will deliver to the Condominium Board or its Managing Agent a set of "as built" plans.

P-3.14. Assignment of Warranties

Any transferable and unexpired warranties of manufacturers, contractors or material suppliers:

(a) with respect to appliances or equipment installed in your Unit, will be assigned by Sponsor to you at your Unit Title Closing;

or

(b) with respect to appliances or equipment installed in the Common Elements, will be assigned by Sponsor to the Condominium Board at the First Closing or (if installed thereafter) with reasonable promptness after installation.

Such assignments by Sponsor to you and the Condominium Board will be made (and will so expressly state are being made) without any kind whatsoever of guaranty, warranty or representation by, or recourse against, Sponsor, and subject to all faults, defects, risks, damages, conditions and need for repairs.

P-3.15. Construction Financing

Sponsor has received a commitment, dated October 26, 1999 for a building construction loan from Corus Bank, N.A., having an office at 3959 North Lincoln Avenue, Chicago, Illinois, in the principal amount of $9,400,000.00 which will be secured by a first mortgage on the Property. The closing with respect to such loan took place on February 3, 2000. The construction loan will be funded in stages as construction progresses.

P-3.16. Landmark Work

Pursuant to the Landmark Declaration, the Sponsor is required to perform the Landmark Work which consists primarily of the following:

Front Elevation:

- Masonry and terra-cotta restoration.
- Generic and limestone restoration.
- Repair of cast-iron elements.

- Cornice repair.
- New wood windows in refurbished frames.
- Removal of fire escape stairs, ladder, counterweight and supports.
- Refurbishment of remaining elements.
- Painting of all metal and wood components.
- New handrails at entry stairs.

Rear Elevations:

- Restoration of copper mansard and dormers.
- Installation of new casement windows at new and existing openings.
- Cleaning existing bluestone sills and lintels. Install new bluestone sills at new window openings.
- Replace missing terra-cotta coping.

The Sponsor shall complete the Landmark Work required under the construction permits and the Certificate of Appropriateness at Sponsor's sole cost and expense. Thereafter, any work required by the LPC shall be performed by the Condominium at its sole cost and expense.

P-3.17 Lead-Based Paint

The Sponsor shall have all lead-based paint in the Building removed or contained in accordance with New York City Local Law 38 prior to the First Closing.

SECTION Q. CONTROL BY THE SPONSOR

Q-1. Sponsor Control of the Condominium Board

Initially, the Condominium Board will consist of two (2) members appointed and designated exclusively by Sponsor. A new five (5) member Condominium Board is to be elected by all Sold and Unsold Unit Owners at the first meeting of Unit Owners. Sponsor shall cause the Board to call the first meeting of Unit Owners to be held the earlier of:

(a) approximately ninety (90) days after title closes to fifty percent (50%) of the Residential Units (both in number and aggregate Common Interests);

or

(b) on or about the first anniversary of the First Closing.

At such meeting, all Sold and Unsold Unit Owners shall elect two (2) Independent Board Members and Sponsor shall exclusively appoint or designate three (3) Sponsor Board Members.

To assure that the interests of all Owners of Sold and Unsold Units will be represented on the Board, the Board Members will consist of the following number of Independent Board Members and Sponsor Board Members:

(a) at all elections held during the Initial Control Period, the Board Members will comprise: (i) two (2) Independent Board Members, who shall be nominated and voted upon by all Sold and Unsold Unit Owners, including Sponsor; and (ii) three (3) Sponsor Board Members, who shall be appointed or designated exclusively by Sponsor (or, after Sponsor no longer owns any Unsold Units, other Unsold Unit Owners, if any);

and

(b) at all elections held after the end of the Initial Control Period and so long as there is at least one (1) Unsold Unit, the five (5) Board Members shall comprise the following number of Sponsor Board Members, who shall be appointed or designated exclusively by Sponsor as Owner of Unsold Units (or, after Sponsor no longer owns any Unsold Units, other Unsold Unit Owners, if any):

(i) one (1) Sponsor Board Member for so long as the Sponsor owns at least one (1) Unit;

and

(i) one (1) Sponsor Board Member for so long as the Sponsor owns at least one (1) Commercial Unit. If the Sponsor no longer owns any Commercial Units, the Commercial Unit Owners shall elect one (1) member to the Board.

The following rules will govern the nomination and voting for election of the Independent Board Members by the Unsold Unit Owners (including Sponsor):

(a) during the Initial Control Period, there is no restriction or limitation on the nomination and voting rights of Sponsor (or other Unsold Unit Owners, if any) and they may nominate and vote to elect any and all candidates to serve as Independent Board Members;

and

(b) after the end of the Initial Control Period, Sponsor (and other Unsold Unit Owners, if any) will have the following rights:

(i) they will continue to have the right to vote (without restriction or limitation) for any and all candidates nominated to serve as Independent Board Members;

(i) they may collectively nominate only that number of candidates to serve as Independent Board Members which, when added to the then number of Sponsor Board Members who shall serve on the Board following an election, shall equal not more than one (1) less than a majority of all Board Members (however, they may vote for all Independent Board Member candidates as stated in clause (i) immediately above);

and

(ii) at such time as there will be no Sponsor Board Members who will serve on the Board, they may nominate (without restriction or limitation), as well as vote for, any number of candidates to serve as Independent Board Members.

The Independent Board Members (including those nominated and voted by Sponsor and other Unsold Unit Owners) shall consist of only the Owners and occupants of Sold Units or their related parties, and the family members of any of the foregoing.

The Sponsor Board Members will be appointed and designated exclusively by, and will serve at the will of, the Sponsor (or, after Sponsor no longer owns any Unsold Units, other Unsold Unit Owners, if any).

The Initial Control Period will end on the earlier of:

(a) when the Unsold Residential and Commercial Units constitute less than twenty-five percent (25%) in number and aggregate Common Interests of all Units;

or

(b) the fifth anniversary of the First Closing.

As a result of Sponsor having voting control of the Board Members (including the decisions to be made by the Board Members) during the Initial Control Period, Sponsor will be able to control:

(a) the Building's operations and services, which are to be maintained and provided in accordance with the level of standards, quality and requirements of Sponsor as stated in this Plan;

(b) the amount of the Common Charges, which are to be in an amount sufficient to;

and

(c) the expenditures of the Working Capital Fund (which may be used for operating or working capital and to defray increases in Common Charges, but may not be used to reduce Common Charges below the projected Common Charges in the First Year's Budget (SCHEDULE B in Section F), as explained in "Section X. Working Capital Fund".

Within approximately thirty (30) days after the end of the Initial Control Period, a special meeting of Sold and Unsold Unit Owners is to be held to elect one (1) Independent Board Member to replace one (1) Sponsor Board Member, who shall resign effective upon the qualification and election of such Independent Board Member. At such special meeting of Unit Owners, the Unsold Unit Owners (including Sponsor) may not nominate a candidate to be elected as the Independent Board Member (assuming two (2) Sponsor Board Members shall remain as Board Members following such election), but may vote for any of the candidates nominated for such position.

Q-2. <u>Sponsor Control Over Certain Board Actions</u>

During the Initial Control Period, the Condominium Board and Unit Owners (as to any vote or action taken by them) must obtain Sponsor's prior written consent:

(a) to raise Common Charges or levy a Special Assessment:

(i) to pay for an alteration to the Common Elements (including any Unit owned, leased, held or Operated by the Board);

(i) to create a reserve fund for repairs, alterations and/or contingencies in excess of five percent (5%) of the projected annual Common Expenses for any fiscal year of Condominium Operation;

(ii) to hire more Building employees or to otherwise change Building staff or the work hours and days of the part-time, visiting superintendent;

(iii) to increase or decrease Building services by entering into contracts for new services or maintenance work not included in the First Year's Budget (SCHEDULE B in Section F), or otherwise;

or

(iv) to increase or decrease the amounts or change the types of insurance coverage from those set forth in the First Year's Budget;

or

(b) to borrow money on behalf of the Condominium.

This requirement to obtain Sponsor's consent gives Sponsor veto control over these Board actions.

Sponsor has the right to withhold or deny its consent without cause or explanation, and without liability for any claims or liabilities and expenses or other recourse against Sponsor for withholding or denying its consent. Nevertheless, Sponsor will give its consent if the costs and expenses (as determined by Sponsor, in its sole and absolute judgment) of the proposed expenditure requiring Sponsor's consent, when added to all other budgeted Common Expenses, will not increase the Common Charges, inclusive of any Special Assessments of the Condominium Board, for any Budget Year of the Condominium, by more than five percent (5%) above the Common Charges for the immediately preceding Budget Year of the Condominium.

Sponsor may not exercise veto control over expenses included in the First Year's Budget (SCHEDULE B in Section F) or over expenses required: (a) to comply with applicable laws; (b) to remedy a governmental notice of violation; or (c) to remedy a work order of an insurer of the Building.

Sponsor's veto control may be exercised only by Sponsor while Sponsor owns any Unsold Units (however, this shall not extend the Initial Control Period). If Sponsor no longer owns any Unsold Units, each successor Unsold Unit Owner (if any) will have the same right of veto control as Sponsor. In the event of two (2) or more Unsold Unit Owners, the required consent of only those owners of Unsold Units constituting a majority of the Common Interests of all Unsold Units will suffice.

SECTION R. BOARD OF MANAGERS

R-1. Commencement of the Condominium and Purpose of Condominium Board

The ownership and operation of the Property as a condominium will begin upon the filing and recording of the Condominium Documents. The affairs of the Condominium will be governed and administered by the Condominium Board. The powers and duties vested in the Condominium Board in the Declaration, By-Laws and the Condominium Act are discussed in "Section S. Rights and Obligations of the Unit Owners and the Board of Managers".

R-2. Number and Composition of Condominium Board

Initially, the Condominium Board will consist of two (2) members, who will be appointed and designated exclusively by Sponsor. The initial Board Members will likely have an employment, business or family relationship to Sponsor or Sponsor's principals and will serve at the will of Sponsor. Sponsor's current intention is to designate the following persons as initial Board Members and officers of the Condominium:

Jason D. Carter--President and Secretary/Initial Board Member

Julia Vance Carter--Vice President and Treasurer/Initial Board Member

Sponsor reserves the right to appoint and designate different persons to serve as the initial Board Member and/or officers of the Condominium Board and to remove them and substitute other persons without prior notice or amendment. Any other person so appointed and designated or substituted by Sponsor will likely have an employment, business or family relationship to Sponsor or a principal of Sponsor.

The initial Condominium Board Member (and any substitute Board Member appointed and designated by Sponsor) will conduct all affairs of the Condominium until the new five (5) member Condominium Board is duly elected and (as to the Sponsor Board Members) appointed or designated, at the first meeting of Unit Owners, which is to be held within approximately ninety (90) days after the earlier of: (a) when title closes to fifty percent (50%) of the Residential Units (both in number and aggregate Common Interests) or (b) the first anniversary of the First Closing. Only Unit Owners (that is, Purchasers who close title and Sponsor, as owner of the Unsold Units) shall be entitled to attend and vote at the meeting.

The primary purpose of the meeting will be to elect a new five (5) member Condominium Board composed of: three (3) Sponsor Board Members, who shall be appointed and designated exclusively by Sponsor, and two (2) Independent Board Members, who shall be elected by all Sold and Unsold Unit Owners, including Sponsor.

To assure that all Sold and Unsold Unit Owners are represented on the Board after such first meeting of Unit Owners and during and subsequent to the Initial Control Period, the five (5) Board Members shall consist of the following:

(a) during the Initial Control Period: (i) three (3) Sponsor Board Members, who shall be appointed or designated exclusively by Sponsor (or, after Sponsor no longer owns any Unsold Units, the Owner(s) of Unsold Units, if any); and (ii) two (2) Independent Board Members, who shall be elected by all Owners of Sold and Unsold Units, including Sponsor);

or

(b) after the end of the Initial Control Period and so long as there is at least one (1) Unsold Unit: (i) three (3) or more Independent Board Members, who shall be elected by all Owners of Sold and Unsold Units, including Sponsor; and (ii) two (2) or one (1) Sponsor Board Member(s), who shall be appointed or designated exclusively by Sponsor.

See Section Q, subsection "Q-1. Sponsor Control of the Condominium Board" for further details on the composition of the Board Members (including the sliding scale of Sponsor Board Members, which is based on outstanding percentage of Common Interests appurtenant to, or number of, Unsold Units from time to time) and the rules governing their nomination and election.

The number of Board Members may be increased or decreased by vote of a majority of the Owners of the Sold and Unsold Units (both in number and aggregate Common Interests) on the following terms and conditions:

(a) Sponsor (or, after Sponsor no longer owns any Unsold Units, all other Unsold Unit Owners, if any) must consent in writing to the proposed change so long as there is any Unsold Unit;

(b) the vote may be taken at any annual or special meeting of Unit Owners, except that the vote must be taken at an annual meeting to decrease the number below those then in office;

(c) (in the event the number of Board Members are decreased) such decrease may only affect those Board Members whose terms are expiring at the annual meeting;

and

(d) (in the case of an increase in the number of Board Members) the number of Sponsor Board Members will increase proportionately so as to maintain the same proportional Board representation as existed at the election of the first Condominium Board by the Unit Owners after the First Closing (any fraction will be rounded up to the next whole number).

R-3. Nomination, Voting and Election of the Condominium Board

The Board Members are to be nominated and voted for election by the Sold and Unsold Unit Owners (including Sponsor) (see Section Q, subsection "Q-1. Sponsor Control of the Condominium Board" for rights and restrictions applicable to Sponsor and Unsold

Unit Owners to nominate and vote for election of the Independent Board Members). The Sponsor Board Member(s) will be appointed and designated exclusively by, and will serve at the will of, Sponsor (or, after Sponsor no longer owns any Unsold Units, other Unsold Unit Owners, if any).

When voting for the Independent Board Members, the following "Voting Rules" will apply:

(a) you will have one (1) vote for each 0.1% of Common Interest appurtenant to your Unit (for example, 94.5 votes for the 9.45% Common Interest appurtenant to Residential Unit 2N);

(b) the number of votes received by each candidate for whom you cast a ballot will equal the total number of votes you are entitled to cast (or, in the above example, 94.5 votes for each candidate);

and

(c) you may not cumulate, split or otherwise transfer your votes from one candidate to another.

The election of the Independent Board Members will be determined by plurality of the votes cast by the Owners of the Sold and Unsold Units (including Sponsor as Owner of Unsold Units) at a meeting of Unit Owners at which a quorum is present. Thus, the candidates receiving the highest number of votes at the meeting will be elected to serve as the Independent Board Members even though one or more of them may receive less than a majority of the votes cast.

The Sponsor Board Member(s) shall be appointed or designated in a writing delivered either at the meeting of Unit Owners or in advance of the meeting to the Managing Agent or the President, Vice-President, Secretary or Assistant Secretary of the Condominium.

You may not nominate or vote for the election of Board Members during the period the Condominium Board has perfected a lien against your Unit for unpaid Common Charges or Special Assessments. However, you will resume these rights upon satisfying such indebtedness or discharging the lien by bond or otherwise.

R-4. Eligibility Requirements for Board Members

R-4.1. Independent Board Members

Each Independent Board Member must be either a Sold Unit Owner or any of the following (each, a "Sold Unit Owner Affiliate"):

(a) a Sold Unit mortgage lender;

(b) a tenant under a lease or rental agreement for a Sold Unit;

(c) an officer, director, shareholder, partner, member, manager, principal, employee, trustee, executor, administrator or beneficiary of a corporation, partnership, company, trust, estate or other entity that owns, leases or rents a Sold Unit or is a Sold Unit mortgage lender;

(d) an individual designated by a sovereign government, consulate or other governmental instrumentality that owns, leases or rents a Sold Unit;

(e) a permitted occupant of a Sold Unit;

or

(f) an adult member of the immediate family of a Sold Unit Owner or any of the foregoing.

R-4.2. Sponsor Board Members

There are no requirements to qualify as a Sponsor Board Member. Sponsor (or after Sponsor no longer owns any Unsold Units, other Unsold Unit Owners, if any) may appoint and designate anyone to serve as a Sponsor Board Member.

R-4.3. Ineligibility, Suspension and Cessation of Board Membership

If the Condominium Board perfects a lien against your Unit for unpaid Common Charges, the following will apply until the lien is paid or discharged by bonding or otherwise:

(a) you may not nominate or vote for the election of Board Members;

(b) you and (in the case of a Sold Unit) your Sold Unit Owner Affiliate will not be an eligible candidate in an election of an Independent Board Member;

and

(c) (if then serving as an Independent Board Member) such Board membership by you or your Sold Unit Owner Affiliate will immediately be suspended upon perfection of the lien and such Board Membership will automatically cease thirty (30) days thereafter unless the lien is paid or discharged by bond or otherwise during such thirty (30) day period.

In addition, Board membership by a Sold Unit Owner or a Sold Unit Owner Affiliate will automatically end when:

(a) (in the case of a Sold Unit Owner) such Owner no longer owns a Sold Unit;

or

(b) (in the case of a Sold Unit Owner Affiliate) such Affiliate no longer holds a mortgage, lease or rental agreement covering such Sold Unit or no longer occupies the Sold Unit (as applicable).

R-5. Term of Office of Board Members

The initial Board Member designated by Sponsor will serve at the pleasure of Sponsor and until the first meeting of Unit Owners following the First Closing when the new five (5) Board Members are qualified and elected (as to the Independent Board Members) or appointed or designated (as to the Sponsor Board Members).

All Board Members will serve for a term of one (1) year. There is no limit on the number of successive terms a Board Member may serve.

Each annual meeting of Unit Owners is to be held within approximately thirty (30) days of the anniversary of the previous annual meeting of Unit Owners.

R-6. Removal and Resignations of Board Members

An Independent Board Member may be removed with or without cause only by a vote of a majority of the Owners of the Sold and Unsold Units (both in number and aggregate Common Interests).

A Sponsor Board Member may be removed: (a) with good cause only by a vote of a majority of the Sold Unit Owners (both in number and aggregate Common Interests) or (b) without cause only by Sponsor or the Owner of Unsold Units who appointed or designated such Sponsor Board Member, as applicable.

A Board Member may resign at any time by giving written notice to: (a) the other Independent Board Members (in the case of a resignation by an Independent Board Member) or (b) the Sponsor or appropriate Unsold Unit Owner (in the case of a resignation by a Sponsor Board Member).

R-7. Vacancies

A vacancy on the Condominium Board resulting from removal, resignation, death, incompetency, incapacity or other cessation of Board membership will be filled by a qualified person who is: (a) (in the case of a vacancy by an Independent Board Member) elected by a majority of the remaining Independent Board Members at a special meeting; or (b) (in the case of a vacancy by a Sponsor Board Member) appointed or designated exclusively by Sponsor or other appropriate Unsold Unit Owner who originally appointed or designated the retiring Sponsor Board Member, as applicable. However, in the case of a removal of an Independent Board Member by the Owners of the Sold and Unsold Units, such Owners will have the right to pre-empt the Independent Board Members and elect the replacement at the same meeting the removal is voted upon or at a subsequent special or annual meeting of Unit Owners called for such purpose.

The person elected (in the case of an Independent Board Member) or appointed or designated (in the case of a Sponsor Residential Board Member) to fill the vacancy will serve as a member of the Condominium Board for the remainder of the term of the Board Member being replaced.

R-8. Regular and Special Meetings of Board

The Condominium Board is to hold at least four (4) regular meetings each fiscal year, but a majority of the Board Members may determine to meet more often. The date, time and place of each regular meeting will be fixed by a majority of the Board Members.

The President of the Condominium may call a special meeting of the Condominium Board, but must call a special meeting on the written request of two (2) or more Board Members. Written notice of a special meeting is to be given to each Board Member at least two (2) business days (in the case of notice sent by hand, telecopier or telegram) or five (5) business days (in the case of a notice sent by mail) prior to the meeting. A Board Member may waive this notice requirement and will be considered to have waived the notice by attending the meeting.

R-9. Quorum

A quorum of the Board shall be required to make any determination or to transact any business. A quorum of the Board shall be present when the Board meeting is attended (in person, or by proxy in the case only of a Sponsor Board Member, or by telephone) by a majority of all Board Members.

Attendance by proxy shall only be permitted by a Sponsor Board Member provided the proxy is signed by Sponsor or the Unsold Unit Owner who appointed and designated such Sponsor Board Member (as applicable). In the case of attendance by telephone, all Board Members attending the meeting (whether in person or by telephone) shall be in voice communication of each other.

R-10. Decisions by the Condominium Board

Decisions by the Condominium Board will be made by a majority of those Board Members needed for the quorum to transact the business. Accordingly, at any meeting at which a quorum is present, a majority of the Board Members attending the meeting will decide all matters permitted to be determined and transacted at such meeting.

R-11. Officers

The officers of the Condominium shall consist of a President, Vice President, Secretary and Treasurer. Additional and other officers and assistant officers may also be elected by the Board.

Generally, each of the officers will have all of the same powers and duties of the equivalent officer of a stock corporation organized under the Business Corporation Law of the State of New York.

The officers will be elected annually at the organizational meeting of each new Condominium Board. The President and Vice-President must be Board Members. There are no qualifications to be met by the other officers who need not be Board Members. No officer is required to be a Unit Owner or a Sold Unit Owner Affiliate.

An officer may be removed at any time: (a) without cause by an affirmative vote of only a majority of the Board Members who elected such officer or (b) with cause by an affirmative vote of a majority of either all Board Members or only those Board Members who elected such officer. Each officer may resign at any time by giving written notice to the Condominium Board. The President will be regarded as having resigned whenever such officer ceases to be a Board Member.

Any vacancy of an officer elected by all Board Members will be filled by vote of a majority of all Board Members at a regular meeting or a special meeting called for such purpose. Similarly, any vacancy of an officer elected exclusively by the Sponsor Board Member(s) shall be filled exclusively by the then existing Sponsor Board Member(s).

R-12. Compensation of Board Members and Officers

No Board Member or officer will be paid any compensation by the Condominium for serving as a Board Member or officer or on any committee of the Condominium.

R-13. Liability of Board Members and Officers

A Board Member or officer will not be liable to the Unit Owners for errors of judgment, negligence or otherwise, but will be liable for any bad faith action or inaction or for willful misconduct. A Board Member (including a Sponsor Board Member) or officer will not be regarded as having acted in bad faith or having committed willful misconduct because of any contract or transaction entered into by the Condominium Board and such Board Member or officer or a person related to, or affiliated with, such Board Member or officer (including Sponsor) that is: (a) disclosed in this Plan or an amendment; or (b) approved

by a majority of non-interested Board Members and is at competitive or lower rates for goods sold or services rendered in the same county as the Property.

Each contract or other document executed by the Condominium Board will provide (if obtainable and not prohibited by law) that:

(a) the liability of each such Unit Owner will be in the proportion that the Common Interest of the Owner's Unit bears to one hundred percent (100%) (i.e., the total Common Interests of all Units);

(b) the liability will be limited to the Owner's interest in the Unit and its appurtenant Common Interest;

and

(c) no Board Member or officer will be liable thereunder except as a Unit Owner in accordance with the foregoing.

No Board Member or officer will be liable for interruption of any Building services or for any injury, loss or damage to person or property occurring in the Common Elements or a Unit and caused by the elements, a Unit Owner or any other person or resulting from water leaks, theft or otherwise.

The Unit Owners shall jointly and severally indemnify all Board Members and officers from all claims and liabilities and expenses arising from their acts or omissions in their capacity as Board Members and officers. However, a Board Member or officer will not be indemnified for claims or liabilities and expenses arising from the bad faith or willful misconduct of such Board Member or officer.

R-14. Amendments to Declaration or By-Laws

The requirements to amend the Declaration or By-Laws are:

(a) in the case of an amendment affecting only one (1) or more of the following: the Common Elements, the Common Expenses or the Common Charges, but subject to clause (b) below: the amendment may be made by the Condominium Board: (i) upon the determination of a majority of the Board Members; and (ii) with the consent or approval of at least two-thirds (2/3) of all Unit Owners (both in number and aggregate Common Interests);

(b) in the case of an amendment affecting only one (1) or more Sponsor Units (including Residential and Commercial Units owned by Sponsor at the time in question) or an Individual Limited Common Element (if any) appurtenant to a Sponsor Unit, or a change in the description of a Sponsor Unit to instead comprise a portion of the Common Elements, or vice versa: the amendment may be made solely by Sponsor or the Owner of such Unsold Units, as applicable (and without the approval or consent of the Condominium Board or other Unit Owners);

(c) in the case of an amendment to reflect changes required by either an Institutional Lender holding a Unit mortgage, a governmental authority having jurisdiction over the Property or the Condominium, or a title insurer of a Unit: the amendment may be made by Sponsor so long as Sponsor owns a Unit (and without the approval or consent of the Condominium Board or other Unit Owners) or by the Condominium Board (subject to obtaining the approval or consent of Sponsor while Sponsor owns any Unsold Unit, but without obtaining the approval or consent of other Unit Owners);

(d) in the case of an amendment to reflect only the permitted subdivision of a Unit and the proper apportionment of the Common Interest of the Unit being subdivided, or the permitted combination of a Unit with all or part of one or more other Units and the proper apportionment of the Common Interests of the Units involved in such combination: the amendment may be made by the Owner of the Unit being subdivided or by the Owner or Owners of the Units involved in the combination (and without the approval or consent of other Unit Owners or the Condominium Board, except an amendment by a Sold Unit Owner, but not an Unsold Unit Owner, shall be subject to the reasonable approval of the Board);

and

(e) in the case of an amendment affecting a Unit's Common Interest, size or configuration: the Owner of the affected Unit must in writing approve or consent to the amendment.

The following restrictions apply to all amendments to the Declaration and By-Laws:

(a) you and your mortgage lender must in writing approve and consent to any amendment that would affect the priority or validity of the lien of a purchase money mortgage or a mortgage held by an Institutional Lender on your Unit;

and

(b) Sponsor or applicable Unsold Unit Owner (as the case may be) must in writing approve and consent to any amendment that would:

(i) unreasonably interfere with a potential, proposed or pending sale, lease, mortgage or other disposition of a Sponsor Unit or an Unsold Unit;

(ii) abridge, modify, suspend, eliminate or otherwise affect any of Sponsor's Rights (i.e., right, power, easement, license, privilege, indemnity, exemption, remedy or other benefit of Sponsor or an Unsold Unit Owner) under this Plan, a Plan amendment or the Condominium Documents;

(iii) impose any discriminatory charge, fee or other imposition against or on Sponsor or an Unsold Unit Owner or a tenant or occupant of a Sponsor Unit or an Unsold Unit;

(iv) change or restrict the permitted use or occupancy of a Sponsor Unit or an Unsold Unit;

or

(v) adversely affect the value, marketing, promotion or other disposition of a Sponsor Unit or an Unsold Unit.

All amendments to the Declaration and By-Laws must be signed and acknowledged in accordance with the legal requirements for recording a Unit deed. In the case of an amendment to the Declaration or By-Laws by:

(a) the Condominium Board, the amendment shall be signed and acknowledged in recordable form by the President or Vice President and by the Secretary or the Assistant Secretary of the Condominium and (if applicable) shall include a certification by the Secretary or Assistant Secretary that the required percentage of Unit Owners have approved the amendment;

or

(b) the Sponsor or an Unsold Unit Owner or a Sold Unit Owner, the amendment shall be signed and acknowledged in recordable form by only the applicable party recording such amendment and (in the case only of a Sold Unit Owner) shall include a certification by a Secretary or an Assistant Secretary of the Condominium Board that the approval of the amendment by the Condominium Board or other Unit Owners is not required.

A conformed copy of an amendment shall be filed promptly with the Secretary or Assistant Secretary of the Condominium or the Condominium's Managing Agent by the applicable party recording the amendment and shall be made available by the Condominium Board at the Property or the office of the Managing Agent for inspection (without charge) and copying (at a reasonable charge) by all Unit Owners; Unit mortgage lenders; prospective Unit purchasers and mortgage lenders and authorized representatives of each of the foregoing.

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

S-1. Sale or Lease of Units by Unit Owners

S-1.1. Compliance with By-Laws

You will have the right to sell, transfer or lease your Sold Residential or Commercial Unit, but must do so in compliance with certain requirements and procedures, unless the sale, transfer or lease is an exempt transaction, as explained below. A sale, transfer or lease of a Sold Commercial Unit owned by a Sold Commercial Unit Owner, or of an Unsold Residential or Commercial Unit owned by Sponsor or other Unsold Unit Owner, is exempt from these requirements and procedures.

If you sell, transfer or lease your Residential or Commercial Unit in violation of the By-Laws, the Condominium Board has the right to regard the sale, transfer or lease (as applicable) null and void and to bring a lawsuit to eject or remove the new Owner or tenant from possession of the Unit. In such case, you will be liable to reimburse the Condominium Board for all costs and expenses incurred in connection with its exercise and enforcement of this right.

Under existing law, the terms of a lease made by you, including rent, will not be subject to rent control, rent stabilization or similar laws regulating rents or rights of occupancy.

S-1.2. Right of First Refusal on Sale, Transfer or Lease of a Sold Residential or Commercial Unit

Any agreement to sell, transfer or lease your Sold Residential Unit is subject to the Right of First Refusal of the Condominium Board to purchase or lease your Unit on the same terms set forth in the fully signed purchase and sale agreement ("Purchase/Sale Agreement") between you and the purchaser or the fully signed lease or occupancy agreement ("lease") between you and the tenant (as applicable), except with the variations explained below.

The decision whether to exercise the Right of First Refusal shall be made solely by the Board Members (including the Sponsor Board Members). The Condominium Board must make its election within fifteen (15) business days after receipt of the executed purchase/sale agreement or lease (as applicable), together with such other information and documents as may be requested by the Condominium Board. However, the Condominium Board may not purchase or lease your Unit without the prior approval of the Owners of a majority of the Common Interests of all Sold and Unsold Units voting at a meeting of such Unit Owners.

This Right of First Refusal does not apply to a sale, transfer, lease, sublease or other disposition of Unsold Units (whether owned by Sponsor or other person) or any of the Commercial Units, which may be sold, transferred, leased, subleased or other

disposition made: (a) without any Right of First Refusal of the Condominium Board (or Unit Owners) to purchase or lease or sublease same on the terms of a proposed sale, lease or sublease or otherwise to match the terms of any other disposition thereof; and (b) without the approval or consent of the Condominium Board or Unit Owners.

In determining whether to exercise the Right of First Refusal, the Condominium Board may not discriminate against persons on the basis of race, creed, color, national origin, sex, age, disability, marital status or other grounds prohibited by law. This prohibition also applies to the sale, lease, sublease or other disposition of a Sold Residential Unit (if any) owned or leased by the Condominium Board.

S-1.3. Purchase or Lease by Condominium Board

In the event the Condominium Board elects to purchase or lease your Sold Residential Unit, the closing of title of the sale will occur, or the lease term will begin, on a date mutually agreeable to you and the Condominium Board, but in no event later than sixty (60) business days after the Condominium Board notifies you of its election. In the case of a purchase, the time and location of the Closing will be set by the Condominium Board.

If the Condominium Board elects to purchase a Sold Residential Unit, the Condominium Board may pay the purchase price by obtaining a mortgage loan on the Unit (subject to obtaining Sponsor's consent during the Initial Control Period, as provided in Section Q, subsection "Q-2 Sponsor Control Over Certain Board Actions"), applying any available Working Capital Fund or operating surplus from the Common Charges, or levying a Special Assessment on all Unit Owners (other than the selling Sold Residential and/or Commercial Unit Owner) or any combination of these sources.

In the event the Condominium Board elects to purchase your Sold Residential Unit, then unless otherwise expressly provided in the original purchase/sale agreement with your proposed purchaser:

(a) you will be required to pay all State and City transfer taxes imposed by law on a seller;

and

(b) real estate taxes and Common Charges will be apportioned between you and the Board as of the end of the day preceding the date of title closing.

In the event the Condominium Board elects to lease your Sold Residential Unit, then regardless of the terms of the lease with your proposed tenant:

(a) the lease will be on the then current prevailing printed form of lease of a condominium unit for non-regulated multiple dwellings in the City of New York (with such rider provisions, not inconsistent with such form lease, as those included in the proposed lease with the proposed tenant);

(b) the provisions of such prevailing form lease will govern any conflict with the provisions of the proposed printed form lease with the proposed tenant;

and

(c) notwithstanding any prohibition or restriction against subletting in such prevailing form lease or in the proposed lease with the proposed tenant, the Condominium Board shall have the right to sublease the Unit without your approval or consent and without your participating in or sharing the rent under such sublease.

All payments made by the Condominium Board to purchase, own, lease, maintain, repair, alter and make any other disposition of a Sold Residential Unit purchased or leased by the Condominium Board pursuant to this Right of First Refusal will be included in the Common Expenses payable by all Unit Owners pro rata to their respective Common Interests. Similarly, any revenues derived from owning, selling, leasing, subleasing, mortgaging or other disposition of a Sold Residential Unit owned or leased by the Condominium Board will be applied to defray the Common Expenses.

The Board Members (including the Sponsor Board Members) will make all decisions concerning the Sold Residential Unit while owned or leased by the Condominium Board. These decisions include: (a) the use of the Sold Residential Unit (provided the Unit is used in accordance with applicable law); (b) the occupancy of the Unit (provided occupancy requirements under law and the By-laws applicable to other Sold Residential Unit Owners, but not Unsold Residential Unit Owners, are followed); (c) the sale, lease, operation, mortgage or other disposition of the Sold Residential and/or Commercial Unit (if owned by the Condominium Board) or the operation or sublease of the Sold Residential Unit (if leased by the Condominium Board); and (d) the maintenance, repairs, alterations and other disposition of the Sold Residential Unit.

S-1.4. Waiver of Right of First Refusal

If the Condominium Board does not exercise Right of First Refusal, you will have ninety (90) days to consummate the transaction in accordance with the material terms of the purchase/sale agreement or lease (as applicable) by closing title to the Unit (in the case of a sale or transfer) or beginning the term of the lease of the Unit (in the case of a lease). The ninety (90) days will be calculated from: (a) the date the Condominium Board sends you notice of its decline or refusal to purchase or lease the Unit or (b) (if such notice is not sent) the expiration of the fifteen (15) business day period within which the Board is required to make its election. If you fail to so consummate the transaction in accordance with such material terms of the purchase/sale agreement or lease (as applicable), or within said ninety (90) days, then the transaction will be voidable at the sole option of the Condominium Board and (if voided) the Board will again have the Right of First Refusal to purchase or lease the Unit as set forth above.

S-1.5. Requirements for a Sale, Transfer or Lease of a Sold Residential and/or Commercial Unit

The deed to sell or transfer your Sold Residential and/or Commercial Unit must include a provision that the acceptance of the deed by the new Owner constitutes new Owner's adoption and assumption of all the terms of the Condominium Documents. This requirement applies also to each Unsold Unit and Sold Commercial Unit.

In the case of a lease of your Sold Residential and/or Commercial Unit:

(a) the lease shall expressly state that it is subject and subordinate to the Condominium Documents and that in the event of any inconsistency between the Lease and the Condominium Documents, the inconsistency shall be resolved in accordance with the Condominium Documents, which are paramount and shall govern;

(b) the lease shall be for a term of not less than one (1) year (unless the Condominium Board, in its sole and absolute discretion, consents in writing to a shorter term);

(c) you may not amend or extend the lease without the written consent of the Condominium Board in each instance (such consent is discretionary and may be denied or withheld without cause or explanation and without recourse against the Condominium Board by reason thereof);

(d) the tenant may not assign the lease or sublet the Unit without the prior written consent of the Condominium Board in each instance (such consent is discretionary and may be denied or withheld without explanation or justification and without recourse against the Condominium Board);

(e) the Sold Residential Unit may only be used and occupied as a joint live-work unit as allowed by law in accordance with the By-Laws (see below subsection "S-7.1 Occupancy of Residential Units");

and

(f) the lease must provide that the Condominium Board has the right to terminate the Lease and evict the tenant in the event the tenant defaults under the Lease or the Condominium Board forecloses its lien on your Unit for unpaid Common Charges or Special Assessments.

S-1.6. Certificate of Waiver or Exemption as to Right of First Refusal

In the event the Condominium Board fails to exercise or waives its Right of First Refusal, the Condominium Board shall be required to give you a written statement so certifying. The Condominium Board shall also be required to certify to you if the transaction is exempt from the Right of First Refusal; however, the failure or refusal to so certify shall not affect the exemption.

S-1.7. Transactions Exempt from Right of First Refusal

The following sales, transfers, conveyances and leases are exempt from the Condominium Board's Right of First Refusal:

(a) a sale, transfer, conveyance or lease from you to an adult member of your immediate family;

(b) a sale, transfer, conveyance or lease from you to any entity in which you own more than fifty percent (50%) of the legal and beneficial interests or (if you are a corporation, partnership, limited liability company or other entity) a sale, transfer, conveyance or lease from you to any individual who owns more than fifty percent (50%) of all legal and beneficial interests in you;

(c) a transfer, conveyance or lease from you to any person who acquires title or leases the Unit as a gift or as an heir under your will or by intestacy:

(d) if you are declared judicially incompetent, a transfer or lease from you to your legal guardian or representative;

(e) a sale, transfer, conveyance or lease from you to Sponsor or other Unsold Unit Owner;

(f) a sale, transfer, conveyance or lease from Sponsor or an Unsold Unit Owner to any person;

(g) a sale, transfer, conveyance or lease from a Commercial Unit Owner to any person;

(h) a sale, transfer, conveyance or lease from the Condominium Board to any person;

(i) a sale, transfer or conveyance from an officer or other person conducting a mortgage or other lien foreclosure sale to any person;

(j) a transfer or conveyance by deed in lieu of foreclosure from you to a Permitted Mortgagee or any designee of a Permitted Mortgagee;

and

(k) a sale, transfer or conveyance from such Permitted Mortgagee or designee to any person.

S-1.8. No Severance of Unit and Common Interest

You may not sever your Unit from its appurtenant Common Interest. Accordingly, any sale, conveyance, transfer, mortgage or other similar disposition affecting ownership must, and shall be deemed to, include both the Unit and its appurtenant Common Interest.

S-1.9. Transactions Prohibited While in Arrears for Common Charges

You may not sell, transfer or lease your Sold Unit unless you are current in the payment of all Common Charges (including installments for Special Assessments of the Condominium Board), you are not in default in the payment or performance of a substantial obligation under the Condominium Documents and you have satisfied all unpaid liens on your Unit other than a "Permitted Mortgage" (defined in the following subsection "S-2. Mortgaging of Units by Unit Owners").

S-1.10. Power of Attorney

In the case of a sale or transfer, the new Owner must duly sign and record a Unit Owner's Power of Attorney in favor of the Condominium Board, Sponsor and each Unsold Unit Owner on the form set forth as DOCUMENT 2 of this Plan or (if there are no longer any Unsold Units) the form then approved for use by the Condominium Board.

S-1.11. Charges

You will be required to pay any reasonable charge imposed by the Condominium Board to cover the reasonable fees and expenses of the Condominium Board or its Managing Agent or attorney in connection with the sale, transfer or Lease of your Sold Residential Unit and sold Commercial Unit. However, no charge may be imposed for any sale, transfer or Lease which is exempt from the Right of First Refusal.

In the case of a sale, transfer or lease of a Sold Residential Unit, the Condominium Board may also impose a transfer or lease fee or entrance fee or exit fee (or a so-called flip tax), if such fee is not prohibited by law and is approved by Sponsor (so long as it owns any Unsold Unit) and is further approved in writing or at a duly held meeting of Unit Owners by Owners of two-thirds (2/3) of all Sold and Unsold Units (both in number and aggregate Common Interests of all Units, excluding any Unit owned by the Condominium Board). However, no such transfer or lease fee (or other flip tax, entrance fee or exit fee) may be imposed on any sale, transfer or lease which is exempt from the Right of First Refusal or is made to the Condominium Board without consideration pursuant to the escape provision (see below subsection "S-3.12 Exemption From Future Common Charges").

S-2. Mortgaging of Units by Unit Owners

S-2.1. Right to Mortgage

You will have the right to place one (1) or more mortgages on your Unit, but are required to comply with the following:

(a) you shall give the Condominium Board written notice of the name and address of the mortgage lender and (if requested) a conformed copy of the note and mortgage (failure to do so will not affect the validity or enforceability of the mortgage);

(b) you shall give the Condominium Board written notice when you satisfy the mortgage and (if requested) a conformed copy of the mortgage satisfaction document;

(c) you may not mortgage the Unit unless you are current in your Common Charges (including installments for Special Assessments imposed by the Condominium Board) and have satisfied any unpaid liens on your Unit other than the lien of a prior Permitted Mortgage (failure of Sponsor or an Unsold Unit Owner to comply with this requirement will not affect the validity, priority or enforceability of the mortgage);

and

(d) the mortgage shall cover both the Unit and its appurtenant Common Interest.

A mortgage or first mortgage made in compliance with the foregoing is called respectively a "Permitted Mortgage" or "Permitted First Mortgage".

S-2.2. Permitted Mortgage Lender Protections

The By-Laws include the following protections in favor of a Permitted Mortgagee:

(a) if requested, the Condominium Board shall report to your Permitted Mortgagee your failure for more than one (1) calendar month to pay the Common Charges or observe or perform any other provision of the Condominium Documents then known to the Condominium Board;

(b) the Condominium Board shall copy your Permitted Mortgagee on any default notice sent to you;

(c) the Condominium Board shall account to the Permitted Mortgagee for the net proceeds it receives on the sale of the Unit resulting from the foreclosure of the Board's lien for unpaid Common Charges in accordance with the order of priority set forth in the Condominium Act;

and

(d) any sum paid or act performed by a Permitted Mortgagee in your behalf will be accepted by the Condominium Board and regarded as having been paid or performed by you.

The Condominium Board will not be liable to a Permitted Mortgagee for failure due to oversight or negligence to so report your failure to pay, observe or perform the provisions of the Condominium Documents or to copy the Permitted Mortgagee on a default notice; however, the Condominium Board shall be required to advise the Permitted Mortgagee promptly after discovering its failure.

S-2.3. Examination of Books and Records

Your Permitted Mortgagee or its representative will be permitted to examine the books and records of the Condominium as explained below in subsection "S-13. Examination of Books and Records".

S-3. Common Charges and Special Assessments

S-3.1. Determination

Before the start of each Budget Year of the Condominium, the Board Members are to prepare, adopt and distribute to all Unit Owners a Budget of Projected Receipts and Expenses of Operations of the Condominium for the ensuing Budget Year. The Budget will be determined by a majority of all Board Members (including the Sponsor Board Members) attending a Board meeting at which a quorum is present.

S-3.2. Allocation and Apportionment of Receipts and Expenses

Under the Condominium Documents, the Common Profits and Common Expenses shall be allocated and apportioned by the Condominium Board to and among all Unit Owners pro rata to their respective Common Interests. The Common Interest of each Residential and Commercial Unit has been determined, in part, on the Common Elements (including the Building services and facilities) intended for the use, service or benefit of each category of Units, giving due consideration to those Common Elements intended for the special or exclusive use and availability, or exclusive control, service or benefit, of only a particular category of Units. Accordingly, the Common Charges of each Unit is in accordance with the amount of Common Expenses that is fairly and properly attributable to such Unit.

S-3.3. Reserves for Contingencies, Repairs and/or Alterations

The Condominium Board may include in a Budget a reserve for repairs, alterations and/or contingencies. However, the Board must obtain the consent of Sponsor to any reserves in excess of five percent (5%) of the projected annual Common Expenses under the terms and conditions explained in Section Q, subsection "Q-2. Sponsor Control Over Certain Board Actions".

S-3.4. Right of Condominium Board to Revise Budget

The Condominium Board may revise a Budget one (1) or more times during any Budget Year, but may not increase the Common Charges more often than once a year. A revised Budget may not retroactively affect the amount of Common Charges previously billed, but may include a deficiency for a prior period which is payable prospectively.

S-3.5. Failure to Adopt Budget

The failure of the Condominium Board to adopt a new Budget for any Budget Year will not be regarded as a waiver of Common Charges or in any way excuse you from paying

the Common Charges. Rather, Common Charges will continue to be paid on the basis of the last adopted Budget until a new Budget is adopted.

S-3.6. Special Assessments

The Condominium Board may levy a Special Assessment to pay the Common Expenses, if so determined by a majority of the Board Members (both Independent and Sponsor Board Members) attending a Board meeting at which a quorum is present. A Special Assessment is subject to the same rules, requirements and restrictions applicable to Common Charges, including those set forth above in this subsection and the veto rights of Sponsor explained in Section Q, subsection "Q-2. Sponsor Control Over Certain Board Actions".

The Condominium Board may require a Special Assessment to be paid in one (1) lump sum or in periodic installments, with or without interest. If you are allowed to pay a Special Assessment in installments, the Board may require that you evidence your obligation to pay the Special Assessment by your signing and delivering a promissory note in favor of the Condominium Board. The note will be prepared by an attorney selected by the Condominium Board and will be in form and substance (including interest rate, if any) satisfactory to the Condominium Board. The Condominium Board may pledge, sell or make any other disposition of all Unit Owners' notes as it sees fit.

You will be given written notice of the amount and purpose of a Special Assessment and (if applicable) the terms of a promissory note, at least fifteen (15) days before a payment is due or the promissory note is to be signed and delivered. If you refuse or fail to timely sign and deliver a promissory note, you will be obligated to pay the full amount of the Special Assessment on the date set by the Condominium Board. Special Assessments are part of the Common Charges. As a result, the Condominium Board will have all of the rights and remedies for collection of Special Assessments and promissory notes of Unit Owners as are applicable for the collection of Common Charges.

S-3.7. Surplus

In the event the Common Charges shall exceed the actual Common Expenses in any completed Budget Year, the Condominium Board shall determine how to apply the surplus. The Condominium Board shall have the choice of applying the surplus to defray the Common Expenses of the immediately succeeding Budget Year, or distributing the surplus to all then existing Unit Owners or to all then existing Unit Owners who were Unit Owners of record during such completed Budget Year (in either case, pro rata to their respective Common Interests), or crediting the surplus against the Common Charges next payable by then existing Unit Owners (the amount credited shall be pro rata to their respective Common Interests), or any combination of the foregoing. Such determination shall be made by a majority of the Board Members (including the Independent and Sponsor Board Members) attending a Board meeting at which a quorum is present). In the event the Board fails to make such determination within four (4) months after the end of such completed Budget Year in which the surplus was

generated, the surplus shall be applied as follows: (a) while the Common Interests appurtenant to the Unsold Units constitute ten percent (10%) or more of the Common Interests appurtenant to all Units, the surplus shall be distributed to all then existing Unit Owners who were Unit Owners of record during said completed Budget Year, pro rata to their respective Common Interests or (b) after the Common Interests appurtenant to the Unsold Units constitute less than ten percent (10%) of the Common Interests appurtenant to all Units, the surplus shall be credited against the Common Charges next payable by all then existing Unit Owners (the amount credited shall be pro rata to their respective Common Interests). To the extent the surplus is realized from expenses solely attributable to the Residential Unit Owners, then such surplus shall be applied exclusively to their benefit. Furthermore, to the extent that the surplus is realized with respect to expenses for which the Commercial Unit Owners pay less than their respective Common Interests, any surplus so realized shall be credited against the Commercial Unit common charges based upon such lower percentage.

S-3.8. Frequency of Payment

Unless otherwise determined by the Condominium Board, the annual Common Charges will be payable in equal, consecutive monthly installments, in advance, on the first day of each month.

S-3.9. Remedies of Condominium Board For Non-Payment

The Condominium Board will have a lien on your Unit for unpaid Common Charges (including unpaid Special Assessments) as provided in Section 339-z of the Condominium Act. The lien is subordinate to: (a) a lien against the Unit for unpaid real estate taxes; (b) a lien of a prior recorded Permitted First Mortgage; and (c) a mechanic's lien for material or services provided to the Common Elements.

The lien will be effective upon the filing of a notice of the lien in accordance with Section 339-aa of the Condominium Act and will remain effective for six (6) years thereafter or until all unpaid sums with interest thereon have been fully paid, whichever occurs first. Such lien may be foreclosed in a lawsuit brought by the Condominium Board in like manner as a foreclosure of a mortgage of real property.

In the event of foreclosure, you will be required to pay a reasonable rental for the Unit for the period prior to the sale pursuant to a judgment of foreclosure. The Condominium Board will have the right to bid in the Unit at the foreclosure sale and (if it is the winning bidder) to acquire, hold, lease, mortgage, transfer and make any other disposition of the Unit without accountability to you (but the Board may not cast the votes otherwise entitled to be voted by an Owner of the Unit).

All amounts paid by the Condominium Board in connection with the purchase at the foreclosure sale and the subsequent ownership and Disposition of the Unit will be a Common Expense payable by all Unit Owners.

The Condominium Board may also: (a) maintain a separate lawsuit for a money judgment for unpaid Common Charges (including unpaid Special Assessments) without

foreclosing or waiving its lien; and (b) pursue both the lien foreclosure and money judgment lawsuits at the same time.

The Condominium Board is required to take prompt action to collect any Common Charges that remain unpaid for more than thirty (30) days. To this end, the Condominium Board may foreclose the lien as provided in the Condominium Act and/or bring a separate lawsuit for the amount owed. During the Initial Control Period, Sponsor will cause the Condominium Board to file a lien on Unsold Units in which Sponsor is more than thirty (30) days in arrears of Common Charges (including Special Assessments) in accordance with said Section 339-aa.

If you fail to pay the Common Charges (including Special Assessments) within ten (10) days from the due date, the Condominium Board (in its sole and absolute discretion) may require you to pay, promptly following demand:

(a) interest on the arrears (at the lower of a rate of sixteen percent (16%) a year or the highest legal rate, computed from the due date until full payment is received);

and/or

(b) a late charge in the amount set from time to time by the Condominium Board.

You also will be obligated to reimburse the Condominium Board for all costs and expenses incurred to foreclose the lien and to collect the arrears and such interest and/or late charge (if applicable).

S-3.10. Condominium Act Section 339-kk

Pursuant to Section 339-kk of the Condominium Act, in the event a non-occupying Unit Owner rents a dwelling unit to a tenant and the Unit Owner fails to pay Common Charges, Special Assessments or late charges (collectively, the "Charges") for such Unit within sixty (60) days of the expiration of any grace period after the Charges are due, upon notice to the tenant from the Condominium, all rental payments from the tenant shall be paid directly to the Condominium.

If the Charges have not been paid as set forth above, the Condominium Board must then provide written notice to the tenant and the Unit Owner that, effective immediately and continuing until the Charges are paid, all rental payments due subsequent to the issuance of the notice are to be paid directly to the Condominium. The Condominium Board may elect not to require such direct payments, but only where the majority of the Condominium Board has been elected by the Sold Unit Owners.

If and when the Charges are again current, a notice shall be given within three (3) business days to the tenant and Unit Owner directing that the Charges now be payable to the Owner or its designated agent.

A Unit Owner can dispute the Condominium's claim to rental payments by notifying the Condominium Board of such dispute and such Unit Owner shall be entitled to present

facts in support of its position at the next scheduled Condominium Board meeting, which must be held within thirty (30) days of the date of the Unit Owner's notice to the Condominium Board.

The statute specifically provides that nothing therein shall limit any rights of Unit Owners or the Condominium Board existing under any other law or agreement. The statute provides further that any such payment by a tenant directly to the Condominium shall relieve the tenant from the obligation to pay rent to the Unit Owner and shall be an absolute defense in any non-payment proceeding commenced by the Unit Owner against the tenant for rent.

S-3.11. Liability

You will be personally liable for payment of the Common Charges (including any Special Assessments) levied against your Unit. You will not be liable for payment of Common Charges (including installments for Special Assessments) due after you sell or transfer title to your Unit in compliance with the By-Laws. However, in the case of installments for Special Assessments, the new Unit Owner must assume in writing the unpaid installments. You will not be relieved of liability until the Managing Agent receives such assumption agreement (to be prepared by an attorney selected by the Condominium Board and to be in form and substance satisfactory to the Condominium Board).

Under the By-Laws, a Permitted First Mortgage lender or a purchaser at a foreclosure sale of a Permitted First Mortgage will not be liable for Common Charges (including Special Assessments) that are not paid after recording the Permitted First Mortgage and before title to your Unit is transferred pursuant to a foreclosure of such mortgage or a deed given in lieu of such foreclosure. As a result, you will remain personally liable for unpaid Common Charges (including unpaid installments of Special Assessments) during the period you are the legal (record) Owner of the Unit (that is, until you lose title to your Unit in a foreclosure by a Permitted First Mortgage lender or by a deed given in lieu of such foreclosure). Any deficiency in payment of the Common Expenses caused by unpaid Common Charges of a Unit will be payable by the Owners of all Units pro rata to their respective Common Interest.

S-3.12. Exemption From Future Common Charges

You will be exempt from paying future Common Charges (including future installments of Special Assessments) if:

(a) you convey your Unit to the Condominium Board without being paid any compensation or consideration for the conveyance;

(b) you are then current in all Common Charges (including installments for any Special Assessments) and are not in violation of any of the provisions of the Condominium Documents at the time of such conveyance to the Condominium Board;

and

(c) your Unit is then free and clear of all liens and encumbrances other than the statutory lien for unpaid Common Charges and Special Assessments (provided no monies are then owing thereunder).

You will not be exempted from liability for Common Charges (including Special Assessments) by waiving the use and enjoyment of the Common Elements or by not using or abandoning your Unit.

S-4. Maintenance and Repairs

S-4.1. Maintenance and Repairs of Units and Individual Limited Common Elements

You will be obligated, at your sole cost and expense:

(a) to maintain, repair (other than structural or extraordinary repairs to be performed by the Board as provided below), clean, paint, decorate and keep in good order and repair and in first class condition: your Residential or Commercial Unit; all equipment, facilities and installations (collectively "Unit Installations") servicing only your Residential or Commercial Unit, including: interior walls, floors and ceilings; kitchen and bathroom fixtures and appliances; windows; doors; exposed and unexposed plumbing, heating and electrical fixtures servicing only your Unit; your Unit's air conditioning units; and the tile, deck or other protective flooring or covering of your Residential Unit's terrace (if any);

(b) to keep all areas of your Sold Residential or Commercial Unit exposed to public view (including windows and window treatments and decorations as well as terrace, if any) in good and clean appearance in conformity with the high character and dignity of the Building and (in the case of a terrace) free of snow, ice, water accumulation and debris;

and

(c) (in the case of a Sold Residential Unit only) to cover at least eighty percent (80%) of the floor areas of your Sold Residential Unit (other than the kitchen, pantry (if any), bathroom(s), powder room (if any) and closets) with carpeting, rugs or equally effective noise reducing material reasonably approved by the Condominium Board, unless the Condominium Board consents in writing to make exceptions for your Sold Residential Unit (such consent shall be discretionary and may be withheld or denied without cause or explanation and without recourse against the Board by reason thereof).

The Condominium Board will be obligated to perform as a Common Expense payable by all Unit Owners pro rata to their respective Common Interests, all maintenance, repairs and cleaning of the sidewalk adjacent to the Building, as well as all structural or extraordinary repairs to:

(a) your Unit's walls (but not wall coverings, including paint, wallpaper, wood panel, base boards or other surface material); floors (but not floor coverings, including tile,

wood, carpet or other surface material); ceilings (but not ceiling coverings, including paint, plaster, moldings, tile or other decorative material); and windows (but not window treatments or decorations);

and

(b) the wooden plank subroof and roofing system below your Residential Unit's terrace (if any), but not the doors leading thereto or any tile, deck or other protective flooring or covering over such subroof or roofing system.

You will be obligated to perform and pay for all other maintenance and repairs to your Residential or Commercial Unit, Unit installations and Unit's Individual Limited Common Element (if any).

Any Common Elements within or bordering or adjacent to your Unit are to be maintained and repaired by the Condominium Board as a Common Expense. However, you will be obligated to pay for any maintenance or repairs (ordinary or extraordinary or structural) to the Common Elements, your Unit or any other Unit caused by your negligence, misuse or abuse, but only to the extent the costs and expenses are not covered by insurance maintained by the Condominium Board.

You must obtain the written reasonable approval of the Condominium Board before undertaking any extraordinary or structural repairs. The Board may condition its approval on your compliance with the same requirements that apply to Unit Alterations (see subsection S-5.1 below). Sponsor and other Unsold Unit Owners may make extraordinary or structural repairs to their Unsold Units and Individual Limited Common Elements (if any) freely and without consent, payment or restriction of any kind (other than the requirement to comply with certain applicable work requirements set forth in the Declaration).

S-4.2. Maintenance and Repairs of Common Elements

The Condominium Board will be obligated: (a) to maintain in good order and first class condition, clean, paint, decorate and repair the Common Elements and (b) to keep the public and common areas of the Building in good and clean appearance in conformity with the high character and dignity of the Building and (in the case of sidewalks in front of the Building entrance and elevator door) free of snow, ice, water accumulation and debris. All amounts paid by the Board in connection with these obligations shall be part of the Common Expenses payable by all Unit Owners pro rata to their respective Common Interests. The Board is responsible for complying with the terms of the Cyclical Maintenance Program set forth in the Landmark Declaration (see DOCUMENT 9), which requires a cyclical inspection and maintenance program for the Building, including a periodic inspection every five (5) years, performance of all work identified as necessary as a result of such inspection and the establishment of an emergency protection program. New York City has the right to perform such work at the Condominium's sole cost and expense if the Condominium does not do so.

S-4.3. Access to Units and Individual Limited Common Elements

You must permit access to your Residential or Commercial Unit and Individual Limited Common Element (if any) by:

(a) the Condominium Board; the Managing Agent; the Building's superintendent; the contractors, subcontractors and other persons authorized by any of the foregoing; and the respective employees and workers of each of the foregoing, for any of the following purposes: (i) to inspect and remove violations from the Common Elements or Units; (ii) to cure a violation or default by you under the Condominium Documents; (iii) to correct any condition in your Unit that threatens another Unit, the occupants of a Unit or the Common Elements; (iv) to maintain, repair or alter the Common Elements located in your Unit or behind the walls, floors or ceilings enclosing, bordering or adjacent to your Unit or elsewhere in the Building; (v) to read, maintain and repair utility meters relating to the Common Elements, your Unit or other Units; or (vi) to correct any condition that violates a Permitted Mortgage encumbering another Unit;

and

(b) the Sponsor; Sponsor's agents, contractors, subcontractors and other persons authorized by Sponsor; and the respective employees and workers of each of the foregoing, for any of the following purposes: (i) to perform or comply with any obligation or undertaking by Sponsor under this Plan, a Plan amendment or a Purchase Agreement for a Unit (including any of Sponsor's Obligations set forth in Section P, subsections "P-2. General Obligations of Sponsor" or "P-3 Sponsor's Construction Rights and Obligations") or (ii) to exercise any of Sponsor's Rights under this Plan, a Plan amendment or the Condominium Documents (including any of Sponsor's Rights set forth in said Section P, subsections "P-1. General Rights of Sponsor and Unsold Unit Owners" or "P-3 Sponsor's Construction Rights and Obligations").

Such access must be permitted on at least one (1) day's advance notice (orally or in writing) to you, except that in the case of an emergency, access may be immediate, without advance notice and without your being present. Emergency access includes work required for the health or safety of the Building's occupants or to avoid the suspension of a Building service or to correct a dangerous or hazardous condition.

However, access must be exercised in a manner that does not unreasonably interfere with the permitted use of your Unit in accordance with the By-Laws and (to the Commercial Units) the operation of a Commercial Unit or the business of any Owner, tenant or occupant of a Commercial Unit.

S-5. Alterations

S-5.1. Alterations to Units and Individual Limited Common Elements

You will have the right to make alterations to your Sold Residential or Commercial Unit, your Unit Installations and your Unit's Individual Limited Common Element, if any (collectively, "Unit Alterations"), but must comply with the following requirements ("Unit Alteration Requirements"):

(a) you must obtain all required approvals and permits of governmental authorities having jurisdiction;

(b) the Unit Alterations must comply with and be performed in accordance with all applicable work requirements set forth in the Declaration;

(c) you must give the Condominium Board written notice of the details of the proposed Unit Alterations and (if requested) complete drawings showing all construction changes prepared by an architect, engineer or other appropriate professional;

(d) (in the case of structural Unit Alterations or Unit Alterations affecting the Building's heating, plumbing, electric, ventilating, intercom or other systems) you must obtain the reasonable approval of the Condominium Board;

(e) (in the case of Unit Alterations affecting the Unit's terrace (if any), including any enclosure, landscaping, furnishing, painting or other decorating) you must obtain the approval or consent of both the Condominium Board and Sponsor (while Sponsor owns an Unsold Unit), whose approvals or consents are discretionary and may be withheld or denied without cause or explanation and without recourse against either by reason thereof;

(f) (in the case of Unit windows) the glass surfaces shall not be colored, painted or otherwise covered and all window shades, blinds, curtains and other treatments or decorations shall be light colored or have light colored backings facing the outdoors in conformity with the rules established from time to time by the Condominium Board and Sponsor (while Sponsor owns any Unsold Units);

and

(g) (if required by the Condominium Board) you must sign and deliver to the Condominium Board an alteration agreement, on the standard form adopted by, and in substance satisfactory to, the Condominium Board, setting forth the terms and conditions for performing the Unit Alterations (including, without limitation, the Condominium Board's work rules, permitted work times, handling of debris, security requirements, procedures concerning interruption of services, insurance requirements and an indemnity in favor of the Condominium Board, its agents and employees, and all Unit Owners, against all claims and liabilities and expenses arising out of the Unit Alterations).

The foregoing Unit Alteration Requirements in clauses (c) through (g) do not apply to, and the following may be done in accordance with applicable laws and applicable work requirements set forth in the Declaration (if any) and without compliance with any other restrictions, limitations or requirements of the Condominium Board whatsoever:

(a) furnishing and decorating the portions of your Unit not exposed to public view and not involving a terrace, windows or window treatments or decorations;

(b) Unit Alterations to Unsold Units;

or

(c) Unit Alterations made by an initial Purchaser of a Sold Residential or Commercial Unit under this Plan who is given written authorization for the Unit Alterations by Sponsor or the Unsold Unit Owner (as applicable) at or prior to title closing (see Section P, subsection "P-1.5 Sponsor's Right to Alter Unsold Units, Individual Limited Common Elements and Common Elements").

If you own and are permitted to combine two (2) or more Units that are horizontally or vertically adjacent to each other, you will have the right to incorporate portions of the Common Elements between or bordering or immediately adjacent to your Units (such as the wall space between, or the portion of a hallway serving only, your horizontally adjacent Units; or the floor slab between your vertically adjacent Units), without paying any license or use fee or rental, but subject to such incorporation of portions of the Common Elements:

(a) being performed in compliance with the Unit Alteration Requirements;

(b) not preventing or unlawfully impairing legal access of other Units to fire stairs or the elevator;

(c) not impairing or unreasonably threatening the structural components or the structural integrity of the Building;

and

(d) not diminishing or adversely and unreasonably affecting: (i) the capacity, performance or efficacy of the Building's equipment servicing other Units or (ii) the use of the Common Elements servicing other Units for their intended purposes.

If you comply with the above listed Unit Alteration Requirements and obtain the required approvals of the Board and/or Sponsor (if and as applicable), the Condominium Board will execute and return to you any government document reasonably required for the Unit Alterations to your Sold Residential or Commercial Unit. In connection with such government document:

(a) you will be required to pay all required governmental fees and charges;

(b) you will be required to pay all reasonable professional fees (including legal, architect and engineering) and disbursements incurred by the Condominium Board and its Managing Agent to review the government document and to review any accompanying drawings and specifications;

and

(c) you will indemnify the Condominium Board, its agents and employees, and all Unit Owners from and against all claims and liabilities and expenses arising from the government document executed by the Condominium Board or from any related work performed by or for you by your agents, employees and contractors.

S-5.2. Alterations to Common Elements and Units Acquired by the Condominium Board

The Condominium Board may make all necessary or desirable alterations to the Common Elements, including Units owned, leased or otherwise held or operated by the Condominium Board (collectively, "Board Alterations"). However, the Condominium Board must obtain the following approvals before undertaking any Board Alterations:

(a) (in the case of all Board Alterations to be undertaken in a Budget Year of the Condominium at a total cost of more than $50,000.00) a majority of Unit Owners (both in number and aggregate Common Interests) must approve the Board Alterations in writing or by vote at a duly called meeting of Unit Owners at which a quorum is present;

and

(b) (in the case of Board Alterations that are subject to Sponsor veto control) the Sponsor must consent to the Board Alterations as provided in Section Q, subsection "Q-2. Sponsor Control Over Certain Board Actions".

The cost and expenses of all Board Alterations shall be a Common Expense payable by all Unit Owners pro rata to their respective Common Interests.

S-5.3. Decorations and Alterations to Residential Hallways

You may decorate, paint, furnish and alter the elevator landing and hallway (collectively, "Hallway Alterations") leading to your Residential Unit on the following terms and conditions:

(a) a majority of the Owners of the Residential Units sharing the hallway (including Sponsor, if Sponsor owns an Unsold Residential Unit that shares the hallway) must consent in writing to the Hallway Alterations;

and

(b) the Hallway Alterations must be performed and comply with the same requirements applicable to Unit Alterations (that is, Unit Alteration Requirements).

S-5.4. Historic District Restrictions

The Building is located in the Soho Cast-Iron Historic District section of Manhattan. Any work performed on the facade of the Building, any exterior portions of the property visible to the street, or any interior or other portions of the Property visible to the street may require the approval of the LPC. Ordinary exterior repairs and maintenance, such as replacing broken glass, do not require LPC approval. LPC approval for interior work is required when the work requires a permit from the Building's Department or where the work on the interior affects the exterior of the Building. The LPC may disapprove of proposed alterations, approve same, or approve alterations subject to certain conditions which may increase the cost of proposed alterations. There may be legal, architectural or engineering costs necessitated by this requirement of the LPC approval.

S-6. Insurance and Condemnation/Eminent Domain

S-6.1. Insurance Coverage

At the First Closing, Sponsor will provide (at the expense of the Condominium Board) the insurance coverage disclosed in a footnote to the First Year's Budget (SCHEDULE B in Section F). Thereafter, the Condominium Board will maintain the insurance to the extent obtainable. The Condominium Board may change the insurance from time to time, but may not eliminate insurance coverage that is obtainable and is required to be maintained under the By-Laws. In addition, the Condominium Board may not increase or decrease insurance coverage, which is subject to Sponsor veto control unless the consent of Sponsor is given as provided in Section Q, subsection "Q-2. Sponsor Control Over Certain Board Actions".

The policy will not insure the contents of your Unit (including your appliances, furniture, furnishings, decorations, household items and other personal belongings and property), which you may separately insure (at your cost) if desired. If you elect to obtain insurance, your policy must contain a waiver of subrogation and the policy must not affect or impair the liability of the Building's insurer.

The public liability insurance maintained by the Condominium Board will cover occurrences in the Common Elements, including Units (if any) owned, leased, held or Operated by the Condominium Board, but will not cover your individual liability for occurrences within your Unit or its Individual Limited Common Element (if any). You may separately insure (at your cost) against such individual liability, if desired.

The Building's policies will cover the interests of the Condominium Board, all Unit Owners and all Permitted Mortgage lenders, as their respective interests may appear.

The Building's fire and casualty policies will contain (if available):

(a) waivers of (i) subrogation; (ii) any defense based upon co-insurance or other insurance; (iii) invalidity arising out of the acts of an insured party; and (iv) pro rata reduction of liability;

(b) a provision that any adjustment of loss will be made by the Condominium Board and that all proceeds will be paid to the Condominium Board or an Insurance Trustee appointed pursuant to the By-Laws where the Board is to restore the damaged area in accordance with the By-Laws;

(c) a New York Standard Mortgagee provision in favor of each Permitted Mortgage lender, subject however to the preceding loss payment provisions in favor of the Condominium Board or Insurance Trustee;

and

(d) a provision requiring that at least ten (10) days' prior written notice is given to all insured parties of any cancellation, expiration or substantial modification of a policy.

Until the first meeting of the Condominium Board elected by all Unit Owners following the First Closing, the fire and liability insurance will not be less than the amounts set forth in the First Year's Budget (SCHEDULE B in Section F). The insurance maintained by the Condominium Board may provide for such deductible amounts as the Condominium Board may determine.

Owners are prohibited from using any Unit in a manner which will increase the insurance rates for the Property.

The cost of insurance is a Common Expense to be charged to, and apportioned among, all Unit Owners pro rata to their respective Common Interests in accordance with the First Year's Budget and the Condominium Documents.

S-6.2. Damage or Destruction

In the event less than seventy-five percent (75%) of the Building is destroyed or substantially damaged, the Condominium Board will promptly arrange and make all decisions concerning the repairs to restore the affected Common Elements and Units.

In the event seventy-five percent (75%) or more of the Building is destroyed or substantially damaged, the Condominium Board may not proceed with the repairs unless seventy-five percent (75%) of the Unit Owners (either in number or aggregate Common Interests) resolve, or are deemed to have resolved, to do so. Before making such decision, the Condominium Board will send to the Unit Owners written notice stating whether the net amount of any insurance proceeds payable on account of the loss will be sufficient to pay the estimated cost of the repairs. Unit Owners will have sixty (60) days from the sending of such notice to make the decision. However, to the extent not prohibited by the Condominium Act, such required seventy-five percent (75%) of Unit Owners will be deemed to have resolved to proceed with the repairs if the net insurance proceeds will be sufficient to pay for the estimated cost of the repairs and

twenty-five percent (25%) of the Unit Owners (both in number and aggregate Common Interests) do not affirmatively vote at a duly constituted meeting of Unit Owners at which a quorum is present, or elect in writing, not to proceed with the repairs.

In the event within the mentioned sixty (60) day period the requisite seventy-five percent (75%) of Unit Owners (in number or aggregate Common Interests) do not resolve or are not deemed to have resolved to proceed with the repairs, then any Unit Owner or Unit mortgage lender may bring an action to partition the Property. In a partition action, the entire Property may be sold and the net proceeds of such sale, together with any insurance resulting from the loss, will be divided among all Unit Owners pro rata to their respective Common Interests. However, any mortgage or other lien on your Unit will be paid first from your share of these monies, in the order of priority of such liens.

If the repairs are to be undertaken and the insurance proceeds are insufficient to pay for the cost of the repairs, the Condominium Board may levy a Special Assessment against all Unit Owners (pro rata to their respective Common Interests) to pay the deficiency. Conversely, any surplus insurance proceeds will be paid to all Unit Owners pro rata to their respective Common Interests.

If the destruction or damage renders your Residential or Commercial Unit wholly or partially unusable or inaccessible, then your Common Charges will be equitably and proportionately abated by the Condominium Board (in its reasonable judgment) until the Unit is again usable and reasonably accessible. However, if the destruction or damage is caused by the act, omission or negligence of you, your family or a tenant or occupant of your Unit, the Common Charges will be abated only to the extent of any net rent insurance actually collected by the Condominium Board for your Unit.

S-6.3. Condemnation or Eminent Domain

In the event of a taking of the entire Property by condemnation or eminent domain, the Condominium Board (in behalf of all Unit Owners) will file, negotiate and settle the claim for such taking. However, any Unit Owner may file, negotiate and settle a separate claim with the appropriate governmental authority for such taking of the Owner's Unit and its Common Interest (including trade or business fixtures in the case of Commercial Units), provided that the award to any other Unit Owner or the Condominium Board is not reduced thereby.

The net proceeds of any award paid for a taking of the entire Property will be divided among all Unit Owners pro rata to their respective Common Interests. However, any mortgage or other lien on your Unit will be paid first from your share of the award, in the order of priority of such liens.

In the event of a partial taking (involving less than all of the Property), the following will apply:

(a) in the case of a partial taking of portions of the Common Elements, the Condominium Board will file, negotiate and settle the claim in behalf of all Unit Owners for the affected portions of the Common Elements;

and

(b) in the case of a partial taking of two or more Units, the Condominium Board will file, negotiate and settle the claim in behalf of the affected Unit Owners.

However, each affected Unit Owner may file, negotiate and settle a separate claim with the appropriate governmental authority for the partial taking of the Owner's Unit (including trade or business fixtures in the case of Commercial Units), provided that the award to any other Unit Owners (for the partial taking of such Owner's Unit) or the Condominium Board (for the partial taking of the Common Elements) is not reduced thereby.

The net proceeds of a partial taking of the Common Elements will be allocated to, and shared by, all Unit Owners pro rata to their respective Common Interests. However, any mortgage or other lien on your Unit will be paid first from your share of the award, in the order of priority of such liens.

Unless the Unit Owners elect to terminate the Condominium, the Common Interests of all Units will be adjusted following a permanent taking. No such adjustment will be made for a temporary taking. In adjusting the Common Interests the same factors used to determine the original Common Interests will be applied to determine the adjusted Common Interests of the Units remaining after the permanent taking; and the adjusted Common Interests of all such remaining Units shall total one hundred percent (100%). The Condominium Board will promptly prepare, execute and record an amendment to the Declaration reflecting the adjusted Common Interest of each Unit. After the amendment is recorded, the votes of each Unit Owner will be based upon the adjusted Common Interest of the Owner's Unit.

S-7. Restrictions on Occupancy and Use

S-7.1. Occupancy of Residential Units

The requirements for occupancy of Residential Units are governed by the Multiple Dwelling Law (which prohibits overcrowding) and the Condominium Documents, which restricts occupancy of Sold Residential Units to:

(a) in the case of an individual Sold Residential Unit Owner, you and your immediate family; or, in the case of a corporation, limited liability company, a general or limited partnership, fiduciary, sovereign government, consulate or any other entity that is a Residential Unit Owner, an officer, director, shareholder, member, merger, partner, trustee, executor, administrator, guardian, legal representative, beneficiary, principal, government official or an employee designated by such Residential Unit Owner and the immediate family of the designated occupant; or (in the case of a lease made pursuant to the By-Laws) a tenant and such tenant's immediate family or a permitted subtenant of such tenant and the sub-tenant's immediate family;

and

(b) domestic servants and temporary guests.

(c) Under the By-Laws, the immediate family, domestic servants and temporary guests are permitted to occupy the Residential Unit even though you or the designated occupant or tenant or permitted subtenant is absent. The joint live-work status of the Residential Units (set forth in S-7.2 below) also requires that all Residential Units be occupied by at least one Artist.

These restrictions in the Condominium Documents do not apply to the Commercial Units or Sponsor Units (including Unsold Residential Units), which may be occupied by anyone regardless of any relationship or lack of relationship with the Owner of a Sold Commercial Unit or (in the case of Sponsor Units) Sponsor or the applicable Unsold Residential Unit Owner as explained more fully in Section P, subsection "P-1.6. Sponsor's Right for Use and Occupancy of Unsold Units".

S-7.2. Use of Sold Residential and Commercial Units

The requirements for use of Sold Residential and Commercial Units will be governed by the Zoning Resolution, the Building's Certificate of Occupancy and the Condominium Documents (as each of the Condominium Documents may be duly amended from time to time by the Board and/or Unit Owners), which require Sold Residential Units to be used solely as joint work-live residences and Sold Commercial Units to be used solely for commercial purposes and for no other purposes. The Condominium Documents also contain the following prohibitions applicable to all Sold and Unsold Units and certain requirements and restrictions applicable to a Sold Residential, or Commercial Unit (as applicable), but not an Unsold Residential or Commercial Unit.

Since the building is located in an M1-5A zoning district, it is subject to the joint live-work requirements. Pursuant to Article 7-B of the MDL and Section 42-14(D) of the Zoning Code, a joint live-work unit may be occupied only as joint living-work quarters for at least one (1) Artist. As a consequence of these legal requirements, each Residential Unit is to be occupied only by households that include at least one Artist. The acceptance by Sponsor from any person of a signed Purchase Agreement or Downpayment shall not be deemed a representation or warranty by Sponsor to any Purchaser or to the DCA or any other agency that any Purchaser of a Residential Unit meets the legal requirements necessary to occupy a joint live-work unit. Further, nothing contained in this Plan shall be deemed a representative or warranty by Sponsor to any Purchaser regarding the DCA's artist certification procedures or any related laws, rules and regulations as they presently exist or may exist in the future.

Sold and Unsold Residential and Commercial Units shall not be used for any "Prohibited Uses", namely, any use that would: (a) impair or unreasonably threaten the structural components or the structural integrity of the Building or the material health or safety of the Owners or permitted tenants or occupants of Units; (b) violate applicable laws; (c) be an unreasonable and unauthorized annoyance or nuisance to the Owners or permitted tenants or occupants of Units or an unreasonable and unauthorized interference with the peaceful possession or proposed use of Units or the Common

Elements as permitted or stated in the Condominium Documents (as each may be duly amended from time to time); or (d) result in the cancellation, or increase the rate or premium, of insurance maintained by the Condominium Board.

The following requirements and restrictions apply to all Sold Residential Units:

(a) at least eighty percent (80%) of the Unit's floor area (certain areas are exempted) shall be carpeted or otherwise covered with an equally effective noise reducing material;

(b) singing and practicing musical instruments shall not be allowed before 9:00 A.M. and after 10:00 P.M.;

(c) none of the following shall be allowed: breeding animals or pets for commercial purposes; keeping dangerous or poisonous reptiles or insects; harboring more than two (2) domestic dogs or cats or more than one (1) domestic dog and one (1) domestic cat;

(d) any permitted pet whose behavior is a nuisance to occupants of other Units or is the cause of an unsanitary condition or an offensive odor affecting occupants of other Units or the Common Elements shall be removed unless such behavior or condition is corrected within fifteen (15) days after written notice thereof is given;

(e) all repairs or alterations shall be made in compliance with the requirements of the Condominium Documents;

(f) the surface of the glass of windows shall not be painted, colored or otherwise covered and all window shades, blinds, curtains and other treatments shall be in conformity with the rules established from time to time by the Condominium Board and Sponsor (while Sponsor owns any Unsold Unit);

(g) entrance doors to the Sold Residential Unit or its appurtenant terrace, if any, shall not be altered without obtaining the prior written approvals or consents of both the Condominium Board and Sponsor (while Sponsor owns any Unsold Unit), whose approvals and consents are discretionary and may be withheld or denied without cause or explanation;

(h) a terrace shall not be altered, enclosed, painted, landscaped, furnished or otherwise decorated without obtaining the prior written approvals or consents of both the Condominium Board and Sponsor (while Sponsor owns any Unsold Unit), whose approvals and consents are discretionary and may be withheld or denied without cause or explanation;

(i) barbecuing in Units or on a terrace shall not be allowed;

(j) a terrace shall not be walked upon, nor shall any object be placed thereon, unless there is tiling, decking or other protective flooring which safeguards the roofing system; such protective flooring shall be installed in accordance with the Unit

Alteration Requirements (see subsection S-5.1. above) and shall be subject to the reasonable approval of Sponsor (while Sponsor owns any Unsold Unit) and the Condominium Board (Sponsor is installing, at its cost and expense, such protective flooring under the terraces in connection with the construction of the fifth floor Units.);

(k) radio or television antennae or satellite dishes shall not be installed on the exterior of the Building (other than an area of the roof specifically dedicated by the Condominium Board for such purpose, if any) and "For Sale" or "For Rent" signs shall not be installed on windows or other areas that are visible from the street;

and

(l) a duplicate key to all locks on entrance doors of the Unit shall be given to the Condominium Board or Managing Agent.

Commercial Units shall not be used for, in the case of a Sold Commercial Unit only (but not an Unsold Commercial Unit), any use (including the nature of the business conducted therein) that is incompatible with the primary use of the Building for residential dwelling purposes as determined by Sponsor (or, after Sponsor no longer owns any Unsold Unit, as determined by any other Unsold Unit Owner), in its sole and absolute judgment.

The use of the Sold Commercial Units shall not be subject to the approval of the Board or Sold Unit Owners, but shall be subject to the approval of Sponsor or (after Sponsor no longer owns any Unsold Units) other Unsold Unit Owners, if any, so long as there is any Unsold Unit. However, the Owners, tenants and occupants of Sold Commercial Units shall not be subject to the approval of the Board, other Unit Owners, Sponsor or Unsold Unit Owners.

These requirements and restrictions in the Declaration, By-Laws and the Rules and Regulations are not applicable to Sponsor Units (including Unsold Units), which may be used for any lawful purpose (barring only the Prohibited Uses set forth above), as explained more fully in the immediately following subsection "S-7.3." and in Section P, subsection "P-1.6. Sponsor's Right for Use and Occupancy of Unsold Units".

S-7.3. Permissible Uses of Unsold Units

The Unsold Residential and Commercial Units may be used or changed to be used as models, offices for the sale, promotion, rental, operation or management of Unsold Units or for any lawful purpose other than Prohibited Uses. Such lawful uses of Unsold Units may be noisy, emit odors, cause heavy traffic and need not be compatible with the primary use of the Building for dwelling purposes. The Condominium Board and the other Unit Owners will not have the right to approve the use or any changes in the use, or the tenants, occupants or operation of, or the business conducted in, the Unsold Units, or any portions thereof. The Unsold Residential Units must be used in compliance with the joint live-work requirements.

S-7.4. Use of Common Elements

The Common Elements are to be used and operated for their intended purposes and in accordance with their designed capabilities and the applicable Rules and Regulations annexed to the By-Laws, as they may be duly amended from time to time by the Condominium Board, but shall not be used for any Prohibited Uses. Portions of the Common Elements may be incorporated in: (a) Sponsor Units (including Unsold Units) by their Owners in accordance with Section I, subsection "I-2. Changes in Unsold Units"; or (b) Sold Residential Units by their Owners in accordance with this Section S, subsection "S-5.1. Alterations to Units and Individual Limited Common Elements". In addition, Sponsor may make changes in and to the Common Elements (including changes affecting the size and quality of the Common Elements) in accordance with Section I, subsection "I-2. Changes in Unsold Units".

Sponsor (as to Unsold Units) and a Sold Commercial Unit Owner, and their respective tenants who are so authorized in writing by such Unit Owner, may erect, maintain, repair and alter signs on certain portions of the Common Elements (including the exterior walls of the Building and the sidewalk adjacent to the Building) in accordance with Section P, subsection "P-1.7. Sponsor's Right to Use Common Elements" and Section H, subsection "H-5 Other Rights and Obligations," respectively.

Sponsor and Unsold Unit Owners will also have the right to use the Common Elements (including the Residential Limited Common Elements and the Commercial Limited Common Elements) in connection with: (a) the sale, rental, promotion, operation, use, occupancy or ownership of Sponsor Units (including Unsold Units); (b) the construction and outfitting of the Building and Units as well as the alteration and repair of Sponsor Units (including Unsold Units); (c) the transportation and storage of materials, equipment and supplies, and the temporary interruption of Building services, in connection with such construction and outfitting of the Building and Units or said alteration or repair of Sponsor Units; or (d) obligations or work undertaken by Sponsor in this Plan, a Plan amendment or a Purchase Agreement or obligations to tenants or occupants of Sponsor Units (including Unsold Units), all as set forth more fully in Section P, subsection "P-1. Sponsor's Right to Use Common Elements". Finally, Sponsor, Unsold Unit Owners and the Condominium Board will have the right to grant easements, licenses and leases affecting any portion of the Property as each deems necessary or desirable, as explained in Section P, subsection "P-1.14. Sponsor's Right to Grant Easements, Licenses and Leases".

Subject and subordinate to the foregoing, all other determinations concerning the use and operation of the Common Elements (including the Residential Limited Common Elements and the Commercial Limited Common Elements) shall be made by the Condominium Board (including both the Independent and the Sponsor Board Members).

S-8. Meeting of Unit Owners

S-8.1. First Meeting and Annual Meetings

The first meeting of Purchasers who close title is to be held on the earlier of: (a) approximately ninety (90) days after title closes to fifty percent (50%) of the Residential Units (in number and aggregate Common Interests) or (b) on or about the first anniversary of the First Closing. The main business of the first meeting of Unit Owners will be to elect a new five (5) member Condominium Board, comprising two (2) Independent Board Members (who shall be nominated and elected by all Sold and Unsold Unit Owners) and three (3) Sponsor Board Members (who shall be appointed or designated exclusively by Sponsor) (see Section R, subsections "R-2. Number and Composition of Condominium Board" and "R-3. Nomination, Voting and Election of the Condominium Board" for full discussion). Thereafter, regular annual meetings of Unit Owners for the election of the Independent Board Members and the appointment or designation of the Sponsor Board Members will be held within approximately thirty (30) days of the anniversary of each previous annual meeting. The Condominium Board will fix the time, date and place of each annual meeting.

S-8.2. Special Meeting

Special meetings of Units Owners shall be called by the Condominium Board at the request of any two (2) Board Members or upon a petition signed by Unit Owners owning twenty-five percent (25%) or more of the Common Interests. The only business that may be transacted at a special meeting is that reasonably related to the purpose of the meeting.

S-8.3. Notice of Meeting

You will be given written notice of an annual or special meeting at least five (5) business days before the date fixed for the meeting. However, you must be given at least thirty (30) days' advance written notice of any meeting at which a proposed amendment to the Declaration or By-Laws is to be considered.

S-8.4. Quorum

Unless otherwise expressly provided in the By-Laws, the presence (in person or by proxy) of Unit Owners owning fifty percent (50%) or more of the aggregate Common Interests will constitute a quorum at all meetings of Unit Owners.

S-8.5. Decision by the Unit Owners

At any meeting of Unit Owners at which a quorum is present, the vote of a majority of those Unit Owners (in number and aggregate Common Interests) attending the meeting (in person or by proxy) will constitute the decision of the Unit Owners unless a different number and/or percentage is required by the Declaration or By-Laws or the Condominium Act.

S-8.6. Voting

You will be entitled to one (1) vote for each 0.1% of Common Interest appurtenant to your Unit (see Section R, subsection "R-3. Nomination, Voting and Election of the Condominium Board" for discussion of voting for the election of the Condominium Board). You may not vote if at the time of the meeting, the Condominium Board has perfected a lien against your Unit and you have not paid the amount necessary to release the lien or have not discharged the lien by bond or otherwise.

If you and your spouse or other person jointly own a Unit, all Owners of the Unit must designate one person to vote for your Unit or must mutually vote under one ballot without division. Nonetheless, you may vote in behalf of all other record Owners of your Unit so long as any of the other co-Owners do not contemporaneously protest the vote.

You may designate anyone to act as your proxy and vote in your behalf. The designation will be revocable. The designation and any revocation must be in writing and given to the Secretary of the Condominium. However, your attendance at the meeting and casting a ballot will be deemed automatically to be a revocation.

S-9. Remedies

S-9.1. Self-Help Against an Offending Unit Owner

You will be given a grace period to cure your violation of any provision of the Condominium Documents. The grace period is five (5) days from the giving of written notice of the violation or (in the case of a violation that cannot reasonably be cured within 5 (five) days) the time period required for the violation to be cured if diligently begun and diligently continued through to completion.

If you fail to cure the violation within the applicable grace period, the Condominium Board or (in its absence and so long as there is an Unsold Unit) Sponsor will have the right (but will not be obligated) to do so at your expense. In the event the Condominium Board or Sponsor exercises this right, the agents, contractors, subcontractors and other representatives of the Condominium Board or Sponsor (as the case may be), and the respective employees and workers of each of the foregoing, will have the right to enter your Unit and your Unit's Individual Limited Common Element (if any) in order to summarily abate, remove or cure the violation.

Notwithstanding the foregoing, the Condominium Board or Sponsor may act without prior notice and without allowing you any grace period, in the case of a violation that is required to be immediately abated, removed or cured for the preservation, safety or material health of the Building or its occupants or others, or to avoid the suspension of any necessary Building service or to correct any dangerous or hazardous condition.

S-9.2. .Sponsor's Right of Self-Help Against the Condominium Board

Similar to Sponsor's right of self-help against a Unit Owner, so long as Sponsor owns a Unit, Sponsor will have the right (but will not be obligated) and an irrevocable power of

attorney (coupled with an interest), at the cost and expense and on behalf of the Condominium Board, to correct any violation of Sponsor's Rights or to perform or comply with obligations of the Condominium Board under this Plan, a Plan Amendment or the Condominium Documents (see Section P, subsection "P-1.12. Sponsor's Rights of Indemnity and Self-Help" for full explanation).

S-9.3. Enjoining Violation by Unit Owner

In the event you violate the provisions of the Condominium Documents, the Condominium Board or (if it fails to act within a reasonable period and Sponsor still owns a Unit) Sponsor will have the right to enjoin your violation in a lawsuit. You will be obligated to reimburse the Condominium Board or Sponsor (as the case may be) for all claims and costs and expenses incurred in connection with such lawsuit and all costs and expenses of collection.

S-9.4. Enjoining Condominium Board or a Unit Owner From Violating Sponsor's Rights

In the event the Condominium Board or a Unit Owner violates any of Sponsor's Rights under this Plan, a Plan amendment or the Condominium Documents, Sponsor will have the right to enjoin the offending party (that is, the Condominium Board or such Unit Owner, as applicable) in a lawsuit. The offending party will be obligated to reimburse Sponsor for all claims and liabilities and expenses incurred in connection with such lawsuit and all costs and expenses of collection.

S-10. Arbitration

Any matter required or permitted by the Condominium Documents to be determined by arbitration will be submitted to three (3) arbitrators (in the case of claims aggregating in excess of $100,000.00) or a single arbitrator (in all other cases) in New York City in accordance with the then existing commercial arbitration rules of the American Arbitration Association (or any successor organization). The decision of a majority of the arbitrators or the single arbitrator (as applicable) will be binding on the disputants and may be entered into any court having jurisdiction.

The fees, costs and expenses of the arbitrator(s) will be paid equally by the disputants, unless otherwise determined by a majority of the arbitrators or the single arbitrator (as applicable). Each disputant will pay the fees, costs and expenses of the disputant's attorney and witnesses.

All amounts paid by the Condominium Board in an arbitration will constitute a Common Expense payable by all Unit Owners pro rata to their respective Common Interests.

S-11. Notices

All notices given pursuant to the Condominium Documents must be in writing and sent by certified or registered mail (return receipt requested) as follows:

(a) (in the case of a notice to the Condominium Board) to:

The Board of Managers of 104 Wooster Street Condominium
104 Wooster Street
New York, New York 10012
Attention: The President

with a copy sent simultaneously and in like manner to the then Managing Agent of the Building;

(b) (in the case of a notice to a Unit Owner other than Sponsor) to the Unit Owner at the address for the Building;

(c) (in the case of a notice to Sponsor) to:

102-106 Wooster LLC
c/o Carter Management Corp.
750 Lexington Avenue
Suite 600
New York, New York 10022

A different or additional address may be substituted or added by sending written notice of the change to the other parties.

All notices will be deemed given on the second full business day after being deposited in a post office or mail depository maintained by the United States Postal Service in a properly addressed, postage prepaid envelope. Notices mailed outside the United States will be deemed given when received.

Any waiver of a notice must be in writing. A refusal or failure to accept a notice, will be deemed receipt of the notice and will not affect the validity or enforceability of the notice, nor excuse or justify delaying the performance of an obligation.

S-12. Rules and Regulations

You will be required to comply with the Rules and Regulations attached to the By-Laws (see Addendum to Document 8 of this Plan), as they may be amended from time to time by the Condominium Board. The Rules and Regulations, including amendments thereto, may be overruled by a majority of the Unit Owners (both in number and aggregate Common Interests). You will be given a copy of any amendment to the Rules and Regulations at least thirty (30) days before it becomes effective.

The Rules and Regulations and any amendments to them are subordinate to Sponsor's Rights, including the rights of Sponsor and Owners of Unsold Units under this Plan, a Plan amendment and the Condominium Documents. Accordingly, any Rules and Regulations, as they may be amended, which violates the superior rights of Sponsor and Unsold Unit Owners will not be enforceable against them.

S-13. Examination of Books and Records

You and any Permitted Mortgage lender of your Unit, and any representative of either, will be permitted to examine (without charge) and to copy (at a reasonable charge) the books of account and records of the Condominium at the office of the Condominium Board or Managing Agent, at reasonable times upon reasonable notice, on business days and during business hours, but not more often than once a month.

S-14. Reports to Unit Owners

The Condominium Board is to send you each year an annual financial statement for the previous year of operations and an annual Budget for the following year of operations (as explained in "Section AA. Reports to Unit Owners").

S-15. Successors and Assigns

The powers and duties of a Unit Owner under the Condominium Documents will pass to the Unit Owner's successors and assigns and (in the case of Sponsor Units, including Unsold Units) Sponsor's designees. However, the Sponsor's Rights (i.e., the special rights, powers, easements, licenses, indemnities, privileges, exemptions, remedies, protections and other benefits) reserved exclusively for Sponsor and Sponsor's designee may only be exercised by Sponsor or an Unsold Unit Owner, or a "Designee" or "Involuntary Transferee" of either, or a "successor in interest" of any of the foregoing (as said quoted terms are defined in the Declaration). In addition, subject to compliance with the Declaration, a Permitted First Mortgagee or a purchaser at a foreclosure sale of a Permitted First Mortgage or of the Condominium Board's lien under the Condominium Act will not be responsible for any unpaid Common Charges (including unpaid installments of any Special Assessments) of the delinquent predecessor Unit Owner. Rather, such Permitted First Mortgagee or purchaser at a foreclosure sale will be responsible only for the obligations that arise after becoming the Owner of the Unit (including the Common Charges, installments for Special Assessments and any other amounts that thereafter become due and payable).

SECTION T. REAL ESTATE TAXES

T-1. Separate Assessment of Units

Each Unit will be assigned a separate tax lot upon the recording and filing of the Condominium Documents. Generally, within approximately six (6) months thereafter, the City of New York will determine the separate assessed valuation and real estate tax bill for each Unit.

The Common Elements will not be a separate tax lot and will not be separately assessed or taxed. Rather, the assessed valuation and real estate taxes of each Unit will include the Unit's undivided interest in the Common Elements.

From and after the First Closing and until the Units are separately assessed and billed for real estate taxes, the Condominium Board will pay the real estate taxes on the Property as a Common Expense. The real estate taxes thus allocated to each category of Units as set forth in SCHEDULE A will be apportioned and charged to each Unit in such category in the proportion that the Unit's initial asking price bears to the total initial asking prices of all Units in such category (e.g., the amount of real estate taxes allocated to all Residential Units shall be apportioned among all Residential Units pro rata to their respective initial asking prices in SCHEDULE A).

After the Units are separately assessed and billed for real estate taxes:

(a) each Unit Owner whose Unit was not separately billed for real estate taxes at title closing will adjust with: (i) Sponsor any overpayment or underpayment in real estate taxes apportioned at title closing and (ii) the Condominium Board any overpayment or underpayment in the real estate taxes payable to the Condominium Board during the interim period before the Unit is separately billed for real estate taxes as set forth in said footnote (8) to the Offering Price Schedule (SCHEDULE A in Section E);

and

(b) you will no longer be liable or responsible for the separate real estate taxes payable by other Unit Owners and no lien may be placed against your Unit because of the non-payment of the separate real estate taxes billed to another Unit.

T-2. Method Used to Apportion Assessed Valuation of Property to the Units

The assessed valuation of the Property will be allocated to each Unit by the New York City Department of Finance in accordance with its determination of the relative value of such Unit to the value of the entire Property. The Common Interest of a Unit is a factor bearing on its relative value. However, under this Plan the Common Interest for each Unit is based on this and other factors that do not concern relative value. Accordingly,

the assessed valuation of the Property may not be apportioned to the Units strictly in proportion to their Common Interests.

The projected real estate taxes of each Unit in the Offering Price Schedule (SCHEDULE A in Section E) are based primarily on the opinion of Stephen E. McArdle as to the estimated assessed valuation of the Property (Land and Building) for the 2000/2001 and 2001/2002 tax years, the estimated tax rates for such fiscal tax years and the estimated approximate value each category of Units relative to the aggregate estimated approximate values of all Units for purposes of apportioning the assessed valuation of the entire Property to each category of Units.

These are good faith estimates of said expert, based on its experience in real estate valuations in the New York County. Nevertheless, Sponsor and said expert cannot, and do not, represent, assure or guarantee that the taxing authority will concur with these estimates.

The projection of real estate taxes in the Offering Price Schedule (SCHEDULE A in Section E) also is based, in part, on the assumption that the relative value of each Unit bears to all Units of the same category is approximately in proportion to its initial asking price set forth in the Offering Price Schedule. The estimate by Stephen E. McArdle of the assessed valuation of each category of Units for the first year of Condominium operation was apportioned to each Unit pro rata to the Unit's initial asking price in the Offering Price Schedule.

Actual Purchase Prices of Units, which will likely vary from their initial asking prices, are the truer indicator of value and one of the indicia that may be used by the taxing authority in determining each Unit's assessed valuation. Accordingly, the allocation of the assessed valuation of the entire Property to each Unit will likely vary, perhaps substantially, from the projections used in estimating the real estate taxes of Units in the Offering Price Schedule.

SPONSOR CANNOT AND DOES NOT REPRESENT, ASSURE OR GUARANTEE THE ACTUAL (FULL) ASSESSED VALUATION OF THE PROPERTY FOR THE 2000/2001 FISCAL TAX YEAR OR ANY SUBSEQUENT PERIOD; THE AMOUNT THEREOF ACTUALLY ALLOCATED TO EACH UNIT; THE SEPARATE ASSESSED VALUATION OF A UNIT FOR ANY PERIOD; OR THE ACTUAL TAX RATES OR REAL ESTATE TAXES APPLICABLE TO A UNIT FOR ANY PERIOD.

You also should be aware that improvements you make to your Unit may increase its assessed valuation, resulting in higher real estate taxes.

T-3. Laws on Assessed Valuation Favorable to Condominiums

There are two state laws intended to prevent an increase in a property's assessed valuation as a result of its ownership as a condominium. They are Real Property Law Section 339-y (which prohibits the total assessments of all Units and their Common Interests from exceeding the total valuation of the property were it assessed as a single parcel) and Real Property Tax Law Section 581 (which requires a property owned on a

condominium basis to be assessed no higher than it would have been had it not been owned on a condominium basis).

The intended effect of these Laws is to prevent the total assessments of all units and their common interests in a property that is owned as a condominium from exceeding the total valuation of the property had it instead been operated as a rental. Since laws are subject to varying interpretations, Sponsor cannot, and does not, represent, assure or guarantee how these laws will be applied to the assessed valuations of the Units.

T-4. Projected Real Estate Taxes

The projected real estate taxes in the Offering Price Schedule (SCHEDULE A in Section E) are based on various estimates and assumptions, and cannot be assured or guaranteed (see footnotes (8) and (9) to the Offering Price Schedule for full discussion).

Sponsor cannot, and does not, represent, assure or guarantee the actual or taxable assessed valuations, tax rates or real estate taxes applicable to the Units for any period.

T-5. Changes In Taxable Assessed Valuation

The actual assessed valuation of a property may change from year to year based on:

(a) improvements to the property (which would increase its actual assessed valuation);

or

(b) an increase or decrease in market value of the property (which would correspondingly increase or decrease its actual assessed valuation).

An increase in actual assessed valuation resulting from improvements to such property will be taxable in full in the year the actual assessed valuation is increased.

A change in such property's actual assessed valuation based on a change in market value will be taxable as follows in accordance with current law: (a) an increase in market value will be taxable over five (5) years in equal annual increments of twenty percent (20%) each or (b) a decrease in market value will reduce the taxable assessed valuation for the tax year of such decrease in actual assessed valuation.

T-6. Applications and/or Proceedings to Reduce Real Estate Taxes

T-6.1. Prior to First Closing

Sponsor reserves the right to apply and commence proceedings to reduce the Property's real estate taxes for any tax year that begins prior to the First Closing. Any refund, reduction or savings in real estate taxes, after deducting the costs and expenses in obtaining the refund, reduction or savings, will be paid or belong to (a) Sponsor only in the case of a fiscal tax year which ends prior to the First Closing) or (b) Sponsor and each applicable Unit Owner, as equitably apportioned between them based on the

period that each owns the Unit (in the case of a fiscal tax year which ends after the First Closing).

Accordingly, a refund, reduction or savings for a tax year preceding your ownership of a Unit will be paid and belong entirely to Sponsor. A refund, reduction or savings for the tax year you close title, after deducting the costs and expenses attributable to obtaining such refund, reduction or savings, will be apportioned between you and Sponsor in accordance with the respective portions of the tax year that each owns the Unit. The costs and expenses of the application and (if applicable) proceeding to reduce taxes will not be charged to you unless the tax year at issue relates to your period of ownership and your taxes are refunded, reduced or otherwise saved. In such case, the amount charged may not exceed the amount of your refund or the amount in taxes not paid based on a reduction or savings in real estate taxes (as applicable).

If the application and (if applicable) proceeding to reduce real estate taxes results in a refund, reduction and/or savings in your real estate taxes for a tax year subsequent to the tax year title closes, you will reimburse Sponsor for your pro rata share of the costs and expenses incurred to obtain such favorable result. However, in no event will the amount to be reimbursed exceed the amount of the refund or the amount not paid by reason of such reduction or savings. You are to reimburse Sponsor within ten (10) days after Sponsor sends you a written demand for payment, which will include a detailed statement of all costs and expenses incurred and the basis for their apportionment to you.

T-6.2. After the First Closing

Under the By-Laws, the Condominium Board is authorized to act as agent for you and all other Unit Owners to seek reductions in the tax assessments with the taxing authority. The Board's authority includes applying for administrative and judicial review of the tax assessment and negotiating and settling with the taxing authority. You may revoke the Board's agency by written notice, which must be received before the Board commences any litigation in your behalf.

Sponsor cannot, and does not, represent, assure or guarantee that the Condominium Board will exercise this authority or the outcome of any tax assessment reduction application or proceeding brought by the Condominium Board.

T-7. Dates Real Estate Taxes are Payable

Real estate taxes are payable in equal semi-annual installments at the start of each six (6) month period on July 1st (for the July 1st to December 31st period) and January 1st (for the January 1st to June 30th period). However, if the assessed valuation of a Residential Unit is $40,000.00 or less, real estate taxes may be paid in equal quarterly installments at the start of each three (3) month period on July 1st (for the July 1st to September 30th period), October 1st (for the October 1st to December 31st period), January 1st (for the January 1st to March 31st period) and April 1st (for the April 1st to June 30th period).

T-8. Governmental Charges for Water, Sewer and Vaults

T-8.1. Water Charges and Sewer Rents

Water charges and sewer rents will be commonly metered for the entire Building, including the Residential and Commercial Units. Water charges and sewer rents for the Property will be part of the Common Expenses payable by all Unit Owners pro rata to their respective Common Interests.

T-8.2. Vault Charges

A vault is space below grade (customarily underneath sidewalks) owned by The City of New York and used by the owner of property adjacent to the vault under a revocable license. A separate vault tax is or may be assessed to such owner for use of the vault space.

SECTION U. INCOME TAX DEDUCTIONS TO UNIT OWNERS, TAX STATUS OF THE CONDOMINIUM BOARD AND HISTORIC TAX CREDIT

U-1. Summary

The income tax opinion of Mandel Resnik & Kaiser P.C., Sponsor's attorneys, on the availability of income tax deductions and other benefits to Residential Unit Owners is set forth in "Section V. Opinions of Counsel."

Mandel Resnik & Kaiser P.C. concludes, in such tax opinion that:

(a) if you own and occupy the Residential Unit and itemize deductions, you will be entitled to deduct from Federal, New York State and New York City income taxes the real estate taxes assessed against your Residential Unit;

and

(b) if you own and occupy the Residential Unit as a "qualified residence" (that is, your principal residence or other residence personally used by you for a specified period each year) and itemize deductions, you will be entitled to deduct from Federal, New York State and New York City income taxes the interest paid on loans secured by the Residential Unit of up to $1,000,000.00 (in the case of a loan obtained to finance the purchase or to improve the Residential Unit) or up to $100,000.00 (for home equity loans).

These income tax deductions are subject to various limitations and qualifications which are explained more fully in the tax opinion. The opinion does not address the tax consequences of owning a Residential Unit in a trade or business, or for investment or production of income, or ownership of a Residential Unit by a foreign person.

Mandel Resnik & Kaiser P.C. has not rendered an opinion on the income tax status of the Condominium Board or the treatment of Common Charges, the Working Capital Fund contributions of Sponsor or Unit Owners, or the potential interest or other income that may be earned by the Condominium Board for Federal, New York State of New York City income tax purposes, all of which is uncertain.

You should read the tax opinion, preferably with the assistance of your attorney or tax advisor, for a complete discussion and understanding of the tax consequences of owning a Unit under this Plan.

THE TAX OPINION OF MANDEL RESNIK & KAISER P.C. SET FORTH BELOW IS NOT A REPRESENTATION, ASSURANCE OR GUARANTEE BY MANDEL RESNIK & KAISER P.C. THAT RESIDENTIAL UNIT OWNERS WILL BE ENTITLED TO THE INCOME TAX DEDUCTIONS OR OTHER TAX BENEFITS REFERRED TO IN THE TAX OPINION. NO ASSURANCE CAN BE GIVEN THAT THE TAX LAWS OR THE REGULATIONS OR RULINGS ISSUED THEREUNDER, OR ANY JUDICIAL

INTERPRETATION THEREOF, UPON WHICH MANDEL RESNIK & KAISER P.C. BASES ITS OPINION WILL NOT CHANGE. IN NO EVENT WILL THE SPONSOR, MANDEL RESNIK & KAISER P.C. THE SELLING AGENT (IF ANY) OR ANY OTHER PERSON BE LIABLE IF THE RESIDENTIAL UNIT OWNERS CEASE TO MEET THE REQUIREMENTS OF THE TAX REFORM ACT OF 1986, AS AMENDED, OR THE NEW YORK STATE OR NEW YORK CITY TAX LAWS, AS AMENDED, IF THERE ARE CHANGES IN THE FACTS ON WHICH MANDEL RESNIK & KAISER P.C. RELIED IN ISSUING ITS OPINION, OR IF THERE ARE CHANGES IN THE APPLICABLE STATUTES, REGULATIONS, DECISIONAL LAW OR INTERNAL REVENUE SERVICE RULINGS ON WHICH MANDEL RESNIK & KAISER P.C. RELIED.

MOREOVER, THE SPONSOR, MANDEL RESNIK & KAISER P.C. AND THE SELLING AGENT (IF ANY) CANNOT, AND DO NOT, MAKE ANY REPRESENTATION, ASSURANCE OR GUARANTEE WITH RESPECT TO: THE TAX STATUS OF THE CONDOMINIUM BOARD; THE TAX TREATMENT OF THE COMMON CHARGES, THE WORKING CAPITAL FUND CONTRIBUTIONS OR OTHER RECEIPTS OF THE CONDOMINIUM BOARD; THE TAX CONSEQUENCES OF THIS PLAN; OR THE TAX CONSEQUENCES OF OWNERSHIP OF ANY RESIDENTIAL UNITS OFFERED UNDER THE PLAN. NO ONE HAS BEEN AUTHORIZED TO MAKE ANY STATEMENTS OTHER THAN THOSE CONTAINED HEREIN.

U-2. Historic Rehabilitation Tax Credit

The opinion of Holland & Knight LLP, Sponsor's special counsel, on the availability of a historic rehabilitation tax credit to Unit Owners is set forth in "Section V. Opinions of Counsel."

Holland & Knight LLP concludes in such opinion that since the Building is located in the Soho Cast Iron Historic District, a registered historic district, and has been certified by the National Parks Service to be of historic significance, and since the rehabilitaiton of the Building is expected to constitute a certified rehabilitation of a "certified historic structure," you may be eligible for an investment tax credit ("Historic Tax Credit") pursuant to Section 47 of the Internal Revenue Code of 1986 for a portion of your Purchase Price provided that certain conditions are satisfied.

The amount of the Historic Tax Credit available is 20% of the lesser of (A) the qualified rehabilitation expenditures incurred by the Sponsor that are attributable to such Unit and the Common Elements relating thereto or (B) the portion of the Purchase Price specifically allocable to such qualified rehabilitation expenditures. The Sponsor will provide information that will enable you to determine the correct amount.

The Historic Tax Credit is available only to the extent that you use the Unit for business purposes. If the Unit is used partially for business purposes and partially for a personal residence, the Historic Tax Credit is only available with respect to the portion of the Unit that is used for business purposes. The business portion of the Unit also may be depreciated for federal income tax purposes. However, the depreciable basis of the

Unit must be reduced by the amount of the Historic Tax Credit taken by you. The period over which the depreciation deductions may be taken is 39 years for commercial property (such as an art studio) and 27.5 years for residential rental property (i.e. a Unit that is rented to a tenant who uses the Unit as a residence). Note that the Historic Tax Credit is not a deduction from taxable income. It is a direct credit against taxes.

THE TAX OPINION OF HOLLAND & KNIGHT, LLP SET FORTH BELOW IS NOT A REPRESENTATION, ASSURANCE OR GUARANTEE BY HOLLAND & KNIGHT, LLP THAT RESIDENTIAL UNIT OWNERS WILL BE ENTITLED TO THE HISTORIC REHABILITATION TAX CREDIT REFERRED TO IN THE TAX OPINION. NO ASSURANCE CAN BE GIVEN THAT THE TAX LAWS OR THE REGULATIONS OR RULINGS ISSUED THEREUNDER, OR ANY JUDICIAL INTERPRETATION THEREOF, UPON WHICH HOLLAND & KNIGHT, LLP BASES ITS OPINION WILL NOT CHANGE. IN NO EVENT WILL THE SPONSOR, HOLLAND & KNIGHT, LLP, THE SELLING AGENT (IF ANY) OR ANY OTHER PERSON BE LIABLE IF THE RESIDENTIAL UNIT OWNERS FAIL TO SATISFY THE REQUIREMENTS OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, RELATING TO THE HISTORIC REHABILITATION TAX CREDIT, IF THERE ARE CHANGES IN THE FACTS ON WHICH HOLLAND & KNIGHT, LLP RELIED IN ISSUING ITS OPINION, OR IF THERE ARE CHANGES IN THE APPLICABLE STATUTES, REGULATIONS, DECISIONAL LAW OR INTERNAL REVENUE SERVICE RULINGS ON WHICH HOLLAND & KNIGHT, LLP RELIED.

MOREOVER, THE SPONSOR, HOLLAND & KNIGHT, LLP AND THE SELLING AGENT (IF ANY) CANNOT, AND DO NOT, MAKE ANY REPRESENTATION, ASSURANCE OR GUARANTEE WITH RESPECT TO: ANY TAX ISSUES NOT SPECIFICALLY ADDRESSED IN THE OPINION OF HOLLAND & KNIGHT, LLP . NO ONE HAS BEEN AUTHORIZED TO MAKE ANY STATEMENTS OTHER THAN THOSE CONTAINED HEREIN.

SECTION V. OPINIONS OF COUNSEL

MANDEL RESNIK & KAISER P.C.
COUNSELORS AT LAW
220 EAST 42ND STREET
NEW YORK, NEW YORK 10017

April 28, 2000

102-106 Wooster LLC
c/o Carter Management Corp.
750 Lexington Avenue, Suite 600
New York, New York 10022

Re: 104 Wooster Street Condominium
104 Wooster Street, New York, New York 10012

Gentlemen:

You have requested our opinions concerning:

(a) the deductibility, for Federal, New York State and New York City income tax purposes, of mortgage interest and real estate taxes paid by individual New York State residents who purchase residential units ("Residential Units") at 104 Wooster Street Condominium ("Condominium") pursuant to a Condominium Offering Plan (the "Plan") relating to the same and

(b) the income tax treatment to the Condominium Board[1] of the assessments ("Common Charges") payable by the Unit Owners to meet the Common Expenses of the Condominium.

The Plan provides for the establishment of condominium ownership of the land and building, as well as the appurtenances thereto, known as 104 Wooster Street, New York, New York 10012 (such land, building and appurtenances are collectively called the "Property"). The Condominium will be comprised of Residential Units, Commercial Units, and various common elements (the "Common Elements"). Except where otherwise indicated, the terms used in this opinion letter have the same meanings as set forth in the Plan.

In connection with rendering this opinion letter, we have reviewed only the Plan (including the Documents in Part II thereof), relevant sections of the Internal Revenue Code of 1986, as amended (the "Code"), the New York State Tax Law, the New York City Administrative Code, the Regulations promulgated thereunder and such other

[1] For purposes of this opinion, the term "Condominium Board" shall include the association of Unit Owners for whom the Condominium Board acts.

material as we have deemed relevant. The opinions expressed herein are based upon the assumptions that:

(a) the Plan becomes effective and is consummated in accordance with its terms;

(b) condominium ownership of the Property, including the Residential Units, is established in compliance with all applicable laws;

(c) the legal consequences of the Plan are as described therein; and

(d) the statements and information contained in the Plan and your statements as to certain matters referred to herein are true, accurate and complete in all respects.

We have not investigated or verified the truth, accuracy or completeness of such statements and information or the calculations of the square footages of the Residential and Commercial Units.

This opinion letter addresses only the tax consequences that would result from the ownership of a Residential Unit for personal use as a "qualified residence" (defined below) by an individual taxpayer who is a New York State resident. We do not address the tax consequences of the ownership of: (a) Commercial Units by any person or entity; or (b) Residential Units by corporations or other entities, or by individuals who are not New York State residents or who do not use their Residential Units as a "qualified residence".

A "qualified residence" generally means: (a) the Residential Unit Owner's "principal residence", and (b) one (1) other residence selected by the Residential Unit Owner for the taxable year and, if such residence is rented at any time during the taxable year, such other residence must be used for the Residential Unit Owner's "personal purposes" for a number of days which exceeds the greater of fourteen (14) days or ten percent (10%) of the number of days which such residence is rented at fair rental. (See Code Section 280A.)

I. Deductibility of Real Estate Taxes and Mortgage Interest

A. Federal Tax Code

The Internal Revenue Service has ruled that an individual owner of a residential condominium unit who itemizes deductions on the individual's Federal income tax returns and uses the unit as a qualified residence may deduct the real estate taxes assessed and paid on such unit and interest paid on the individual owner's mortgage indebtedness incurred to acquire, construct or substantially improve such unit. Rev. Rul. 64-31, 1964-1 (Part I) C.B. 300.

B. Real Estate Taxes

In accordance with the Plan and the Condominium Declaration and By-Laws, each Residential Unit and its undivided interest in the Common Elements will be owned in fee simple. Under New York law, each Residential Unit (including its undivided percentage interest in the Common Elements) will be taxed as a separate parcel for real estate tax purposes and will be separately assessed and billed for real estate taxes by the local tax authority.

Based on the foregoing, it is our opinion that each individual taxpayer who itemizes deductions will be entitled, under current law, to deduct from such individual's gross income, for Federal, New York State and New York City income tax purposes, the real estate taxes assessed against the individual's Residential Unit and paid by the individual to the local tax authority. However, such deduction will be subject to the overall limitation on itemized deductions set forth in Section 68 of the Code, and no deduction for real estate taxes is permissible for purposes of the Federal alternative minimum tax. Prospective Purchasers of Residential Units should consult their tax advisers regarding the applicability of the overall limitation on itemized deductions to the deductibility of real estate taxes, and regarding the effect of the alternative minimum tax.

Under the Plan and the Condominium Declaration and By-Laws, until such time as each Residential Unit is separately assessed and billed for New York City real estate taxes, such real estate taxes will be paid by the Condominium Board and collected from all Owners by allocating the Property's real estate taxes to the Residential Units and the Commercial Units based on an expert's opinion of their estimated values relative to each other (in the case of apportionment between all Residential Units and all other Units), as explained more fully in the Plan. The real estate taxes for all Residential Units will then be further apportioned among the Residential Units in the proportion that each Residential Unit's initial asking price in the Offering Price Schedule (SCHEDULE A of the Plan) bears to the total initial asking prices of all Residential Units in said SCHEDULE A.

If the Condominium Board is deemed merely to be acting as a collection agent for the Owners during the period prior to separate assessment and billing of real estate taxes, the individual Owners should be able to deduct the real estate taxes paid by them during this period, although we express no opinion on this point. (Cf. Hradeskv v.

Commissioner, 65 T.C. 87 (1975), aff'd per curiam 540 F.2d 821 (5th Cir. 1976); Rev. Rul. 78-103, 1978-1 C.B. 58.) Moreover, a portion of a particular Owner's claimed deduction might be disallowed to the extent that the taxes ultimately assessed against the Owner's Unit are less than the amount the individual paid. (Cf. Cramer v. Commissioner, 55 T.C. 1125 (1971), Acq. 1971 -2 C.B.2; Treasury Regulation Section 1.164-1(a)). In the event that the taxes ultimately assessed against the Owner's Unit differs from real estate taxes apportioned to such Unit before taxes are separately assessed and billed to the Units, then the amount paid previously on account of real estate taxes will be reapportioned, which in turn may require an adjustment to the Owner's tax return.

C. Mortgage Interest

An individual taxpayer generally is entitled to a deduction for Federal income tax purposes for interest paid during the taxable year on "acquisition indebtedness" or "home equity indebtedness" with respect to a qualified residence of the taxpayer. "Acquisition indebtedness" means any indebtedness, secured by a qualified residence of the taxpayer, that is incurred in acquiring, constructing or substantially improving the qualified residence (or that constitutes a refinancing thereof, to the extent that such indebtedness does not exceed the amount of the refinanced debt). The aggregate amount treated as acquisition indebtedness for any period cannot exceed $1,000,000 ($500,000 in the case of a married individual filing a separate return). "Home equity indebtedness" means any indebtedness (other than acquisition indebtedness) secured by a qualified residence, up to the excess of the fair market value of such qualified residence over the amount of acquisition indebtedness with respect to such residence. The aggregate amount treated as home equity indebtedness for any period cannot exceed $100,000 ($50,000 in the case of a married individual filing a separate return).

Under the Plan and Condominium Declaration and By-Laws, each Owner may mortgage the Owner's Residential Unit and become individually liable for the payment of the principal and any finance charges or interest on such mortgage indebtedness. Accordingly, an individual Owner of a Residential Unit who itemizes deductions and uses such Unit as a qualified residence will be entitled, under current law, to deduct from the individual's gross income, for Federal income tax purposes, interest paid by such Owner on:

(a) acquisition indebtedness incurred with respect to such Unit, to the extent that such indebtedness, when added to the amount of acquisition indebtedness incurred with respect to a second qualified residence (if any), does not exceed $1,000,000 ($500,000 in the case of a married individual filing a separate return); and

(b) home equity indebtedness with respect to such Unit to the extent that such indebtedness, when added to the amount of home equity indebtedness incurred with respect to a second qualified residence (if any), does not exceed $100,000.00 ($50,000.00 in the case of a married individual filing a separate return).

However, such deductions will be subject to the overall limitation on itemized deductions set forth in Section 68 of the Code. Since the rules and limitations regarding the deductibility of home mortgage interest are complex, individual prospective Purchasers are urged to consult their tax advisers regarding the application of such rules to them, as well as regarding the deductibility of mortgage interest with respect to their Units for alternative minimum tax purposes (which, at present, is subject to rules different from those described above). In addition, individual prospective Purchasers of Residential Units should consult their tax advisers regarding potential limitations on the deductibility of points and prepaid interest, if any, on their mortgage loans and on the overall limitation on the allowance of itemized deductions.

D. State and City Income Tax Laws

Each individual Owner of a Residential Unit who uses such Unit as a residence will generally be entitled to the same deduction for mortgage interest and real estate taxes paid with respect to such Unit for New York State and New York City income tax purposes as is allowed for ordinary Federal income tax purposes. However, although the overall limitation set forth in Section 68 of the Code does not apply under New York State and New York City income tax law, itemized deductions, such as mortgage interest and real estate tax deductions, are subject to reduction by as much as fifty percent (50%) with respect to individuals having income exceeding certain prescribed levels. Furthermore, individual prospective Purchasers should consult their tax advisers to determine the application, if any, of the New York State and New York City minimum tax to the deductions for mortgage interest and real estate taxes with respect to their ownership of Residential Units.

II. Income Tax Status of the Condominium Board

Under the Plan, the Condominium Board will, from time to time, assess Common Charges against the Unit Owners, in proportion to their respective percentage interests in the Common Elements, in order to pay the costs and expenses of operating, repairing and maintaining the Common Elements.

If the Condominium Board qualifies as a "homeowners association" for the purpose of Section 528 of the Code, the Condominium Board could elect to be treated as a tax exempt organization and exclude from its taxable income the Common Charges payable by the Residential Unit Owners. It is apparent, however, that the Condominium will not qualify as a "homeowners association," because at least eighty-five percent (85%) of the total square footage of all units of the Condominium will not be used by individuals for residential purposes.

Under such circumstances, it is impossible to predict the Condominium Board's income tax reporting status. It is possible that the Condominium Board could be viewed as an agent or a conduit for the Unit Owners, in which case each Unit Owner would be required to report, for Federal, New York State and New York City income tax purposes, the Owner's proportionate share of the Board's income in excess of any offsetting deductions and credits. Alternatively, the Condominium Board may be viewed as an

independent entity, rather than a mere conduit, in which case the Board would be entitled to elect its tax status. It is impossible to predict the income tax reporting status that will be selected by the Condominium Board and, thus, the tax treatment of its income in excess of any offsetting deductions and credits. If the Condominium Board elects to be treated as if it were a corporation for Federal income tax purposes, it would be subject to tax on its taxable income. In determining its taxable income, it is not clear whether assessments paid by Unit Owners would be taxable income or non-taxable contributions to capital and whether the Condominium Board's deductions attributable to furnishing services to Unit Owners may be limited to amounts received from such Owners. Certain earnings and profits expended for the benefit of Unit Owners, and possibly rebates (if any) to Unit Owners of excess membership dues, fees or assessments, may be treated as dividends to them. In addition, the Condominium Board would be subject to New York State and New York City income taxes. Conversely, if the Condominium Board elects to be treated as if it were a partnership for Federal income tax purposes, each Unit Owner would be required to report the Owner's proportionate share of the Condominium Board's income (and of any offsetting deductions and credits) directly on the Owner's tax return.

III. General

We do not render any opinion with respect to any matter other than as specifically set forth in this opinion letter. We express no opinion concerning:

(a) any Federal, New York State or New York City income tax consequences not explicitly discussed in this opinion letter;

(b) any aspects of the Plan other than those consequences and aspects explicitly discussed in this opinion letter; or

(c) the tax status and consequences under the Plan with respect to the laws of any other local or foreign jurisdiction.

Further, except as explicitly provided, this opinion letter does not address:

(a) the tax consequences that may result with respect to any Residential Unit held in connection with a trade or business, or any Unit held for purposes of investment or for the production of income;

(b) the tax consequences that may result to a Residential Unit Owner who is not a New York State resident by reason of Owner's status as such or who does not use such Unit as a qualified residence; or

(c) the tax consequences that may result from the purchase of a Commercial Unit.

This opinion letter also does not discuss the tax consequences that may arise if Units or Common Elements are acquired and/or leased by the Condominium Board, or the issue of whether a Residential Unit Owner may be deemed to be a resident of the United

States, New York State, or New York City as a result of the ownership of a Residential Unit and the attendant income, estate or other tax consequences. We advise, therefore, that each individual contemplating the purchase of a Unit consult with the individual's tax adviser concerning all such tax matters, as well as with respect to the matters discussed in this opinion letter.

This opinion letter is not a guarantee and is not binding upon the Internal Revenue Service, the New York State Department of Taxation and Finance and/or the New York City Department of Finance. Rather, it is based solely upon our opinion of the application of the relevant legal authorities (including the applicable Federal, New York State and New York City tax laws and regulations, as well as the rulings and decisions thereunder) existing as of the date hereof to the facts and documents referred to above.

Such facts, documents and/or legal authorities may change, and thereby affect the opinions stated above in whole or in part. We undertake no obligation to update, modify or supplement this opinion letter to reflect any fact or document that may hereafter come to our attention, or to reflect any change in any applicable legal authority that may hereafter occur, although we have advised Sponsor that it is obligated to cause a revised opinion letter to be rendered, and published in an amendment to the Plan, under such circumstances. Moreover, in no event will the undersigned, Sponsor, the Condominium Board, the Selling Agent (if any), the Managing Agent, or any other person or entity be liable if, at any time, it is held that, due to any such change in facts, documents and/or legal authorities, the individual Residential Unit Owners are not entitled to the income tax deductions described above and/or the tax treatment of the income of the Condominium Board is not as set forth above.

We are furnishing this letter to you solely for your benefit. This letter may not be relied on by any other person and is not to be used, circulated, quoted or otherwise referred to for any other purpose (other than inclusion in the Plan and to the references to our name in the Plan in connection therewith) without our prior written consent.

Very truly yours,

Mandel Resnik & Kaiser P.C.

MANDEL RESNIK & KAISER P.C.

MANDEL RESNIK & KAISER P.C.
COUNSELORS AT LAW
220 EAST 42ND STREET
NEW YORK, NEW YORK 10017

April 28, 2000

102-106 Wooster LLC
c/o Carter Management Corp.
750 Lexington Avenue, Suite 600
New York, New York 10022

Re: Compliance with Real Property Law Section 339-i

Gentlemen:

All capitalized items not otherwise defined herein shall have the same meanings ascribed to them in the Condominium Offering Plan ("Plan") for 104 Wooster Street Condominium located at 104 Wooster Street, New York, New York 10012.

You have requested our opinion on whether the method used to determine the undivided percentage interest of each Unit in the Common Elements in the above-referenced matter complies with Real Property Law Section 339-i ("Section 339-i").

In connection with this opinion, we have reviewed the Plan and assumed the statements and information contained therein are correct and accurate.

The Plan states that the Common Interest of each Unit is based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit, as provided in Section 339-i(1)(iv) of the Condominium Act.

Included in the Plan is an opinion of Andrews Building Corporation ("Andrews"), an experienced real estate brokerage and residential management firm. Andrews states that in its opinion the Common Interest of each Unit set forth in the Plan is based on both factors of relative value to other Units in the Condominium (such as floor space, location in the Building, uniqueness, overall size, exposure and "light and air") and the availability of the Common Elements for the exclusive use, service and benefit of certain Units (such as the Residential Limited Common Elements (e.g., the elevator, residential hallways, fire stairs and refuse compactor) which are limited or restricted completely to the use in common of the Residential Units to the exclusion of the Commercial Units) or for shared use (such as the General Common Elements (e.g., the Land, the structural components, and the street entrance lobbies and corridors) for the use in common of more than one (1) or all categories of Units). Andrews concludes that in its opinion the Common Interest of each Unit reflects its value relative to other Units as well as those Building services and facilities which are for either the exclusive use in common of Units of the same category (i.e., the Residential Limited Common Elements, which service

and benefit the Residential Units only, but not the Commercial Units) or shared use (i.e., the structural components which service and benefit all Residential and Commercial Units, which service and benefit all Units).

The opinion of Andrews correctly recites Section 339-i(1)(iv) and appears to be based on the method stated in Section 339-i(1)(iv) for determining Common Interests. However, we have not reviewed or verified any calculations of floor space and do not express any opinion as to: the relative value of Units to other Units; the uniqueness of a Unit; the availability of Common Elements for exclusive or shared use; the overall dimensions of a particular Unit; the weight to be given to each of the foregoing factors in determining the Common Interest of each Unit; or the accuracy of the opinions given by Andrews.

This opinion is confined to the matters addressed herein with respect to Section 339-i and is not intended, nor should be construed, as an opinion on other aspects of the Plan, such as the valid creation of a condominium, which is to be determined by a title insurance company. Further, this opinion is based upon our review of applicable statutory law and judicial precedent, if any, existing as of the date hereof, and we express no opinion as to the effect of any law that is hereafter enacted or any court case that is hereafter decided. We assume no obligation to update or supplement this opinion to reflect any changes in statutory law or judicial precedent, or any changes in fact or circumstances, that may hereafter come to our attention pertaining to the subject matter hereof.

We are furnishing this letter to you solely for your benefit. This letter may not be relied on by any other person and is not to be used, circulated, quoted or otherwise referred to for any other purpose (other than inclusion in the Plan and to the references to our name in the Plan in connection therewith) without our prior written consent.

Very truly yours,

Mandel Resnik & Kaiser P.C.

MANDEL RESNIK & KAISER P.C.

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Law Offices
HOLLAND & KNIGHT LLP

One Beacon Street
Boston, Massachusetts 02108

617-523-2700
FAX 617-523-6850
www.hklaw.com

Atlanta
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West Palm Beach

April 14, 2000

102-106 Wooster, LLC
c/o Carter Management Corporation
750 Lexington Avenue
Suite 600
New York, New York 10022

Attn: Jason D. Carter

Re: 104 Wooster Street Condominium, New York, New York

Dear Mr. Carter:

You have requested our opinion as to whether purchasers (individually, a "Purchaser", and collectively, the "Purchasers") of units (the "Units") in 104 Wooster Street Condominium (the "Property") who use such Units in their trade or business or for the production of income will be entitled to claim an investment tax credit (the "Historic Tax Credit") under Section 47 of the Internal Revenue Code of 1986, as amended (the "Code") for federal income tax purposes with respect to the qualified rehabilitation expenditures attributable to such Units and their undivided interest in the common areas and facilities of the Property (the "Common Elements"). The Property currently is owned by 102-106 Wooster, LLC, a New York limited liability company (the "Sponsor").

Our opinion is based upon the provisions of the Code, the applicable regulations promulgated by the Treasury Department thereunder ("Treasury Regulations"), rulings and other administrative pronouncements of the Internal Revenue Service (the "IRS"), and judicial decisions, all of which are subject to change, modification or challenge at any time. No assurance can be given that legislative or administrative changes or court decisions may not be forthcoming which would significantly modify the statements and opinions expressed herein. Any such changes may or may not be retroactive with respect to transactions effected prior to the dates of such changes.

In connection with rendering our opinion below, we have examined drafts, originals or copies of the documents listed in Exhibit A hereto as well as other documents and instruments as we have deemed necessary or appropriate for purposes of such opinion (the "Documents").

In basing the opinions and other matters set forth herein on "our knowledge," the words "our knowledge" signify that, in the course of our limited representation of the Sponsor, no information has come to our attention that would give us actual knowledge or actual notice that any such opinions or other matters are not accurate or that any of the foregoing Documents and information on which we have relied are not accurate and complete or that would, under the circumstances, warrant additional investigation or verification. Except as otherwise stated herein, we have not undertaken any independent investigation or verification of such matters. The words "our knowledge" and similar language used herein are intended to be limited to the knowledge of the lawyers currently within our firm who have worked on this transaction on behalf of the Sponsor.

In reaching the opinions set forth below, we have assumed, and based upon our review of the Documents and to our knowledge there are no facts inconsistent with, the following:

(a) each of the parties thereto has duly and validly executed and delivered each Document to which such party is a signatory and such party's obligations set forth therein are its legal, valid, and binding obligations, enforceable in accordance with their respective terms;

(b) each person executing any such Document on behalf of any such party to such Document is duly authorized to do so;

(c) each natural person executing any such Document is legally competent to do so;

(d) there are no oral or written modifications of, or amendments to, the Documents, and there has been no waiver of any of the provisions of the Documents, by action or conduct of the parties or otherwise;

(e) each Document is valid, binding and enforceable under the laws of the state whose laws govern the same;

(f) the final version of Documents submitted to us in draft form will not differ materially from the drafts reviewed by us, all Documents submitted to us as originals are authentic, all Documents submitted to us as certified or photostatic copies conform to the original Documents, all signatures on all Documents submitted to us for examination are genuine, and all public records reviewed are accurate and complete;

(g) all information relating to the Property which has been provided to us is factually correct and fairly presented;

(h) all appropriate elections or actions necessary to effect the federal income tax consequences referred to herein after the date hereof shall be timely and appropriately made;

(i) the Property will be "substantially rehabilitated" within the meaning of Section 47(c)(1)(C)(i) of the Code and Section 1.48-12(b)(2) of the Treasury Regulations;

(j) all of the expenditures included in the calculation of qualified rehabilitation expenditures will be properly chargeable to a capital account for real Property (or an addition or improvement thereto) for which depreciation is allowable under Section 168 of the Code;

(k) all of the qualified rehabilitation expenditures forming the basis of any Historic Tax Credit claimed by a Purchaser have been or will be incurred (or deemed to be incurred within the meaning of Section 1.48-12(c)(3) of the Treasury Regulations) by such Purchaser;

(l) following the completion of the rehabilitation, the Sponsor will not use for personal or business purposes or place in service any Unit prior to the sale of such Unit to a Purchaser;

(m) no one other than the Sponsor or the Purchasers has claimed or will claim an Historic Tax Credit with respect to the qualified rehabilitation expenditures incurred by the Sponsor and/or the Purchasers;

(n) the qualified rehabilitation expenditures incurred by a Purchaser (or treated as incurred by it) that are allocable to a Purchaser will not exceed the portion of the Purchaser's acquisition cost allocable to those qualified rehabilitation expenditures (within the meaning of Section 1.48-12(c)(3)(ii)(B)(1) of the Treasury Regulations);

(o) the Property was placed in service at least once by a prior owner before the beginning of its rehabilitation by the Sponsor;

(p) the Property is located in the SoHo Cast Iron Historic District, a registered historic district, and has been certified by the National Park Service to be of historic significance to the district;

(q) the rehabilitation expenditures that will form the basis for the Historic Tax Credit do not include (i) any expenditure with respect to which a method other than the straight-line method of depreciation over a recovery period determined under Section 168(c) or (g) of the Code will be used, (ii) the cost of acquiring the Property, or (iii) the cost of any enlargement of the building comprising the Property (the "Building"), excluding any increase in floor space resulting solely from interior remodeling;

(r) no portion of the Property is, or will be, tax-exempt use Property (within the meaning of Section 168(h) of the Code);

(s) the Secretary of the Interior has certified to the Secretary of the Treasury that the rehabilitation of the Property described in the Historic Preservation Certification Application is consistent with the historic character of the district;

(t) the rehabilitation of the Property will be performed in accordance with the plans approved by the National Park Service in Part 2 of the Historic Preservation Certification Application;

(u) each Purchaser will use his Unit principally for the conduct of a trade or business in which he will "materially participate" (within the meaning of Section 469 of the Code and the Treasury Regulations thereunder);

(v) no Purchaser will finance the purchase of his Unit with the proceeds of "nonqualified nonrecourse financing" (as such term is defined in Section 49(a)(1)(D) of the Code); and

(w) the Sponsor and each Purchaser will complete properly and file each form, will make all appropriate elections in a timely manner, and will timely file any certifications required to be filed or made by them under the Code and the Treasury Regulations in order to claim the Historic Tax Credit with respect to the Unit(s) owned by him or it.

I. Applicable Law

Section 47 of the Code permits taxpayers to claim an investment tax credit for any taxable year equal to the sum of 10% of the "qualified rehabilitation expenditures" with respect to any "qualified rehabilitated building" other than a "certified historic structure," and 20% of the "qualified rehabilitation expenditures" with respect to any "certified historic structure."

A "certified historic structure" is defined as a qualified rehabilitated building that is either listed in the National Register, or is located in a registered historic district and is certified by the Secretary of the Interior as being of historic significance to the district. A "registered historic district" is in turn defined to include any district listed in the National Register, and any district designated under a statute of the appropriate state or local government, if such statute is certified by the Secretary of the Interior as containing proper criteria for substantially achieving the purpose of preserving and rehabilitating buildings of historic significance, and such district is certified by the Secretary of the Interior as meeting substantially all of the requirements for the listing of districts in the National Register.

The term "qualified rehabilitated building" generally is defined as any building (and its structural components) that has been substantially rehabilitated, that was placed in service before the beginning of the rehabilitation, and, in the

case of any building other than a certified historic structure, in the rehabilitation process (i) 50% or more of the external walls of the building are retained in place as external walls, (ii) 75% or more of the existing external walls of the building are retained in place as internal or external walls, and (iii) 75% or more of the existing internal structural framework is retained in place.

Section 47(c)(1)(C)(i) of the Code provides that a building will be treated as having been "substantially rehabilitated" only if the qualified rehabilitation expenditures during the 24-month period selected by the taxpayer and ending with or within the taxable year exceed the greater of (i) the adjusted basis of such building (and its structural components), or (ii) $5,000. A special rule exists for phased rehabilitations. In the case of any rehabilitation which may reasonably be expected to be completed in phases set forth in architectural plans and specifications completed before the rehabilitation begins, a 60-month period is substituted for the 24-month period referred to above.

Only "qualified rehabilitation expenditures" are eligible for the Historic Tax Credit. "Qualified rehabilitation expenditures" include amounts incurred in connection with the rehabilitation of a qualified rehabilitated building that are properly chargeable to capital account, and are attributable to property for which depreciation is allowable under Section 168 of the Code and which is (i) nonresidential real property, (ii) residential rental property, (iii) real property which has a class life of more than 12.5 years, or (iv) an addition or improvement to property or housing described in clauses (i), (ii) or (iii). Any expenditure with respect to which the taxpayer does not use the straight-line method of depreciation does not qualify as a "qualified rehabilitation expenditure."

Section 47(c)(2)(B)(v) of the Code provides that an expenditure does not qualify as a qualified rehabilitation expenditure if it is allocable to the portion of the building which is (or may reasonably be expected to be) tax-exempt use property

In the present case, an Historic Preservation Certification Application, Parts 1 and 2, relating to the Property was submitted to the New York State Office of Parks, Recreation and Historic Preservation on August 25, 1999. On October 13, 1999, the National Park Service determined that the Property contributed to the significance of the SoHo Cast Iron Historic District and is a "certified historic

structure" for the purposes of rehabilitation. On January 18, 2000, the National Park Service preliminarily determined that the rehabilitation described in Part 2 of the Historic Preservation Certification Application is consistent with the historic character of the district in which the Property is located and that the project meets the Secretary of the Interior's "standards for rehabilitation".

II. Availability of the Historic Tax Credit to Transferees

Under the provisions of Section 47(c)(2)(B)(ii) of the Code, the cost of acquiring a building or an interest therein is specifically excluded from the definition of "qualified rehabilitation expenditure." However, where qualified rehabilitation expenditures are incurred by an owner of property, and a taxpayer acquires the property attributable to the expenditures (or an interest therein) before such property is placed in service, the taxpayer is treated as having incurred the expenditures (and, therefore, is entitled to the Historic Tax Credit with respect to such expenditures) at the time that they were incurred by the prior owner, subject to certain limitations. See Section 1.48-12(c)(3) of the Treasury Regulations.

Section 1.48-12(c)(3) of the Treasury Regulations provides as follows:

> (3) *Incurred by the taxpayer*—(i) *In general.* Qualified rehabilitation expenditures are incurred by the taxpayer for purposes of this section on the date such expenditures would be considered incurred under an accrual method of accounting, regardless of the method of accounting used by the taxpayer with respect to other items of income and expense. If qualified rehabilitation expenditures are treated as having been incurred by a taxpayer under paragraph (c)(3)(ii) of this section, the taxpayer shall be treated as having incurred the expenditures on the date such expenditures were incurred by the transferor.
>
> (ii) *Qualified rehabilitation expenditures treated as incurred by the taxpayer*—(A) Where rehabilitation expenditures are incurred with respect to a building by a person (or persons) other than the taxpayer and the taxpayer subsequently acquires the building, or a portion of the building to which some or all of the expenditures are allocable (e. g.. a condominium unit to which rehabilitation expenditures have been allocated), the taxpayer acquiring such property shall be treated as having incurred the rehabilitation

expenditures actually incurred by the transferor (or treated as incurred by the transferor under this paragraph (c)(3)(ii)) allocable to the acquired property, provided that—

(1) The building, or the portion of the building, acquired by the taxpayer was not used (or, if later, was not placed in service (as defined in paragraph (f)(2) of this section)) after the rehabilitation expenditures were incurred and prior to the date of acquisition, and

(2) No credit with respect to such qualified rehabilitation expenditures is claimed by anyone other than the taxpayer acquiring the property.

For purposes of this *paragraph* (c)(3)(ii), use shall mean actual use, whether personal or business. In the case of a building that is divided into condominium units, expenditures attributable to the common elements shall be allocable to the individual condominium units in accordance with the principles of paragraph (c)(10)(ii) of this section. Furthermore, for purpose of this paragraph (c)(3)(ii), a condominium unit's share of the common elements shall not be considered to have been used (or placed in service) prior to the time that the particular condominium unit is used.

(B) The amount of rehabilitation expenditures described in paragraph (c)(3)(ii)(A) of this section treated as incurred by the taxpayer under this paragraph shall be the lesser of—

(1) The amount of rehabilitation expenditures incurred before the date on which the taxpayer acquired the building (or portion thereof) to which the rehabilitation expenditures are attributable, or

(2) The portion of the taxpayer's cost or other basis for the property that is properly allocable to the property resulting from the rehabilitation expenditures described in paragraph (c)(3)(ii)(B)(1) of this section.

(C) For purposes of this paragraph (c)(3)(ii), the amount of rehabilitation expenditures treated as incurred by the taxpayer under this

paragraph (c) shall not be treated as costs for the acquisition of a building. The portion of the cost of acquiring a building (or an interest therein) that is not treated under this paragraph as qualified rehabilitation expenditures incurred by the taxpayer is not treated as section 38 property in the hands of the acquiring taxpayer. (See paragraph (c)(7)(ii) of this section.) (See paragraph (b)(2)(vii) for rules concerning the application of the substantial rehabilitation test when expenditures arc treated as incurred by the taxpayer.)

Section 1.48-12(c)(3)(i) of the Treasury Regulations provides that the transferee is treated as having incurred the expenditures that were incurred by the transferor on the date that the transferor incurred the expenditures. For purposes of applying the substantial rehabilitation test described in Section I above, the transferee's adjusted basis in the building is determined as of the beginning of the first day of the 24-month measuring period, or, if later, the first day of the transferee's holding period. See Section 1.48-12(b)(2)(vii) of the Treasury Regulations. However, if the later date is used, the transferee's basis as of the first day of the transferee's holding period is considered to be equal to the transferee's basis in the building on that date minus (i) the amount of any qualified rehabilitation expenditures treated as having been incurred by the transferee, and (ii) the amount of qualified rehabilitation expenditures incurred before the transfer and during the 24-month period by any other person having an interest in the building (e.g., a person to whom the transferor leased space in the building). Section 1.48-12(b)(2)(vii) of the Treasury Regulations goes on to provide that this special rule for computing the basis of the transferee as of the first day of the transferee's holding period does not apply unless the transferee's basis in the building is determined with reference to (i) the transferee's cost of the building (including rehabilitation expenditures), (ii) the transferor's basis in the building (where such basis includes the amount of the expenditures), or (iii) any other amount that includes the cost of the rehabilitation expenditures.

It is important to note that a transferee of rehabilitated property can qualify for the Historic Tax Credit only if such property was not used or, if later, was not "placed in service" before the transfer. The term "first placed in service" is defined in the Treasury Regulations relating to depreciation as "first placed in a condition or state of readiness and availability for a specifically assigned function, whether in

a trade or business, in the production of income, in a tax-exempt activity, or in a personal activity." See Section 1.167(a)-11(e)(1)(i) of the Treasury Regulations. Section 1.46-3(d)(1)(ii) of the Treasury Regulations adopts essentially the same definition for purposes of the investment tax credit (which includes the Historic Tax Credit).

III. Business Use Requirement

Property is not eligible for depreciation or the investment tax credit (including the Historic Tax Credit) unless and until it has been placed in service and is "held for the production of income" or "used in a trade or business." As a result, a Purchaser who uses a Unit as a personal residence will not be eligible for the Historic Tax Credit. Similarly, if a Purchaser uses a Unit as a personal residence and subsequently sells the Unit to another person, the subsequent buyer will not be eligible for the Historic Tax Credit since the Unit will have been deemed to have been placed in service by the Purchaser. See Section 1.48-12(c)(3)(ii)(A)(1) of the Treasury Regulations.

In the case of a Unit that is used partially for business use or for the production of income and partially for personal use, the applicable provisions of the Code and the Treasury Regulations appear to support the premise that the Historic Tax Credit will be available with respect to the portion used for business purposes or for the production of income. Section 38(a) of the Code provides, among other things, that "there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to... the amount of the current year business credit." Section 38(b) of the Code states that the amount of the current year business credit includes "the investment credit determined under Section 46." Section 46 of the Code provides that, "[f]or purposes of section 38, the amount of the investment credit determined under this section for any taxable year" includes the rehabilitation credit." The "rehabilitation credit," as defined in Section 47 of the Code, includes the Historic Tax Credit.

Section 1.48-12(a)(1) of the Treasury Regulations provides that "under section 48(a)(1)(E), the portion of the bases of a qualified rehabilitated building that is attributable to qualified rehabilitation expenditures (within the meaning of section 48(g) and this section) is section 38 property." The term "qualified

rehabilitation expenditure" is defined in Section 47(c)(2) of the Code as "any amount properly chargeable to capital account –

(i) for a property for which depreciation is allowable under section 168 and which is –

(I) nonresidential real property,

(II) residential rental property,

(III) real property which has a class life of more than 12.5 years, or

(IV) an addition or improvement to property described in subclause (I), (II), or (III), and

(ii) in connection with the rehabilitation of a qualified rehabilitated building."

Section 1.48-12(c) of the Treasury Regulations contains a similar definition with some elaboration as to specific items that will qualify as qualified rehabilitation expenditures.

Section 1.48-1(a) of the Treasury Regulations provides that the determination of whether property qualifies as section 38 property in the hands of the taxpayer for purposes of the credit allowed by Section 38 of the Code must be made with respect to the first taxable year in which that property is placed in service by the taxpayer, and Section 1.46-3(d) of the Treasury Regulations provides the rules for determining when section 38 property is placed in service. Section 38 property is placed in service in the earlier of the following taxable years: (i) the one in which, under the taxpayer's depreciation practice, the period for depreciation begins; or (ii) the one in which the property is placed in a condition or state of readiness and availability for a specifically assigned function in a trade or business or in the production of income.

Section 1.48-1(b)(2) of the Treasury Regulations provides that if, for the taxable year in which property is placed in service, a deduction for depreciation is allowable to the taxpayer with respect to only a part of such property, then only the

proportionate part of the property with respect to which such deduction is allowable qualifies as section 38 property.

Since the terms "section 38 property" and "qualified rehabilitation expenditures" by definition include only property for which depreciation is allowable under Section 168 of the Code, the Historic Tax Credit is not allowable with respect to expenditures relating to personal use.

As discussed above, the property attributable to "qualified rehabilitation expenditures" does qualify as section 38 property under the applicable provisions of the Code. Section 1.48-1(b)(2) of the Regulations provides that "[i]f, for the taxable year in which property is placed in service, a deduction for depreciation is allowable to the taxpayer only with respect to a part of such property, then only the proportionate part of the property with respect to which such deduction is allowable qualifies as section 38 property for the purpose of determining the amount of credit allowable under section 38. Thus, for example, if property is used 80 percent of the time in a trade or business and is used 20 percent of the time for personal purposes, only 80 percent of the basis (or cost) of such property qualifies as section 38 property." If a Purchaser uses a portion of his Unit for personal purposes, therefore, only that portion of the total qualified rehabilitation expenditures that is property allocable to the portion of his Unit used for business purposes will qualify as section 38 property in the Purchaser's hands. The determination of the allocation between business and personal use must be made in accordance with the rules set forth in Sections 167 and 168 of the Code and the Treasury Regulations thereunder.

The IRS considered a situation involving mixed-use property in Priv. Ltr Rul. 8731005, issued on March 27, 1987. In this ruling, a developer acquired a building that was built and first used prior to 1936 and was neither a certified historic structure nor a building located in a registered historic district. At the time the ruling request was submitted, the developer was in the process of rehabilitating the building, a four story structure that had been used primarily as a warehouse. The first three floors of the building were being converted to office condominiums and the top floor was being converted to residential condominiums.

Except for one unit that was to be acquired by the developer, the developer proposed to sell the condominium units individually to unrelated parties. Upon

such sale, the ownership of the building would be entirely in the hands of the purchasers who would have fee simple ownership of their individual units as well as undivided interests in the common areas.

The IRS was asked to rule on the question of whether or not the purchasers, as the original users of the rehabilitated property, would be entitled to the benefit of the rehabilitation tax credit under Section 38(g) of the Code.

The IRS noted that the taxpayers making the ruling request proposed to purchase an office condominium and place it in service as business property. The taxpayers would be the first persons to place such unit in service in its rehabilitated state.

Under Section 48(a)(3) of the Code as then in effect, "property used predominately to furnish lodging" was excluded from the list of section 38 property except to the extent that a portion of such basis was attributable to qualified rehabilitation expenditures incurred in connection with a certified historic structure. As noted above, the building in question was not a certified historic structure.

After reviewing the applicable provisions of the Code and the Treasury Regulations then in effect, the IRS ruled that if qualified rehabilitation expenditures were incurred by the developer with respect to the building and the taxpayers acquired a condominium unit that had not been placed in service by the developer or any other party at any time since the commencement of the rehabilitation, and the rehabilitated Unit thereafter was first placed in service by the taxpayers, a proportionate share of the qualified rehabilitation expenditures properly attributable to the non-residential portion of the building could be taken into account by the taxpayers for purposes of the rehabilitation tax credit. The ruling stated that the amount of such qualified rehabilitation expenditures incurred by the developer that would be treated as being incurred by the taxpayers would be all such expenditures properly allocable to the condominium space purchased by the taxpayers, including a proportionate share of such expenditures incurred with respect to the common areas in the non-residential portion of the building. Such allocation was to be made in the same manner in which the depreciable basis of the unit would be established under the rules set forth in Section 167 of the Code. The

IRS also ruled that the taxpayers would be entitled to claim the rehabilitation tax credit in connection with the rehabilitation of the condominium unit in the year in which such unit was placed in service, notwithstanding the fact that all condominium units may not be purchased or placed in service by their respective owners during that particular year.

A private letter ruling is directed only to the taxpayer(s) who requested it and, under the provisions of Section 6110(j)(3) of the Code, may not be used or cited as precedent by other taxpayers. However, the rationale expressed in Priv. Ltr Rul. 8731005 is rooted in logic and appears to represent a reasonable interpretation of the applicable provisions of the Code and the Treasury Regulations.

Based on the foregoing, a Purchaser may use his Unit for both business and personal purposes, but the Purchaser will be required to allocate the cost of the Unit between such uses and be able to support the allocation with written evidence of the use of each portion. Any increase in the portion used for personal purposes after the date the Unit is placed in reverse may result in the recapture of the previously claimed credit as discussed in Section VIII below.

IV. General Limitations on the Use of Tax Credits

The Historic Tax Credit cannot be used to completely eliminate a taxpayer's tax liability. Section 38(c)(1) of the Code limits the business credit allowed for a year to the amount of the taxpayer's net income tax for such year minus the greater of (i) the taxpayer's tentative minimum tax for the year, or (ii) 25 percent of the taxpayer's net regular tax liability in excess of $25,000.

Section 38(c)(1) of the Code defines net income tax to mean regular tax liability plus minimum tax liability, minus credits allowable under Subpart A (personal credits) and Subpart B (foreign tax credit, clinical testing credit, and non-conventional fuel credit). The term "regular tax liability" is defined in Section 26(b) of the Code as the tax imposed by Chapter I of the Code, excluding the minimum tax imposed by Section 55, the environmental tax imposed by Section 59A, the accumulated earnings tax imposed by Section 531, the personal holding company tax imposed by Section 541, the tax on certain built-in gains of S corporations imposed by Section 1374, the tax on certain passive income of S corporations imposed by Section 1375, and certain other taxes referred to in Section 26(b)(2).

In the case of married persons who file separate returns, the sum of $12,500 is substituted for $25,000 in Section 38(c)(2), except that this provision does not apply if one of the spouses has no business credit for, and no business credit carried back or carried over to, the taxable year in question.

The portion of the business credit that may not be used in a particular year because of the limitations set forth in Section 38(c) of the Code is treated as a business credit carryback to the first taxable year preceding the year in question, and as a business credit carryforward to each of the twenty taxable years following the taxable year in question. See Section 39(a)(1) of the Code.

V. Passive Activity Rules

Section 469 of the Code contains a series of rules that limit the ability of certain taxpayers to use losses and credits derived from passive activities. The term "passive activities" is broadly defined in Section 469(c)(1) and 469(c)(2) of the Code to include any rental activity and any other trade or business activity in which the taxpayer is not a material participant. Tax credits that are subject to the passive activity limitations are suspended and may be utilized in subsequent years only against any taxes generated from passive income. Passive income is narrowly defined and does not include, for example, compensation for personal services or portfolio income such as income from interest and dividends. See Section 469(e)(3) of the Code. The limitations set forth in Section 469 generally apply to individuals, estates, trusts, and personal service corporations.

In the case of closely held C corporations, the passive activity limitations apply to a lesser extent. Such corporations can use passive activity credits to offset tax not only on passive activity income but also on active income (not including portfolio income). A "closely held C corporation" is defined to mean any C corporation with respect to which at any time during the last half of the taxable year in question more than fifty percent in value of its outstanding stock is owned, directly or indirectly, by or for not more than five individuals. However, this relaxed rule does not apply to personal service corporations, which are subject to the general rules that prohibit the use of passive activity credits to offset tax on any income other than passive activity income. See Section 469(e)(2)(A) of the Code.

The term "personal service corporation" is defined in Section469(j)(2) and Section 269A(b)(1) of the Code as a corporation whose principal activity is the performance of personal services and whose services are substantially performed by employee-owners. The term "employee-owners" includes any employees who own, on any day during the taxable year, any of the outstanding stock of the corporation. Section 469(j)(2) provides that for purposes of applying the ownership attribution rules of Section 318(a)(2)(C) of the Code in determining whether an employee owns any stock of the corporation, a corporation will be deemed to own the stock owned by any person owning any stock in the corporation.

The limitations set forth in Section 469 only apply to "passive activities." Under Section 469(c)(1) of the Code, a passive activity generally is any activity that involves the conduct of a trade or business in which the taxpayer does not "materially participate." A taxpayer is treated as materially participating in a business activity if the taxpayer's involvement in the activity is regular, continuous and substantiated. For purposes of our opinion, we have assumed that each of the Purchasers will materially participate in his trade or business and, therefore, will not be subject to the passive activity limitations. It should be noted that, except for persons who work full-time in the real estate industry, a rental activity is a passive activity without regard to material participation. Therefore, Purchasers who intend to rent their Units should consult their tax advisors as to the application of the passive activity limitations.

VI. At-Risk Rules

Section 49 of the Code contains certain limitations on the use of the investment tax credit (and, therefor, the Historic Tax Credit) by individuals, trusts and estates, and closely held C corporations. In general, these rules limit the credit base of property that is subject to the "at-risk" rules set forth in Section 465 of the Code. In particular, under Section 49(a)(1)(A) of the Code, a taxpayer's basis for purposes of calculating the Historic Tax Credit must be reduced by the amount of "nonqualified nonrecourse financing" with respect to such credit base (as of the close of the taxable year in which placed in service). The term "nonqualified nonrecourse financing" is defined in Section 49(a)(1)(D)(i) of the Code as any nonrecourse financing which is not "qualified commercial financing."

The term "qualified commercial financing" is defined in Section 49(a)(1)(D)(ii) of the Code as any financing with respect to property if (i) such property is acquired by the taxpayer from a person who is not a related person, (ii) the amount of the nonrecourse financing with respect to such property does not exceed 80% of the credit base of such property, and (iii) such financing is borrowed from a "qualified person" or represents a loan from any federal, state, or local government or instrumentality thereof, or is guaranteed by any federal, state or local government. In addition, the term "qualified commercial financing" does not include any convertible debt.

The term "nonrecourse financing" is defined in Section 49(a)(1)(D)(iii) of the Code to include (i) any amount with respect to which the taxpayer is protected against loss through guarantees, stop-loss agreements, or other similar arrangements, and (ii) except to the extent provided in regulations, any amount borrowed from a person who has an interest (other than as creditor) in the activity in which the property is used or from a related person to a person (other than the taxpayer) having such an interest.

Section 49(a)(1)(D)(iv) defines a "qualified person" as any person which is actively and regularly engaged in the business of lending money and which is not (i) a related person with respect to the taxpayer, (ii) a person from which the taxpayer acquired the property (or a related person to such person), or (iii) a person who receives a fee with respect to the taxpayer's investment in the property (or a related person to such person).

We have assumed for purposes of our opinions contained herein that no Purchaser will finance the purchase of his Unit with "nonqualified nonrecourse financing." A Purchaser who intends to finance the purchase of his Unit with the proceeds of a nonrecourse loan should consult his tax advisers to determine whether such loan constitutes "qualified commercial financing" within the meaning of the foregoing rules. If the loan does not constitute "qualified commercial financing," the Purchaser will be required to deduct the amount of such loan from his credit base for purposes of calculating the amount of the Historic Tax Credit attributable to his Unit.

VII. Alternative Minimum Tax

Section 38(c)(1) of the Code provides that non-refundable credits such as the Historic Tax Credit may not be used to reduce the alternative minimum tax. As previously noted, the general business credit allowable for any taxable year is limited to the taxpayer's net income tax minus the greater of (i) the tentative minimum tax for the year or (ii) 25% of the net regular tax liability of the taxpayer in excess of $25,000.

If a taxpayer is subject to the alternative minimum tax and as a result is unable to reduce such tax by the Historic Tax Credit, he is considered to have been denied the benefit of the Historic Tax Credit and, therefore, is permitted to carry the credit back or forward in the manner discussed above.

VIII. Recapture

The Historic Tax Credit is subject to recapture if there is an early disposition of the property attributed to the qualified rehabilitation expenditures. If property attributable to a rehabilitation is disposed of, or otherwise ceases to be section 38 property, within five years after the property is placed in service, the taxpayer's tax for the year is increased by the total credit taken for the rehabilitation expenditures, multiplied by the applicable "recapture percentage." For example, there will be recapture of the Historic Tax Credit if a Purchaser reduces the amount of business use of the Unit during the five-year recapture period. The amount of recapture is reduced by 20% for each full year that elapses after the property is placed in service. See Section 50(a) of the Code. As a result of these rules, 100% of the Historic Tax Credit will be recaptured by a Purchaser if his Unit is disposed of (or ceases to be section 38 property) less than one year after the Unit is first placed in service. There will be 80% recapture after one year, 60% recapture after two years, 40% recapture after three years, 20% recapture after four years, and no recapture after five years.

IX. Opinion

Based upon and subject to the foregoing, it is our opinion that a Purchaser who uses his Unit in a trade or business or for the production of income will be entitled to claim an Historic Tax Credit in an amount equal to 20 percent of the

qualified rehabilitation expenditures incurred by the Purchaser (or treated as having been incurred by the Purchaser under the rules set forth in Section 1.48-12(c)(3) of the Treasury Regulations) that are attributable to his Unit and his share of the Common Elements. Furthermore, where a Unit is being held both for business and non-business purposes, it is our opinion that it is more likely than not that those qualified rehabilitation expenditures attributable to the business portion of the Unit will be eligible for the Historic Tax Credit.

In addition to any other qualifications set forth herein, this opinion is subject to the following qualifications:

(i) We are opining only as to the matters expressly set forth herein, and no opinions should be inferred as to any other matter. Without limiting the generality of the foregoing, we are not expressing any opinion with respect to the specific dollar amount of Historic Tax Credit that may be available to a Purchaser. Each Purchaser is urged to consult with his own tax adviser concerning the specific tax consequences arising from the purchase of a Unit, including the determination of the portion of his Unit that is used for business rather than personal purposes, the applicability of the passive activity and at-risk rules, the computation of depreciation deductions, the impact of state and local taxes, and other matters.

(ii) This opinion is limited to matters of federal income tax law and we express no opinion as to the laws of any state or other governmental unit.

(iii) The opinion set forth herein is based upon our interpretation of existing statutes, Treasury Regulations and administrative rulings and procedures, and the judicial and administrative interpretations of the foregoing. Such statutes, rulings, procedures and interpretations are subject to change, and such changes could result in different tax consequences than those set forth herein.

In providing the opinion expressed herein, we have relied as to the accuracy and truthfulness of various questions of fact material to our opinion, and upon the accuracy and truthfulness of the representations and warranties made in the Documents, and, except as otherwise stated herein, have not undertaken any independent investigation to determine the existence or absence of such facts and no inference to the contrary should be drawn from our opinion. No opinion is expressed as to the validity of any economic projections, forecasts, or models concerning the Property.

This opinion is provided solely for the benefit of the Sponsor and Purchasers of Units in connection with the transactions described above. This letter may neither be quoted in whole or in part in any letter or document by, nor used or relied upon by, nor may copies be delivered to, any persons other than the Purchasers without our prior written consent. This opinion is rendered as of the date hereof. We assume no responsibility or obligation to withdraw or to update or revise this opinion or to notify any party if, at any time hereafter, there is a legal or factual change which in any manner affects any aspect of this opinion.

Very truly yours,

Holland & Knight LLP

HOLLAND & KNIGHT LLP

SECTION W. RESERVE FUND

W-1. Purpose and Limitation

Under the By-Laws, the Condominium Board may include in the Common Expenses of any Budget Year a fund ("Reserve Fund") for potential future capital expenditures, such as for repairs, alterations and/or contingencies. However, such Reserve Fund may not exceed five percent (5%) of the projected annual Common Expenses of a Budget Year unless Sponsor gives its written consent thereto during the Initial Control Period. Sponsor will give such consent if such proposed Reserve Fund, when added to all other budgeted Common Expenses, will not increase the Common Charges by more than five percent (5%) above the Common Charges for the preceding Budget Year. See Section Q, subsection "Q-2 Sponsor Control Over Certain Board Actions". No Reserve Fund is provided in the First Year's Budget (SCHEDULE B in Section F).

Sponsor is not required to provide, and is not providing, a Reserve Fund, but the Condominium will have a Working Capital Fund in the projected amount of $21,500.00. Of this amount, $10,000.00 will be advanced by Sponsor at First Closing and the balance is to be paid from Purchasers when and if all Units are sold and conveyed (see "Section X. Working Capital Fund").

SECTION X. WORKING CAPITAL FUND

X-1. Amount Of Working Capital Fund

The Condominium is to be provided with a fund ("Working Capital Fund") for Operating and working capital. The Working Capital Fund is ultimately to be in the projected "Total Amount" of $21,500.00, which equals two (2) months' projected Common Charges of all Residential and Commercial Units as set forth in the Offering Price Schedule (SCHEDULE A in Section E). If the Plan is amended prior to the First Closing to increase or decrease the projected Common Charges of Units, the total amount of the Working Capital Fund will correspondingly increase or decrease.

At the First Closing, the Working Capital Fund will be in the initial amount of $10,000.00.

X-2. Funding of Total Amount of Working Capital Fund

The total amount of the Working Capital Fund will be funded by Purchasers of Residential and Commercial Units as and when title closes. The amount ("Working Capital Payment") each Purchaser is to fund is a sum equal to two (2) months' projected Common Charge of the Unit being purchased, as shown in the Offering Price Schedule (SCHEDULE A in Section E). If the Plan is amended prior to the First Closing to increase or decrease such projection of Common Charges, the Working Capital Payment will correspondingly increase or decrease.

Accordingly, the total amount of the Working Capital Fund will be fully funded only when and if title to all Units are conveyed to bona fide Purchasers under this Plan. Sponsor cannot, and does not, represent, assure or guarantee when or whether the total amount will be paid into the Working Capital Fund, which will depend entirely on the time taken to sell and convey all Residential and Commercial Units under this Plan.

The Working Capital Payment is to be made only by the first Owner of a Sold Residential or Commercial Unit (that is, bona fide Purchaser under this Plan) and not by a successor of such first Sold Unit Owner (that is, not by the succeeding Owners of the applicable Unit purchased by you). If you buy more than one (1) Unit your Working Capital Payment will equal two (2) months' projected Common Charges for each Unit.

A Purchaser designated by Sponsor as an Unsold Unit Owner is not, for this purpose, regarded as a bona fide Purchaser and will not make a Working Capital Payment. However, a bona fide Purchaser of an Unsold Unit under this Plan (that is, a Purchaser who is not designated by Sponsor as an Unsold Unit Owner) will be required to make the Working Capital Payment.

X-3. Funding of the Initial Working Capital Fund

At the First Closing, Sponsor will make a reimbursable advance payment of $10,000.00 towards the Working Capital Fund. Sponsor is to be reimbursed for such advance payment from the Working Capital Payments received from bona fide Purchasers of Units.

These Working Capital Payments from Purchasers will be made directly to Sponsor at title closing. After Sponsor is reimbursed for payment of the initial Working Capital Fund, all subsequent Working Capital Payments from Purchasers will be made payable directly to the Condominium Board or Managing Agent, as directed, and given to Sponsor at title closing for forwarding to the Managing Agent.

X-4. Use of Working Capital Fund

The initial Working Capital Fund will be used as follows:

(a) not more than $10,000.00 will be used to pay the net amount (if any) owed Sponsor for the Building expenses to be apportioned at the First Closing (as explained in Section O, subsection "O-3 Closing Apportionments Between Sponsor and Condominium Board);

and

(b) the balance may be used for all appropriate purposes for the benefit of Unit Owners as will be determined by the Condominium Board from time to time.

The Working Capital Fund may be used for operating or working capital and to defray increases in the Common Charges, but may not be used to reduce the projected Common Charges in the First Year's Budget while the Sponsor Board Members are a majority of the Board Members. The Condominium Board will usually require operating or working capital to overcome normal cash shortages in operations. The cash shortages may occur from unevenness in the collection of Common Charges or in the payment of budgeted expenses (such as higher heating costs during the fall and winter months), or both.

The Working Capital Fund may also be used to make any needed repairs and/or alterations from time to time. However, the amount of the Working Capital Fund is based strictly upon the amount of the projected Common Charges of the Units in the First Year's Budget (SCHEDULE B in Section F), as such projection may be revised (see subsection "X-1. Amount of Working Capital Fund" above for details). Accordingly, the Working Capital Fund is not intended and should not be relied upon as being adequate to make potential future repairs or alterations.

Sponsor will control the permitted expenditures from the Working Capital Fund while the Sponsor Board Members are a majority of the Board Members. As a result, all or part of the Working Capital Fund may be spent during the period Sponsor controls the Board Members.

Sponsor cannot, and does not, represent, assure or guarantee that the Working Capital Fund will be adequate for operating or working capital purposes. If additional monies are required for operating or working capital or other payments of Common Expenses, the Board may increase the Common Charges (including levying a Special Assessment).

Neither the Department of Law nor any other government agency has passed upon the adequacy of the Working Capital Fund.

SECTION Y. MANAGEMENT AGREEMENT, CONTRACTS AND LEASES

Y-1. Management Agreement

Y-1.1. The Managing Agent

At or prior to the First Closing, the Condominium Board will enter into a management agreement with Andrews Building Corporation ("Andrews"), having an office at 666 Broadway, New York, New York 10012. Andrews is not affiliated with Sponsor or its principals.

Y-1.2. Term of Management Agreement

The management agreement will be for an initial term of one (1) year from the First Closing, unless canceled by the Condominium Board upon thirty (30) days' prior written notice. At the end of the initial term, the management agreement will be extended automatically from year to year, unless canceled as aforesaid. The Condominium Board (with the prior approval of a majority of Sold Unit Owners, in number and aggregate Common Interests) may cancel the agreement upon thirty (30) days' notice. Andrews may cancel the agreement upon sixty (60) days' prior written notice after the first year.

The prior approval of Sold Unit Owners required above before the Condominium Board may elect to cancel for cause must be in writing or voted by written ballot at a duly held meeting of Unit Owners called for such purpose. Copies of such written approval or written ballots (as applicable) must be delivered to Andrews together with the Condominium Board's notice of cancellation for cause.

Y-1.3. Fee

The Managing Agent will receive an annual management fee of $12,000.00, payable in advance in equal monthly installments. The fee is the prevailing rate for management services in residential cooperatives or condominiums comparable to this Building.

The Managing Agent will also receive from an Owner of a Sold Residential or Commercial Unit the following Unit service fees:

(a) $500.00 on the sale or conveyance of the Sold Unit which is subject to (and not exempt from) the Right of First Refusal of the Condominium Board under the By-Laws;

(b) $350.00 on the leasing or renting of the Sold Unit which is subject to (and not exempt from) said Right of First Refusal;

and

(c) $150.00 in connection with an application for an appraisal or mortgage refinancing.

(d) You will not be required to pay any fee to the Managing Agent when you purchase a Unit from Sponsor or if you finance the Unit at Closing or for any alterations approved by Sponsor at or prior to your closing of Unsold Units or for selling or leasing a Sold Commercial Unit.

The Managing Agent may also receive commissions for placing insurance maintained by the Condominium Board and for renting space (if any) in the Common Elements (if authorized and retained for such purpose by the Condominium Board). If the Condominium Board engages the Managing Agent to supervise capital repairs, replacements or improvements to the Common Elements or to arrange a loan for the Condominium Board, the Managing Agent will be separately compensated in an amount to be negotiated at that time.

Y-1.4. Major Duties and Services

The major duties and services to be performed by the Managing Agent will include:

(a) hire, pay, supervise and discharge the Building staff (i.e., the visiting, part-time superintendent); however the Condominium Board will have the right to approve each employee;

(b) cause the Common Elements to be maintained in the condition satisfactory to the Condominium Board, including cleaning and ordinary repairs and alterations; however, the Condominium Board must approve any expenditure of over $1,000.00 for any one item, other than emergency repairs;

(c) cause any orders or violations issued by a government or fire underwriters body to be complied with and corrected;

(d) contract for necessary services to maintain and operate the Building (such as elevator and exterminator services); however, the Condominium Board must approve any contract;

(e) obtain and maintain insurance for fire, property damage, liability and such other coverage, and in such amounts, as the Condominium Board approves;

(f) if requested, ascertain and report to the Condominium Board and Unit Owners on the tentative assessed valuations of the Units and cooperate in the preparation of any application or lawsuit to correct the assessed valuations;

(g) audit and pay bills for services, work and supplies to maintain and operate the Building, including water and sewer bills;

(h) purchase all supplies necessary to properly maintain and operate the Building;

(i) (in the case of a proposed sale or lease of a Sold Residential that is subject to the Condominium Board's Right of First Refusal obtain credit reports on the prospective purchaser or tenant (as applicable) and implement the procedures (including

notifications) in the By-Laws to exercise or waive the Condominium Board's Right of First Refusal;

(j) bill and collect the Common Charges and, if authorized by the Condominium Board, engage an attorney approved and selected by the Condominium Board to bring a lawsuit against a delinquent Unit Owner for unpaid Common Charges, including foreclosing the Board's lien under the By-Laws and the Condominium Act;

(k) maintain payroll records, and file all necessary forms for unemployment insurance; withholding and social security taxes and other forms relating to the Condominium Board's employee(s); and render monthly statements of collections and disbursements;

(l) maintain accurate books of the Condominium Board (including checkbooks, minute books, payroll, records of cash billings and collections and orderly files of documents, correspondence, insurance policies, Unit mortgages, etc.);

(m) prepare and submit to the Condominium Board by December 1st of each year, a budget of projected income and expenses for the ensuing year and notify Unit Owners of the annual charges, assessments and any other sums set by the Condominium Board;

(n) arrange an annual audit by the Condominium Board's certified public accountant and distribute the accountant's certified financial statement to the Unit Owners;

(o) prepare and send notices of meetings of the Condominium Board and Unit Owners, arrange the place of each meeting, and attend and keep the minutes of each meeting;

and

(p) send to a Permitted Mortgage lender a copy of a default notice sent to the Owner of the mortgaged Unit.

Y-1.5. Reimbursement for Expenses

The Condominium Board will reimburse the Managing Agent for certain expenses properly incurred to perform the duties and services required by the agreement or authorized by the Condominium Board.

Y-1.6. Indemnities

The Managing Agent will indemnify the Condominium Board and Unit Owners from claims and liabilities and expenses resulting from Agent's gross negligence or willful misconduct or willful violation of the agreement.

The Condominium Board will indemnify the Managing Agent from claims and liabilities and expenses based on: (a) injury to any person or property (unless caused by Agent's

gross negligence or willful misconduct or willful violation of the agreement) and (b) Agent's acts properly performed pursuant to the agreement or authorized in writing by the Condominium Board.

Y-1.7. Assignment

The management agreement is not assignable by the Managing Agent.

Y-2. Other Contracts and Leases

In addition to the management agreement, upon commencement of Condominium Operation, the Condominium Board will be bound by the contracts and leases disclosed in, or authorized by, the First Year's Budget (SCHEDULE B in Section F) or elsewhere in this Plan. These include the following service contracts:

Name of Contractor	Nature of Service	Term of Agreement	Fee/Rent/ Payment to Contractor
Mechanical Cooling, Inc.	Cooling Tower	One Year	$2,500.00
Mechanical Cooling, Inc.	Water Tower	One Year	$3,500.00
ADT Security Services	Alarm & Sprinkler Systems	One Year	$1,250.00
Robert Elevator Company	Elevator	One Year	$3,600.00
Eddie's Pest Free	Exterminating	One Year	$900.00
Bell Atlantic	Telephone/Internet Line	One Year	$1,800.00

Sponsor reserves the right to enter into other contracts and leases that will be binding on the Condominium Board, but will amend the Plan to disclose them if they will materially increase the Common Charges or are for longer than two (2) years.

SECTION Z. IDENTITY OF PARTIES

Z-1. Sponsor

Z-1.1. Name, Business Address and State of Organization

Sponsor is 102-106 Wooster LLC, having a business office c/o Carter Management Corp., 750 Lexington Avenue, Suite 600, New York 10022. Sponsor is a limited liability company organized under the laws of the State of New York.

Z-1.2. Principals

The principals of Sponsor who are actively involved in this Plan are Jason D. Carter and Julia Vance Carter.

Z-1.3. Experience

Sponsor was newly formed for the single purpose of owning and developing the Property and offering the Units for sale pursuant to this Plan.

The backgrounds and experience of Sponsor's principals are as follows:

Jason D. Carter has been involved in real estate investment, development and management for over twenty (20) years. Julia Vance Carter has been involved in real estate investment, development and management for over fifteen (15) years.

Sponsor and its principals have no prior felony convictions. Except as set forth below, during the past fifteen (15) years, there were no bankruptcies, convictions, injunctions or judgments against Sponsor, or any of Sponsor's principals or members, or any entity in which any of Sponsor's principals was a principal. In 1993, Jason D. Carter was the general partner of S-C Associates LLP (an entity involved in commercial real estate which owned and operated a rental apartment building), which entity filed for bankruptcy in the United States Bankruptcy Court for the Southern District of New York under the Bankruptcy Code. In 1996, S-C Associates, LLP was discharged from bankruptcy.

Sponsor's principals have previously been an offeror or a principal of an offeror of cooperative interests in real estate (including condominiums, homeowner's associations and time shares) in or from the State of New York and do own unsold shares or units in other cooperatives, condominiums, homeowners' associations or time share communities in the State of New York as follows:

Greene House Condominium 93-99 Greene Street, New York, New York

Wooster House Condominium 116-118 Wooster Street, New York, New York

The Sponsor's principals only own the commercial condominium units in each of the above-referenced condominiums and are current in their obligations with respect

thereto. The offering plans and amendments for these condominiums were filed with the Department of Law and may be inspected.

Z-2. Attorneys

Mandel Resnik & Kaiser P.C., with offices at 220 East 42nd Street, New York, New York 10017, represents Sponsor on this Plan. Its legal services include: the preparation of this Plan, the Condominium Documents and other legal documents in Part II of this Plan; rendering opinions on compliance with RPL Section 339-i and on the availability of income tax benefits set forth in "Section V. Opinions of Counsel"; and representation before the Department of Law on the submission, processing and filing of this Plan. Mandel Resnik & Kaiser P.C. has not rendered any other legal opinions nor passed upon or independently investigated the business or financial terms of this offering, the physical condition of the Building or the projections contained in this Plan. Stephen Gaines, Esq. of Mandel Resnik & Kaiser P.C. prepared this Plan. Holland & Knight, LLP, Sponsor's special counsel, with offices at One Beacon Street, Boston, Massachusetts, rendered the opinion on the availability of Historic Tax Credits to Purchasers set forth in "Section V. Opinions of Counsel."

Z-3. Managing Agent

Z-3.1. Name and Business Address

The proposed Managing Agent of the Condominium is Andrews Building Corporation, having an office at 666 Broadway, New York, New York 10012.

Z-3.2. Experience

The Managing Agent has been involved in the management of the operation of condominium and cooperative apartment buildings in Manhattan for over ten (10) years. The Managing Agent and its principals have no prior felony convictions. In addition, during the past fifteen (15) years, there were no bankruptcies, convictions, injunctions or judgments against the Managing Agent or any of its principals, excluding possible civil judgments which are not material to this Plan or to an offering of securities generally.

SECTION AA. REPORTS TO UNIT OWNERS

AA-1. Annual Financial Statements, Meetings and Budgets

The Condominium Board is to give all Unit Owners:

(a) within four (4) months after the end of each financial year adopted by the Condominium Board, a financial statement of the Condominium, including an annual report of receipts and expenditures, prepared by an independent certified public accountant or public accountant (such statement will be certified by the accountant while the Sponsor Board Members are a majority of the Board Members);

(b) not less than ten (10) days' nor more than sixty (60) days' advance written notice of the annual meeting of Unit Owners for the election of members of the Condominium Board (such annual meeting is to be held within approximately thirty (30) days of each previous annual meeting);

and

(c) at least ten (10) days before being adopted:

(i) a copy of the proposed annual budget of operations of the Condominium for the ensuing year (a certification of the adequacy of such budget, similar to DOCUMENT 10C, will be included in an amendment to the Plan while the Sponsor Board Members constitute a majority of the Board Members);

(ii) a copy of a proposed revision to a previously adopted annual budget.

SECTION BB. DOCUMENTS ON FILE

BB-1. Plan, Amendments and Condominium Documents

For six (6) years from the First Closing, Sponsor will keep on file a copy of this Plan, all amendments, all documents referred to in this Plan and all documents in Parts A, B and C of the Exhibits submitted to the Department of Law in connection with the filing of this Plan. You will have the right, on business days and during regular business hours, to inspect these documents (without charge) and to copy them (at a reasonable charge) at the office of the Sponsor stated on the cover page.

At the First Closing, Sponsor shall deliver to the Condominium Board, a copy of Condominium Documents that are filed and recorded with the appropriate recording office to establish the Condominium.

SECTION CC. GENERAL

CC-1. Litigation

There are no pending lawsuits, administrative proceedings or other legal proceedings the outcome of which might materially affect this offering, the Property, Sponsor's capacity to perform all of Sponsor's obligations under this Plan, the Condominium or the Operation of the Condominium, except as may be expressly set forth in this Plan.

CC-2. No Prior Cooperative or Condominium Offering of Property

The Property has not, to the knowledge of Sponsor, been the subject of any prior public cooperative or condominium offerings. In addition, as of the date of first presentation of this Plan, the Sponsor has not, in violation of law, made any preliminary binding agreement with, or collected monies from, prospective Purchasers for the sale of Units in the Building.

CC-3. Compliance With Civil Rights Laws

Sponsor and its agents will sell and lease Units in compliance with applicable civil rights laws. These laws prohibit discrimination based on sex, age, race, creed, color, national origin, ancestry, disability or marital status.

CC-4. Amendments

Sponsor may file amendments to this Plan, including amendments that may be materially adverse to you. In the event of a materially adverse amendment, you will be given an option in the amendment to rescind your Purchase Agreement and recover in full your Downpayment and any earned interest thereon as your sole remedy and recourse (see Section B, subsection "B-1. Purpose of Plan").

CC-5. Contents of Plan

This Plan does not knowingly omit a material fact or knowingly contain an untrue statement of a material fact. You should read the DOCUMENTS in Part II of this Plan and consult with an attorney to understand all of their provisions that will affect you and not rely only upon the summaries of these DOCUMENTS in this Part I.

The projections in the First Year's Budget (SCHEDULE B in Section F) and the projected Common Charges in the Offering Price Schedule (SCHEDULE A in Section E) are made in reliance upon the expertise of Michael Congelosi of Andrews Building Corporation, who certified as to the adequacy of such Budget and the adequacy of the Common Charges to meet the anticipated operating expenses fairly and properly attributable to the Commercial Units for the first year of Condominium Operation (see DOCUMENTS 10C and 10D).

The projected real estate taxes in the Offering Price Schedule are based on certain estimates of Stephen E. McArdle and are made in reliance upon the expertise of such person (see Section E).

The report on the Description of Property and Specifications or Building Condition (DOCUMENT 4) has been included in this Plan in reliance upon the expertise of Li/Saltzman Architects (who certified its accuracy in DOCUMENT10B).

The statements in this Plan on the availability of (i) income tax deductions to qualified Residential Unit Owners have been made in reliance upon the expertise of Mandel Resnik & Kaiser P.C. and (ii) historic district tax credits to qualified Unit Owners have been made in reliance upon the expertise of Holland & Knight LLP (whose tax opinions are set forth in "Section V. Opinions of Counsel").

Sponsor is unaware of: (a) any reciprocal covenants or easements affecting the Property not disclosed elsewhere in this Plan; (b) any impending high-rise construction adjacent to the Property; or (c) any restriction on the use of Units not disclosed elsewhere in this Plan.

Any statement, representation or information which is not expressly contained in this Plan or an amendment is not authorized and should not be relied upon. This Plan may not be modified orally and no provision may be waived orally.

SECTION DD. SPONSOR'S STATEMENT OF BUILDING CONDITION

DD-1. Report On Description of Property and Building Condition

Sponsor adopts the report ("Property Report") on the Description of Property and Specifications or Building Condition set forth in DOCUMENT 4 of this Plan and represents that Sponsor has no knowledge of any material defects or need for major repairs to the Property except as indicated in such Property Report or included in the First Year's Budget or customarily corrected by routine maintenance. The Property Report was prepared by Li/Saltzman Architects, a registered architect, and is included in this Plan in reliance upon the expertise of such professional.

DD-2. Construction

The entire Building is being re-constructed with fully modernized and energy-efficient appliances, equipment and systems suitable for new quality residential use. A detailed description of the construction, including the Units, the public and common areas and the Building's systems is summarized in DOCUMENT 4.

DD-3. Sponsor's Obligations for Violations, Dangerous and Hazardous Conditions and Work Orders

Prior to the First Closing or within a reasonable period of time thereafter:

(a) Sponsor, at Sponsor's sole cost and expense, will cure, or cause the Condominium Board to cure, all violations of record existing at the First Closing, except Sponsor will not cure and shall not be obligated to bear the cost and expense to cure (and the Condominium Board will continue to operate the Property subject to) violations caused by the acts or omissions of tenants in their own Units;

(b) Sponsor, at Sponsor's sole cost and expense, will eliminate, or will cause the Condominium Board to eliminate, all dangerous or hazardous conditions existing at the First Closing and for which Sponsor has notice;

and

(c) Sponsor, at Sponsor's sole cost and expense, will comply with, or will cause the Condominium Board to comply with, all proper work orders of the holder of a blanket first mortgage on Unsold Units or an insurer of the Property existing at the First Closing.

At the First Closing, Sponsor will escrow with Mandel Resnik & Kaiser P.C. an irrevocable and unconditional letter of credit or cash or equivalent security to secure Sponsor's foregoing obligations as to violations, dangerous or hazardous conditions and work orders existing at the First Closing (if any). The amount escrowed will be sufficient to perform these obligations as determined by an independent architect or engineer selected by Sponsor. During the progress of the corrective work, the letter of credit may (at Sponsor's option) be reduced and any cash escrow released to Sponsor so long as

the balances left in escrow is sufficient to complete the remaining corrective work as determined by an independent architect or engineer selected by Sponsor. Any interest earned on the sums escrowed will not be part of the escrow and will belong and be paid to Sponsor as and when earned and collected.

Sponsor's obligations under this subsection will survive the First Closing.

DD-4. Inspection Certificates and Permits

Sponsor, at Sponsor's sole cost and expense, will be obligated to obtain any inspection certificate or permit for the Building's equipment and to update any such certificate or permit that expires prior to the First Closing (including, to the extent applicable, air resources, elevator, sprinkler system, boiler and fire protection).

Sponsor's obligations under this subsection will survive the First Closing.

DD-5. Certificate of Occupancy

Sponsor will be obligated to obtain a permanent Certificate of Occupancy for the Building to authorize the proposed uses of the Units as indicated in this Plan. Prior to title closing of a Unit, such Unit must be authorized for its designated use in this Plan on a temporary or permanent: Certificate of Occupancy for the Building or a partial Certificate of Occupancy for the Unit.

PART TWO

OF

104 WOOSTER STREET

CONDOMINIUM

OFFERING PLAN

PURCHASE AGREEMENT

[Please sign 4 originals]

This Purchase Agreement is dated and made as of _____, 2000, between: "you", 102-106 Wooster LLC, the "Seller", having an address for notices c/o Carter Management Corp., 750 Lexington Avenue, New York, New York 10022; and "me" the party signing below as "Purchaser".

1. Agreement to Purchase and Sell

1.1 You agree to sell to me, and I irrevocably agree to purchase from you, for the Purchase Price stated in paragraph "2" and on the terms and conditions referred to in paragraph "3" the following Unit ("Unit") of the proposed 104 Wooster Street Condominium located at 104 Wooster Street, New York, New York, together with such Unit's Common Interest in the Common Elements of the Property:

Unit Type*	Unit No.	Common Interest
_____	_____	_____%

*[INSERT "RESIDENTIAL" OR "COMMERCIAL"]

2. Purchase Price

2.1 The "**Purchase Price**" of the Unit is $_____.

2.2 I agree to pay the Purchase Price to you as follows:

$_____* ("Downpayment") on signing this Purchase Agreement; and

$_____ ("Balance") at closing.

*Includes any sum previously deposited on my receipt of the Plan.

3. Terms and Conditions of Purchase and Sale

3.1 The terms and conditions upon which I am to purchase, and you are to sell, the Unit are contained in paragraphs "1" through "9" on this page as well as the following page entitled "*Terms and Conditions of Purchase Agreement*" (consisting of paragraphs "10" to "50") and any riders to this Purchase Agreement signed by us, all of which form a part of this Purchase Agreement.

4. Dates of Receipt and Delivery

4.1 I acknowledge:

a. receiving the Plan and ____amendments at _____(A.M.)(P.M.) on _____, 2000; and

b. delivering this Purchase Agreement and the check for the Downpayment at ___(A.M.)(P.M.) on _____, 2000.

5. Information on Purchaser for Notices, Tax Reporting and Deed

5.1 My address for notices and personal information for this transaction are:

Street: _____Apt. No.____

City: _____State: ___Zip Code: _____

Telephone #: Home _____; Daytime: _____

Social Security/Federal EID No.: _____

Social Security/Federal EID No.: _____

If Purchaser is more than one person (not husband and wife), the Deed is to state ownership of the Unit as [(√) appropriate box]:

☐ Joint Tenants (title passes to survivor)

☐ Tenants in Common (title passes to estate of deceased owner).

6. Seller Financing Contingency

6.1 In accordance with the Plan in "Section K-4. Mortgage Financing Contingency" and the Rider hereto:

☐ a. **I hereby elect to make my obligations contingent upon obtaining financing (20% Downpayment required)**

OR

☐ b. **I hereby elect to NOT to make my obligations contingent upon obtaining financing. (15% Downpayment required)**

7. Intentionally Omitted

8. Identity of Participating Broker

8.1 The only brokers and salespersons that I have dealt with on this transaction are the Selling Agent, Douglas Elliman, and:

Participating Broker: _____*

Salesperson: _____*

*[If inapplicable, state "None".]

9. Purchaser's Attorney

9.1 The attorney who is representing me on this transaction is:

Individual Attorney: _____

Firm Name: _____

Address: _____

_____

_____

Phone #: (__) _____

Fax #: (__) _____

We have executed this Purchase Agreement as of the above date to evidence our agreement that these provisions are legal, valid, binding and fully enforceable in accordance with its terms with respect to each of us.

SELLER:

102-106 Wooster LLC

By: _____

By:
Signature: _____

Print Name: _____

Title: _____

Date Accepted: _____

PURCHASER:

Signature: _____*

Print Name: _____

Signature: _____*

Print Name: _____

***NOTE: THIS IS THE EXACT NAME THAT WILL BE USED ON THE DEED.**

10. Incorporation in Purchase Agreement

10.1 These "Terms and Conditions of Purchase Agreement" from a part of the Purchase Agreement and are additional provisions governing your agreement to sell, and my agreement to purchase, the Unit.

11. Definitions

11.1 The definitions of the following words within quotation marks, as well as those defined elsewhere in this Purchase Agreement (including the first page), apply wherever these words are used in these "Terms and Conditions of Purchase Agreement". Any words not defined in this paragraph "11", or elsewhere in the text of this Purchase Agreement, have the same meanings indicated in the Plan (including its amendments, if any).

"**Agreement**": This Purchase Agreement.

"**amendment**": The amendment or amendments to the Plan filed by the Department of Law.

"**Attorney General**": The Attorney General of the State of New York.

"**Building**": The building located at 104 Wooster Street, New York, New York.

"**business day**": Any day that is not a Saturday, Sunday or legal holiday of the State of New York or the U.S. government.

"**business hours**" Between the hours of 9:00 A.M. and 5:30 P.M.

"**claim**": Each or every kind whatsoever of claim, right, cause for lawsuit and lawsuit.

"**Closing Date**", "**closing**", "**closing of title**", "**title closing**" and words of similar import: The date upon which, among other things, you deliver the Deed for the Unit to me and I pay the Balance to you.

"**Condominium**": The condominium to be known as 104 Wooster Street Condominium and to be established on the Property by filing and recording the Condominium Documents.

"**Condominium Board**": The Board or Manager of the Condominium.

"**costs and expenses**": Each or every kind whatsoever of: loss, damage, penalty, fine, liability, judgment, award, cost, expense and amount (including reasonable legal fees and disbursements, court costs and all other litigation expenses) paid, payable or incurred in connection with any claims or to perform, observe, enforce, uphold, protect, defend, maintain and collect sums payable under a right, remedy, obligation, requirement, agreement or indemnity given in or pursuant to this Purchase Agreement.

"**Declaration**": The document establishing condominium ownership of the Property, to be executed by Seller and recorded in the Register's Office.

"**Depository**": Citibank, N.A. at its branch located at 120 Broadway, New York, New York.

"**Department of Law**": Department of Law of the State of New York.

"**I**", "**me**" and "**mine**": The person or persons signing this Purchase Agreement as "Purchaser".

"**include**", "**includes**", "**including**", "**such as**", "**for example**" and similar words: Whenever these words precede a list of one or more items, the list is not to be limited to the item(s) mentioned and shall always be construed as though followed by the words "but not limited to".

"**indemnify**" or a derivation thereof: This includes to defend and to hold harmless.

"**interest**": Interest on the Downpayment, to the extent such interest is earned and collected from the Depository.

"**laws**": Each or every applicable law and ordinance of federal, state, city or other Governmental Authority and each and every regulation, code, rule, order, directive, permit and requirement of: (a) all governmental or quasi-governmental authorities having jurisdiction over the Property, the Units or the Condominium; or (b) an insurer of the Building.

"**lawsuits**": Each or every kind whatsoever of suit and litigation, whether legal or equitable, brought in or before any: court, tribunal or judicial system (federal, state, local or international); governmental administrative authority; arbitration or mediation association; or alternative dispute resolution body.

"**liabilities and expenses**": All kinds whatsoever of claims and costs and expenses.

"**our**", "**us**" and "**we**": Both you and I, unless the context clearly indicates a contrary intent.

"**party**": We are the "parties" to this Purchase Agreement and each of us is a "party".

"**Plan**": The Condominium Offering Plan for the Property and all Amendments to such Condominium Offering Plan filed prior to the date upon which I sign this Purchase Agreement. The "Plan" includes the Condominium Documents reproduced in Part II of the Condominium Offering Plan.

"**Property**": The Building and the land upon which it is erected. The legal description of the land is contained in the form Deed reproduced as Document 4 to the Plan.

"**Purchase Monies**": The Downpayment (which is not to exceed 10% of the Purchase Price) and any other sum I pay to you prior to closing toward the Purchase Price or for special work I order to be done to the Unit.

"**Selling Agent**": Douglas Elliman

"**sign in recordable form**": The proper notarization and acknowledgment of a signature in the form required to record or file the document in question.

"**Title Insurance Company**": First American Title Insurance Company of New York

"**you**", "**your**" and "**yours**": 102-106 Wooster LLC, the seller of the Unit under this Purchase Agreement.

12. Payment of Purchase Price

12.1 am herewith paying the Downpayment by my good personal check or (at your option) by good certified personal check or bank money order or official cashier's or bank check. You acknowledge receiving a check for the Downpayment, but your agreements and obligations under this Purchase Agreement are conditional upon the collection of the check.

12.2 will pay the Balance by my good certified personal check or official cashier's or bank check. At your option, I will pay the Balance in "immediately available funds" (that is, by electronic wire transfer to a bank account designated by you). Any payment made by wire transfer shall not be deemed to have been made until confirmed as received by your bank and credited to your account.

12.3 All checks for the Downpayment and Balance must be drawn on (and payable by) a member bank of the New York Clearing House Association and must be unendorsed and made payable to the direct order of:

a. in the case of the Downpayment, "*Mandel Resnik & Kaiser P.C., as Escrowee for 104 Wooster Street Plan*"; and

b. in the case of the Balance, "102-106 Wooster LLC" or to such other payee(s) that you specify on not less than 2 business days' prior oral notice or 3 business days' prior written notice to me.

I will not use a third party check (other than that of an institutional mortgage lender), including a corporate check (unless I am the corporation), to pay either the Downpayment or the Balance.

12.4 The Purchase Price and all other dollar amounts in this Agreement mean the currency of the United States (that is, U.S. dollars).

13. Closing Date, Time, Place and Location

13.1 After the Plan is declared effective, the date, time and place (in the City and State of New York) for closing of title to the Unit will be fixed by you on not less than 30 days' prior written notice to me. You shall not send such notice before the Effectiveness Amendment is sent to me.

13.2 You have the right to adjourn the closing one or more times to remove a title objection or satisfy a closing prerequisite under the Plan or for any other good faith reason. In the event you adjourn the closing or I fail to close on the date fixed by you in accordance with paragraph "13.1" (or any postponed date fixed by you in accordance with this paragraph "13.2"), you will fix a new date, time and place (in the City and State of New York) for closing. I will be given written or oral notice of an adjournment by you and at least 10 days' written notice of the new date, time and place of closing fixed by you. In the event you postpone the closing, I will pay the full amount of my closing payments under paragraph "17", including the Balance of the Purchase Price, on the postponed date, without reduction, adjustment or credit or provision for escrow or any kind of recourse against you.

13.3 Under the Plan, the First Closing is targeted to occur on July , 2000. However:

a. you do not represent, assure or guarantee when the actual date of the First Closing will occur, which might be earlier or substantially later;

b. you do not represent, assure or guarantee when the actual day of closing of title to the subject Unit will occur, which might be substantially after the First Closing;

c. you will determine the order of closings of Residential Units and Commercial Units, which need not coincide with the sequence in which they are contracted for sale or the numerical order of the floors;

and

d. I will not be excused from paying the full Purchase Price, without reduction, adjustment or credit, and without legal recourse against you for any claims or costs and expenses, in the event the First Closing occurs substantially later than said targeted closing date or the closing of title to the subject Unit is substantially after the First Closing or is postponed.

14. Purchaser's Closing Costs

14.1 At title closing I will pay the following "mandatory" closing costs:

a. I will pay the New York City Real Property Transfer Tax and the New York State Real Estate Transfer Tax (including the mansion tax) applicable to this sale;

b. I will pay the governmental fees and service charge of a title insurer to file said New York City and New York State Transfer Tax returns and to record the Deed and Unit Owner's Power of Attorney;

c. (in the case only of a Residential Unit) I will make a payment for the Working Capital Fund in an amount equal to 2 month's projected Common Charges for the Unit (if the Unit is a combination of 2 or more units, my payment shall equal the total of said 2 months' projected Common Charges for each such unit combined into the Unit) as set forth in the Purchase Price Schedule (Schedule A in Section D of the Plan), as such projected monthly Common Charge amount may be revised in an amendment prior to the First Closing (this payment will be made payable, and delivered, to you until the amounts paid by Purchasers who close title fully reimburses you for the initial Working Capital Fund paid by you as set forth in the Plan and, thereafter, will be made payable as directed by the Condominium Board and delivered to you for forwarding to the Condominium Board or its Managing Agent);

and

d. $1,500.00 to your designated attorney for preparing the Unit deed and Unit Owner's Power of Attorney and for coordinating and attending the closing.

14.2 At title closing, I will also pay the following "elective" closing costs:

a. if I elect to obtain a mortgage loan:

(i) I will pay the mortgage recording tax, the governmental fee to record the mortgage and a service charge to the title company to record the mortgage;

(ii) I will pay you an amount equal to all of my savings in the mortgage recording tax to which I am entitled, whether such savings results from an assignment of an existing mortgage on the Unit or is pursuant to Real Property Law Section 339-ee or otherwise;

(iii) if the mortgage lender or its attorney refuses to close at the offices of your designated attorney, I will also pay your designated attorney a travel fee of $300.00 (in the case of a closing held in Manhattan) or $500.00 (in the case of a closing held elsewhere in New York City) (NOTE: You and your counsel are not required to travel outside of New York City);

(iv) I will pay the premium for mortgage title insurance;

and

(v) I will pay all escrows (such as for Common Charges and real estate taxes) and other mortgage closing costs and expenses required by my mortgage lender;

b. if I elect to order title insurance, I will pay my title insurance company's premium for the policy;

c. if I elect to retain an attorney, I will pay my attorney's fees and other charges;

and

d. if I have dealt with any broker other than your Selling Agent and the Participating Broker (if any) identified in paragraph "8.1", I will pay the fee and commission earned by such broker.

14.3 At title closing I will also pay the following delinquent closing costs if, through no fault of yours, I fail for any reason whatsoever to close on the Closing Date fixed by you in accordance with paragraph "13.1" or if the closing is postponed because I or my attorney fail to timely notify you of a title objection as provided in paragraph "19.3":

a. I will reimburse you for lost opportunity of earnings on the Purchase Price at the annual rate of 10% of the Purchase Price, prorated for each day's delay through the end of the day prior to the actual date title closes;

and

b. I will also reimburse you for the Unit's common charges and real estate taxes for the period of such delay, after deducting any rent you collect from me as a tenant of the Unit for such period (if I rent the Unit prior to closing);

and

c. I will pay Mandel Resnik & Kaiser P.C. or your designated attorney the amount of $150.00 for each default notice sent to me (for the costs to send such notice) and a further sum of $150.00 for each time the closing is rescheduled (for the costs to fix a new Closing Date and time, to coordinate the attendance of all persons, to redate the closing documents and to recalculate the closing apportionments).

14.4 I will pay my closing costs under this paragraph "14" based on the applicable governmental and title company rates in effect at closing.

14.5 If the closing is postponed, the provisions of paragraph "14.3" shall apply if, through no fault of yours, I fail to close on the postponed Closing Date fixed by you in accordance with paragraph "13.2".

14.6 All sums payable to you and Mandel Resnik & Kaiser P.C. (or another attorney designated by you) under paragraph "14.3" shall be:

a. paid by my good certified personal check or bank money order or an official cashier's or bank check;

and

b. drawn on and payable by a member bank of the New York Clearing House Association;

and

c. unendorsed and made payable to the direct order of the appropriate recipient.

14.7 The New York City and New York State transfer taxes payable by me under paragraph "14.1" shall be paid by my unendorsed certified check or unendorsed official cashier's or

bank check made payable directly to the "New York City Department of Finance" or other appropriate taxing authority.

14.8 I will pay any additional tax or tax deficiency in such New York City and New York State transfer taxes payable by me under paragraph "14.1". Similarly, if I obtain a mortgage loan, I will pay any additional tax or tax deficiency in the mortgage recording tax payable by me under paragraph "14.2". I will also pay any interest and penalties assessed by a taxing authority in connection with any of these additional tax or tax deficiency payments.

14.9 I will indemnify you (with attorneys selected by you) from all liabilities and expenses resulting from my agreements in paragraphs "14.1" and "14.8".

14.10 My obligations under paragraph 14.1 (*to pay the New York City and New York State transfer taxes)*, paragraph 14.2 (*to pay the commission earned by my broker other than the Participating Broker, if any*), paragraph "14.8" (*to pay all additional taxes, tax deficiencies, interest and penalties*) and paragraph "14.9" (*to indemnify you from any breach of my obligations in paragraph "14.8"*) shall survive the closing.

15. Closing and Post Closing Apportionments

15.1 At closing, you and I will apportion the following costs as of 11:59 p.m. of the preceding day:

a. real estate taxes and the then current installment of any special real estate tax assessment for the tax period within which the closing occurs;

b. common charges and the then current installment for any special assessment levied by the Condominium Board for the month in which title closes (based on the actual number of days in such month);

and

c. (if I rent the Unit now or hereafter) rent for the month in which title closes (based on the actual number of days in such month).

15.2 The net amount resulting from the apportionments in paragraph "15.1" shall be paid to the proper party at closing (and, if owed by me, is in addition to the Purchase Price).

15.3 Installments for any real estate tax assessments or for any special assessments of the Condominium Board due after the closing are not a defect in, or objection to, title and will be paid by me without a Purchase Price reduction, adjustment or credit and without any kind of recourse against you. However, the then current installment for any special real estate tax assessment or any Condominium Board special assessment will be apportioned at closing in accordance with paragraph "15.1".

15.4 All conventional practices recommended by The Real Estate Board of New York, Inc. in its "Customs in Respect to Title Closings" shall be followed for closing apportionments unless inconsistent with the express provisions of this paragraph "15".

15.5 Any errors or omissions in computing apportionments at closing shall be corrected, and payment made to the proper party, promptly after receipt of a written notice containing a calculation of the amount owed.

15.6 If I rent the Unit, I will pay you at closing any past due rent for other than the month of closing (which is to be apportioned). My failure to make such payment will not excuse my rent obligation and you may close without prejudice to your right to collect the overdue rent from me after closing. I will also reimburse you for your costs and expenses of collection. Nothing herein will excuse me from my obligation to timely pay the rent nor prevent or otherwise impair your rights and remedies against me if I default in paying the rent.

15.6A. In the event I receive subsequent to closing a refund or reduction in the Unit's real estate taxes for the fiscal tax year in which the closing is held, I will be obligated:

a. first, to pay the costs and expenses (or, if other units of the Condominium are also involved, the Unit's pro rata share of the costs and expenses) to obtain the refund or reduction (including reimbursing you for any of these costs and expenses paid by you), but under no circumstance will my payment exceed the amount of the refund or reduction;

and

b. second, the balance will be apportioned between me and you in accordance with the respective portions of the tax year that each owns the Unit.

15.7 In the event an amount owed after closing is not received by the applicable party within 10 days after giving a reasonably detailed notice thereof, then the party owed such payment will be reimbursed by the delinquent party:

a. an amount equal to 10% a year on the amount owed, pro rated for each day's delay following the end of said 10 day period to the end of the day prior to the date of full payment of the amount owed (such payment is compensation for lost opportunity of earnings on the amount owed);

and

b. all costs and expenses of collection.

15.8 Our respective obligations under paragraphs "15.5", "15.6", "15.6A", "15.7" and "15.8" shall survive the closing.

16. Document to Accompany Purchase Agreement

16.1 At the time I sign and return this Purchase Agreement, I will also properly complete, sign and deliver to you or your Selling Agent, the following:

a. Purchase Application (on the form set forth as Document 1A of the Plan)

and

b. (if I am subject to backup withholding rules) Internal Revenue Service ("IRS") form W-8 "Certificate of Foreign Status (if I am a non-resident alien or foreign entity) or form W-9 "Request for Taxpayer Identification Number and Certification" (if I am a United States citizen or resident alien).

17. Closing Payments and Documents

17.1 At closing:

a. I will pay the Balance in the amount stated in paragraph "2.2" and in the manner described in paragraphs "12.2" and "12.3";

b. I will pay my closing costs as described in paragraph "14";

c. the net closing apportionments will be paid to the appropriate party as described in paragraph "15";

d. I will sign in recordable form (in triplicate) and deliver the Unit Owner's Power of Attorney substantially in the form reproduced in the Plan;

e. we will sign in recordable form (in duplicate) and deliver the then current forms for the New York State and New York City transfer tax returns applicable to the Unit and the New York City Smoke Detecting (Alarm) Device Affidavit;

f. I will deliver the required checks in the proper amounts and to the proper payees of such State and City transfer taxes;

g. If I am obtaining mortgage financing, I will sign and deliver an appropriate affidavit for exemption from, reduction of and/or credit against the mortgage recording tax as a result of an assignment of an existing mortgage or the mortgage tax credit under Real Property Law Section 339-ee or otherwise; the foregoing notwithstanding, you may (at your option) sign in recordable form and deliver said affidavit (regardless of who signs the affidavit, I will pay you the amount of my available savings in the mortgage recording tax as provided in paragraph 14.2(a)(ii);

h. you will sign in recordable form and deliver your standard Bargain and Sale Deed ("Deed") with covenant against grantor's acts (substantially in the form reproduced in the Plan), whereby you transfer legal ownership (fee simple title) of the Unit to me;

i. you will deliver a release and UCC-3 Termination Statement or other appropriate instrument (signed in recordable form) discharging my Unit and its contents from any mortgage lien (but not from the lien of any mortgage loan that I obtain);

j. you will deliver an affidavit, signed in recordable form, stating that my Unit is not a "multiple dwelling" as defined in applicable laws;

k. you will deliver to me your signed certification of non-foreign status as required by the applicable provisions of the federal income tax code and regulations, or (if you are a foreign person) such other documents as are appropriate showing compliance with these tax provisions;

l. you will deliver to me a certificate from the Condominium Board's insurer of the Property showing me as an additional insured party under the Condominium Board's master policy and (if I am obtaining a mortgage loan) you will also deliver to my mortgage lender a similar certificate showing it as an additional insured party;

m. (if I rent the Unit now or hereafter) you will instruct the depository to return to me any unapplied rent security that I might have deposited with you together with any interest (I will allow 30 days to receive this payment);

n. you will deliver to me a statement by the Condominium Board or its managing agent as to the status of payment of common charges and any special assessments for the Unit (such statement will be sufficient for apportioning these items under paragraph "15.1" and paragraph "15.3");

and

o. you will deliver to me all keys to the Unit's doors and any mail box or (at your option) to the Building's resident engineer for delivery to me.

17.2 The following documents and checks described in paragraph 17.1 shall be delivered to my title insurance company (or, if none, to your attorney for forwarding to the Title Insurance Company) for recording or submission to the New York City Register's Office in the County in which the Building is located: Unit Owner's Power of Attorney, New York State and New York City transfer tax returns and checks, New York City Smoke Detector Affidavit, Deed, mortgage lien release and multiple dwelling affidavit. After being recorded:

a. one of the three originals of the Unit Owner's Power of Attorney shall be returned to the Condominium Board and the other two originals shall be return to you;

and

b. the Deed and the mortgage lien release (if any) shall be returned to me.

17.3 Your covenant in the Deed is for my personal benefit and will not inure to the benefit of my successors or subrogees (including my title insurance company). I must first look to my title insurance company before seeking recourse against you for recovery on any claim based upon a breach of such covenant. This provision shall survive the closing.

17.4 My payment of the Balance and acceptance of the Deed shall constitute my recognition that you have satisfactorily performed those obligations stated in the Plan and Amendments and this Purchase Agreement to be performed by you prior to closing. This, however, shall not excuse you from performing those obligations (if any) expressly stated in the Plan and amendments and this Purchase Agreement to be performed subsequent to the closing, nor reduce or otherwise abridge any of my rights under Article 23-A of the General Business Law, the Plan, Amendments or Part 20 of the Regulations issued by the Department of Law.

17.5 The exact name I use for signing on the first page of this Purchase Agreement shall be used in the closing documents described in this paragraph "17" (including in the Unit Owner's Power of Attorney, the State and City transfer tax returns and the Deed).

18. Intentionally Omitted

19. State of Title

19.1 I will acquire title to the Unit subject only to the encumbrances ("Permitted Encumbrances") listed in EXHIBIT A to, and forming a part of, this Purchase Agreement. The Deed shall be considered to be subject to the Permitted Encumbrances, even though they are not repeated or referred to in the Deed.

19.2 Any lien, encumbrance or title condition not included in the Permitted Encumbrances shall not be an objection to title, and you are not obligated to cause my title company to omit it from my title insurance policy, if:

a. at or prior to the closing, the instrument requirement to remove it "of record" has been delivered to the Title Insurance Company for recording in the proper office, together with the requisite recording or filing fees, and a copy of said instrument is delivered to the representative of my title insurance company or my attorney (or, if none, to such other person as I direct) at the closing;

or

b. if the item in question is a lien, the Title Insurance Company is willing to insure me (at my expense, but at its regular rate and without additional premium) against collection or enforcement out of the Unit;

or

c. if the item in question is a violation, an architect or engineer designated by you certifies in writing to me that the condition causing the violation has been corrected and you agree in writing to me to diligently use reasonable efforts to cause the violation to be removed of record (such agreement shall survive the closing).

19.3 At least 10 days prior to the Closing Date, your attorneys, Mandel Resnik & Kaiser P.C. at 220 East 42nd Street, New York, New York 10017, Attn: Barry H. Mandel, Esq., or any other attorney designated by you in a notice to me, will receive from me or my attorney written notice of any and all title objections. If I elect to obtain title insurance, then a copy of the title report and every continuation thereof issued by my title company will suffice. In such event, the title report also must be received by your attorneys at least 10 days prior to the Closing Date and each continuation must be sent within two 2 business days after being received by me or my attorney.

19.4 If you are required to adjourn the closing to remove a title objection, I will be at fault for such adjournment if I fail to timely comply with paragraph "19.3" and the objectionable title condition existed at the time I am required to send the title objection notice. However, I will not be at fault if I timely send you a title report and every continuation in accordance with paragraph "19.3" and the objectionable title condition arises after such title report and any continuation are issued.

19.5 In the event I am at fault for the adjournment of the closing, I will pay you and (if applicable) Mandel Resnik & Kaiser P.C. (or other applicable attorney designated by you) the amounts stated or calculated in paragraph "14.3".

19.6 I am not required to obtain title insurance. However, if I choose to, I will pay the title insurance premium. I have the right to obtain title insurance from the Title Insurance Company or from any other title company I prefer.

NOTE: Because the Title Insurance Company is already familiar with title to the Property, any title issues might be more easily resolved by obtaining title insurance from the Title Insurance Company. Please note that if you opt to obtain title insurance from another company, I will pay your attorney a fee of $250.00.

20. Personal Property Included in Sale

20.1 This sale includes the following "Personal Property" to the extent owned by you and existing in the Unit on the date of this Purchase Agreement: kitchen appliances (including a refrigerator-freezer, range and oven, kitchen and bathroom cabinets and countertops, lighting fixtures, plumbing fixtures (including sinks, bathtub(s), toilet(s), window treatments (including shades), switch plates and door hardware.

20.2 No portion of the Purchase Price is attributable to the Personal Property, which will be transferred to me without consideration at the closing. If the closing does not occur, I will not have any right or interest in, and may not acquire or purchase, the Personal Property.

20.3 The Unit will be purchased by me without any furniture, furnishings or decorations, and without any obligation by you to make any alterations, additions or improvements. I acknowledge and agree that this sale does not include any furniture, furnishings, decorations (including wall and floor coverings and finishes, and window treatments) belongings and household items of any tenant or occupant of the Unit or that are in or about any model unit (which are for display and promotional purposes only).

21. Unit and Contents Sold "As Is"

21.1 I will purchase the Unit and acquire all Personal Property included in this sale in their "as is" condition on the date

of this Purchase Agreement.

21.2 I will also purchase and acquire the Unit and such Personal Property, without a Purchase Price reduction, adjustment or credit and without any kind of recourse against you or provision for escrow, in the event the condition of the Unit or such Personal Property at closing is not as good as now due to reasonable wear and tear or natural deterioration.

21.3 You are not required to make any repairs, alterations or changes to the Unit. You also are not obligated to alter, change or improve the Unit or its contents nor provide any type of extra unless we sign and attach a separate rider to this Purchase Agreement stating your undertaking and who is to pay for the work.

22. Inspection of Unit by Purchaser

22.1 I and my representatives (including my architect, engineer, decorator and appraiser) will have the right to inspect the Unit a reasonable number of times, on reasonable advance written or oral notice and at reasonable hours on business days, including within 48 hours prior to closing. In such event, I will not be entitled to delay or adjourn the closing to make an inspection so long as I am given reasonable access to the Unit within 48 hours prior to closing to ascertain the condition of the Unit and its contents.

22.2 My right to inspect does NOT entitle me to (and I shall not):

a. probe, penetrate or disturb the surfaces of the Unit's walls, floors or ceilings;

or

b. make any alterations or changes to the Unit;

or

c. store my furniture or other belongings in the Unit prior to closing.

23. Risk of Loss

23.1 In all cases where I am not required to assume the risk of loss or damage to the Unit or its contents prior to closing under the following paragraph "23.2", the following shall apply:

a. you assume all risk of loss or damage to the Unit and its Personal Property;

b. you have the option (but not the obligation) to make, or to allow the Condominium Board to make, all needed repairs or to cancel this Purchase Agreement;

c. if you elect to do, or to permit the Condominium Board to do, the repairs, you are entitled to a reasonable period of time for the repairs to be completed;

d. I will not be required to close title until:

(i) all repairs to the Unit and its Personal Property are substantially completed;

(ii) the Unit and its Personal Property are in the condition required under this Purchase Agreement;

and

(iii) the Unit has all essential Building services (such as gas, electricity and heat) and a reasonable means of access to and from the street;

e. when the requirements in the preceding clause "d" are met, I will close title and pay the full amount of my closing payments under paragraph "17", including the Balance of the Purchase Price, without reduction, adjustment or credit or provision for escrow or any kind of recourse against you;

f. all monies payable on account of the loss or damage, whether resulting from insurance or settlement of a Claim, shall belong to you and, if received by me, will be promptly endorsed and turned over to you (my obligation to make such payment to you will survive the closing);

g. I will assume that you have elected to do, or to allow the Condominium Board to do, the repairs until you send me a written notice stating otherwise;

and

h. in the event you send me a written notice of your election to cancel this Purchase Agreement, you will refund the Purchase Monies with any interest to me.

23.2 I will assume all risks of loss or damage to the Unit and its Personal Property prior to closing if:

a. I am in possession of the Unit or am given possession of the Unit under an interim lease or other occupancy agreement; and the casualty or other cause of loss or damage originates in the Unit and is not due to your fault or that of your contractors, agents or employees;

or

b. the loss or damage is due to my fault or that of my contractors, agents or employees.

23.3 If I am required to assume the risk of loss or damage in accordance with paragraph 22.2, the following shall apply:

a. I alone will be obligated to make and pay for all repairs;

b. I will not be entitled to delay the closing to make repairs;

c. I will close on the date to be fixed by you in accordance with paragraph "13.1" or any adjourned date fixed by you in accordance with paragraph "13.2";

and

d. at closing, I will pay the full amount of all my closing payments under paragraph "17", including the Balance of the Purchase Price, without reduction, adjustment or credit or provision for escrow or any kind of recourse against you, and regardless of the condition of the Unit and its Personal Property.

24. Purchaser's Events of Default; Seller's Remedies

24.1 I will be in default upon the occurrence of any of the following "Events of Default" (individually, "Event of Default" or "default"):

a. my failure to properly pay the full amount of the Balance on the Closing Date in accordance with paragraphs "2.2", "12.2" and "12.3";

b. my failure to pay any of my closing costs as required in paragraph 14;

c. my failure to pay the net closing apportionments, if in your favor, as required in paragraph "15";

d. my failure to deliver any of the documents (properly completed and signed in recordable form, where required) in accordance with paragraph "17.1", including:

(i) the Unit Owner's Power of Attorney;

(ii) the New York Real Estate Transfer Tax Form TP-584;

(iii) the New York City Real Property Transfer Tax Return;

and

(iv) the New York City Smoke Detecting (Alarm) Device Affidavit;

e. the dishonor or failure of collection of my check or instrument in payment of the Downpayment or any other sum paid by me under this Purchase Agreement;

f. if I rent the Unit now or hereafter and default in paying the rent or any other lease or tenancy obligation, such default shall become a default under this Agreement if a final judgment or order is issued granting you possession of the Unit by a court or other governmental authority of competent jurisdiction or I vacate or abandon the Unit (in such case, I will not have any further grace period to cure such default);

or

g. my failure to pay, perform or observe any of my other obligations in this Purchase Agreement or any other Purchase Agreement between us for another Unit of the Condominium, or any of my representations this Purchase Agreement or such other Purchase Agreement shall not be truthful or correct (I intend and agree that: my default under this Purchase Agreement or such other Purchase

Agreement shall be a default under both Purchase Agreements; and I will have only the one grace period (if any) to cure the default as set forth in the applicable Purchase Agreement for which I am initially in default).

24.2 Upon the occurrence of an Event of Default, you will have the right (in your sole discretion):

a. to cancel this Purchase Agreement and retain, as liquidated damages, all Purchase Monies, with any interest, and (to the extent applicable) recover the costs and expenses of all "Unit Changes" (defined below) and not paid from any special work payment given by me to you; however, there will be no limit on your remedies for a breach of my representation in paragraph 33.1 ("Broker");

or

b. (in case of my default under paragraph "24.1(e)") to cancel this Purchase Agreement and, at your sole option, either: return to me the dishonored or uncollected check or instrument (in which case I will have no grace period to cure the default); or sue me on such failed or uncollected check or instrument and retain as liquidated damages all sums as may be collected and/or recovered together with the costs and expenses of collection thereof (in which case I will have a grace period of 3 business days only from the giving of notice of such default within which you or Escrowee must receive my unendorsed good, collectible certified personal check or unendorsed official cashier's or bank check in the required amount and drawn and payable as provided in paragraph "12.3";

or

c. (in the case of a default NOT involving the payment of the Balance of the Purchase Price) to proceed with the closing without prejudicing or impairing your right to recover from me all costs and expenses to which you are entitled by reason of my default, together with your Costs and Expenses of collection thereof; however, if I fail or refuse to close, this provision shall NOT permit you to compel me to specifically perform my obligation to pay the Balance of the Purchase Price.

You will send me written notice of the remedy you select. The term "Unit Changes" include both changes to the Unit requested by me and work to restore the Unit to its condition before undertaking such changes.

24.3 If you select the remedy in paragraph "24.2a" (*to cancel and retain the Purchase Monies*), I will have 30 days from the sending of your cancellation notice to cure the specified default. TIME IS OF THE ESSENCE for me to cure the default within such 30 day period. If I fail to timely do so, I will lose all Purchase Monies and any interest thereon and (if applicable) said costs and expenses of Unit Changes (which is the limit on the amount you may recover and will be regarded as full settlement of all potential costs and expenses occasioned by my default). I agree that your actual damages would be impossible to ascertain and that your retention of the Purchase Monies and any interest thereon and (if applicable) said costs and expenses of Unit Changes would be fair and reasonable compensation to you under the circumstances.

24.4 In the case of a dishonored or uncollected check or instrument, I will have no grace period to cure the default (if you return the dishonored or uncollected check or instrument to me) or the said 3 business days' grace period (if you sue on such dishonored or uncollected instrument), as applicable and as provided in paragraph "24.2(b)".

24.5 If you select the remedy in subparagraph "24.2(c)" (*to proceed with the closing without prejudice to your rights to recover lawful amounts from me due to my default*), I also will be obligated to reimburse you for your costs and expenses of collection.

24.6 The provisions of paragraphs "24.2" through "24.5" shall survive the closing.

25. Purchaser's Remedies on Seller's Default or Inability to Perform

25.1 If you default in paying, performing or complying with any of your agreements, obligations, representations or conditions in this Purchase Agreement, whether at or prior to closing, I shall give you written notice of the default.

25.2 You shall be allowed a grace period to cure the default. The grace period shall start from your receipt of the default notice and shall run for 30 days thereafter or (if the default is not reasonably capable of being cured within 30 days) such longer period as is reasonable to cure the default, but in no event more than 90 days.

25.3 If you fail to cure the default within the grace period, my only legal and equitable rights and remedies shall be to require you to specifically perform your obligations (other than those you are unable in good faith to perform and subject to paragraph "25.5") or to cancel this Purchase Agreement and recover all my Purchase Monies and any interest.

25.4 In the event I elect to cancel, the Purchase Monies and any interest will be refunded to me within 30 days after you and Escrowee (defined in paragraph "27.2") receive my cancellation notice. I shall in no event have legal recourse of any kind whatsoever against you for any costs and expenses beyond the recovery of the Purchase Monies and any interest by reason of your uncured default or good faith inability to perform. Upon the refund of the Purchase Monies and any interest, we shall have no further liability or obligation to each other under this Purchase Agreement, the Plan or amendments, except that we shall remain liable for those indemnities, obligations and liabilities expressly stated to survive the cancellation or termination of this Purchase Agreement.

25.5 You are not required to bring a lawsuit or spend any sum in excess of 0.5% of the Purchase Price to remove a title objection involving only the Unit. However, this will not excuse you from a willful default for intentionally causing a title objection to frustrate this sale in bad faith, nor excuse you from obtaining a release of lien from any mortgage on the Unit (other than a mortgage I obtain to purchase the Unit).

25.6 If at closing you shall be unable in good faith to perform your obligations or satisfy any condition applicable to you in accordance with this Purchase Agreement or title to the Unit shall not be in accordance with this Purchase Agreement, my sole right and remedy shall be either:

a. to fully pay, perform and comply with my agreements and obligations under this Purchase Agreement and to accept such title to the Unit as you are able to convey, without any kind of Purchase Price reduction, adjustment or credit or provision for escrow or recourse against you;

or

b. to cancel this Purchase Agreement and recover the Purchase Monies with any interest, which is the limit on the amount I may recover, regardless of any Costs and Expenses I may have (except we shall remain liable for those indemnities, obligations and liabilities expressly stated to survive the cancellation or termination of this Purchase Agreement).

25.7 I shall elect either of such right and remedy in the preceding paragraph "25.6" in writing given at closing or sooner. If I fail to close as provided in paragraph "25.6(a)", then I shall be deemed to conclusively have elected to cancel this Purchase Agreement as provided in paragraph "25.6(b)".

25.8 You will be excused from performing your agreements and obligations during any period when you are prevented from performing them due to force majeure, such as: fire, explosion, storm, power failure, strikes, material shortages or any other events or circumstances (whether or not similar to these) beyond your reasonable control. Your time to perform such agreements and obligations will be extended for a period equal in length to the period during which your performance is excused.

26. Claims Released On Cancellation and Disbursement of Purchase Monies

26.1 Upon the cancellation of this Purchase Agreement and payment of the Purchase Monies and interest to the proper party pursuant to the provision of this Purchase Agreement and (if applicable) the payment to you for Unit Changes, our rights, obligations and liabilities, under this Purchase Agreement, the Plan and amendments shall end and be void, and all liabilities and expenses of each party and your employees and agents hereunder shall be released and discharged, except that we shall remain liable for, and not be released or discharged from, those indemnities, obligations or liabilities expressly stated to survive the cancellation of this Purchase Agreement.

27. Purchase Monies Held in Escrow

27.1 You agree to comply with the escrow and trust fund provisions of General Business Law Sections 352-e(2-b) and

352-h and Lien Law Section 71-a(3) of the State of New York and Part 20 of the regulations issued by the Attorney General, and all funds paid by me will be handled in accordance with these statutes and regulations. Any purported waiver of the escrow and trust fund provisions of the Attorney General's regulations is void. The escrow and trust fund provisions of the Attorney General's regulations shall prevail over any conflicting or inconsistent provisions in the Plan or this Purchase Agreement.

27.2 All Purchase Monies paid by me prior to closing on account of the Purchase Price will be deposited into a segregated subaccount of an attorney's master escrow account ("escrow account") of Mandel Resnik & Kaiser P.C. ("Escrowee") maintained at (the Depository, Citibank, N.A., at its branch office located at 120 Broadway, New York, New York.

27.3 The escrow account number is _____ and the name of the escrow account is "Mandel Resnik & Kaiser P.C. as Escrowee".

27.4 The partners of Mandel Resnik & Kaiser P.C. are the sole signatories authorized to withdraw monies from the escrow account.

27.5 The escrow account will bear interest at a fluctuating rate fixed from time to time by the Depository for its regular customers of "day of deposit to day of withdrawal" accounts. The escrow account is not an Interest on Lawyers Account established pursuant to Judiciary Law Section 497.

27.6 No interest will be earned until the Downpayment check is deposited with and collected by the Depository. Interest will not be earned after a withdrawal is made from the escrow account in anticipation of the closing. Such withdrawal might result in the loss of interest for up to one full month.

27.7 All Purchase Monies received from me prior to closing on account of the Purchase Price, whether in the form of checks, drafts, money orders, wire transfers or other instruments which identify the payor, shall be deposited into a separate subaccount of the escrow account. All instruments to be deposited into the escrow account shall be made payable to the Escrowee as provided in paragraph "12.3(a)". Any instrument payable other than as required in paragraph "12.3(a)", and which cannot be deposited into the escrow account, shall be returned to me promptly, but in no event more than 5 business days following receipt of such instrument by the Escrowee. In the event of such return, the instrument shall be regarded not to have been delivered to Escrowee in violation of the provisions of this Purchase Agreement. The foregoing does not apply to an instrument which is dishonored or fails of collection. The Escrowee is authorized to deliver to you the dishonored or uncollected instrument and you will have your choice of the remedies set forth in paragraph "24.2" (which includes suing on such dishonored or uncollected instrument or (at your option) canceling this Purchase Agreement and returning the instrument to me without affording me a grace period to cure such default).

27.8 I will sign and hand deliver this Purchase Agreement together with the other purchase documents listed in paragraph "16.1" and the check for the Downpayment to you or your Selling Agent as directed by you. Within 5 business days after this Purchase Agreement is fully signed by you and me, the check for the Downpayment will be deposited into the escrow account. In the event you do not sign this Purchase Agreement within 10 business days after this Purchase Agreement and the Downpayment check are hand delivered to you or your Selling Agent as provided in this paragraph "27.8", then the Downpayment check will be deposited in the escrow account without prejudice to your right to reject this Purchase Agreement as provided in paragraph "31.5".

27.9 After Escrowee receives the check for my Downpayment and IRS Form W-8 or W-9 (as applicable), Escrowee is to send me by ordinary mail written notice ("Deposit Notice") of the deposit of the Downpayment check for collection in the escrow account at the Depository. The Deposit Notice will also state the individual account number for my Downpayment and the initial interest rate in effect on or about the date of deposit. If the requisite IRS form W-8 or W-9 does not accompany the Downpayment check, then such check will be deposited in a non-interest bearing IOLA escrow account of Escrowee at the Depository pending receipt thereof.

27.10 The Deposit Notice is to be sent to me within 10 business days after I tender (defined below) the Downpayment check with this Purchase Agreement. The term "tender" means the date delivered by hand or 5 days after being sent by mail. The Downpayment check will be delivered to Escrowee promptly after receipt by you or your Selling Agent in order that the Deposit Notice may timely be sent to me.

27.11 If I do not receive the Deposit Notice within 15 business days after I tender the Downpayment check in accordance with paragraph "27.8", my sole remedy will be either (at my option):

a. to cancel this Purchase Agreement and recover my Purchase Monies with any interest;

or

b. to apply to the Attorney General for relief.

I must elect to cancel in writing sent to you within 90 days after I tender the Downpayment check, but in no event later than the closing. I will be regarded as having conclusively waived my right to cancel in the event I do not send the cancellation notice in such period (*"TIME BEING OF THE ESSENCE"*). I understand and agree that I will not have the right to cancel this Purchase Agreement or recover the Purchase Monies and any interest where proof satisfactory to the Attorney General is submitted establishing that the Downpayment check was timely deposited and the Deposit Notice was timely mailed to me in accordance with the Attorney General's regulations.

27.12 Escrowee will hold and disburse the monies deposited into the escrow account and collected by the Depository ("Escrow Fund") together with the interest thereon in accordance with these escrow provisions and those in the Escrow Agreement ("Escrow Agreement") between you and Escrowee (which Escrow Agreement is referred to in the Plan) as well as the applicable regulations of the Attorney General pertaining to the release of escrowed funds. The Escrow Fund is regarded as my property until disbursed in accordance with the escrow provisions of this Agreement and the Escrow Agreement and the escrow and trust fund regulations of the Attorney General. The Escrow Fund is not regarded as your or Escrowee's property and shall not be part of the estate of you or Escrowee upon any death, dissolution, bankruptcy or incapacity).

27.13 At closing, Escrowee is hereby authorized and directed to pay the Escrow Fund to you and to instruct the Depository to pay the interest to me. I will allow 30 days to receive the interest.

27.14 If I timely elect to cancel this Purchase Agreement in accordance with my rights (if any) under this Agreement or an Amendment to the Plan granting me a right to cancel, Escrowee will release the Escrow Fund and any interest to me and you will not object to such release.

27.15 If the closing does not occur and you demand that the Escrow Fund and any interest be paid to you based upon my uncured default or otherwise, the following will apply:

a. Escrowee will give me not fewer than 10 business days' written notice of your demand for payment of the Escrow Fund and any interest;

b. at the expiration of such 10 business days, Escrowee will pay the Escrow Fund and any interest to you unless prior to making the payment:

(i) Escrowee receives written notice from me that I have made application ("Dispute Resolution Application" or "Application") to the Attorney General pursuant to the dispute resolution provisions contained in the Attorney General's regulations;

or

(ii) Escrowee is served with a judgment or order ("Restraining Order") of a court of competent jurisdiction restraining Escrowee from making such payment;

c. Escrowee will continue to hold the Escrow Fund and interest for as long as required by any interim directive issued by the Attorney General or a Restraining Order (whichever is applicable);

d. if the Attorney General denies the Dispute Resolution Application or the Restraining Order is vacated (as applicable), Escrowee will pay the Escrow Fund and any interest to you;

and

e. if the Attorney General grants the Dispute Resolution

Application or the Restraining Order is not vacated (as applicable), Escrowee will pay the Escrow Fund and any interest in accordance with:

(i) (in the case of a Dispute Resolution Application) a determination of the Attorney General served on Escrowee;

or

(ii) (in the case of a Restraining Order) a judgment or order of a court of competent jurisdiction served on Escrowee.

27.16 In the event of a dispute, the following will apply:

a. you must, and I or the Escrowee may, submit a Dispute Resolution Application to the Attorney General for a determination on the disposition of the Escrow Fund and any interest (a form for this purpose is available from the Department of Law);

b. the party making the Dispute Resolution Application shall contemporaneously send to all other parties a copy of such Application;

c. you shall not initiate a lawsuit to resolve the dispute unless you submit a Dispute Resolution Application to the Attorney General and the Application is denied (however, this does not preclude you from bringing an appropriate lawsuit to review and overturn an unfavorable determination by the Attorney General);

d. instead of applying to the Attorney General:

(i) I may initiate a lawsuit to resolve the dispute;

or

(ii) the Escrowee will have the right of a stakeholder either to continue to hold the Escrow Fund and interest or to deposit them or the disputed portion into court as permitted by law;

e. pending the determination of the Attorney General to grant or deny the Application, you, I and the Escrowee will abide by any interim directive issued by the Attorney General;

f. if the Application permitting release of funds is granted, the Escrow Fund and any interest will be disposed of in accordance with the determination of the Attorney General, subject to any court action in which preliminary relief is granted;

g. if the Application is denied, Escrowee will either deposit the Escrow Fund and interest (or the disputed amount) into court as permitted by law or continue to hold and disburse them in accordance with:

(i) a written direction signed by both you and me; or

(ii) a judgment or order of a court of competent jurisdiction served on Escrowee;

h. in no event will Escrowee release the Escrow Fund or interest in dispute unless paid into court or until the dispute is finally resolved either by written agreement signed by you and me, or a determination of the Attorney General or a judgment or order of a court of competent jurisdiction;

and

i. in the event Escrowee is uncertain as to Escrowee's duties or doubts the genuineness of any document or signature, Escrowee may refrain from taking any action and continue to hold the Escrow Fund and interest until the uncertainty or genuineness is resolved or deposit them (or the amount in question) in court.

27.17 Escrowee shall maintain and make available to the Attorney General all records concerning the escrow account pursuant to the terms of the Escrow Agreement.

27.18 You and your agents, including your Selling Agent, shall immediately deliver to Escrowee all deposits and payments received from me by you or your agents prior to closing on account of the Purchase Price.

27.19 You shall not interfere with Escrowee's performance of Escrowee's fiduciary duties and compliance with the Attorney General's regulations.

27.20 You will have the right to terminate the duties of the Escrowee on written notice to Escrowee and Escrowee will have the right to resign on written notice to you. In either case, you will have the exclusive right to designate a new escrow agent to replace Escrowee. Such termination or resignation will not take effect, and Escrowee will continue to be bound by these escrow provisions, until an amendment to the Plan is filed disclosing a successor escrow agent. Upon the filing of such amendment, Escrowee will deliver to the new escrow agent the Escrow Fund and any interest, together with all agreements and documents maintained by Escrowee relating to the escrow account.

27.21 These escrow provisions will be binding upon the new escrow agent with regard to events occurring on and after the date the appointment of the new escrow agent takes effect.

27.22 Escrowee, you and Selling Agent will not be liable for the amount of interest earned or collected on the Escrow Fund or for any losses resulting from the failure of the Depository. The Escrow Fund will be maintained in an account insured by the Federal Deposit Insurance Corporation for the maximum amount insured by applicable federal law.

27.23 Escrowee may represent you in any Lawsuit, whether or not related to this transaction and irrespective of Escrowee being in possession of the Escrow Fund.

27.24 You will compensate Escrowee for acting as such. You shall also be responsible for all administration costs for the escrow account.

27.25 Upon the deposit of the Escrow Fund into Escrowee's escrow account at the Depository, Escrowee is considered to have accepted and agreed to be bound by, and may rely upon and is to benefit from, these escrow provisions.

27.26 I understand and agree that:

a. you are required by the Attorney General's regulations to deposit the Downpayment check within the 10 business day period stated in paragraph "27.8";

and

b. such deposit of the Downpayment check shall not constitute, nor be construed to constitute, your acceptance of this Purchase Agreement nor prejudice your right to reject this Purchase Agreement.

28. Plan and Amendments are Binding; Plan Effectiveness Requirement

28.1 The Plan and amendments to the Plan (whether filed before or after the date of this Purchase Agreement, but before closing) form a part of this Purchase Agreement. We are bound by the provisions of the Plan and all such amendments. Any inconsistency or conflict between the Plan and such amendments and this Purchase Agreement shall be resolved according to the terms of the Plan and such amendments.

28.2 You have the right to file amendments to the Plan without my consent. The amendments may change, among other things, the amount of the projected common charges and the projected real estate taxes to be paid by me, or any of the other provisions of the Plan or this Purchase Agreement (except that after I sign and return this Purchase Agreement, you may not change the Purchase Price or the payment provisions in paragraphs "2.1" and "2.2" or the Mortgage Financing Contingency in paragraph "6"). The Plan and all Amendments filed prior to closing, including all material adverse changes:

a. will be binding on me;

and

b. will not excuse me from paying the full amount of all closing payments under paragraph "17", including the Balance of the Purchase Price, without any kind of reduction, adjustment or credit or provision for escrow or recourse against you (except as otherwise provided in paragraph "28.3").

28.3 In the case only of a material adverse amendment affecting me as provided in Part 20 of the Regulations issued by the Department of Law, the Amendment will afford me the right to rescind this Purchase Agreement and recover the Purchase Monies with any interest. If I am allowed to rent the Unit under an interim lease, my election to cancel will result in the automatic cancellation of my interim lease, effective 90 days thereafter. At such time, I and my family and all occupants shall vacate the

Unit. My Purchase Monies will be refunded to me when the Unit is vacated and unoccupied, free and clear of all tenancies, occupancies and rights or claims to possession.

28.4 In accordance with the Plan:

a. your obligations under this Purchase Agreement are contingent upon your declaring the Plan effective and the filing of the Effectiveness Amendment by the Department of Law;

b. you may declare the Plan effective only in accordance with the terms contained in the Plan in "Section O. Effective Date";

c. you have the exclusive right and discretion to declare the Plan effective or to abandon the Plan and until you make this election, I am irrevocably bound by this Agreement and may not cancel it by reason of this contingency;

d. you may abandon the Plan at any time before declaring it effective; and if you exercise your election and declare the Plan effective, you may thereafter and before the First Closing abandon the Plan in the limited circumstances explained in the Plan in said "Section O. Effective Date";

e. if you elect to abandon the Plan or the Plan is deemed abandoned because you do not declare it effective within the required 15 month period stated in said "Section O" of the Plan, this Purchase Agreement will be cancelled automatically and my Purchase Monies will be refunded to me together with any earned interest;

f. upon making such refund, neither of us shall have any obligation or liability to the other for any claims or costs and expenses based on this Purchase Agreement or the Plan or any amendments, except we shall not be released from those indemnities, liabilities and obligations expressly stated to survive a termination or cancellation of this Agreement;

and

g. unless and until the Plan is abandoned by you or deemed abandoned, I will remain fully bound to pay and perform all of my agreements and obligations as provided in this Purchase Agreement.

29. Purchaser's Time to Review Plan and Amendments

29.1 At your option:

a. I will be given at least 3 business days to review Plan and any amendments before I sign and deliver this Purchase Agreement and the check for the Downpayment;

or

b. (only if I am given less than 3 business days for such review) I will have 7 days after I sign and deliver this Purchase Agreement and the check for the Downpayment to rescind this Purchase Agreement and recover my Purchase Monies without interest.

In the latter case, I must elect to rescind in a written notice sent to you within the mentioned 7 day period ("***TIME BEING OF THE ESSENCE***"). If I fail to timely do so, I will no longer have the right to rescind under this paragraph "29.1" and will be fully bound to purchase the Unit.

30. Prices and Other Terms are Negotiable

30.1I understand that you have the right to negotiate prices and other purchase terms with purchasers of Units on an individual basis. Accordingly, I am free to negotiate for a lower purchase price and more favorable purchase terms than those offered in the Plan and any amendments. However, you are not obligated to sell the Unit at any price or terms better than those stated in the Plan or any amendment.

30.2In all other cases, in the event you offer or contract to sell other Units for substantially lower prices or better terms, whether before or after I sign this Purchase Agreement:

a. I will not benefit from any of these more beneficial prices or terms;

b. I will not have the right to cancel this Purchase Agreement;

and

c. I will not be entitled to a Purchase Price reduction, adjustment or credit and will not have any kind of recourse against you.

As a result, I understand that I might purchase the Unit on substantially less favorable terms (including price) than existing or future purchasers.

30.3 The following lists some of the typical terms that purchasers generally negotiate: the purchase price; the amount of the downpayment; the right to cancel the Purchase Agreement and recover the downpayment if a purchaser is unable to obtain financing or close by the a specified date; the closing date and the minimum period required to fix a new closing date following an adjournment; free upgraded appliances, fixtures or equipment; free alterations, additions or other improvements to the Unit; waiver of closing costs and/or penalties for closing late; longer time periods to pay or perform obligations under the Purchase Agreement; elimination of "time of the essence" provisions; improved Seller financing (which must be disclosed in an amendment) or paying purchaser's lender to buy down the interest rate; price or common charge rebates or a buy-back (which must be secured by a letter of credit or other security); Seller paying or guaranteeing common charges and/or real estate taxes for a given period (which also must be secured by a letter of credit or other security in the case of an undertaking to make these payments); allowances or credits against the purchase price for decorations or rent paid under an interim lease for the unit or otherwise; rent abatements or reductions under an interim lease for the unit; consent to harboring pets or combining two units or incorporating an adjacent hallway in the unit or installing air conditioning units, a washer-dryer, a whirlpool bathtub or other appliances or fixtures; and giving a purchaser the benefit of any more favorable terms offered or given to another purchaser. I am not limited to this list and have the right to negotiate for anything that meets my needs or desires.

30.4 Nothing in this paragraph 29 will excuse you from complying with the requirements of Article 23-A of the General Business Law or Part 20 of the regulations issued by the Department of Law. In addition, you are not permitted to modify this Purchase Agreement to waive your obligations or representations in the Plan or to reduce or abridge any rights I may have under said Article 23-A.

31. Seller's Acceptance or Rejection of Purchase Agreement

31.1 You have the absolute discretion to accept or reject (without cause or explanation) this Purchase Agreement, but are not permitted to reject it based on my race, color, national origin, ancestry, sex, age, disability, marital status or other unlawful reason.

31.2 You are not bound by this Purchase Agreement until you or your duly authorized agent signs and returns a duplicate original of this Purchase Agreement to me. No inference shall be drawn that you accepted this Purchase Agreement or are bound by its provisions based on:

a. the submission of the Plan or Purchase Agreement to me;

b. the delivery to you or your Selling Agent or broker of my signed Purchase Agreement and check for the Downpayment;

or

c. the deposit of my Downpayment check for collection (whether or not inadvertent).

31.3 Until you reject or are deemed to have rejected this Purchase Agreement as provided in paragraph "31.4", I am irrevocably bound by its provisions and will not be entitled or permitted to recover my Downpayment.

31.4 You will be deemed to have rejected this Purchase Agreement unless, within 30 days after my signed Purchase Agreement, Downpayment check and purchase documents set forth in paragraph "16" are received by you or your Selling Agent, you send to me a duplicate original of this Purchase Agreement signed by you or your duly authorized agent. In the event you reject or are deemed to have rejected this Purchase Agreement, my Purchase Monies will be promptly refunded to me, without interest. Upon making such refund, neither party shall have any obligation or liability to the other based on this Purchase Agreement or the Plan or any Amendments.

31.5 I understand that you are required by regulation of the Attorney General to deposit my Downpayment check within the 10 business day period stated in paragraph "27.8", which may be before the lapse of the 30 days you have to accept or reject

this Purchase Agreement in paragraph "31.4". I agree that such deposit of the Downpayment check will NOT be regarded as your acceptance of this Purchase Agreement nor prejudice or impair your right to reject this Purchase Agreement as provided in this paragraph "31" and paragraph "27.8".

32. Restriction on Assignment By Purchaser

32.1 I may not assign this Purchase Agreement or my rights under it before the Effectiveness Amendment is filed by the Attorney General. Thereafter, my right to assign this Purchase Agreement (if any) shall be governed strictly by, and on the terms and conditions stated in, the Plan in Section N, subsection "N-2. After Effectiveness".

32.2 Except as provided in said "Section N" of the Plan, you are not obligated to consent to my assigning this Purchase Agreement and, if you refuse to consent, I will not be excused from my obligations under this Purchase Agreement and will have no recourse of any kind against you. Any purported assignment by me in violation of this provision will be null and void, as well as an "Event of Default" under paragraph "24.1".

33. Broker

33.1 I represent to you that I have not dealt with any broker or finder, whether licensed or unlicensed, in connection with this purchase other than your Selling Agent or its salespersons and the Participating Broker (if any) and its sales person identified in paragraph "8.1".

33.2 You will pay the commission earned by your Selling Agent and the Participating Broker (if any) pursuant to your separate agreement with each of them. This obligation will survive the closing. Your Selling Agent and the Participating Broker (if any) shall not be deemed a third-party beneficiary of this provision.

33.3 Each of us agrees to indemnify the other (with attorneys selected by you) from any and all liabilities and expenses arising from:

a. (in my case) my representation in paragraph "33.1";

or

b. (in your case) your agreement in paragraph "33.2".

This indemnity shall survive the closing or (if the closing does not occur) the cancellation or termination of this Purchase Agreement.

34. Notices

34.1 Unless otherwise expressly provided elsewhere in this Purchase Agreement, any notice (other than a Deposit Notice in paragraph "27.9"), request, consent, election, demand or other communication (collectively, "notice") to be given or made by the parties or Escrowee under this Purchase Agreement must be in writing and either:

a. delivered by hand, telecopier (with electronic confirmation of transmission followed by regular mail confirmation given within 1 business day thereafter) or overnight delivery by Federal Express, United Parcel Service or other nationally recognized courier;

or

b. sent by certified or registered mail, return receipt requested, postage prepaid.

34.2 Each notice to be given:

a. to me, will be addressed to me at my address set forth on the first page of this Purchase Agreement (or addressed to me at the Building, if given after the closing);

b. to you, will be addressed to you at your address set forth on the first page of this Purchase Agreement;

c. to Escrowee, will be addressed to:

Mandel Resnik & Kaiser P.C.
220 East 42nd Street
New York, New York 10017

34.3 A copy of each notice must be sent simultaneously and in like manner to the following persons:

a. (in case of a notice to me) to my attorney (if any) identified in paragraph "9.1";

or

b. (in case of a notice to you) to:

Mandel & Resnik & Kaiser P.C.
220 East 42nd Street
New York, New York 10017
Attention: Barry H. Mandel, Esq.

34.4 Each of us may, by notice to the other, change the address to which future notices are to be sent or change a person to whom a notice or a copy of a notice is to be sent.

34.5 Unless otherwise provided elsewhere in this Purchase Agreement, each notice shall be considered to be given on:

a. the date delivered by hand or telecopier, unless it is not a business day or is received after business hours, in either such case the notice shall be deemed to be given on the first business day after being sent;

b. the next business day after being sent by overnight courier;

c. the second full business day following the date of mailing in the City and State of New York;

or

d. the third full business day following the date of mailing outside the City and State of New York.

However, a notice to Escrowee, or a notice of a change of address or person pursuant to paragraph "34.4", shall not be deemed given until received.

34.6 A notice that is mailed must be deposited into an official mail depository maintained by the United States Postal Service or (if mailed outside the United States) by an equivalent postal authority.

34.7 Failure to accept a notice is deemed receipt of it and does not invalidate the notice or excuse or justify delaying the performance of an obligation.

35. Authorization of Representatives of Seller and Purchaser for Certain Actions

35.1 The Selling Agent and Mandel & Resnik P.C. are each authorized by you, and my attorney (if any) identified in paragraph "9.1" is authorized by me, to sign any notice or extend any time period in this Purchase Agreement. The partners, counsel, associate attorneys and legal assistants so authorized by our respective attorneys are similarly authorized to act for each of us.

36. Representations and Reliance

36.1 You have cautioned me that:

a. no oral "statements" (defined below) are part of this Purchase Agreement;

b. all statements must be in writing and attached to this Purchase Agreement for you to be bound by them;

c. absolutely no one (including any Selling Agent, broker or salesperson) is authorized to make any statements which are contrary to, or inconsistent with, the Plan and Amendments;

and

d. the only statements I am entitled to rely upon are those in the Plan and Amendments or in this Purchase Agreement.

The term "statements" includes representations, promises, understandings, discussions, negotiations, agreements, estimates, valuations, projections and opinions, whether written or oral, as well as a broker's set-up, terms sheet, floor plans, drawings and data of any kind.

36.2 I will purchase the Unit and pay the full amount of all my closing payments under paragraph "17", including the Balance of the Purchase Price, without any kind of reduction, adjustment or credit, or provision for escrow or recourse against you, notwithstanding any variation or discrepancy between the Unit's actual layout or size (including any of its rooms, closets, bathroom(s), terrace (if any) or other area) and any floor plan for the Unit.

36.3 I understand and agree as follows:

a. any floor plan of the Unit in a brochure or elsewhere, are only approximations of its configuration, fenestration and dimensions (collectively "Unit Layout") and may be estimates based on construction plans and drawings;

b. in accordance with customary practice in New York City, any dimensions and measurements shown are measured from points behind the walls enclosing the Unit and thus exceed the Unit's usable floor area;

c. the actual Unit Layout may differ from construction plans or drawings due to changes: (i) required by the New York City Department of Buildings or other governmental authorities having jurisdiction; or (ii) necessitated by site or other construction conditions; or (iii) resulting from normal construction allowances and variations;

and

d. I am allowed to first inspect the Unit (unless the Unit is occupied by someone else) and may not in any event rely upon any floor plan of the Unit; and the actual Unit Layout as constructed will govern and supersede any variation (substantial or otherwise) from any floor plan of the Unit.

37. Entire Agreement

37.1 All prior and contemporaneous "statements" (defined in paragraph "36.1") made to each other with regard to this transaction, as well as all prior and contemporaneous "statements" made between us and Escrowee with regard to the escrow provisions of paragraph "27", are merged in this Purchase Agreement and have no effect unless they are expressly contained in this Purchase Agreement or in the Plan or amendments. This Purchase Agreement, together with the Plan and amendments (as they might be further amended from time-to-time prior to closing), constitute our entire agreement.

38. Changes and Waivers

38.1 A provision of this Purchase Agreement will be considered to have been changed or waived only if the change or waiver is expressly made in writing signed by the party to be charged or (if applicable) by Escrowee.

38.2 The failure to insist on strict performance of any provision will not mean that the provision has been waived or that the right to insist thereafter on strict performance of that or any other provision has been waived.

39. Parties to Cooperate

39.1 We will reasonably cooperate with each other, and each party is to obtain, execute and/or deliver (as applicable) such documents as are in the possession or control of such party and are reasonably necessary in order to close or effectuate or confirm any provision of this Purchase Agreement. These documents include:

a. the federal tax forms to report the closing and my receipt of interest on the Escrow Fund;

and

b. documents my title company might reasonably require to show that:

(i) delivery of the Deed has been properly authorized by your organization;

and

(ii) any judgments, bankruptcies or other title issues against names the same or similar to yours are not against you.

This, however, does not obligate either of us to give an indemnity, to escrow monies or to make representations not contained in this Purchase Agreement.

39.2 The provisions of this paragraph "39" shall survive the closing.

40. Governing Law; Venue for Lawsuits

40.1 The laws of the State of New York will govern this Purchase Agreement and the interpretation and enforcement of its provisions, without regard to legal principles of conflict of laws.

40.2 Any lawsuit arising out of this Purchase Agreement or the Plan:

a. must be brought either in the Supreme Court of the State of New York;

b. must be brought in the county in which the Unit or you are located;

and

c. may be commenced by serving the summons and/or complaint by certified or registered mail (return receipt requested), postage prepaid, deposited in an official depository maintained by the U.S. Postal Service, and sent to the party at the party's address referred to in paragraph "34.2" or any other address of which the party has given notice in accordance with paragraph "34.4".

40.3 The provisions of this paragraph "40" shall survive the closing or (if the closing does not occur) the cancellation or termination of this Purchase Agreement.

41. Waiver of Jury Trial

41.1 Each of us waives the right to a trial by jury in any lawsuit arising from this Purchase Agreement or the Plan and amendments, other than a lawsuit in which a jury trial cannot legally be waived.

41.2 Any claim for which a jury trial cannot legally be waived shall not be asserted as a counterclaim or joined with any lawsuit in which a jury trial is waived, unless the failure to assert it would prevent the claim from being made later.

41.3 The provisions of this paragraph "41" shall survive the closing or (if the closing does not occur) the cancellation or termination of this Purchase Agreement.

42. Liability of Co-Purchasers

42.1 If Purchaser is more than one person, then each is jointly obligated with the other, and each is fully and personally obligated, to pay and perform Purchaser's obligations under this Purchase Agreement.

42.2 In addition, any notice given to or by one co-Purchaser, and any provision changed or waived by one co-Purchaser, will be sufficient to bind all co-Purchasers.

43. Successors

43.1 Our respective heirs, personal and legal representatives and successors in interest, and your assignee and (if I am entitled to assign this Agreement pursuant to "Section N" of the Plan and I comply with the requirements set forth therein) my permitted assignee, will succeed to our respective rights (other than my right to cancel under the Seller financing contingency provisions of paragraph "6") and will be fully responsible to pay and perform all of our obligations under this Purchase Agreement.

44. Purchase Agreement is Not a Lien

44.1 Neither this Purchase Agreement nor the Purchase Monies are a lien against the Property or the Unit. I shall not record this Purchase Agreement and will be in default if I try to record it.

44.2 This Purchase Agreement and all of my rights under it are subordinate to the liens of all mortgages, and renewals, extensions and modifications thereof, and to all advances, fundings and payments thereunder, whether made before or after I sign this Purchase Agreement. No further legal document is required to be signed by me to effectuate this subordination. However, if requested, I will promptly sign in recordable form and return to you a document prepared by your attorney which confirms the subordination.

45. Invalid Provisions Severed

45.1 The invalidity or unenforceability of any provision of this Purchase Agreement shall not affect the validity of the other provisions, which shall be enforced to the fullest extent permitted by law.

46. Indemnities Generally

46.1 The indemnities given by one party ("Indemnifying Party") to the other ("Indemnified Party") in this Agreement, or in any document delivered pursuant to this Agreement, shall include and be deemed to include and to inure to the benefit of, the Indemnified Party's past, present and future shareholders,

officers and directors or partners or members (as applicable) and principals, and the employees and agents of each of the foregoing.

46.2 Promptly after being notified of a claim or served in a lawsuit for which indemnity is sought, the Indemnified Party shall give notice thereof to the Indemnifying Party.

46.3 Unless otherwise provided in the indemnity, the Indemnifying Party, at such Indemnifying Party's sole cost and expense, shall be entitled:

a. to control the defense, compromise and settlement of such claim or lawsuit;

and

b. to choose the attorneys, who shall be reasonably satisfactory to the Indemnified Party.

46.4 The Indemnified Party shall cooperate fully and make available to the Indemnifying Party such information and documents under the control or in the possession of the Indemnified Party as are reasonably related to the defense of the claim or lawsuit.

46.5 The Indemnified Party shall have the right, but not the obligation, at such Indemnified Party's sole cost and expense, to participate and be represented by separate counsel (chosen by the Indemnified Party) in the defense, compromise and settlement of the claim or lawsuit.

47. No Negative Construction Against Drafting Party

47.1 The parties acknowledge and agree that they are sophisticated and/or are represented by experienced, knowledgeable attorneys and/or advisors; and the normal rules of construction to resolve ambiguities against the party whose counsel drafted this Agreement shall not be followed in the interpretation of this Agreement. Consequently, no negative inference or interpretation shall be made by a court in enforcing the provisions of this Agreement against the party whose attorney drafted this Agreement.

48. Agreement is Valid Without Corporate Seal or Acknowledgment or Notarization of Signatures

48.1 This Agreement is effective, binding and enforceable without the seal of a corporate party or the acknowledgment or notarization of a signature.

49. Lead-Based Paint and/or Lead-Based Paint Hazards

49.1 The provisions of this paragraph "49" apply if, and only if, the Unit is a Residential unit and is larger than a "studio apartment". A "studio apartment" is a dwelling in which the living area is not separated from the sleeping area.

49.1A. I understand that under applicable Federal regulations (namely, 24 CFR Part 35 and 40 CFR Part 745), before I become obligated under this Purchase Agreement:

a. I must be permitted a 10-day period to conduct a risk assessment or inspection (collectively, "test/ inspection") for the presence of lead-based paint and/or lead-based paint hazards;

or

b. I may waive in writing my opportunity to conduct such test/inspection for the presence of lead-based paint and/or lead-based paint hazards.

49.2 At or prior to signing this Purchaser Agreement, I have indicated (where appropriate) and signed a certain form ("Disclosure Form") entitled "Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards" acknowledging (among other things) my choice to conduct such test/inspection for the presence of lead-based paint and/or lead-based paint hazards or to waive my opportunity to do so. An uncompleted and unexecuted copy of such Disclosure Form is annexed to this Agreement as EXHIBIT B.

49.3 I hereby repeat and affirm all of my acknowledgements on my signed Disclosure Form, which by this reference are hereby made a part of this Purchase Agreement.

50. General Miscellaneous

50.1 The paragraph captions and Table of Contents are for convenience only. They are not part of the text of this Purchase Agreement, nor to be used to interpret its provisions.

50.2 All references in this Agreement to a paragraph, subparagraph, clause, Exhibit or Schedule, refer to the paragraphs, subparagraphs and clauses of this Agreement and to an Exhibit or Schedule attached to this Agreement. Similarly, the words "hereof", "herein", "above", "below" and similar terms mean this Purchase Agreement.

50.3 An Exhibit or Schedule (if any) attached to this Agreement is part of this Agreement.

50.4 Any word or term in this Purchase Agreement that is: used in the singular, shall include the plural and vice versa; or used in any gender shall include any other gender; or used in any tense (past, present or future), shall include any other tense, whenever required by the sense of this Agreement and is not contrary to the express context.

50.5 All payments and dollar amounts are in the currency of the United States (i.e., U.S. dollars).

50.6 Any date or period specified in this Purchase Agreement which does not fall on a business day shall be extended to the following first business day.

END OF TERMS AND CONDITIONS OF PURCHASE AGREEMENT
The Exhibits to this Purchase Agreement start on the following page.

The balance of this page is intentionally left blank.

1. Zoning laws and regulations which are not violated by the Unit and which are not violated by the Common Elements to the extent that access to or use of the Unit would be materially and adversely affected.
2. Consents of record for the erection of any structure or structures on, under or above any street or streets on which the Building may abut.
3. The terms, burdens, covenants, restrictions, conditions, easements and rules and regulations set forth in the Declaration, By-Laws and rules and regulations of the Condominium, the Power of Attorney from Purchaser to the board of managers of the Condominium and the floor plans of the Condominium, all as may be amended from time to time.
4. Rights of utility companies to lay, maintain, install and repair pipes, lines, poles, conduits, cable boxes and related equipment on, over and under the Building and Common Elements, provided that none of such rights imposes any monetary obligation on the owner of the Unit or materially interferes with the use of or access to the Unit.
5. Encroachments of stoops, areas, cellar steps, trim, cornices, lintels, window sills, awnings, canopies, ledges, fences, hedges, coping and retaining walls projecting from the Building over any street or highway or over any adjoining property and encroachments of similar elements projecting from adjoining property over the Common Elements.
6. Any state of facts which an accurate survey or personal inspection of the Building, Common Elements or Unit would disclose, provided that such facts do not prevent the use of the Unit for dwelling purposes. For the purposes of this Contract, none of the facts shown on the survey, if any, identified below, shall be deemed to prevent the use of the Unit for dwelling purposes, and Purchaser shall accept title subject thereto. The survey referred to in this paragraph above was prepared by Charles J. Dearing, dated February 10, 1964, and last revised by Earl B. Lovell – S.P. Blecher, Inc. on December 6, 1999.
7. The lien of any unpaid common charge, real estate tax, water charge, sewer rent or vault charge, provided the same are paid or apportioned at the Closing as herein provided.
8. The lien of any unpaid assessments to the extent of installments thereof payable after the Closing.
9. Liens, encumbrances and title conditions affecting the Common Elements which do not materially and adversely affect the right of the Unit Owner to use and enjoy the Common Elements.
10. Notes or notices of violations of law or governmental orders, ordinances or requirements (a) affecting the Unit and noted or issued subsequent to the date of this Contract by any governmental department, agency or bureau having jurisdiction and (b) any such notes or notices affecting only the Common Elements which were noted or issued prior to or on the date of this Contract or at any time hereafter.
11. Any other matters or encumbrances subject to which Purchaser is required to accept title to the Unit pursuant to this Contract.
12. The designation of the area in which the Building is located as a Landmark Historic District by notice recorded in the New York County Register's office on August 8, 1973 in Reel 288 at Page 1059.
13. Easement to New York Telephone Company, dated October 25, 1985, and recorded on January 1, 1985 in the New York County Register's Office in Reel 986, Page 202.
14. Right of access easement granting a right of access to Jason Carter and Julia Carter, dated January 21, 1985, and recorded on January 27, 1985 in the New York County Register's Office in Reel 1018, Page 1253.
15. The declaration of restrictions made by Jason Carter and Julia Carter, dated October 30, 1985, and recorded in the New York Coutny Register's Office on January 31, 1985 in Reel 872 Page 663.
16. The declaration of restrictions made by 93-99 Greene Street Corporation, dated December 20, 1983, and records in the New York County Register's Office on March 8, 1985 in Reel 884, Page 315.
17. The declaration made by 102-106 Wooster LLC, dated July 9, 1999, and recorded on November 30 1999 in the New York County Register's Office in Reel 3000, Page 453.

RIDER TO PURCHASE AGREEMENT

Date:_____, 2000

Re: Unit __
104 Wooster Street Condominium
104 Wooster Street
New York, New York

I. Mortgage Contingency.

1.1 Your obligations under the Purchase Agreement are conditioned upon issuance on or before a date which is forty-five (45) days after the date the effectiveness amendment is mailed to you (the "Commitment Date") of a written commitment (the "Commitment") from any Institutional Lender (as defined in the plan) pursuant to which such Institutional Lender agrees to make a loan, other than a VA, FHA or other governmentally insured loan to you, at your sole cost and expense of seventy-five percent (75%) of the Purchase price of the Unit, or such lesser sum as you shall be willing to accept, at the prevailing fixed rate or adjustable rate of interest for a term of at least fifteen (15) years and on other customary commitment terms, whether or not conditioned upon any factors other than an appraisal satisfactory to the Institutional Lender, secured by a first mortgage on the Unit together with its undivided interest in the Common Elements (the "Mortgage Loan").

1.2 You shall:

(a) make a prompt application to an Institutional Lender for the Mortgage Loan through The Manhattan Mortgage Company, having an address at 55 Madison Avenue, New York, New York 10022 (212) 593-4343, Attn: Melissa L. Cohn (the "Mortgage Broker") within ten (10) days after the effectiveness amendment is mailed to you (although you may, at your option, apply to other Institutional Lenders in addition to the Mortgage Broker);

(b) furnish truthful, accurate and complete information, data and documents on you and members of your family, as required, and promptly submit such further information, data and documents requested by the Institutional Lender and the Mortgage Broker;

(c) pay all fees, points and charges required in connection with such application and Mortgage Loan;

(d) pursue such application with diligence;

(e) cooperate in good faith the Institutional Lender and the Mortgage Broker to the end of securing the Mortgage Loan;

(f) promptly give notice to Sponsor of the name and address of the Institutional Lender to which you have made such application; and

(g) comply with all requirements of the Commitment (or of any Commitment accepted by you) and furnish Sponsor with a copy thereof promptly after receipt.

(h) at your option, at the time of making the application to the Mortgage Broker, identify to the Mortgage Broker one Institutional Lender which Purchaser may desire to contact directly for purposes of financing hereunder (the "Direct Source") and the Mortgage Broker shall agree not to contact the Direct Source for purposes of securing the Mortgage Loan for that Purchaser.

Your obligations set forth in (a) through (g) above are collectively referred to herein as the "Financing Obligations." You agree to diligently comply with all of the Financing Obligations.

If you are issued a mortgage commitment, you must also strictly comply with certain "additional financing obligations" requiring your good faith efforts (i) to extend the commitment period if it is to expire before your Closing occurs and (ii) to close the loan. In the case of an extension, your good faith effort obligations include, among others:

(a) applying to the Institutional Lender for an extension or new commitment at least ten (10) days before the commitment expires;

(b) accepting an extension or new loan commitment so long as it is for not less than the loan amount stated in the mortgage contingency or any lower amount stated in the expired commitment, regardless of whether the other loan terms are less favorable than those in the expired commitment;

(c) making any payments required by the Institutional Lender to obtain the extension or new loan commitment;

(d) furnishing Sponsor or its attorneys, Mandel Resnik & Kaiser P.C., with a copy of your application for the extension or new loan commitment and a copy of any written extension or new commitment letter or rejection letter (as the case may be);

and

(e) if the Institutional Lender declines to extend the commitment or to issue a new commitment or fails to act on your application for fifteen (15) days, you must so notify Sponsor in

writing and apply to any Institutional Lender that Sponsor may elect to designate (NOTE: Sponsor is not obligated to find an Institutional Lender or arrange such financing, but if Sponsor elects to do so, you must comply with the applicable financing obligations with regard to such designated Institutional Lender as more fully explained in the mortgage contingency provision).

If you comply with your financing obligations and fail to obtain a commitment letter for the loan within the forty-five (45) day period, or (if a commitment is issued) you comply with your additional financing obligations and fail to obtain an extension or new commitment, you may cancel the Purchase Agreement and recover your Downpayment with any earned interest by sending written notice of your election to cancel within five (5) days after your right to cancel arises (as explained more fully in the mortgage contingency provision). In either such event, Sponsor also has the right to cancel the Purchase Agreement and refund the Downpayment with any earned interest to you.

TIME IS OF THE ESSENCE for you to pay and perform your obligations under this provision. If you fail to timely do so or fail to comply with your financing obligations and (if applicable) additional financing obligations, you may not cancel nor recover your Downpayment and the earned interest thereon. Your failure to timely comply with your financing obligations and (if applicable) additional financing obligations is also an event of default.

2. Definitions.

All capitalized terms in this Rider not defined herein shall be deemed to have the same meaning given to them in the Purchase Agreement or in the Plan.

3. Conflicts.

In the event of any inconsistency between the provisions of this Rider and those contained in the Purchase Agreement, the provisions of this Rider shall govern.

IN WITNESS WHEREOF, you have executed this Rider the date and year first above written.

PURCHASER

_____

_____

AGREED TO AND ACCEPTED:
SPONSOR

102-106 Wooster LLC

By:_____

Form **W-9**
(Rev. January 1993)
Department of the Treasury
Internal Revenue Service

Document 1-B
Request for Taxpayer Identification Number and Certification

Give this form to the requester. Do NOT send to IRS.

Please print or type

Name (If joint names, list first and circle the name of the person or entity whose number you enter in Part I below. See instructions on page 2 if your name has changed.)

Business name (Sole proprietors see instructions on page 2.) (If you are exempt from backup withholding, complete this form and enter "EXEMPT" in Part II below.)

Address (number and street)

List account number(s) here (optional)

City, state, and ZIP code

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. For individuals, this is your social security number (SSN). For sole proprietors, see the instructions on page 2. For other entities, it is your employer identification number (EIN). If you do not have a number, see **How To Obtain a TIN** below.

Social security number

OR

Employer identification number

Note: *If the account is in more than one name, see the chart on page 2 for guidelines on whose number to enter.*

Part II For Payees Exempt From Backup Withholding (See Exempt Payees and Payments on page 2)

▶

Requester's name and address (optional)

Certification.—Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding.

Certification Instructions.—You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because of underreporting interest or dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, the acquisition or abandonment of secured property, contributions to an individual retirement arrangement (IRA), and generally payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (Also see **Signing the Certification** on page 2.)

Sign Here Signature ▶ Date ▶

Section references are to the Internal Revenue Code.

Purpose of Form.—A person who is required to file an information return with the IRS must obtain your correct TIN to report income paid to you, real estate transactions, mortgage interest you paid, the acquisition or abandonment of secured property, or contributions you made to an IRA. Use Form W-9 to furnish your correct TIN to the requester (the person asking you to furnish your TIN) and, when applicable, (1) to certify that the TIN you are furnishing is correct (or that you are waiting for a number to be issued), (2) to certify that you are not subject to backup withholding, and (3) to claim exemption from backup withholding if you are an exempt payee. Furnishing your correct TIN and making the appropriate certifications will prevent certain payments from being subject to backup withholding.

Note: *If a requester gives you a form other than a W-9 to request your TIN, you must use the requester's form.*

How To Obtain a TIN.—If you do not have a TIN, apply for one immediately. To apply, get **Form SS-5,** Application for a Social Security Card (for individuals), from your local office of the Social Security Administration, or **Form SS-4,** Application for Employer Identification Number (for businesses and all other entities), from your local IRS office.

To complete Form W-9 if you do not have a TIN, write "Applied for" in the space for the TIN in Part I, sign and date the form, and give it to the requester. Generally, you will then have 60 days to obtain a TIN and furnish it to the requester. If the requester does not receive your TIN within 60 days, backup withholding, if applicable, will begin and continue until you furnish your TIN to the requester. For reportable interest or dividend payments, the payer must exercise one of the following options concerning backup withholding during this 60-day period. Under option (1), a payer must backup withhold on any withdrawals you make from your account after 7 business days after the requester receives this form back from you. Under option (2), the payer must backup withhold on any reportable interest or dividend payments made to your account, regardless of whether you make any withdrawals. The backup withholding under option (2) must begin no later than 7 business days after the requester receives this form back. Under option (2), the payer is required to refund the amounts withheld if your certified TIN is received within the 60-day period and you were not subject to backup withholding during that period.

Note: *Writing "Applied for" on the form means that you have already applied for a TIN OR that you intend to apply for one in the near future.*

As soon as you receive your TIN, complete another Form W-9, include your TIN, sign and date the form, and give it to the requester.

What Is Backup Withholding?—Persons making certain payments to you after 1992 are required to withhold and pay to the IRS 31% of such payments under certain conditions. This is called "backup withholding." Payments that could be subject to backup withholding include interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee compensation, and certain payments from fishing boat operators, but do not include real estate transactions.

If you give the requester your correct TIN, make the appropriate certifications, and report all your taxable interest and dividends on your tax return, your payments will not be subject to backup withholding. Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester, or
2. The IRS notifies the requester that you furnished an incorrect TIN, or
3. You are notified by the IRS that you are subject to backup withholding because you failed to report all your interest and dividends on your tax return (for reportable interest and dividends only), or
4. You do not certify to the requester that you are not subject to backup withholding under 3 above (for reportable interest and dividend accounts opened after 1983 only), or
5. You do not certify your TIN. This applies only to reportable interest, dividend, broker, or barter exchange accounts opened after 1983, or broker accounts considered inactive in 1983.

Except as explained in 5 above, other reportable payments are subject to backup withholding only if 1 or 2 above applies. Certain payees and payments are exempt from backup withholding and information reporting. See **Payees and Payments Exempt From**

Form **W-8**
(Rev. November 1992)
Department of the Treasury
Internal Revenue Service

Certificate of Foreign Status

Please print or type

Name of owner. If joint account, also give joint owner's name. (See Specific Instructions.) | U.S. taxpayer identification number (if any)

Permanent address (See Specific Instructions.) (Include apt. or suite no.)

City, province or state, postal code, and country

Current mailing address, if different from permanent address (include apt. or suite no., or P.O. box if mail is not delivered to street address.)

City, town or post office, state, and ZIP code (if foreign address, enter city, province or state, postal code, and country.)

List account information here (Optional. See Specific Instructions.) ▶	Account number	Account type	Account number	Account type

Notice of Change in Status.—To notify the payer, mortgage interest recipient, broker, or barter exchange that you no longer qualify for exemption, check here . . . . . ▶ ☐
If you check this box, reporting will begin on the account(s) listed.

Please Sign Here

Certification.—(Check applicable box(es)). Under penalties of perjury, I certify that:

☐ For **INTEREST PAYMENTS**, I am not a U.S. citizen or resident (or I am filing for a foreign corporation, partnership, estate, or trust).

☐ For **DIVIDENDS**, I am not a U.S. citizen or resident (or I am filing for a foreign corporation, partnership, estate, or trust).

☐ For **BROKER TRANSACTIONS** or **BARTER EXCHANGES**, I am an exempt foreign person as defined in the instructions below.

▶ Signature | Date

General Instructions

(Section references are to the Internal Revenue Code unless otherwise noted.)

Purpose

Use Form W-8 or a substitute form* containing a substantially similar statement to tell the payer, mortgage interest recipient, middleman, broker, or barter exchange that you are a nonresident alien individual, foreign entity, or exempt foreign person not subject to certain U.S. information return reporting or backup withholding rules.

Caution: *Form W-8 does not exempt the payee from the 30% (or lower treaty) nonresident withholding rates.*

Nonresident Alien Individual

For income tax purposes, "nonresident alien individual" means an individual who is neither a U.S. citizen nor resident. Generally, an alien is considered to be a U.S. resident if:

- The individual was a lawful permanent resident of the United States at any time during the calendar year, that is, the alien held an immigrant visa (a "green card"), or
- The individual was physically present in the United States on:

(1) at least 31 days during the calendar year, and

(2) 183 days or more during the current year and the 2 preceding calendar years (counting all the days of physical presence in the current year, one-third the number of days of presence in the first preceding year, and only one-sixth of the number of days in the second preceding year).

See Pub. 519, U.S. Tax Guide for Aliens, for more information on resident and nonresident alien status.

Note: *If you are a nonresident alien individual married to a U.S. citizen or resident and have made an election under section 6013(g) or (h), you are treated as a U.S. resident and may not use Form W-8.*

Exempt Foreign Person

For purposes of this form, you are an "exempt foreign person" for a calendar year in which:

1. You are a nonresident alien individual or a foreign corporation, partnership, estate, or trust,

2. You are an individual who has not been, and plans not to be, present in the United States for a total of 183 days or more during the calendar year, and

3. You are neither engaged, nor plan to be engaged during the year, in a U.S. trade or business that has effectively connected gains from transactions with a broker or barter exchange.

If you do not meet the requirements of 2 or 3 above, you may instead certify on Form 1001, Ownership, Exemption, or Reduced Rate Certificate, that your country has a tax treaty with the United States that exempts your transactions from U.S. tax.

Filing Instructions

When To File.—File Form W-8 or substitute form before a payment is made. Otherwise, the payer may have to withhold and send part of the payment to the Internal Revenue Service (see Backup Withholding below). This certificate generally remains in effect for three calendar years. However, the payer may require you to file a new certificate each time a payment is made to you.

Where To File.—File this form with the payer of the qualifying income who is the withholding agent (see Withholding Agent on page 2). Keep a copy for your own records.

Backup Withholding

A U.S. taxpayer identification number or Form W-8 or substitute form must be given to the payers of certain income. If a taxpayer identification number or Form W-8 or substitute form is not provided or the wrong taxpayer identification number is provided, these payers may have to withhold 20% of each payment or transaction. This is called backup withholding.

Note: *On January 1, 1993, the backup withholding rate increases from 20% to 31%.*

Reportable payments subject to backup withholding rules are:

- Interest payments under section 6049(a).
- Dividend payments under sections 6042(a) and 6044.
- Other payments (i.e., royalties and payments from brokers and barter exchanges) under sections 6041, 6041A(a), 6045, 6050A, and 6050N.

If backup withholding occurs, an exempt foreign person who is a nonresident alien individual may get a refund by filing Form 1040NR, U.S. Nonresident Alien Income Tax Return, with the Internal Revenue

(Continued on back.)

DOCUMENT 1-D

ESCROW AGREEMENT

AGREEMENT made as of , 2000, between: 102-106 Wooster LLC ("SPONSOR"), having an office address c/o Carter Management Corp., 750 Lexington Avenue, New York, New York; and Mandel Resnik & Kaiser P.C. ("ESCROW AGENT"), having offices at 220 East 42nd Street, New York, New York.

STATEMENT OF FACTS

A. SPONSOR is the sponsor of an offering plan ("Offering Plan") to convert to cooperative/condominium ownership the premises located at 104 Wooster Street, New York, New York 10012.

B. ESCROW AGENT is authorized to act as escrow agent hereunder in accordance with General Business Law ("GBL") Section 352-e(2-b) and the Attorney General's regulations promulgated thereunder.

C. SPONSOR desires that ESCROW AGENT act as escrow agent for purchase money deposits and payments by purchasers ("purchasers") under the Offering Plan pursuant to the terms of this Agreement.

NOW, THEREFORE, in consideration of the covenants and conditions contained herein and other good and valuable consideration, the parties hereby agree as follows:

1. ESTABLISHMENT OF THE ESCROW ACCOUNT.

1.1 SPONSOR and ESCROW AGENT hereby establish an escrow account with ESCROW AGENT for the purpose of holding purchase money deposits or payments made by purchasers. The escrow account has been opened with Citibank, N.A. ("Depository") at its branch located at 120 Broadway, New York, New York. The master account number is _____.

1.2 The name of the account is Mandel Resnik & Kaiser P.C. as Escrowee for 104 Wooster Street Condominium Plan.

1.3 ESCROW AGENT is the sole signatory on behalf of ESCROW AGENT for withdrawal of monies from the escrow account.

1.4 The escrow account shall be an interest-bearing account as disclosed in the Offering Plan, or an amendment thereto or the purchase agreement.

1.5 The escrow account is not an IOLA established pursuant to Judiciary Law Section 497.

2. DEPOSITS INTO THE ESCROW ACCOUNT.

2.1 All purchase money funds received from prospective purchasers prior to closing, whether in the form of checks, drafts, money orders, wire transfers or other instruments which identify the payor, shall be deposited in a segregated subaccount of the master escrow account. All instruments to be deposited into the escrow subaccount shall be made payable to, or endorsed by the purchaser to the order of, "*Mandel Resnik & Kaiser P.C. as Escrowee for 104 Wooster Street Plan*". Any instrument payable or endorsed other than as required hereby, and which cannot be deposited into such escrow account, shall be returned to the prospective purchaser promptly, but in no event more than five business days following receipt of such instrument by ESCROW AGENT. In the event of such return, the instrument shall be deemed not to have been delivered to ESCROW AGENT pursuant to the terms of this Agreement.

2.2 In the event a purchasers instrument is dishonored or is returned uncollected, ESCROW AGENT will deliver the dishonored or uncollected instrument to SPONSOR.

2.3 At the time the downpayment check is delivered to ESCROW AGENT, the check for a purchaser's downpayment will be accompanied by the purchaser's purchase agreement and Internal Revenue Service form W-8 "Certificate of Foreign Status" (for a non-resident alien or a foreign entity) or W-9 "Request for Taxpayer Identification Number and Certification" (for a United States citizen or resident alien), as applicable.

2.4 After ESCROW AGENT receives a check for purchaser's downpayment, ESCROW AGENT shall send purchaser by ordinary mail written notice ("Deposit Notice") of the deposit of the downpayment check for collection in the escrow account. The Deposit Notice will also state the individual account number for purchaser's escrowed funds and the initial interest rate in effect on or about the date of deposit.

2.5 The Deposit Notice is to be sent to each purchaser within ten (10) business days after purchaser tenders the downpayment check with the purchase agreement. The term "tenders" means the date delivered by hand or five (5) days after being sent by mail. Each purchaser's downpayment check will be delivered to ESCROW AGENT promptly after receipt by SPONSOR or SPONSOR'S selling agent (if any) in order that the Deposit Notice may timely be sent to purchaser.

2.6 If a purchaser does not receive the Deposit Notice within fifteen (15) business days after purchaser tenders the downpayment check, the purchase agreement will provide that:

(a) purchaser's sole remedy will be either (at purchaser's option):

(i) to cancel the purchase agreement and recover the purchase monies with any earned interest; or

(ii) to apply to the Attorney General for relief;

(b) if purchaser elects to cancel, purchaser must do so in writing sent to SPONSOR (as provided in the purchase agreement) within ninety (90) days after purchaser tenders the downpayment check, but in no event later than the date purchaser closes title;

(c) purchaser will be regarded as having conclusively waived purchaser's right to cancel in the event purchaser does not send the cancellation notice in such period (**TIME BEING OF THE ESSENCE**); and

(d) purchaser will not have the right to cancel the purchase agreement or recover the purchase monies and any interest where proof satisfactory to the Attorney General is submitted establishing that the downpayment check was timely deposited and the Deposit Notice was timely mailed to purchaser in accordance with the Attorney General's regulations.

3. RELEASE OF FUNDS.

3.1 ESCROW AGENT shall not release the escrowed funds of a defaulting purchaser until after consummation of the Offering Plan as defined in the Attorney General's regulations. Consummation of the Offering Plan shall not relieve SPONSOR of its fiduciary obligations pursuant to GBL Section 352-h.

3.2 ESCROW AGENT shall continue to hold the escrowed funds of a purchaser in escrow until they are:

(a) paid to SPONSOR at closing with purchaser pursuant to the terms of the purchase agreement (ESCROW AGENT shall instruct the Depository to pay the interest to purchaser); or

(b) paid pursuant to a determination of the Attorney General; or

(c) paid pursuant to a judgment or order of a court of competent jurisdiction; or

(d) released pursuant to paragraph 3.3 or paragraph 3.4 and the regulations of the Attorney General pertaining to release of escrowed funds.

3.3 SPONSOR shall not object to the release of the escrowed funds to a purchaser who timely rescinds in accordance with an offer of rescission contained in the Offering Plan or an amendment to the Offering Plan or timely cancels in accordance with a right of cancellation in the purchase agreement.

3.4 If a closing under a purchase agreement with a purchaser does not occur and SPONSOR demands that a purchaser's escrowed funds and any interest be paid to SPONSOR based upon such purchaser's uncured default or otherwise, the following will apply:

(a) ESCROW AGENT will give purchaser not fewer than ten (10) business days' written notice of SPONSOR'S demand for payment of the escrowed funds and any interest;

(b) at the expiration of such ten (10) business days, ESCROW AGENT will pay the escrowed funds and any interest to SPONSOR unless prior to making the payment:

(i) ESCROW AGENT receives written notice from purchaser that purchaser has made application ("Dispute Resolution Application" or "Application") to the Attorney General pursuant to the dispute resolution provisions contained in the Attorney General's regulations; or

(ii) ESCROW AGENT is served with a judgment or order ("Restraining Order") of a court of competent jurisdiction restraining ESCROW AGENT from making such payment;

(c) ESCROW AGENT will continue to hold the escrowed funds and interest for as long as required by any interim directive issued by the Attorney General or a Restraining Order (whichever is applicable);

(d) if the Attorney General denies the Dispute Resolution Application or the Restraining Order is vacated (as applicable), ESCROW AGENT will pay the escrowed funds and any interest to SPONSOR; and

(e) if the Attorney General grants the Dispute Resolution Application or the Restraining Order is not vacated (as applicable), ESCROW AGENT will pay the escrowed funds and any interest in accordance with:

(i) (in the case of a Dispute Resolution Application) a determination of the Attorney General served on ESCROW AGENT; or

(ii) (in the case of a Restraining Order) a judgment or order of a court of competent jurisdiction served on ESCROW AGENT.

3.5 In the event of a dispute by SPONSOR, or purchaser or ESCROW AGENT, the following will apply:

(a) SPONSOR must, and purchaser or ESCROW AGENT may, submit a Dispute Resolution Application (on the form required by the Attorney General's regulations) to the Attorney General for a determination on the disposition of a purchaser's escrowed funds and any interest;

(b) the party making the Dispute Resolution Application shall contemporaneously send to all other parties a copy of such Application;

(c) SPONSOR shall not initiate a lawsuit to resolve the dispute unless SPONSOR submits a Dispute Resolution Application to the Attorney General and the Application is denied (however, this does not preclude SPONSOR from bringing an appropriate legal proceeding to review and overturn an unfavorable determination by the Attorney General);

(d) instead of applying to the Attorney General:

(i) a purchaser may initiate a lawsuit to resolve the dispute; or

(ii) the ESCROW AGENT will have the right of a stakeholder either to continue to hold the escrowed funds and interest or to deposit them or the disputed portion into court as permitted by law;

(e) pending the determination of the Attorney General to grant or deny the Application, SPONSOR, purchaser and ESCROW AGENT will abide by any interim directive issued by the Attorney General;

(f) if the Application permitting release of the escrowed funds is granted, the escrowed funds and any interest will be disposed of in accordance with the determination of the Attorney General, subject to any court action in which preliminary relief is granted;

(g) if the Application is denied, ESCROW AGENT will either deposit the escrowed funds and interest (or the disputed amount) into court as permitted by law or continue to hold and disburse them in accordance with:

(i) a written direction signed by both SPONSOR and purchaser; or

(ii) a judgment or order of a court of competent jurisdiction served on ESCROW AGENT;

(h) in no event will ESCROW AGENT release the escrowed funds or interest in dispute unless paid into court or until the dispute is finally resolved either by written agreement signed by SPONSOR and purchaser, or a determination of the Attorney General or a judgment or order of a court of competent jurisdiction; and

(i) in the event ESCROW AGENT is uncertain as to ESCROW AGENT'S duties or doubts the genuineness of any document or signature, ESCROW AGENT may refrain from taking any action and continue to hold the escrowed funds and interest until the uncertainty or genuineness is resolved or deposit them (or the amount in question) in court.

3.6 The provisions of this paragraph 3 will be contained in each purchase agreement.

4. RECORD KEEPING.

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

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

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

5. GENERAL OBLIGATIONS OF ESCROW AGENT.

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

5.2 A fiduciary relationship shall exist between ESCROW AGENT and purchasers, and ESCROW AGENT acknowledges its fiduciary obligations.

5.3 Upon payment of the escrowed funds and interest in accordance with the Attorney General's regulations, ESCROW AGENT is released and discharged by SPONSOR of ESCROW AGENT'S obligations under this Agreement and from all "Claims and Expenses" (as defined in paragraph 9) arising out of or concerning ESCROW AGENT'S duties or services under this Agreement.

6. RESPONSIBILITIES OF SPONSOR.

6.1 SPONSOR agrees that SPONSOR and its agents, including any selling agents, shall immediately deliver to ESCROW AGENT all purchase money deposits and payments received from each purchaser by them prior to closing of such purchaser's individual transaction.

6.2 SPONSOR agrees that it shall not interfere with ESCROW AGENT'S performance of its fiduciary duties and compliance with the Attorney General's regulations.

7. TERMINATION OF AGREEMENT.

7.1 This Agreement shall remain in effect unless and until it is cancelled by either:

(a) written notice given by SPONSOR to ESCROW AGENT of cancellation of designation of ESCROW AGENT to act in said capacity, which cancellation shall take effect only upon the filing of an amendment with the Department of Law providing for a successor escrow agent; or

(b) the resignation of ESCROW AGENT upon giving notice to SPONSOR of ESCROW AGENT'S desire to so resign, which resignation shall take effect only upon the filing of an amendment with the Department of Law providing for a successor escrow agent; or

(c) all shares/units offered pursuant to the Offering Plan have been sold and all sales transactions have been consummated.

7.2 Upon termination of the duties of ESCROW AGENT as described in paragraph 7.1 above, ESCROW AGENT shall deliver to the new escrow agent any and all funds held by Escrow Agent in escrow hereunder and any and all contracts or documents maintained by ESCROW AGENT relating to the escrow account.

8. FAILURE OF DEPOSITORY.

8.1 ESCROW AGENT and SPONSOR will not be liable for the amount of interest earned or collected on the funds in the escrow account or for any losses resulting from the failure of the Depository. The escrowed funds will be maintained in an account insured by the Federal Deposit Insurance Corporation for the maximum amount insured by applicable federal law.

9. SPONSOR'S INDEMNITY.

9.1 SPONSOR will defend (by attorneys selected by ESCROW AGENT), indemnify and hold harmless ESCROW AGENT against and from all "Claims and Expenses" of whatsoever nature arising out of or concerning ESCROW AGENT'S duties or services under this Agreement, other than those based on ESCROW AGENT'S gross negligence or willful misconduct. This indemnity includes (without limitation) claims and expenses based on ESCROW AGENT'S good faith error in judgment or good faith action or inaction or mistake of fact or law. Claims and expenses include (without limitation) claims, lawsuits, judgments, losses, damages, liabilities, penalties, costs and expenses, including reasonable legal fees either paid to retain attorneys or representing the fair value of legal services rendered by ESCROW AGENT to itself, disbursements, court costs and other litigation expenses. This provision shall survive the termination of this Agreement.

10. REPRESENTATION OF SPONSOR IN LAWSUIT.

10.1 ESCROW AGENT may represent SPONSOR in any lawsuit, whether or not related to the escrowed funds or a purchase agreement with a purchaser and irrespective of ESCROW AGENT being in possession of the escrowed funds.

11. SUCCESSORS AND ASSIGNS.

11.1 This Agreement shall be binding upon, and shall inure to the benefit of and be enforceable by, SPONSOR and ESCROW AGENT and their respective successors and assigns.

12. GOVERNING LAW.

12.1 This Agreement shall be construed in accordance with and governed by the laws of the State of New York, without regard to legal principles of conflict of laws.

13. ESCROW AGENT'S COMPENSATION.

13.1 SPONSOR shall compensate ESCROW AGENT for acting in such capacity.

13.2 SPONSOR agrees that ESCROW AGENT'S compensation shall not be paid from escrowed principal nor from any interest accruing thereon and that compensation to ESCROW AGENT shall not be deducted from escrowed funds by any financial institution under any circumstance.

14. SEVERABILITY.

14.1 If any provision of this Agreement or the application thereof to any person or circumstance is determined to be invalid or unenforceable, the remaining provisions of this Agreement or the application of such provision to other persons or the other circumstances shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

15. ENTIRE AGREEMENT.

15.1 This Agreement, read together with GBL Section 352-e(2-b) and the Attorney General's regulations, constitutes the entire agreement between the parties with respect to the subject matter hereof.

16. CHANGES AND WAIVERS.

16.1 The provisions of this Agreement may be changed or waived only in writing signed by the party to be charged, except the escrow and trust fund requirements of the Attorney General's regulations may not be changed or waived.

16.2 The failure to insist on strict performance of any provision will not mean that the provision has been waived or that the right to insist thereafter on strict performance of that or any other provision has been waived.

17. NOTICES.

17.1 Any notice, request, consent, election, demand or other communication (collectively called "notice") to be given or made under this Agreement shall be in writing and delivered by hand or sent by telecopier, overnight delivery by Federal Express or other recognized carrier, or by certified or registered mail (return receipt requested), postage prepaid, deposited in an official mail depository maintained by the United States Postal Service.

17.2 Each notice is to be sent to the parties at their respective addresses stated on page 1 of this Agreement. A notice to a purchaser shall be sent to purchaser's address for notices in the purchase agreement.

17.3 Each party may give notice to the other of a change in address or person to whom future notices are to be sent.

17.4 Unless otherwise provided in this Agreement, each notice will be considered given on the date delivered by hand or sent by telecopier or the first business day after being sent by overnight delivery or the second business day after being mailed. However, a notice of a change of address or person will not be deemed given until received.

17.5 Failure to accept a notice is deemed receipt of it and does not invalidate the notice or excuse the performance of an obligation.

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

ESCROW AGENT:

Mandel Resnik & Kaiser P.C.

Signature: _____
Name: Barry H. Mandel
Title: President

SPONSOR:

102-106 Wooster LLC

Signature: _____
Name: Jason Carter
Title: Manager/Member

Document 1-E

APPLICATION TO THE ATTORNEY GENERAL FOR A DETERMINATION ON THE DISPOSITIONOF DOWNPAYMENTS

[Send this application to the reviewing attorney assigned to the subject plan.]

Re: 104 Wooster Street Condominium
104 Wooster Street
New York, New York 10012

File Number: CD 99 0087

Application is made to the Attorney General to consider and determine the disposition of down payments held pursuant to GBL Section 352-e(2-b) and 352-h. The following information is submitted in support of this application:

1. Name of Applicant _____

2. Address of Applicant _____

3. Name, Address and Telephone Number of Applicant's Attorney (if any) _____

_____

_____

4. This is an application for
   [ ] return of downpayment.
   [ ] forfeiture of downpayment.
   [ ] other _____

_____

5. The project is [ ] a conversion of occupied premises.
[ ] newly constructed or rehabilitated.
[ ] vacant (as is).

6. The project is structured as
[ ] a cooperative.
[ ] a condominium.
[ ] a homeowners association.
[ ] a timeshare.

[ ] other:_____

7. Name and Address
of Sponsor:
102-106 Wooster LLC, c/o Carter Management Corp., 750 Lexington Avenue, New York, New York 10022

8. Name and Address
of Escrow Agent:
Mandel Resnik & Kaiser P.C., 220 East 42nd Street, New York, New York 10017

9. If downpayments are maintained in an escrow account:

(a) Name of account:
Mandel Resnik & Kaiser P.C., as Escrowee for 104 Wooster Street Plan

(b) Name and address
of bank:
Citibank, N.A., 120 Broadway, New York, New York 10271

(c) Account number (if known)_____

(d) Initial interest rate (if known)_____

10. If downpayments have been secured by bonds:

(a) Name and address of bond issuer or surety:_____

_____

(b) Copy of bond included in this application. (DO NOT SEND ORIGINAL BOND.) If not included, explain:

_____

_____

_____

_____

_____

11. If downpayments have been secured by a letter of credit:

(a) Name and address of bank which issued the letter of credit: _____

_____

_____

(b) Date of expiration of the letter of credit, if known:

_____

12. Plan information:

(a) Date of filing plan: _____

(b) Plan

[ ] has been declared effective. Approximate date: _____

[ ] has not been declared effective.

(c) If effective, the plan

[ ] has closed or the first unit has closed.
Approximate date: _____

[ ] has not closed.

[ ] don't' know.

(d) Downpayments are secured by

[ ] escrow account.

[ ] bonds.

[ ] letter of credit.

13. Contract information:

(a) Copy of contract and of all riders or modification letters are attached. (DO NOT SEND ORIGINALS.)

(b) Date on which subscription or purchase agreement was signed: _____

(c) Date(s) of downpayment(s): _____

(d) Total amount of downpayment(s): _____

(e) Names and addresses of subscribers or purchasers affected by this application:

_____
_____
_____
_____
_____

14. State the basis for your claim. Please be as specific as possible. You may add additional sheets. Attach copies of any relevant documents.

_____
_____
_____
_____
_____
_____
_____
_____
_____
_____

15. I am contemporaneously sending a copy of this application to the following persons:

_____
_____
_____
_____

Note: You are required to mail a copy of this Application to all other affected parties.

In filing this application, I understand that the Attorney General is not my private attorney, but represents the public in enforcing laws designed to protect the public from unlawful business practices. I also understand that if I have any questions concerning my legal rights or responsibilities I may contact a private attorney. The above application is true and accurate to the best of my knowledge. False statements made herein are punishable as a Class A Misdemeanor under Section 175.30 and/or Section 210.45 of the Penal Law.

Signature: _____ Date: _____

Name (Printed: _____

Telephone: (Home) _____ (Business) _____

Mailing Address: _____

_____

DOCUMENT 1-F

INSPECTION STATEMENT

_____, 200_

102-106 Wooster LLC
c/o Carter Management Corp.
750 Lexingon Avenue, Suite 600
New York, New York 10022

Re: 104 Wooster Street Condominium
Residential Unit No. (the "Unit")

Gentlemen:

As a result of my/our final inspection on this date, please be advised that, except as otherwise noted on the attached sheet, I/we found the Unit in good condition:

I/we understand that to avoid the risk of pilferage, certain items such as medicine cabinet doors, shower heads, toilet seats, kitchen cabinets, vanity knobs, mechanical chimes, plumbing fittings, light fixtures, electrical receptacles, toilet room accessories, door hardware and _____
_____,
may be installed just prior to my/our date of moving. I/we agree and I/we will sign off on each item requiring adjustment or repairs, if any, as it is completed.

I agree that I will promptly initial each item set forth on the attached inspection sheet as it is completed to acknowledge completion. My failure to respond to you within five (5) business days of your written request for such acknowledgement shall be deemed to mean that I have accepted and acknowledged the work as complete. I understand that work indicated on the inspection sheet shall be performed in accordance with the practice of the industry. In the event of a dispute, Seller's contractor, architect or engineer shall determine whether or not such work was performed according to such standard and his or her decision shall be binding on the parties hereto.

You agree to complete all items listed on this Inspection Statement within a reasonable period of time following closing to my Unit, subject to delays for work or materials beyond your control.

This Inspection Statement shall survive closing of title to my Unit.

Purchaser's Signature* _____

Purchaser's Signature* _____

102-106 WOOSTER LLC

By: _____
Sponsor's Representative

*If one purporting to be the Purchaser's agent signs to acknowledge completion, the Sponsor shall be entitled to rely on such signature as acknowledgement of completion and Purchaser shall be bound thereby.

EXCEPTION SHEET AND
CERTIFICATE OF COMPLETION
ADJUSTMENT AND/OR REPAIRS

Re: 104 Wooster Street Condominium
104 Wooster Street
New York, New York

Purchaser:
Date:
Time:

A.

B.

C.

D.

E.

F.

G.

H.

I.

J.

K.

L.

M.

Sponsor's Representative _____ Purchaser's Signature _____

100% Sign Off on All Items:

Sponsor's Representative _____ Purchaser's Signature _____

Date _____

ADJUSTMENTS AND/OR REPAIRS

Number	Signature	Item	Date Completed
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.			
12.			
13.			
14.			

ARTICLE 36-B

WARRANTIES ON SALES OF NEW HOMES

SUMMARY OF ARTICLE

Section 777. Definitions.
777-a. Housing merchant implied warranty.
777-b. Exclusion or modification of warranties.

§ 777. Definitions.

As used in this article, the following terms shall have the following meanings:

1. "Builder" means any person, corporation, partnership or other entity contracting with an owner for the construction or sale of a new home.

2. "Building code" means the uniform fire prevention and building code promulgated under/section three hundred seventy-seven of the executive law, local building code standards approved by the uniform fire prevention and building code council under section three hundred seventy-nine of the executive law, and the building code of the city of New York, as defined in title twenty-seven of the administrative code of the city of New York.

3. "Constructed in a skillful manner" means that workmanship and materials meet or exceed the specific standards of the applicable building code. When the applicable building code does not provide a relevant specific standard, such term means that workmanship and materials meet or exceed the standards of locally accepted building practices.

4. "Material defect" means actual physical damage to the following load-bearing portions of the home caused by failure of such load-bearing portions which affects their load-bearing functions to the extent that the home becomes unsafe, unsanitary or otherwise unliveable: foundation systems and footings, beams, girders, lintels, columns, walls and partitions, floor systems, and roof framing systems.

5. "New home" or "home" means any single family house or for-sale unit in a multi-unit residential structure of five stories or less in which title to the individual units is transferred to owners under a condominium or cooperative regime. Such terms do not include dwellings constructed solely for lease, mobile homes as defined in section seven hundred twenty-one of this chapter, or any house or unit in which the builder has resided or leased continuously for three years or more following the date of completion of construction, as evidenced by a certificate of occupancy.

6. "Owner" means the first person to whom the home is sold and, during the unexpired portion of the warranty period, each successor in title to the home and any mortgagee in possession. Owner does not include the builder of the home or any firm under common control of the builder.

7. "Plumbing, electrical, heating, cooling and ventilation systems" shall mean:

a. in the case of plumbing systems: gas supply lines and fittings; water supply, waste and vent pipes and their fittings; septic tanks and their drain fields; water, gas and sewer service piping, and their extensions to the tie-in of a public utility connection, or on-site well and sewage disposal system;

b. in the case of electrical systems: all wiring, electrical boxes, switches, outlets and connections up to the public utility connection; and

c. in the case of heating, cooling and ventilation systems: all duct work, steam, water and refrigerant lines, registers, convectors, radiation elements and dampers.

8. "Warranty date" means the date of the passing of title to the first owner for occupancy by such owner or such owner's family as a residence, or the date of first occupancy of the home as a residence, whichever first occurs.

Added by Laws 1988, Ch. 709, eff. March 1, 1989, and applicable to all new homes for which contracts of sale are entered into on and after such date.

§ 777-a. Housing merchant implied warranty.

1. Notwithstanding the provisions of section two hundred fifty-one of the real property law, a housing merchant implied warranty is implied in the contract or agreement for the sale of a new home and shall survive the passing of title. A housing merchant implied warranty shall mean that:

a. one year from and after the warranty date the home will be free from defects due to a failure to have been constructed in a skillful manner;

b. two years from and after the warranty date the plumbing, electrical, heating, cooling and ventilation systems of the home will be free from defects due to a failure by the builder to have installed such systems in a skillful manner; and

c. six years from and after the warranty date the home will be free from material defects.

2. Unless the contract or agreement by its terms clearly evidences a different intention of the seller, a housing merchant implied warranty does not extend to:

a. any defect that does not constitute (i) defective workmanship by the builder or by an agent, employee or subcontractor of the builder, (ii) defective materials supplied by the builder or by an agent, employee or subcontractor of the builder, or (iii) defective design provided by a design professional retained exclusively by the builder; or

b. any patent defect which an examination ought in the circumstances to have revealed, when the buyer before taking title or accepting construction as complete has examined the home as fully as the buyer desired, or has refused to examine the home.

3. In the case of goods sold incidentally with or included in the sale of the new home, such as stoves, refrigerators, freezers, room air conditioners, dishwashers, clothes washers and dryers, a housing merchant implied warranty shall mean that such goods shall be free from defects due to failure by the builder or any agent, employee or subcontractor of the builder to have installed such systems in a skillful manner. Merchantability, fitness and all other implied warranties with respect to goods shall be governed by part three of article two of the uniform commercial code and other applicable statutes.

4. a. Written notice of a warranty claim for breach of a housing merchant implied warranty must be received by the builder prior to the commencement of any action under paragraph b of this subdivision and no later than thirty days after the expiration of the applicable warranty period, as described in subdivision one of this section. The owner

and occupant of the home shall afford the builder reasonable opportunity to inspect, test and repair the portion of the home to which the warranty claim relates.

b. An action for damages or other relief caused by the breach of a housing merchant implied warranty may be commenced prior to the expiration of one year after the applicable warranty period, as described in subdivision one of this section, or within four years after the warranty date, whichever is later. In addition to the foregoing, if the builder makes repairs in response to a warranty claim under paragraph a of this subdivision, an action with respect to such claim may be commenced within one year after the last date on which such repairs are performed. The measure of damages shall be the reasonable cost of repair or replacement and property damage to the home proximately caused by the breach of warranty, not to exceed the replacement cost of the home exclusive of the value of the land, unless the court finds that, under the circumstances, the diminution in value of the home caused by the defect is a more equitable measure of damages.

c. In addition to any other period for the commencement of an action permitted by law, an action for contribution or indemnification may be commenced at any time prior to the expiration of one year after the entry of judgment in an action for damages under paragraph b of this subdivision.

5. Except as otherwise provided in section seven hundred seventy-seven-b of this article, any provision of a contract or agreement for the sale of a new home which excludes or modifies a housing merchant implied warranty shall be void as contrary to public policy.

6. Except as otherwise provided in section seven hundred seventy-seven-b of this article, other implied warranties may arise from the terms of the contract or agreement or from course of dealing or usage of trade.

Added by Laws 1988, Ch. 709, eff. March 1, 1989, and applicable to all new homes for which contracts of sale are entered into on and after such date.

§ 777-b. Exclusion or modification of warranties.

1. Except in the case of a housing merchant implied warranty, the builder or seller of a new home may exclude or modify all warranties by any clear and conspicuous terms contained in the written contract or agreement of sale which call the buyer's attention to the exclusion or modification of warranties and make the exclusion or modification plain.

2. Except in the case of a housing merchant implied warranty, the builder or seller of a new home may exclude or modify warranties with respect to particular defects by any clear and conspicuous terms contained in the written contract or agreement of sale which identify such defects, call the buyer's attention to the exclusion or modification of warranties and make the exclusion or modification plain.

3. A housing merchant implied warranty may be excluded or modified by the builder or seller of a new home only if the buyer is offered a limited warranty in accordance with the provisions of this subdivision.

a. A copy of the express terms of the limited warranty shall be provided in writing to the buyer for examination prior to the time of the buyer's execution of the contract or agreement to purchase the home.

b. A copy of the express terms of the limited warranty shall be included in, or annexed to and incorporated in, the contract or agreement.

c. The language of the contract or agreement for sale of the home must conspicuously mention the housing merchant implied warranty and provide that the limited warranty excludes or modifies the implied warranty. Language to exclude all implied warranties is sufficient if it states, for example, that "There are no warranties which extend beyond the face hereof."

d. The limited warranty shall meet or exceed the standards provided in subdivisions four and five of this section.

4. A limited warranty sufficient to exclude or modify a housing merchant implied warranty must be written in plain English and must clearly disclose:

a. that the warranty is a limited warranty which limits implied warranties on the sale of the home; the words "limited warranty" must be clearly and conspicuously captioned at the beginning of the warranty document;

b. the identification of the names and addresses of all warrantors;

c. the identification of the party or parties to whom the warranty is extended and whether it is extended to subsequent owners; the limited warranty must be extended to the first owner of the home and survive the passing of title but may exclude any or all subsequent owners;

d. a statement of the products or parts covered by the limited warranty;

e. the clear and conspicuous identification of any parts or portions of the home or premises that are excepted or excluded from warranty coverage, and the standards that will be used to determine whether a defect has occurred; provided, however, that:

i. any exception, exclusion or standard which does not meet or exceed a relevant specific standard of the applicable building code, or in the absence of such relevant specific standard a locally accepted building practice, shall be void as contrary to public policy and shall be deemed to establish the applicable building code standard or locally accepted building practice as the warranty standard; and

ii. any exception, exclusion or standard that fails to ensure that the home is habitable, by permitting conditions to exist which render the home unsafe, shall be void as contrary to public policy.

f. what the builder and any other warrantor will do when a defect covered by the warranty does arise, and the time within which the builder and any other warrantor will act;

g. the term of the warranty coverage and when the term begins, provided, however, that such term shall be equal to or exceed the warranty periods of a housing merchant implied warranty, as defined in subdivision one of section seven hundred seventy-seven-a of this article;

h. step-by-step claims procedures required to be undertaken by the owner, if any, including directions for notification of the builder and any other warrantor; an owner shall not be required to submit to binding arbitration or to pay any fee or charge for participation in nonbinding arbitration or any mediation process;

i. any limitations on or exclusions of consequential or incidental damages, and any limitations on the builder's and other warrantor's total liability, conspicuously expressed on the first page of the warranty. Notwithstanding the foregoing, a limited warranty shall not be construed to permit any limitation on or exclusion of property damage to the home proximately caused by a breach of the limited warranty, where the court finds that such limitation or exclusion would cause the limited warranty to fail of its essential purpose,

except that such property damage may be limited by an express limitation on the builder's or other warrantor's total liability in accordance with the provisions of this paragraph.

5. a. This article shall not be construed to authorize or validate any covenant, promise, agreement or understanding which is void and unenforceable under section 5-322.1 of the general obligations law.

b. This article shall preempt any local law inconsistent with the provisions of this article. This article shall not preempt any builder subject to its provisions from complying with any local law with respect to the regulation of home builders except as expressly provided herein.

c. Nothing in this article shall be construed to repeal, invalidate, supersede or restrict any right, liability or remedy provided by any other statute of the state, except where such construction would, as a matter of law, be unreasonable.

Added by Laws 1988, Ch. 709, eff. March 1, 1989, and applicable to all new homes for which contracts of sale are entered into on and after such date.

LIMITED WARRANTY

Unit No.:_____

NAME OF PURCHASER(S): _____

_____

ADDRESS OF PURCHASER(S): _____

_____

ADDRESS OF UNIT WARRANTED: _____

_____

_____

NAME OF SPONSOR: 102-106 Wooster LLC

ADDRESS OF SPONSOR: 750 Lexington Avenue, Suite 600, New York, New York

WARRANTY DATE: _____

SPONSOR'S LIMIT OF TOTAL LIABILITY: _____

This Limited Warranty Excludes All Consequential and Incidental Damages, Except as Required By New York State Law.

1. ***To Whom Given***. This Limited Warranty is extended to the Purchaser(s) named on page 1, while the, Purchaser(s) owns the Unit. It does not extend to subsequent owners of the Unit or other persons.

2. ***By Whom Made***. This Limited Warranty is made exclusively by the Sponsor whose name and address appear on page 1.

3. ***Final Inspection of Unit***. Before the Purchaser(s) moves into the Unit or accepts the Deed, the Sponsor will set up an appointment for final inspection of the Unit with the Purchaser(s). The purpose of this final inspection is to discover any defects or flaws of a visible or obvious nature -- such as mars, chips, dents, cracks, or scratches -- that may have occurred during the final stages of finishing the Unit, or any unfinished work caused by back-orders beyond the Sponsor's control. The Sponsor may also point out other defects known to have occurred during the construction process and that remain uncorrected at the time of the inspection.

All defects or flaws found on final inspection of the Unit will be itemized on a Final Inspection Sheet, which will include a schedule for each item that will be corrected. The Final Inspection Sheet will be signed by the Purchaser(s) and the Sponsor before occupancy of the Unit or transfer of the Deed.

When the Purchaser(s) moves into the Unit or accepts the Deed, the Sponsor's responsibility is limited to:

(a) completion of items shown on the Final Inspection Sheet, as provided in the Final Inspection Sheet; and

(b) performance of warranty obligations under the provisions of this Limited Warranty, as listed below. The purpose of the Limited Warranty is to identify the Sponsor's responsibilities for construction defects of a latent or hidden kind that would not have been found or disclosed on final inspection of the Unit.

4. ***Limited Warranty***. This Limited Warranty excludes all other warranties on the construction and sale of the Unit and its components, both express and implied. There are no warranties which extend beyond the fact hereof.

5. ***Warranty Coverages and Periods***. The Warranty Period for all coverages begins on the Warranty Date shown on page 1. (This Warranty Date is the date that the Purchaser(s), or member of the Purchaser(s)'s family, takes title to the Unit or any person begins residential occupancy of the Unit, whichever date is earlier). It ends at the expiration of the coverages shown below:

FIRST YEAR BASIC COVERAGE: For one (1) year from the Warranty Date, the Unit will be free from latent defects that constitute:

(a) defective workmanship performed by the Sponsor, an agent of the Sponsor or subcontractor of the Sponsor;

(b) defective materials provided by the Sponsor, an agent of the Sponsor or subcontractor of the Sponsor; or

(c) defective design, provided by an architect, landscape architect, engineer, surveyor, or other design professional engaged solely by the Sponsor.

Workmanship, materials and design will be considered to be defective if they fail to meet the relevant standards and specifications of the New York State Uniform Fire Prevention and Building Code (or, for Units in New York City, the Building Code of the City of New York) or if they fail to meet the Accepted Standards.

TWO YEAR MAJOR SYSTEM COVERAGE: For two (2) years from the Warranty Date, the Plumbing, Electrical, Heating, Cooling and Ventilation Systems of the Unit which have been installed by the Sponsor are warranted to be free from latent defects that constitute defective installation by the Sponsor.

Installation will be considered to be defective if the Sponsor's workmanship upon the installation fails to meet the relevant standards and specifications of the New York State Uniform Fire Prevention and Building Code (or, for Units in New York City, the Building Code of the City of New York) and the Accepted Standards.

The Plumbing System means: gas supply lines and fittings; water supply; waste and vent pipes and their fittings; septic tanks and their drain fields; water, gas and sewer service piping and their extensions to the tie-in of a public utility connection, or on-site well and sewage disposal system.

The Electrical System means: all wiring, electrical boxes, switches, outlets and connections up to the public utility connection.

The Heating, Cooling and Ventilation Systems mean: all duct work, steam, water and refrigerant lines, registers, convectors, radiation elements and dampers.

SIX YEAR MAJOR STRUCTURAL DEFECT COVERAGE: For six (6) years from the Warranty Date, the Unit will be free from latent defects that are Major Structural Defects, as defined below, and that constitute:

(a) defective workmanship performed by the Sponsor, an agent of the Sponsor or subcontractor of the Sponsor;

(b) defective materials provided by the Sponsor, an agent of the Sponsor or subcontractor of the Sponsor; or

(c) defective design, provided by an architect, landscape architect, engineer, surveyor, or other design professional engaged solely by the Sponsor.

Workmanship, materials and design will be considered to be defective if they fail to meet the relevant standards and specifications of the New York State Uniform Fire Prevention

A Major Structural Defect is a defect resulting in actual physical damage to the following load-bearing portions of the Unit caused by failure of such load-bearing portions which affect their load-bearing functions to the extent that the Unit becomes unsafe, unsanitary or otherwise unlivable: foundation systems and footings, beams, girders, lintels, columns, walls and partitions, floor systems, and roof framing systems.

Damage to the following non-load-bearing portions of the Unit do not constitute a Material Defect for the Material Defect coverage: roofing and sheathing; drywall and plaster; exterior siding; brick, stone and stucco veneer; floor covering material; wall tile and other wall coverings; non-load-bearing walls and partitions; concrete floors in attached garages and basements that are built separately from foundation walls or other structural elements of the Unit; electrical, plumbing, heating, cooling and ventilation systems; appliances, fixtures and items of equipment; paint; doors and windows; trim; cabinets; hardware; and insulation.

6. ***Exclusions From Coverage***. The following are excluded from the Basic Coverage, Major System Coverage, and Major Structural Defect Coverage:

(a) Loss or damage caused by workmanship performed by any person other than: (i) the Sponsor; (ii) an agent of the Sponsor; or (iii) a subcontractor of the Sponsor.

(b) Loss or damage, caused by defective materials provided by any person other than: (i) the Sponsor; (ii) an agent of the Sponsor; or (iii) subcontractor of the Sponsor.

(c) Loss or damage caused by defective design, provided by any person other than a design professional retained exclusively by the Sponsor.

(d) Patent defects including defects shown on the Final Inspection Sheet and defects which an examination of the Unit prior to acceptance of the Deed or occupancy of the Unit ought to have revealed.

(e) Defects in outbuildings including, but not limited to, detached garages and detached carports (except outbuildings which contain the plumbing, electrical, heating, cooling or ventilation systems serving the Unit); site located swimming pools and other recreational facilities; driveways; walkways; patios; boundary walls; retaining walls; bulkheads; fences; landscaping (including sodding, seeding, shrubs, trees and plantings); off-site improvements or any other improvements not a part of the Unit itself.

(f) After the first year, concrete floors of basements and concrete floors of attached garages that are built separately from foundation walls or other structural elements of the Unit.

(g) Damage to real property which is not part of the Unit covered by this Limited Warranty and which is not included in the purchase price of the Unit.

(h) Any damage to the extent that it is caused or made worse by:

(i) negligence, improper maintenance, or improper operation by anyone other than the Sponsor, its employees, agents, or subcontractors;

(ii) failure by the Purchaser(s) or anyone other than the Sponsor, its employees, agents, or subcontractors, to comply with the warranty requirements of manufacturers or suppliers of appliances, fixtures or items of equipment;

(iii) failure of the Purchaser(s) to give notice to the Sponsor of any defects or damages within a reasonable time;

(iv) changes in the grading of the ground by anyone other than the Sponsor, its employees, agents, or subcontractors;

(v) changes, alterations or additions made to the Unit by anyone after the Warranty Date shown on page 1; or

(vi) dampness or condensation due to failure of the Purchaser(s) or occupant to maintain adequate ventilation.

(i) Any condition which does not result in actual physical damage to the Unit.

(j) Loss or damage caused by or resulting from accidents, riot and civil commotion, fire, explosion, smoke, water escape, falling objects, aircraft, vehicles, Acts of God, lightning, windstorm, hail, flood, mudslide, earthquake, volcanic eruption, wind-driven water, and not reasonably foreseeable changes in the underground water table.

(k) Loss or damage caused by seepage of water unless such loss or damage is the direct result of a construction defect.

(l) Any damage caused by soil movement for which compensation is provided by legislation or which is covered by other insurance.

(m) Any damage which the Unit Owner has not taken timely action to minimize.

(n) Normal wear and tear and normal deterioration.

(o) Insect damage.

(p) Bodily injury or damage to personal property.

(q) Failure of the Sponsor to complete construction of the Unit.

(r) Loss or damage which arises while the Unit is being used primarily for non-residential purposes.

(s) Loss or damage due to abnormal loading on the floors by the Unit Owner which exceeds design loads as mandated by the Building Code.

(t) Costs of shelter, transportation, food, moving, storage or other incidental expenses related to relocation during repair.

(u) Consequential damages (except where required by state law).

(v) Any claim not filed in a manner set forth below in paragraph 8.

7. ***Warranty***. If a defect occurs in an item covered by this Limited Warranty, the Sponsor will repair, replace or pay the Purchaser(s) the reasonable cost of repairing or replacing the defective item(s) within a reasonable time after the Sponsor's inspection or testing discloses the problem. The choice among repair, replacement or payment is solely that of the Sponsor.

In no event will the Sponsor's total liability, for deficiencies under this Limited Warranty, exceed the Sponsor's Limit of Total Liability shown on page 1.

Repair, replacement of payment of reasonable cost for any Major Structural Defect is further limited to: (i) the repair of damage to the load-bearing portions of the Unit themselves which is necessary to restore their load-bearing function and (ii) the repair of those items of the Unit damaged by the Major Structural Defect which made the Unit unsafe, unsanitary or otherwise unlivable.

When the Sponsor finishes repairing or replacing the defect or pays the reasonable cost of doing so, a full release of all legal obligations with respect to the defect must be signed and delivered to the Sponsor.

8. ***Claims Procedures.***

(a) Written notice of any warranty claim must be made on the attached Notice of Warranty Claim Form and must be received by the Sponsor, identified on page 1, no later than the first business day after warranty coverage on that item expires. If this Notice of Warranty Claim Form is not properly completed and received by the Sponsor by that deadline, the Sponsor will have no duty to respond to any complaint or demand, and any or all claims may be rejected. NOTICE OF WARRANTY CLAIM IS NECESSARY TO PROTECT RIGHTS TO WARRANTY PERFORMANCE UNDER THIS LIMITED WARRANTY.

(b) No steps taken by the Sponsor, Purchaser(s) or any other person to inspect, test or correct defects will extend any time period under this Limited Warranty. The Sponsor's response to any complaint or request, other than a timely and properly completed Notice of Warranty Claim, will not impair, prejudice or otherwise affect any right of the Sponsor, including, but not limited to, the Sponsor's right to receive a timely and properly completed Notice of Warranty Claim.

(c) In response to the Notice of Warranty Claim, or any other complaint or request of the Purchaser(s), the Sponsor and the Sponsor's agents will have the right to inspect and test the portion of the Unit to which the claim, complaint or request relates. The Purchaser(s) and occupants of the Unit must provide reasonable access to the Sponsor and the Sponsor's agents during normal business hours to complete inspection, testing and repair or replacement.

(d) The Sponsor will complete inspection and testing within a reasonable time under the circumstances, not to exceed thirty (30) days after receipt of a timely and properly completed Notice of Warranty Claim Form. Upon completion of inspection and testing, the Sponsor will determine whether to accept or reject the claim. If the Sponsor rejects the claim, the Sponsor will give written notice of that decision to the claimant at the address shown on the Notice of Warranty Claim Form. If the Sponsor accepts the claim, the Sponsor will take corrective action within a reasonable time under the circumstances and, upon completion, will give written notice of completion to the claimant at the address shown on the Notice of Warranty Claim Form. The Sponsor will use good faith efforts to process and handle claims in a timely manner, but all time periods for repair or replacement of defects necessarily are subject to weather conditions, Acts of God, availability of materials, and other events beyond the Sponsor's control.

9. ***Legal Actions.***

(a) No claim or cause of action under this Limited Warranty may be commenced or asserted in any suit, action, or other legal proceeding against the Sponsor in any Court or forum unless notice of the claim or cause of action has been received by the Sponsor in a timely and properly commenced Notice of Warranty Claim Form as provided in paragraph 8 above.

(b) No suit, action and proceeding against the Sponsor under this Limited Warranty may be commenced in any Court or forum after the later of: (i) the date of expiration of the applicable warranty coverage under paragraph 5 of this Limited Warranty or (ii) sixty (60) calendar days after the Warrantor has given written notice of rejection of claim or completion of corrective action as provided in section 8(d) above.

10. ***General Provisions.***

(a) This Limited Warranty may not be changed or amended in any way.

(b) This Limited Warranty is to be binding upon the Sponsor and the Purchaser(s), their heirs, executives, administrators, successors and assigns.

(c) Should any provisions of the Limited Warranty be deemed unenforceable by a court of competent jurisdiction, the determination will not affect the enforceability of the remaining provisions.

(d) Use of one gender in this Limited Warranty includes all other genders, and use of the plural includes the singular, as may be appropriate.

(e) This Limited Warranty is to be governed in accordance with the laws of New York State.

DATED:

_____
Purchaser

_____
Purchaser

102-106 Wooster LLC, Sponsor

By:_____

NOTICE OF WARRANTY CLAIM FORM

Dear Unit Owner:

To ask the Sponsor to correct a defect in your Unit that you think is covered by the Sponsor's Limited Warranty, you must complete this form and deliver it to the Sponsor. This is necessary to protect your rights to warranty performance under the Limited Warranty. Even if you believe that the Sponsor is aware of the problem, fill out this form and deliver it to the Sponsor.

The information you will need to fill out the form will be on page 1 of the Limited Warranty. However, if you do not know the answers to any questions, write "Don't Know". Please do not leave any item blank.

Your Name:_____

Mailing Address:_____

Telephone No.:_____

Limited Warranty
No.:_____
Warranty Date:_____

Describe the defect(s) which you think are covered by the Limited Warranty. Be sure to include when each defect first occurred or when you first noticed it. Use additional sheets, as necessary, to fully described the problem.

_____

_____

_____

_____

_____ _____
Signature Date

_____ _____
Signature Date

Sample Disclosure Format for Target Housing Rentals and Leases

Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards

Lead Warning Statement

Housing built before 1978 may contain lead-based paint. Lead from paint, paint chips, and dust can pose health hazards if not taken care of properly. Lead exposure is especially harmful to young children and pregnant women. Before renting pre-1978 housing, landlords must disclose the presence of known lead-based paint and lead-based paint hazards in the dwelling. Tenants must also receive a Federally approved pamphlet on lead poisoning prevention.

Lessor's Disclosure (initial)

_____ (a) Presence of lead-based paint or lead-based paint hazards (check one below):

☐ Known lead-based paint and/or lead-based paint hazards are present in the housing (explain).

_____

_____

☐ Lessor has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.

_____ (b) Records and reports available to the lessor (check one below):

☐ Lessor has provided the lessee with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (list documents below).

_____

_____

☐ Lessor has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.

Lessee's Acknowledgment (initial)

_____ (c) Lessee has received copies of all information listed above.

_____ (d) Lessee has received the pamphlet *Protect Your Family from Lead in Your Home.*

Agent's Acknowledgment (initial)

_____ (e) Agent has informed the lessor of the lessor's obligations under 42 U.S.C. 4852(d and is aware of his/her responsibility to ensure compliance.

Certification of Accuracy

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information provided by the signatory is true and accurate.

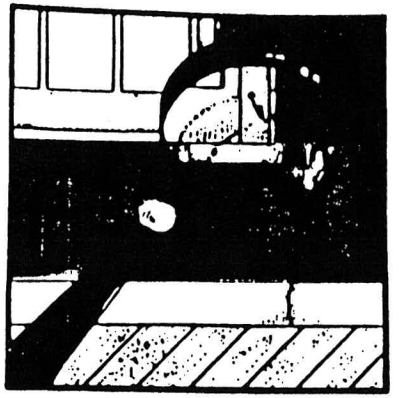
Lessor	Date	Lessor	Date
Lessee	Date	Lessee	Date
Agent	Date	Agent	Date

Simple Steps To Protect Your Family From Lead Hazards

If you think your home has high levels of lead:

- Get your young children tested for lead, even if they seem healthy.
- Wash children's hands, bottles, pacifiers, and toys often.
- Make sure children eat healthy, low-fat foods.
- Get your home checked for lead hazards.
- Regularly clean floors, window sills, and other surfaces.
- Wipe soil off shoes before entering house.
- Talk to your landlord about fixing surfaces with peeling or chipping paint.
- Take precautions to avoid exposure to lead dust when remodeling or renovating (call 1-800-424-LEAD for guidelines).
- Don't use a belt-sander, propane torch, dry scraper, or dry sandpaper on painted surfaces that may contain lead.
- Don't try to remove lead-based paint yourself.

Recycled/Recyclable
Printed on paper that contains at least 20 percent postconsumer fiber.







Protect Your Family From Lead In Your Home

EPA
United States
Environmental Protection
Agency

United States Consumer
Product Safety Commission

U.S. EPA Washington DC 20460
U.S. CPSC Washington DC 20207

EPA747-K-94-001
May 1995

Are You Planning To Buy, Rent, or Renovate a Home Built Before 1978?

Many houses and apartments built before 1978 have paint that contains lead (called lead-based paint). Lead from paint, chips, and dust can pose serious health hazards if not taken care of properly.

By 1996, federal law will require that individuals receive certain information before renting, buying, or renovating pre-1978 housing:



LANDLORDS will have to disclose known information on lead-based paint hazards before leases take effect. Leases will include a federal form about lead-based paint.



SELLERS will have to disclose known information on lead-based paint hazards before selling a house. Sales contracts will include a federal form about lead-based paint in the building. Buyers will have up to 10 days to check for lead hazards.



RENOVATORS will have to give you this pamphlet before starting work.



IF YOU WANT MORE INFORMATION on these requirements, call the National Lead Information Clearinghouse at **1-800-424-LEAD**.

This document is in the public domain. It may be reproduced by an individual or organization without permission. Information provided in this booklet is based upon current scientific and technical understanding of the issues presented and is reflective of the jurisdictional boundaries established by the statutes governing the co-authoring agencies. Following the advice given will not necessarily provide complete protection in all situations or against all health hazards that can be caused by lead exposure.

IMPORTANT!

Lead From Paint, Dust, and Soil Can Be Dangerous If Not Managed Properly

FACT: Lead exposure can harm young children and babies even before they are born.

FACT: Even children that seem healthy can have high levels of lead in their bodies.

FACT: People can get lead in their bodies by breathing or swallowing lead dust, or by eating soil or paint chips with lead in them.

FACT: People have many options for reducing lead hazards. In most cases, lead-based paint that is in good condition is not a hazard.

FACT: Removing lead-based paint improperly can increase the danger to your family.

If you think your home might have lead hazards, read this pamphlet to learn some simple steps to protect your family.

Lead Gets in the Body in Many Ways

1 out of every 11 children in the United States has dangerous levels of lead in the blood-stream.

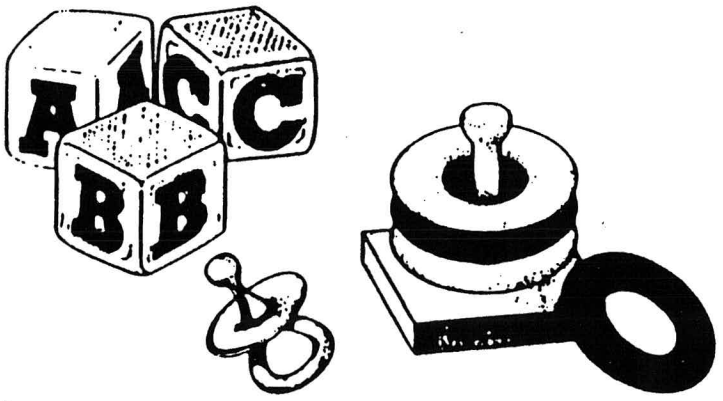
Even children who appear healthy can have dangerous levels of lead.

People can get lead in their body if they:

- Put their hands or other objects covered with lead dust in their mouths.
- Eat paint chips or soil that contain lead.
- Breathe in lead dust (especially during renovations that disturb painted surfaces).

Lead is even more dangerous to children than adults because:

- Babies and young children often put their hands and other objects in their mouths. These objects can have lead dust on them.
- Children's growing bodies absorb more lead.
- Children's brains and nervous systems are more sensitive to the damaging effects of lead.



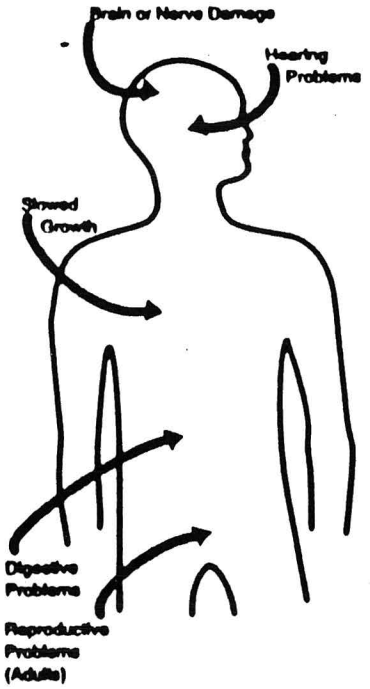
Lead's Effects

If not detected early, children with lead in their bodies can suffer from:

- Damage to the brain and nervous system
- Behavior and learning problems (such as hyperactivity)
- Slowed growth
- Hearing problems
- Headaches

Lead is also harmful to adults. Adults can suffer from:

- Difficulties during pregnancy
- Other reproductive problems (in both men and women)
- High blood pressure
- Digestive problems
- Nerve disorders
- Memory and concentration problems
- Muscle and joint pain



Lead affects the body in many ways.

Checking Your Family for Lead

Get your children tested if you think your home has high levels of lead.

A simple blood test can detect high levels of lead. Blood tests are important for:

- Children who are 6 months to 1 year old (6 months if you live in an older building or home that might have lead in the paint).
- Family members that you think might have high levels of lead.

If your child is older than 1 year, talk to your doctor about whether your child needs testing.

Your doctor or health center can do blood tests. They are inexpensive and sometimes free. Your doctor will explain what the test results mean. *Treatment can range from changes in your diet to medication or a hospital stay.*

Where Lead-Based Paint Is Found

In general, the older your home, the more likely it has lead-based paint.

Many homes built before 1978 have lead-based paint. In 1978, the federal government banned lead-based paint from housing.

Lead can be found:

- In homes in the city, country, or suburbs.
- In apartments, single-family homes, and both private and public housing.
- Inside *and* outside of the house.
- In soil around a home. (Soil can pick up lead from exterior paint, or other sources such as past use of leaded gas in cars).

Where Lead Is Likely To Be a Hazard

Lead-based paint that is in good condition is usually not a hazard.

Peeling, chipping, chalking, or cracking lead-based paint is a hazard and needs immediate attention.

Lead-based paint may also be a hazard when found on surfaces that children can chew or that get a lot of wear-and-tear. These areas include:

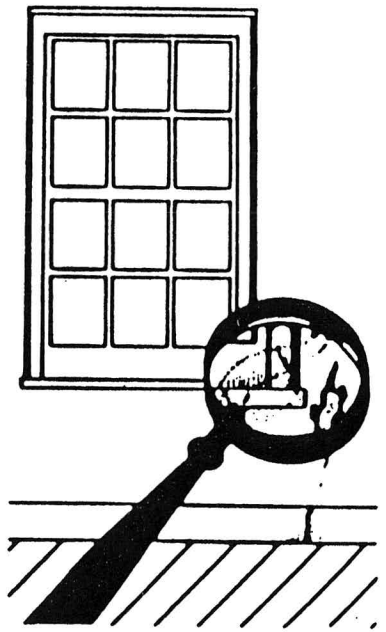
- Windows and window sills.
- Doors and door frames.
- Stairs, railings, and banisters.
- Porches and fences.

Lead from paint chips, which you can see, and lead dust, which you can't always see, can both be serious hazards

Lead dust can form when lead-based paint is dry scraped, dry sanded, or heated. Dust also forms when painted surfaces bump or rub together. Lead chips and dust can get on surfaces and objects that people touch. Settled lead dust can reenter the air when people vacuum, sweep, or walk through it.

Lead in soil can be a hazard when children play in bare soil or when people bring soil into the house on their shoes. Call your state agency (see page 12) to find out about soil testing for lead.





Checking Your Home for Lead

Just knowing that a home has lead-based paint may not tell you if there is a hazard.

You can get your home checked for lead hazards in one of two ways, or both:

- A paint **inspection** tells you the lead content of every painted surface in your home. It won't tell you whether the paint is a hazard or how you should deal with it.
- A **risk assessment** tells you if there are any sources of serious lead exposure (such as peeling paint and lead dust). It also tells you what actions to take to address these hazards.

Have qualified professionals do the work. *The federal government is writing standards for inspectors and risk assessors. Some states might already have standards in place.* Call your state agency for help with locating qualified professionals in your area (see page 12).



Trained professionals use a range of methods when checking your home, including:

- Visual inspection of paint condition and location.
- Lab tests of paint samples.
- Surface dust tests.
- A portable x-ray fluorescence machine.

Home test kits for lead are available, but the federal government is still testing their reliability. These tests should not be the only method used before doing renovations or to assure safety.

What You Can Do Now To Protect Your Family

If you suspect that your house has lead hazards, you can take some immediate steps to reduce your family's risk:



- **If you rent, notify your landlord of peeling or chipping paint.**
- **Clean up paint chips immediately.**
- **Clean floors, window frames, window sills, and other surfaces weekly.** Use a mop or sponge with warm water and a general all-purpose cleaner or a cleaner made specifically for lead. REMEMBER: NEVER MIX AMMONIA AND BLEACH PRODUCTS TOGETHER SINCE THEY CAN FORM A DANGEROUS GAS.



- **Thoroughly rinse sponges and mop heads after cleaning dirty or dusty areas.**
- **Wash children's hands often, especially before they eat and before nap time and bed time.**
- **Keep play areas clean.** Wash bottles, pacifiers, toys, and stuffed animals regularly.
- **Keep children from chewing window sills or other painted surfaces.**
- **Clean or remove shoes before entering your home to avoid tracking in lead from soil.**
- **Make sure children eat nutritious, low-fat meals high in iron and calcium,** such as spinach and low-fat dairy products. Children with good diets absorb less lead.



How To Significantly Reduce Lead Hazards

Removing lead improperly can increase the hazard to your family by spreading even more lead dust around the house.

Always use a professional who is trained to remove lead hazards safely.



In addition to day-to-day cleaning and good nutrition:

- You can **temporarily** reduce lead hazards by taking actions like repairing damaged painted surfaces and planting grass to cover soil with high lead levels. These actions (called "interim controls") are not permanent solutions and will not eliminate all risks of exposure.
- To **permanently** remove lead hazards, you must hire a lead "abatement" contractor. Abatement (or permanent hazard elimination) methods include removing, sealing, or enclosing lead-based paint with special materials. Just painting over the hazard with regular paint is not enough.

Always hire a person with special training for correcting lead problems—someone who knows how to do this work safely and has the proper equipment to clean up thoroughly. If possible, hire a certified lead abatement contractor. Certified contractors will employ qualified workers and follow strict safety rules as set by their state or by the federal government.

Call your state agency (see page 12) for help with locating qualified contractors in your area and to see if financial assistance is available.

Remodeling or Renovating a Home With Lead-Based Paint

Take precautions before you begin remodeling or renovations that disturb painted surfaces (such as scraping off paint or tearing out walls):



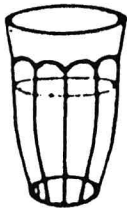
- **Have the area tested for lead-based paint.**
- **Do not use a dry scraper, belt-sander, propane torch, or heat gun** to remove lead-based paint. These actions create large amounts of lead dust and fumes. Lead dust can remain in your home long after the work is done.
- **Temporarily move your family** (especially children and pregnant women) out of the apartment or house until the work is done and the area is properly cleaned. If you can't move your family, at least completely seal off the work area.
- **Follow other safety measures to reduce lead hazards.** You can find out about other safety measures by calling 1-800-424-LEAD. Ask for the brochure "Reducing Lead Hazards When Remodeling Your Home." This brochure explains what to do before, during, and after renovations.

If not conducted properly, certain types of renovations can release lead from paint and dust into the air.

If you have already completed renovations or remodeling that could have released lead-based paint or dust, get your young children tested and follow the steps outlined on page 7 of this brochure.



Other Sources of Lead



While paint, dust, and soil are the most common lead hazards, other lead sources also exist.





- **Drinking water.** Your home might have plumbing with lead or lead solder. Call your local health department or water supplier to find out about testing your water. You cannot see, smell, or taste lead, and boiling your water will not get rid of lead. If you think your plumbing might have lead in it:
  - Use only cold water for drinking and cooking.
  - Run water for 15 to 30 seconds before drinking it, especially if you have not used your water for a few hours.
- **The job.** If you work with lead, you could bring it home on your hands or clothes. Shower and change clothes before coming home. Launder your clothes separately from the rest of your family's.
- Old painted **toys and furniture.**
- Food and liquids stored in **lead crystal** or **lead-glazed pottery or porcelain.**
- **Lead smelters** or other industries that release lead into the air.
- **Hobbies** that use lead, such as making pottery or stained glass, or refinishing furniture.
- **Folk remedies** that contain lead, such as "greta" and "azarcon" used to treat an upset stomach.

For More Information

The National Lead Information Center

Call **1-800-LEAD-FYI** to learn how to protect children from lead poisoning.

For other information on lead hazards, call the center's clearinghouse at **1-800-424-LEAD.** For the hearing impaired, call, **TDD 1-800-526-5456.** (FAX: **202-659-1192.** Internet: **EHC@CAIS.COM**).

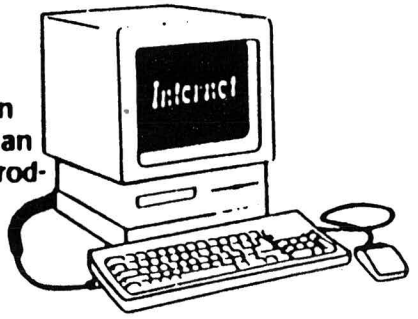


EPA's Safe Drinking Water Hotline

Call **1-800-426-4791** for information about lead in drinking water.

Consumer Product Safety Commission Hotline

To request information on lead in consumer products, or to report an unsafe consumer product or a product-related injury call **1-800-638-2772.** (Internet: info@cpsc.gov). For the hearing impaired, call **1-800-638-8270.**



Local Sources of Information

DOCUMENT 2

UNIT OWNER'S POWER OF ATTORNEY

FROM

Principal: _____

_____

_____

TO

Attorney-in Fact: BOARD OF MANAGERS

OF

104 WOOSTER STREET CONDOMINIUM

AND

Attorney-in-Fact: 102-106 WOOSTER LLC

AND

Attorney-in-Fact: EACH UNSOLD UNIT OWNER

Condominium: 104 WOOSTER STREET CONDOMINIUM
Address of Condominium: 104 WOOSTER STREET
Property: NEW YORK, NEW YORK 10012

Principal's Unit_____

County: New York
Block: 500
Lot: ____

_____

RECORD AND RETURN TO:

DOCUMENT 2

UNIT OWNER'S POWER OF ATTORNEY

[To be Executed in Triplicate]

EXHIBIT E TO DECLARATION ESTABLISHING 104 WOOSTER STREET CONDOMINIUM

This Unit Owner's Power of Attorney is being made as of _____ _____, 200_, by _____ hereinafter (collectively) called "Principal"), having an (office)*(residence)* address at _____, as owner of the unit designated in the Declaration as [Residential*] [Commercial*] Unit _____ ("Unit") and also designated as Tax Lot _____ in Block 500 on the Tax Map.

* *Delete where inapplicable.*

TERMS: The terms of this Unit Owner's Power of Attorney are set forth in Sections 1 through 10, which start on the page immediately following the Acknowledgment entitled "Terms of Unit Owner's Power of Attorney".

AFFIRMATION AND ATTESTATION: Principal affirms, attests and covenants that this instrument is legal and valid, has been duly authorized by all requisite corporate, partnership or company action (if and as applicable), is being duly executed by a duly authorized signatory, and is binding upon and fully enforceable in accordance with its terms, and may be so relied upon each attorney-in-fact (as defined and identified in this instrument).

PRINCIPAL:

Signature: _____ Signature:_____ Entity:_____
By:_____

Name:_____ Name:_____Signature:_____

TERMS OF UNIT OWNER'S POWER OF ATTORNEY

Section 1. Definitions

1.1 The meanings stated for the words within quotation marks below or elsewhere in this instrument apply wherever these words appear in this instrument.

"Building": The building known by the street address of 104 Wooster Street, New York, New York 10012.

"By-Laws": The By-Laws of the Condominium set forth as EXHIBIT D to, and recorded together with, the Declaration, as such By-Laws or a provision thereof may be amended from time-to-time in accordance with its provisions.

"Condominium": The condominium which is the subject of the Declaration, known as 104 Wooster Street Condominium and established on the Property by the filing and recording of the Declaration, the By-Laws and the Floor Plans of the Condominium.

"Declarant" or "Sponsor": 102-106 Wooster LLC.

"Declaration": The instrument entitled Declaration of Condominium Establishing a Plan for Condominium Ownership of the Premises known as and by the street number 104 Wooster Street, New York, New York 10012 and executed by 102-106 Wooster LLC, as Declarant, and recorded in the New York County Office of the Register of the City of New York on _____, 2000 in Reel ____, at page ____, thereby establishing a condominium regime of ownership of the Property under Article 9-B of the Real Property Law of the State of New York, as such Declaration may be Amended from time to time in accordance with its provisions by a duly executed and recorded instrument.

"Land": The parcel of land on which the Building is located and more particularly described in EXHIBIT A to the Declaration.

"Landmark Declaration": The instrument entitled Declaration executed by Sponsor on July 9, 1999 containing certain covenants and restrictions to which the By-Laws and Declaration are subject and with which the Condominium Board shall comply in connection with the maintenance and operation of the Property.

"Property": The Land and Building and all other improvements on or under the Land.

"Sponsor": See "Declarant".

"Tax Map": The Tax Map of the Real Property Assessment Department of The City of New York for the Borough of Manhattan and County of New York, in the State of New York.

"Unit" or "Principal's Unit": The Unit of the Condominium owned by Principal and

more particularly identified in the preamble of this Unit Owner's Power of Attorney.

1.2 The definitions of the words and terms set forth in the Declaration (including EXHIBIT C thereof) and the By-Laws apply wherever those words and terms appear in this Unit Owner's Power of Attorney.

Section 2. **Unit Owned by Principal**

2.1 Principal is the owner of record of fee title interest in the Unit of the Condominium. The Unit and its Tax Lot identified in the preamble of this Unit Owner's Power of Attorney correspond to the designation of the Unit in the Declaration and on the Floor Plans of the Condominium ("Floor Plans") filed with the Real Property Assessment Department of The City of New York and the designation of the Tax Lot of the Unit in Block 500 on the Tax Map of the Borough of Manhattan of said Real Property Assessment Department and on said Floor Plans.

Section 3. **Authorization, Appointment and Designation of Agents and Attorneys-in-Fact**

3.1 With the intention to constitute a durable limited power of attorney, Principal does hereby irrevocably authorize, appoint and designate each of the following (individually, "attorney-in-fact") as agent and attorney-in-fact of Principal, "coupled with an interest" and for valuable consideration, with full power of substitution, to act on behalf and as agent of Principal and in the name, place and stead of the Principal in any way which the Principal could do if personally present, to the full extent that Principal is permitted by law to act through an agent, with respect only to all of those matters, transactions and dispositions stated in the Declaration or By-Laws that each such attorney-in-fact has the authority or power to do or perform on behalf and as agent of Principal, including (but not limited to) the following:

(a) the Declarant and each of the persons listed in Section 22.6 of the Declaration, severally, as agent and attorney-in-fact of Principal having the right, power and authority to amend the Condominium Documents in accordance with "Article 22" of the Declaration and "Article 22" of the By-Laws and to modify, amend or cancel the Landmark Declaration;

(b) the Declarant, each Unsold Unit Owner and the Condominium Board, severally, as agent and attorney-in-fact of Principal, having the right, power and authority to grant each and every Additional Utility Easements/Rights in accordance with "Section 11.9" of the Declaration;

(c) Declarant, an Unsold Unit Owner, an Authorized First Sold Unit Owner and a Sold Unit Owner, severally, as agent and attorney-in-fact of Principal having the right, power and authority to amend the Declaration and Floor Plans in accordance with "Article 22" of the Declaration to reflect a Unit Change of such Owner's Unsold Unit(s) or Sold Units) (as applicable) performed and completed in accordance with "Article 13 of the Declaration;

and

(d) the persons who shall from time-to-time constitute the Condominium Board, in their capacity as Board Members and by the action of a majority of then existing Board Members, as agent and attorney-in-fact of Principal, having the right, power and authority

to do the following in the name of the Condominium Board or in the name of Condominium Board's nominee or designee, corporate or otherwise where applicable and provided in the Declaration or By-Laws:

(i) to exercise, perform, give, grant, delegate and withhold the powers, rights, licenses, easements, leases, subleases, concessions, mortgages, deeds, security interests, collateral, government documents, litigation documents, instruments, approvals, consents, discretions and judgments expressly authorized in the Condominium Documents (as each may be amended from time-to-time) to be exercised, performed, given, granted, delegated and withheld by the Condominium Board on behalf and as agent of the Unit Owners;

and

(ii) to execute, acknowledge, deliver and, if necessary, record any application, document, declaration or other instrument, or any Amendment thereto, affecting:

(aa) the Condominium, the Property or the Common Elements that the Condominium Board deems necessary or appropriate or is required to so do under the Declaration or the By-Laws:

(i) to comply with any law (including a zoning resolution or variance, or a requirement of a governmental authority, such as the Department of Buildings, the City Planning Commission or the Board of Standards and Appeals;

or

(ii) for the use and enjoyment of all or part of the Common Elements or the Units by their respective Owners or Permitted Tenants/Occupants/Invitees;

or

(bb) a Unit (including an Unsold Unit) or its appurtenant Individual Limited Common Element (if any) that the Owner of such Unit requests, if required by the Declaration or the By-Laws or if deemed appropriate by said attorney-in-fact in their sole and absolute discretion.

Section 4. **Power of Substitution**

4.1 The power of substitution in the foregoing limited power of attorney in Section 3.1 includes the full and unqualified authority of each attorney-in-fact to delegate any or all of the foregoing powers given or conferred upon such attorney-in-fact in Section 3.1 to any person or persons whom such attorney-in-fact shall select.

Section 5. **Unaffected by Disability or Incompetence**

5.1 The limited power of attorney in Section 3.1 shall be a durable power of attorney and shall not be affected by the subsequent disability or incompetence of the Principal.

Section 6. **Examples of Certain Actions Authorized under Limited Power of Attorney**

6.1 The actions authorized by Principal to be performed by the Condominium Board as attorney-in-fact of Principal pursuant to Section 3.1 include all of the specific powers and

duties enumerated in the By-Laws in Section 2.4 hereof.

Section 7. **Successor Attorney-In-Fact and Board Members**

7.1 Principal hereby irrevocably gives to, and confers upon, each of the following ("Successor Attorney-in-Fact") all of the powers herein given to, and conferred upon, Declarant and each Unsold Unit Owner:

(a) a successor in interest of Declarant or an Unsold Unit Owner or Sold Unit Owner (as applicable) and each and every successive successor in interest thereof;

(b) a designee of Declarant or an Unsold Unit Owner or a predecessor designee (as applicable) with respect only to those of these powers that are so delegated to such designee and a successor interest of such designee and each and every successive successor in interest thereof; and

(c) an Involuntary Transferee of each of the foregoing and a successor in interest of such Involuntary Transferee and each and every successive successor in interest thereof.

7.2 The designation and appointment of Declarant, each Unsold Unit Owner or Sold Unit Owner and each Successor Attorney-in-Fact as an attorney-in-fact of Principal pursuant to Section 3.1 and Section 7.1, respectively, shall remain in full force and effect until (but not after) Declarant or an Unsold Unit Owner or Sold Unit Owner or said Successor Attorney-in-Fact (as applicable) ceases to own any Unit of the Condominium.

7.3 The designation and appointment of the Board Members (in their capacity as Board Members) as attorney-in-fact of Principal pursuant to Section 3.1 shall apply to, inure to the benefit of, and shall be exercisable and enforceable by each and every person who shall from time to time constitute the Condominium Board, in such person's capacity as a Board Member.

Section 8. **Headings**

8.1 Section headings in this instrument are for convenience and reference only and do not, and shall not be construed to. affect the meaning or interpretation of any provision of this instrument.

Section 9. **References**

9.1 The words "section", "paragraph" and "clause" or similar words refer to a section, paragraph and clause of this instrument, unless otherwise expressly stated. Similarly, the words "hereof", "herein", 'above", "below" and similar terms mean this instrument.

Section 10. **Grammar**

10.1 Any word or term in this instrument that is: used in the singular, shall include the plural and vice versa: or used in any gender shall include any other gender; or used in any tense (past, present or future), shall include any other tense, whenever required by the sense of this instrument and not contrary to the express context.

END OF UNIT OWNER'S POWER OF ATTORNEY

ACKNOWLEDGMENT

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

On the _____ day of _____ in the year 2000 before me, the undersigned, a notary public in and for said state, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

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

On the _____ day of _____ in the year 2000 before me, the undersigned, a notary public in and for said state, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

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

On the _____ day of _____ in the year 2000 before me, the undersigned, a notary public in and for said state, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

DOCUMENT 3

CONDOMINIUM UNIT DEED

THIS INDENTURE, made the ____day of _____, 200_, between:

102-106 WOOSTER LLC, a New York corporation having an office c/o Carter Management Corp., 750 Lexington Avenue, New York, New York 10022 (the "Grantor");

and

_____,
having an address at _____ (the "Grantee").

W I T N E S S E T H:

That the Grantor, in consideration of Ten and 00/100 Dollars ($10.00) and other good and valuable consideration paid by the Grantee, does hereby grant and release unto the Grantee, the heirs or successors and assigns of the Grantee, forever:

The condominium Unit (the "Unit") in the building (the "Building") known as 104 WOOSTER STREET CONDOMINIUM and by the street number 104 Wooster Street, in the Borough of Manhattan and the City, County and State of New York, said Unit being designated and described as [Residential]* [Commercial]* Unit No. _____ in that certain declaration dated _____, 2000, made by Grantor pursuant to Article 9-B of the Real Property Law of the State of New York (the "Condominium Act") establishing a plan for condominium ownership of the Building and the land (the "Land") upon which the Building is situate (which Land is more particularly described in EXHIBIT A annexed hereto and by this reference made a part hereof), which declaration was recorded in the New York County Office of the Register of The City of New York (the "City Register's Office") on _____, 2000, in Reel _____, page ____. Each Amendment to such declaration, if any, is set forth on EXHIBIT B annexed hereto and by this reference made a part hereof (said declaration and any Amendments thereto are hereinafter collectively referred to as the "Declaration"). This Unit is also designated as Tax Lot _____ in Section [ ], Block [ ] on the Tax Map of the Real Property Assessment Department of The City of New York for the Borough of Manhattan and County of New York and on the "Floor Plans" of the Building, certified by Li/Saltzman, Architects on _____, 2000, and filed with the Real Property Assessment Department of The City of New York on _____, 2000, as Condominium Plan No. ____ and also filed in the City Register's Office on _____, 1999, as Condominium Plan No. ____, Map No. ____.

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* Delete where inapplicable.

The Building and the Unit are subject to and the Condominium Board shall comply with the terms of that certain declaration of covenants and restrictions, dated July 9, 1999 ("Landmark Declaration") made by Grantor, including without limitation, the provisions of Article 3 of the Landmark Declaration.

All capitalized terms used in this instrument which are not separately defined herein shall have the meanings given to those terms in the Declaration or the by-laws of 104 WOOSTER STREET CONDOMINIUM. Said by-laws, as the same may have been Amended to date as set forth on EXHIBIT B hereto, are hereinafter referred to collectively as the "By-Laws".

Together with an undivided ._____% interest in the Common Elements;

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

Together with, and subject to, the rights, power, duties, obligations, easements, licenses, requirements, burdens, encroachments, limitations, restrictions and other provisions set forth in, or permitted by, the Declaration, the Landmark Declaration, Floor Plans and the By-Laws (including the Rules and Regulations appended thereto), as each may be duly amended from time to time, all of which shall constitute covenants running with the Land and shall bind any person having at any time any interest or estate in the Unit, as though recited and stipulated at length herein.

Subject to all exceptions to title and to such other liens, agreements, covenants, easements, restrictions, declarations, consents and other matters of record or set forth in the Condominium Offering Plan for the 104 WOOSTER STREET CONDOMINIUM as pertain to the Unit, to the Land and/or to the Building (the Land and Building are hereinafter collectively called the "Property");

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

If any provision of the Declaration or the By-Laws is invalid under, or would cause the Declaration or the By-Laws to be insufficient to submit the Property to, the provisions of the Condominium Act, or otherwise fails to comply with the Condominium Act, or if any provision that is necessary to cause the Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from the Declaration or the By-Laws, the applicable provisions of Article 21 of the Declaration shall control.

Except as otherwise expressly permitted by the Condominium Board or provided in the Declaration or the By-Laws, the Unit is intended for use only [as a residence*] [as a commercial premises*].

The Grantor covenants that the Grantor has not done or suffered anything whereby the Unit has been encumbered in any manner whatever, except as aforesaid. This covenant is for the personal benefit of Grantee only and cannot be assigned to, or enforced or exercised by, and shall not inure to the benefit of, anyone else, including (but not limited to) any insurer of Grantee's title or any successor of Grantee's interest. In the event of any breach of these covenants, Grantee shall first look to Grantee's title insurance company (if any) and Grantor's liability hereunder shall be limited to the extent only that Grantee's loss or damage is not insured.

The Grantor, in compliance with Section 13 of the Lien Law of the State of New York, covenants that the Grantor will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund for the purpose of paying the cost of the improvements at the Property and will apply the same first to the payment of the cost of such improvements before using any part of the same for any other purposes.

By accepting this deed, the Grantee accepts and ratifies the provisions of the Declaration and the By-Laws (and the Rules and Regulations appended thereto, as same may be duly amended from time to time) and agrees to comply with all the terms and provisions thereof.

This conveyance is made in the regular course of business of the Grantor.

The term "Grantee" shall be read as "Grantees" whenever the sense of this indenture so requires.

END OF TEXT ON THIS PAGE

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* Delete where inapplicable

IN WITNESS WHEREOF, the Grantor and the Grantee have duly executed this Indenture as of the day and year first above written.

GRANTOR:

102-106 WOOSTER LLC

By: _____

Signature:_____
Name:_____

Name:_____

Title:_____
Name:_____

GRANTEE:

Signature:_____

Signature:_____

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

On the ____ day of _____ in the year ____ before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Signature and Office of individual
taking acknowledgment

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

On the ____ day of _____ in the year ____ before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Signature and Office of individual
taking acknowledgment

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

On the ____ day of _____ in the year ____ before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Signature and Office of individual
taking acknowledgment

EXHIBIT A

TO

CONDOMINIUM UNIT DEED

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND, SITUATE, LYING AND BEING IN THE BOROUGH OF MANHATTAN AND COUNTY OF NEW YORK, CITY AND STATE OF NEW YORK, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING at a point on the easterly side of Wooster Street, distant 125 feet 3 inches northerly from the corner formed by the intersection of the northerly side of Spring Street and the easterly side of Wooster Street;

RUNNING THENCE Northerly along the easterly side of Wooster Street 74 feet 11½ inches to a point;

THENCE Easterly along a line which forms an interior angle of 89 degrees 39 minutes 00 seconds with the last mentioned course, 100 feet 1 inch to a point;

THENCE Southerly along a line which forms an interior angle of 90 degrees 21 minutes 00 seconds with the last mentioned course, 74 feet 10¼ inches;

THENCE Westerly along a line which forms an interior angle of 89 degrees 42 minutes 30 seconds with the last mentioned course, 100 feet 1 inch to the easterly side of Wooster Street, the point or place of **BEGINNING**.

END OF EXHIBIT A

GENERAL

Floors two through five of the premises at 102-106 Wooster Street are being converted from warehouse/ manufacturing loft use to a multiple dwelling condominium, with 2 units planned per floor. A newly constructed partial 6th floor will connect to the 5th floor, to create two new duplex penthouse units. The existing retail tenants use on the 1st floor and cellar are to remain. The altered portion of the building, when complete, will be fully renovated. The plumbing, sprinkler, mechanical and electrical systems will all be new. The heating system will be new, and two of three boilers will be new. The windows, roof, skylights, partitions, floors, finishes and appliances will all be new. The elevator will be new within an existing shaft. The stair will be fully refurbished. The structure and exterior of the building will be restored. Those existing components of the building that are to remain are in sound condition and proper working order.

Construction is currently under way. It is possible that the completed alteration will deviate in some respects from the conditions as described in this report.

(A) LOCATION AND USE OF PROPERTY

(1) The property is located at 102-106 Wooster Street, Borough of Manhattan, City of New York, State of New York. The premises are on the east side of Wooster Street between Spring Street and Prince Street.

(2) The building is located in Block 500, part of Lot 2.

(3) It is located in an M1-5A zoning district. It is located in the Soho Cast Iron Historic District of the City of New York. The district is on the National Register as an historic district.

(4) The M1-5A zoning is complex and has restrictions on both commercial and residential uses. The proposed uses are retail stores in the cellar and 1st floors and joint living work quarters for artists on floors 2 through 5. The existing retail uses are legal, non-conforming uses and may be continued without additional governmental approval. The proposed joint living work quarters for artists require authorization of the City Planning Commission pursuant to Zoning Resolution § 42-142; an application for that approval has been granted. The authorization requires that joint living work quarters for artists (JLWQA) be occupied by at least one artist per household who is certified by the Department of Cultural Affairs, that the development complies with all applicable provisions of the Zoning Resolution and Building Code, that the premises be developed in substantial conformance with plans filed with the application, and that all units have a minimum size of at least 1,200 square feet. The premises are currently subject to a restrictive declaration which requires continuing repair and maintenance of the exterior of the building.

(B) STATUS OF CONSTRUCTION

(1) The building was erected as a store and warehouse building in 1891. The building's only significant structural modification occurred in 1897 when five-story north and south wing extensions were constructed at the rear of the building, joining it to a newly built extension at the rear of 93-95 Greene Street (directly to the east).

(2) The entire building is of Class IIA Heavy Timber Construction.

(3) This building has been occupied under Certificate of Occupancy No. 91969 issued on April 12, 1988. The C. of O. provides for manufacturing use on floors two through five, retail on the first floor, and retail, storage and mechanical in the cellar.

(4) The building is currently being altered under the Department of Buildings Work Permit # 102561363-01-AL. A copy of that permit is attached. The work to be included in this application is the conversion of floors two through five of the building to joint living work quarters for artists. The approved plan calls for the erection of new partitions, new mechanical, electrical and life safety systems, new plumbing and sanitary facilities, new elevator, and erection of new roof bulkheads. The existing Work Permit was amended on April 17, 2000 to include the construction of a partial sixth floor to create two duplex penthouses. The work is described in detail elsewhere in this report. The use of the first floor as retail space is permitted by City Planning Commission certification N 831934 ZSM, granted October 31, 1984. Work on the exterior of the building is permitted under Landmarks Preservation Commission Certificate of Appropriateness #COPA00-1021 dated August 11, 1999. The new penthouse construction is permitted under Landmarks Preservation Commission Miscellaneous Amendments LPC-005206 and MISC 00-5661. Sprinkler work is filed under application # 102258361. Interior demolition was done under under EIN 08-5384624 for which permit # 102001067-01-EW.07 was issued on April 15, 1999.

An application for the proposed joint living work quarters for artists is permitted under Authorization No. N 990679 filed with the City Planning Commission.

The proposed work shall comply with applicable requirements of NYC Local Law 58 pertaining to barrier free accessibility. Units on floors two through 5 of the building are served by an elevator that is accessible from a grade level entrance on Wooster Street.

(5) As of this date, construction is currently under way. Floors two through four are scheduled for completion in November of 2000 and the two penthouse duplex units are scheduled for completion December 31st of 2000. The project schedule may deviate due to unforeseen conditions during construction.

(C) SITE

(1) The site is located on Block 500, part of Lot 2. (The balance of the lot is occupied by 93-99 Greene Street.) New tax lot number will be assigned to each

condominium unit at the appropriate time. The premises lot has 74'-11.5" frontage on Wooster Street and is 100'-1" deep. It is located 125.00 feet north of Spring Street. The site is 7502 square feet in area.

The first floor is 74'-11.5" wide and is 100'-1" deep with an internal court of 13'-0" wide by 11'-6" deep. The 2nd to 5th floors are each 74'-11.5" wide and 100'-1" deep with an internal court of 40'-7"wide by 24'-2" deep . The partial 6th floor is 66''-6" wide and 34'-3" deep. The gross floors areas are as follows: Cellar is 7811 square feet; 2nd and 3rd Floors: 6436 square feet; 4th Floor is 6369 square feet; and the 5th Floor is 6173 square feet. The partial 6th floor is 2334 square feet. The cellar is 74'-11.5" wide and is 100'-1" deep with an internal court of 13'-0" wide by 5'-6" deep, and has a vault area extending 11'-2"under the sidewalk.

(2) The building fronts on Wooster Street, which is paved with cobblestone and patched with asphalt. The street is in fair condition. There is an existing granite slab sidewalk with no separate curb. There is an old coal chute cover on the site that will be replaced.

(3) There is a catch basin at the Northeast and Northwest corners of Spring Street and Wooster Street. The streets are lit with sodium vapor lights. There is a fire hydrant in front of 99 Wooster (directly west across the street) and at 118 Wooster Street (3 buildings to the north).

(4) There are no drives or ramps on the site.

(5) There is no landscaping on the site.

(6) The granite sidewalk is considered part of the designated features of the Soho Cast Iron Historic District and will not be replaced. The granite slabs comprising the existing sidewalk are in fair condition. Deteriorated sections of the granite at the curb are being dutchman patched with granite to match original. All sealants between the slabs are being replaced with new traffic bearing sealant.

(C) UTILITIES

(1) Electric service is provided by Consolidated Edison. Service to each unit will be individually metered with meters located in the basement. There also will be a house meter and separate meters for each of the stores.

The incoming electrical service to each unit is 150 amps. This service will be more than adequate for the demands of all modern appliances and lighting specified in the units.

(2) Gas service for heating and cooking is provided by Consolidated Edison. The gas meter will be located in the basement and paid by the Condominium.

(3) Water service is provided by the City of New York. The water meter will be located in the basement, and water costs will be included in the common charge.

(4) The building is provided with a sanitary sewer connection to the municipal main in the street. Sewer costs will be included in the water cost.

(5) Telephone service will be provided into the building by Bell Atlantic and/or a competitor.

(D) SUB-SOIL CONDITIONS

(1) General soil conditions in the area consist of loose plastic fills. The structure is assumed to be supported on piles.

(2) There is no evidence noted of uneven foundation movement or that settling has occurred.

(3) There is no evidence noted at this time of moisture or seepage or ground water infiltration.

(E) LANDSCAPING AND ENCLOSURES

(1) There is no landscaping on the site.

(F) BUILDING SIZE

(1) The legal height of the 5 story building is 75'-0". The partial 6th floor is 17'-6" above the roof.

(2) There is no crawl space in the building.

(3) There is a full cellar level that extends under the entire property. There is a vault space which extends 11'-2" beyond the property line underneath the sidewalk.

(4) The predominant ceiling heights on the floors of the building, measured above finished floors, are as follows:

FLOOR	
Cellar	10'-9" (varies)
1st Floor	18'-0"
2nd Floor	12'-4"
3rd Floor	11'-6"
4th Floor	10'-8"
5th Floor	11'-6" (varies)
6th Floor	11'-0"

The multiple dwelling lobby is to have a ceiling height of 18'-0". The stair has an average ceiling height of 11'-4".

(5) Equipment rooms are located in the cellar. There is a Boiler/Water Meter/Sprinkler Room; Electric Room; and Gas Room. There will be a new Mechanical Room located in part of the vault. All of these rooms are accessible by elevator or the cellar stair that connects to the first floor multiple dwelling lobby.

(6) The elevator and main stair bulkhead is to be approximately 9 feet above the 5th floor roof. There will be a skylight above the main stair. The existing parapet height varies and is to have a new tension wire rail to increase the height to 3'-6" minimum.

(G) STRUCTURAL SYSTEM

(1) Exterior of building:

(i) Existing building:

The existing building is a five-story building with exterior masonry bearing walls. The structural system consists of timber beams spanning between masonry bearing walls and timber girders. The timber girders are supported by interior timber columns. There are cast-iron columns in lieu of timber columns on the first and second floors. There is a combination of cast-iron and timber columns at the cellar. The Wooster Street façade is Roman brick with granite, limestone and terra-cotta elements and topped with a sheet metal cornice. The cornice will be reframed at its north end. The sheetmetal cornice will be resecured, patched and painted. The storefronts on the first floor have cast-iron pilasters and transom bar elements with modern wood infill. The building has five-story rear, brick masonry extensions on the north and south. The façade is to be restored. The brick, terra-cotta, and stone will be cleaned, patched and re-pointed. In addition, the ground floor will be stripped of applied coatings. The brick masonry at the rear will be repointed, cleaned and repainted.

(ii) Partial sixth floor penthouse addition:

The addition will be constructed of light gauge steel framing and open web steel joists, clad with a pre-weathered zinc panel system and exterior insulation finish system (EIFS). The exterior walls will also be insulated with batt insulation.

(iii) Exterior wall maintenance:

NYC Local Law 10 for façade inspection does not apply to this building, as it not greater than six stories in height.

NYC Local Law 11 for façade maintenance does not apply to this building, as it not greater than six stories in height.

A Cyclical Maintenance Agreement is in effect for this building. It is contained in a restrictive declaration and requires, among other things, that inspections of the façade and other building elements be conducted at stated intervals, that reports on the building's condition be filed periodically with the New York City Landmarks Preservation Commission, and that all necessary work be performed so that the building will be maintained in a sound, first class condition.

(iv) Landmark status:

This building is not an individually designated landmark building but is within the Soho Cast-Iron Historic District of the City of New York. The district is on

the National Register as an historic district. As such, this project has been filed with the Landmarks Preservation Commission and has received a Certificate of Appropriateness pertaining to the restoration of the façade, the rehabilitation of the entire building, and the addition of the partial sixth floor.

(v) Windows:

The existing windows at the front façade are to be built new to match the original configuration. The existing wood exterior frames, brick molds, and sills are to be repaired or replaced in-kind as required. New wood 3-over-3 double-hung sashes with insulated glass are to be installed. The existing (non-original) kalamein wrapped frames, sills, and double-hung and casement windows will be replaced with new wood frames, sills, and 2-over-2 double hung sashes with insulated glass. All windows are to be provided with new perimeter caulking. The new and restored wood window frames, sills and sashes will be painted.

A new wood 2-over-2 wood double hung window is to be installed in a new lot line window opening on the south building elevation at the fifth floor. A new wood brick mold will be installed with new perimeter caulking. A new bluestone sill and lintel is to be installed to match existing rear masonry window openings. The new wood window frame, sashes and sill will be painted.

The double hung window hardware includes one spring loaded bronze sash lock at each meeting rail and two bronze hand sash lifts for each lower sash. Units will be weather-stripped with bronze metal interlock weather-stripping. All new double-hung sashes will accommodate insulated/laminated sound attenuation glass. Window screens will not be installed. Window guards will be provided upon request in accordance with applicable law.

Existing (non-original) aluminum windows within the masonry walls and mansard roof dormers at the rear, will be replaced with new aluminum in-swinging casement windows and transoms. New lot line window openings are being created at the west building elevation on the south extension wings on floors two through four, and at the south building elevation on the fifth floor. New aluminum inswinging casement windows are being installed within the new masonry openings. The casement sash and transom lite will be glazed with insulated glass. Aluminum casement windows will be furnished and assembled with insect screens, weather-stripping and all necessary operating hardware. The existing masonry openings have bluestone sills and lintels. New masonry openings will have bluestone sills and lintels to match. Window guards will be provided upon request in accordance with applicable law.

The wood and aluminum windows throughout will include insulated/laminated glass for sound attenuation. Sprinkler heads will be located above and be directed towards all lot line window openings to provide means of automatic fire protection.

Lot line windows are included in the south units only. There are two east facing lot-line windows on floors two through four. There are seven, south facing lot-line windows on the fifth floor penthouse, south unit. The closing of lot line windows would not affect the legal use of the room(s) in which such windows

are located. There is sufficient light and ventilation supplied by other windows. The approximate cost of closing these windows is estimated at fifteen hundred dollars each.

An application for an easement pertaining to the east lot line windows has been filed and accepted by the New York City Department of Buildings. The Owner is required to file and record the light and air easement with the City Clerk's office prior to obtaining the Certificate of Occupancy. The easement will permit the option for a legal third bedroom along the east wall in the south unit on floors two through four. The work associated with adding the third bedroom is minor demolition and construction. The heating, cooling and sprinkler systems do not require modification. The floor plan will need to be filed with the NYC Department of Buildings. The cost is estimated at between ten and fifteen thousand dollars depending on material and detailing.

The windows at the 6th Floor Penthouse will be mahogany with both fixed and operable sections. The west wall to the deck will have mahogany and glass doors with fixed, sloped glazing above. The sloped glazing at the east wall will have fixed glass at the lower sections with electrically operable awning windows above. Operating hardware will be solid bronze with a nickel plated finish.

(vi) Parapets, Copings and Railings:

Existing parapet walls are masonry with camel-back terra-cotta copings set in mortar. The coping is intact; damaged coping stones will be replaced. Some segments of the parapet wall, where demolition has occurred, will be rebuilt to match existing.

At the sixth floor penthouse, the roof copings will be pre-weathered zinc.

There will be new parapet railings with stainless steel tension wires mounted at 42" above roof level at the flat roof areas of both the roof of the 5th and 6th floors.

At the first floor roof at the rear courtyard, limited areas of existing masonry parapet walls are scheduled to be repaired. Existing camel-back terra-cotta copings are set in mortar; damaged copings will be replaced. Limited areas of bluestone copings are set in mortar and scheduled to remain.

(2) Fireplaces, Chimneys and Caps:

The building is provided with two new combustion gas flues for the boilers and hot water heaters located at the northwest corner of the building. The flue will run from the basement boiler room within an existing masonry shaft up to the second floor at which point a new fire-rated flue is constructed. The flues are to be constructed of a single wall steel liner mounted within a two-hour, fire-rated shaft wall assembly of metal stud framing with fire-rated gypsum panels and interior liner panel, with non-combustible sleeve. The flues will terminate three feet above the penthouse roof with an exterior insulation finish system and terminated with pre-weathered zinc coping.

There is no incinerator. A new garbage chute is to be located adjacent to the Main Stair and is to be enclosed in a two-hour, fire-rated shaft wall assembly. Above the roof, the exterior surface is to be finished with an exterior insulation finish system and terminated with pre-weathered zinc coping. It will extend six feet above the penthouse roof in accordance with NYC Building Code.

One gas-fueled metal firebox will be installed in each unit within the live-work area. The fireboxes are enclosed within a gypsum board enclosure. The firebox is operated by a manual turn control. The fireplace flues from each unit will be individually vented to the roof via separate double wall combustion flue. The flues are enclosed within a two-hour fire-rated chase with non-combustible sleeve, an exterior insulation finish system terminated with metal coping. Each unit is provided with a separate flue. One gas riser is located on the north and south walls within a fire-rated chase north of the firebox. Gas log sets are not provided. Gas log sets are estimated to be installed for a cost of four hundred to seven hundred dollars.

The flue and firebox is designed to be converted to wood-burning in lieu of gas-fueled in the future if so desired. Conversion to a wood-burning fireplace would require proper disconnection and capping of the gas line. A non-combustible hearth must be installed when converting. A non-combustible hearth, surround and/or decorative mantle can be installed for between one thousand and ten thousand dollars depending upon material, detailing, quality and design features.

(3) Roof Terraces:

Two new wood cedar roof decks and steps are being installed at the two 6th floor penthouse units. Adjacent to the decks there are paved terrace areas comprised of non-combustible lightweight concrete pavers. The north and south roof terraces are intended as private terraces for the respective north and south duplex penthouse units.

Access to the roof terraces at the sixth floor may be required from the egress stair in an emergency.

There will be two terraces on the penthouse roof accessible by metal ship's ladders from the wood decks below. These are also intended for private use of the duplex penthouse. They will be paved with non-combustible lightweight pavers.

There are no balconies.

(4) Exterior Entrances:

The main tenant entry to the multiple dwelling portion of the building is directly into the lobby. There is no vestibule. The entry doors are a pair of existing wood rail and stile doors with new clear, safety glass lites. The bottom raised door panels are to be modified. The door frame is existing wood with new fixed clear, safety glass transom panel above. The door is locked by a mortised type lock and is released by an electric strike that is part of the video-intercom security system and can be opened remotely from the dwelling units.

The secondary tenant entrance is from sidewalk level and opens directly into the elevator. This entry is a pair of existing wood rail and stile doors with new clear, safety glass lites. The bottom raised door panel is to be modified. The door is locked and released by an electric strike that is part of the video-intercom security system and can be opened remotely from the dwelling units. This entrance provides barrier-free accessibility to JLWQA units and to retail south.

There are three retail units that occupy the first floor. The Wooster Street retail/ north unit and retail/ south unit is accessed from Wooster Street and each entrance is an existing pair of wood rail and stile doors and glass doors and frames with transoms. The Greene Street/retail north unit is accessed from Greene Street through a pair of existing to remain wood rail and stile doors. Doors are mortised locked and keyed by the retail tenants.

The exterior stairs up to the main multiple dwelling entry door and the Wooster Street retail unit entries are existing steel diamond plate steps that are to be newly painted.

There will be new stainless steel handrails alongside the main multiple dwelling entry door and the Wooster Street retail unit entries.

New recessed, vertical type front–loading mailboxes will be installed in the multiple dwelling lobby. One mailbox per unit will be provided.

At the entry door, the exterior wall mounted video/intercom unit has an integral low-voltage light. There will be interior lighting from the multiple dwelling lobby that will provide limited illumination at the entry doors.

(5) Service Entrances:

There is no separate service entrance to the building. Access to the equipment and meter rooms is through the cellar stair accessible from the lobby or the elevator from street level.

(6) Roof and Roof Structures:

(i) Types of Roofs:

There is to be a new modified bitumen 2-ply membrane roofing installed throughout the flat roof area with the exception of the south wing which has an existing bitumen roof installed in 1986 that is to remain. The new roofing system is comprised of a mechanically fastened base sheet and a heat welded cap sheet with a granular surface finish. Base flashings are modified bitumen and cap flashings are copper. There will be a ten-year warranty coverage of materials and installation for the new modified bitumen roofing.

A new standing seam copper roof with copper cap flashing is being installed at the existing pitched roof areas including the mansard roofs and north wing extension. There will be new standing seam copper cladding at sidewalls of dormers, and at the north and south wings adjacent to the existing mansard roof.

There will be new fiberglass insulation installed between the existing roof rafters above the gypsum board ceiling throughout the fifth floor, including the mansard roof and dormers at the fourth and fifth floors.

The penthouse roof will be a modified bitumen 2 ply membrane roofing over tapered insulation. There will be fiberglass insulation between the new steel joists.

(ii) Drains:

The one existing roof drain for the main roof is to be retained. This drain is located in the middle of the north side of the roof, and is connected to an internal leader. A new roof drain has been installed on the south wall and is connected to a new internal leader. The roof drains are ductile iron and are piped to an iron roof leader location on the north and south side of the building. The roof drains are connected below the cellar floor to the existing combined storm/sewer.

New copper gutters are to be provided at the rear of the building and at the north wing. These will connect to existing leaders that run down the back of the building. There is an existing copper roof scupper at the south wing that is to remain. A new copper scupper and leader will be installed at the new main stair bulkhead.

The penthouse roof will drain to the roof below through zinc-lined scuppers.

(iii) Skylights:

Four new aluminum and glass skylights will be installed at existing framed openings at the fifth floor north wing. One of the skylights will be electrically operable.

There will be a new galvanized steel and wire glass skylight, with wire screens above, at the new Main Stair bulkhead.

There will be two new steel and insulated glass skylights installed at the new penthouse.

(iv) Bulkheads:

The existing elevator bulkhead is constructed of brick masonry; it will be extended to incorporate the new stair bulkhead. Both sections will receive an exterior insulation finish system. The stair bulkhead will be accessed at the roof level by doors from both the north and south. There is a single service access door to the elevator machine room from the north roof side.

(v) Metal Work at Roof Levels:

There are existing exterior metal steps to the elevator machine room.

There will be a new painted metal ship's ladder between the main level roof and south wing cooling tower level.

There are no roof hatches.

There will be a new pre-finished aluminum acoustic enclosure around the existing cooling tower on the South Wing roof. There will be a new painted aluminum equipment screen around the new rooftop fan units.

There will be two new painted metal ship's ladders between the sixth floor decks to the penthouse roof terraces at the north and south units.

(vi) Rooftop Facilities:

There are no rooftop facilities, however there are new private wood decks and terraces accessible by the penthouse north and south units.

(7) Fire Escape:

The existing fire escape at Wooster Street is set within the recessed center building bay and rises from the second to the fifth floors. Ladders connect all floors to the first floor mezzanine level basket. A ladder drops from the mezzanine level to the street and is balanced by an adjacent wall mounted counterweight on the building façade. Missing decorative elements will be replaced. The fire escape is to be scraped and repainted in accordance with requirements for handling existing lead paint.

(8) Yard & Courts:

There is no accessible yard. There is a rear service court that will be accessible from an anticipated new cellar service door.

(9) Interior Stairs:

The main stair in the building is an original wood stair that runs from the first to the fifth floor. The stair is constructed of wood treads, risers, decorative stringer and balustrade. The stair and balustrade will be restored. The treads and handrails throughout, and the decorative newel post on the first floor will be stripped and sealed. All other wood elements will be painted. A new stair and bulkhead will be built from the fifth floor to the roof with the stair elements similar to the original. The original stair is enclosed in terra-cotta block construction with 1" plaster finish on both sides. The stair walls will be repaired and painted. The new stair enclosure will be veneer plaster construction that is painted. The underside of the stair run, landings and bulkhead ceiling will be finished with fire-rated gypsum board with an applied decorative tin ceiling and perimeter crown that is painted.

The new cellar stair has steel stringers and metal risers with concrete filled metal pan treads. The landing is also a concrete filled steel pan. A new steel pipe handrail is to be installed. The ceiling will be painted gypsum board.

(10) Interior Doors and Frames:

JLWQA unit entrance doors and frames are to be 1 ½ hour fire-resistive mineral core with paint-grade wood veneer. Each door shall have self-closing hinges, a peephole, a solid bar door guard, and a mortise deadbolt lock. Doors within the units shall be solid core wood rail and stile doors with wood frames. All other doors and frames in the cellar and at the roof will be hollow metal doors and frames that meet code standards for fire safety.

(11) Elevators:

There will be one passenger elevator in the building. It is to be a new elevator installed within an existing masonry shaft with new rails and frame. The elevator machine room will be located in the new elevator bulkhead. The machine is to be manufactured by Titan Machine and the controller manufactured by M.C.E. Robert Elevator Corp. will install the machine and controller. The elevator capacity is 3000 pounds and has a capacity of 20 persons. The operation of the elevator will be automatic with push button controls. It will travel at a speed of up to 200 feet per minute. The elevator will serve each floor from the cellar to the fifth floor. There will also be a grade level entrance on Wooster Street. The traction type machine will be located at the roof bulkhead. The car safety is an instantaneous flex guide clamp. The elevator is to be equipped with barrier-free features and fireman's recall as required by code. New doors and frames are to be installed within the shaft.

(12) Elevator Cab:

The elevator cab is to be manufactured by CEC Elevator Cab Corporation. The floor is to be a limestone tile with decorative limestone border and a limestone base. The walls are to be cherry veneer rail and stile with raised wood panels and beveled mirror panels. There is to be a stainless steel handrail on the rear wall. The cab will have a coffered cherry wood ceiling with a perimeter leafed crown moulding. Lighting will be low-voltage recessed within the ceiling. The cab is to be equipped with an emergency exit and an exhaust fan. The cab is to be 6'-8" wide, 4'-6" deep and 9'-6" high.

(I) AUXILLIARY FACILITIES

(1) Each dwelling unit is to have an electric washer and gas dryer unit in a Utility Closet within the unit. The gas dryer will be vented to the roof.

(2) A common refuse chute is provided in the building. This chute will be accessible from each dwelling unit on floors two through five in the utility room, as well as from the upper floor of each penthouse unit. A self-closing airtight door will be located at each door location. The refuse chute will run to the cellar where it will discharge into a storage/ disposal container where the trash will be stored until it is put on the street and picked up by the New York City Department of Sanitation.

(J) PLUMBING AND DRAINAGE

(1) Domestic Water System:

Water is supplied from the municipal main at the basement level. A duplex booster pump is to be located in the basement to increase the water pressure. The domestic hot and cold water will be distributed to the units with copper risers and run-outs.

Domestic hot water for the JLWQA units will be provided by two new, gas fired, storage type heaters located in the cellar. The new hot water heaters are an A.O. Smith model BTP-140-720. This is a gas-fired, power vented, storage type hot water heater. Each heater has a storage capacity of 140 gallons and a recovery capacity of 524 gallons per hour. Approximately 535 gallons of hot water will be available in the first hour of operation.

The existing gas-fueled hot water heater will be retained and separated for use by the retail tenants. This hot water heater was installed in late 1998 and is in good working condition.

(2) Fire Suppression System:

The building is to be provided with full sprinkler coverage. The sprinkler riser is to be located in the central stair. The riser and branch piping will be standard weight steel.

The sprinkler system throughout the building is a wet system, with a variety of head types. The siamese connection is located in front of the building on Wooster Street. The sprinkler pump is located in the basement, and is provided with power service taps on the street side of the main building disconnect.

(3) Water pressure will be maintained at a minimum of 25 psi by the duplex pressure booster pumps.

(4) Sanitary waste is removed from the building by an existing gravity sewer system. Sanitary piping is cast iron.

(5) Storm water is drained by gravity through new cast iron piping.

(6) The sprinkler application has been filed and permit is to follow.

(K) HEATING

(1) Heating in the building will be provided from a hot water perimeter system. The heating system is designed to maintain an internal temperature of 72° F, when the outdoor temperature is 15° F.

(2) The building is provided with a 1,404,000 btu/hr, gas fired, hot water boiler, manufactured by Burnham. The boiler contains an integral natural draft burner. The boiler is eight to ten years old and is in good condition, and should continue

to operate for approximately fifteen years. A separate boiler is provided for the retail areas.

(3) The boiler control is via water temperature, which is set based upon the outdoor temperature. Terminal control in the units is achieved through the use of adjustable self-contained control valves, located on each heating element or bank of elements.

(4) The units will be provided with convective heating panels, manufactured by Runtal, located on the exterior walls. The sixth floor penthouse will be provided with floor recessed fin tube units along the west window wall.

(5) There is no oil tank in the building. Heating is gas-fired only.

(L) GAS SUPPLY

(1) The building is provided with a low pressure natural gas service purchased from Consolidated Edison. The gas meter is located in the basement. Gas is distributed throughout the building in standard weight steel pipe.

(2) Separate gas risers are to be provided to each gas range and fireplace location. A shared gas riser is provided for the gas dryers.

(3) One gas-fueled firebox will be installed within each unit including the turn control.

(M) AIR CONDITIONING

(1) Cooling in each unit is to be provided by two water cooled packaged air conditioners. These units are located within each unit in the dropped ceiling above the guest and child's bathrooms. The cooling unit in each of the two 6th floor penthouses will be provided by a packaged air-cooled unit located on the roof.

(2) Cool air is distributed from these units through insulated sheet-metal ductwork.

(3) The air conditioning units on floors two through five will be provided with condenser water from a central system consisting of a 200 ton cooling tower located on the roof. The cooling tower is manufactured by Baltimore Air Coil and is in good condition. The condenser water pump is located in the cellar. The main condenser water risers are fabricated from standard weight steel pipe. Run outs to the air conditioning units will be fabricated from braised copper pipe.

(4) The air conditioning system in the units is designed to maintain an interior temperature of 75° F at 50% relative humidity, when the outdoor temperature is 92° F dry bulb and 72° F wet bulb. Each air conditioning unit is provided with a digital programmable thermostat.

(N) VENTILATION

(1) Exhaust systems will be provided for each bathroom, kitchen and utility room. The bathrooms will be exhausted through dedicated toilet exhaust risers to fans located on the roof. Exhaust is provided at 100 cubic feet per minute. Toilet exhaust fans are designed to run continuously.

(2) The kitchens will be exhausted through the exhaust hood via dedicated kitchen exhaust riser to fans located on the roof. Exhaust is provided at 200 cubic feet per minute. The exhaust fans are designed to run continuously.

(3) Exhaust for the utility room is provided through the clothes dryer via a dedicated exhaust riser to fans located on the roof. The system is designed to accommodate the full exhaust volume from each dryer and is designed to operate continuously.

(O) ELECTRICAL

(1) Electric service is via existing Con Edison service at 120/208 volts, 3 phase, 4 wires to a service end box and service switches.

(2) The incoming service enters the building at the cellar level from the Con Edison's mains located at Wooster Street and enters the electrical room. The new multiple dwelling metering and main switchboard will be located in the electric room in the cellar. A master meter will be provided for all public areas and building common functions. From the multiple dwelling meter, the service will be run in steel conduit to the individual panels located within each unit. Each unit will be separately metered by Con Edison. The penthouse will be served via the fifth floor distribution panel.

(2) Kitchens, hallways and bathrooms are to be illuminated by ceiling recessed incandescent lighting fixtures. The kitchen cabinets include recessed under cabinet lighting. Bathrooms are also to be illuminated by wall-mounted lighting.

(3) Living room, dining room, and bedrooms are to be provided with convenience duplex receptacles in accordance with the New York City electrical code. There will be ground fault protected duplex receptacles provided in the kitchen and in the bathrooms.

(P) INTERCOMMUNICATION AND/OR DOOR SIGNAL SYSTEMS, SECURITY CLOSED CIRCUIT TV

(1) Security System: Closed circuit television cameras will be provided at street level elevator entry, the first floor multiple dwelling lobby entry, and the elevator cab. The viewing monitor is located in each JLWQA unit. The cameras will be designed with a 130 degree field of view. Entry to the building will be allowed from each tenant by push button door release.

(2) Telephone: The building will be provided with a telephone infrastructure permitting the occupants of the JLWQA units to subscribe to telephone service. The jacks for this telephone will be standard wall telephone jacks located in the

kitchen, living area, study, bedrooms, and master bathroom. Each unit will have access to connect to eight telephone numbers inclusive of the internet access.

(3) Cable TV System: Wiring will be installed in each JLWQA unit to enable the unit owner to obtain cable television service Cable television jacks will be available in the kitchen, living area, study, and bedrooms. Cable television jacks will be connected by cable provider upon subscription to service; Time Warner, RCN, and satellite providers will be available. Such signals will be activated by the cable providers. Connections will be installed by the cable television company.

(4) Internet computer network: At the telephone jacks in the kitchen, living area, study and bedroom, wiring is available to connect two or more computers to an internal computer network, sharing resources such as files, printers, and internet connection. Such a computer network requires a network hub to be provided by the owner of the unit.

(Q) PUBLIC AREA LIGHTING

(1) The entrance lobby is to be lit by a decorative ceiling mounted pendant light. There will also be a wall mounted incandescent light fixture above the mailboxes.

(2) Stair halls are to be lit with ceiling mounted incandescent lights.

(3) Cellar service areas and corridors are to be lit with new or existing fluorescent fixtures.

(4) The stores and their storage areas are to retain their existing lighting.

(R) GARAGES AND PARKING AREAS

(1) There is no on-site parking.

(2) There is no street parking on Wooster Street from 8 a.m. to 6 p.m. Monday through Friday.

(S) SWIMMING POOLS

(1) There are no swimming pools on the premises.

(T) TENNIS COURTS, PLAYGROUNDS AND RECREATION FACILITIES

(1) There are no tennis courts, playgrounds or recreation facilities on the premises.

(U) UNIT INFORMATION

Schedule of Units:

Unit #	Live	Bedrm	Kitchen	Bathrm	Laundry	Bulkhead	Fireplace **
2N	1	3	1	3	1	0	1
2S	1	2*	1	3	1	0	1
3N	1	3	1	3	1	0	1
3S	1	2*	1	3	1	0	1
4N	1	3	1	3	1	0	1
4S	1	2*	1	3	1	0	1
PH N	1	3	1	4	1	0	1
PH S	1	3	1	4	1	0	1

*An easement pertaining to the east facing lot line windows in the south units will permit a legal third bedroom along that wall in the south wing extension.

**A gas-fueled firebox is installed in the live-work area of each unit. The firebox may be converted to wood-burning in the future at the owner's expense.

The Building is to contain 8 living/ work units. The approximate floor area per unit is to be as follows:

2 North	3,093 square feet
2 South	3,167 square feet
3 North	3.093 square feet
3 South	3,167 square feet
4 North	3,051 square feet
4 South	3,142 square feet
PH North	4,074 square feet
PH South	4,183 square feet

The floor areas are based upon architectural plans. Actual floor areas may vary.

(1) The finishes in the JLWQA units are to be as follows:

Floors: Plain-sliced, red oak, tongue & groove 5" plank flooring with waxed finish throughout, except marble, stone or ceramic tile at Bathrooms.

Walls: Wallboard painted typically.

Wainscot: Marble wainscot in the Master Bathroom; ceramic tile wainscot in the Child's Bathroom, and glass tile wainscott in the Guest Bathroom; stone mosaic wall in penthouse bath.

Base: Custom profiled wood painted bases at gypsum wallboard.

Ceilings: 2nd, 3rd and 4th Floor: Exposed and restored timber beams and girders with painted gypsum wallboard coffers at live/work, and bedroom areas. 5th and 6th floor: Suspended gypsum wallboard.

Kitchen, Hall and Bathroom areas at all floors: Suspended gypsum wallboard.

(2) The Master Bathroom fixtures and accessories are specified as follows:

Jacuzzi Tub: Kohler, Model 'Tea-for-Two' 72"x 36" cast-iron jacuzzi with water jets. Concinnity, Model 'Citations' Collection' deck mounted tub set, diverter and deck mounted handspray.

Water Closet: Kohler, Model 'Memoir's Stately' elongated vitreous china tank toiler with toilet seat.

Lavatories: Kohler, Model 'Caxton' two (2) undercounter mount lavatories in vitreous china in marble vanity top. Concinnity, Model 'Hamptons Collection' wide spread lav set.

Steam Shower: Steamist, Model 'SM-79' with designer controls.

Shower Door: Glass shower door and enclosure.

Medicine Cabt: Robern MP24 medicine cabinet with integral vertical light strips.

Accessories: Concinnity, Model 'Hampton Collection' towel bars, tissue holder, robe hook.

(3) The Guest Bathroom fixtures and accessories are specified as follows:

Lavatory: Kohler, Model 'Memoir's Stately' pedestal sink in vitreous china. Concinnity, Model 'Hamptons II' Collection wide spread lav set.

Water Closet: Kohler, Model 'Memoir's Stately' elongated vitreous china tank toilet with toilet seat.

Accessories: Concinnity, Model 'Hamptons Collection' towel bars, toilet tissue holder, robe hook and wall shelf.

Shower Door: Glass shower door and enclosure.

(4) The Child's Bath fixtures and accessories are specified as follows:

Bathtub: Kohler, Model 'Dynametric' 66" x 32"cast-iron tub with integral apron and porcelain finish.

Lavatory: Kohler, Model 'Caxton' undercounter mount lavatory in vitreous china in marble vanity top. Altman, Model 'R Spout Collection' wide spread lav set.

Water Closet: Kohler, Model 'Rialto' vitreous china tank toilet with toilet seat.

Medicine Cabt: Robern, Model MP24 with integral vertical light strips.

Accessories: Ginger, Model 'Empire' towel bars and/or ring, robe hook, toilet tissue holder, and shower rod brackets.

(5) The Kitchen fixtures and accessories are specified as follows:

Sink: Franke, double undermount sink Model PCX160 with 900C strainer and Rohl, Model A1676W faucet set with handspray 2H.

Instant Hot Water: Franke, Model 'Lil Butler' LB180SATNIK

(6) The Kitchen equipment and accessories are specified as follows:

Refrigerator/Freezer: Sub-Zero, Model No. 632/ 84" x 42" x 24" stainless steel with icemaker.

Range/Oven: Viking, Model VWH3678 36" wide/ 6-burner gas range and oven with stainless steel finish.

Range Hood: Best Model K260A with external blower; stainless steel finish.

Dishwasher: Miele No. G879 SCVi-2 with concealed controls and stainless steel finish.

Microwave: G.E. 'Profile', Model JEM31SA cabinet mounted unit with stainless steel finish.

Wine Cooler: Viking, Model VUAR 140, 24" wide undercounter unit with stainless steel enclosure and clear glass door panel.

Kitchen Cabinets: Poggenpohl's 'Form 2000' system base and upper wall cabinets with shaker style door in cherrywood finish with aluminum bow pulls and concealed hinges.

(7) The Laundry equipment is specified as follows:

Washer: General Electric, Model WSXH208V washer unit with white finish.

Dryer: General Electric, Model DSXH43GV gas dryer unit with external ventilation.

(8) The penthouse bathroom fixtures are specified as follows:

Toilet: Toto, 'Carolina One-piece Toilet' model no. MS884114.

Lavatory: Undercounter mount lavatory with Kallista 'Hampstead' wide spread basin set.

(9) The penthouse pantry is specified as follows:

Refrigerator:	Undercounter 'Sub-Zero' refrigerator model 245.
Sink:	Undercounter mount single bowl pantry sink.
Cabinets:	Poggenpohl's 'Form 2000' base cabinet with natural wood face panel.

(V) FINISH SCHEDULE OF SPACES OTHER THAN UNITS

Room	Floor	Walls	Ceiling	Remarks
Cellar Spaces	Concrete painted	Concrete masonry units, painted	Wallboard, ptd.	
Vault	Concrete painted	C.M.U. and exposed stone	Exposed granite	
Vault Toilet	Ceramic Tile	Ceramic tile	Wallboard	
Lobby	Limestone tile	Marble wainscott & wallboard Painted above.	Decorative tin And crown	
Stair Halls	Wood	Plaster, painted	Decorative tin And crown	
Trash Room	Concrete painted	Concrete masonry units, painted	Wallboard, ptd	

(W) SOUND ATTENUATION

(1) The demising wall between the north and south units is to be a fire-rated, sound attenuated partition constructed with staggered steel studs, two layers of staggered joint gypsum wallboard each side, and one layer inside of 3" sound attenuation fire blanket. Joints will be caulked with acoustic sealant.

(2) The floor is to have sound attenuation built within the subfloor system with one layer of 1 ½" sound attenuation blanket between the wood sleepers throughout. Joints will be caulked with acoustic sealant.

(3) Partitions between rooms within the unit will be constructed with sound attenuation fire blanket. Joints will be caulked with acoustic sealant.

(4) The ceiling is to be sound attenuated with one layer of 3" sound attenuation fire blanket between the timber beams and above gypsum wallboard enclosure throughout on floors 2, 3 and 4. The ceilings of the fifth and sixth floors are to have minimum 6" batt insulation between the existing roof rafters.

(X) SAFETY AND WARNING DEVICES

(1) There are to be 2-3 smoke detectors in each unit located outside each of the bedroom or sleeping areas. The smoke detectors will be wired to the electric service.

(2) Fire alarm manual pull station and fire alarm horn/ strobe units will be located within each unit next to the door leading to the egress stair. A pull station and fire alarm will also be located in the first floor multiple dwelling lobby near the stairs.

(Y) ADDITIONAL INFORMATION

(1) FLOOR PLANS: Annexed herewith as part of this report are the following floor plans of the units and plot plan.

- Cellar Floor Plan
- 1st Floor Plan
- 2nd & 3rd Floor Plan
- 4th Floor Plan
- Penthouse (5th) Floor Plan/ Lower Level
- Penthouse (6th) Floor Plan/ Upper Level
- Penthouse Rooftop Plan
- Plot Plan

(2) PERMITS: Annexed herewith as part of this report are the following copies of permit:

- NYC Department of Buildings Interior Demolition Permit
- NYC Department of Buildings Work Permit
- NYC Department of Buildings Sprinkler Permit
- NYC Landmarks Preservation Commission Certificate of No Effect
- NYC Landmarks Preservation Commission Certificate of No Effect
- NYC Landmarks Preservation Commission Certificate of Appropriateness
- NYC Landmarks Preservation Commission Miscellaneous/ Amendments
- City Planning Commission Authorization
- NYC Department of Buildings Light and Air Easement



Prepared by: Judith Saltzman
LI-SALTZMAN ARCHITECTS, P.C.

THE CITY OF NEW YORK

WORK PERMIT

DEPARTMENT OF BUILDINGS

PERMIT NO. 102001067-01-EW.01 INITIAL ISSUED 04/15/99 EXPIRES 03/29/00

LOCATION MANHATTAN 102 WOOSTER STREET APPROVED 03/24/99

WORK ALT2 - PARTITIONS
REMOVE PARTITIONS, CEILINGS AND PLUMBING FIXTURES. NO CHANGE IN USE, OCCUPANCY

ZONING M1-5,, SPECIAL DISTRICT N/A EIN: 08-5384624

USE COMMERCIAL BUILDINGS NO. DWELLINGS N/A STORIES 005

TOTAL FLOOR AREA N/A LANDMARK N/A

M-71

Lester Tobias R.A. MBO 15 EW COMMISSIONER OF BUILDINGS

Rony A. Levisi, P.E. BOROUGH SUPERINTENDENT

EMERGENCY TELEPHONE DAY 212 312-8530 NIGHTS & WEEKENDS 212 312-8298

OP-35 (10/92)

TOP

THE CITY OF NEW YORK

WORK PERMIT

DEPARTMENT OF BUILDINGS

PERMIT NO. 102561363-01-AL. INITIAL ISSUED 01/10/00 EXPIRES 12/01/00

LOCATION MANHATTAN 102 WOOSTER STREET APPROVED 01/07/00

WORK ALT1 - FLOORS 2,3,4 & 5 TO BE CONVERTED TO JOIN 1 LIVING WORK QUARTER FOR ARTIS ERECT NEW PARTITIONS AND CEILING, IN CELL AR, 1ST, 2ND, 3RD, 4TH & 5TH FLRS.

ZONING M1-5,, SPECIAL DISTRICT N/A EIN: 11-2508668

USE RESID. BLDG - OLD CODE NO. DWELLINGS 00008 STORIES 005

TOTAL FLOOR AREA 000032550 LANDMARK YES

Richard Gentile, P.E.
Acting Commissioner
5 MBO 13
COMMISSIONER OF BUILDINGS

Roy A. Simon, P.E.
BOROUGH SUPERINTENDENT

EMERGENCY TELEPHONE-DAY 212 312-8530 NIGHTS & WEEKENDS 212 312-8298

OP-35 (10/92)

JAN 10 '00 15:39 D.D.FISHER/A.THALER P.1/1

THE NEW YORK CITY LANDMARKS PRESERVATION COMMISSION
100 OLD SLIP NEW YORK, NY 10005 TEL: 212 487-6800 FAX: 212 487-6744

PERMIT

CERTIFICATE OF NO EFFECT

ISSUE DATE:	EXPIRATION DATE:	DOCKET #:	CNE #:
01/13/99	01/13/2003	993339	CNE 99-3733

ADDRESS	BOROUGH:	BLOCK/LOT:
102-106 WOOSTER STREET HISTORIC DISTRICT SOHO-CAST IRON	MANHATTAN	500 / 2

Display This Permit While Work Is In Progress

ISSUED TO:

Jason D. Carter
102-106 Wooster, LLC
c/o Carter Management Corporation
750 Lexington Avenue, Suite 600
New York, NY 10022

Pursuant to Section 25-306 of the Administrative Code of the City of New York, the Landmarks Preservation Commission hereby approves certain alterations to the subject premises as proposed in your application completed on January 13, 1999.

The approved work consists of enlarging the existing elevator bulkhead; and cladding the new bulkhead with stucco painted grey to match Sherwin Williams SW 2128, as shown in photographs, a color chip, and drawings DD0 and DD1, dated Decmeber 8, 1998, prepared by Li/Saltzman Architects, and submitted as components of this application.

With regard to this proposal, the Commission finds in accordance with the provision of RCNY, Title 63, Section 2-19 that the enlarged bulkhead is solely mechanical in nature; that it will not affect any significant rooftop features; that it will be only minimally visible from Wooster Street; and that it will not adversely affect any significant architectural features of adjacent improvements. Based on these findings, the Commission determines the work to be appropriate to the building and the district. The work, therefore, is approved.

The Commission has reviewed the application and these drawings and finds that the work will have no effect on

significant protected features of the building.

This permit is issued on the basis of the building and site conditions described in the application and disclosed during the review process. By accepting this permit, the applicant agrees to notify the Commission if the actual building or site conditions vary or if original or historic building fabric is discovered. The Commission reserves the right to amend or revoke this permit, upon written notice to the applicant, in the event that the actual building or site conditions are materially different from those described in the application or disclosed during the review process.

All approved drawings are marked approved by the Commission with a perforated seal indicating the date of approval. The approved work is limited to what is contained in the perforated documents. Other work or amendments to this filing must be reviewed and approved separately. The applicant is hereby put on notice that performing or maintaining any work not explicitly authorized by this permit may make the applicant liable for criminal and/or civil penalties, including imprisonment and fines. This letter constitutes the permit; a copy must be prominently displayed at the site while work is in progress. Please direct inquiries to Jay Platt.

Jennifer J. Raab
Chairman

PLEASE NOTE: PERFORATED DRAWINGS AND A COPY OF THIS PERMIT HAVE BEEN SENT TO:
Sharon Moore, LI/Saltzman Architects, PC

cc: William Neeley, Deputy Director, LPC

THE NEW YORK CITY LANDMARKS PRESERVATION COMMISSION
100 OLD SLIP NEW YORK, NY 10005 TEL: 212 487-6800 FAX: 212 487-6744

PERMIT

CERTIFICATE OF NO EFFECT

ISSUE DATE:	EXPIRATION DATE:	DOCKET #:	CNE #:
03/15/99	03/15/2003	995044	CNE 99-4825

ADDRESS	BOROUGH:	BLOCK/LOT:
102-106 WOOSTER STREET HISTORIC DISTRICT SOHO-CAST IRON	MANHATTAN	500 / 2

Display This Permit While Work Is In Progress

ISSUED TO:

Jason D. Carter
102-106 Wooster, LLC
c/o Carter Management Corp.
750 Lexington Avenue, Suite 600
New York, NY 10022

RECEIVED
MAR 24 1999
LI/SALTZMAN ARCHITECTS, P.C.

Pursuant to Section 25-306 of the Administrative Code of the City of New York, the Landmarks Preservation Commission hereby approves certain alterations to the subject premises as proposed in your application completed on March 15, 1999.

The approved work consists of interior alterations, including demolition of partitions and finishes, as shown in Drawings D- 0 through D-2, MD-1 through MD-4, and FPD-1 through FPD-4, dated received March 9, 1999, prepared by Li Saltzman Architects, and submitted as components of the application.

The Commission has reviewed the application and these drawings and finds that the work will have no effect on significant protected features of the building.

This permit is issued on the basis of the building and site conditions described in the application and disclosed during the review process. By accepting this permit, the applicant agrees to notify the Commission if the actual building or site conditions vary or if original or historic building fabric is discovered. The Commission reserves the right to amend or revoke this permit, upon written notice to the applicant, in the event that the actual building or site conditions are materially different from those described in the application or disclosed during the review process.

All approved drawings are marked approved by the Commission with a perforated seal indicating the date of approval. The approved work is limited to what is contained in the perforated documents. Other work or amendments to this filing must be reviewed and approved separately. The applicant is hereby put on notice that performing or maintaining any work not explicitly authorized by this permit may make the applicant liable for criminal and/or civil penalties, including imprisonment and fines. This letter constitutes the permit; a copy must be prominently displayed at the site while work is in progress. Please direct inquiries to Meisha Hunter-Bove.

Jennifer J. Raab
Chairman

PLEASE NOTE: PERFORATED DRAWINGS AND A COPY OF THIS PERMIT HAVE BEEN SENT TO: Judith Saltzman, Li/Saltzman Architects, P.C.

cc: Caroline Kane Levy, Deputy Director of Preservation

THE NEW YORK CITY LANDMARKS PRESERVATION COMMISSION
100 OLD SLIP NEW YORK, NY 10005 TEL: 212 487-6800 FAX: 212 487-6744

PERMIT
CERTIFICATE OF APPROPRIATENESS

ISSUE DATE:	EXPIRATION DATE:	DOCKET #:	COFA #:
08/11/99	04/27/2005	000886	COFA 00-1021

ADDRESS	BOROUGH:	BLOCK/LOT:
102-106 WOOSTER STREET HISTORIC DISTRICT SOHO-CAST IRON	MANHATTAN	500 / 2

Display This Permit While Work Is In Progress

ISSUED TO:

Jason Carter
102-106 Wooster, LLC
c/o Carter Management Corp.
750 Lexington Avenue, suite 600
New York, NY 10022

Pursuant to Section 25-307 of the Administrative Code of the City of New York, the Landmarks Preservation Commission, at the Public Meeting of April 27, 1999 following the Public Hearing of April 27, 1999, voted to approve the work proposed at the subject premises, as put forward in your application completed April 2, 1999.

The approved work consists of facade restoration, including cleaning and repointing the facade, repairing the cornice, restoring the ground floor cast-iron and wooden storefronts; replacing all of the windows and fire escape doors on the upper stories with new wooden windows to match the historic windows; installing two flagpoles and banners; constructing two new bulkheads on the roof; restoring the copper mansard roof and dormers on the rear elevation; installing new casement windows throughout the rear facade, all as shown in photographs, material and finish samples and drawings prepared by Li-Saltzman Architects, PC labeled "102-106 Wooster Street," labeled Exterior Materials, View of Rear Courtyard, and boards numbered LPC-0.1, LPC-0.2, LPC-0.3; LPC-1.1, LPC-1.2, LPC-2.1, LPC-2.2, LPC-3.1, LPC-3.2, LPC-4.1, LPC-4.2, LPC-5.1, LPC-5.2, LPC-6, LPC-7.1, LPC-7.2, LPC- 8, LPC-9, and LPC-10 which were presented at the Public Hearing and Public Meeting.

In reviewing the proposal, the Commission noted that the designation report describes 102-104 Wooster Street as a classically-inspired brick, cast-iron and stone store and warehouse building built in designed by DeLemos and Cordes and built in 1890-91; and that the style, scale, materials, design and detail of the building are among the features which contribute to the special architectural and historic character of the SoHo-Cast Iron Historic District.

With regard to this proposal, the Commission found that the proposed masonry work, including cleaning, pointing and repairs, is restorative in nature; that the painting of the cornice, fire escape, windows and storefront with an historic paint color will bring the facade closer to its original appearance; that the installation of new three-over-three window sash and restoration of the existing wood window frames on the front facade and replacement of kalamein windows and doors leading onto the fire escape with new two-over-two wood windows will unify the fenestration and enhance the appearance of the facade; that the modification to the ground floor doors will bring the storefronts closer to their original design; that the proposed flagpole locations will relate well to the facade design; that the flagpoles will be attached at mortar joints so that their installation will not damage any significant features of the building; that the proposed stair bulkheads and skylights will be minimally visible from oblique angles on the street, and will not detract from the appearance of the restored facades; that the restoration of the standing seam copper roof will be supportive of the long term preservation of the building; and that the removal of existing modern windows and installation of new casement windows on the rear facade will not be visible from any public thoroughfare, and will not compromise the building's historic fenestration when viewed from the street.

However, the Commission made its approval subject to the stipulation that two copies of the Department of Building filing drawings for the approved work be submitted to the staff for review and approval.

Subsequently, the Commission received drawings prepared by Judith Saltzman labeled "102- 106 Wooster Street," numbered Z-1 through Z-5, A-0.1 to A-0.4, D-1.0 to D-1.4; A1.0 to A-1.4, A-3.1 to A-3.5, A-4.1 to A-4.4, A-5.1 to A-5.7, A-6.9, A-6.10, A-7.1, A-7.2, A-7.5, A-7.6, drawings with the same title prepared by Valentine A. Lehr numbered M-1 to M-14, MD-1, P-1 to P-8; and drawings with the same title prepared by Anthony Giudice numbered S-1.1 to S-1.3, and S-2.1. Accordingly, staff reviewed these drawings and determined that the approved work has been maintained in the filing drawings. On this basis, the Certificate of Appropriateness is being issued.

This permit is issued on the basis of the building and site conditions described in the application and disclosed during the review process. By accepting this permit, the applicant agrees to notify the Commission if the actual building or site conditions vary or if original or historic building fabric is discovered. The Commission reserves the right to amend or revoke this permit, upon written notice to the applicant, in the event that the actual building or site conditions are materially different from those described in the application or disclosed during the review process.

All approved drawings are marked approved by the Commission with a perforated seal indicating the date of approval. The approved work is limited to what is contained in the perforated documents. Other work or amendments to this filing must be reviewed and approved separately. The applicant is hereby put on notice that performing or maintaining any work not explicitly authorized by this permit may make the applicant liable for criminal and/or civil penalties, including imprisonment and fines. This letter constitutes the permit; a copy must be prominently displayed at the site while work is in progress. Please direct inquiries to Brian Hogg.

Jennifer Raab pw

Jennifer J. Raab
Chairman

PLEASE NOTE: PERFORATED DRAWINGS AND A COPY OF THIS PERMIT HAVE BEEN SENT TO:
Judith Saltzman, Li/Saltzman Architects, PC

cc: Robert S. Davis, Esq.

RECEIVED
AUG 17 1999
LI/SALTZMAN ARCHITECTS, P.C.

THE NEW YORK CITY LANDMARKS PRESERVATION COMMISSION
100 OLD SLIP NEW YORK, NY 10005 TEL: 212 487-6800 FAX: 212 487-6744

03·31·00

APPROVED

March 31, 2000

ISSUED TO:

Jason Carter
102-106 Wooster, LLC
Carter Management
750 Lexington Avenue, Suite 600
New York, NY 10022

Re: **MISCELLANEOUS/AMENDMENTS**
LPC - 005206
MISC 00-5661
102-106 WOOSTER STREET
HISTORIC DISTRICT
SOHO-CAST IRON
Borough of Manhattan
Block/Lot: 500 / 2

Pursuant to Section 25-306 of the Administrative Code of the City of New York, the Landmarks Preservation Commission issued Certificate of Appropriateness 00-1021 on August 11, 1999 for facade restoration; window replacement; the installation of flagpoles; and the installation of two bulkheads at the roof.

The Commission has since received a request to amend the approved work. The proposed amendment is for the construction of a rooftop addition. The proposal is shown in photographs of the mock-up of the addition, and drawings labeled A1.4, A1.5, dated 3/13/00 A-3.1,A-3.2, A-3.4, A-3.5,dated 6/15/99, and A-4.5, dated 3/13/00, prepared by Judith Saltzman, R.A.

The Commission reviewed these materials, and found that the height of the addition is consistent with the approved bulkheads; that the bulkheads will be minimally visible from oblique angles on the street, and will not detract from the appearance of the facade; and that the interior alterations will not affect the architectural or historic character of the building or historic district. Based on these findings, Certificate of Appropriateness 00-1021 is hereby amended and approved.

All approved drawings are marked approved by the Commission with a perforated seal indicating the date of approval. The approved work is limited to what is contained in the perforated documents. Other work or amendments to this filing must be reviewed and approved separately.

Jared Knowles

cc: Judith Salzman, Li/Salzman Architects; Ann Friedman, Acting Deputy Director of Preservation/LPC

DEPARTMENT OF CITY PLANNING
CITY OF NEW YORK

MANHATTAN OFFICE

Joseph B. Rose, *Director*
Department of City Planning

December 13, 1999

Mr. Ron Livian, P.E.
Borough Commissioner/Superintendent
Department of Buildings
60 Hudson Street, 5th Floor
New York, NY 10013

Re: Applic. No. N 990679 ZAM
102-106 Wooster Street
Block 500, Lot 2
M1-5B District
SoHo Cast-Iron Historic District
Community District 2
Borough of Manhattan

Dear Commissioner Livian:

Please be advised that an application submitted by 102-106 Wooster, LLC c/o Carter Management Corporation for the grant of an authorization by the City Planning Commission pursuant to Section 42-142 of the Zoning Resolution to modify the use regulations of Section 42-14D(1)(b) to allow joint living work quarters for artists on the second through fifth floors of a building with more than 5,000 square feet of lot coverage at the above referenced location was approved by the City Planning Commission on December 8, 1999 (Cal. No. 20) on which date said approval became effective subject t o the following conditions:

1. The building shall be altered substantially as proposed and in accordance with the dimensions and specifications shown on the following drawings, prepared by Li-Saltzman Architects, P.C.:

Dwg No.	Title	Last Date Revised
Z-1	Attachments 2 & 4: Site Plan and Zoning Analysis	8/04/99
Z-2	Attachment 6: Proposed 2nd - 4th Floor Plans	8/04/99

Richard Barth, *Director*
John Young, *Deputy Director*
22 Reade Street, New York, N.Y. 10007-1216 Room 6W (212) 720-3480
FAX (212) 720-3488

Rcvd 12/13 06:06PM (02:00) on RSPAB Righ line 06 for DAVISR VORKSRV2 printed DAV38551964096CE on 12/13/1999 05:03PM * Pg 2/4
NYCDCP Fax:212-720-3488 Dec 13 1999 17:15 P.02

Ron Livian, P.E.

December 13, 1999

Dwg No.	Title	Last Date Revised
Z-3	Attachment 6: Proposed 5th Floor Plan	8/04/99

2. The building shall conform to all applicable laws and regulations relating to its alteration, operation and maintenance;

3. The building shall conform with all applicable provisions of the Zoning Resolution;

4. Upon the failure of any party having any right, title or interest in the property that is the subject of this application, or the failure of any heir, successor, assign or legal representative of such party, to observe any of the covenants, restrictions, agreements, terms or conditions of this resolution and the attached Declaration whose provisions shall constitute conditions of the approval hereby granted, the City Planning Commission may, without the consent of any other party, revoke any portion of or all of said authorization. Such power of revocation shall be in addition to and not limited to any other powers of the City Planning Commission, or of any other agency of government, or any private person or entity. Any such failure as stated above, or any alteration in the development that is the subject of this application that departs from any of the conditions listed above, is grounds for the City Planning Commission to disapprove any application for modification, cancellation or amendment of the authorization hereby granted; and

5. Neither the City of New York nor its employees or agents shall have liability for money damages by reason of the city's or such employee's failure to act in accordance with the provision of this authorization.

THIS AUTHORIZATION (N 990679 AM) HAS BEEN APPROVED SOLELY PURSUANT TO SECTION 42-142 OF THE ZONING RESOLUTION AND IS SUBJECT TO VERIFICATION BY THE DEPARTMENT OF BUILDINGS FOR COMPLIANCE WITH ALL OTHER APPLICABLE PROVISIONS OF THE ZONING RESOLUTION.

The following are enclosed for your information:

1. A copy of the application N 990679 AM;

2. A copy of the Declaration, dated as of July 9, 1999, executed by 102-106 Wooster, LC c/o Carter Management Corp. and recorded in the New York County Office of the City Register on November 30, 1999; and

I. Jones
K. Ramm
V. Awuei
R. Simon
P. Spelir

Sent 12/13 05:26PM (02:20) on R5PAB Rich Line 04 for DAVIS WORKSRV2 printed DAV3855196409CE on 12/13/1999 05:26PM - Pg 3/4
NYCDCP Fax:212-720-3488 Dec 13 1999 17:15 P.03

Ron Livian, P.E.

December 13, 1999

3. The approved drawings, as listed in Condition No. 1 above.

Sincerely,

Richard Barth

c: L. Jansen
K. Ramnarine
V. Awner
E. Simons
P. Sperling

Sent 12/13 05:24PM (02:20) on RSPAB Righ line 04 for DAVISR WORKSRV2 printed DAV3855196409CE on 12/13/1999 05:26PM - Pg 4/4
NYCDCP FAX:212-720-3488 DEC 13 1999 17:16 P.04

THE CITY OF NEW YORK

DEPARTMENT OF BUILDINGS

Additional Information

1 Filing Status

Job Number	102561363			As an attachment to:
Sheet Number	1	of 1	Sheets	102-106 Wooster Street

2 Additional Information

The subject application was filed for the purpose of converting a commercial loft to a JLWQ for Artist. It is proposed to file a light and air easement between the subject building and the building located at the rear of the subject building but facing Greene Street and known as 93-99 Greene Street. The examiner has referred the light and air easement to the Supt's office for acceptance. Submitted herewith is a standard light and air easement and we respectfully request that the easement be filed and recorded before any temporary CO or permanent CO is issued. The light and air easement is for one room that is located on the 4th floor at the rear of the building as indicated by plans submitted herewith.

O.K. TO ACCEPT LIGHT & AIR EASEMENT PRIOR TO T.C./C.O. EASEMENT MUST BE RECORDED WITH CITY REGISTER OFFICE WITH REEL & PAGE NO.

4.14.00

MANHER SHAH, P.E.
1st Deputy Boro. Supr.
Dept. of Buildings

REGISTERED ARCHITECT
JUDITH SALTZMAN
18349
STATE OF NEW YORK

3 Statements and Signatures

I hereby state that the above information is correct and complete to the best of my knowledge.

Falsification of any statement is a misdemeanor under Section 26-124 of the Administration Code and is punishable by a fine or imprisonment, or both

It is unlawful to give to a city employee, or for a city employee to accept, any benefit, monetary or otherwise, either as a gratuity for properly performing the job or in exchange for special consideration Violation is punishable by imprisonment or fine or both.

Applicant Name Judith Saltzman

Signature Judith Saltzman Date APR. 13. 2000

Revised 6-88 AI-1

LIGHT AND AIR EASEMENT

EASEMENT AGREEMENT made this 14th day of March, 2000 between Soho Centrale, LLC hereinafter referred to as the "Grantor," residing /having an office at Carter Management Corp., 750 Lexington Avenue, Suite 600, in the Borough of New York, City and State of New York 10022, and 102-106 Wooster, LLC hereinafter referred to as the "Grantee" residing/having an office at Carter Management Corp., 750 Lexington Avenue, Suite 600, in the Borough of New York, City and State of New York 10022.

WITNESSETH

WHEREAS Soho Centrale, LLC, "Grantor," is the record owner in fee of premises known as 93-99 Greene Street, in the Borough of Manhattan, City and State of New York, also known as Lot 1101 of Block 500 on the Tax Map of the City of New York, hereinafter referred to as Parcel A and more particularly described by a meter and bounds description on Schedule A annexed hereto and by this reference made a part hereof.

WHEREAS, the "Grantee" is the record owner in fee of premises known as 102-106 Wooster, LLC, in the Borough of Manhattan, City and State of New York, also known as Lot 2 of Block 500 on the Tax Map of the City of New York, hereinafter referred to as Parcel B, more particularly described by a metes and bounds description on Schedule B annexed hereto and by this reference made a part hereof.

WHEREAS, there is a five-story building erected on Parcel B, and

WHEREAS, Grantee desires to amend the approved Alteration Application (Alt. #102561363 of 2000) from the New York City Department of Buildings ("Department of Buildings") to alter floors 2,3,4 and 5 for residential use on Parcel B; and

WHEREAS, the Department of Buildings shall approve said amendment to the Alteration Application only upon the condition, inter alia, that Grantor create an easement for light and air for the benefit of the present and future owners of Parcel B in order to comply with Article 7B Section 277 of the Building Code of the City of New York/Multiple Dwelling Law of the State of New York;

NOW, THEREFORE, in consideration of $10.00 and other good and valuable consideration paid by the Grantee to the Grantor, the Grantor for himself, his heirs, legal representatives, successors and assigns hereby makes the following grants:

1. Grantor hereby grants and conveys to Grantee, his heirs, legal representatives, successors and assigns and to any future owner of Parcel B, the right to unrestricted light and air over Parcel A as described herein, each that any construction on Parcel A shall never infringe upon the light and air provided to Parcel B.

2. This Easement Agreement may note be amended or terminated without the prior written consent of the New York City Department of Buildings.

3. This covenant shall run with the land and be binding upon and inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns.

IN WITNESS WHEREOF, Grantor has made and executed the foregoing Easement Agreement as of the date hereinabove written.

BY _____

Soho Centrale, LLC - Grantor

BY _____

102-106 Wooster, LLC - Grantee

STATE OF NEW YORK)

) SS:

COUNTY OF NEW YORK)

On the 14th day of March in the year 2000 before me, the undersigned, personally appeared Jason D. Carter, personally known to be or proved to me on the basis of satisfactory evidence to be the individual who executed the above instrument.

Mohan K. Dansinghani

Notary Public

My commission expires: 2/21/2001

DANSINGHANI, MOHAN K
NOTARY PUBLIC, STATE OF NEW YORK
NO. 01D45039574
QUALIFIED IN NASSAU COUNTY
COMMISSION EXP. FEB. 21, 2001

Schedule A

The Condominium Unit (in the Building located at and known as and by Street Number 93-99 Greene Street, New York, New York as Greene House Condominium), designated and described as Unit 1 (hereinafter called the "Unit") in the Declaration (hereinafter called "Declaration:) made by the Sponsor 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 as of 1/24/85 and recorded 1/28/86 in the Office of the Register The City of New York, County of New York, in Reel 1019 Page 304 establishing a plan for Condominium ownership of said Building and the land upon which the same is erected (hereinafter sometimes collectively called the "Property") and also designated and described as Tax Lot No. 1101 Block 500 Section 2, Borough of Manhattan on the Tax Map of the Real property assessment department of the City of New York and on the floor plans of said Building certified by Shapiro Lawn Associates and filed as Condominium Plan No. 284 on 1/28/86 in the aforesaid Register's Office, Map No. 4430.

The land upon which the Building containing the Unit is erected as follows:

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

BEGINNING at a point on the westerly side of Greene Street distant 224 feet 10 3/4 inches northerly from the corner formed by the intersection of the westerly side of Greene Street and the northerly side of Spring Street;

RUNNING THENCE Southerly along the westerly side of Greene Street 100 feet 0 3/r inches to lands nor or formerly of Mortorano;

THENCE Westerly along a line which on its northerly side forms an angle of 89 degrees 42 minutes 30 seconds with said westerly side of Greene Street 100 feet 1 inch to a point;

THENCE Northerly along a line which on its westerly side forms an angle of 89 degrees 42 minutes 30 seconds with the last mentioned course 99 feet 10 1/4 inches to the southerly side of lands formerly of G.G.K.P.,

THENCE Easterly along the last mentioned land and part of the distance through a brick wall 100 feet 1 inch to the point or place of BEGINNING.

TOGETHER with an undivided 20.00 per cent interest in the common elements of the property as described in the Declaration (hereinafter called the "Common Elements") recorded in Reel 1019 Page 304.

Schedule B

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

BEGINNING at a point on the easterly side of Wooster Street, distant 125 feet 3 inches northerly from the corner formed by the intersection of the northerly side of Spring Street and the easterly side of Wooster Street;

RUNNING THENCE Northerly along the easterly side of Wooster Street 74 feet 11 ½ inches to a point;

THENCE Easterly along a line which forms an interior angle of 89 degrees 39 minutes 00 seconds with the last mentioned course, 100 feet 1 inch to a point;

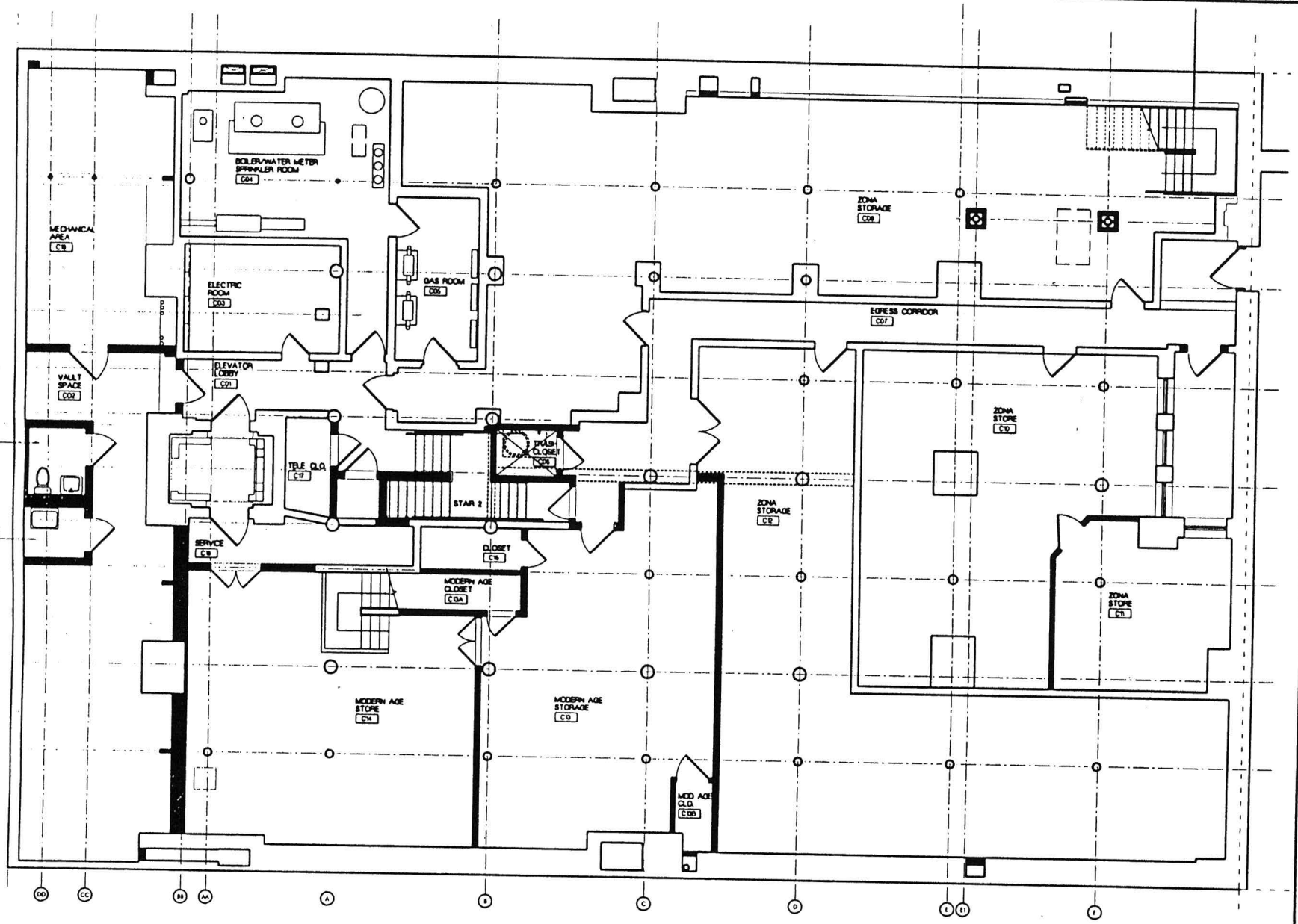
THENCE Southerly along a line which forms an interior angle of 90 degrees 21 minutes 00 seconds with the last mentioned course, 74 feet 10 ½ inches;

THENCE Westerly along a line which forms an interior angle of 89 degrees 43 minutes 00 seconds with the last mentioned course, 100 feet 1 inch to the easterly side of Wooster Street, the point or place of BEGINNING.

INFO:

Said premises being known as and by street number 102-106 Wooster Street, New York, New York.

DOCUMENT 5



1 / A1 CELLAR FLOOR PLAN
SCALE: 1/4"=1'-0"

LI•SALTZMAN ARCHITECTS, P.C.
ARCHITECTURE AND PRESERVATION
62 WHITE STREET NY, NY 10013.3598
TEL: 212.941.1838 FAX: 212.941.1834

ANTHONY M. GIUDICE, P.E.
588 BROADWAY, ROOM 812, NEW YORK, NY 10012
TEL: 212.334.2124 FAX: 212.941.9367

LEHR ASSOCIATES CONSULTING ENGINEERS

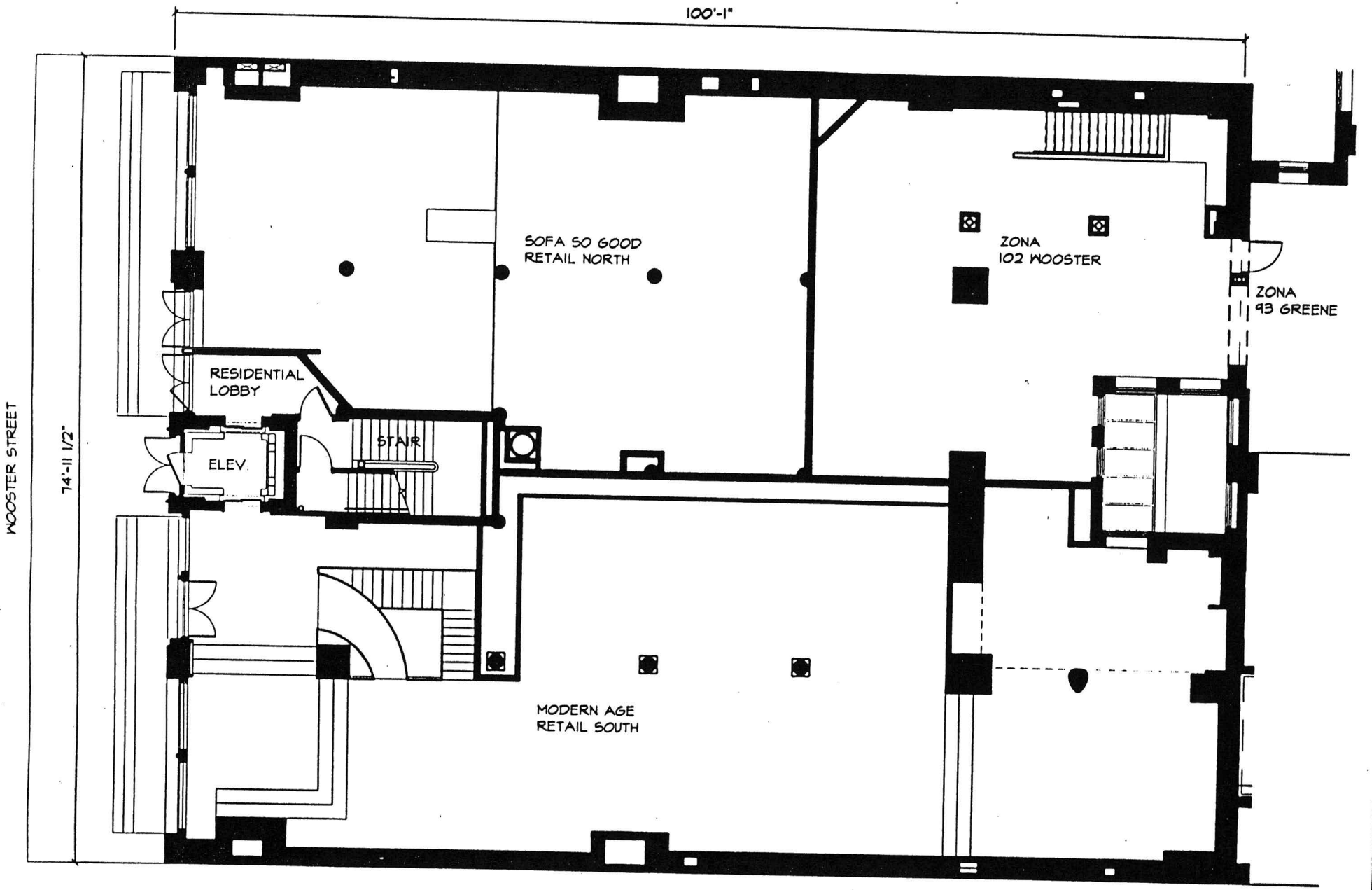
102-106 WOOSTER STREET
NEW YORK, NEW YORK

ISSUE/ REV.	DATE

CELLAR FLOOR PLAN

DATE: 04.14.00

SCALE: NTS



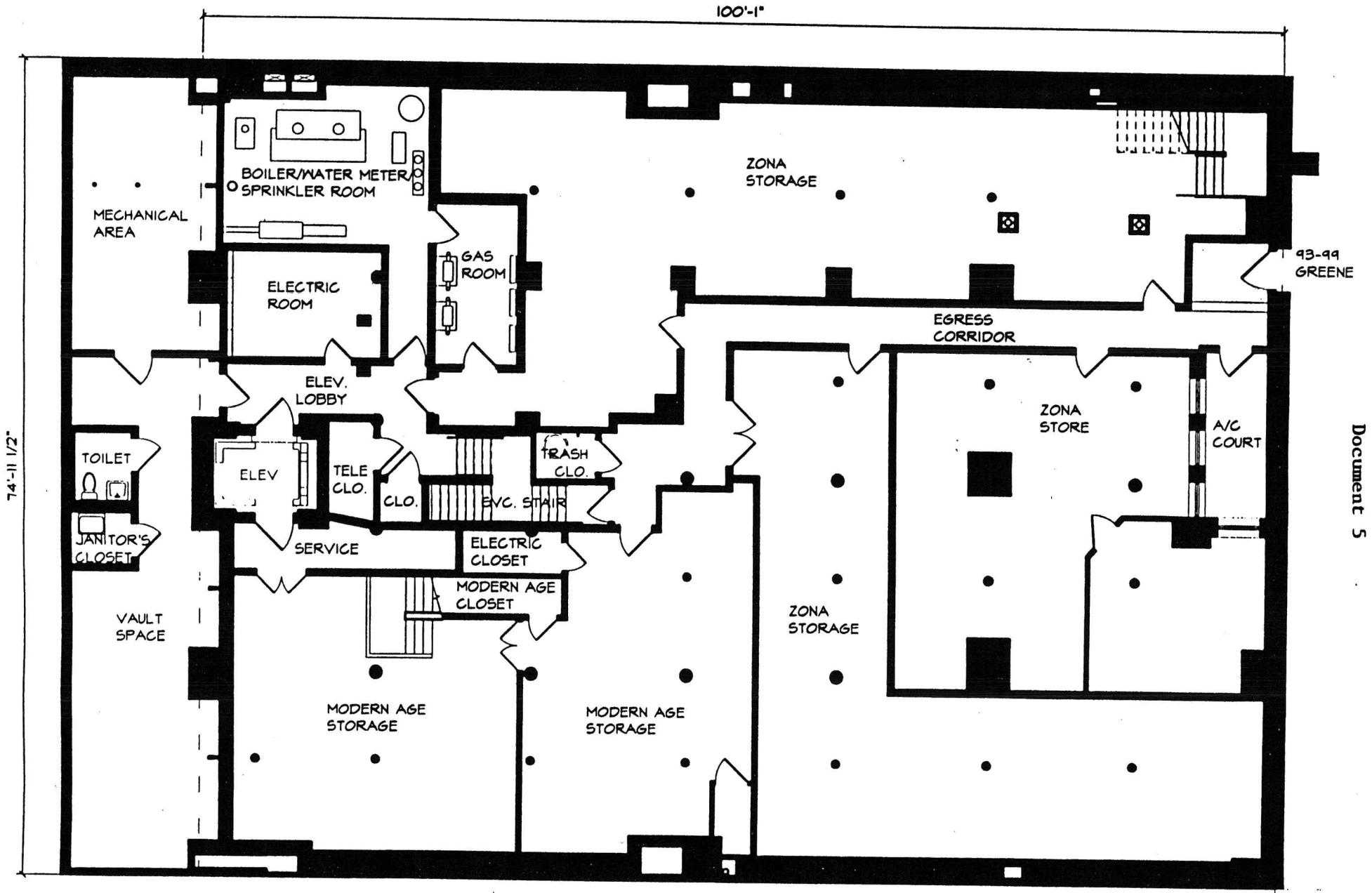
LI•SALTZMAN ARCHITECTS, P.C.
ARCHITECTURE AND PRESERVATION
62 WHITE STREET NY, NY 10013 3598
TEL: 212.941.1838 FAX: 212.941.1834

102-106 WOOSTER STREET

NEW YORK, NEW YORK
SOHO CAST-IRON HISTORIC DISTRICT

SECTION 'Y'
FIRST FLOOR PLAN

DATE: 12/01/99
SCALE: NOT TO SCALE



Document 5

LI•SALTZMAN ARCHITECTS, P.C.
ARCHITECTURE AND PRESERVATION
62 WHITE STREET NY, NY 10013.3598
TEL: 212.941.1838 FAX: 212.941.1834

102-106 WOOSTER STREET

NEW YORK, NEW YORK

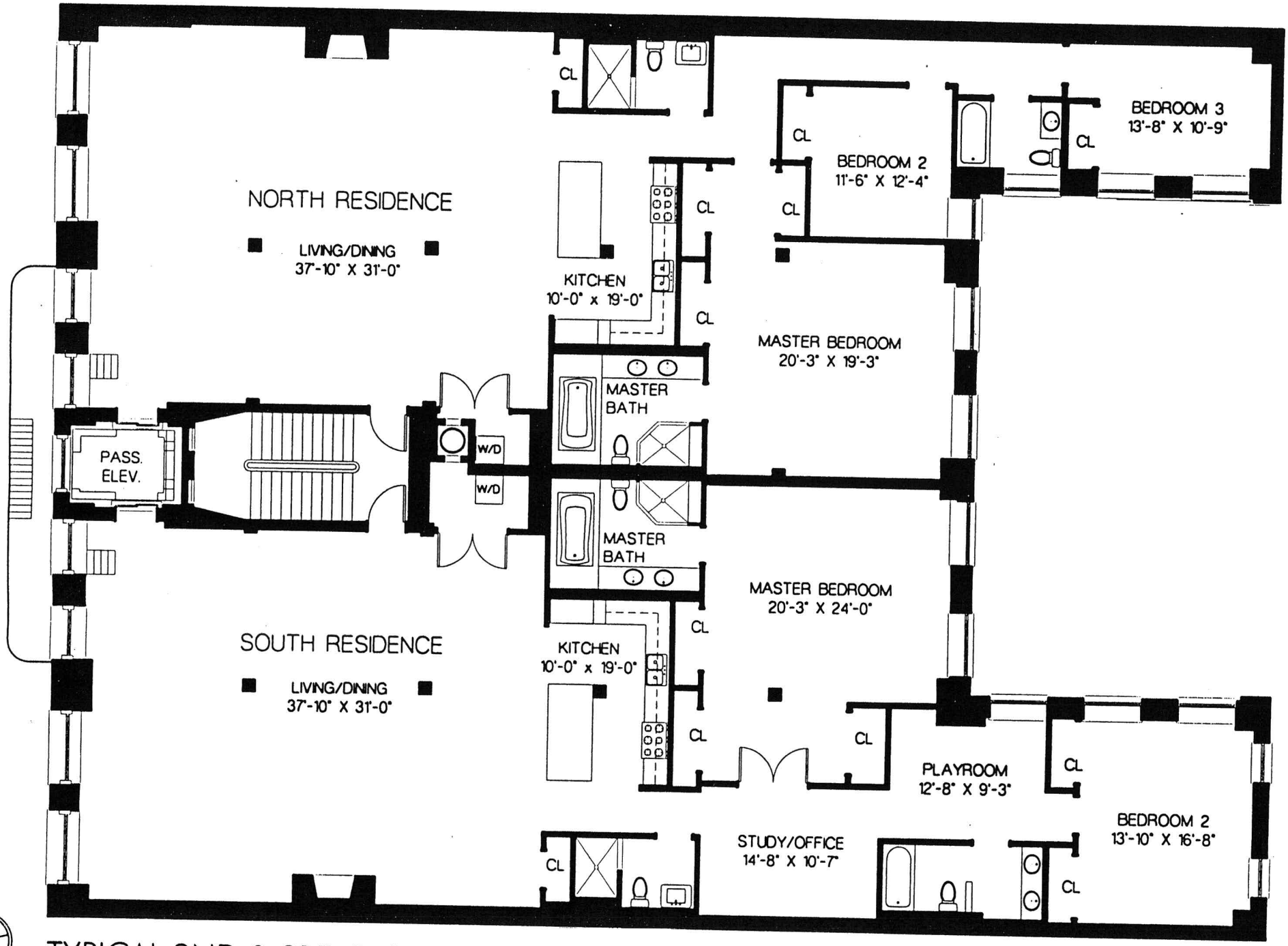
SOHO CAST-IRON HISTORIC DISTRICT

SECTION 'Y'

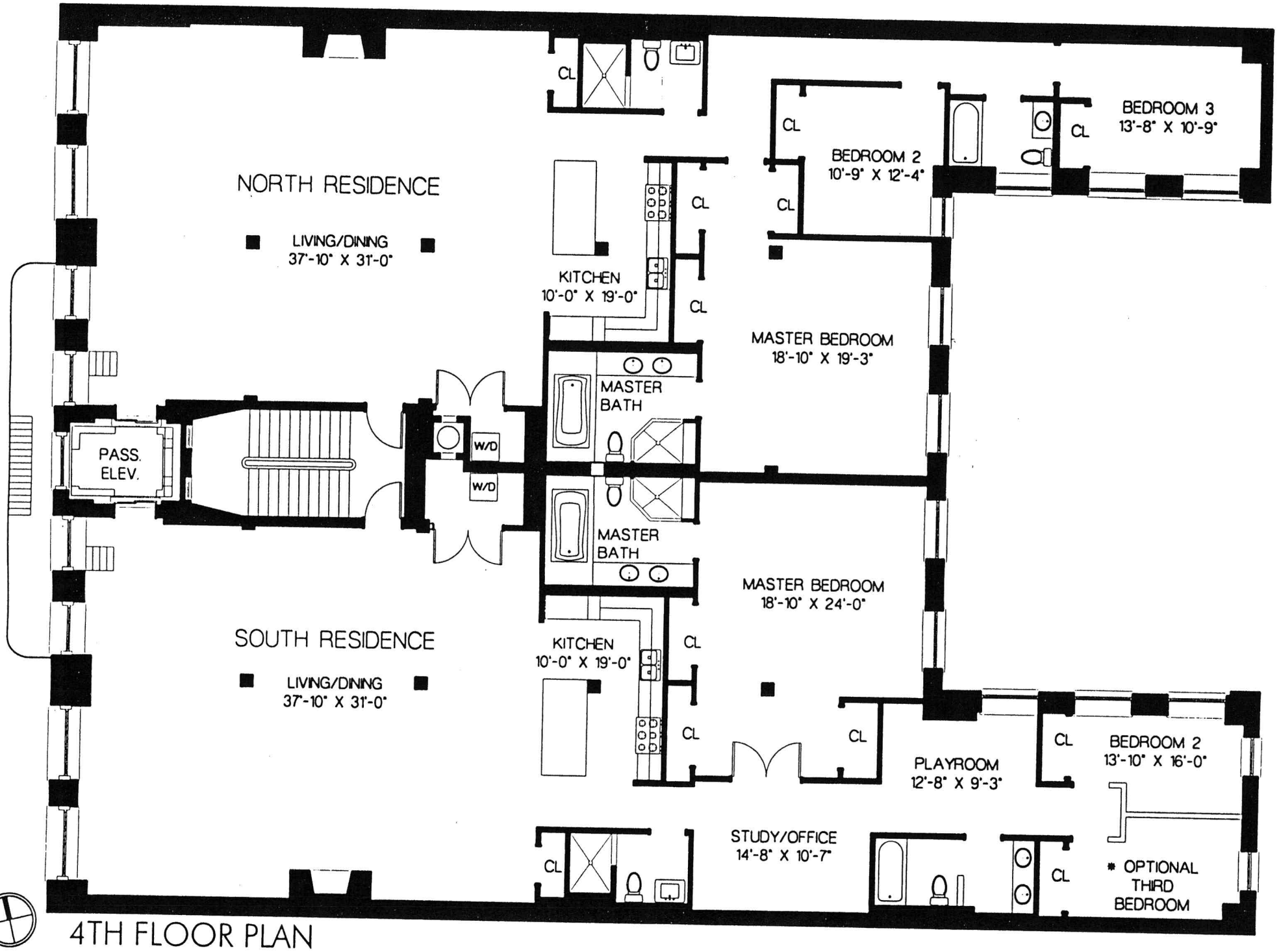
CELLAR FLOOR PLAN

DATE: 12/01/99

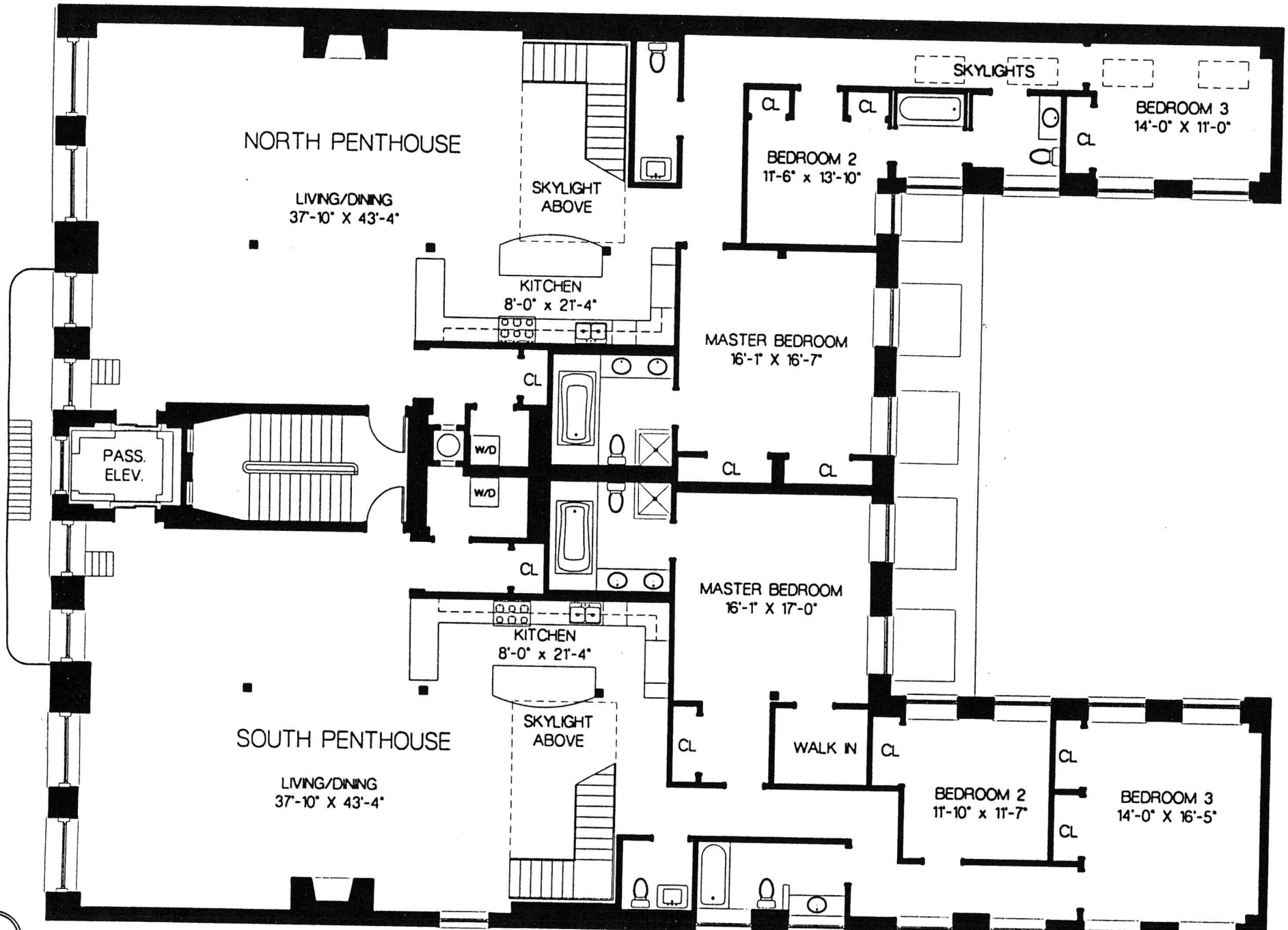
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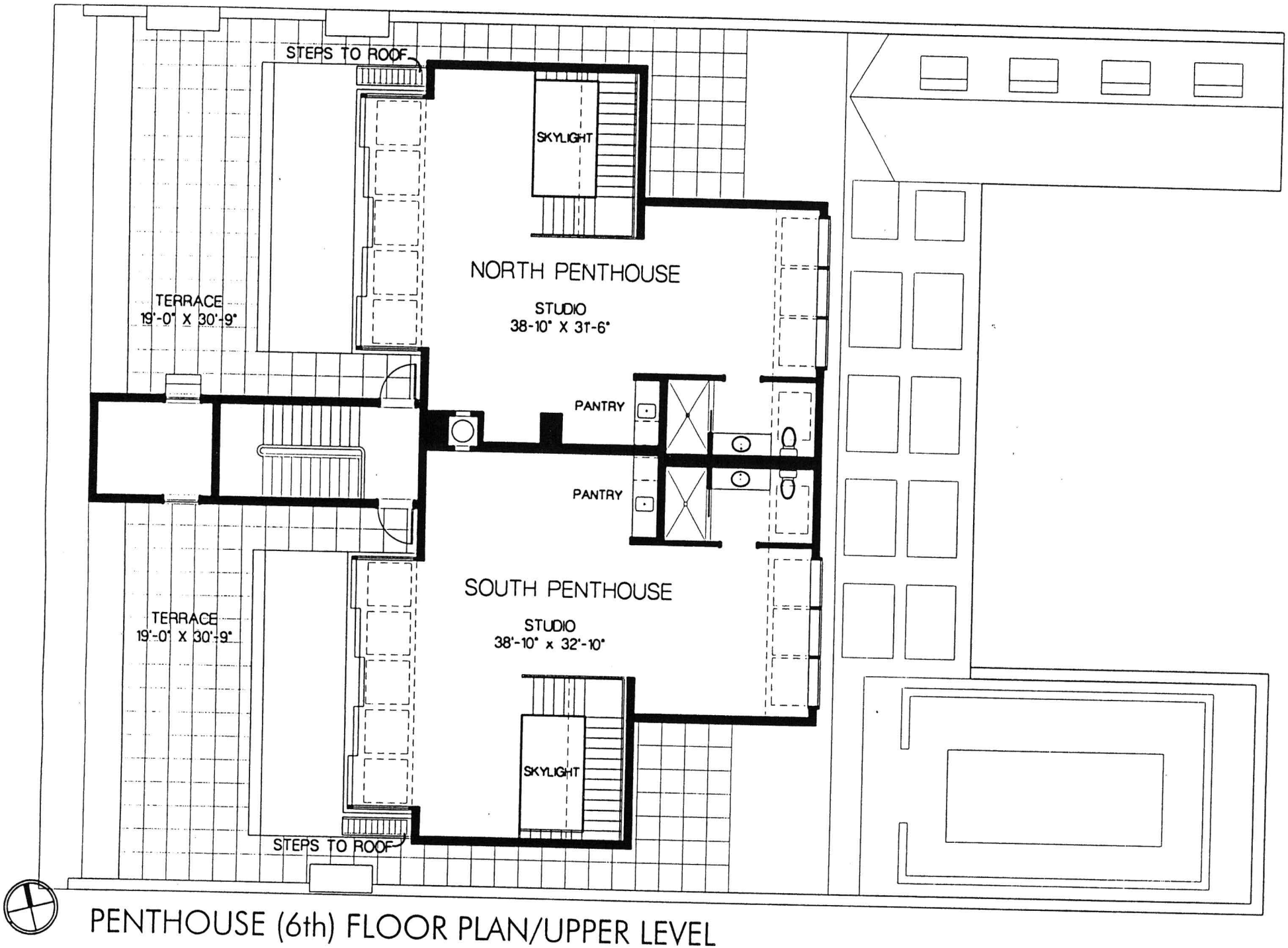
TYPICAL 2ND & 3RD FLOOR PLAN



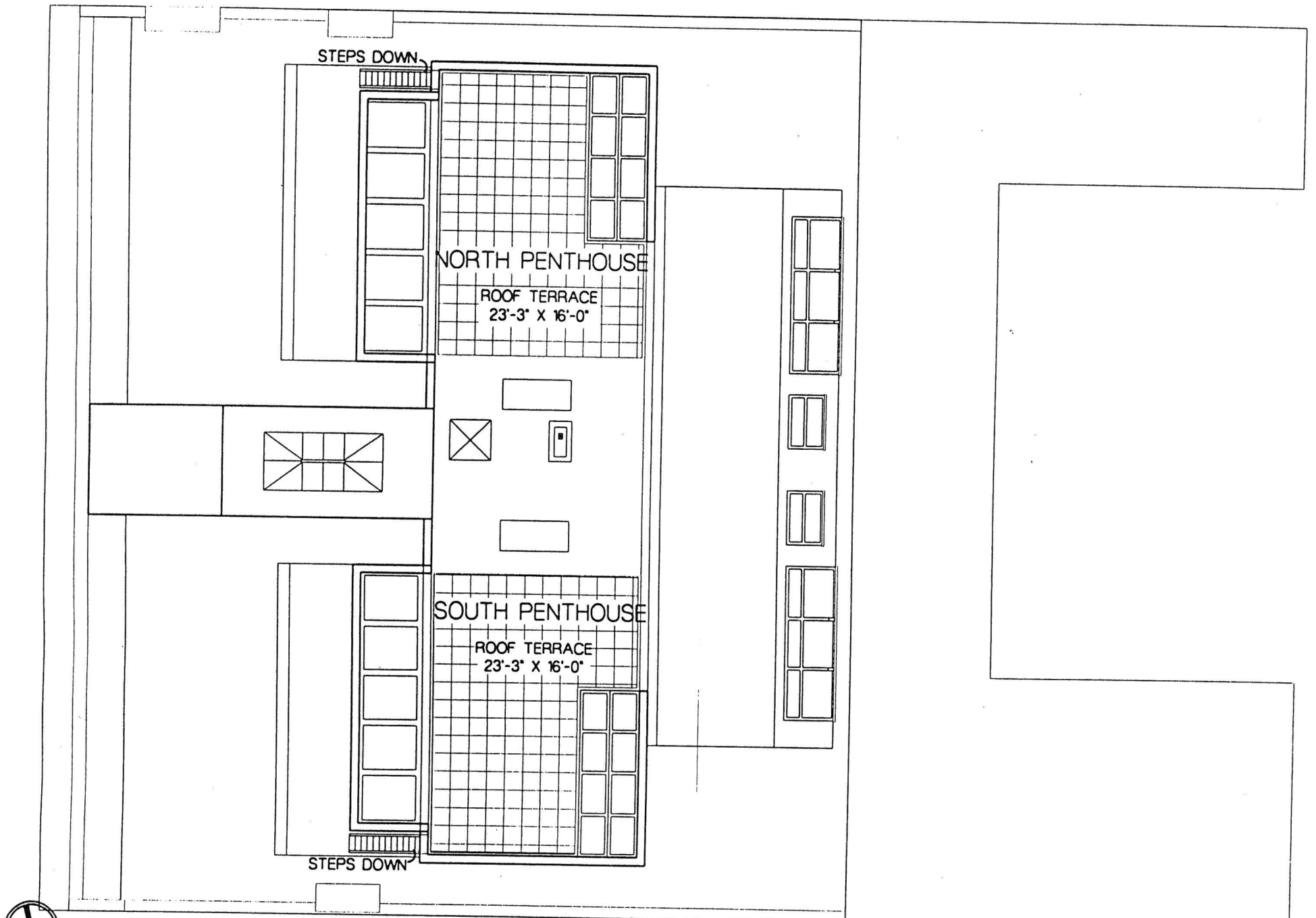
4TH FLOOR PLAN



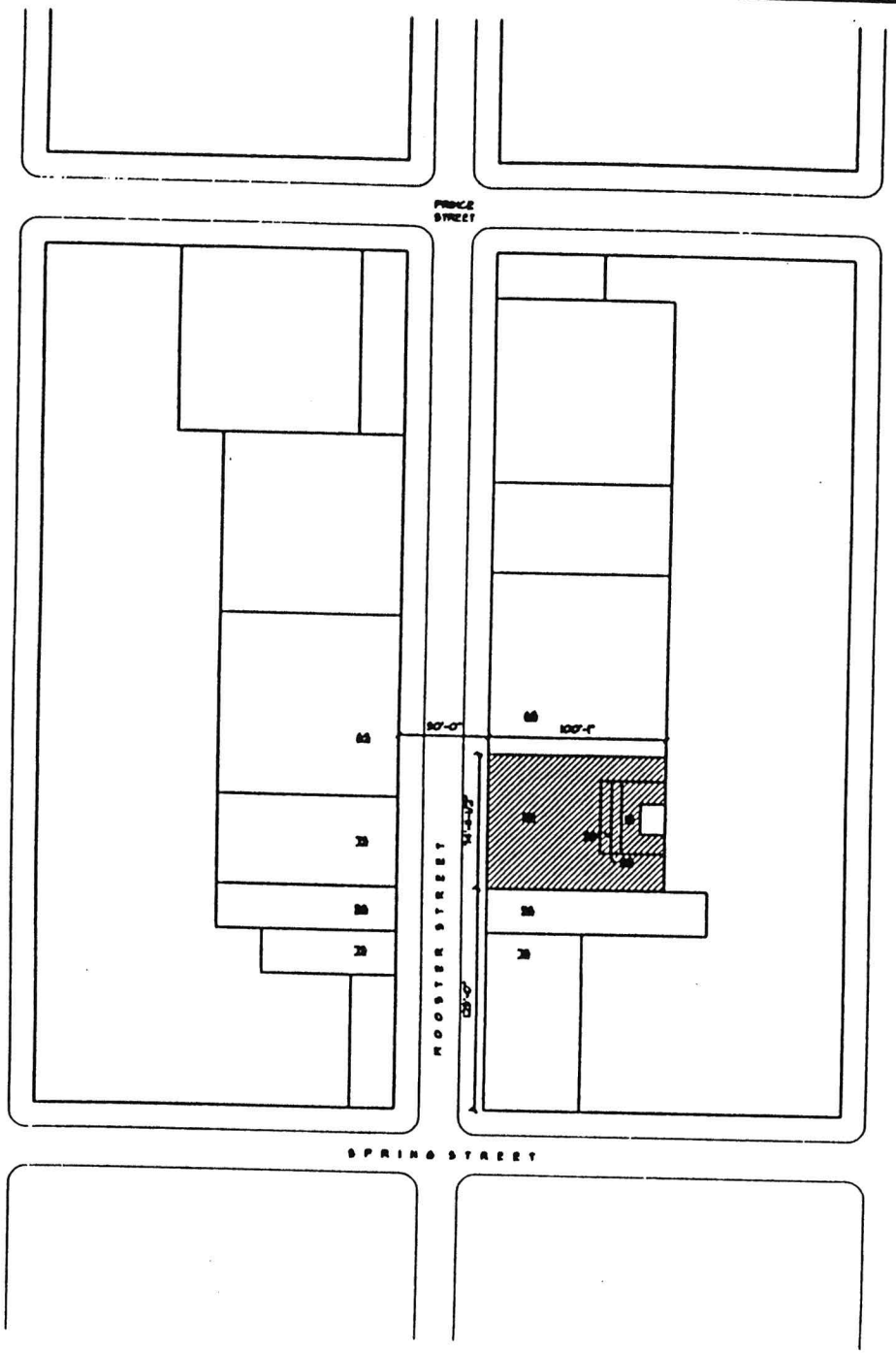
PENTHOUSE (5th) FLOOR PLAN/LOWER LEVEL



PENTHOUSE (6th) FLOOR PLAN/UPPER LEVEL



PENTHOUSE/ROOFTOP LEVEL



LI•SALTZMAN ARCHITECTS, P.C.
ARCHITECTURE AND PRESERVATION
62 WHITE STREET NY, NY 10013-3598
TEL 212 941 1038 FAX 212 941 1034

102-106 WOOSTER STREET

NEW YORK, NEW YORK
SOHO CAST-IRON HISTORIC DISTRICT

SECTION 'Y'
PLOT PLAN

DATE 08/20/99
SCALE 1/100" = 1'-0"

32-02 30TH AVENUE • L.I.C. • NEW YORK 11102-1528

CERTIFIED IN N.Y.S. & N.Y.C.

DONNA LYNN DI FARA, PRES.
LORETTA E. ABRAMAITIS, V. P.

Document 6

TEL: 718 956-1657
FAX: 718 726-6433

ANALYTICAL DATA REPORT
ANALYTE: LEAD
MATRIX: PAINT
LOCATION: 104 WOOSTER STREET
LEAD INVESTIGATION PERFORMED ON: JUNE 16, 1999

FIELD ID	SAMPLE LOCATION	RESULTS (% LEAD)
Lead #1	Fire Escape Steps	7.73%
Lead #2	Fire Escape Balcony	5.10%
Lead #3	Fire Escape Railing	1.45%

VANGUARD FORMS VG# 100498-1 10/98 W-716281

ONLY TYPEWRITTEN APPLICATIONS WILL BE ACCEPTED

DEPARTMENT OF ENVIRONMENTAL PROTECTION

NOT AN ASBESTOS PROJECT

FOR OFFICE PURPOSES ONLY

1. NYC Buildings Dept. Application No.
ACP5 Fee $
NYC Dept. of Environmental Protection

NOTE: THIS FORM IS TO BE COMPLETED IF THERE IS NO FRIABLE ASBESTOS CONTAINING MATERIAL PRESENT OR IF THE TOTAL AMOUNT OF FRIABLE ASBESTOS CONTAINING MATERIAL IS 10 SQUARE FEET OR LESS, OR 25 LINEAR FEET OR LESS, OR IF NORMALLY NONFRIABLE ACM (AS PER 40 CFR PART 61.141) IS PRESENT IN ANY AMOUNT.

2. FACILITY ADDRESS 104 Wooster Street BORO Manhattan ZIP CODE 10012

AKA N/A 3. BLOCK # 500 4. LOT # 2

5. BUILDING OWNER 102-106 Wooster St., LLC TEL # (212) 644-6666

6. ADDRESS 102-106 Wooster Street STATE NY ZIP CODE 10012

7. CONTACT PERSON Jason Carter 8. TEL # (212) 644-6666

9. DESCRIPTION OF ENTIRE SCOPE OF WORK Rework, reinstall, remove & replace sprinklers throughout existing 5 story building.

10. ESTIMATED START DATE 7/1/99 ESTIMATED COMPLETION DATE 10/15/99 OF THE ENTIRE SCOPE OF WORK

11. I Donna L.DiFara (Type - Name of Asbestos Investigator), HAVE CONDUCTED AN ASBESTOS INVESTIGATION ON 2/18/99 (Date(s)) IN ACCORDANCE WITH THE PROCEDURES REQUIRED BY THE NYC DEP ASBESTOS CONTROL PROGRAM REGULATIONS AND DECLARE THAT AT SAID FACILITY ADDRESS, THE

- [ ] a. premises to be demolished are free of any asbestos containing material (ACM)
- [ ] b. premises to be demolished contain 10 square feet or less or 25 linear feet or less of friable ACM or of normally nonfriable ACM that demolition forces may make friable: all ACM shall be removed according to the NYS DOL ICR 56 or the NYC DEP Asbestos Regulations
- [X] c. cumulative surfaces of relevant structure(s) affected by an alteration or plumbing repair are free of any friable ACM and free of normally nonfriable ACM that alteration or plumbing repair forces may make friable
- [ ] d. cumulative surfaces of relevant structure(s) affected by an alteration or plumbing repair contain 10 square feet or less or 25 linear feet or less of friable ACM or of normally nonfriable ACM that alteration or plumbing repair forces may make friable: removal as in b.
- [ ] e. normally nonfriable ACM shall be disturbed/removed in accordance with the NYS DOL ICR 56 or the NYC DEP Asbestos Regulations: Sq. Ft. _____
- [ ] f. friable ACM and/or normally nonfriable ACM will NOT be disturbed during alteration/plumbing repair/modification/renovation: Friable ACM Sq Ft _____ Lin Ft _____; Nonfriable ACM Sq Ft _____

12. COMPLETE AND THOROUGH ASBESTOS INVESTIGATION PERFORMED OF

STORY (include cellar and basement)	DESCRIBE SECTION OF FLOOR (e.g. entire, east wing, room #____ boiler room, lobby, etc.)	ALL FRIABLE SURFACING MATERIALS INCLUDING FRIABLE ACM AND NORMALLY NONFRIABLE ACM	NUMBER OF SAMPLES ANALYZED	ASBESTOS PRESENT YES	ASBESTOS PRESENT NO
2nd fl.	Typical wall @ rear.	Plaster on masonry (friable)	1		x
		Approx. 500 Sq.Ft. (total)			
3rd fl.	Typical wall @ stairhall.	Plaster on masonry (friable)	1		x
		Approx. 1500 Sq.Ft. (total)			
4th fl.	Ceiling @ rear.	Plaster on wood (friable)	1		x
		Approx. 975 Sq.Ft. (total)			
5th fl.	Elevator shaft.	Plaster Appox 1250 SF (frb.)	1		x

13. NAME OF LABORATORY THAT ANALYZED SAMPLES Enviro-Probe,2917 Bruckner Blvd,Bx,NY 10461

14. ELAP # 10898 (NYS DEPT. OF HEALTH CERTIFICATION) NVLAP # 1222 (U.S. DEPT. OF COMMERCE, N.I.S.T.)

15. DATE(S) SAMPLES ANALYZED 2/18/99

AND THAT THE INFORMATION PROVIDED HEREIN IS TRUE AND COMPLETE

16. _____ (SIGNATURE OF NYC DEP-CERTIFIED ASBESTOS INVESTIGATOR) 6/24/99 (DATE)

17. # 764540201 (NYC DEP ASBESTOS INVESTIGATOR CERTIFICATE NUMBER)

SEAL OF THE NYC DEP CERTIFIED ASBESTOS INVESTIGATOR

CITY OF NEW YORK · DONNA L. DiFARA · CERTIFIED ASBESTOS INVESTIGATOR

NOTE: STORAGE, TRANSPORTATION AND DISPOSAL OF ASBESTOS CONTAMINATED WASTES ARE REGULATED BY THE NYC DEPARTMENT OF SANITATION (LL70/85)

THE PIECEMEAL CARRYING OUT OF AN OPERATION TO AVOID COVERAGE BY A STANDARD THAT APPLIES ONLY TO OPERATIONS LARGER THAN A SPECIFIED SIZE IS A VIOLATION.

ACM = Asbestos Containing Material = Material Containing Greater than 1% Asbestos

ANY MODIFICATION OR VARIANCE FROM INFORMATION PROVIDED ON THIS FORM MUST BE REPORTED

VG# 100450-1 10/00 W-71621

ONLY TYPEWRITTEN APPLICATIONS WILL BE ACCEPTED

DEPARTMENT OF ENVIRONMENTAL PROTECTION

NOT AN ASBESTOS PROJECT

FOR OFFICE PURPOSES ONLY

1. NYC Business Dept. Application No
ACP5 Fee $
NYC Dept. of Environmental Protection

NOTE: THIS FORM IS TO BE COMPLETED IF THERE IS NO FRIABLE ASBESTOS CONTAINING MATERIAL PRESENT OR IF THE TOTAL AMOUNT OF FRIABLE ASBESTOS CONTAINING MATERIAL IS 10 SQUARE FEET OR LESS, OR 25 LINEAR FEET OR LESS, OR IF NORMALLY NONFRIABLE ACM (AS PER 40 CFR PART 61.141) IS PRESENT IN ANY AMOUNT.

2. FACILITY ADDRESS 104 Wooster Street BORO Manhattan ZIP CODE 10012

AKA N/A 3. BLOCK # 500 4. LOT # 2

5. BUILDING OWNER 102-106 Wooster St., LLC TEL. # (212) 644-6666

6. ADDRESS 102-106 Wooster Street STATE NY ZIP CODE 10012

CONTACT PERSON Jason Carter 8. TEL. # (212) 644-6666

DESCRIPTION OF ENTIRE SCOPE OF WORK Rehabilitation of existing 5 story loft building into residential units, new windows, plumbing, electric.

9. ESTIMATED START DATE 3/5/99 ESTIMATED COMPLETION DATE 10/15/99 OF THE ENTIRE SCOPE OF WORK

I, Donna L.DiFara (Type - Name of Asbestos Investigator), HAVE CONDUCTED AN ASBESTOS INVESTIGATION ON 2/18/99 (Date(s)) IN ACCORDANCE WITH THE PROCEDURES REQUIRED BY THE NYC DEP ASBESTOS CONTROL PROGRAM REGULATIONS AND DECLARE THAT AT SAID FACILITY ADDRESS, THE

[ ] a. premises to be demolished are free of any asbestos containing material (ACM)

[ ] b. premises to be demolished contain 10 square feet or less or 25 linear feet or less of friable ACM or of normally nonfriable ACM that demolition forces may make friable: all ACM shall be removed according to the NYS DOL ICR 56 or the NYC DEP Asbestos Regulations

[ ] c. cumulative surfaces of relevant structure(s) affected by an alteration or plumbing repair are free of any friable ACM and free of normally nonfriable ACM that alteration or plumbing repair forces may make friable

[ ] d. cumulative surfaces of relevant structure(s) affected by an alteration or plumbing repair contain 10 square feet or less or 25 linear feet or less of friable ACM or of normally nonfriable ACM that alteration or plumbing repair forces may make friable: removal as in b.

[ ] e. normally nonfriable ACM shall be disturbed/removed in accordance with the NYS DOL ICR 56 or the NYC DEP Asbestos Regulations: Sq. Ft _____

[ ] f. friable ACM and/or normally nonfriable ACM will NOT be disturbed during alteration/plumbing repair/modification/renovation: Friable ACM Sq Ft _____ Lin Ft _____; Nonfriable ACM Sq Ft _____

COMPLETE AND THOROUGH ASBESTOS INVESTIGATION PERFORMED OF

STORY (include cellar & basement)	DESCRIBE SECTION OF FLOOR (e.g. entire, east wing, room #____, boiler room, lobby, etc.)	ALL FRIABLE SURFACING MATERIALS INCLUDING FRIABLE ACM AND NORMALLY NONFRIABLE ACM	NUMBER OF SAMPLES ANALYZED	ASBESTOS PRESENT YES	ASBESTOS PRESENT NO
nd fl.	Typical wall @ rear.	Plaster on masonry (friable)	1		x
		Approx. 500 Sq.Ft. (total)			
rd fl.	Typical wall @ stairhall.	Plaster on masonry (friable)	1		x
		Approx. 1500 Sq.Ft. (total)			
th fl.	Ceiling @ rear.	Plaster on wood (friable)	1		x
		Approx. 975 Sq.Ft. (total)			
th fl.	Elevator shaft.	Plaster Appox 1250 SF (frb.)	1		x

NAME OF LABORATORY THAT ANALYZED SAMPLES Enviro-Probe,2917 Bruckner Blvd,Bx,NY 10461

ELAP # 10898 (NYS DEPT. OF HEALTH CERTIFICATION) NVLAP # 1222 (U.S. DEPT. OF COMMERCE, N.I.S.T.)

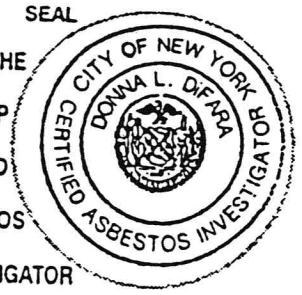
DATE(S) SAMPLES ANALYZED 2/18/99

AND THAT THE INFORMATION PROVIDED HEREIN IS TRUE AND COMPLETE

_____ (SIGNATURE OF NYC DEP-CERTIFIED ASBESTOS INVESTIGATOR) 2/19/99 (DATE)

671349904 (NYC DEP ASBESTOS INVESTIGATOR CERTIFICATE NUMBER)

SEAL OF THE NYC DEP CERTIFIED ASBESTOS INVESTIGATOR



NOTE: STORAGE, TRANSPORTATION AND DISPOSAL OF ASBESTOS CONTAMINATED WASTES ARE REGULATED BY THE NYC DEPARTMENT OF SANITATION (LL70/85)

THE PIECEMEAL CARRYING OUT OF AN OPERATION TO AVOID COVERAGE BY A STANDARD THAT APPLIES ONLY TO OPERATIONS LARGER THAN A SPECIFIED SIZE IS A VIOLATION.

ACM = Asbestos Containing Material = Material Containing Greater than 1% Asbestos

ANY MODIFICATION OR VARIANCE FROM INFORMATION PROVIDED ON THIS FORM MUST BE REPORTED IMMEDIATELY IN WRITING DIRECTLY TO THE NYC DEPARTMENT OF ENVIRONMENTAL PROTECTION ASBESTOS CONTROL PROGRAM / NYC DEPT. OF ENVIRONMENTAL PROTECTION.

VC# 100498-1 10/98 W-716281

ONLY TYPEWRITTEN APPLICATIONS WILL BE ACCEPTED

DEPARTMENT OF ENVIRONMENTAL PROTECTION

NOT AN ASBESTOS PROJECT

FOR OFFICE PURPOSES ONLY

1. _____
NYC Landmarks Dept. Approval No.
ACP5 Fee $
NYC Dept. of Environmental Protection

NOTE: THIS FORM IS TO BE COMPLETED IF THERE IS NO FRIABLE ASBESTOS CONTAINING MATERIAL PRESENT OR IF THE TOTAL AMOUNT OF FRIABLE ASBESTOS CONTAINING MATERIAL IS 10 SQUARE FEET OR LESS, OR 25 LINEAR FEET OR LESS, OR IF NORMALLY NONFRIABLE ACM (AS PER 40 CFR PART 61.141) IS PRESENT IN ANY AMOUNT.

2. FACILITY ADDRESS 104 Wooster Street BORO Manhattan ZIP CODE 10012

AKA N/A 3. BLOCK # 500 4. LOT # 2

5. BUILDING OWNER 102-106 Wooster St., LLC TEL. # (212) 644-6666

6. ADDRESS 102-106 Wooster Street STATE NY ZIP CODE 10012

7. CONTACT PERSON Jason Carter 8. TEL. # (212) 644-6666

9. DESCRIPTION OF ENTIRE SCOPE OF WORK Remove & replace existing roof of a 5 story building, new flashing @ parapets & skylights.

10. ESTIMATED START DATE 7/1/99 ESTIMATED COMPLETION DATE 10/15/99 OF THE ENTIRE SCOPE OF WORK.

11. I Donna L.DiFara (Type - Name of Asbestos Investigator), HAVE CONDUCTED AN ASBESTOS INVESTIGATION ON 6/16/99 (Date(s)) IN ACCORDANCE WITH THE PROCEDURES REQUIRED BY THE NYC DEP ASBESTOS CONTROL PROGRAM REGULATIONS AND DECLARE THAT AT SAID FACILITY ADDRESS, THE

- [ ] a. premises to be demolished are free of any asbestos containing material (ACM)
- [ ] b. premises to be demolished contain 10 square feet or less or 25 linear feet or less of friable ACM or of normally nonfriable ACM that demolition forces may make friable: all ACM shall be removed according to the NYS DOL ICR 56 or the NYC DEP Asbestos Regulations
- [ ] c. cumulative surfaces of relevant structure(s) affected by an alteration or plumbing repair are free of any friable ACM and free of normally nonfriable ACM that alteration or plumbing repair forces may make friable
- [ ] d. cumulative surfaces of relevant structure(s) affected by an alteration or plumbing repair contain 10 square feet or less or 25 linear feet or less of friable ACM or of normally nonfriable ACM that alteration or plumbing repair forces may make friable: removal as in b.
- [X] e. normally nonfriable ACM shall be disturbed/removed in accordance with the NYS DOL ICR 56 or the NYC DEP Asbestos Regulations: Sq. Ft. 5500 total
- [ ] f. friable ACM and/or normally nonfriable ACM will NOT be disturbed during alteration/plumbing repair/modification/renovation: Friable ACM Sq Ft _____ Lin Ft _____; Nonfriable ACM Sq Ft _____

12. COMPLETE AND THOROUGH ASBESTOS INVESTIGATION PERFORMED OF

STORY (Include cellar and basement)	DESCRIBE SECTION OF FLOOR (e.g. entire, east wing, room # _____, boiler room, lobby, etc.)	ALL FRIABLE SURFACING MATERIALS INCLUDING FRIABLE ACM AND NORMALLY NONFRIABLE ACM	NUMBER OF SAMPLES ANALYZED	ASBESTOS PRESENT YES	ASBESTOS PRESENT NO
Roof	Northwest section	Asphaltic mastic (friable)	1	5%	
	@ skylight.	Approx. 527 Sq.Ft. (total)			
Roof	Southwest section	Roll roofing (friable)	1	5%	
	typical roofing.	Approx. 2000 Sq.Ft. (total)			
Roof	North wall	Mastic flashing (friable)	1	6%	
	typical parapet.	Approx. 625 Sq.Ft. (total)			

13. NAME OF LABORATORY THAT ANALYZED SAMPLES Enviro-Probe, 2917 Bruckner Blvd, Bx, NY 10461

14. ELAP # 10898 (NYS DEPT. OF HEALTH CERTIFICATION) NVLAP # 1222 (U.S. DEPT. OF COMMERCE, N.I.S.T.)

15. DATE(S) SAMPLES ANALYZED 6/17/99

AND THAT THE INFORMATION PROVIDED HEREIN IS TRUE AND COMPLETE

16. _____ (SIGNATURE OF NYC DEP CERTIFIED ASBESTOS INVESTIGATOR) 6/24/99 (DATE)

17. # 764540201 (NYC DEP ASBESTOS INVESTIGATOR CERTIFICATE NUMBER)

SEAL OF THE NYC DEP CERTIFIED ASBESTOS INVESTIGATOR — CITY OF NEW YORK — DONNA L. DiFARA — CERTIFIED ASBESTOS INVESTIGATOR

NOTE: STORAGE, TRANSPORTATION AND DISPOSAL OF ASBESTOS CONTAMINATED WASTES ARE REGULATED BY THE NYC DEPARTMENT OF SANITATION (LL70/85)

THE PIECEMEAL CARRYING OUT OF AN OPERATION TO AVOID COVERAGE BY A STANDARD THAT APPLIES ONLY TO OPERATIONS LARGER THAN A SPECIFIED SIZE IS A VIOLATION.

ACM = Asbestos Containing Material = Material Containing Greater than 1% Asbestos

ANY MODIFICATION OR VARIANCE FROM INFORMATION PROVIDED ON THIS FORM MUST BE REPORTED

DOCUMENT 7

DECLARATION OF CONDOMINIUM

Establishing a Plan for Condominium Ownership
of the Premises known as and by the street number

104 WOOSTER STREET
NEW YORK, NEW YORK 10012

Pursuant to Article 9-B of the Real Property
Law of the State of New York

Name of Condominium:	104 WOOSTER STREET CONDOMINIUM
Declarant:	102-106 WOOSTER LLC
Declarant's Address:	c/o Carter Management Corp. 750 Lexington Avenue Suite 600 New York, New York 10022
Date of Declaration:	_____, 2000
Location of Land:	The Land affected by the within instrument lies in Block 500 on the Tax Map of the Real Property Assessment Department of The City of New York, County of New York, State of New York in Lots _____ to _____

RECORD AND RETURN TO
Mandel Resnik & Kaiser P.C.
220 East 42nd Street
20th Floor
New York, New York 10017
Attention: Barry H. Mandel, Esq.

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DECLARATION
OF
CONDOMINIUM

(Pursuant to Article 9-B of the Real
Property Law of the State of New York)

102-106 Wooster LLC, having a business address (and for notices) c/o Carter Management Corp., 750 Lexington Avenue, Suite 600, New York, New York 10022 (hereinafter referred to as "Declarant" or "Sponsor"), does hereby declare, reserve and grant as follows:

PART I

ARTICLE 1

DEFINITIONS

Section 1.1 Glossary The definitions of the words set forth in EXHIBIT C to this Declaration apply wherever these words appear in this Declaration or the EXHIBITS to this Declaration (that is, the Description of the Land, the Description of the Units, the By-Laws, the Rules and Regulations appended to the By-Laws and the Unit Owner's Power of Attorney), unless the context in which such words are used shall otherwise require. All numbers and designations correspond to those set forth on the Floor Plans.

Section 1.2 General

The meanings stated for the words within quotation marks in any provision of this Declaration or the EXHIBITS to this Declaration apply wherever these words appear in this Declaration or such EXHIBITS, unless the context in which they are used shall otherwise require.

ARTICLE 2

SUBMISSION OF THE PROPERTY

Section 2.1 Submission Declarant, as fee owner, hereby submits the Property to the provisions of the Condominium Act and, pursuant thereto, does hereby establish a regime for condominium ownership of the Property as more particularly set forth herein and in the By-Laws.

Section 2.2 Filing Declarant shall, at its sole cost and expense and with reasonable promptness following the recording hereof, file this Declaration with the Department of

State of the State of New York in accordance with Section 339-s of the Condominium Act and the rules, regulations or requirements of said Department of State.

Section 2.3 Declaration This Declaration is subject to and the Condominium Board shall comply with the provisions of that certain declaration of covenants and restrictions, dated July 9, 1999 ("Landmark Declaration") made by Sponsor, including, without limitation, the provisions of Article 3 of the Landmark Declaration.

ARTICLE 3

NAME OF CONDOMINIUM

Section 3.1 Name The Condominium shall be known as 104 Wooster Street Condominium and shall not be changed or modified without the written consent or approval of Sponsor and Unsold Unit Owners (if any) for so long as there is any Unsold Unit.

Section 3.2 Use by Unit Owners and Others Declarant hereby reserves for itself as to any Unit owned by Declarant and to each Owner of an Unsold Unit and to those tenants and occupants of each such Unit who are so authorized in writing by Declarant or an Unsold Unit Owner, respectively, the right freely and without consent, payment or restriction to use the name of the Condominium in connection with the use and enjoyment of their respective Units.

ARTICLE 4

THE LAND

Section 4.1 Location The Land is located in the County, City and State of New York and is more particularly described in EXHIBIT A annexed hereto.

Section 4.2 Area The Land is owned by Declarant in fee simple absolute and has an area of approximately 7502 square feet.

ARTICLE 5

THE BUILDING

Section 5.1 Location The Building is located on the Land, which lies in Block 500, Lot 2 on the Tax Map of the Real Property Assessment Department of the City and State of New York, New York County.

Section 5.2 Building and Floors The Building contains a total of eight (8) floor levels, consisting of a cellar, five (5) levels above the cellar and two roof levels. The floors are called and numbered, and shall be referred to in the Condominium Documents (unless the context otherwise requires) as follows: cellar and floors one (1) through five (5). The cellar and floors one (1) through five (5) are served by the Building's elevator.

Section 5.3 Units and Common Elements Initially, the Building contains: eight (8) Residential Units (joint-live work) and three (3) Commercial Units. The Building also contains most of the Common Elements (those Common Elements not in or on the Building include the Land and the improvements thereon, apart from the portions of the Land occupied by the Units, which are included in the Units).

Section 5.4 Building Construction Materials The Building is classified as being of fireproof construction. The principal materials of the Building include exterior masonry-bearing walls with timber beams spanning between the masonry walls and timber girders and cast-iron columns on the second floor.

ARTICLE 6

THE UNITS

Section 6.1 Initial Units Initially, the Condominium consists of a total of eleven (11) Units, of which eight (8) are designated Residential Units (joint live-work) and three (3) are designated Commercial Units. The Residential Units are located on portions of floors two (2) through five (5) and the roof; the Commercial Units are located on portions of the cellar and the first floor.

Section 6.2 Unit Information EXHIBIT B annexed hereto sets forth the following data with respect to each Unit necessary for its proper identification:

(a) its Unit designation;

(b) its tax lot number;

(c) (in the case of Residential and Commercial Units) its approximate location in the Building;

(d) (in the case of Residential and Commercial Units) its approximate floor area and height;

(e) the portions of the Common Elements to which the Unit has immediate access; and

(f) its appurtenant Common Interest.

Section 6.3 Floor Plans A more precise location of each Unit within the Building is shown on the Floor Plans.

Section 6.4 Borders Each Residential and Commercial Unit consists of the area bordered by the walls (exposed and concealed), wooden plank sub-floors or roof of the Building which enclose the Unit. However, such walls, wood plank subfloors and roof are part of the Common Elements and not part of the Unit.

Section 6.5 Floor Area The approximate floor area of each Unit has been measured from a line extending from the furthest or deepest points of the walls (exposed and concealed) enclosing the Unit, and includes

(a) the outside face perimeter brick masonry walls;

(b) the unexposed Unit side of walls enclosing the stair and elevator;

(c) to the demising wall centerline;

(d) the columns;

(e) the centerline of windowed walls; and

(f) common elements (such as trash chutes and Building service zones which are divided between the two Units on each floor).

Section 6.6 Included Areas The floor area occupied by any Common Elements within a Unit (such as the Building's exterior walls, vents, chase walls or areas, conduits, shafts, pipes and any structural components) have been included in the computation of the floor area of the Unit, but such Common Elements are not part of the Unit.

Section 6.7 Height The approximate height of each Unit has been measured from the top of the wooden plank subfloor (or other construction material) to the underside of the wooden plank subfloor (or other construction material) enclosing the Unit.

Section 6.8 General Included Matters The following are part of each Unit and the property of the Unit Owner to the extent applicable and existing at the date of recording of this Declaration or the date of conveyance of the Unit by Declarant (and replacements thereof), whether located in the Unit or elsewhere in the Building:

(a) the entrance doors to a Residential or Commercial Unit and the street entrance door to a Commercial Unit (including their frames, hinges, knobs, locks and saddles);

(b) the terrace (if any) to which a Residential Unit has direct access from the interior of such Unit (excluding the roof and roofing system underneath the terrace) and the doors leading thereto;

(c) all windows (including their frames, screens, glass, panes, latches and mechanisms) and shades, blinds and all other window treatments and decorations;

(d) Intentionally Omitted;

(e) all kitchen installations (including sink, cabinet, countertop and appliances);

(f) all bathroom installations (including sink, toilet, bathtub and related fixtures);

(g) all interior walls and partitions;

(h) the finishes or coverings (if any) of the Unit's walls, floors, ceilings, terrace, including:

(i) (as to walls or ceilings) plaster, paint, wallpaper, wood panels, fabric or other finish, as well as baseboards and moldings;

and

(ii) (as to floors) wood, marble, limestone, ceramic, vinyl or other tile material, carpet or other covering;

(i) the electrical, gas, heating, ventilation, lighting, sprinkler and plumbing systems, or the portions thereof, which service only the Unit (including: electric and/or gas meters; electrical wires, outlets and panel and circuit breakers and/or fuses and related electrical installations; and the pipes, valves, faucets, spouts and related equipment, facilities and installations), but not the electrical or gas meters (if any) or the risers or any distribution lines, wires or pipes which service more than one (1) Unit or also service a portion of the Common Elements;

(j) the ventilation system (including ducts, exhaust fans and other related equipment, facilities and installations) which service only the Unit, but not any duct risers or distribution ducts or lines or roof fans which service more than one (1) Unit or also service a portion of the Common Elements;

(k) the intercom system (including telephone, if any, and related installations) which service only the Unit, but not any lines, wires or other installations, or portions of the system, which service more than one (1) Unit;

(l) the portion of the Building's television system (including the master television antenna (if any) and cable television, and all lines, wires, jacks, outlets and related installations) which service only the Unit, but not any risers or distribution lines, wires or other installations, or portions of the system, which service more than one (1) Unit;

(m) smoke detector;

(n) all other installations which now exist or are hereafter installed for the exclusive use, service or benefit of a Unit, unless expressly stated herein to be part of the Common Elements, including: air-conditioning units; lighting fixtures; plumbing

fixtures (whether exposed or behind walls or partitions); kitchen and bathroom appliances, sinks, countertops, cabinets and fixtures; decorations of any kind whatsoever (including furniture, furnishings and household items); and business or trade fixtures;

and

(o) the portions of the Land occupied by each Unit, which are part of such Unit (all other portions of the Land are part of the Common Elements).

Section 6.9 Intentionally Omitted.

Section 6.10 Attachment to Perimeters All installations now or hereafter installed in a Unit (excluding the terrace appurtenant to a Residential Unit) or its appurtenant Limited Common Elements (if any) may be secured to the perimeter walls, indoor floors and ceilings thereof by nails, screws, bolts or other devices, provided:

(a) the structural integrity of the Unit or another Unit or the Building are not impaired;

(b) any visible, rentable or commercially useable space of another Unit or its appurtenant Limited Common Elements (if any) is not penetrated;

and

(c) the applicable "work requirements" defined and provided in Section 15.2 below and the requirements of the Declaration and the By-Laws are followed (if and to the extent applicable).

ARTICLE 7

THE COMMON ELEMENTS

Section 7.1 Definition The Common Elements are: (a) the Land (other than the portions thereof occupied by the Units, which are included in and are part of the Units) and all spaces or areas of the Property, and the Installations in, on, above, under or adjacent thereto, which service or benefit one (1) or more Units and are not expressly stated herein to be part of a Unit; (b) all other portions of the Property necessary or convenient to its existence, maintenance and safety, or normally in common use, and not expressly stated to be part of a Unit; and (c) all assets and interests owned, leased, held or operated from time to time by the Condominium Board on behalf of Unit Owners, whether real or personal property, chattel real, intangibles or otherwise. The Common Elements consist of the General Common Elements, the Residential Limited Common Elements, the

Commercial Limited Common Elements and the Individual Limited Common Elements, if any.

All Unit Owners own, in common, an undivided interest in the Common Elements; however, certain of the Common Elements are limited or restricted completely or primarily to the use of one (1) or more specified Unit Owners to the exclusion or substantial exclusion of all other Unit Owners. Specifically, the Residential Limited Common Elements, the Commercial Limited Common Elements and Individual Limited Common Elements (if any) are limited or restricted completely or primarily to the use of the Residential Unit Owners (in the case of the Residential Limited Common Elements), the Commercial Unit Owners (in the case of Commercial Limited Common Elements) or a specified Unit Owner (in the case of an Individual Limited Common Element) to the exclusion or substantial exclusion of all other Unit Owners. The General Common Elements are for the use in common of all Unit Owners. However, such exclusive or substantially exclusive use of the Residential Limited Common Elements, the Commercial Limited Common Elements or Individual Limited Common Elements and common use of the General Common Elements are subject and subordinate to: (a) compliance with this Declaration and the By-Laws; (b) the right of the Condominium Board to establish and amend from time to time Rules and Regulations governing the use of the Common Elements by the applicable Owners and Permitted Tenants/Occupants/Invitees of Units; and (c) certain restrictions, as well as certain rights and easements reserved and granted to the Condominium Board, Sponsor and other persons, all as and to the extent set forth elsewhere in this Declaration, the By-Laws, the Plan and the Condominium Act.

Section 7.2 General Common Elements Subject and subordinate to a "description change" of Units (as said term is defined in, and as provided in, Section 13.1 below), the General Common Elements consist of all portions of the Property designated on the Floor Plans as General Common Elements and include the following areas and installations (now existing or hereafter installed, including replacements thereof) whether or not so designated on the Floor Plans and regardless of their location in, bordering or adjacent to a Unit:

(a) the Land (other than the portions thereof occupied by Units, which are included in the Units), including the sidewalks adjacent to the Building;

(b) the Building's structural components (i.e., foundation; foundation walls; footings and pilings; structural columns, beams, supports, girders and related or similar structural members of the Building; load bearing walls (if any); wooden plank subfloors and roof); the roofing system (other than the surface comprising the terraces appurtenant to Residential Units);

(c) the following portions of the cellar, and the installations contained therein, servicing more than one (1) Unit: the meter room; compactor room (including the compactor, sprinklers and all installations related to the refuse disposal system, unless expressly stated herein to be part of the Residential Limited Common

Elements); Building entrances and entrance doors, and adjacent vestibules, lobbies and corridors; mail boxes; and intercom system;

(d) the heating, ventilating, air conditioning (if any), security, fire protection, plumbing, sanitary sewer, storm drainage, electrical, gas, mechanical, domestic water, intercom and telephone systems or the portions of such systems, and the related installations thereof, which service the areas or installations comprising the General Common Elements or more than one (1) category of Units (i.e., Residential Units, Commercial Units);

(e) all alterations hereafter made to the General Common Elements for the use and enjoyment of more than one (1) category of Units (i.e., Residential Units or Commercial Units), including new or improved, or replacements of existing, installations, unless expressly stated to be part of a Unit or the Limited Common Elements;

and

(f) generally, all portions of the Building and the installations now existing or hereafter constructed or installed in, under, above or adjacent to the Building or the Land (other than those expressly stated herein to be part of a Unit, the Residential Limited Common Elements or the Individual Limited Common Elements, if any) which are for:

(i) the common use, service or benefit of more than one (1) category of Units, or the respective Owners and Permitted Tenants/Occupants/ Invitees thereof;

or

(ii) necessary or convenient for the use and enjoyment of the Property as a whole or more than one (1) category of Units, or the respective Owners and Permitted Tenants/Occupants/Invitees thereof.

The General Common Elements are for the use in common by Owners and Permitted Tenants/Occupants/Invitees of all Residential and Commercial Units. However, such use in common is subject and subordinate to: (a) compliance with this Declaration and the By-Laws; (b) the right of the Condominium Board to establish and amend from time to time Rules and Regulations governing the use of the General Common Elements by the Owners and Permitted Tenants/Occupants/Invitees of Units; and (c) certain restrictions, as well as certain rights and easements reserved and granted to the Condominium Board, Sponsor and other persons, all as and to the extent set forth in this Declaration, the By-Laws, the Plan and the Condominium Act.

Section 7.3 Residential Limited Common Elements Subject and subordinate to a description change of the Residential Units and Residential Limited Common Elements (as defined in Section 13.1(e) below), the Residential Limited Common Elements consist of all portions of the Property designated on the Floor Plans as Residential Limited Common

Elements and include the following areas and installations (including replacements thereof) whether or not so designated on the Floor Plans and regardless of their location in, bordering or adjacent to the Residential Units:

(a) the portions of the cellar containing the fire stairways (including: the enclosing walls, floors and ceilings; railings; platforms and doors), elevator machine room, elevator pit and shaft, all related elevator equipment (including the cab) and refuse chute;

(b) the portions of floors one (1) through five (5) containing public halls, elevator shafts and related elevator equipment, fire stairways, refuse chute and mechanical rooms;

(c) all or those portions (as applicable) of the heating, ventilating, air conditioning, security, fire protection, sprinkler, smoke detector alarm, plumbing, sanitary sewer, storm drainage, electrical, gas, mechanical, elevator, domestic water, intercom, telephone, master television antenna and cable television installations that service more than one (1) Residential Unit or the Residential Limited Common Elements, but not the Commercial Units;

(d) all alterations hereafter made to the Residential Limited Common Elements, including new or improved, or replacements of existing installations, unless expressly stated to be part of a Residential Unit or its appurtenant Individual Limited Common Element (if any);

and

(e) all other portions of the Building (if any) and the installations (if any) now existing or hereafter constructed or installed in, under, above or adjacent to the Building or Land (other than those expressly stated to be part of a Unit or the General Common Elements or the Individual Limited Common Elements, if any) which are either for:

(i) the exclusive use, service or benefit, in common, of more than one (1) Residential Unit or their respective Owners and Permitted Tenants/Occupants/Invitees;

or

(ii) necessary or convenient for the use and enjoyment of only the Owners and Permitted Tenants/Occupants/Invitees of Residential Units.

The Residential Limited Common Elements are limited or restricted completely or primarily to the use in common by all Owners and Permitted Tenants/Occupants/ Invitees of Residential Units only to the exclusion or substantial exclusion of all other Unit Owners. However, such use is subject and subordinate to: (a) compliance with this Declaration and the By-Laws; (b) the right of the Condominium Board to establish and amend from time to time Rules and Regulations governing the use of the

Residential Limited Common Elements by the Owners and Permitted Tenants/Occupants/Invitees of Residential Units; and (c) certain restrictions, as well as certain rights and easements reserved and granted to the Condominium Board, Sponsor and other persons, all as and to the extent set forth in this Declaration, the By-Laws, the Plan and the Condominium Act.

Section 7.4 Commercial Limited Common Elements

Subject and subordinate to a description change of the Commercial Units and the Commercial Limited Common Elements (as defined in Section 13.1(e) below) the Commercial Limited Common Elements consist of all portions of the Property designated on the Floor Plans as Commercial Limited Common Elements including the following areas and installations (including replacements thereof), whether or not so designated on the floor plans and regardless of their location in bordering or adjacent to the Commercial Units:

(a) the roof(s) directly above the Commercial Units;

(b) all or those portions (as applicable of the heating, ventilating, air conditioning, security, fire protection, sprinkler, smoke detector alarm, plumbing, sanitary sewer, storm drainage, electrical, gas, mechanical, domestic water facilities and installations that service only more than one (1) Commercial Unit or the Commercial Limited Common Elements, but not the Residential Units;

(c) all alterations hereafter made to the Commercial Limited Common Elements, including new or improved, or replacements of existing installations, unless expressly stated to be part of a Commercial Unit or its appurtenant Individual Limited Common Element (if any);

and

(d) all other portions of the Building (if any) and the installations if any now existing or hereafter constructed or installed in, under, above or adjacent to the Building or Land (other than those expressly stated to be part of a Unit or the General Common Elements or the Individual Limited Common Elements, if any) including, without limitation, the roof(s) directly above the Commercial Units, and any skylights on such roof(s) servicing all the Commercial Units, which are either for:

(i) the exclusive use, service, benefit, in common, of more than one (1) Commercial Unit or their respective Commercial Unit Owners or their tenants;

or

(ii) necessary or convenient for the use any enjoyment of only the Commercial Unit Owners and their tenants.

The Commercial Limited Common Elements are limited or restricted completely or primarily to the use in common by all Commercial Unit Owners and their tenants only to the exclusion of all other Unit Owners. However, such use is subject to and subordinate to compliance with this Declaration and the By-Laws.

Section 7.5 Individual Limited Common Elements The Individual Limited Common Elements are those portions of the Property (if any) that may be established by Sponsor hereafter in connection with "Unit Changes", as defined and provided in Section 13.1 below. An Individual Limited Common Element (if established) shall be limited or restricted completely for the use of the Unit to which it is appurtenant and its Owner and Permitted Tenants/Occupants/Invitees to the exclusion of all other Unit Owners. However, such exclusive use shall be subject and subordinate to: (a) compliance with this Declaration and the By-Laws; (b) the right of the Condominium Board to establish and amend from time to time Rules and Regulations governing the use thereof by the Owners and Permitted Tenants/Occupants/Invitees of such Units; and (c) certain restrictions, as well as certain rights and easements reserved and granted to the Condominium Board, Sponsor and other persons, all as and to the extent set forth in this Declaration, the By-Laws, the Plan and the Condominium Act. The Individual Limited Common Elements include, without limitation, street entrances to the Commercial Units, if any and the ceiling plenum between the hung ceiling of a Commercial Unit and the wooden plank subfloor.

Section 7.6 No Partition The Common Elements shall remain undivided and no Unit Owner or any other person shall bring, or shall have the right to bring, any action for partition or division thereof, except as is expressly permitted pursuant to the terms of Article 15 hereof and the By-Laws.

Section 7.7 Decision As To The Common Elements Subject and subordinate to the rights and easements reserved and granted to Sponsor and other Persons in the Condominium Documents, the Plan and the Condominium Act (which are superior and paramount over those granted to the Condominium Board), all decisions concerning the use and enjoyment of the General Common Elements, Residential Limited Common Elements and Individual Limited Common Elements (if any) shall be made by a majority of the Board Members (including Independent and Sponsor Board Members) attending a meeting at which a quorum is present.

Section 7.8 Declaration Governs In the event of any conflict between the description of the Common Elements set forth above and the Floor Plans, the description set forth in this Declaration shall be paramount, govern and prevail.

ARTICLE 8

THE COMMON INTERESTS

Section 8.1 Statutory Method Chosen The Common Interests of each Unit is its undivided percentage interest in the Common Elements and is based upon floor space,

subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit, in accordance with Section 339-i(1)(iv) of the Condominium Act. The Common Interest and floor space (i.e., square footages) of each Unit are listed in EXHIBIT B to this Declaration. The Common Interests of all Units total one hundred percent (100%). The floor area (that is, square footages) of each Unit is approximate, with an allowance of plus or minus five percent (5%).

Section 8.2 Determination of Common Interests The Common Interest of each Unit is based on both factors of relative value to other Units in the Condominium (such as floor space, location in the Building, uniqueness, overall size, exposure and light and air) and the availability of the Common Elements for the exclusive use, service and benefit of certain Units (such as the Residential Limited Common Elements or the Commercial Limited Common Elements), or for shared use (such as General Common Elements), which are for the use in common by the Owners of all Units or for all Residential Units and Commercial Units (in the case of the Building's structural components, street entrance, lobbies and corridors), as applicable. Accordingly, the Common Interest of each Unit reflects its value relative to other Units as well as those Building services and facilities which are for either the exclusive or substantially exclusive use in common of Units of the same category (i.e., the Residential Limited Common Elements or the Commercial Limited Common Elements) or shared use (i.e., the structural components, which service and benefit all Residential and Commercial Units).

ARTICLE 9

THE COMMON PROFITS AND COMMON EXPENSES

Section 9.1 Definitions

The "Common Expenses" are the costs and expenses (including loan payments, inclusive of interest and principal) to own, hold, use, operate, lease, license, mortgage, pledge, sell, promote, manage, administer, clean, maintain, repair, alter or make any disposition of the Common Elements (including any Unit owned, leased, held or Operated at the time by the Condominium Board as agent and on behalf of Units Owners).

The "Common Profits" are the excess of: (a) all receipts of rents, profits and revenues from the Common Elements, and the operation and governance of the Condominium by the Board, over (b) the Common Expenses.

Section 9.2 Allocation and Apportionment to Units The Common Profits shall be credited to, and the Common Expenses shall be charged to, all Residential and Commercial Unit Owners, pro rata to their respective appurtenant Common Interests. With respect to the Common Expenses, the Common Interests have been determined, in part, on the amount of the Common Expenses fairly and properly attributable to each

category of Units (i.e., all Residential Units and all Commercial Units are each a separate category of Units), giving consideration to the availability of the Common Elements for exclusive or shared use and the Building services and facilities to be provided to, and used by, each category of Units. As a result, the Common Interest appurtenant to each Unit reflects the amount of the Common Expenses fairly and properly attributable to such Unit. Accordingly, the Common Interests appurtenant to the Units reflect the greater use and enjoyment of Building services and facilities by the Residential Units than the Commercial Units.

Section 9.3 Budget Adoption Procedure Before the start of each Budget Year, the Condominium Board shall prepare, adopt and distribute to all Unit Owners a Budget of projected receipts and expenses of operations of the Condominium for the ensuing Budget Year, in accordance with the following procedure and requirements:

(a) any Board Member may propose a Budget for the next ensuing Budget Year by giving to all Board Members and Sponsor (while Sponsor owns any Unsold Unit) a copy of the proposed Budget;

(b) the approval of a majority of the Board Members attending a meeting at which a quorum is present shall be necessary to adopt a Budget;

(c) any failure to agree or dispute as to the adoption of a proposed Budget shall be resolved by arbitration pursuant to the By-Laws;

(d) if a Budget is not timely adopted before the start of a Budget Year, the last duly adopted Budget shall remain in effect;

(e) the payment of Common Charges by a Unit Owner who is disputing a Budget or a Budget item or items shall be regarded as having been paid without prejudice to the right of such Unit Owner to contest (by arbitration) the amount or amounts in dispute;

(f) each Unit Owner shall be given a copy of the Budget adopted by the Board Members before the start of the Budget Year and, in the case of a Budget which increases the Common Charges, each Unit Owner shall receive a copy of such newly adopted Budget at least thirty (30) days before the start of such increase in Common Charges (however, the failure to timely receive such Budget shall not excuse a Unit Owner from the obligation to timely pay the full amount of such increased Common Charges);

and

(g) the foregoing procedure and requirements shall apply to adopt a revision to a previously adopted Budget, except that (i) any increase in Common Charges in such revised Budget shall not be applied retroactively and shall not be made for an expired Budget Year (however, this shall not prohibit an increase in Common Charges or a Special Assessment to pay a deficit for a prior period) and (ii) Common Charges shall not be increased more than once each Budget Year.

Section 9.4 No Change in Allocation The allocation of Common Profits and Common Expenses to the Units pro rata to their appurtenant Common Interests shall not be changed, regardless of any higher or lower amount of Common Profits or Common Expenses resulting from any new or different use, service or benefit in the Common Elements or Building services or facilities that is used and enjoyed by only one (1) or more Units or categories of Units, but not all Units or all categories of Units.

Section 9.5 Budget Reserves A Budget for any Budget Year may include a reserve for repairs, alterations and/or contingencies (collectively, "Reserve Contingency"), but the Reserve Contingency in any Budget Year, when added to all amounts unspent in a Reserve Contingency for one or more prior years (excluding any other funds held in a separate segregated bank or investment account for application exclusively to make capital or major repairs or alterations), shall not exceed five percent (5%) of the projected annual Common Expenses for such Budget Year without the express written consent of Sponsor during the Initial Control Period.

Sponsor has the right to condition, withhold or deny its consent to such Reserve Contingency without cause or explanation, and without liability for any claims or liabilities and expenses or other recourse against Sponsor for conditioning, withholding or denying its consent. Nevertheless, Sponsor will give its consent if the proposed Reserve Contingency, when added to all other budgeted Common Expenses, will not increase the Common Charges, inclusive of any Special Assessments of the Condominium Board, for such Budget Year by more than five percent (5%) above the Common Charges for the immediately preceding Budget Year of the Condominium.

Section 9.6 Budget Surplus In the event in any completed Budget Year, the Common Charges shall exceed the actual Common Expenses, the Condominium Board shall determine how to apply the surplus. The Condominium Board shall have the choice of applying the surplus to defray the Common Expenses of the next immediately succeeding Budget Year, or distributing the surplus to all then existing Unit Owners or to all then existing Unit Owners who were Unit Owners of record during such completed Budget Year (in either case, pro rata to their respective Common Interests), or crediting the surplus against the Common Charges next payable by the Unit Owners (the amount credited shall be pro rata to their respective Common Interests), or any combination of the foregoing. Such determination shall be made by a majority of the Board Members (including the Independent and Sponsor Board Members) attending a meeting at which a quorum is present. In the event the Board fails to make such determination within four (4) months after the end of such Budget Year, the surplus shall be applied as follows: (a) while the Common Interests appurtenant to the Unsold Units constitute ten percent (10%) or more of the Common Interests appurtenant to all Units, the surplus shall be distributed to all then existing Unit Owners who were Unit Owners of record during such completed Budget Year, pro rata to their respective Common Interests or (b) after the Common Interests appurtenant to the Unsold Units constitute less than ten percent (10%) of the Common Interests appurtenant to all Units, the surplus shall be credited against the Common Charges next payable by all Unit Owners (the amount credited shall be pro rata to their respective Common Interests). To the extent the surplus is realized form expenses solely attributable to the Residential Unit Owners or the Commercial Unit Owners, as the case

may be, then such surplus shall be applied exclusively to the benefit of the Residential Unit Owners or Commercial Unit Owners as the case may be. Furthermore, to the extent that the surplus is realized with respect to expenses for which the Commercial Unit Owners pay less than their respective Common Interests, any surplus so realized shall be credited to the Commercial Unit Common Charges based upon such lower percentage.

Section 9.7 Prohibition The Condominium Board shall not charge a Unit's Owner or its Permitted Tenants/Occupants/Invitees any separate fee, rental, charge, imposition or payment of any kind (apart from the regular Common Charges) for the mere use and enjoyment of the Common Elements.

Section 9.8 Special Assessment The Condominium Board may levy a Special Assessment to pay the Common Expenses in accordance with Section 8.4 of the By-Laws, which are hereby incorporated herein with the same force and effect as though set forth at length herein.

Section 9.9 Real Estate Taxes Until such time as each Unit is separately assessed and billed for real estate taxes, the Condominium Board shall collect the real estate taxes payable for the Property in the form of a Special Assessment payable in one (1) lump sum or periodic installments (at the option and discretion of the Board) for forwarding same to the appropriate taxing authority on behalf of the Unit Owners in accordance with Section 9.1 of the By-Laws, which are hereby incorporated herein with the same force and effect as if set forth at length herein. In the event the Board Members fail to agree thereon within thirty (30) days from the date of First Closing of a Residential Unit under the Plan and at such time the Units are not separately assessed and billed for real estate taxes, such real estate taxes will be collected as a Special Assessment payable monthly in amounts sufficient to pay the next due installment of real estate taxes one (1) month prior to the date same are due and payable (before the imposition of interest for late payment). Within thirty (30) days after the Units are separately assessed for real estate taxes, each Unit Owner shall adjust with the Condominium Board any overpayment or underpayment of real estate taxes so paid by such Unit Owner for the period prior to such separate assessment as provided in said Section 9.1 of the By-Laws.

ARTICLE 10

USES OF COMMON ELEMENTS, SIDEWALKS, VAULTS AND UNITS

Section 10.1 General Requirements Each of the Common Elements, the sidewalks adjacent to the Building, the vaults (if any) adjacent to the Building and the Units shall be used and enjoyed only in accordance and compliance with the then applicable laws (as they may change from time to time as a result of a statutory change, zoning variance, a new or amended Certificate of Occupancy for the Building or otherwise) and the purposes for which it is reasonably suited, capable designed and intended and as permitted or stated in this Declaration, the By-Laws or the Rules and Regulations (as each may be duly amended from time to time).

Section 10.2 General Prohibitions The Common Elements, the sidewalks of the Building, the vaults (if any) adjacent to the Building and the Units shall be used:

(a) in accordance and compliance with Section 10.1 above and the requirements, restrictions and prohibitions expressly stated in this Declaration or the By-Laws (including the installation requirements and applicable work requirements, as those terms are defined and set forth respectively in Sections 10.4 and 15.2 below) as each may be duly amended from time to time;

and

(b) for purposes that are not Prohibited Uses, namely, any use that would: (i) impair or unreasonably threaten the structural components or structural integrity of the Building or the material health or safety of Owners or permitted tenants or occupants of Units; (ii) violate applicable laws; (iii) be an unreasonable and unauthorized annoyance or nuisance to the Owners and permitted tenants or occupants of Units or an unreasonable and unauthorized interference with the peaceful possession or proper use of the Units or Common Elements as permitted or stated in the Condominium Documents (as each may be duly amended from time to time); or (iv) result in the cancellation or increase the rate or premium, of insurance maintained by the Condominium Board.

The Condominium Board may not (and shall not):

(a) impose or levy any fee, charge, deposit, security, payment, imposition, restriction, limitation or other requirement (other than regular Common Charges) on the permitted use and enjoyment of the Common Elements by Sponsor or an Unsold Unit Owner, or their respective Permitted Tenants/Occupants/Invitees or agents, employees and contractors;

or

(c) prevent or unreasonably impede or interfere with the sale, rental, promotion, operation or management of the permitted use and enjoyment of Unsold Units.

Section 10.3 Common Use of General Common Elements The General Common Elements shall be for the common use and enjoyment of the Owners and Permitted Tenants/Occupants/Invitees of all Units in accordance with the purposes for which they are reasonably suited, capable, designed and intended, without hindering the exercise of or encroaching upon the right of another Unit Owner. Such use and enjoyment of the General Common Elements shall nevertheless be subject and subordinate to:

(a) Sections 10.2, 10.4, 10.5 and 10.8 hereof and Articles 11, 12 and 13 below;

and

(b) Sponsor's Rights set forth in the Plan, Plan amendments and Condominium Documents, which are superior, paramount and take preference over the rights

of the Condominium Board and other Unit Owners to use and enjoy the General Common Elements.

The uses and changes in uses of the General Common Elements shall be determined by the Condominium Board in accordance with applicable laws and the provisions of this Declaration, the By-Laws and the Rules and Regulations, as each may be amended from time to time; but all such uses shall be subject and subordinate, however, to Sponsor's Rights and the rights and easements granted herein and in the By-Laws to Sponsor and Unsold Unit Owners, which are superior, paramount and take preference over the rights of the Condominium Board and other Unit Owners to use the Common Elements. Any dispute as to the uses or changes in uses of the General Common Elements shall be resolved by arbitration pursuant to the By-Laws.

Section 10.4 New Installations in Common Elements and Sidewalks Subject to the proviso set forth herein below, the Condominium Board shall have the right at any time, and Sponsor shall have the right (freely and without consent, payment or restriction) during the Initial Control Period, to install in or on (a) the areas or space comprising the Common Elements and (b) the sidewalks adjacent to the Building, new or different installations that are for the use, service or benefit of the Owners and Permitted Tenants/Occupants/Invitees of one (1) or more categories of Units; provided only that such installations: (a) shall comply with applicable work requirements set forth in Section 15.2 below; and (b) shall not prevent access to, nor overload or materially impair the proper and efficient performance, function, capacity or utility of, the installations then comprising the Common Elements or another Unit (all of the foregoing are collectively, "installation requirements").

Section 10.5 New Connections to Common Elements Subject to compliance with the installation requirements set forth in Section 10.4 above, the Condominium Board shall have the right at any time, and Sponsor shall have the right (freely and without consent, payment or restriction) during the Initial Control Period, to make connections to the installations now or hereafter comprising the Common Elements, including in particular (but not limited to) to connect thereto (in the case of Sponsor) the installations now or hereafter part of one (1) or more Unsold Units or for the exclusive use and enjoyment of one (1) or more Unsold Units, or (in the case of the Condominium Board) the installations now or hereafter part of the Common Elements or for the exclusive use and enjoyment of one (1) or more categories of Unit Owners.

Section 10.6 Limited Common Elements

(a) The Residential Limited Common Elements shall be for the exclusive or substantially exclusive use and enjoyment in common by only the Owners and Permitted Tenants/Occupants/Invitees of the Residential Units for all purposes for which they are reasonably intended, without hindering or encroaching upon the right of another Residential Unit Owner. The uses and changes in use of the Residential Limited Common Elements shall be determined by the Condominium Board. However, such exclusive or substantially exclusive use and enjoyment of the Residential Limited Common Elements shall nevertheless be subject to:

(i) Sections 10.2, 10.4, 10.5 and 10.8 hereof and Articles 11, 12 and 13 below;

and

(ii) Sponsor's Rights set forth in the Plan and the Condominium Documents, which are superior, paramount and take preference over the rights of the Condominium Board and the rights of the Residential Unit Owners to use and enjoy the Residential Limited Common Elements.

(b) The Commercial Limited Common Elements shall be for the exclusive use and enjoyment in common by only the Commercial Unit Owners and their tenants for all purposes for which they are reasonably intended, without hindering or encroaching upon the rights of another Commercial Unit Owner. The uses and changes in use of the Commercial Limited Common Elements shall be determined solely by the Commercial Unit Owners. However such exclusive or substantially exclusive use shall nevertheless be subject to:

(i) Sections 10.2, 10.4, 10.5 and 10.8 and Articles 11, 12 and 13 below; and

(ii) Sponsor's Rights set forth in the Plan and the Condominium Documents, which are superior, paramount and take preference over the rights of the Commercial Unit Owners to use and enjoy the Commercial Limited Common Elements.

Section 10.7 Individual Limited Common Elements Each Individual Limited Common Element (if any are established by Sponsor as provided in Section 7.5 above) shall be for the exclusive use and enjoyment of the Owner of the Unit to which same is appurtenant and such Owner's Permitted Tenants/Occupants/Invitees in accordance with the purpose for which it is reasonably suited, capable, designed and intended in connection with the permitted use and enjoyment of such Unit. The exclusive use and enjoyment of an Individual Limited Common Element shall be subject and subordinate to: (a) Section 10.2 above and Articles 11, 12 and 13 below and (b) Sponsor's Rights set forth in the Plan and the Condominium Documents, which are superior, paramount and take preference over the rights of the Condominium Board and the rights of the applicable Unit Owners to use and enjoy the Individual Limited Common Elements appurtenant to their respective Units.

Section 10.8 Sponsor's Development Rights To Use Common Elements and Adjacent Sidewalks Sponsor hereby reserves for itself and grants to each and every Unsold Unit Owner and to the tenants and occupants of Unsold Units who are expressly so authorized in writing by Sponsor or such Unsold Unit Owner (as applicable), the right and easement to use the Common Elements (including in particular, but not limited to, the Building's exterior walls, roof, entrance, lobbies, corridors, hallways and the Building's sidewalks for all lawful purposes in connection with the permitted use and enjoyment (including promotion) of its Unsold Units in accordance with this Declaration, the By-Laws, the Plan and Plan amendments. The foregoing right and easement reserved to Sponsor shall be superior, paramount and take preference over the foregoing rights and easements

granted to each Unsold Unit Owner and all rights of use thereof by the Condominium Board and other Unit Owners. Sponsor and each Unsold Unit Owner may exercise and perform their respective rights and easements in this Section 10.8 freely and without consent, payment or restriction (other than compliance with Section 10.2 above). Nothing herein shall prevent a Unit Owner or such Owner's Permitted Tenants/Occupants/Invitees from using the Building's sidewalks for ordinary pedestrian passage or the Building's lobbies, corridors and hallways for ordinary ingress and egress to and from Units.

Section 10.9 Permitted Uses of Common Elements and Adjacent Sidewalks by Sponsor The foregoing right and easement in Section 10.8 above of Sponsor and each Unsold Unit Owner to use the Common Elements and sidewalks include the right to erect and alter, and the duty to maintain and repair, at the sole cost and expense of Sponsor or such Unsold Unit Owner (as applicable) any kind of one (1) or more signs (of any size, content, composition, material, color, design, illumination, character and appearance), including objects, structures, extensions and enclosures thereon or therein. Sponsor or an Unsold Unit Owner (as applicable), and said authorized tenant or occupant of an Unsold Unit (as applicable), may exercise and perform such right and easement freely and without consent, payment or restriction, other than compliance with Section 10.2 above and (as to an Unsold Unit Owner and said authorized tenant or occupant) subject and subordinate to the superior, paramount and preferential right and easement reserved to Sponsor as provided in Section 10.8 above.

Section 10.10 Permitted Uses of Vaults The Condominium Board shall have the right to use the northerly half of the existing vault and the Commercial Unit Owners shall have the right to use the southerly half of the vault for any lawful purpose, including housing of installations related to the permitted use and enjoyment of all or any portion of the Property, and the Condominium Board and the Commercial Unit Owners, as the case may be, shall have the duty to pay any governmental vault tax, fee or charge imposed or levied with respect to their portion of such vault and to maintain, repair and alter such portion of the vault and the installations housed therein.

The amounts payable by the Condominium Board with respect to any such vault in accordance with the foregoing shall be part of the Common Expenses payable by all Unit Owners pro rata to their respective Common Interests. All installations in a vault shall be made and performed in accordance with the installation requirements set forth in Section 10.4 above. The Condominium Board and its agents, employees and contractors, shall be given reasonable access to any such vault through and across the Common Elements in order to inspect, maintain, repair and alter same and the Installation housed therein.

Section 10.11 Permitted Uses of Sold Residential Units Each Sold Residential Unit shall be used only as a joint live-work Unit as permitted by law, and for no other purpose, and shall be occupied in accordance with the laws prohibiting overcrowding and the requirements of the By-Laws, which limit occupancy of Sold Residential Units to the Owner (or, if the Owner is an entity, a related party to such Owner) and the Owner's (or such related party's) immediate family or an unrelated companion and such companion's

dependent children, domestic servants and (for a limited period) non-paying guests, all as more particularly provided in the By-Laws.

Each Sold Residential Unit shall be used in compliance with Section 10.2 above and the other provisions of this Declaration, the By-Laws and the Rules and Regulations, as each may be amended from time to time, including the following requirements and restrictions:

(a) at least eighty percent (80%) of the Unit's indoor floor area other than kitchen, pantry (if any), bathroom(s), powder room and closets) shall be carpeted or otherwise covered with an equally effective noise reducing material;

(b) singing and practicing musical instruments shall not be allowed before 9:00 A.M. and after 10:00 P.M.;

(c) none of the following shall be allowed: breeding animals or pets for commercial purposes; keeping dangerous or poisonous reptiles or insects; harboring more than two (2) domestic dogs or cats;

(d) any permitted pet whose behavior is a nuisance to occupants of other Units or is the cause of an unsanitary condition or an offensive odor affecting occupants of other Units or the Common Elements shall be removed unless such behavior or condition is corrected within fifteen (15) days after written notice thereof is given;

(e) all repairs or alterations shall be made in compliance with the requirements of the Condominium Documents;

(f) the surface of the glass of windows shall not be painted, colored or otherwise covered and all window shades, blinds, curtains and other treatments shall be light colored or have light colored backings facing the outdoors in conformity with the rules established from time to time by the Condominium Board and Sponsor (while Sponsor owns any Unsold Unit);

(g) entrance doors to the Sold Residential Unit or its appurtenant terrace, if any, shall not be altered without obtaining the prior written approvals or consents of both the Condominium Board and Sponsor (while Sponsor owns any Unsold Unit), whose approvals and consents are discretionary and may be withheld or denied without cause or explanation and without recourse against either by reason thereof;

(h) a terrace shall not be altered, enclosed, painted, landscaped, furnished or otherwise decorated without obtaining the prior written approvals or consents of both the Condominium Board and Sponsor (while Sponsor owns any Unsold Unit), whose approvals and consents are discretionary and may be conditioned, withheld or denied without cause or explanation and without recourse against either by reason thereof;

(i) barbecuing in Units or on a terrace shall not be allowed;

(j) a terrace shall not be walked upon, nor shall any object be placed thereon, unless the Owner of the Sold Residential Unit to which such terrace is appurtenant, at the sole cost and expense of such Owner, shall first install tiling, decking or other protective flooring which safeguards the roofing system; such protective flooring shall be installed in accordance with the applicable work requirements set forth in Section 15.2 below and shall be subject to the reasonable approval of Sponsor (while Sponsor owns any Unsold Unit) and the Condominium Board;

(k) radio or television antenna shall not be installed on the exterior of the Building (other than an area of the roof specifically dedicated by the Condominium Board for such purpose, if any) and "For Sale" or "For Rent" Signs shall not be installed on windows or other areas that are visible from the street;

and

(l) a duplicate key to all locks on entrance doors of the Unit shall be given to the Condominium Board or the Building's superintendent or the Managing Agent.

Section 10.12 Permitted Use of Sold Commercial Units Each Sold Commercial Unit shall be used as for commercial purposes only, and for no other purpose, in compliance with applicable laws. The use of the Sold Commercial Units shall comply with Section 10.2 above and the other provisions of this Declaration, the By-Laws and the Rules and Regulations (as each may be duly amended from time to time), but shall not otherwise be subject to the approval of the Board or Sold Unit Owners. However, the use of each Sold Commercial Unit shall be subject to the approval of Sponsor or (after Sponsor no longer owns any Unsold Unit) other Unsold Unit Owners, if any, so long as there is any Unsold Unit, as provided in clause (b) above. Nevertheless, the Owner, tenant and occupants of a Sold Commercial Unit shall not be subject to the approval of the Board, other Unit Owners, Sponsor or Unsold Unit Owners.

Section 10.13 Intentionally Omitted.

Section 10.14 Permitted Uses of Unsold Residential and Commercial Units The requirements and restrictions set forth above or elsewhere in the Declaration, By-Laws and the Rules and Regulations with respect to Sold Units are not applicable to Unsold Residential or Commercial Units, which may be used or changed to be used as models, offices for the sale, promotion, rental, operation or management of Unsold Units or for any lawful purpose other than Prohibited Uses. Notwithstanding the foregoing, the Unsold Residential Units must comply with the joint live-work requirements. Such permitted uses of Unsold Units may be noisy, emit odors, cause heavy traffic and need not be compatible with the primary use of the Building for dwelling purposes. The Condominium Board and the other Unit Owners will not have the right to approve the use or any changes in the use, or the tenants, occupants or operation of, or the business conducted in, the Unsold Units, or any portions thereof.

Sponsor and each Unsold Unit Owner shall have the exclusive right to make all determinations concerning the use, appearance, occupancy and rental of such Owner's Unsold Unit and all portions thereof, freely and without consent, payment or restriction, other than the requirement to comply with Section 10.2 above and this Section 10.14 and to pay Common Charges and Special Assessments in accordance with the Condominium Documents.

Section 10.15 Compliance with Laws Each Sold and Unsold Unit Owner, at such Owner's sole Cost and Expense, shall comply with all laws applicable to such Owner's Unit and its appurtenant Individual Limited Common Element (if any), including laws governing use, occupancy, maintenance, repairs, alterations and violations noted or issued with respect to such Owner's Unit and its appurtenant Individual Limited Common Element (if any) and conditions constituting violations, whether or not noted or issued, other than violations or conditions expressly stated in this Declaration or the By-Laws to be repaired, cured or corrected by the Condominium Board.

Section 10.16 Changes in Use of Unsold Units Sponsor and each Owner of an Unsold Unit shall have the right to change the use of its Unsold Unit from time to time. The foregoing right to change the use of an Unsold Unit: (a) includes the right to obtain an alteration permit or notice or amended or new Certificate of Occupancy for the Building or other appropriate government document required for such change in use and a zoning variance to authorize such change in use and (b) may be exercised and performed freely and without consent, payment or restriction, other than the requirement to comply with Section 10.2 above.

Section 10.17 Signs Sponsor and each Unsold Unit Owner, and the permitted tenants who are so expressly authorized in writing by Sponsor or such Unsold Unit Owner (as applicable), shall have the right freely and without consent, payment or restriction (but subject to compliance with Section 10.2 above), to erect and install in or on the Common Elements (including the Building's exterior walls, roof, Building entrance, lobbies, corridors and hallways) or the sidewalks adjacent to the Building and thereafter to maintain, repair and alter, one or more signs of any size, content, composition, material, color, design, illumination, character and appearance considered appropriate by Sponsor, such Unsold Unit Owner or said authorized tenant in connection with the sale, rental, promotion, operation, management, use, business, identity or other disposition of such Owner's Unit.

Section 10.18 Limited Power of Attorney The signatures of other Unit Owners and/or the Condominium Board shall not be required in connection with any application or other document necessary or convenient to the exercise by Sponsor or an Unsold Unit Owner of its rights to obtain an alteration permit or notice or an amended or new Certificate of Occupancy for the Building or other appropriate government document to change a use of its Unit pursuant to Section 10.16 above or to install, repair or alter signs pursuant to Section 10.17 above. Nonetheless, the Unit Owners and the Condominium Board shall execute any such application or other document as provided in the following Section 10.19 and they hereby grant to Sponsor and each Unsold Unit Owner, severally, an irrevocable, durable power of attorney, granted for valuable consideration, with full power of substitution, to execute and deliver any such application or other document. Such

execution and delivery thereof by Sponsor or each Unsold Unit Owner shall not require the consent of the Condominium Board and/or the other Unit Owners. Sponsor or an Unsold Unit Owner (as applicable) who makes use of the Common Elements or the Building's sidewalk, or submits any application or document pursuant to the foregoing, shall indemnify the Condominium Board and all other Unit Owners from and against any claims and liabilities and expenses arising out of or in connection with such use and/or such application or document, as the case may be. Sponsor or such Unsold Unit Owner (as applicable), at its sole cost and expense, shall repair any damage caused by such use of the Common Elements or sidewalks and (when such use ends) shall restore the affected areas and any installations to as near as reasonable to their former condition.

Section 10.19 Cooperation of Board The Condominium Board shall fully cooperate with Sponsor and each Unsold Unit Owner in connection with their respective rights to change the use of their respective Units pursuant to Section 10.16 above and to install, repair and alter Signs pursuant to Section 10.17 above. In furtherance of such cooperation, the Condominium Board shall properly complete, sign, notarize (if required) and return to Sponsor or such Unsold Unit Owner (as applicable), and such party shall receive within ten (10) days after written request therefor is hand delivered or mailed to the Condominium Board or Managing Agent, any government document required in connection with such change in use (including any government document to obtain an alteration permit or notice or an amended or new Certificate of Occupancy for the Building or a zoning variance) or sign. Sponsor or such Unsold Unit Owner (as applicable):

(a) shall pay or reimburse the Condominium Board for any governmental fees and charges in connection with each such government document;

and

(b) shall indemnify (with attorneys selected by Sponsor or such Unsold Unit Owner, as applicable) the Condominium Board, and its officers, Board Members, employees and agents, and Unit Owners from and against all claims and liabilities and expenses resulting from the execution of the government document, other than any fees or charges of any attorney, architect, engineer or other professional engaged by the Board to review such government document or to render advice with respect thereto.

ARTICLE 11

EASEMENTS, RIGHTS AND RESTRICTIONS AFFECTING THE COMMON ELEMENTS

Section 11.1 General Common Elements The following persons are hereby granted easements ("General Common Elements Easements"), in common, for ingress and egress through and across the public and common areas of the General Common Elements and for the general use and enjoyment of the General Common Elements in

accordance and compliance with Article 10 above, and the General Common Elements shall be subject to such General Common Elements Easements:

(a) each and every Unit Owner and Permitted Tenants/Occupants/ Invitees of Units;

(b) all Board Members and officers of the Condominium Board;

and

(c) all persons authorized by the Board Members or such officers, including (to the extent authorized) their agents, employees and contractors and invitees.

Section 11.2 Limited Common Elements The following persons are hereby granted easements ("Residential Limited Common Elements Easements"), in common, for ingress and egress through and across the public and common areas of the Residential Limited Common Elements and for the permitted use and enjoyment of the Residential Limited Common Elements in accordance and compliance with Article 10 above, and the Residential Limited Common Elements shall be subject to such Residential Limited Common Elements Easements:

(i) each and every Residential Unit Owner and Permitted Tenants/Occupants/Invitees of Residential Units;

(ii) all Board Members and officers of the Condominium Board;

(iii) all persons authorized by the Board Members or said officers, including (to the extent authorized) their agents, employees and contractors and invitees;

and

(iv) (for so long as Sponsor owns an Unsold Residential Unit) Sponsor and Sponsor's related parties and Sponsor's agents, employees and contractors and invitees (including brokers and prospective Purchasers and renters of Unsold Residential Units).

(b) The following persons are hereby granted easements ("Commercial Limited Common Elements Easements"), in common, for ingress and egress through and across the public and common areas of the Commercial Limited Common Elements and for the permitted use and enjoyment of the Commercial Limited Common Elements in accordance and compliance with Article 10 above, and the Commercial Limited Common Elements shall be subject to such Commercial Limited Common Elements Easements:

(i) each and every Commercial Unit Owner and Permitted Tenants/Occupants/Invitees of Commercial Units;

(ii) all Board Members and officers of the Condominium Board;

(iii) all persons authorized by the Board Members or said officers, including (to the extent authorized) their agents, employees and contractors and invitees;

and

(iv) (for so long as Sponsor owns an Unsold Commercial Unit) Sponsor and Sponsor's related parties and Sponsor's agents, employees and contractors and invitees (including brokers and prospective Purchasers and renters of Unsold Commercial Units).

Section 11.3 Mutual Rights Each of the persons granted General Common Elements Easements, Residential Limited Common Elements Easements and Commercial Limited Common Element Easements shall mutually use and enjoy the applicable Common Elements in a manner that does not unreasonably exclude, prevent, interfere with, hinder or encroach upon the easements and rights of fellow persons to whom such easements have been granted.

Section 11.4 Individual Limited Common Elements Each of the following persons is hereby granted an easement ("Individual Limited Common Elements Easement") for the exclusive permitted use and enjoyment of the Individual Limited Common Element (if any) appurtenant to a specified Residential or Commercial Unit in accordance and compliance with Article 10 above, and the Individual Limited Common Elements shall be subject to such Individual Limited Common Elements Easement: the applicable Owner of such Unit and Permitted Tenants/Occupants/Invitees of the Unit.

Section 11.5 Subordination The easements and rights reserved or granted to Sponsor and each Unsold Unit Owner for the permitted use and enjoyment (including access or otherwise) of the Common Elements, as stated in this Declaration in Article 10, elsewhere in this Article 11 and Articles 12 and 13 below, are paramount, superior and take preference over all of the easements granted in Sections 11.1 and 11.2 above (the latter Sections being subject and subordinate to such easements and rights in favor of Sponsor and each Unsold Unit Owner as set forth therein). In addition, the Common Elements are subject to, and all of the easements granted in Sections 11.1, 11.2 and 11.4 above are subject and subordinate to:

(a) the requirements and prohibitions as to the use and enjoyment of the Common Elements set forth in Section 10.2 above;

(b) the rights and obligations of the Condominium Board to properly maintain, repair, alter, operate and manage the Common Elements and the Building in accordance and compliance with this Declaration, the By-Laws and the Rules and Regulations, as each may be duly amended from time to time;

(c) the easements and rights reserved and granted to the Condominium Board, Sponsor, Unsold Unit Owners and others elsewhere in this Article 11 and in Article 12 below;

(d) the encroachments set forth in Article 12 below;

and

(e) an easement hereby reserved and granted to each Unit Owner (including Sponsor) for the exclusive use of that portion of the Common Elements appurtenant to such Owner's Unit that is incorporated in or made part of the Owner's Unit pursuant to Article 13 below.

Section 11.6 Easements Affecting the Common Elements for Ingress, Egress, Access and Use Sponsor hereby reserves for itself and grants to each and every Unsold Unit Owner and the tenants of a Sponsor Unit or an Unsold Unit who are so expressly authorized in writing by Sponsor or an Unsold Unit Owner (as applicable) as well as agents, employees and contractors of Sponsor and each Unsold Unit Owner who are so expressly authorized in writing by same, easements and rights of ingress and egress through and across, access to, and use of the Common Elements (including the Residential Limited Common Elements and the Commercial Limited Common Elements) for all lawful purposes in connection with the "Rehabilitation", the "Plan Obligations" and the "Tenant Obligations" (all as defined and provided in Section 12.7 below), as well as the exercise and performance of Sponsor's Rights, including the use, occupancy, maintenance, repair, alteration, operation or other disposition of their respective Unsold Units and the Individual Limited Common Elements appurtenant thereto (if any). These easements and rights in this Section 11.6:

(a) may be exercised and performed freely and without consent, payment or restriction other than the requirements:

(i) to comply with Section 10.2 above and the applicable requirements of Article 15 below;

(ii) to not permanently prevent, nor unreasonably and materially interrupt or interfere with, the permitted use and enjoyment of a Sold Unit;

and

(iii) to repair any damage caused by the exercise and performance of such easements and rights so as to restore the damaged area and any Installation to as near as reasonable to the condition existing immediately prior to such exercise and performance;

and

(b) are superior, paramount and take preference over the easements and rights of the Condominium Board and other Unit Owners to use the Common Elements (including the Residential Limited Common Elements and the Commercial Limited Common Elements).

Section 11.7 Emergency The Condominium Board and each Unit Owner, such Owner's Permitted Tenants/Occupants/Invitees, and the agents, employees and contractors of each of the foregoing, shall have an easement and right of emergency ingress and egress through and across the public and common areas of the General Common Elements and (to the extent reasonably necessary) the Residential Limited Common Elements, the Commercial Limited Common Elements and such areas of the Common Elements.

Section 11.8 Existing Services Notwithstanding any other provision of this Declaration or the By-Laws to the contrary, each Unit and/or category of Units and the respective Owners and Permitted Tenants/Occupants/Invitees thereof, shall have an easement for the use and enjoyment of any and all installations (including pipes, wires, ducts, cables, conduits, utilities and other Building systems) which, at the date of issuance of a permanent Certificate of Occupancy of the Building, service or benefit all or a portion of such Unit or category of Units, wherever located in the Property or Building and whether or not same are part of the Common Elements or another Unit, and such portion of the Common Elements and such other Unit shall be subject thereto.

Accordingly, all installations in the residential portions of the Building which service or benefit the Commercial Units, and vice versa, shall continue to be provided and all costs and expenses incurred in connection therewith, shall be part of the Common Expenses payable by all Unit Owners pro rata to their respective Common Interests.

Section 11.9 Additional Utility Easements and Rights Sponsor hereby reserves for itself and hereby grants to the Condominium Board on behalf and as agent of all Unit Owners, the right (collectively, "Additional Utility Easements/Rights" and individually "Additional Utility Easement/Right") to grant such additional, new and substitute easements, licenses, leases, concessions and rights for utility services (defined below), and to relocate then existing utility services, as Sponsor or the Condominium Board, as applicable, shall determine to be necessary or desirable for the permitted use and enjoyment of one (1) or more Units and/or category of Units and the Common Elements and each Unit shall be subject thereto. The term utility services includes: electric; gas; cable or wireless television; telephone, cellular phone, computer, media or other communication service; water; sewer; storm drainage; and other utilities.

Sponsor hereby reserves for itself and the tenants of its Unsold Units and other persons who are so expressly authorized in writing by Sponsor the right and easement to install on any bulkhead or unutilized portion of a roof (including its parapets, copings and other structures) comprising part of the Common Elements, and thereafter to inspect, use, maintain, repair and alter thereon, any and all new and/or additional installations now existing or hereafter comprising or servicing one (1) or more Unsold Units (including satellite television and/or other media communications dishes, antennae and other devices), and the Units and Common Elements shall be subject thereto and subject further to an easement and right of reasonable access by Sponsor and such authorized tenants and other persons, and their respective authorized agents, employees and contractors for all purposes in connection with said installation, inspection, use, maintenance, repair and alteration of said installations, which may be exercised and

performed freely and without consent, payment or restriction other than those provided in Section 12.1.2 below (to the extent applicable).

Section 11.10 Access by Utility Each existing and future provider (including the grantee of an Additional Utility Easement/Right) of a utility service to the Building or any portion thereof or to one (1) or more categories of Units, and such provider's authorized agents, employees and contractors, shall have an easement and a right of (and shall be given) reasonable access to the Property, including the Building and any portion thereof and the Units, to the extent reasonably necessary to install, use, operate, (including maintain, repair and alter) all installations related to such utility service (including reading meters), subject to compliance with the following Section 11.11.

Section 11.11 Requirements for Utility's Access Each utility services easement and right of access granted by Sponsor or the Condominium Board pursuant to Section 11.9 above may be exercised and performed by the provider of a utility service and its agents, employees and contractors, freely and without consent, payment or restriction other than the following, which shall also apply to each easement and right of access in favor of Sponsor or the Condominium Board under said Section 11.9 (the Sponsor or Condominium Board granting or exercising such easement and right of access is herein called "Grantor"):

(a) the requirement to comply with all applicable laws;

(b) the requirement to comply with Article 15 below, including the applicable work requirements defined and set forth in Section 15.2;

(c) the requirement and restriction to not permanently prevent, nor unreasonably and materially interrupt or interfere with, the permitted use and enjoyment of any Unit or its Owner or Permitted Tenants/Occupants/Invitees;

and

(d) the obligation to repair, at the sole cost and expense of such provider (or the Grantor, if the provider fails to so do or is exercising such easement and right of access) any damage caused by the exercise and performance of such easement and right of access so as to restore the damaged area and any Installation to as near as reasonable to the condition existing immediately prior to such exercise and performance.

ARTICLE 12

EASEMENTS, RIGHTS AND RESTRICTIONS AFFECTING UNITS AND LIMITED COMMON ELEMENTS

Section 12.1 Easements Affecting Units and Common Elements

12.1.1 The Condominium Board

The Condominium Board and its agents, employees and contractors are hereby granted an easement and right of access to the Units and Common Elements for the following purposes, and the Units and Common Elements shall be subject thereto:

(a) to conduct inspections;

(b) to read, maintain and repair utility meters relating to the Common Elements or the services provided by the Condominium Board to any Unit Space;

and

(c) to perform repairs, alterations or other work necessary:

(i) to fulfill the obligations of the Board under the Condominium Documents or applicable laws;

(ii) to prevent damage to another Owner's Unit Space or the Common Elements or other portion of the Property;

(iii) to remedy violations noted or issued against the Property by any governmental authority which affect the Common Elements or another Unit or its appurtenant Limited Common Elements;

(iv) to remedy any default by a Unit Owner under the Condominium Documents which shall have continued beyond the cure period, if any, provided for therein;

(v) to remedy any condition in a Unit Space that is a threat or danger to another Unit Space or the Common Elements or to avoid the suspension of any necessary service;

or

(vi) to inspect, maintain, repair and alter the Common Elements, including the equipment, facilities and installations now or hereafter comprising or servicing part of the Common Elements.

Such easement and right of access may be exercised and performed by the Condominium Board and its agents, employees and contractors freely and without consent, payment or restriction, other than:

(a) the requirement to comply with Section 10.2 above, including the applicable requirements of Article 15 below (except that this Section 12.1.1 shall govern any inconsistency between the provisions hereof and said Article 15);

(b) (in the case of access for inspections pursuant to clause (a) of the preceding paragraph) the requirement to give the applicable Unit Owner at least three (3) business days (if served by mail) or one (1) business day (if served by hand delivery) advance written notice of the date and time scheduled by the Condominium Board to enter the Unit;

(c) (in the case of access pursuant to clause (i), (ii) or (iii) of the preceding paragraph under circumstances not involving an emergency which threatens the health or safety of any persons or damage to property or to avoid the suspension of any necessary service) the requirement of the Board to give the applicable Unit Owner reasonable advance written notice of the proposed repairs, alterations or work and an opportunity to perform and complete same within ten (10) days of receipt of such notice or (if same cannot with due diligence and continuity be performed and completed within such ten (10) day period) such longer period as shall be required to perform and complete same with due diligence, provided such Unit Owner shall commence to perform the repairs, alterations or work within five (5) days following receipt of said notice and shall continue to prosecute same with due diligence and continuity until completion;

(d) the obligation of the Condominium Board, as a Common Expense (payable by all Unit Owners pro rata to their respective Common Interests), to repair any damage caused by the exercise and performance of such easement and right of access so as to restore the damaged area and any installation to the condition existing immediately prior to such exercise and performance;

and

(e) the obligation of the Condominium Board, as a Common Expense (payable by all Unit Owners pro rata to their respective Common Interests), to indemnify the affected Unit Owner from and against all claims and liabilities and expenses arising from the exercise and performance of this easement and right of access by the Board or its agents, employees and contractors.

12.1.2 The Sponsor Sponsor hereby reserves for itself and the tenants of Unsold Units and other persons who are so expressly authorized in writing by Sponsor, and the respective authorized agents, employees and contractors of each of the foregoing, an easement to install in only those areas of the Common Elements as shall not at the time of such installation comprise rentable or useable indoor areas of the Common Elements, and to install on the parapets, copings, bulkheads and any one or more then

unutilized roof areas or roof structures of the Common Elements, and thereafter to inspect, use, maintain, repair and alter, any and all new, additional and/or substitute equipment, facilities and installations, and replacements thereof, now existing or hereafter comprising or servicing all or part of the Unsold Units. Such easements may be exercised and performed freely and without consent, payment or restriction other than the following:

(a) the requirement to comply with Section 10.2 above, including the applicable requirements of Article 15 below (except that this Section 12.1.2 shall govern and supersede any inconsistency between the provisions hereof and said Article 15);

(b) the restrictions and limitations:

(i) to not invade, penetrate or disturb any rentable or useable public indoor areas of the Common Elements;

and

(ii) to not permanently prevent, nor unreasonably and materially interrupt or interfere with: the permitted use and enjoyment of the Units, or the proper and efficient performance, function, capacity or utility of the installations servicing Units, or the permitted use, occupancy or operation of the Residential or Commercial Units;

(c) the obligation to repair, at the sole cost and expense of the Sponsor, any damage to the Common Elements or a Unit caused by the exercise and performance of such easements so as to restore the damaged area and any Installation to as near as reasonable to the condition existing immediately prior to such exercise and performance;

(d) the further obligation of the Sponsor to indemnify the Condominium Board, and the Board's officers, Board Members, agents and employees, and Unit Owners from and against all claims and liabilities and expenses arising in connection with the exercise and performance of such easements;

and

(e) in the event access and entry to any rentable or useable public area of the Common Elements is required:

(i) such access and entry shall be at such times reasonably convenient and on giving reasonable prior written notice to the Condominium Board, who shall have the right to have a representative present at all times during such entry;

and

(ii) such access and entry shall comply with any reasonable security and

protection procedures and requirements as may be reasonably required by the Condominium Board, provided such procedures and requirements shall not preclude such entry.

Section 12.2 Easements Affecting Commercial Units If and to the extent only any installations now or hereafter servicing the Residential Units ("residential equipment") is located in, adjacent to or bordering the Commercial Units on the date of issuance of the permanent Certificate of Occupancy of the Building, the Condominium Board, and those agents, employees and contractors who are so expressly authorized in writing by the Condominium Board, are hereby granted an easement in and through the Commercial Units to inspect, use, maintain, repair and alter any and all such residential equipment (including replacement of existing residential equipment, if any, with new residential equipment), within the confines of their current spaces and locations. Such easement may be exercised and performed freely and without consent, payment or restriction other than:

(a) the requirement to comply with Section 10.2 above, including the applicable requirements of Article 15 below (except this Section 12.2 shall govern and supersede any inconsistency between the provisions hereof and said Article 15);

(b) the restrictions and limitations:

(i) to not invade, penetrate or disturb any rentable or useable areas of the Commercial Units;

and

(ii) to not permanently prevent, nor unreasonably interrupt or unreasonably and materially interfere with, the permitted use and enjoyment of the Commercial Units (or any portion thereof), or the proper and efficient performance, function, capacity or utility of the installations now or hereafter comprising or servicing the Commercial Units (collectively "commercial equipment") or the permitted operation of a Commercial Unit or the permitted business of any Commercial Unit Owner or the tenants or occupants of a Commercial Unit or any portion thereof;

(c) the obligation to repair any damage to a Commercial Unit caused by the exercise and performance of such easement so as to restore the damaged area and any installation to as near as reasonable to the condition existing immediately prior to such exercise and performance (the costs and expenses of such repair shall be part of the Common Expenses payable by all Unit Owners pro rata to their respective Common Interests);

(d) the further obligation of the Condominium Board, as a Common Expense (payable by all Unit Owners pro rata to their respective Common Interests), to indemnify the affected Commercial Unit Owner, and such Owner's agents and employees, from and against all claims and liabilities and expenses arising in connection with the exercise and performance of such easement;

and

(e) in the event access and entry to any rentable or useable area of a Commercial Unit is required:

(i) such access and entry shall be at such times reasonably convenient and on giving reasonable prior written notice to the affected Commercial Unit Owner, who shall have the right to have a representative present at all times during such entry;

and

(ii) such access and entry shall comply with any reasonable security and protection procedures and requirements as may be reasonably required by the affected Commercial Unit Owner or an affected tenant or occupant of such Unit, provided such procedures and requirements shall not preclude such entry.

Each Commercial Unit Owner and those agents, employees and contractors expressly who are so expressly authorized in writing by such Commercial Unit Owner shall have: (a) a similar easement to inspect, use, maintain, repair and alter any installations appurtenant to such Owner's Commercial Unit that is located in, adjacent to or bordering the other Commercial Unit and (b) a similar right to exercise such easement freely and without consent, payment or restriction other than those set forth in clauses (a) through (e) above.

Section 12.3 Easements Affecting Residential Units If and to the extent only any commercial equipment is located in, adjacent to or bordering any Residential Units on the date of issuance of a permanent Certificate of Occupancy of the Building, the Sponsor hereby reserves for itself and grants to the applicable Commercial Unit Owner serviced thereby and a permitted tenant and other persons who are so expressly authorized in writing by Sponsor or such Commercial Unit Owner, and the respective authorized agents, employees and contractors of each of the foregoing, an easement in and through the Residential Units to inspect, use, maintain, repair and alter any and all such commercial equipment (including replacement of existing commercial equipment, if any, with new commercial equipment) within the confines of their current spaces and locations. Such easement may be exercised and performed freely and without consent, payment or restriction other than:

(a) the requirement to comply with Section 10.2 above, including the applicable requirements of Article 15 below (except this Section 12.3 shall govern and supersede any inconsistency between the provisions hereof and said Article 15);

(b) the restrictions and limitations:

(i) to not invade, penetrate or disturb any rentable or useable areas of the Residential Units;

and

(ii) to not permanently prevent, nor unreasonably interrupt or unreasonably and materially interfere with, the permitted use and enjoyment of the residential units (or any portion thereof), or the proper and efficient performance, function, capacity or utility of the residential equipment or the permitted use and enjoyment of any of the Residential Units;

(c) the obligation to repair any damage to a Residential Unit caused by the exercise and performance of such easement so as to restore the damaged area and any Installation to as near as reasonable to the condition existing immediately prior to such exercise and performance (the costs and expenses of such repair shall be borne entirely by Sponsor or such Commercial Unit Owner, as applicable);

(d) the further obligation of Sponsor or such Commercial Unit Owner (as applicable) to indemnify the Condominium Board, its officers, Board Members, agents and employees, and all other Unit Owners, from and against all claims and liabilities and expenses arising in connection with the exercise and performance of such easement;

and

(e) in the event access and entry to any rentable or useable area of any Residential Unit is required:

(i) such access and entry shall be at such times reasonably convenient and on giving reasonable prior written notice to the Board and a Residential Unit Owner directly affected thereby, each of whom shall have the right to have a representative present at all times during such entry;

and

(ii) such access and entry shall comply with any reasonable security and protection procedures and requirements as may be reasonably required by the Board and a Residential Unit Owner directly affected thereby or an affected tenant or occupant of such Unit, provided such procedures and requirements shall not preclude such entry.

Each Residential Unit Owner and those agents, employees and contractors who are so expressly authorized in writing by such Residential Unit Owner shall have: (a) a similar easement to inspect, use, maintain, repair and alter any installations appurtenant to such Owner's Residential Unit that is located in, adjacent to or bordering another Residential Unit and (b) a similar right to exercise such easement freely and without consent, payment or restriction other than those set forth in clauses (a) through (e) above.

Section 12.4 Easements of Support, Necessity, Utilities and Services Each Unit Owner (with respect to the Owner's Unit) and all Unit Owners (with respect to the Common

Elements), and the Permitted Tenants/Occupants/Invitees of each Unit, are hereby granted rights and easements of subjacent support, emergency and necessity as well as for utilities and other services being commonly provided or available to Units, and each Unit and the Common Elements shall be subject to such rights and easements.

Section 12.5 Easements Allowing Encroachments Each Unit and the Common Elements have and shall have, and are and shall be subject to, easements for the existence, continuation and maintenance of encroachments by any Unit on other Units and/or a portion of the Common Elements, or an encroachment by a portion of the Common Elements on any Unit and/or other portions of the Common Elements, for so long as the Building or the affected Unit or Common Element shall stand, if and to the extent now existing or hereafter arising as a result of: (a) the Building or any portion thereof settling or shifting naturally; or (b) a repair or alteration or other work by the Condominium Board or a Unit Owner performed in accordance with this Declaration and the By-Laws following a fire or other cause, or a taking by condemnation or eminent domain; or (c) a repair, alteration or other work permitted in, and performed in accordance with, this Declaration or the By-Laws.

Section 12.6 Statutory Easements In addition to the specific easements reserved and granted in Articles 11 and 12 and elsewhere in this Declaration and the By-Laws, the Property and every portion thereof, including the Units, and the Condominium Board and the Owner and Permitted Tenants/Occupants/Invitees of each Unit, shall have and shall be subject to all easements and rights of use and access required by, or set forth in, the Condominium Act or other applicable law.

Section 12.7 Sponsor Development Easements Sponsor hereby reserves for itself and grants to each and every Unsold Unit Owner, and their respective authorized agents, employees and contractors, easements and rights of access (for ingress and egress) to, and use of, the Common Elements (including specifically, but not limited to, the residential lobbies, elevator and hallways, as well as the Building's exterior walls, roof, adjacent sidewalks) for all lawful purposes, including the following:

(a) to sell, rent, promote, operate, manage and make any other disposition of Sponsor Units or Unsold Units, including:

(i) to install, maintain, repair and alter furnishings, wall and floor coverings and other decorations in the Building's street entrance, lobbies, corridors, residential hallways and other portions of the General, Residential Limited Common Elements and/or Commercial Limited Common Elements;

(ii) to station sales and rental staff in the lobbies, corridors, residential hallways and in any concierge area;

(iii) to erect, install, maintain, repair and alter one or more signs of any size, content, composition, material, color, design, illumination, character and appearance;

and

(iv) to provide access to: sales and rental personnel; cooperating brokers; prospective Purchasers and renters; agents, employees and contractors; architects; engineers; and decorators;

(b) to correct defects (if any) in the renovation and outfitting of the Building, including the Units and Common Elements (collectively, "Rehabilitation") in accordance with Sponsor's undertakings and obligations under the Condominium Offering Plan ("Plan") for the Property, the amendments thereto and Purchase Agreements with Purchasers under the Plan;

and

(c) to store and transport materials, supplies and equipment and to temporarily interrupt the elevator, water, plumbing, electric and other Building services in connection with the performance of: (i) the correction of said defects (if any) in the Rehabilitation; (ii) the obligations or work undertaken by Sponsor in or pursuant to the Plan, a Plan amendment or a Purchase Agreement for an Unsold Unit (collectively "Plan Obligation"); or (iii) the obligations of Sponsor to tenants or other occupants of Unsold Units ("Tenant Obligations").

The easements and rights of Sponsor and each Unsold Unit Owner in this Section 12.7 may be exercised and performed freely and without consent, payment or restriction (other than those set forth in Section 11.6 above) and are superior, paramount and take preference over the easements and rights of the Condominium Board and other Unit Owners to use the Common Elements.

Section 12.8 Move-In and Move-Out Easements Sponsor hereby grants to each Purchaser of a Residential Unit and such Purchaser's tenant (if any) on the initial move into the Residential Unit, and hereby reserves for itself for the benefit of each tenant and occupant of an Unsold Residential Unit from time to time, and further grants to the movers (and their employees and workers) of each of the foregoing, an easement and right to use the General Common Elements and Residential Limited Common Elements (including specifically, but not limited to, the elevator and other public and common areas designated by Sponsor) for purposes of moving furniture, furnishings, belongings and other property into such Purchaser's Residential Unit and also into and out of each such tenant's or occupant's Unsold Residential Unit. The Condominium Board shall have the right to impose or collect a fee, charge, deposit, security or other imposition in connection with the move or such use of the Common Elements. However, such imposition shall not be payable with respect to the sale or leasing of Unsold Units. In addition, said Purchasers, tenants and occupants shall be given preference over other Residential Unit Owners, and allowed reasonably prompt access to, and use of, the elevator and other public and common areas of the Common Elements. However, the Board may, upon and subject to obtaining the prior written approval of Sponsor (which shall be discretionary and may be conditioned, denied or withheld without cause or explanation or recourse against Sponsor by reason thereof), adopt reasonable rules concerning moving into and out of the Building to assure reasonable access to, and use of, the elevator and other portions of the Common Elements by other Owners, tenants and occupants of Residential Units.

Section 12.9 Lot Line Easements An easement has been granted by an adjoining property owner with respect to certain east Building elevation lot line windows, which easement will allow the creation of a third bedroom in Residential Units 2S, 3S and 4S.

ARTICLE 13

CHANGES IN UNITS AND COMMON ELEMENTS

Section 13.1 Changes Sponsor hereby reserves for itself and grants to each and every Unsold Unit Owner and "Authorized First Sold Unit Owner" (defined below), the right from time to time, freely and without consent, payment or restriction other than those set forth in Section 13.2 and Article 15 below, to change the size and number of Sponsor Units or said Owner's Unsold Unit or Sold Unit (as applicable) (collectively, "Unit Change") by:

(a) subdividing its Unit into two (2) or more Units ("Unit Subdivision") and establishing new boundary walls separating the Units established on such Unit Subdivision;

(b) combining (horizontally and/or vertically) all or portions of two (2) or more of its Units ("Unit Combination") and incorporating walls, floors, ceilings or other portions of the Common Elements (where entire Units are combined into one (1) Unit) or to establish new boundary walls, floors and/or ceilings or other portions of the Common Elements (where portions of Units are combined);

(c) Intentionally Omitted

(d) altering its Unit ("Unit Alterations"), including changing the number of rooms and bathrooms and the layout or configuration, and appurtenant Individual Limited Common Element (if any);

and

(e) changing the description ("description change") of portions of its Unit and the affected Common Elements involved in a Unit Change so that such applicable portions of the Common Elements become part of the Unit or an Individual Limited Common Element appurtenant to the Unit and/or portions of the Unit become Common Elements or an Individual Limited Common Element appurtenant to the Unit (as applicable).

An "Authorized First Sold Unit Owner" is the first Owner of a Sold Unit who is expressly granted the right to make a Unit Change in writing by Sponsor or an Unsold Unit Owner, whoever is the grantor of the deed conveying the Sold Unit to such Authorized First Sold Unit Owner.

Upon the original boundary walls, floors, ceilings and/or other space forming a part of the Common Elements being razed or otherwise incorporated in a Unit involved in a

Unit Change, they automatically shall no longer be part of the Common Elements and shall become part of the applicable Unit. Similarly, upon new boundary walls, floors and/or ceilings of a Unit being constructed, they automatically shall be substituted in place of the former boundaries to become part of the Common Elements.

Section 13.2 Rights, Restrictions and Requirements In connection with a Unit Change pursuant to Section 13.1 above:

(a) each Unit Change may be made: (i) without the approval or consent of the Condominium Board, the Unit Owners or Unit mortgage lenders; (ii) without complying with any regulations, rules or other requirements of the Condominium Board for alterations or changes to Units; (iii) without paying any kind whatsoever of fee or other charge of the Condominium Board or its Managing Agent or attorneys or other professional; and (iv) without the plans or specifications of the proposed Unit Change being submitted to, or reviewed by, the Condominium Board or an architect, engineer or other professional chosen by the Condominium Board (except as hereinafter provided in the case only of an Authorized First Sold Unit Owner, but not Sponsor or an Unsold Unit Owner);

(b) the Owner subdividing a Unit, at such Owner's sole cost and expense, shall duly record an amendment to the Declaration and Floor Plans to subdivide the Unit and to apportion between or among the Units resulting from such Unit Subdivision, the Common Interest of the Unit so subdivided in accordance with the method set forth in Article 8 above or any other method allowed by the Condominium Act (subject to the reasonable approval of the Condominium Board in the case only of a Sold Unit, but not an Unsold Unit); provided, however, that the aggregate Common Interests of all Units resulting from such Unit Subdivision shall equal exactly the Common Interest of the Unit so subdivided;

(c) the Owner combining all or portions of two (2) or more Units, at such Owner's sole cost and expense, shall duly record and file an amendment to the Declaration and Floor Plans to combine such Units or portions thereof and:

(i) (in the case of a Unit Combination involving entire Units) to declare and establish the Common Interest of the resulting combined Unit to equal exactly the total of the Common Interests of the original Units being so combined;

or

(ii) (in the case of a Unit Combination not involving entire Units) to apportion between or among the Units involved in the Unit Combination, the Common Interests of such Units in accordance with the method set forth in Article 8 above or any other method allowed by the Condominium Act (subject to the reasonable approval of the Condominium Board in the case only of a Sold Unit, but not an Unsold Unit); provided, however, that the total Common Interests of all resulting Units following a Unit Combination

shall equal exactly the total of the Common Interests of such original Units;

(d) any public or common areas of the Common Elements incorporated in a Unit (other than boundary walls, floors and ceilings) shall remain part of the Common Elements, but its use shall be completely limited or restricted to that Unit only or (at the option of Sponsor or applicable Unsold Unit Owner, or with the reasonable approval of Sponsor or the Condominium Board in the case only of Sold Unit but not an Unsold Unit) shall become part of such Unit;

(e) (if and to the extent required by the Condominium Act) the Unit Owner making a description change, at the sole cost and expense of such Owner, shall declare, establish, grant and convey in a duly recorded amendment to this Declaration and a duly filed amendment to the Floor Plans that: (i) the applicable portion of such Owner's Unit shall instead comprise the Residential Limited Common Elements, the Commercial Limited Common Elements or General Common Elements (as applicable) or (at the option of such Owner) to comprise an Individual Limited Common Element appurtenant to such Owner's Unit and/or (ii) the applicable portion of the Common Elements shall instead comprise such Owner's Unit or (at the option of such Owner) an Individual Limited Common Element appurtenant thereto (as applicable); provided, however, that such Description Change from a Unit to Common Elements (or an Individual Limited Common Element), or vice versa, shall not change the Common Interest of any other Unit not owned by such Owner nor change the Common Interest of such Owner's Unit;

(f) the Common Interest of a Unit not involved in a Unit Change shall remain the same, unless the Owner of such Unit shall consent in writing thereto in accordance with Section 339-i of the Condominium Act and the Common Interest of all Units following a Unit Change shall total one hundred percent (100%);

(g) all costs and expenses thereafter arising with respect to the use and operation (including maintenance and repair) of an Individual Limited Common Element declared and established in connection with a description change shall be borne exclusively by the Owner of the Unit to which same is appurtenant (other than structural repairs which are expressly stated in this Declaration or the By-Laws to be performed by the Condominium Board as a Common Expense);

(h) such Owner making a Unit Change shall indemnify the Condominium Board, the Sponsor and all other Unit Owners from and against any and all claims and liabilities and expenses arising out of, or in connection with, the Unit Change or the work in performing such Unit Change;

(i) the required amendment to the Declaration to effectuate a Unit Change as herein provided: (i) shall be prepared, signed and acknowledged in recordable form by, and at the sole cost and expense of, only the Unit Owner making such Unit Change and, if requested, shall be certified by the Secretary or an Assistant

Secretary of the Condominium in accordance with Article 22 below, and such amendment to the Floor Plans shall be prepared, certified, signed and sealed by an architect or engineer selected exclusively by said Unit Owner making such Unit Change and (ii) (in the case of an Unsold Unit only) may be recorded and filed without the approval, consent or signatures of the Condominium Board or any officer of the Condominium Board or any other Unit Owner, or (in the case of a Sold Unit only) shall be subject to the reasonable approval of the Condominium Board and (if approved) shall be duly executed in recordable form by the appropriate officers and/or members of the Condominium Board;

(j) the approval, consent and signatures of the Board or any other Unit Owner shall not be required on any government document necessary or convenient to perform a Unit Change in accordance with this Article 13, including any application or other government document required by the Department of Buildings, the Real Property Assessment Bureau of The City of New York or any other governmental authority in connection with a Building alteration application and/or an amendment to the Certificate of Occupancy for the Building or the establishment of separate tax lots for any newly created Units and a reapportionment of the assessed valuation by reason thereof; all such government documents shall be prepared, signed and (where required) acknowledged by, and at the sole cost and expense of, only the Unit Owner making such Unit Change, such Unit Owner being hereby granted an irrevocable, durable power of attorney and for valuable consideration, with full power of substitution, to execute such government documents on behalf of the Board and other Unit Owners (in accordance with Article 20 below, the Board shall fully cooperate with the Owner making the Unit Change and in furtherance thereof, upon request of such Unit Owner, shall nevertheless execute and deliver to such Unit Owner any and all such government documents);

(k) no license or use fee or rental or other charge (other than the regular Common Charges) may be levied or imposed by the Condominium Board in connection with any wall, space, concrete floor or ceiling slab (or other construction material) or other portion of the Common Elements incorporated in a Unit in connection with such Unit Change;

(l) the dimensions, usable floor area and interior space (that is, the space within the enclosing walls, floors and ceilings) of any other Unit shall not be changed or penetrated by reason of a Unit Change without the prior written consent of the Owner of such affected Unit;

(m) a Unit Change shall not jeopardize the soundness or structural integrity of any portion of the Building or the safety or health of any Owner or Permitted Tenants/Occupants/Invitees of another Unit;

(n) a Unit Change shall not prevent or unlawfully impair legal access by another Unit to fire exits, the elevator, the lobby or the Building street entrance;

(o) a Unit Change shall not permanently diminish or adversely and unreasonably affect: the proper and efficient performance, function, capacity or utility of the Building's installations servicing another Unit; or the use of the Common Elements servicing another Unit for their intended purposes;

(p) a Unit Change shall be performed and completed in accordance with the applicable Work Requirements set forth in Section 15.2 below, including compliance with all applicable laws (such as, if and to the extent required by law: obtaining all required approvals, permits and licenses of governmental authorities having jurisdiction; and, in the case of a Unit Subdivision or Unit Combination, obtaining an alteration permit or an amended or new Certificate of Occupancy for the Building or other appropriate government document to reflect the resulting subdivided Units or Unit Combination, as applicable and if required by law);

(q) an Authorized First Sold Unit Owner (but not Sponsor or an Unsold Unit Owner), at the sole cost and expense of such Owner, shall comply with the following "Unit Change Requirements" before commencing construction work, if and to the extent required by Sponsor or Unsold Unit Owner ("Grantor"), as applicable, in the written authorization of the Unit Change granted pursuant to Section 13.1 above:

(i) cause to be prepared and submitted to the Grantor or the Condominium Board (as directed by Grantor) detailed plans and specifications of the proposed Unit Change, prepared by a registered architect, licensed engineer or other appropriate professional chosen by such Owner;

(ii) (in the case of a Unit Change affecting the Building's heating, plumbing, electric, ventilation, telephone, intercom, mechanical, electronic or other systems or the Building's structural components) the approval or consent of the Grantor or the Condominium Board (as directed by Grantor) shall be obtained, whose approval or consent (in the case of the Building's structural components) shall be discretionary and may be conditioned, withheld or denied without cause or explanation and without recourse against either by reason thereof or (in all other cases) shall not be unreasonably withheld;

(iii) (in the case of a Unit Change affecting the Unit's windows, terrace, or other portions of the Unit or its appurtenant Individual Limited Common Element, if any, exposed to public view) the approvals or consents of the Grantor or the Condominium Board (as directed by Grantor) and Sponsor (while Sponsor owns any Unsold Unit) shall be obtained, whose approvals or consents shall be discretionary and may be conditioned, withheld or denied without cause or explanation and without recourse against either by reason thereof;

and

(iv) such Authorized First Sold Unit Owner shall sign and deliver to the Condominium Board an alteration agreement, on the standard form adopted by, and in substance satisfactory to, the Condominium Board, setting forth the terms and conditions for performing the Unit Change (including the Condominium Board's work rules, insurance requirements and an indemnity in favor of the Condominium Board, its agents and employees, and all Unit Owners, against all claims and liabilities and expenses arising out of the Unit Change).

ARTICLE 14

MAINTENANCE, REPAIRS, ALTERATIONS AND OTHER WORK TO UNITS, COMMON ELEMENTS AND ADJACENT SIDEWALKS AND VAULTS

Section 14.1 Duty to Maintain and Repair the Units and Individual Limited Common Elements Each Unit Owner, at such Owner's sole cost and expense, shall maintain in good state, order and repair, and in clean, neat and sanitary condition and appearance, the Owner's Unit and its appurtenant Individual Limited Common Element (if any), including the installations forming a part thereof as set forth in Section 6.8 above, and (as to any terrace included as a part of a Unit) free of ice, snow, water accumulation and debris. All of the foregoing shall be performed by each Unit Owner in conformity with the high dignity, first-class character and standards of the Building, and in a manner that: (a) shall not materially impair or prevent, nor unreasonably and materially interrupt or interfere with, the permitted use and enjoyment of other Units or other portions of the Common Elements and (b) shall maintain the value of all Units. Each Unit Owner shall also comply with the Owner's maintenance and repair obligations with respect to such Owner's Unit and appurtenant Individual Limited Common Element (if any) set forth in Section 5.1 of the By-Laws.

Section 14.2 Duty to Maintain and Repair the General Common Elements The Condominium Board shall maintain in good state, order and repair, and in clean, neat and sanitary condition and appearance, the General Common Elements, the Residential Limited Common Elements and the Commercial Limited Common Elements, including the installations forming a part of each thereof and such of said Common Elements, if any, within a Unit, and (as to outdoor areas) free of ice, snow, water accumulation and debris. All of the foregoing shall be performed by the Board in conformity with the high dignity, first-class character and standards of the Building, and in a manner that: (a) shall not materially impair or prevent, nor unreasonably and materially interrupt or interfere with, the permitted use and enjoyment of a Unit and its appurtenant Individual Limited Common Element (if any) and (b) shall maintain the value of all Units and the Building services and facilities to be provided to the Units pursuant to this Declaration and the By-Laws. The costs and expenses of such maintenance and repairs shall be part of the Common Expenses payable by all Unit Owners pro rata to their respective Common Interests. The Condominium Board shall also comply with its maintenance and repair obligations with respect to the Common Elements set forth in Section 5.1 of the By-Laws.

Section 14.3 Repairs and Alterations to Units and Individual Limited Common Elements The right and duty of each Unit Owner to perform repairs, alterations and other work in its Unit (including the installations forming a part thereof) and its appurtenant Individual Limited Common Element (if any) are governed by Sections 5.1 and 5.2 of the By-Laws and the applicable work requirements set forth in Section 15.2 below.

Section 14.4 Repairs and Alterations to Common Elements The Condominium Board shall have the substantially exclusive right and duty to perform repairs, alterations and other work to the General Common Elements, the Residential Limited Common Elements and the Commercial Limited Common Elements, including the installation forming a part of each thereof and each of such Common Elements (if any) within a Unit, subject and subordinate to compliance with the applicable work requirements set forth in Section 15.2 below and:

(a) Sponsor's Rights under the Condominium Documents, the Plan and Plan amendments;

and

(b) all rights and easements reserved to Sponsor and granted to Unsold Unit Owners and Sold Unit Owners in this Declaration, the By-Laws, the Plan and Plan amendments.

The costs and expenses of such repairs, alterations and work shall be a part of the Common Expense payable by all Unit Owners pro rata to their respective Common Interests.

Section 14.5 Requisite Approvals for Board Repairs and Alterations The Condominium Board shall have the right and duty to make all necessary or appropriate repairs to the Common Elements upon the determination of a majority of the Board Members and without the approval or consent of any Unit Owners.

The Condominium Board shall have the right to alter the Common Elements ("Board Alterations") upon the determination of a majority of the Board Members. However, the Condominium Board shall obtain the following approvals before undertaking any Board Alterations:

(a) (in the case of all Board Alterations to be undertaken in a Budget Year of the Condominium at a total cost of more than $50,000.00 a majority of Unit Owners (both in number and aggregate Common Interests) must first approve the Board Alterations in writing or by a vote at a duly called meeting of Unit Owners at which a quorum is present;

and

(b) (in the case of Board Alteration that are subject to Sponsor veto control) the Sponsor must consent to the Board Alterations as provided in the Plan (in

Section Q, subsection "Q-2. Sponsor Control Over Certain Board Actions") and Section 2.5.8 of the By-Laws.

The costs and expenses of all permitted Board Alterations shall be part of the Common Expenses payable by all Unit Owners pro rata to their respective Common Interests.

Section 14.6 Floor Slabs, Roofs and Exterior Walls The right of Sponsor and each Unsold Unit Owner (including their respective authorized tenants, and the authorized agents, employees and contractors of Sponsor and such Owner or authorized tenants) to perform repairs, alterations and other work to Unsold Units pursuant to this Declaration or the By-Laws includes the right freely and without consent, payment or restriction (other than the requirement to comply with the applicable work requirements set forth in Section 15.2 below) to pierce the floor and ceiling slabs (such as the wood plank subflooring), and the Building's exterior walls, enclosing each Unsold Unit and their appurtenant Individual Limited Common Element(s) (if any) in the exercise of such right or in the exercise of easements or other rights expressly granted or reserved to Sponsor or such Unsold Unit Owner in the Plan or a Plan amendment or this Declaration or the By-Laws.

Section 14.7 Negligence, Misuse, Abuse or Neglect Any maintenance or repairs (whether structural or non-structural, ordinary or extraordinary) to a Unit or the Common Elements caused by the negligence, misuse, abuse or neglect of:

(a) a Unit Owner, or a tenant, licensee or occupant of a Unit, or the agents, employees and contractors of such Unit Owner, licensee or tenant, shall be performed by the party responsible to maintain same and the entire costs and expenses thereof shall be charged to, and borne by, such Unit Owner only;

or

(b) the Condominium Board, or its agents, employees and contractors, shall be performed by the party responsible to maintain same and the entire costs and expenses thereof shall be charged to, and borne by, the Condominium Board as part of the Common Expenses payable by all Unit Owners pro rata to their respective Common Interests.

Section 14.8 Cooperation Each Unit Owner shall fully cooperate with every other Unit Owner or the Condominium Board (as applicable) in connection with the maintenance, repairs or alterations permitted to be performed by such other Unit Owner or the Board, and the Condominium Board shall fully cooperate with each Unit Owner in connection with the maintenance, repairs and alterations permitted to be performed by such Unit Owner, all as more particularly set forth in Article 20 below.

Section 14.9 Sidewalks All sidewalk repair obligations with respect to the sidewalks adjacent to the Property shall be performed by the Condominium Board as a Common Expense payable by all Unit Owners pro rata to their respective Common Interests, except that all signs, objects, structures, extensions or enclosures erected or installed on, in or under such sidewalks pursuant to Sections 10.8 and 10.9 above shall be maintained and repaired by the party erecting or installing same (at such party's sole cost and expense)

and except further that repairs to the sidewalks necessitated by such erections or installations, or the maintenance, repair or alteration thereof, shall be performed by, and at the sole cost and expense of, such party erecting or installing same. The Condominium Board shall perform all sidewalk cleaning in front of the Building entrance and elevator door. The Commercial Unit Owners shall perform all sidewalk cleaning in front of their respective Commercial Units. The sidewalk cleaning obligations and sidewalk repair obligations shall be performed in a manner that shall not unnecessarily prevent or unreasonably and materially interrupt or interfere with the permitted uses of the sidewalks by Unit Owners and their respective Permitted Tenants/Occupants/Invitees.

Section 14.10 Vaults The Condominium Board shall have the right to use the northerly half of the existing vault and the Commercial Unit Owners shall have the right to use the southerly half of the vault for any lawful purpose, including housing of installations related to the permitted use and enjoyment of all or any portion of the Property, and the Condominium Board and the Commercial Unit Owners, as the case may be, shall have the duty to pay any governmental vault tax, fee or charge imposed or levied with respect to their portion of such vault and to maintain, repair and alter such portion of the vault and the installations housed therein.

ARTICLE 15

WORK REQUIREMENTS

Section 15.1 Application All permitted or required maintenance, repairs, alterations and other work by Sponsor, a Unit Owner, the Condominium Board or a utility company shall be done or performed in compliance with applicable laws and the applicable work requirements set forth in Section 15.2 below as well as all other requirements (if any) applicable thereto set forth elsewhere in this Declaration or the By-Laws.

Section 15.2 Work Requirements The work requirements to be met and complied with pursuant to Section 15.1 above and where required elsewhere in the Declaration and the By-Laws are as follows:

(a) the work undertaken by a Sold Unit Owner, or the Condominium Board or a utility company shall be prosecuted with reasonable diligence to completion and performed in a manner that does not permanently prevent or unreasonably and materially interrupt or interfere with, or otherwise unreasonably and adversely affect, the permitted use and enjoyment of a Unit (other than such Sold Unit in the case of work undertaken by its Owner) or the Common Elements (including the installations forming a part of such Unit or Common Elements), and shall be performed in a manner which minimizes such interruption or interference to the extent reasonable and practical;

(b) if the work permitted in a Unit requires access to another Owner's Unit or its appurtenant Individual Limited Common Element (if any) or to any of the Common Elements, or if the work permitted in any of the Common Elements requires access to a Unit, such access by contractors, subcontractors, workers, architects, employees and others engaged in the work and the right to transport therein materials and supplies in connection therewith, shall be permitted subject and subordinate to the rights of the then existing tenants and/or occupants of Unsold Units and subject further to same being exercised reasonably and in a manner that does not permanently prevent and minimizes any interruption or interference to the extent reasonable and practical with the use and enjoyment of the affected Unit or Common Elements;

(c) the work shall be performed and completed in accordance and compliance with the requirements of Section 10.1 above and the prohibitions of Section 10.2 above;

(d) at least two (2) business days before a Sold Unit Owner or the Condominium Board begins work on, or affecting, the structural components, the Sold Unit Owner or Board (as applicable) performing the work ("Responsible Party") shall obtain and (in the case only of work by a Sold Unit Owner) deliver to the Board, and make available to all Unit Owners, a certification to the Board and Unit Owners from a duly licensed engineer specializing in structural engineering that the structural integrity of the structural components and the safety and health of occupants of the Building shall not be impaired or threatened or adversely affected by such work;

(e) the work involving or affecting the Residential Limited Common Elements or General Common Elements (including the installation forming part thereof and the structural components):

(i) shall be performed in a good and workmanlike manner by duly licensed and qualified contractors and subcontractors and (in the case of work undertaken by a Sold Unit Owner involving the structural components) duly licensed engineers specializing in structural engineering who are reasonably approved by the Condominium Board;

and

(ii) shall utilize materials compatible with, and of at least substantially equal or better quality, design and function than, those then existing in the Building;

(f) with respect to any work permitted to be performed in a Unit or its appurtenant Individual Limited Common Element (if any) or the Common Elements, by the Condominium Board or a utility company:

(i) any pipes, ducts, wiring, conduits or other equipment or installations in connection with such work shall be concealed in, behind or under the walls, floors or ceilings or, if not feasible, appropriately boxed in the

Individual Limited Common Element appurtenant to such Unit (if any) or the Common Elements without materially reducing the usable areas thereof;

and

(ii) (in the case of work by the Condominium Board requiring access to a Unit) upon the request of the Owner of the affected Unit, or (in the case of work affecting the Common Elements) upon the request of Sponsor (for so long as Sponsor owns an Unsold Unit), the Condominium Board shall prepare or obtain (as a Common Expense payable by all Unit Owners pro rata to their respective Common Interests) and submit to such affected Unit Owner or Sponsor (as applicable), and such party shall receive, at least two (2) full business days before entering such Owner's affected Unit, or Sponsor shall receive at least twenty (20) business days before work begins in the Common Elements:

(aa) copies of all detailed plans and specifications of the work;

(bb) (as to Sponsor only) copies of all required permits, licenses, certificates, approvals and consents of governmental authorities having jurisdiction of the work;

and

(cc) a policy or original certificate of insurance naming the affected Unit Owner as an additional insured party for such insurance coverage and amounts, and issued by such insurer, as (in the case of work in a Unit) shall be reasonably determined by the Condominium Board (but naming the affected Unit Owner as an additional insured party) or (in the case of work in the Common Elements) shall be reasonably approved by Sponsor and the Condominium Board (any dispute as to such insurance shall be resolved by arbitration pursuant to the By-Laws), and providing that at least thirty (30) days' advance written notice shall be given to the affected Unit Owner or Sponsor (as applicable) by the insurer before such insurance coverage is terminated, cancelled or expires;

(g) the party performing the work (including Sponsor, a Sold or Unsold Unit Owner or the Board):

(i) (in the case only of work by the Condominium Board) shall maintain the insurance in the preceding clause (f) in full force and effect for the duration of the work in the affected Owner's Unit;

(ii) shall indemnify the Condominium Board and its members, officers, employees and agents, and each and every other Unit Owner and such

Owner's related parties, and the respective heirs, legal representatives, successors and assigns of each of the foregoing, from and against any and all claims and liabilities and expenses arising from the work;

(iii) shall file as and when required all necessary notices, applications, certifications, plans and specifications with governmental authorities having jurisdiction;

(iv) shall obtain and (in the case only of work done by a Sold Unit Owner) promptly following completion of the work shall deliver to the Board, and the Board shall make available to all Unit Owners and their representatives from time to time: (aa) an accurate and complete set of "as built" plans and specifications of the work; (bb) (if required by law) a new or amended Certificate of Occupancy (which shall not change the authorized use of another Unit without the prior written consent of the Owner thereof) and all necessary inspections, approvals, licenses, permits, notices and certifications of governmental authorities having jurisdiction; and (cc) (if required by the Condominium Board) the Board of Fire Underwriters certificate with respect thereto;

(v) shall assume all responsibility (including payment and performance) for: (aa) the work and the performance, maintenance and repair of the installations involved in the work; (bb) the failure of the proper and efficient performance, function, capacity or utility of any installations affected by the work; (cc) the weather-tightness of any installation affecting the Building's exterior walls, windows, doors or roof; (dd) waterproofing of any portion of the Building structure directly or indirectly affected by the work; and (ee) plumbing leaks and damage to another Unit or the Common Elements caused by the work;

(vi) shall promptly and within thirty (30) days satisfy or discharge by bond or otherwise any and all mechanic's lien for work or materials filed against another Unit or the Common Elements;

(vii) shall not prevent or unlawfully impair legal access of another Unit to the fire stairs, the elevator, the exits, the lobby or the Building entrance;

(viii) shall not permanently diminish or adversely and unreasonably affect the proper and efficient performance, function, capacity or utility of another Owner's Unit or the Common Elements servicing another Unit (including the installations forming a part of each);

and

(ix) shall assume responsibility for compliance with the provisions of Title IV, Section 406(b) of the Federal Toxic Substances Control Act (relating to lead-based paint disclosure by contractors);

(h) with respect to the following work to be undertaken by a Sold Unit Owner (but not Sponsor or an Unsold Unit Owner), such Sold Unit Owner, at the sole cost and expense of such Owner, shall comply with the following requirements before commencing work:

(i) (in the case of any work requiring the approval or reasonable approval of the Condominium Board or Sponsor), such Sold Unit Owner shall give the Board and/or Sponsor (as applicable) written notice of the details of the proposed work and (if requested by the Board or Sponsor, as applicable) shall also cause to be prepared and submitted to the Condominium Board or Sponsor (as applicable) detailed plans and specifications of the proposed work, prepared by an architect, engineer or other appropriate professional chosen by such Owner;

(ii) (in the case of work affecting the Building's heating, plumbing, electric, ventilation, telephone, intercom, mechanical, electronic or other systems or the Building's structural components) the approval or consent of the Condominium Board shall be obtained, whose approval or consent (in the case of the Building's structural components) shall be discretionary and may be conditioned, withheld or denied without cause or explanation and without recourse against the Board by reason thereof or (in all other cases) shall not be unreasonably withheld;

(iii) (in the case of work affecting the Sold Unit's windows, terrace (including any enclosure, flooring, landscaping, furnishing, painting or other decorating), or other portions of the Unit or its appurtenant Individual Limited Common Element, if any, exposed to public view) the approvals or consents of the Condominium Board and (while Sponsor owns any Unsold Unit) Sponsor shall be obtained, whose approvals or consents are discretionary and may be conditioned, withheld or denied without cause or explanation and without recourse against either by reason thereof;

and

(iv) (in the case of any of the foregoing work for which the requisite approval or consent is given) upon the request of the Condominium Board, such Sold Unit Owner shall sign and deliver to the Condominium Board an alteration agreement, on the standard form adopted by, and in substance satisfactory to, the Condominium Board, setting forth the terms and conditions for performing the work (including the Condominium Board's work rules, insurance requirements and an indemnity in favor of the Condominium Board, its agents and employees, and all Unit Owners, against all claims and liabilities and expenses arising out of the work);

and

(i) with respect to any work by the Condominium Board requiring a sidewalk bridge, scaffolding or other structure (collectively "sidewalk structure") adjacent to an entrance to a Commercial Unit, the sidewalk structure shall be constructed, maintained and removed in a manner that shall not prevent nor unreasonably and materially interrupt or interfere with ingress or egress to and from the affected Commercial Unit or the entrances thereto or the business or operations of the Commercial Unit or the tenant(s) thereof.

The foregoing work requirements in clause (h) above do not apply to, and the following may be done in accordance with applicable laws and other applicable work requirements set forth in this Section 15.2 (if and to the extent applicable) and without compliance with any additional restrictions, limitations or requirements of the Condominium Board whatsoever:

(a) furnishing and decorating the portions of a Sold Unit not exposed to public view and not involving a terrace, windows or window treatments or decorations;

(b) Unit Changes to Unsold Units;

or

(c) Unit Changes made by an Authorized First Sold Unit Owner who is given written authorization for the Unit Changes by Sponsor or an Unsold Unit Owner (as applicable) at or prior to title closing.

Section 15.3 Procedure to Obtain Approval Whenever the reasonable approval or approval or consent of the Board is required in this Declaration or the By-Laws, the Sold Unit Owner ("Applicant Sold Unit Owner") seeking such reasonable approval or approval or consent, at such Owner's sole cost and expense, shall submit to the Board such documents and information (including plans and specifications of any proposed alteration or other work) as the Board may reasonably request. The Board, at the sole cost and expense of the Applicant Sold Unit Owner, may engage one (1) or more experts to review, consult and advise on such documents and information or generally on the matters for which reasonable approval, approval or consent is required.

Section 15.4 Thirty Days to Approve or to Deny The Board shall respond to such request for reasonable approval, approval or consent within thirty (30) days after it receives the request and all such related documents and information. Failure to timely respond shall constitute the requisite approval or consent of the Board. In the event the reasonable approval of the Board is required and the Board withholds or denies giving its approval, the Board shall set forth its basis or explanation of such denial, including (if applicable) a failure of the Applicant Unit Owner to submit adequate documents or information to make a determination on whether to give or deny its reasonable approval. In all cases not expressly providing for the reasonable approval of the Board, the approval or consent shall be discretionary and may be withheld or denied without cause or explanation and without liability or other recourse against the Board by reason thereof.

Section 15.5 No Assumption of Liability or Approval of Suitability The Condominium Board and Sold and Unsold Unit Owners (other than the Unit Owner performing the work), their respective employees, agents, legal representatives, successors and assigns, shall not be liable for any claims or liabilities and expenses in connection with or arising from the work by a Sold or Unsold Unit Owner (as applicable), including those relating to: (a) the preparation, execution or submission of a government document; (b) payments to contractors, subcontractors, workers, architects, engineers, consultants or others engaged in the work or to suppliers of material or equipment; or (c) personal injury or property damage. The approval or consent of the Board, and the approval of, or consent to, any plans and specifications or the other documents or information submitted in connection with a request for approval or consent, shall not constitute an assumption by the Board of any responsibility or liability for the repair, alteration or other work to which the same relates, nor an approval, acknowledgment or admission of the accuracy, suitability or soundness of such plans and specifications or other documents or information or their conformity with applicable law, nor a limitation on the rights of the Board or the obligations of the Unit Owner performing such repair, alteration or other work, and such Unit Owner performing the work shall remain solely responsible for such repair, alteration or other work.

Section 15.6 Remedies In the event any of the work requirements are not met or observed or are otherwise violated, the Board (with respect to work in or affecting the Common Elements) and a Unit Owner (with respect to work in or affecting such Owner's Unit) shall have the right so long as such violation continues and until all work requirements are met and observed: (a) to suspend, prohibit and enjoin the work and stop workers, suppliers or deliveries from entering such Common Elements or such Owner's Unit (as applicable); and (b) if reasonably required to avoid or discharge a violation or an impermissible prevention or interruption in the permitted use, Operation or business of, or services to, such Common Elements or such Owner's Unit) to cause the offending work to be removed and such Common Elements or such Owner's Unit (as applicable) to be restored to its former condition, all at the sole cost and expense of the Responsible Party.

Section 15.7 Correction of Defects The Responsible Party performing the work shall assume full responsibility (including payment and performance) to promptly and properly correct all defects (latent and patent, structural and non-structural, ordinary and extraordinary) in the work. In the event such defects adversely affect the use and enjoyment of the Common Elements or another Unit and are not corrected promptly and (in any event) within thirty (30) days after being given written notice thereof, the Board or (if the Board is the responsible party and while Sponsor owns any Unsold Unit) Sponsor (in the case of the Common Elements) and the affected Unit Owner (in the case of such Owner's Unit) shall have the right, at the sole cost and expense of the responsible party, to correct the defect to the extent necessary to permit the continued use and enjoyment of the adversely affected Common Elements or Unit (as applicable).

ARTICLE 16

ACQUISITION OF UNITS BY CONDOMINIUM BOARD

Section 16.1 Authority for Acquisition The Condominium Board is hereby granted the right, power and authority, on behalf and as agent of the Unit Owners:

(a) to accept a surrender of, and thereby acquire title to, a Unit and its appurtenant Common Interest from any Unit Owner who elects to surrender the Owner's Unit and appurtenant Common Interest pursuant to the terms of the By-Laws or Section 339-x of the Condominium Act;

(b) to purchase and acquire or lease a Sold Residential Unit and its appurtenant Common Interest as a result of the exercise of a "Right of First Refusal" of the Condominium Board, as such terms are defined and as provided in the By-Laws;

and

(c) to purchase and acquire title to a Unit and its appurtenant Common Interest at a sale following a foreclosure of its lien for unpaid Common Charges pursuant to the By-Laws and Section 339-aa of the Condominium Act or to so purchase and acquire a Unit and its appurtenant Common Interest by a deed given in lieu of such foreclosure.

Section 16.2 Acquisition By Nominee or Designee of Board Such acquisition, purchase or lease of a Unit pursuant to Section 16.1 above may, at the option and discretion of the Condominium Board, be in the name of the Condominium Board or in the name of a nominee or designee of the Condominium Board, corporate or otherwise, in each case acting on behalf and as agent of all Unit Owners pro rata to their respective Common Interests.

Section 16.3 Authority for Dispositions The Condominium Board, on behalf and as agent of all Unit Owners, is hereby granted the further right, power and authority to make all dispositions whatsoever with respect to each Unit acquired, purchased or leased pursuant to Section 16.1 (but not to cast the votes appurtenant to a Unit owned by the Condominium Board), including the following:

(a) to hold, lease or sublease, manage and operate (including maintain, repair and alter) such Unit and its installations;

(b) (in the case of a Unit acquired or purchased) to mortgage and grant security interests in such Unit and its appurtenant Common Interest, subject to obtaining the approval of Sponsor during the Initial Control Period and the Unit Owners, if and to the extent required under the By-Laws;

(c) (in the case of a Unit acquired or purchased) to offer for sale at public or (at the option and discretion of the Condominium Board) private sale, contract for sale

(on terms and conditions determined by the Condominium Board, in its sole judgment and discretion) and convey such Unit and its appurtenant Common Interest;

and

(d) to make such other dispositions of such Unit and its appurtenant Common Interest (but not to cast the votes appurtenant to a Unit owned by the Condominium Board) as may be determined by the Condominium Board, in its sole judgment and discretion.

Section 16.4 Included in Common Elements Each Unit acquired, purchased, leased, operated or otherwise held by the Condominium Board shall be part of the Common Elements. All amounts, costs and expenses paid or incurred by the Condominium Board to acquire, purchase, lease, operate or hold a Unit, and in connection with all dispositions of a Unit so acquired, purchased, leased, operated or held by the Condominium Board, shall be regarded as a Common Expense payable by all Unit Owners pro rata to their respective Common Interests.

ARTICLE 17

POWER OF ATTORNEY FROM EACH UNIT OWNER

Section 17.1 Grant of Limited Power of Attorney With the intention to constitute a limited, durable power of attorney:

(a) Sponsor (as the initial Owner of all Units) does hereby irrevocably authorize, appoint and designate;

and

(b) all successive Owners of each and every Unit, by accepting or recording a deed to a Unit or otherwise succeeding to title to a Unit (whether through operation of law, transfer, merger, consolidation, liquidation, dissolution or otherwise), shall thereupon automatically have, and be deemed to have, irrevocably authorized, appointed and designated,

each of the following, severally, as agent and attorney-in-fact, for valuable consideration, and with full power of substitution, of Sponsor or such Unit Owner (either, "Principal"), as applicable, to act on behalf and as agent of Principal and in the name, place and stead of the Principal in any way which the Principal could do if personally present, to the full extent that the Principal is permitted by law to act through an agent, with respect only to all of those matters, transactions and dispositions expressly stated in this Declaration or the By-Laws that each such attorney-in-fact has the authority or power to do or perform on behalf and as agent of Principal, including the following:

(a) Sponsor, each Unit Owner and the persons who shall from time to time constitute the Condominium Board, severally, as agent and attorney-in-fact of Principal, having the right, power and authority to amend the Condominium Documents in accordance with Article 22 below or to modify, amend or cancel the Landmark Declaration;

(c) Sponsor and the persons who shall from time to time constitute the Condominium Board, severally, as agent and attorney-in-fact of Principal, having the right, power and authority to grant each and every Additional Utility Easements/Rights in accordance with Section 11.9 above or to record a correction Declaration in accordance with Section 21.6 below;

and

(d) the persons who shall from time to time constitute the Condominium Board, in their capacity as Board Members and by determination of a majority of the then existing Board Members, as agent and attorney-in-fact of Principal, having the right, power and authority to do the following in the name of the Condominium Board or in the name of the Condominium Board's nominee or designee, corporate or otherwise (where applicable and provided in this Declaration or the By-Laws):

(i) to exercise, perform, give, grant, delegate and withhold the powers, rights, licenses, easements, leases, subleases, concessions, mortgages, deeds, security interests, collateral, government documents, litigation documents, instruments, approvals, consents, discretions and judgments expressly authorized in the Condominium Documents (as each may be duly amended from time to time) to be exercised, performed, given, granted, delegated and withheld by the Condominium Board on behalf and as agent of the Unit Owners;

(ii) to execute, acknowledge, deliver and, if necessary, record or file any application, document, declaration or other instrument, or any amendment thereto, affecting the Condominium, the Property or the Common Elements, or a portion thereof that the Condominium Board reasonably deems necessary or appropriate or is required to so do under this Declaration or the By-Laws:

(aa) to comply with any law (including a zoning resolution or variance, or a requirement of a governmental authority, such as the Department of Buildings, the City Planning Commission or the Board of Standards and Appeals);

or

(bb) for the permitted use and enjoyment of all or part of the Common Elements or the Units by the respective Owners and Permitted Tenants/Occupants/Invitees of Units;

and

(iii) to execute, acknowledge, deliver and, if necessary, record or file any application, document, declaration or other instrument, or any amendment thereto, affecting an Unsold Unit or such Unit's appurtenant Individual Limited Common Element that the Owner of such Unsold Unit requests, if required by this Declaration or the By-Laws or if in their sole and absolute discretion deemed appropriate by said attorneys-in-fact.

Section 17.2 Power of Substitution The power of substitution in the foregoing limited, durable power of attorney in Section 17.1 includes the full and unqualified authority of each attorney-in-fact to delegate any or all of the foregoing powers given or conferred upon such attorney-in-fact in Section 17.1 to any person or persons whom such attorney-in-fact shall select.

Section 17.3 Durability The limited power of attorney in Section 17.1 above shall be durable and not be affected by the subsequent disability or incompetence of the Principal.

Section 17.4 Unit Owner's Confirmatory Power of Attorney In confirmation of the foregoing limited, durable power of attorney in Section 17.1 above, each Unit Owner, upon acquiring or succeeding to title to a Unit and simultaneously with the recording of the deed or otherwise succeeding to title to a Unit, at such Owner's sole cost and expense, shall duly execute, acknowledge and record in the Register's Office, a Unit Owner's Power of Attorney in the form set forth as EXHIBIT E hereto.

Section 17.5 Limited Power of Attorney Unimpaired The failure of a Unit Owner to so execute and deliver such Unit Owner's Power of Attorney shall not affect:

(a) the validity or enforceability of the limited, durable power of attorney granted in Section 17.1 above;

(b) the authority of each attorney-in-fact listed in section 17.1, as agent and attorney-in-fact for such Unit Owner for the matters indicated in Section 17.1 above;

or

(c) the validity, force, effect or enforceability of the acts of the attorney-in-fact taken pursuant thereto as agent and attorney-in-fact of such Unit Owner.

ARTICLE 18

PRIORITY OF LIEN FOR COMMON CHARGES

Section 18.1 Liens of Prior Recorded First Mortgage The lien of a prior recorded first mortgage on a Unit shall be superior to the lien for Common Charges on that Unit; however, the lien of any other mortgage on a Unit (i.e., a mortgage which is not a prior

recorded first mortgage) shall be subordinate to the lien for Common Charges under the By-Laws and the Condominium Act.

Section 18.2 Liability for Unpaid Common Charges Subject to compliance with Section 18.1 above, a person who succeeds to title to a Unit on a sale or conveyance following a foreclosure of a first mortgage on such Unit or by deed given in lieu thereof, shall not be liable or responsible for the unpaid Common Charges or Special Assessments of the predecessor Owner of such Unit and upon the conveyance of the Unit to such successor Owner, the Unit shall not be subject to the lien in favor of the Condominium Board under the By-Laws and the Condominium Act for such unpaid Common Charges and Special Assessments owed by the predecessor Owner.

ARTICLE 19

TERMINATION OF CONDOMINIUM

Section 19.1 Condominium Termination Events The Condominium shall continue until the occurrence of any of the following events ("Condominium Termination Events"):

(a) a destruction or substantial damage of seventy-five percent (75%) or more of the Building and the failure of a majority or (if such majority is not permitted by, and would violate a mandatory requirement of, the Condominium Act) at least seventy-five percent (75%) of all Unit Owners (in number or aggregate Common Interests) to duly and promptly resolve, or to be deemed to have resolved under the By-Laws, to proceed with the repair or restoration;

(b) a taking by condemnation or eminent domain of the entire Property;

or

(c) a withdrawal of the Property from the Condominium Act authorized by Unit Owners owning at least eighty percent (80%) of the Units (both in number and aggregate Common Interests), in writing or by vote cast by written ballot at a meeting of Unit Owners at which a quorum is present, duly called for such purpose; provided, however, that a vote of a Unit Owner in favor of withdrawal shall not be effective or counted without the written consent of the holder of each "Registered Mortgage" (as defined in Section 16.14 of the By-Laws) on such Owner's Unit, if such Registered Mortgage so expressly provides.

Each of Sponsor and any other Owner of Unsold Units will not vote its interests appurtenant to any Unsold Units for such withdrawal unless at last eighty percent (80%) in number and in Common Interests of all other Unit Owners have voted in favor of such withdrawal, at which time each of Sponsor and any other Unsold Unit Owner may choose to vote either in favor of or against withdrawal from condominium ownership, as it sees fit.

Section 19.2 Partition Upon the occurrence of a Condominium Termination Event, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common. The net proceeds of sale resulting from such action for partition shall be divided among all of the Unit Owners pro rata to their respective Common Interests; provided, however, that no payment shall be made to a Unit Owner until there first has been paid off out of such Unit Owner's share of such net proceeds all liens on such Owner's Unit, in the order or priority of such liens.

ARTICLE 20

COOPERATION AND FURTHER ASSURANCES

Section 20.1 Covenant to Cooperate The Condominium Board (including the members and officers of the Board), each Unit Owner and all other persons (including tenants, subtenants and occupants of Units) who, or whose interests in the Property or a Unit, are subject to this Declaration (each of the foregoing, an "Interested Party"), shall fully cooperate with each other to effectuate the purposes and provisions of the Condominium Documents, including the maintenance, repair, alteration and operation of a Unit and/or the Commons Elements.

Section 20.2 Actions and Documents In furtherance of such cooperation, an Interested Party shall diligently take such actions and shall diligently and properly complete, sign, have notarized or acknowledged (if and as required) and deliver such documents (including government documents or litigation documents) as may be reasonably requested by another Interested Party (the latter, a "Requesting Party") in order to effectuate the purposes and provisions of the Condominium Documents and to realize the benefits intended to be conferred thereby.

Section 20.3 Rights and Obligations of Requesting Party The Requesting Party shall:

(a) pay or reimburse the Condominium Board for the reasonable costs and expenses of the Interested Party to perform a request made by Requesting Party under Section 20.2 above, other than those matters expressly stated elsewhere in this Declaration or the By-Laws to be performed by the Interested Party without fee, charge, cost or expense (such as in the case of a Requesting Party who is the Sponsor or an Unsold Unit Owner);

(b) pay the governmental fees and charges required in connection with a government document;

(c) have the exclusive right to select the attorney, make all decisions, conduct and control the litigation and all settlement and other negotiations in connection with the litigation which is the subject of a litigation document;

(d) pay all legal fees and disbursements (other than those of any separate attorney the Interested Party may retain for services not included in the following clause (e) hereof), court costs and other expenses of such litigation;

(e) pay the reasonable fees and disbursements of any architects, engineers, attorneys or other professionals or experts of the Interested Party to review a government document or litigation document, except where expressly stated elsewhere in this Declaration or the By-Laws that such document is to be executed without payment of costs and expenses (such as in the case of a Requesting Party who is the Sponsor or an Unsold Unit Owner);

and

(f) indemnify each and every Interested Party, its officers, Board Members, directors, members, partners, principals, employees and agents, from all claims and liabilities and expenses resulting from the execution of a government document or litigation document by the Interested Party or from any work performed by contractors or other workers engaged by the Requesting Party pursuant to a government document or from any action or inaction taken or omitted in accordance with these provisions, other than those costs and expenses (such as fees and disbursements of architects, engineers, attorneys or other professionals or experts) expressly stated elsewhere in this Declaration or the By-Laws to be paid by the Interested Party without reimbursement (such as in the case of Requesting Party who is the Sponsor or an Unsold Unit Owner).

Section 20.4 Giving Assurances Each Interested Party shall make and give such Assurances as may be reasonably requested by a Requesting Party to confirm or effectuate the provisions of the Condominium Documents or any transaction, action, right, power, privilege, exemption, easement, license, indemnity, remedy, benefit, requirement or other matter provided, authorized, permitted or contemplated in the Condominium Documents.

Section 20.5 Giving Instruments and Documents The making and giving of Assurances includes the requirement of the Interested Party to sign, have notarized or acknowledged (if and as applicable) and deliver to the Requesting Party, and the Requesting Party to receive, within ten (10) days after written request therefor is given, instruments or documents (in addition to those specifically provided in the Condominium Documents) prepared or provided by, and at the expense of, the Requesting Party in accordance with, and to the extent required in, Section 20.2 above.

Section 20.6 Limited Power of Attorney

20.6.1 Grant of Limited Power of Attorney With the intention to constitute a limited, durable power of attorney, an Interested Party who improperly refuses or fails to timely make or give an assurance, shall automatically have, and deemed to have, irrevocably authorized, appointed and designated the applicable Requesting Party to act as agent and attorney-in-fact, for valuable consideration, and with the power of substitution (as

defined and provided in subsection 20.6.2 below) of such Interested Party, in the name, place and stead of such Interested Party in any way which such Interested Party could do if personally present, with respect only to the matters involved in the making and giving of such assurance, to the full extent that such Interested Party is permitted by law to act through an agent.

20.6.2 Power of Substitution The power of substitution in the foregoing limited power of attorney in subsection 20.6.1 includes the full and unqualified authority of the attorney-in-fact to delegate this limited power of attorney to any person whom such attorney-in-fact shall select.

20.6.3 Durable This limited power of attorney shall be durable and shall not be affected by the disability or incompetence of the principal (that is, the applicable Interested Party) or any other person comprising the principal.

ARTICLE 21

COVENANTS TO RUN WITH THE LAND; COMPLIANCE WITH CONDOMINIUM ACT

Section 21.1 Covenants Run with Land All provisions of this Declaration, the By-Laws and the Rules and Regulations, as each may be duly amended from time to time, to the extent applicable and unless otherwise expressly herein or therein provided to the contrary, are, and shall construed:

(a) to be perpetual;

(b) to be covenants running with the Land and with every part thereof and interest and estate therein;

(c) to inure to, benefit and bind each Owner of all or any part thereof, or interest or estate therein, and such Owner's heirs, executors, administrators, legal representatives, successors and assigns;

and

(d) to not create any rights in, or for the benefit of, the general public.

Section 21.2 Binding Effect All present and future Owners and Permitted Tenants/Occupants/Invitees of Units shall be subject to, and shall comply with, the provisions of this Declaration, the By-Laws and the Rules and Regulations, as each may be duly amended from time to time.

Section 21.3 Acceptance, Adoption and Ratification The recording or the acceptance of a deed or conveyance or the succeeding to title, the entering into a lease, or the entering into occupancy of any Unit shall constitute, and be deemed conclusively to constitute, an irrevocable agreement that the provisions of this Declaration, the By-Laws and the Rules and Regulations, as each may be duly amended from time to time, are

accepted, adopted and ratified by the Owner and Permitted Tenants/ Occupants/Invitees of such Unit as covenants running with the Land and binding upon such Owner and Permitted Tenants/Occupants/Invitees and any other person having, at any time, any interest or estate in such Unit or a portion thereof, with the same force and effect as though such provisions were recited and stipulated at length in each and every deed, conveyance, lease or other document granting or establishing an interest or estate in such Unit.

Section 21.4 Invalid Provisions Severed If any provision of the Condominium Documents is invalid under, or would cause the Condominium Documents to be insufficient to submit the Property to, the provisions of the Condominium Act, or otherwise fails to comply with the Condominium Act, such provision shall be deemed deleted from the Condominium Documents for the purpose only of submitting the Property to the provisions of the Condominium Act or shall be deemed to be appropriately reformed so as to be in compliance in the Condominium Act. However, to the extent the validity of the Condominium under the Condominium Act is not adversely affected, such provision shall nevertheless be valid, enforceable and binding upon, and shall inure to the benefit of, the Owners of the Property or any portion thereof and their respective heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under other applicable law, to the extent permitted under such other applicable law, with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land.

Section 21.5 Deemed Inclusion of Necessary Provisions If any provision that is necessary to cause this Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from this Declaration or the By-Laws, then such provision shall be deemed included as a part of this Declaration or the By-Laws, as the case may be, for the purposes of submitting the Property to the provisions of the Condominium Act. Such deemed included provision shall also be regarded as part of the covenants running with Land as provided in this Article 21.

Section 21.6 Correction Declaration The Sponsor (while it owns any Unit) or the persons who shall from time to time constitute the Condominium Board, as agent and on behalf of all Unit Owners, shall each have a limited, durable power of attorney as provided in Section 17.1 above to record a correction Declaration to effectuate the provisions of Sections 21.4 and 21.5 above.

ARTICLE 22

AMENDMENTS TO DECLARATION

Section 22.1 Application to Declaration and By-Laws All references in this Article 22 to the "Declaration" shall mean and include the Declaration and/or By-Laws (whether or not the By-Laws are expressly indicated).

Section 22.2 Requirements Subject and subordinate to compliance with Section 22.4 below, the Condominium Board and following Unit Owners shall have the power to amend the Declaration subject to obtaining the approvals and/or consents (if and as indicated below), in the following cases (in addition to any other cases expressly provided elsewhere in this Declaration or the By-Laws):

(a) in the case of an amendment affecting only the Common Elements, the Common Expenses and/or the Common Charges: the amendment may be made by the Condominium Board if approved or consented to by at least two-thirds (2/3) of all Unit Owners (both in number and in aggregate Common Interests) subject to clause (b) below:

(b) in the case of an amendment affecting only one (1) or more Unsold Units or an Individual Limited Common Element (if any) appurtenant to an Unsold Unit, or a Unit Change of an Unsold Unit, including a description change involving an Unsold Unit to instead comprise a portion of the Common Elements or vice versa: the amendment may be made solely by the applicable Owner or Owners (including Sponsor) of such Unsold Units (and without the approval or consent of the Condominium Board or other Unit Owners);

(c) in the case of an amendment to reflect changes required by either an Institutional Lender holding, or having issued a written commitment for, a Unit mortgage, a governmental authority having jurisdiction over the Property or the Condominium, or a title insurer of a Unit: the amendment may be made by (i) Sponsor so long as Sponsor owns a Unit (and without the approval or consent of the Condominium Board or other Unit Owners) or (ii) the Condominium Board, subject to obtaining the approval or consent of Sponsor while Sponsor owns any Unsold Unit, but without the approval or consent of other Unit Owners;

(d) in the case of an amendment to reflect only the subdivision of a Unit and the proper apportionment of the Common Interest of the Unit being subdivided, or the combination of a Unit with all or part of one (1) or more other Units and the proper apportionment of the Common Interests of the Units involved in such Unit Combination: the amendment may be made by the Owner of the Unit being subdivided or by the Owner or Owners of the Units involved in the Unit Combination, as applicable (and without the approval or consent of other Unit Owners or the Condominium Board);

and

(e) in the case of an amendment affecting a Unit's appurtenant Common Interest, size or configuration: the Owner of the affected Unit must approve or consent to the amendment in writing.

Section 22.3 Intentionally Omitted.

Section 22.4 Restrictions The following restrictions apply to each and every amendment to this Declaration. A provision of an amendment which violates or is inconsistent with or

fails to comply with any of these restrictions shall be invalid, null and void, and without any force or effect:

(a) the applicable mortgage holder must approve or consent in writing to an amendment that would adversely affect the priority or validity of the lien of a purchase money mortgage or a mortgage held by an Institutional Lender on the Unit.

(b) Sponsor or an Unsold Unit Owner, as applicable, must approve or consent in writing to an amendment that would:

(i) unreasonably interfere with a potential or proposed sale, lease, mortgage or other disposition of a Unit owned by such Owner;

(ii) abridge, modify, suspend, eliminate or otherwise affect any right, power, easement, license, privilege, indemnity, exemption, remedy or other benefit of such Owner;

(iii) impose any discriminatory charge, fee or other imposition against or on such Owner; or

(iv) change or restrict the permitted use or occupancy of a Unit owned by such Owner.

Section 22.5 Acknowledgment and Recording Each amendment to this Declaration or the By-Laws must be signed and acknowledged in accordance with the legal requirements for recording a Unit deed, and shall not be effective, binding or enforceable until recorded in the Register's Office.

Section 22.6 Signatories In the case of an amendment to the Declaration or By-Laws by:

(a) the Condominium Board, the amendment shall be signed and acknowledged in recordable form by any of the President or the Vice President and by any of the Secretary or Assistant Secretary of the Condominium and (if applicable) shall include a certification by the Secretary or Assistant Secretary that the required percentage of Unit Owners have approved or consented to the amendment;

or

(b) Sponsor or an Unsold Unit Owner or an Authorized First Sold Unit Owner, the amendment shall be signed and acknowledged in recordable form by only:

(i) the applicable party recording such amendment or (in the case of a corporation, partnership, limited liability partnership or company, trust, estate or other entity) an officer, partner, member, trustee, executor, administrator or other appropriate person authorized by, or having authority to act in behalf of, such party;

and

(ii) (in the case only of an Authorized First Sold Unit Owner) shall include a certification by the Secretary or Assistant Secretary of the Condominium Board that the approval of the amendment by the Condominium Board or other Unit Owners is not required.

Section 22.7 Floor Plans The party authorized to sign, acknowledge and record an amendment to this Declaration in Section 22.6 above is also authorized to cause to be properly certified and filed and/or recorded with the tax assessor (and other governmental authority having jurisdiction) and said Register's Office an appropriate amendment to the Floor Plans whenever required in connection with such amendment to this Declaration (such as in the case of an amendment to this Declaration to reflect a Unit Subdivision or Unit Combination).

Section 22.8 Limited Power of Attorney With the intention to constitute a limited, durable power of attorney:

(a) Sponsor (as the initial Owner of all Units) does hereby irrevocably authorize, appoint and designate;

and

(b) all successive Owners of each and every Unit, by accepting or recording a deed to a Unit or otherwise succeeding to title to a Unit (whether by operation of law, transfer, merger consolidation, liquidation, dissolution or otherwise) shall thereupon automatically have, and be deemed to have, irrevocably authorized, appointed and designated,

each of the respective persons (individually, attorney-in-fact) listed in Section 22.6 above, severally, as agent and attorney-in-fact, for valuable consideration, and with full power of substitution, of Sponsor and each such successive Unit Owner (either, "Principal"), as applicable, to act on behalf and as agent of Principal and in the name, place and stead of the Principal in any way which the Principal could do if personally present, to the full extent that the Principal is permitted by law to act through an agent, with respect only to the execution, acknowledgment and recording and/or filing by said appropriate attorney-in-fact of said amendments to this Declaration and (when applicable) amendments to the Floor Plans in accordance with this Article 22.

This limited power of attorney shall be durable and shall not be revoked in the event of the disability or incompetence of the Principal (that is, Sponsor or a successor Unit Owner).

Section 22.9 Filing of Conformed Copy with Secretary A conformed copy of the amendment to this Declaration and (if applicable) the amendment to the Floor Plans shall be filed promptly with the Secretary or Assistant Secretary of the Condominium or the Condominium's Managing Agent by the applicable party recording the amendment and shall be made available by the Condominium Board at the Property or the office of the

Managing Agent for inspection (without charge) and copying (at a reasonable charge) by all: Unit Owners; Unit mortgage lenders; tenants of Units who are so expressly authorized in writing by the respective Owners of such Units; prospective purchasers, mortgage lenders and tenants of Units who are so expressly authorized in writing by the Owners of such Units; and representatives of each of the foregoing who are so expressly authorized in writing by same.

Section 22.10 Filing with Secretary of State With reasonable promptness following the recording of an amendment to this Declaration, such amendment shall be filed with the Department of State of the State of New York, if and as required by the Condominium Act (including Section 339-s thereof) and the rules, regulations or requirements of the said Department of State. Such filing with the Department of State shall be the duty of the Condominium Board, at the sole cost and expense of the applicable party recording amendment, except that if the applicable party is the Sponsor or an Unsold Unit Owner, then such applicable party shall have the duty to so file the amendment.

ARTICLE 23

CONSENT OF SPONSOR

Section 23.1 Consent of Sponsor Any provision of the Condominium Documents, the Plan or Plan amendments which requires the consent, approval, satisfaction or permission of Sponsor shall continue unabated so long as Sponsor owns a Unit.

Section 23.2 Consent of Unsold Unit Owner In the event Sponsor no longer owns any Unit, the then existing Unsold Unit Owner(s) (if any), shall succeed to Sponsor's Rights hereunder and under the Plan and a Plan amendment and the consent of such Unsold Unit Owner(s) shall be required in place and stead of Sponsor.

Section 23.3 Supremacy of Sponsor In the event Units are owned separately by Sponsor and an Unsold Unit Owner at the same time, then the consent of Sponsor shall be sufficient for all Unsold Units whenever the consent of Sponsor is required under the Condominium Documents, except the consent of the applicable Unsold Unit Owner will be required if the required consent will affect only such Owner's Unsold Unit(s) and in no way will Sponsor's Unsold Units be affected by the giving or withholding of the required consent.

Section 23.4 Expiration From and after the date there are no longer any Sponsor Units or Unsold Units, the consent of Sponsor or an Unsold Unit Owner shall not be required.

ARTICLE 24

SERVICE OF PROCESS

Section 24.1 Designation of Secretary of State The Secretary of State is hereby appointed the agent of the Condominium Board upon whom process against it or the Condominium may be served. Service of process on the Secretary of State as agent of the Condominium Board shall be made by personally delivering to, and leaving with, the Secretary of State or his or her deputy, or with any person authorized by the Secretary of State to receive such service, at the office of the New York State Department of State in Albany, New York, duplicate copies of such process together with the statutory fee, which shall be a taxable disbursement. Service of process on the Condominium Board shall be complete when the Secretary of State is so served. Nothing in this Section 24.1 shall affect the right of any person to serve process against the Condominium Board in any other manner permitted by law.

Section 24.2 Person and Address to Whom Process is To Be Sent Jason D. Carter, having a post office address, c/o Carter Management Corp., 750 Lexington Avenue, Suite 600, New York, New York 10022 is hereby designated as the person and address to which the Secretary of State shall mail a copy of any such process served upon the Secretary of State with respect to any lawsuit against the Condominium or the Condominium Board. Each change in the name and/or post office address of the person to whom a copy of such service of process is to be mailed by the Secretary of State shall be appropriately updated with reasonable promptness by filing such updated information with the Secretary of State in a form then acceptable to the Secretary of State.

ARTICLE 25

INCORPORATION IN DECLARATION

Section 25.1 Incorporation of Exhibits and Floor Plans Each of the EXHIBITS attached to this Declaration and the Floor Plans of the Building and Units intended to be recorded and filed in the Register's Office contemporaneously with the recording of this Declaration forms a part of, and is hereby incorporated in, this Declaration with the same force and effect as though set forth at length herein.

Section 25.2 Offering Plan The Plan for the Property filed by the Department of Law of the State of New York and all amendments thereto filed by such Department of Law prior to the "First Closing" (as defined in the Plan) are hereby incorporated herein. In the event of any conflict or inconsistency between the provisions of (a) the Plan and said amendments and (b) this Declaration or the By-Laws (including the Rules and Regulations annexed thereto), the provisions of the Plan and amendments are paramount and shall govern and prevail.

ARTICLE 26

CHANGES AND WAIVER

Section 26.1 Changes The provisions of this Declaration (other than the Rules and Regulations appended to the By-Laws) may be changed only by amendment made, executed, filed and/or recorded in accordance with Article 22 above.

Section 26.2 No Waiver of Consent The provisions of this Declaration requiring the consent of a specified percentage of Unit Owners or required by the Condominium Act may not be waived.

Section 26.3 Waiver in Writing All other provisions may be waived only in writing signed by or in behalf (through a duly authorized representative or agent) of the Unit Owner or Condominium Board (as applicable) waiving a provision hereof.

Section 26.4 No Inference of Waiver The delay or failure to enforce or insist on strict performance of, or compliance with, any provision of this Declaration shall not mean or infer that the provision has been waived or that the right to enforce or insist then or thereafter on strict performance of, or compliance with, that or any other provision of this Declaration has been waived. A waiver of any breach or violation or requirement of this Declaration shall not be, or construed to be, a waiver of any subsequent or other breach or violation or requirement hereof.

ARTICLE 27

SEVERABILITY

Section 27.1 Valid and Enforceable Subject to the provisions of Sections 21.4 and 21.5 above: (a) the invalidity or unenforceability of any provision of this Declaration shall not affect the validity or enforceability of any other provision hereof and (b) each provision of this Declaration is, and shall be construed to be, valid, binding and enforceable to the fullest extent permitted by law.

Section 27.2 Condominium Act is Paramount The Condominium Act is paramount and shall govern and supersede any provision of the Condominium Documents which is contrary to, or prohibited by, the Condominium Act.

ARTICLE 28

SPONSOR'S RIGHTS

Section 28.1 Who May Exercise The Sponsor's Rights (i.e., the special rights, powers, privileges, exemptions, easements, licenses, indemnities, remedies, protections and other benefits of Sponsor and Unsold Unit Owners) in the Plan, any Plan amendment or the

Condominium Documents (as each of the latter may be duly amended from time to time), and the duties, limitations, restrictions and requirements thereunder in connection with such Sponsor's Rights or otherwise applicable to each, shall inure to, benefit, bind and be enforceable by and against: (a) Sponsor; (b) Unsold Unit Owners; (c) a person ("Designee") who is designated by Sponsor or an Unsold Unit Owner in a deed, an amendment to this Declaration or an instrument executed and acknowledged in recordable form by Sponsor or an Unsold Unit Owner (as applicable) as having one (1) more specified Sponsor's Rights; (d) a person who is likewise so designated by a Designee; (e) an "Involuntary Transferee" of Sponsor or an Unsold Unit Owner or a Designee (as applicable) by sale or conveyance following a mortgage foreclosure or a deed given in lieu thereof or similar involuntary conveyance of a Unit owned by Sponsor, an Unsold Unit Owner or a Designee (as applicable); and (f) a "successor in interest" to any of the foregoing by operation of law (e.g., by laws of descent, distribution, inheritance, merger, consolidation, liquidation or dissolution). Sponsor, an Unsold Unit Owner, a Designee, an Involuntary Transferee and a successor in interest of each of the foregoing shall continue to have, and may exercise, such Sponsor's Rights so long as each of the foregoing owns, leases or holds any other estate or interest in a Unit. The only Sponsor's Rights that shall inure to, benefit and be enforceable by a Designee or an Involuntary Transferee, or a successor in interest of same, shall be limited to those expressly provided in the instrument granting or giving such Sponsor's Rights.

Section 28.2 Other Unit Owners The Owner of a Unit who is not the Sponsor, an Unsold Unit Owner, a Designee, an Involuntary Transferee or a successor in interest of any of the foregoing, shall not have, or benefit from, and may not exercise or enforce, any of such Sponsor's Rights under this Declaration or the By-Laws, unless otherwise expressly provided.

Section 28.3 Covenants with Land Supplemented This Article 28 is in furtherance of, supplements and supersedes any inconsistencies in Section 21.1 above.

ARTICLE 29

INDEMNIFICATION

Section 29.1 Indemnification Generally Whenever a person ("Indemnifying Party") is required under any provision of this Declaration or the By-Laws to indemnify or give any other person(s) ("Indemnified Party") an indemnification, then such Indemnifying Party shall indemnify the Indemnified Party and all past, present and future directors, officers and shareholders, or partners, or managers, or members (as applicable) and all other principals, agents and employees of such Indemnified Party (collectively, the "Indemnified Parties"), to the full extent lawful, from and against all claims and liabilities and expenses (including costs and expenses in connection therewith and in connection with the prosecution of the indemnification) (collectively, "claims"), which shall be paid or incurred, related to or arising from the indemnified matter. Any such indemnification shall be in addition to any liability which such Indemnifying Party may otherwise have.

Section 29.2 Contribution If indemnification were for any reason not to be available with respect to any matter, the Indemnifying Party shall contribute to the settlement of the claims and liabilities and expenses in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party, on the one hand, and the Indemnified Parties, on the other hand, as well as any other relevant equitable considerations.

Section 29.3 Application The provisions of this Article shall be applicable to any indemnity given or required to be given under the provisions of this Declaration or the By-Laws, whether or not expressly so stated in any particular provision giving or requiring such indemnity. Nothing contained in this Article shall be deemed to supersede or circumscribe any express limitation on or express expansion of any indemnity given or required to be given under the provisions of this Declaration or the By-Laws.

Section 29.4 Notice of Claims or Lawsuit Promptly after receipt by the Indemnified Party of notice of any claims or the commencement of any lawsuit covered by the indemnity pursuant to any of the provisions of this Declaration or the By-Laws, the Indemnified Party shall notify the Indemnifying Party in writing of such claims or the commencement of such lawsuit.

Section 29.5 Selection of Attorneys and Settlement The Indemnifying Party, at such party's sole cost or expense, shall defend the applicable Indemnified Party with counsel reasonably satisfactory to such Indemnified Party, shall keep the Indemnified Party apprised of all legal proceedings and shall be entitled to control and conduct the defense of such claims or lawsuit, but shall not enter into any compromise or settlement thereof without the Indemnified Party's prior written consent, which shall not be unreasonably withheld.

Section 29.6 Cooperation of Indemnified Party The Indemnified Party shall cooperate fully and make available to the Indemnifying Party such information and documents under the control or in the possession of the Indemnified Party as are reasonably related to the defense of the claims or lawsuit.

Section 29.7 Participation of Indemnified Party The Indemnified Party shall have the right, but not the obligation, at such Indemnified Party's sole cost and expense, to participate and be represented by separate counsel (chosen by the Indemnified Party) in the defense, compromise and settlement of the claims or lawsuit.

Section 29.8 Allocation of Liabilities and Expenses If the Indemnifying Party is the Condominium Board, then the liabilities and expenses of the Condominium Board in connection with an indemnification shall be part of Common Expenses payable by all Unit Owners pro rata to their respective Common Interests.

ARTICLE 30

MISCELLANEOUS: USAGES AND GRAMMAR

Section 30.1 Table of Contents and Captions The Table of Contents and captions in this Declaration are for convenience and reference only and do not, and shall not be construed to, affect the meaning or interpretation of any provision of this Declaration.

Section 30.2 References The words "Article", "Section", "provision", "paragraph", "clause" or similar words refer to an Article, section, provision, paragraph and clause of this Declaration, unless otherwise expressly stated. Similarly, the words "hereof", "herein", "above", "below" and similar terms mean this Declaration.

Section 30.3 Grammar Any word or term in this Declaration or any of the EXHIBITS to this Declaration that is: used in the singular, shall include the plural and vice versa; or used in any gender shall include any other gender; or used in any tense (past, present or future), shall include any other tense, whenever required by the sense of this Declaration and not contrary to the express context.

IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed as of the _____ day of _____, 2000.

102-106 WOOSTER LLC

By:

Signature:_____

Name: Jason D. Carter

Title: Managing Member

ACKNOWLEDGMENT

STATE OF NEW YORK)
) s.s.:
COUNTY OF _____)

On this _____ day of _____, 2000, before me, the undersigned, a notary public in and for said state, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me

that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____

Notary Public

EXHIBIT A
TO
DECLARATION OF CONDOMINIUM
ESTABLISHING
104 WOOSTER STREET CONDOMINIUM

DESCRIPTION OF LAND

ALL THAT CERTAIN PLOT, PIECE, OR PARCEL OF LAND, SITUATE, LYING, AND BEING IN THE BOROUGH AND COUNTY OF NEW YORK, CITY AND STATE OF NEW YORK BOUNDED AND DESCRIBED AS FOLLOWS TO WIT:

BEGINNING at a point on the easterly side of Wooster Street, distant 125 feet 3 inches northerly from the corner formed by the intersection of the northerly side of Spring Street and the easterly side of Wooster Street;

RUNNING THENCE Northerly along the easterly side of Wooster Street 74 feet 11½ inches to a point;

THENCE Easterly along a line which forms an interior angle of 89 degrees 39 minutes 00 seconds with the last mentioned course, 100 feet 1 inch to a point;

THENCE Southerly along a line which forms an interior angle of 90 degrees 21 minutes 00 seconds with the last mentioned course, 74 feet 10¼ inches;

THENCE Westerly along a line which forms an interior angle of 89 degrees 42 minutes 30 seconds with the last mentioned course, 100 feet 1 inch to the easterly side of Wooster Street, the point or place of **BEGINNING**;

EXHIBIT B
TO
DECLARATION OF CONDOMINIUM
ESTABLISHING
104 WOOSTER STREET CONDOMINIUM

DESCRIPTION OF UNITS

Unit Designation	Tax Lot Number	Location (in Portion of Building Facing in the Direction Set Forth Below)	Approximate Floor Area in Square Feet (1)		Unit Total (2)	Approximate Unit Height in Feet/Inches (3)	Common Elements to Which Unit Has Immediate Access	Percentage of Common Interest (4)
			Unit	Terrace				
Residential								
2N		N, E, W	3,093	–	3,093	13' 0"	FF, TC, S, E, H	8.14%
2S		S, E, W	3,167	–	3,167	13' 0"	FF, TC, S, E, H	8.34
3N		N, E, W	3,093	–	3,093	12" 2"	FF, TC, S, E, H	8.14
3S		S, E, W	3,167	–	3,167	12' 2"	FF, TC, S, E, H	8.34
4N		N, E, W	3,051	–	3,051	11' 4"	FF, TC, S, E, H	8.03
4S		S, E, W	3,142	–	3,142	11' 4"	FF, TC, S, E, H	8.00
5N		N, E, W	4,074	1,128	5,202	11' 8"	FF, TC, S, E, H	14.70
5S		S, E, W	4,183	1,135	5,318	11' 8"	FF, TC, S, E, H	14.90
		TOTAL	26,970	2,263	29,233			78.59%
Commercial								
A		SE, SW	6,000	-	6,000		E, H	11.02%
B		NW	2,800	-	2,800		E, H	7.10
C		NE	5,000	-	5,000		E, H	3.29
		TOTAL	13,800		13,800		TOTAL	21.41%
		GRAND TOTAL	40,770		43,033		GRAND TOTAL	100.00%

FOOTNOTES ARE ON NEXT PAGE.
END OF TEXT ON THIS PAGE.

Key
- N – North
- S – South
- E – East
- W – West
- FF – Fireplace Flue
- TC – Trash Chute
- S – Stairwell
- E – Elevator
- H – Hallway

FOOTNOTES TO EXHIBIT B

DESCRIPTION OF UNITS

1. Floor Area of Unit

1.1 Unit Boundaries. The approximate floor area of each Unit has been measured from a line extending from the furthest or deepest points of the walls (exposed and concealed) enclosing the Unit, to include:

(a) the outside face perimeter brick masonry walls;

(b) the unexposed Unit side of walls enclosing the stair and elevator,

(c) the demising wall centerline,

(d) the columns,

(e) the centerline of windowed walls and,

(f) Common Elements (such as trash chutes and Building service zones which are divided between the two on Units each floor)

The square footages are approximations within a tolerance of about 5%.

1.2 Inclusion of Areas Occupied by Common Elements. The floor area occupied by any Common Elements bordering or within a Unit (such as the Building's exterior walls, vents, chase walls or areas, conduits, ducts, shafts or pipes) have been included in the computation of the floor area of the Unit, but such Common Elements are not part of the Unit.

2. Unit Total. The terrace appurtenant to a Unit is part of such Unit and the full floor area of such terrace is included in the total square footage of such Unit.

3. Unit Height. The approximate height of each Unit has been measured from the top of the wooden plank subfloor (or other construction material) to the underside of the wooden plank subfloor (or other construction material) enclosing the Unit.

4. Common Interest The Common Interest of each Unit is based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit, in accordance with Section 339-i(1)(iv) of the Condominium Act.

EXHIBIT C
TO
DECLARATION OF CONDOMINIUM
ESTABLISHING
104 WOOSTER STREET CONDOMINIUM

GLOSSARY

The meanings stated for the words within quotation marks in this EXHIBIT C or elsewhere in the Declaration or By-Laws apply wherever these words appear in such Condominium Documents. Unless the context otherwise requires, words used in the singular include the plural, and vice versa, and a reference to any one gender (masculine, feminine or neuter) includes the other two.

"agents, employees and contractors": This term also includes subcontractors and the employees and workers of agents, contractors and subcontractors.

"alter", "alters", "alterations" and other derivations thereof: All alterations, additions, improvements, installations, demolitions, removals or replacements, whether structural or non-structural, or extraordinary or ordinary.

"amend", "amended", "amendment" and variations thereof: An amendment to any of the Condominium Documents, including any modification, addition, deletion, repeal or other change to a provision thereof.

"Artist": A person who, (a) as defined in section 276 of the MDL, is regularly engaged in the fine arts, such as painting and sculpture, or in the performing or creative arts, including choreography and film making, or in the composition of music on a professional basis, and is so certified by the DCA and/or SCA, pursuant to Chapter 1 of Title 58 of the Rules of the City of New York (the "DCA Rules"), as qualified to occupy joint living-work quarters for artists or (b) is otherwise qualified to occupy joint living-work quarters for artists pursuant to the MDL and the DCA, as they may be amended from time to time, or pursuant to any other applicable laws, rules and regulations.

"Board": The Board of Managers of the Condominium

"Board Member". A member or members of the Condominium Board, including one or more Sponsor Board Members and/or Independent Board Members.

"Budget": The Budget of Projected Receipts and Expenses of Operations of the Condominium for a Budget Year adopted and determined by the Condominium Board.

"Budget Year": A Budget for the 12-month period (fiscal or calendar) determined and adopted by the Board Members.

"Building": The building to be known as 104 Wooster Street Condominium and by the street address of 104 Wooster Street, New York, New York.

"**business day**": Any day of the year that is not a Saturday, Sunday or a legal holiday of the State of New York or United States government.

"**business hours**": Between the hours of 9:00 a.m. and 5:30 p.m.

"**By-Laws**": The By-Laws of the Condominium set forth as EXHIBIT D to the Declaration, as such By-Laws or a provision thereof may be Amended from time to time in accordance with its provisions. The By-Laws provide for (among other matters) the administration and governance of the Condominium, the operation and uses of the Property and Units and the rights and obligations of the Condominium Board and the Unit Owners.

"**category of Units**" or similar words: All Residential Units are one (1) category of Units and all Commercial Units are another category of Unit.

"**category of Unit Owners**" or similar words: The Owner(s) of a category of Units or the Owners of categories of Units.

"**claim**": Each or every kind whatsoever of claim, right, cause for a lawsuit and lawsuit.

"**Commercial Limited Common Elements**": Those Common Elements that are limited or restricted completely or primarily to the exclusive or substantially exclusive use, service or benefit of two or more Commercial Units or their Owners and include all installations in such areas or elsewhere which enclose, service or benefit only two or more Commercial Units or their Owners and are not expressly stated to be part of a Unit. However, such exclusive or substantially exclusive use is subject and subordinate to: (a) compliance with the Condominium Documents; (b) the right of the Condominium Board to establish and amend from time to time Rules and Regulations governing the use thereof by the Owners and Permitted Tenants/Occupants/Invitees of the Commercial Units; and (c) certain restrictions, as well as certain rights and easements reserved and granted to the Condominium Board, Sponsor and other persons, all as and to the extent set forth in the Plan, the Condominium Documents and the Condominium Act.

"**Commercial Unit**": The portion of the commercial space in the Building described as such in EXHIBIT B to the Declaration, and comprising three (3) Commercial Units, together with the Common Interest of each such Unit. A Commercial Unit includes all equipment, facilities and installations (if any) that are for the exclusive use, service or benefit of such Unit or its Owner and are not expressly stated to be part of the Common Elements or another Unit.

"**Commercial Unit Owner**": The Owner of a Commercial Unit.

"**Common Charges**". The amount or amounts assessed or levied from time to time by the Condominium Board against all Unit Owners (Residential and Commercial) to pay the Common Expenses and include real estate taxes assessed to the Building by the taxing authority until each of the Units is separately assessed and billed for real estate taxes. The Common Charges shall be assessed and levied against each Unit pro rata

to its Common Interest, which has been determined, in part, on the amount of the Common Expenses that is fairly and properly attributable to each category of Units, giving consideration to the availability of the Common Elements for exclusive or shared use and the Building services and facilities to be provided to, and used by, each category of Units. The Common Charges include the regular monthly payments (or such other periodic payments as the Board shall determine from time to time) and Special Assessments, if any.

"Common Elements": All of the following: (a) the Land (other than the portions thereof occupied by the Units, which are included in, and part of, the Units) and all spaces or areas of the Property, and the Installations in, on, above, under or adjacent thereto, which service or benefit one (1) or more Units and are not expressly stated to be part of a Unit; (b) all other portions of the Property necessary or convenient to its existence, maintenance and safety, or normally in common use, and not expressly stated to be part of a Unit; (c) and all assets and interests owned, leased or held from time to time by the Condominium Board on behalf of Unit Owners, whether real or personal property, chattel real, intangibles or otherwise. All Unit Owners own, in common, an undivided interest in the Common Elements. The Common Elements consist of the General Common Elements, the Residential Limited Common Elements, the Commercial Limited Common Elements and the Individual Limited Common Elements, if any.

"Common Expenses": One (1) or more of the costs and expenses (including loan payments, inclusive of interest and principal) to own, hold, use, operate, lease, license, mortgage, pledge, sell, promote, manage, administer, clean, maintain, repair, alter or make any disposition of the Common Elements (including any Unit owned, leased, held or operated at the time by the Condominium Board as agent and on behalf of Unit Owners). The Common Expenses shall be charged to, and payable by, all Unit Owners pro rata to their respective Common Interest, which has been determined, in part, on the amount of the Common Expenses fairly and properly to each category of Units, giving consideration to the availability of the Common Elements for exclusive or shared use and the Building services and facilities to be provided to, and used by, each category of Units.

"Common Interests": The undivided percentage interest of each Unit or the undivided percentage interests of two or more Units in the Common Elements.

"Common Profits": The excess of (a) all receipts of rents, profits and revenues from the Common Elements, and the Operation and governance of the Condominium by the Board, over (b) the Common Expenses.

"Condominium": The condominium, which is the subject of the Declaration, known as 104 Wooster Street Condominium, and is being established on the Property by the filing and recording of the Condominium Documents. The term refers to the unincorporated association of Unit Owners, or the Property as a whole or the Common Elements, as may be required, indicated or inferred by the context.

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

"Condominium Board" or "Board": The Board of Managers of the Condominium, which is the body that governs the affairs of the Condominium and the operation of the Common Elements. The Condominium Board comprises the Independent Board Members and the Sponsor Board Members.

"Condominium Documents": The Declaration, including the Exhibits thereto (such as the By-Laws and Rules and Regulations), and the Floor Plans of the Condominium, as each may be amended from time to time.

"cost and expense": Each or every kind whatsoever of: costs, expenses and amounts (including reasonable legal fees and disbursements, court costs and all other litigation expenses) paid, payable or incurred in connection with any liabilities and expenses or to perform, observe, enforce, uphold, protect, defend, maintain and collect sums payable under a right, remedy, obligation, requirement, agreement or indemnity given in or pursuant to the Condominium Documents or an amendment thereto.

"Declarant": 102-106 Wooster LLC, a New York limited liability company, having an office at c/o Carter Management Corp., 750 Lexington Avenue, Suite 600, New York, New York 10022.

"Declaration": The instrument establishing the Condominium, entitled "Declaration of Condominium Establishing 104 Wooster Street Condominium", executed by Declarant (Sponsor) and recorded in the Register's Office.

"disposition": To own, hold, use, lease, sublease, rent, grant easements or concessions, license, mortgage, grant security interests, collateralize, assign, transfer, sell, convey, market, advertise, promote, offer, manage, administer, clean, operate (including maintain, repair and alter), combine, subdivide, expand, contract or make any other disposition of assets or interests (whether real or personal property, chattel real, intangible or otherwise) allowed by law, whether or not similar to the foregoing (but not to cast the votes appurtenant to any Unit owned by the Condominium Board).

"duty": Each or every kind whatsoever of duty, obligation, burden, responsibility, requirement and service.

"elect", "elected", "election" and similar words and derivations: In the case of the election of the Condominium Board: (a) the Independent Board Members shall be elected by nomination and voting by all Sold and Unsold Unit Owners (Residential and Commercial) and (b) each Sponsor Board Member shall be elected by appointment and designation in writing exclusively by Sponsor (or, after Sponsor no longer owns any Unsold Unit, other Unsold Unit Owners, if any), as provided in the By-Laws.

"entity": A partnership, limited liability partnership or company, corporation, trust, estate, fiduciary, unincorporated association, syndicate, joint venture, organization, government, embassy, consulate, governmental authority or any other entity legally competent to own real property.

"Existing Lease": Each and every lease demising space in the Building in effect on the date the Declaration is recorded in the Register's Office, excluding any amendments or extensions thereto thereafter made, so long as each and every such lease remains in effect.

"Existing Tenant": A tenant under an Existing Lease.

"facilities": All fixtures and personal property not otherwise comprising the equipment, now or hereafter existing in, on or under the Land or Building and for the use, service or benefit of one (1) or more Units or Unit Owner(s) or forming a part of the Common Elements, or necessary or desirable for the existence, maintenance, health or safety of the Property or any portion thereof or the Owners or occupants of one (1) or more Units.

"families", "family," "family member", "immediate family" or similar words: A spouse, child (whether by blood, marriage or adoption), parent (including a step-parent or parent-in-law), grandparent and sibling.

"First Closing": The first Residential Unit conveyed to a bona fide Purchaser under the Plan.

"Floor Plans": The floor plans of the Building (showing, among other things, the layout, location and approximate dimensions of the Units as built), certified by Li/Saltzman Architects, and filed with the Real Property Assessment Department for the Borough and County of New York, in the City and State of New York and in the Register's Office contemporaneously with the recording of the Declaration.

"force majeure": Acts of nature (such as flood or other severe or unusually inclement weather), explosion, fire, strikes, work stoppage or slowdown, unavailability of materials supplies, war, emergencies, national defense preemptions, governmental restrictions or actions, injunctions or court orders, or other similar causes beyond control of a person in question and not attributable to the improper or bad faith acts or omissions of such person.

"freely and without consent, payment or restriction": This term means and includes, unless otherwise expressly provided: (a) without consent or approval of the Condominium Board or other Unit Owners or mortgagees of Units; (b) without paying any kind of fee, rental, charge, imposition or other sum to the Condominium Board or Unit Owners; and (c) without complying with any kind of work rule, restriction, requirement or limitation.

"GBL": Article 23-A of the General Business Law of the State of New York.

"General Common Elements": The portions of the Common Elements to be used in common by all Unit Owners. However, such common use is subject and subordinate to: (a) compliance with the Condominium Documents, (b) the right of the Condominium Board to establish and amend from time to time Rules and Regulations governing the use thereof by the applicable Owners and Permitted Tenants/Occupants/Invitees of Units; and (c) certain restrictions, as well as certain rights and easements reserved and

granted to the Condominium Board, Sponsor and other persons, all as and to the extent set forth in the Plan, the Condominium Documents and the Condominium Act.

"**governmental authority**": Each or every authority, agency, department, assessor, board, body, court or other instrumentality of a federal, state, county, municipal, village, local, foreign, international, regional, domestic or other governmental or quasi-governmental authority having jurisdiction.

"**government document**": Each or every kind of notice, report, registration, application, petition, declaration, easement, license form, item, paper or other document to be filed with, or given or submitted to, a governmental authority, including any government document is required to be signed by the Condominium Board on behalf and as agent of the Unit Owners in connection with any permit, approval, consent, waiver, exemption, variance or license, building notice, alteration, application or other form of legally required permission to or from a governmental authority (including a permit that is necessary to perform work on any part of the Property), including: (a) a notice, report, registration or other information to be filed with a governmental authority relative to a Unit, or an Owner, tenant or occupant of such Unit; (b) any proposed Unit Change to a Unit in accordance with the Declaration; (c) an application, petition or other document required for a zoning variance or an alteration permit or an amended or new Certificate of Occupancy for the Building related to such Unit Change of a Unit or an obligation undertaken in the Plan, a Plan amendment or a Purchase Agreement for an Unsold Residential and/or Storage Unit; (d) any Signs permitted to be installed, altered or replaced pursuant to the Declaration or the By-Laws; or (e) an application, petition or other document required to increase the rent of an Unsold Residential Unit or to obtain a real estate tax or other tax exemption, abatement or benefit for a Unit.

"**include**", "**includes**", **including**", "**such as**", "**for example**" and similar words and derivations: Wherever these words precede a list of one or more items, the list is not be limited to the item(s) mentioned and shall always be construed as though followed by the words "but not limited to".

"**indemnify**": Whenever this term is used, it shall include to defend and hold harmless.

"**Independent Board Member**": The member or members of the Condominium Board who have no family, employment or business relationship or affiliation with Sponsor or an Unsold Unit Owner or (a) related party to Sponsor or an Unsold Unit Owner. Generally, the Independent Board Members are the Owners, Occupants or tenants of Sold Residential or Commercial Units or their respective family members or Related Parties.

"**individual**": A natural person.

"**Individual Limited Common Elements**": The portion or portions of the Common Elements (if any) limited or restricted completely or primarily to the use of one (1) specified Unit Owner to the exclusion or substantial exclusion of all other Unit Owners, or an area or space forming a part of the Common Elements which is physically

incorporated in, or reserved for the exclusive or substantially exclusive use of: (a) an Unsold Residential or Commercial Unit; or (b) a Unit whose Owner has been given such exclusive or substantially exclusive use by Sponsor or an Unsold Residential or Commercial Unit Owner; or (c) a Sold Residential or Commercial Unit in connection with a permitted Unit Change as provided in the Declaration or By-Laws. However, such exclusive use is subject and subordinate to: (a) compliance with the Condominium Documents; (b) the right of the Condominium Board to establish and amend from time to time Rules and Regulations governing the use thereof by the Owner and Permitted Tenants/Occupants/Invitees of such Unit; and (c) certain rights and easements reserved and granted to the Condominium Board, Sponsor and other persons, all as and to the extent set forth in the Plan, the Condominium Documents and the Condominium Act.

"Initial Control Period": The period ending on the earlier of: (i) when the Unsold Units (Residential and Commercial) constitute less than twenty-five percent (25%) in number and aggregate Common Interests of all Units; or (ii) the fifth (5th) anniversary of the First Closing of a Residential Unit.

"installation": A portion or portions of the equipment, facilities, structures, systems and materials now or hereafter existing in, on or under the Land or Building and intended for the use, service or benefit of one (1) or more Units or Unit Owner(s) or forming a part of the Common Elements, or necessary or desirable for the use and enjoyment of the Property or any portion thereof or the Owners or occupants of one (1) or more Units.

"Institutional Lender": A savings bank; savings and loan association; bank or trust company; credit union; insurance company; real estate investment trust; mortgage trust; or a federal, state, municipal, union or other employee, welfare, pension or retirement fund or system.

"Institutional Mortgage": Any mortgage covering one or more Units that is a Permitted Mortgage and the initial holder of which is either an Unsold Unit Owner (including Sponsor) or its designee or an Institutional Lender.

"Insurance Trustee": An Institutional Lender having both an office in the City and State of New York and a capital surplus and undivided profits of $100,000,000.00 or more, from time-to-time appointed to serve as such by the Condominium Board.

"Land": The parcel of land on which the Building is located, whose area is more particularly identified in EXHIBIT A to the Declaration, and includes all space and above and below such area. The portions of the land occupied by the Units are included in, and part of, the Units and all other portions of the Land are included in, and part of, the Common Elements. The Land includes, and is subject to, all easements, agreements, covenants, restrictions, rights, privileges, benefits, encumbrances, burdens and other matters of record appurtenant thereto.

"law": Each or every applicable law and ordinance of federal, state, city or other local Governmental Authorities and each and every applicable regulation, code, rule, order,

permit, directive and requirement of all Governmental Authorities having jurisdiction over the Property or the Condominium.

"lawsuit": Each or every kind whatsoever of suit and litigation, whether legal or equitable, brought in or before any court or judicial system (federal, state, local or international), governmental or administrative authority, arbitration or mediation association or alternative dispute resolution body.

"liabilities and expenses": All kinds whatsoever of: liabilities, judgments, awards, losses, damages, penalties, fines and costs and expenses.

"Limited Common Elements": The portions of the Common Elements limited or restricted completely or primarily to the use of a specified Unit Owner, or to the use in common of a specified category of Unit Owners, to the exclusion or substantial exclusion of all other Unit Owners. The Limited Common Elements consist of the Residential Limited Common Elements, the Commercial Limited Common Elements and Individual Limited Common Elements (if any). However, such exclusive or substantially exclusive use is subject and subordinate to: (a) compliance with the Condominium Documents; (b) the right of the Condominium Board to establish and amend from time to time Rules and Regulations governing the use thereof by the applicable Owners and Permitted Tenants/Occupants/Invitees of Units to which same are appurtenant; and (c) certain restrictions, as well as certain rights and easements reserved and granted to the Condominium Board, Sponsor and other Persons, all as and to the extent set forth in the Plan, the Condominium Documents and the Condominium Act.

"litigation document": Any pleading, affidavit, petition, application, motion, interrogatory or other document utilized in connection with any litigation, including any litigation required to be brought or defended in the name of the Condominium Board or in the name of the Condominium Board as agent and on behalf of the Unit Owners, such as litigation instituted or defended at the request of Sponsor or an Unsold Unit Owner relative to: (a) any government document or any matter which is the subject of a government document; and (b) any of Sponsor's Rights or the rights, powers, easements, licenses, privileges, exemptions, indemnities, remedies and other benefits of Sponsor, an Unsold Unit Owner or Commercial Unit Owner under the Condominium Documents.

"Majority of Board Members" or **"Majority of Independent Board Members"** or **"Majority of Sponsor Board Members"**: More than fifty percent (50%). In the event there is an even number of Board Members, or Independent Board Members or Sponsor Board Members, a majority thereof shall consist of fifty percent (50%) or half the number. For example, a decision to be made by a majority of the Sponsor Board Members when there are only two (2) Sponsor Board Members shall mean only one (1) Sponsor Board Member.

"Majority of Residential Unit Owners": More than fifty percent (50%) of the following, as may be specified or indicated by the context: (i) more than fifty percent (50%) in

Common Interests in the aggregate of all Residential Units; (ii) more than fifty percent (50%) in the number of all Residential Units; (iii) more than fifty percent (50%) in the aggregate in both Common Interests and in number of all Residential Units; or (iv) more than fifty percent (50%) in the total authorized votes (determined in accordance with the By-Laws) of only those Residential Unit Owners who are present, in person or by proxy, and voting at a duly constituted meeting of Residential Unit Owners at which a quorum is present.

"Majority of Unit Owners": More than fifty percent (50%) of the following, as may be specified or indicated by the context: (i) more than fifty percent (50%) in Common Interests in the aggregate of all Units; (ii) more than fifty percent (50%) in the number of all Units; (iii) more than fifty percent (50%) in the aggregate in both Common Interests and in number of Units; or (iv) more than fifty percent (50%) of the total authorized votes (determined in accordance with the By-Laws) of only those Unit Owners who are present, in person or by proxy, and voting at a duly constituted meeting of Unit Owners at which a quorum is present.

"Managing Agent": The person engaged from time to time by the Condominium Board to perform the duties of a managing agent of the Building. The Managing Agent shall be a reputable management firm experienced in the management of primarily residential buildings comparable to the Building in the borough of New York, City of New York.

"Mortgage Representatives": The representatives of the holders of all mortgages encumbering Units, designated by the holders of Institutional Mortgages in accordance with the terms of the By-Laws.

"operate", "operates", "operation", "operations" or derivations thereof: To operate, maintain, repair, alter or other disposition.

"Owner": The legal (record) owner of fee simple title of a Unit or the legal (record) owners of fee simple title of two (2) or more Units, including (as indicated, or otherwise expressly provided, by the text): a Unit Owner or Unit Owners; a Residential Unit Owner or the Residential Unit Owners; and a Commercial Unit Owner or Commercial Unit Owners.

"party": A Unit Owner, the Condominium Board (including the Independent or Sponsor Board Members), a Permitted Mortgagee, a Registered Tenant and an Insurance Trustee are each a party and any two or more of the foregoing are parties (all as indicated or otherwise expressly provided by the text).

"Permitted First Mortgage": A first mortgage placed on a Unit in compliance with the By-Laws.

"Permitted First Mortgagee": The holder of a Permitted First Mortgage.

"Permitted Mortgage": A mortgage placed on a Unit in compliance with the By-Laws.

"Permitted Mortgagee": The holder of a Permitted Mortgage.

"Permitted Tenants/Occupants/Invitees": The tenants, occupants, invitees, contractors, subcontractors, agents, employees and workers permitted or authorized to occupy, use, visit or enter a Unit by the Owner of such Unit and pursuant to laws and the Condominium Documents;

"person": A natural person (i.e. individual) or an entity.

"Plan": The Condominium Offering Plan for the Property accepted for filing by the Department of Law of the State of New York.

"Prohibited Uses": Any use that would: (a) impair or unreasonably threaten the structural components or the structural integrity of the Building, or the material health or safety of the Owners or permitted tenants or occupants of Units; (b) violate applicable laws; (c) be an unreasonable and unauthorized annoyance or nuisance to the Owners or permitted tenants or occupants of Units or an unreasonable and unauthorized interference with the peaceful possession or proper use of the Units or Common Elements as permitted or stated in the Condominium Documents (as each may be duly amended from time to time); or (d) result in the cancellation, or increase the rate or premium, of insurance maintained by the Condominium Board.

"promote", "promotion" or derivations thereof: All manner of offering, advertising, marketing, signage, displays and other promotion and promotional activities in connection with the sale, rental or operation of a Unit or a business conducted in a Unit.

"Property": The Land, the Building and all other improvements on or under the Land, all easements, rights and appurtenances belonging thereto, and all other property (real, personal or mixed) used or intended for use in connection with the Land or Building and submitted by Sponsor to the Condominium regime established pursuant to the Declaration.

"pro rata": In the proportion that the Common Interest or floor area of a Unit bears to the total Common Interests or the total floor areas of all or specified Units (respectively), or otherwise, as the context indicates.

"Purchaser": A purchaser of a Unit under the Plan.

"reasonable approval" or **"reasonably approved"** or similar words: The approval required to be obtained shall not be unreasonably withheld or delayed.

"Register's Office": The office of the Register of the County of New York, in the City and State of New York.

"related party": A natural person who has or had an employment, business or family relationship to a Unit Owner(s) or an entity comprising a Unit Owner or a partner, member, manager, shareholder, officer, director or principal of a Unit Owner or an entity comprising a Unit Owner; or an entity whose legal, equity or beneficial interest is owned

(directly or indirectly) by a Unit Owner or an entity comprising a Unit Owner or a partner, member, manager, shareholder, officer, director or principal of a Unit Owner or an entity comprising a Unit Owner.

"repair", "repaired", "repairs" or derivations thereof: Each or every kind of repair, correction, rebuilding, restoration, replacement, substitution, removal and any other work, apart from alterations, performed in or to a Unit or the Common Elements.

"Residential Limited Common Elements": Those Common Elements that are limited or restricted completely or primarily to the exclusive or substantially exclusive use, service or benefit of two or more Residential Units or their Owners and include all installations in such areas or elsewhere which enclose, service or benefit only two or more Residential Units or their Owners and are not expressly stated to be part of a Unit. However, such exclusive or substantially exclusive use is subject and subordinate to: (a) compliance with the Condominium Documents; (b) the right of the Condominium Board to establish and amend from time to time Rules and Regulations governing the use thereof by the Owners and Permitted Tenants/Occupants/Invitees of the Residential Units; and (c) certain restrictions, as well as certain rights and easements reserved and granted to the Condominium Board, Sponsor and other persons, all as and to the extent set forth in the Plan, the Condominium Documents and the Condominium Act.

"Residential Unit": The portion of the proposed residential space in the Building comprising one or more of the planned eight (8) Residential Units each of which shall be a joint live-work dwelling (including a Sold and Unsold Residential Unit, unless the context expressly provides otherwise) and described as such in EXHIBIT B to the Declaration and the Floor Plans, together with the Common Interest appurtenant to each such Unit. Each Residential Unit includes as part of the Unit a terrace (if any) to which it has immediate access from the interior of the Unit as well as all Installations (if any) that are expressly stated in the Declaration to be part of such Unit or are for the exclusive use, service or benefit of such Unit or its Owner and are not expressly stated in the Declaration to be part of the Common Elements or another Unit.

"Residential Unit Owner": The Owner of a Residential Unit.

"Secretary of State": The Secretary of State of the State of New York.

"sidewalk cleaning obligations": The obligations imposed by law to keep the sidewalks clean and free of snow, ice and debris.

"sidewalk repair obligations": The obligations imposed by law to keep the sidewalks properly maintained and repaired.

"sign", "signs" or **"signage"** or similar words: Each and every kind whatsoever of: sign, inscription or lettering (on doors, windows or elsewhere), banners, flags, awnings, canopies, structures, placards, boards, stanchions, planters and displays used for sales, rental, promotional, advertising, identity, business, operations and/or any other lawful purpose. There is no restriction or limitation whatsoever on the nature, composition,

material, design, size, illumination, configuration, fabrication, quality, character, color, appearance or content of signs, unless otherwise expressly provided.

"Sold Commercial Unit", "Sold Residential Unit", or "Sold Unit": A Commercial or Residential Unit(s) that is (are) sold and conveyed to a bona fide Purchaser(s) under the Plan (including a bona fide Purchaser who is buying for personal use or occupancy by the Purchaser or Purchaser's family or an investor who is buying for rental or investment). Generally, a Sold Commercial, Residential or Commercial Unit is any Unit that is not an Unsold Residential or Commercial Unit.

"Sold Commercial Unit Owner", "Sold Residential Unit Owner"; "Sold Unit Owner": The Owner or Owners of a Sold Commercial or Residential Unit(s), or Sold Unit(s).

"Special Assessments": The amount or amounts assessed by the Condominium Board to pay a portion of the Common Expenses and payable by the Unit Owners in the time and manner determined by the Condominium Board. The Special Assessments are Common Charges and may be payable in an amount or amounts and time period other than that applicable to the regular Common Charges, as determined by the Condominium Board. The Special Assessment are payable by all Unit Owners pro rata to their respective Common Interests.

"Sponsor": 102-106 Wooster LLC, the Declarant who executed the Declaration and is the Sponsor under the Plan.

"Sponsor related party": One (1) or more natural persons who is a related party to Sponsor.

"Sponsor Board Member": The member or members appointed and designated exclusively by Sponsor (or, after Sponsor no longer owns any Unsold Units, other Unsold Units, if any, to serve as a Board Member or as Board Members and represent the interests of Sponsor and other the Unsold Unit Owners on the Condominium Board. There is no restriction or limitation whatsoever on who may serve as a Sponsor Board Member and may be anyone that either has or does not have a family, employment or business relationship or affiliation with Sponsor or other Unsold Unit Owner or a related party to either.

"Sponsor's Rights": Each or every one of the rights, powers, easements, licenses, privileges, exemptions, indemnities, remedies, protections and other benefits of Sponsor in the Plan, in any Plan amendment and in the Condominium Documents (as each of the latter may be amended from time to time in accordance with the applicable provisions of the Declaration or By-Laws). The Sponsor's Rights apply to all Units owned by Sponsor or Sponsor's designee at the time in question, including Unsold Units reacquired by Sponsor, or Sponsor's designee, whether such reacquisition results from the exercise of a right of rescission or a right to sell back to Sponsor or a mortgage foreclosure or a deed given in lieu of such foreclosure or otherwise. However, such

reacquired Units shall not be regarded as Unsold Units for purposes of determining the Initial Control Period.

"Sponsor Units": Each and every Unit (including a Residential or Commercial Unit) owned by Sponsor at the time in question.

"Structural Components": The following components of the Building: foundations, foundation walls, footings and pilings; structural columns, beams, supports, girders and related or similar structural members; load bearing walls (if any); concrete floor slabs; and roof(s).

"Unit": Any one or more of the Residential Units or the Commercial Units. A Unit is a portion of the Property owned separately and exclusively by its Owner together with the Common Interest appurtenant to the Unit. Each Owner has exclusive ownership and possession of the Owner's Unit, subject to certain use and occupancy restrictions, and certain rights and easements (including those in favor of the Condominium Board and Sponsor), all as and to the extent set forth in the Plan, the Declaration and the By-laws.

"Unit Owner": The Owner of a Unit.

"Unsold Commercial Unit" or **"Unsold Residential Unit"**: Any Commercial or Residential Unit owned at the time in question by Sponsor or an Unsold Commercial or Residential Unit Owner, respectively.

"Unsold Commercial Unit Owner" or "Unsold Residential Unit Owner": Sponsor and (if applicable) a person designated by Sponsor in writing or a Plan amendment as an Unsold Commercial Unit Owner or an Unsold Residential Unit Owner, having, with regard to the Unsold Commercial Unit or Unsold Residential Unit owned by such designated person: (a) all of Sponsor's Rights under this Plan and Plan amendments; and (b) all of the rights, powers, easements, licenses, privileges, exemptions, indemnities, remedies, protections and other benefits of Sponsor under the Condominium Documents, but subject in each case to the same limitations and restrictions as Sponsor under the Plan, Plan amendments and the Condominium Documents.

"Unsold Units": Any Unit or Units (Residential or Commercial) owned at the time in question by an Unsold Unit Owner (regardless of whether such Owner is Sponsor and/or other person). A Sold Unit that is reacquired by Sponsor shall not be regarded as an Unsold Unit for purposes of determining the Initial Control Period. An Unsold Unit shall retain its status and character as an Unsold Unit until: (a) it is no longer owned by Sponsor or an Unsold Unit Owner; (b) it is occupied by its Owner or a family member of the Owner; or (c) it is conveyed to a bona fide Purchaser for personal occupancy (by the Purchaser or a family member of the purchaser) or for rental investment and such Purchaser is not designated as an Unsold Unit Owner.

"Unsold Unit Owner": Sponsor and (if applicable) a person designated by Sponsor in writing or a Plan amendment as an Unsold Unit Owner having, with regard to the Unsold Unit owned by such designated person: (a) all of Sponsor's Rights under this

Plan and Plan amendments; and (b) all of the rights, powers, easements, licenses, privileges, exemptions, indemnities, remedies, protections and other benefits of Sponsor under the Condominium Documents, but subject in each case to the same limitations and restrictions as Sponsor under the Plan, Plan amendments and the Condominium Documents.

"use and enjoy", "use and enjoyment" or **"used and enjoyed"** or similar words: This term means and includes existence, use, enjoyment, service, benefit, sale, rental, granting of licenses or concessions, management, control, operation, function, business, signage, market, advertisement, promotion, maintenance, repair, rebuilding, restoration, alteration, health, safety, preservation, welfare, security, protection, appearance or other disposition.

"work" or derivations thereof: All labor performed, and all materials and supplies used, to maintain, repair, alter or perform other work in or to a Unit or the Common Elements.

"Zoning Resolution": The Zoning Resolution of The City of New York, effective as of December 15, 1961, as the same has been and hereafter may be amended from time to time.

DOCUMENT 8

EXHIBIT D TO DECLARATION OF CONDOMINIUM

BY-LAWS

OF

Name of Condominium:	104 WOOSTER STREET CONDOMINIUM
Address of Condominium Property:	104 Wooster Street New York, New York 10012
Declarant:	102-106 Wooster LLC
Prepared by:	Mandel Resnik & Kaiser P.C. 220 East 42nd Street, 20th Floor New York, New York 10017 Attn: Barry H. Mandel, Esq.

BY-LAWS

OF

104 WOOSTER CONDOMINIUM

ARTICLE 1

GENERAL

Section 1.1 **Purpose**

The purpose of these By-Laws is to set forth the requirements, rules and procedures concerning the governance and conduct of the affairs of the Condominium as well as certain rights and obligations of Unit Owners, including the disposition of the Property, the Building and Units.

Section 1.2 **Location and Description**

The Condominium covers the Property, which consists of: (a) the Land, which lies in Block 500, Lots _____ to _____ on the Tax Map of the Real Property Assessment Department of The City of New York, Borough, County and State of New York, (b) the Building, which includes the Units, certain of the Common Elements and all easements, rights and appurtenances belonging thereto; and (c) all other property, real, personal or mixed, intended for use in connection therewith. The Property has been submitted to the provisions of the Condominium Act by the recording of the Declaration in the Register's Office, of which Declaration these By-Laws form a part.

Section 1.3 **Definitions**

The definitions of the words set forth in EXHIBIT C to the Declaration apply wherever these words appear in these By-Laws, unless the context in which such words are used shall otherwise require. The meanings stated for the words within quotation marks in any provision of these By-Laws apply wherever these words appear in these By-Laws unless the context in which they are used shall otherwise require.

Section 1.4 **Applicability of By-Laws**

These By-Laws are applicable to the Property and to the uses and occupancies thereof.

Section 1.5 **Application of By-Laws**

All present and future Unit Owners, mortgagees, lessees, subleases and occupants of Units, and employees, invitees and guests of Unit Owners, as well as all other persons who may use the Property, are and shall be subject to the Declaration, the Landmark Declaration (defined below), these By-Laws and the Rules and Regulations, as each of

the same may be duly amended from time to time. The acceptance of a deed or other instrument of conveyance, or the succeeding to title to, or the execution of a lease or sublease for, or the act of occupancy of, a Unit shall constitute an agreement that the provisions of the Declaration, these By-Laws and the Rules and Regulations, as each of the same may be duly amended from time to time, are accepted, ratified and will be complied with. These By-Laws are subject to and the Condominium Board shall comply with the terms of that certain declaration of covenants and restrictions, dated July 9, 1999 ("Landmark Declaration") made by the Sponsor including, without limitation, the provisions of Article 3 of the Landmark Declaration.

Section 1.6 **Principal Office of the Condominium**

The principal office of the Condominium shall be located either at the Property or at such other place in New York County reasonably convenient thereto as may be designated from time to time by the Condominium Board.

ARTICLE 2

THE CONDOMINIUM BOARD

Section 2.1 **General**

The affairs of the Condominium shall be governed by the Condominium Board as provided in Section 2.4 hereof and elsewhere herein and in the Declaration. In exercising its powers and performing its duties under the Declaration and these By-Laws, the Condominium Board shall act on behalf, and shall be the agent, of all the Unit Owners.

Section 2.2 **Status of the Condominium Board**

Unless and until the Condominium Board shall incorporate in accordance with the terms of Section 2.4 hereof, the Condominium Board shall have, to the extent permitted by law, the status conferred upon unincorporated associations under the terms of the General Association Law of the State of New York. If the Condominium Board shall incorporate in accordance with the terms of Section 2.4 hereof, the Condominium Board shall have, to the extent permitted by law, the status conferred upon it under the terms of the applicable statutes of the State of New York. In either event, however, the Condominium Board shall also have the status conferred upon it under the terms of the Condominium Act.

Section 2.3 **Principal Office of the Condominium Board**

The principal office of the Condominium Board shall be located either at the Property or at such other place reasonably convenient thereto as may be designated from time to time by the Condominium Board.

Section 2.4 **Powers and Duties of the Board**

2.4.1 General Powers and Duties

The Condominium Board shall have all of the powers and duties necessary for, or incidental to, the administration of the affairs of the Condominium (including the Common Elements), as agent of the Unit Owners, and each Board Member shall act in the best interests of all Unit Owners, with due regard to the maintenance, preservation, protection and value of the Property as a whole and the security, safety and health of Owners and occupants of Units. The Condominium Board may do all such acts and things except those that by law, or pursuant to the terms of the Declaration and these By-Laws, may not be, or are expressly not, delegated to the Condominium Board by the Unit Owners. The Condominium Board shall exercise its powers and perform its duties in a manner consistent with the operation and maintenance of the Building as a first class mixed-use building in New York County with commercial uses in the Commercial Units and joint live-work uses in the Residential Units.

2.4.2 Specific Powers and Duties

Without intention to limit the generality of the foregoing in any respect, the Condominium Board shall have the following specific powers and duties:

(a) to lease, license, operate (including maintain, repair and alter) and make any other disposition of the Common Elements, and any Units or other property or assets owned, leased or otherwise held or operated by the Condominium Board, including, as the Condominium Board shall deem necessary or proper in connection therewith: (i) the purchase and leasing of supplies, equipment and material; (ii) the employment or engagement, compensation and dismissal of personnel (including a superintendent and other Building staff, Managing Agent, attorneys, accountants, engineers, architects and other professionals and consultants); and (iii) leasing and granting of licenses and easements for portions of the Common Elements;

(b) to acquire Units in accordance with Article 16 of the Declaration and Sections 8.11, 8.13 and 16.2 of these By-Laws and to acquire all rights, titles and interests in real and personal property deemed necessary or proper by the Condominium Board for use in connection with the ownership, operation (including maintenance, repair and alteration) and disposition of the Property as a condominium; each of such acquisitions to be in the name of the Condominium Board or its designee, corporate or otherwise, as agent of all Unit Owners (as provided in Article 16 of the Declaration and these By-Laws);

(c) to maintain complete and accurate books and records with respect to the finances and the operation of the Condominium, including: (i) detailed accounts, in chronological order, of receipts and expenditures affecting the Property and Common Elements; (ii) detailed books of account of the Condominium Board; (iii) other financial records, as well as other books of account of the

Condominium, as may be required to be kept pursuant to the terms of these By-Laws; and (iv) minutes and other records of all meetings held pursuant to the terms of these By-Laws;

(d) to prepare and adopt a budget for the Condominium for each Budget Year thereof in accordance with Article 9 of the Declaration, setting forth, without limitation: (i) a detailed accounting of the anticipated Common Profits and Common Expenses for the ensuing Budget Year and (ii) a detailed projection of all sources and amounts of income or receipts necessary to discharge the same;

(e) to determine the amount and establish the means and methods of payment of, and to collect and institute appropriate lawsuits for non-payment of, the Common Charges and Special Assessments from the Unit Owners;

(f) to require Unit Owners to execute and deliver to the Condominium Board one or more promissory notes in favor of the Condominium Board in such form and substance (including, at such interest rate and other terms) as the Condominium Board shall determine, in connection with Special Assessments levied by the Condominium Board to pay for any duly authorized repairs and alterations to the Common Elements, or any Unit or other property to be acquired, owned, leased or otherwise held or operated by the Condominium Board, provided that the expense for any such repairs, alterations or other disposition shall be borne as provided in Article 9 of the Declaration and Articles 5 and 6 hereof;

(g) to borrow money on behalf of the Unit Owners when required in connection with the operation, maintenance, repair, alteration or other disposition of the Common Elements or any Unit or other property owned, leased or otherwise held or operated by the Condominium Board; provided, however, that: (i) the prior affirmative consent or approval shall be obtained from Sponsor during the Initial Control Period and (if the amount to be borrowed exceeds $50,000.00 in any Budget Year, regardless of any loans outstanding from previous Budget Years) the prior affirmative consent or approval shall also be obtained from a majority of all Unit Owners (both in number and in aggregate Common Interests) in writing or at a duly constituted meeting of Unit Owners at which a quorum is present (any borrowing below such sum for a Budget Year shall not require the consent or approval of Unit Owners other than Sponsor as aforesaid); (ii) no lien to secure repayment of any sum borrowed may be created on any Unit or its Common Interest without the consent of the Owner of such Unit; and (iii) the liability of each Unit Owner shall be limited to the legal and equity interest in such Owner's Unit and if the loan shall not be fully repaid by the Board and such Unit Owner shall pay the lender such proportion of the then outstanding indebtedness represented or secured thereby as such Unit Owner's Common Interest bears to one hundred percent (100%), such Unit Owner shall be entitled to obtain from the lender a release of any judgment or other lien that the said lender shall have filed, or shall have the right to file, against such Owner's Unit, and the loan documentation shall so provide;

(h) to open and maintain bank accounts on behalf of the Condominium and to designate the signatories required therefor;

(i) to use the Common Charges and Special Assessments collected from Unit Owners, as well as all other assets and funds held by the Condominium Board or received in connection with the operation of the Property, for the administration and operation of the Condominium and the Common Elements, including: (i) the payment of Common Expenses and (ii) the operation, maintenance, repair, alteration and any other disposition of the Common Elements (including any Units, property or assets owned, leased or otherwise held or operated by the Condominium Board in accordance with the Declaration and these By-Laws);

(j) to obtain insurance for the Property, including the Units, pursuant to the terms of Article 6 hereof;

(k) to adjust and settle claims under insurance policies obtained pursuant to the terms of Article 6 hereof, and to execute and deliver releases upon such adjustment and settlement on behalf and as agent of: (i) all Unit Owners (ii) all holders of mortgages and other liens on Units; and (iii) all holders of any other interest in the Property;

(l) to make, or to contract with others for the making of, maintenance, repairs, alterations and other disposition of or to the Property after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings, all in accordance with the terms of the Declaration and these By-Laws;

(m) to obtain and keep in force (as part of the Common Expenses) fidelity bonds, in amounts deemed appropriate by the Condominium Board, but in no event less than the amount therefor set forth in the First Year's Budget (SCHEDULE B in Section F of the Plan), for: (i) all members of the Condominium Board; (ii) all officers and employees of the Condominium; and (iii) the Managing Agent;

(n) to accept the surrender of a Unit pursuant to the terms of Section 8.11 hereof, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf and as agent of all Unit Owners;

(o) to purchase one (1) or more Units at foreclosure or other judicial sale or to acquire Units by surrender or to purchase, lease or otherwise acquire one (1) or more Sold Residential or Commercial Units offered for sale or lease by their Owners, in the name of the Condominium Board or its designee, corporate or otherwise, on behalf and as agent of all Unit Owners (as provided or permitted in Article 16 of the Declaration) and, in connection therewith, to borrow money on behalf of all Unit Owners and to grant mortgages and other security interests and collateral in connection therewith; provided however, that the prior affirmative consent or approval of Sponsor must be obtained for any borrowing during the Initial Control Period and provided further that if the amount to be borrowed

exceeds $50,000.00 in any Budget Year, regardless of any loans outstanding from previous Budget Years, the prior affirmative consent or approval of at least a majority of all Unit Owners (both in number and aggregate Common Interests) in writing or at a duly constituted meeting of Unit Owners at which a quorum is present will be obtained (any borrowing below such sum shall not require the consent or approval of Unit Owners other than Sponsor as aforesaid);

(p) to sell, lease, mortgage, securitize, collateralize and otherwise deal with, and make any disposition of, Units acquired by, and to sublease Units leased by, the Condominium Board or its designee, corporate or otherwise, on behalf and as agent of all Unit Owners, provided, however, that the Condominium Board or its designees shall in no event be entitled to vote the votes appurtenant to any such Unit;

(q) to adopt and amend the Rules and Regulations and to adopt, impose, levy and collect charges, fees, interest and fines against Sold Unit Owners (but not Unsold Unit Owners) for violations of the same;

(r) to enforce by any legal means (including lawsuits) the terms, covenants, conditions and provisions contained in the Condominium Documents and to bring, prosecute, defend and settle any Lawsuits that may be instituted on behalf of, or against, the Unit Owners;

(s) to incorporate, to the extent and in the manner provided or permitted in the Condominium Act, provided, however, that: (i) the certificate of incorporation and by-laws of any such resulting corporation shall conform as closely as practicable to the terms of the Declaration and these By-Laws and (ii) the terms of the Declaration and these By-Laws shall prevail in the event of any inconsistency or conflict between the terms thereof and the terms of such certificate of incorporation and by-laws;

(t) to organize corporations, limited liability companies and other entities to act as the designees of the Condominium Board in acquiring title to, or leasing of, Units and in acquiring rights, titles and interests in real, personal or mixed property for use in connection with the ownership and operation of the Property as a mixed-use condominium;

(u) to execute, acknowledge and deliver the following (unless expressly prohibited by the Declaration or these By-Laws to be executed and delivered by the Board): (i) any application, declaration, document or other instrument (including any government document or litigation document) affecting the Property that the Condominium Board deems necessary or appropriate in accordance with the Declaration or these By-Laws or to comply with any law, zoning resolution or requirement of any governmental authority applicable to the maintenance, repair, alteration or other disposition of the Property or any part thereof; and (ii) any agreement, application, document, consent, covenant, restriction, license, easement or declaration, or any amendment thereto, affecting the Condominium

or the Common Elements that the Condominium Board deems necessary or appropriate;

(v) to prepare, execute, acknowledge and record on behalf and as agent of all Unit Owners, as their attorney-in-fact: (i) amendments to the Declaration to amend the Declaration and/or By-Laws whenever requested by a Unit Owner, to the extent required or permitted under the Declaration or these By-Laws or (ii) a restatement of the Declaration or these By-Laws, whenever, in the Condominium Board's judgment, it is advisable to consolidate and restate all amendments, modifications, additions and deletions theretofore made to the same;

(w) to act on behalf and as agent for one or more Unit Owners (subject to the right of any Unit Owner to revoke such agency by written notice to the Condominium Board, provided such notice is received before the Condominium Board has commenced the applicable action):

(i) to protest, complain or apply to the appropriate taxing authority to correct the tax assessments of the Units for any year by filing a single complaint on behalf of all such Unit Owners;

(ii) to commence and prosecute a special proceeding for the review of assessments of real property as an aggrieved person under the Real Property Tax Law;

(iii) to seek administrative and judicial review of the tax assessments for any year;

(iv) to negotiate and settle with the taxing authority the tax assessments and any resulting lawsuit;

(v) to execute and acknowledge in the name of each Unit Owner for which it is acting on behalf and as agent, as such Unit Owner's attorney- in-fact, all applications, certifications, petitions, complaints settlement agreements, releases and other documents in furtherance of the foregoing;

and

(vi) to retain legal counsel and other professionals and experts on behalf and as agent of the Unit Owners for whom it is so acting to represent such Unit Owners in connection with the foregoing;

(x) to act on behalf and as agent for all Unit Owners or (where appropriate) the applicable Unit Owners in carrying out the duties imposed upon the Condominium Board under these By-Laws and the Declaration:

(i) to commence and prosecute as well as defend lawsuits;

(ii) to seek administrative and judicial review;

(iii) to negotiate and settle any such lawsuits;

(iv) to execute and acknowledge in the name of each Unit Owner for which it is acting as agent, as such Unit Owner's attorney-in-fact, all applications, certifications, petitions, complaints, answers, counterclaims, crossclaims, affidavits, motions, interrogatories, depositions, litigation documents, settlement agreements, releases and other documents in furtherance of the foregoing;

and

(v) to retain legal counsel and other professionals on behalf and as agent of the Unit Owners for whom it is so acting to represent such Unit Owners in connection with the foregoing; provided that nothing herein will preclude a Unit Owner to commence, defend and settle any claim or lawsuit affecting only such Unit Owner or such Owner's Unit space and provided further that all costs and expenses, awards, judgments and settlement payments incurred or collected in connection with any claim or lawsuit by the Condominium Board as agent for Unit Owners shall be borne and shared only by those Unit Owners on whose behalf the Condominium Board is so acting;

(y) controlling power shut-offs and other interruptions of the normal functioning of the Condominium, necessary to facilitate the performance of work in or to particular Units and/or the Common Elements, which is permitted or required under the Declaration or these By-Laws; provided that the Condominium Board will make all reasonable efforts to minimize to the extent possible and practical any disruption in the use and enjoyment of Units;

(z) investing any excess funds held by the Board in obligations of the United States and market instruments and funds which invest in any such obligations;

and

(aa) generally, to carry out any and all other powers and duties granted or imposed upon the Condominium Board pursuant to the Declaration, these By-Laws and the Condominium Act.

The Condominium Board shall be responsible for carrying out the duties imposed upon it under the Condominium Documents regardless of whether a Unit is vacant or occupied by the Owner thereof or by Permitted Tenants/Occupants/Invitees.

Section 2.5 **Delegation and Restrictions**

2.5.1 Right to Delegate

The power and duties of the Condominium Board under the Declaration, these By-Laws, the Condominium Act and other laws shall be exercised and performed by the

Condominium Board or shall be exercised and performed on its behalf and at its direction by the agents, employees or designees of the Condominium Board.

2.5.2 Executive Committee

The Condominium Board may appoint an Executive Committee by duly adopted resolution, which Executive Committee shall have, and may exercise and perform, all of the powers and duties of the Condominium Board during the intervals between the meetings of the Condominium Board, subject to both the exceptions and limitations contained in subsection 2.5.6, and the restrictions set forth in subsection 2.5.7, of this Section 2.5 and such additional exceptions, limitations and restrictions as the Condominium Board may from time to time deem appropriate.

2.5.3 Other Committees

In addition, the Condominium Board may from time to time appoint, by duly adopted resolutions, such other committees as the Condominium Board may deem appropriate to exercise and perform such powers and duties as the Condominium Board shall direct, each of which committees shall have, and may exercise and perform, all of the powers and duties delegated to it in its enabling resolution, subject, however, to the exceptions and limitations contained in subsection 2.5.6, and the restrictions in subsection 2.5.7, of this Section 2.5.

2.5.4 Sponsor Board Member Requirement

So long as there is a Sponsor Board Member, the Executive Committee and each other committee shall consist of two (2) or more members of the Condominium Board, at least one (1) of whom shall be a Sponsor Board Member, unless waived in writing by Sponsor or all Sponsor Board Members.

2.5.5 Managing Agent and/or Manager

The Condominium Board may employ a Managing Agent and/or a manager to serve at a compensation to be negotiated by, and acceptable to, the Condominium Board and to perform such duties and services as the Condominium Board shall direct. Subject to the exceptions and limitations contained in subsection 2.5.6 and the restrictions in subsection 2.5.7 of this Section 2.5, the Condominium Board may delegate to such Managing Agent and/or a manager employed by it any of the powers and duties granted to the Condominium Board in these By-Laws.

2.5.6 Non-Delegable Powers and Duties

Notwithstanding anything to the contrary contained in this Section 2.5, the Executive Committee and the Managing Agent shall neither have nor be entitled to exercise or perform, and the Condominium Board shall not delegate to either of them or to any other committee, the powers or duties described in subsections 2.4.2(b), (d), (e), (f), (g), (k) and (n) through (aa) hereof ("non-delegable powers and duties"). In addition, neither the Managing Agent, a manager nor any of the committees described in this Section 2.5

shall have, or be entitled to exercise or perform, any of the powers or duties that are expressly prohibited from being delegated under the Condominium Act or other law.

2.5.7 Exception

However, any and all of these non-delegable powers and duties and all other powers and duties of the Condominium Board may be delegated to a manager or other person designated by the Board, under such terms and conditions as are approved and determined by the Condominium Board, in connection with a loan (secured or unsecured) obtained by the Condominium Board in accordance with its authority under these By-Laws as agent for the Unit Owners.

2.5.8 Initial Control Period Restrictions

Notwithstanding anything to the contrary contained in these By-Laws, during the Initial Control Period, the Condominium Board and Unit Owners shall and must obtain Sponsor's prior written consent:

(a) to raise Common Charges or levy Special Assessments:

(i) to make an alteration to the Common Elements or to any Unit owned, leased or otherwise held or operated by the Condominium Board;

(ii) to create a fund for reserves for capital expenditures (including repairs and/or alterations) and/or contingencies in excess of five percent (5%) of the projected annual Common Expenses for any Budget Year of Condominium Operation;

(iii) to increase or decrease the number of Building employees or to make other changes in Building staff or the work hours and days of the part-time visiting superintendent from those provided in the First Year's Budget set forth as SCHEDULE B in Section F of the Plan;

(iv) to enter into contracts for new services or maintenance work not included in said First Year's Budget (SCHEDULE B in said Section F of the Plan), or otherwise;

or

(v) to increase or decrease the amounts or change the types of insurance coverage from those set forth in said First Year's Budget (SCHEDULE B in Section F of the Plan);

or

(b) to borrow money on behalf of the Condominium.

2.5.9 Limit on Initial Control Period Restrictions

Sponsor has the right to condition, withhold or refuse its consent without cause, explanation or justification, and without liability for any claims or liabilities and expenses or other recourse against Sponsor for conditioning, withholding or refusing its consent. Nevertheless, Sponsor will give its consent if the costs and expenses (as determined by Sponsor, in its sole and absolute judgment) of the proposed action requiring Sponsor's consent, when added to all other budgeted Common Expenses, will not increase the Common Charges, inclusive of any Special Assessments of the Condominium Board, for any Budget Year of the Condominium, by more than five percent (5%) above the Common Charges for the immediately preceding Budget Year of the Condominium. In addition, Sponsor may not exercise veto control over expenses included in the First Year's Budget set forth in the Plan or over expenses required: (a) to comply with applicable laws; (b) to remedy a governmental notice or violation; or (c) to remedy a work order of an insurer of the Building.

2.5.10 Veto Control of Sponsor and Unsold Unit Owners

Sponsor's veto control, as set forth herein, may be exercised only by Sponsor while Sponsor owns any Unsold Unit. If Sponsor no longer owns any Unsold Unit, each successor Unsold Unit Owner will have the same right of veto control as Sponsor. In the event of two (2) or more Unsold Unit Owners, the required consent of only those Owners of Unsold Units constituting a majority of the Common Interests of all Unsold Units will suffice.

Section 2.6 **Number, Election and Qualification of Board Members**

2.6.1 Initial Board

Until the first meeting of the Unit Owners held pursuant to the terms of Section 4.1 hereof, the Condominium Board shall consist of one (1) or more individuals to be appointed or designated from time to time exclusively by Sponsor. From and after such first meeting of the Unit Owners following the First Closing under the Plan, the Condominium Board shall consist of five (5) individuals to be elected by the Unit Owners pursuant to the terms of this Section 2.6 and Section 4.9 hereof.

2.6.2 Number of Independent and Sponsor Board Members

The five (5) Board Members will consist of the following number of Independent Board Members and Sponsor Board Members:

(a) at all elections held during the Initial Control Period, the Board Members shall comprise:

(i) two (2) Independent Board Members, who shall be nominated and voted upon by all Owners of both Sold and Unsold Units, including Sponsor as an Unsold Unit Owner;

and

(ii) three (3) Sponsor Board Members, who shall be elected exclusively by appointment and designation by Sponsor or, if Sponsor no longer owns any Unsold Unit, the then existing Owner or Owners of Unsold Units, if any;

and

(b) at all elections held after the end of the Initial Control Period and for so long as there is at least one (1) Unsold Unit, the Independent Board Members (who shall be nominated and voted as provided in subsection 2.6.4 below) shall constitute a majority of the Board Members and the Sponsor Board Members (who shall be elected exclusively by appointment and designation by Sponsor or, if Sponsor no longer owns any Unsold Unit, the then existing Owner or Owners of Unsold Units, if any) shall constitute a minority of the Board Members, all as explained more fully in subsections 2.6.3 and 2.6.4 below.

Sponsor (and, if Sponsor no longer owns any Unsold Unit, the then existing Owner(s) of Unsold Units, if any) shall always have the exclusive right to elect by appointment and designation not less than one (1) Sponsor Board Member so long as there is at least one (1) Unsold Unit.

2.6.3 Number of Sponsor Board Members After Initial Control Period

After the end of the Initial Control Period and for so long as there is at least one (1) Unsold Unit, the following number of Sponsor Board Members shall be elected exclusively by appointment and designation by Sponsor as Owner of Unsold Units or (if Sponsor no longer owns any Unsold Unit) by the then existing Unsold Unit Owner(s) (if any) to serve on the Condominium Board:

(a) one (1) Sponsor Board Members for so long as Sponsor owns one Unsold Unit;

and

(b) one (1) Sponsor Board Member for so long as Sponsor owns one Commercial Unit. If Sponsor no longer owns any Commercial Units, the Commercial Unit Owners shall be entitled to elect one (1) Board member.

2.6.4 Nomination and Voting Rules for Independent Board Members

The following rules shall govern the nomination and voting for election of the Independent Board Members by the Unsold Unit Owners (including Sponsor):

(a) during the Initial Control Period, there shall be no restriction or limitation on the nomination and voting rights of Sponsor or other Unsold Unit Owners and they may nominate and vote to elect any and all candidates to serve as Independent Board Members;

and

(b) after the end of the Initial Board Control Period, Sponsor and other Owners (if any) of Unsold Units will have the following rights:

(i) they will continue to have the right to vote (without restriction or limitation) for any and all candidates nominated to serve as Independent Board Members;

(ii) they collectively may nominate only that number of candidates to serve as Independent Board Members which, when added to the then number of Sponsor Board Members who shall serve on the Board following an election, shall equal not more than one (1) less than a majority of all Board Members (however, they may vote for all Independent Board Member candidates as stated in clause (i) above);

and

(iii) at such time as there will be no Sponsor Board Member who will serve on the Board, they may nominate (without restriction or limitation), as well as vote for, any number of candidates to serve as Independent Board Members.

2.6.5 Change in Number

The number of Board Members may be increased or decreased by vote of a majority of the Owners of the Sold and Unsold Units (both in number and in aggregate Common Interests) on the following terms and conditions:

(a) Sponsor (or, after Sponsor no longer owns any Unsold Unit, all Owners of Unsold Units, if any) must consent in writing to the proposed change so long as there is any Unsold Unit;

(b) the vote may be taken at any annual or special meeting of Unit Owners, except that the vote must be taken at an annual meeting to decrease the number below those then in office;

(c) (in the event the number of Board Members is decreased) such decrease may only affect those Board Members whose terms are expiring at the annual meeting;

and

(d) (in the case of an increase) the number of Sponsor Board Members will increase in number so as to maintain the same proportional Board representation as existed at the election of the first Condominium Board by the Unit Owners after the First Closing (any fraction will be rounded up to the next whole number).

2.6.6 Qualification

Each Independent Board Member shall be either a Sold Unit Owner or any of the following ("Sold Unit Owner Affiliate"):

(a) a Sold Unit mortgage lender;

(b) a tenant under a lease or rental agreement for a Sold Unit;

(c) an officer, director, shareholder, partner, member, manager, principal, employee, trustee or beneficiary of a corporation, partnership, company, trust estate or other entity that owns, leases or rents a Sold Unit or is a Sold Unit mortgage lender;

(d) an individual designated by a sovereign government, consulate or other governmental instrumentality that owns, leases or rents a Sold Unit;

(e) a permitted occupant of a Sold Unit;

or

(f) an adult member of the immediate family of a Sold Unit Owner or any of the foregoing.

There are no requirements to qualify as a Sponsor Board Member. Sponsor (or after Sponsor no longer owns any Unsold Unit, the then existing Owners of Unsold Units, if any) may appoint and designate anyone (regardless of relationship or lack of relationship) to serve as a Sponsor Board Member.

2.6.7 Ineligibility

If the Condominium Board perfects a lien against a Unit for unpaid Common Charges, the following shall apply until the lien is paid or discharged by bonding or otherwise:

(a) the Owner of such Unit may not nominate or vote for the election of Board Members;

(b) such Owner and (in the case only of a Sold Unit) such Owner's Sold Unit Owner Affiliate shall not be an eligible candidate in an election of an Independent Board Member;

and

(c) (if such Unit Owner is then serving as an Independent Board Member) such Board membership by such Owner or said Owner's Sold Unit Owner Affiliate shall immediately be suspended upon perfection of the lien and such Board Membership shall automatically cease thirty (30) days thereafter unless the lien is paid or discharged by bond or otherwise during such thirty (30) day period.

In addition, Board membership by a Sold Unit Owner or a Sold Unit Owner Affiliate shall automatically end when:

(a) (in the case of a Sold Unit Owner) such Owner no longer owns a Sold Unit;

or

(b) (in the case of a Sold Unit Owner Affiliate) such Affiliate no longer holds a mortgage, lease or rental agreement or no longer occupies the Sold Unit (as applicable).

Section 2.7 **Term of Office of Board Members**

The initial Board Member designated by Sponsor will serve at the pleasure of Sponsor and until the first meeting of Unit Owners following the First Closing when the new five (5) Board Members are qualified and elected (as to the Independent Board Members) or elected exclusively by appointment and designation by Sponsor (as to the Sponsor Board Members).

All Board Members shall serve for a term of one (1) year. Each annual meeting of Unit Owners is to be held within approximately thirty (30) days of the anniversary of the previous annual meeting of Unit Owners. There is no limit on the number of terms, successive or otherwise, a Board Member may serve.

Section 2.8 **Removal and Resignation of Board Members**

2.8.1 Removal

An Independent Board Member may be removed with or without cause only by a vote of a majority (both in number and aggregate Common Interests) of the Owners of the Sold and Unsold Units.

A Sponsor Board Member may be removed: (a) with good cause only by a vote of a majority (both in number and aggregate Common Interests) of the Owners of the Sold Units or (b) without cause only by Sponsor or the Unsold Unit Owner (as applicable) who appointed or designated such Sponsor Board Member.

2.8.2 Resignation

A Board Member may resign at any time by giving written notice to: (a) the remaining Independent Board Members (in the case of a resignation by an Independent Board Member) or (b) the Sponsor or (if Sponsor no longer owns any Unsold Unit) the appropriate Unsold Unit Owner (in the case of a resignation by a Sponsor Board Member).

In addition, any Independent Board Member who shall cease to be qualified for membership pursuant to the terms of Section 2.6.7 hereof shall be deemed to have

resigned as a Board Member effective as of the date upon which such qualification shall cease.

Section 2.9 **Vacancies**

2.9.1 Replacement

A vacancy on the Condominium Board resulting from removal, resignation, death, incompetency, incapacity or other cessation of Board membership shall be:

(a) (in the case of a vacancy of an Independent Board Member and subject to the following subsection 2.9.2) elected by a majority of the remaining Independent Board Members at a special Board meeting called for such purpose;

or

(b) (in the case of a vacancy of a Sponsor Board Member) appointed and designated exclusively by Sponsor or (after Sponsor no longer owns any Unsold Unit) other appropriate Unsold Unit Owner who originally appointed and designated the vacating Sponsor Board Member.

2.9.2 Pre-emption

However, in the case of a removal of an Independent Board Member by the Owners of the Sold and Unsold Units, such Owners shall have the right to pre-empt the Independent Board Members and elect the replacement at the same meeting the removal is voted upon or at a subsequent special or annual meeting of Unit Owners called for such purpose.

2.9.3 Term

The person elected (in the case of an Independent Board Member) or elected exclusively by appointment and designation by Sponsor (in the case of a Sponsor Board Member) to fill the vacancy will serve as a member of the Condominium Board for the remainder of the term of the Board Member being replaced and until the member's successor is qualified (in the case only of an Independent Board Member) and elected at the next annual meeting of Unit Owners.

2.9.4 Special Board Meeting

A special meeting of the remaining members of Condominium Board shall be held for the purpose of filling any Board vacancy promptly after the occurrence thereof, and the election held thereat shall be effective to fill such vacancy even if the number of members present at such meeting shall not constitute a quorum.

Section 2.10 **Organizational Meeting of the Condominium Board**

The first meeting of each Condominium Board elected annually by the Unit Owners at meetings held after the First Closing shall be held immediately after each such annual meeting of Unit Owners and no notice of such Board meeting shall be necessary to the newly elected Board Members in order to legally constitute the meeting, provided a quorum shall be present. Alternatively, such first Board meeting may convene at such place, date and time as shall be fixed by a majority of the Board Members present at said annual meeting of Unit Owners, even though less than a quorum shall be present. In such case, written notice thereof shall be given to all Board Members by hand delivery, mail, telecopier (with electronic confirmation of transmission) or telegram at least five (5) business days prior to the date set for the first Board meeting. In any event, however, such first meeting of the Board shall be held within approximately thirty (30) days following said election by the Unit Owners.

Section 2.11 **Regular Meetings of the Condominium Board**

Regular meetings of the Condominium Board may be held at such time and place as shall be determined from time to time by a majority of the Board Members; provided, however, that at least four (4) such meetings of the Condominium Board shall be held during each Budget Year. Written notice of all regular meetings of the Condominium Board shall be given to each applicable Board Member by hand delivery, mail, overnight mail, telecopier (with electronic confirmation of transmission) or telegram at least five (5) business days prior to the day named for such meeting.

Section 2.12 **Special Meetings of the Condominium Board**

The President may call a special meeting of the Condominium Board whenever determined by such officer to be necessary or desirable. The President shall call a special meeting upon the written request of two (2) or more Board Members. Written notice of all special meetings shall be given to each Board Member at least two (2) business days (if sent by hand delivery, telecopier (with electronic confirmation of transmission) or telegram or at least five (5) business days (if sent by mail) prior to the day fixed for such meeting, which notice shall state the date, time, place and purpose of the meeting.

Section 2.13 **Waiver of Notice of Meetings**

Any member of the Condominium Board may, at any time, waive notice of any meeting thereof or any committee thereof in writing, and such waiver shall be deemed equivalent to the giving of notice. Attendance by a member of the Board at any meeting thereof or any committee thereof shall constitute a waiver by such Board Member of notice of the time and place thereof. However, if all of the members of the Board are present at any meeting thereof or any committee thereof, no notice of such meeting shall be required and any business authorized pursuant to these By-Laws may be transacted at such meeting.

Section 2.14 **Quorum of the Condominium Board**

2.14.1 Quorum

A quorum of the Condominium Board is required to be present at a Board meeting in order to make any determination or to transact any business. To constitute a quorum of the Board, a majority of all Board Members shall be present at the Board meeting.

2.14.2 Attendance Requirements

Attendance at a meeting of the Board or any committee thereof shall be in person or by conference telephone or other communications equipment permitting all individuals participating in the meeting to hear or otherwise effectively communicate with each other at the same time, and such participation shall constitute presence at such a meeting for all purposes. In addition, a Sponsor Board Member (but not an Independent Board Member) shall be permitted to attend such Board or committee meeting by proxy, provided the proxy is signed by Sponsor or the Unsold Unit Owner (as applicable) who appointed and designated such Sponsor Board Member.

2.14.3 Adjournment

If, at any meeting of the Condominium Board there shall be less than a quorum present, a majority of the Board Members in attendance may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business that might have been transacted at the meeting originally called but for the lack of a quorum may be transacted without further notice.

Section 2.15 **Conduct of Meetings**

2.15.1 Presiding Officer

The President elected by a majority of the Board Members shall preside at all meetings of the Condominium Board and the Secretary shall faithfully record the minutes thereof, which minutes shall include the full text of all resolutions duly adopted by the Condominium Board and a record of all transactions and proceedings occurring thereat.

2.15.2 Robert's Rules of Order

The then-current edition of Robert's Rules of Order, or any other rules of procedure from time to time acceptable to both a majority of the members of the Condominium Board and (while there is any Sponsor Board Member) acceptable also to the Sponsor Board Members, shall govern the conduct of the meetings of the Board, unless the same shall be in conflict with the terms of the Declaration, these By-Laws or the Condominium Act.

Section 2.16 **Decisions by the Condominium Board**

Subject at and subordinate to subsection 2.5.8 above and except as otherwise expressly provided in the Declaration or these By-Laws, the vote of a majority of the

members of the Condominium Board present at a duly constituted meeting thereof at which a quorum is present shall constitute the decision of the Board. Alternatively, any decision that is required or permitted to be made by the Condominium Board may be made without a meeting thereof if all of the members of the Condominium Board shall individually or collectively consent in writing to such decision. All such written consents shall be duly filed by the Secretary of the Condominium in the minutes of the Condominium Board.

Section 2.17 **Compensation of Members**

No member of the Condominium Board or any committee thereof shall receive any compensation from the Condominium for acting as such.

Section 2.18 **Standards for Fiduciary Responsibility and Self-Dealing**

2.18.1 General Standard

All powers and duties shall be exercised and performed by each Board Member and officer, in good faith and with a view to the interests of all Unit Owners but with due regard to the maintenance, preservation, protection and value of the Property as a whole and the security, safety and health of Owners and occupants of Units.

2.18.2 Interested Party Transactions

The Condominium Board may contract or effect any other transaction with any member or officer of the Board or any Unit Owner, or related parties to any of the foregoing (collectively "Interested Party"), without the Condominium Board or such Interested Party incurring any liability for self-dealing, provided that the terms of such contract or other transaction, including any compensation paid in respect thereof, shall be on no less favorable terms than those commercially reasonable and at competitive rates at the time such contract or transaction is entered into and reasonable evidence or documentation thereof is given to the Board ("commercial reasonableness standard").

2.18.3 Disclosure

No contract or other transaction between the Condominium Board and an Interested Party, shall be deemed either void or voidable because of the interest (pecuniary or otherwise) therein of such Interested Party or the presence of such Interested Party at the meeting or meetings of the Board during which such contract or transaction was discussed, authorized, approved or ratified; provided, however, that the contract or transaction shall meet the commercial reasonableness standard at the time that the same is authorized, approved, ratified, executed or otherwise consummated and either:

(a) the terms of the contract and/or transaction are disclosed to all Board Members, or the fact thereof is disclosed to, or known by, a majority of all Board Members or noted in the minutes thereof, and such Board Members shall authorize, approve or ratify such contract or transaction in good faith by a vote of a majority thereof, less the number of such interested Board Member;

or

(b) the fact thereof is disclosed to, or known by, a majority of all Unit Owners affected thereby (both in number and aggregate Common Interests), excluding any Unit Owner who also has an interest in such contract or transaction, and a majority of such affected Unit Owners (both in number and in aggregate Common Interests), excluding any such interested Unit Owners, shall authorize, approve or ratify such contract or transaction.

2.18.4 Quorum

Any such interested Board Member may be counted in determining the presence of a quorum of any meeting of the Board that authorizes, approves or ratifies any such contract or transaction, but no such Board Member shall be entitled to vote thereat to authorize, approve or ratify such contract or transaction.

Section 2.19 **Liability of the Condominium Board**

2.19.1 Standard for Liability

The members of the Condominium Board shall have no liability to the Unit Owners for errors of judgment, negligence or otherwise, except that each member of the Condominium Board shall be liable thereto for such member's own bad faith or willful misconduct.

2.19.2 Interested Party Transactions

In connection therewith, a Board Member (including a Sponsor Board Member) shall not be deemed either to have acted in bad faith or to have committed willful misconduct by reason of any self-dealing in connection with any contract made, or other transaction entered into, between the Condominium Board and such Board Member or a related party to such Board Member or to Sponsor or a related party to Sponsor in the case of Sponsor Board Members (collectively "Interested Board Party"), provided that any compensation paid, or to be paid, to such Interested Board Party in connection with any such contract or transaction is either: (a) disclosed to all Board Members; or (b) is in accordance with the commercial reasonableness standard for goods sold or services rendered in New York County and is approved by a majority of the Board Members who are not an Interested Board Party; or (c) is disclosed in the Plan or a Plan amendment.

2.19.3 Exculpation

The Board Members and the agents (including a Managing Agent and/or manager) of the Condominium Board shall have no personal liability for merely having acted in such capacity. Such exculpation from personal liability shall apply to all transactions of the Board authorized in these By-Laws or the Declaration, including each and every contract made, and other document executed, by or on behalf of the Condominium Board in accordance with these By-Laws or the Declaration, and each such contract or other document shall so provide (however, the failure to so provide shall not, and shall

not be construed to, in any way affect, change or waive such exculpation from personal liability). Such contract or document shall be regarded as being made or executed by or on behalf of the Board as agent of the Unit Owners and the liability thereunder of a Board Member shall be to the extent only that such Board Member is a Unit Owner and then only as limited in Section 4.12 hereof.

2.19.4 Service Interruptions and Force Majeure

Neither the Condominium Board nor any Board Member (in such capacity as a Board Member) shall be liable for any claims or liabilities and expenses for either:

(a) any failure or interruption of any utility or other services to be obtained by, or on behalf of, the Condominium Board or to be paid for as a Common Expense;

or

(b) any injury, loss, or damage to any individual or property, occurring in or upon either a Unit or the Common Elements and either: (i) caused by the Force Majeure, by any Unit Owner or by any other Person; (ii) resulting from electricity, water, snow or ice, including water that may leak or flow from a Unit, its appurtenant Limited Common Element (if any) or any portion of the Common Elements; or (iii) arising out of theft or otherwise.

2.19.5 Indemnity

The Unit Owners shall jointly indemnify each and every member of the Condominium Board from and against any and all claims and liabilities and expenses to others arising from such Board Members acts or omissions as, or by reason of the fact that such individual is or was, a member of the Condominium Board, except, however, to the extent that such claims or liabilities and expenses shall be due to, or shall arise out of, the bad faith or willful misconduct of such Board Member.

ARTICLE 3

OFFICERS

Section 3.1 **General**

3.1.1 Election

The principal officers of the Condominium shall consist of a President, a Vice President, a Secretary and a Treasurer, each of whom shall be elected by vote of a majority of the Board Members attending a duly constituted meeting at which a quorum is present. The Board shall also have the power to elect such assistant officers as it deems appropriate.

3.1.2 Powers and Duties

Generally, the officers will have all of the same powers and duties of the equivalent officer of a stock corporation organized under the Business Corporation Law of the State of New York ("BCL"). Assistant officers, in order of their seniority or in any other order determined by the Condominium Board shall, in the absence or disability of the applicable principal officer, as the case may be, perform the duties and exercise the powers of the applicable principal officer, and shall perform such other duties as the Board or the applicable principal officer shall prescribe.

3.1.3 Execution of Documents

Unless otherwise expressly provided elsewhere in these By-Laws or the Declaration or required by law, all agreements, contracts, deeds, mortgages, leases, checks and other instruments and documents of the Condominium or Condominium Board shall be executed, upon the direction of the Condominium Board (or the Sponsor Board Members only, if and as applicable), by any two officers of the Condominium or by such lesser number of officers or by such other person or persons as may be designated from time to time by the Condominium Board (or the Sponsor Board Member(s) only, as applicable).

3.1.4 Authorization

The Condominium Board (or the Sponsor Board Members only, if applicable) may, by resolution passed in accordance with the provisions hereof, authorize any officer to execute and deliver on behalf of the Board documents or other instruments necessary or desirable to the performance of its duties and obligations hereunder. The President, the Secretary, the Assistant Secretary and Treasurer are each authorized to execute and deliver estoppel certificates regarding the payment of Common Charges or other matters related to a Unit or its Owner to a Registered Mortgagee, a purchaser of an Owner's Unit, a tenant of an Owner's Unit or other parties reasonably entitled to such information.

Section 3.2 **President**

The President elected by a majority of the Board Members shall be the chief executive officer of the Condominium and shall preside at meetings of all Unit Owners and of the Board. The President shall have all of the general powers and duties that are incident to the office of president of a stock corporation organized under the BCL; however, the President elected by a majority of the Board Members shall have the exclusive power to appoint the members of all committees created by the Condominium Board from among the Unit Owners, Permitted Tenants/Occupants/Invitees of Units and other persons.

Section 3.3 **Vice President**

The Vice President shall take the place of the President, and exercise and perform such President's powers and duties whenever same shall be absent or unable to act. The Vice President shall have all of the general powers and duties that are incident to the

office of vice president of a stock corporation organized under the BCL. If the President and Vice President are unable to act, the Board Members or Sponsor Board Members, respectively, shall appoint some other member of the Condominium Board (in the case of the President) or other person (in the case of Vice President) to act in the place of such absent or incapacitated officer on an interim basis. The Vice President shall also perform such other powers and duties as shall be required from time to time by the applicable Board Members who elected such officer or by the President.

Section 3.4 **Secretary and Assistant Secretary**

The Secretary shall keep the minutes of all meetings of the Unit Owners and of the Board Members. The Secretary shall have charge of such books and papers as the Condominium Board shall direct and, in general, shall have all of the powers and duties that are incident to the office of secretary of a stock corporation organized under the BCL.

Section 3.5 **Treasurer**

The Treasurer shall have the care and custody of the funds and securities of the Condominium and shall be responsible for keeping full and accurate financial records and books of account thereof, showing all receipts and disbursements necessary for the preparation of all required financial data.

The Treasurer shall be responsible for the deposit of all funds and other securities in the name of the Condominium Board or in the name of the Managing Agent and/or manager in such depositories as may from time-to-time be designated by the Condominium Board and, in general, shall have all of the powers and duties incident to the office of treasurer of a stock corporation organized under the BCL.

Section 3.6 **Election, Term of Office and Qualifications of Officers**

3.6.1 Election and Term

Each of the officers of the Condominium Board shall be elected annually by a majority vote of the Board Members taken at the organizational meeting of each new Condominium Board (except in case of an election to fill a vacancy or to create an additional or new officer), and shall serve at the pleasure of the Board Members.

3.6.2 Qualifications

The President shall be elected from among the members of the Condominium Board. The other officers of the Condominium Board, however, need not be Unit Owners or members of the Condominium Board and need not have any interest in the Condominium or a Unit. Any single person may hold any combination of offices, except that the offices President and Vice President shall be held by different persons.

Section 3.7 **Removal and Resignation of Officers**

3.7.1 Removal

An officer may be removed at any time with or without cause, by an affirmative vote of a majority of the Board Members who elected such officer.

3.7.2 Resignation

Each officer may resign at any time by giving written notice to the Condominium Board. However, the President will be regarded as having resigned effective on the date such officer ceases to be a Board Member.

Section 3.8 **Vacancies**

A vacancy in an office shall be filled by a majority vote of the Condominium Board at any regular meeting of the Condominium Board or at a special meeting thereof called for such purpose.

Section 3.9 **Compensation of Officers**

No officer of the Condominium shall receive any compensation from the Condominium for acting as such.

Section 3.10 **Liability of the Officers of the Condominium**

3.10.1 Standard for Liability

The officers of the Condominium shall have no liability to the Unit Owners for errors of judgment, negligence or otherwise, except that each officer of the Condominium shall be liable thereto for such officer's own bad faith or willful misconduct.

3.10.2 Exculpation

The officers of the Condominium shall have no personal liability for having acted in such capacity and such exculpation from personal liability shall apply to all transactions of the Board authorized in these By-Laws or the Declaration, including each and every contract made, and other document executed, by or on behalf of the Condominium Board in accordance with these By-Laws or the Declaration, and each such contract and document shall so provide (however, the failure to so provide shall not, and shall not be construed to, in any way affect, change or waive such exculpation from personal liability). Such contract or document shall be regarded as being made or executed by or on behalf of the Board as agent of the Unit Owners and the liability thereunder of an officer shall be to the extent only that such officer is a Unit Owner and then only as limited in Section 4.12 hereof.

3.10.3 Service Interruptions and Force Majeure

None of the officers of the Condominium shall be liable for any claims or liabilities and expenses for either:

(a) any failure or interruption of any utility or other services to be obtained by any such officer on behalf of the Condominium or to be paid for as a Common Expense;

or

(b) any injury, loss, or damage to any individual or property, occurring in or upon either a Unit or any portion of the Common Elements, and either: (i) caused by the force majeure, by any Unit Owner or by any other person; (ii) resulting from electricity, water, snow or ice, including water that may leak or flow from a Unit or any portion of the Common Elements; or (iii) arising out of theft or otherwise.

ARTICLE 4

UNIT OWNERS

Section 4.1 **Annual Meetings of the Unit Owners**

4.1.1 First Meeting

The first meeting of Sold and Unsold Unit Owners shall be called to be held within approximately ninety (90) days after the earlier of: (a) when title closes with purchasers under the Plan for fifty percent (50%) of the Residential Units (in number and aggregate Common Interests) or (b) the first anniversary of the First Closing under the Plan. At such first meeting, the incumbent Condominium Board Member shall resign, or shall be deemed to have resigned, effective upon the qualification (in the case of Independent Board Members) and election of a successor five (5) member Condominium Board by the Unit Owners, as provided both in this Article 4 and in Article 2 hereof.

4.1.2 Subsequent Annual Meetings

Thereafter, annual meetings of the Unit Owners shall be held within approximately thirty (30) days of the anniversary of the previous annual meeting and at such time and place in New York County as shall be determined by the Condominium Board. At each such subsequent annual meeting, the Unit Owners shall elect five (5) Board Members (subject and subordinate to the right of Sponsor (or, if Sponsor no longer owns any Unsold Units, the then existing Unsold Unit Owners, if any) to elect exclusively by appointment and designation the applicable number of Sponsor Board Members as provided in Section 2.6 above) and shall transact such other business as may properly come before such meeting.

Section 4.2 **Special Meetings of the Unit Owners**

4.2.1 Requirements For Special Meeting

The President shall call a special meeting of the Unit Owners whenever so directed by a duly adopted resolution of the Condominium Board or the Sponsor Board Members (if and as applicable) or upon receipt by the Secretary of a petition calling for such a meeting signed by the Owners of not less than twenty-five percent (25%) of the Common Interests of all Units. Each such resolution or petition shall set forth, in reasonable detail, the purposes for calling such a meeting. If the President fails to so call such special meeting, then any Unit Owner who signed such petition may so call such meeting by a notice of meeting in accordance with the requirements of Section 4.4 hereof (except that such notice need not be given by the Secretary).

4.2.2 Business of Meeting

No business shall be transacted at such special meeting except business reasonably related to purposes stated in the notice of special meeting or said petition.

4.2.3 Expiration of Initial Control Period

Notwithstanding anything to the contrary contained herein, after the expiration of the Initial Control Period, a majority of the Independent Board Members shall call a special meeting of the Unit Owners to elect a new Condominium Board, subject to the nomination and voting rights of Sponsor and Unsold Unit Owners contained in Sections 2.6 and 4.9 hereof. Such special meeting of Unit Owners shall be called to be held within approximately thirty (30) days after the end of the Initial Control Period.

Section 4.3 **Place of Meetings**

Meetings of the Unit Owners shall be held at the principal office of the Condominium or at such other suitable and convenient place in New York County as may be designated by the Condominium Board.

Section 4.4 **Notice of Meetings**

4.4.1 Contents

The Secretary of the Condominium shall give notice of each annual or special meeting of the Unit Owners to all Unit Owners then of record entitled to vote at such meeting, which notice shall set forth the purpose, time and place of such meeting.

4.4.2 Procedure

Such notice may be given to any Unit Owner by hand delivery, mail, telecopier (with electronic confirmation of transmission) or telegram at least ten (10) days prior to the day fixed for the meeting; however, absent receipt by the Secretary of the Condominium Board of written notice of another address to which notices are to be sent, the delivery

or mailing of such notice to any Unit Owner, addressed to the Owner's address at the Property, at least ten (10) days prior to the day fixed for the meeting shall be conclusively deemed the giving of notice to such Unit Owner of such meeting.

4.4.3 Address Change

Any Unit Owner may designate an address for the giving of notice other than such Unit Owner's address at the Property by giving written notice thereof to the Secretary of the Condominium Board not less than ten (10) days prior to the giving of notice of the applicable meeting.

4.4.4 Required Approval or Consent of Unit Owners

Supplementing, modifying and superseding any inconsistency in Section 4.4.2 hereof, if the business to be conducted at any meeting of the Unit Owners shall include the consideration of a proposal to amend the Declaration or these By-Laws or the Rules and Regulations or a budget item or an expenditure requiring Unit Owner approval or consent or a proposal to remove a Board Member, the notice of such meeting shall be mailed to all Unit Owners at least thirty (30) days prior to the day fixed for such meeting and shall be accompanied by a copy of the text of such proposed amendment, or shall include a reasonably detailed notice of the budget item or expenditure or the basis for removal of the Board Member (as applicable).

Section 4.5 **Quorum of the Unit Owners**

4.5.1 Quorum Requirement

Subject to subsection 4.5.3 below, attendance (in person or by proxy) of Owners of a majority of the Common Interests of all Units shall be required to constitute a quorum to transact any business at a meeting of Unit Owners. In the case of Sponsor or Unsold Unit Owners, attendance at such meeting of Unit Owners by conference telephone or other communications equipment permitting all individuals participating in the meeting to hear or otherwise effectively communicate with each other at the same time shall constitute presence at such meeting for all purposes.

4.5.2 Adjournment

If, at any meeting of the Unit Owners there shall be less than a quorum present, Owners of a majority of the Common Interests of Units 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 fixed for the original meeting. Notice of the adjourned date shall be sent to all Unit Owners in accordance with subsection 4.4.2 above, except that the notice shall be given by hand delivery or telegram at least twenty-four (24) hours before the adjourned date or by mail at least three (3) business days before the adjourned date.

4.5.3 Reduced Quorum

The provisions of subsection 4.5.1 to the contrary notwithstanding, if a meeting is adjourned two (2) or more times for the failure to attain a quorum, then the Unit Owners attending the next adjourned date for the meeting shall constitute a quorum for the transaction of business and the absentee Unit Owners shall be deemed to have consented or approved the transactions affirmatively voted for by a majority of Unit Owners (in number and/or Common Interests, as applicable, or in Common Interests if not otherwise expressly provided) attending such next meeting, provided: (a) all Unit Owners are given not less than ten (10) days advance notice of such adjourned date; (b) the notice shall set forth in reasonable detail the actions or business proposed to be transacted; and (c) the failure of an Unsold Unit Owner (including Sponsor) to attend on such adjourned date shall not be caused by force majeure.

Section 4.6 **Conduct of Meetings**

4.6.1 Presiding Officer

The President elected by a majority of the Board Members shall preside at the meetings of Unit Owners and the Secretary shall faithfully record the minutes thereof, which minutes shall include the full text of all resolutions duly adopted by the Unit Owners and a record of all transactions and proceedings occurring thereat. All votes of the Unit Owners shall be tallied by the person(s) appointed by the presiding officer(s) of the meeting.

4.6.2 Robert's Rules of Order

The then-current edition of Robert's Rules of Order, or any other rules of procedure acceptable to a majority of the Unit Owners (in aggregate Common Interests) present at any meeting, in person or by proxy, and (during the Initial Control Period) acceptable also to Sponsor, shall govern the conduct of the meetings of the Unit Owners unless the same shall be in conflict with the terms of the Declaration, these By-Laws or the Condominium Act.

Section 4.7 **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 the minutes of the preceding meeting (unless waived);

(d) reports of officers of the Condominium Board;

(e) reports of members of the Condominium Board;

(f) reports of committees;

(g) election of inspector(s) of election (when so required);

(h) election of members of the Condominium Board (when so required);

(i) unfinished business;

and

(j) new business.

Section 4.8 **Voting**

4.8.1 Number of Votes

Subject to the terms of Section 4.9 hereof, each Unit Owner (including Sponsor and other Owners of Unsold Units) shall be entitled to cast one (1) vote at all meetings of the Unit Owners for each 0.01% Common Interest appurtenant to each Unit owned by such Owner.

4.8.2 Disqualification

Notwithstanding the terms contained in subsection 4.8.1 hereof, no Unit Owner may vote at any meeting of the Unit Owners if the Condominium Board has perfected a lien against such Owner's Unit and the amount necessary to release such lien has not been paid at the time of such meeting. In addition, neither the Condominium Board nor any designee or nominee thereof shall be entitled to cast the votes appurtenant to any Unit owned by the Condominium Board or such designee or nominee. The Common Interests of all Units whose Owners are precluded from voting pursuant to the terms of this subsection 4.8.2 shall be excluded when computing the aggregate number and/or Common Interests of all Unit Owners for quorum and voting purposes.

4.8.3 Fiduciary

A fiduciary shall be the voting member with respect to a Unit owned in a fiduciary capacity.

4.8.4 Co-Owners

If two or more persons own a Unit, they shall designate one person amongst them to vote the Common Interest or votes appurtenant to their Unit in a writing given to the Secretary of the Condominium Board, and the vote of such designee shall be binding upon all of such persons. Failing such a designation, all of such persons shall mutually vote such Common Interest or cast such votes under one ballot without division, and the concurrence of all such persons shall be conclusively presumed if any one of them purports to vote such Common Interest or cast such votes without protest being contemporaneously made to the individual presiding over the meeting at which such

vote is taken. If protest is made, the Common Interest or votes appurtenant to such Unit shall be counted solely for the purpose of determining whether a quorum is present for such voting.

4.8.5 Proxy

The Owner of any Unit may designate any individual to act as a proxy on such Owner's behalf. The designation of any such proxy shall be made in a writing both signed and dated by the Unit Owner and delivered to the Secretary of the Condominium Board at or before the appointed time for the meeting during which the same is to be effective.

4.8.6 Revocation of Proxy

Any such proxy designation shall be revocable at any time upon written notice given to the Secretary of the Condominium Board; however, no revocation of such a designation shall be effective with respect to any votes cast by such proxy prior to the receipt of such revocation notice by the Secretary of the Condominium Board.

Notwithstanding the foregoing, a proxy may be revoked by a Unit Owner who is personally present at a meeting of the Unit Owners, provided such Unit Owner submits a ballot on the form prescribed by the Secretary of the Condominium Board, which ballot states the name of the Unit Owner, the Owner's Unit designation number and is signed by the Unit Owner. In such case, the votes cast by the proxy holder shall not be counted and the votes cast by the Unit Owner's ballot shall be counted.

4.8.7 Duration

Except with respect to the designation of a Permitted Mortgagee to act as the proxy of its mortgagor-Unit Owner, or a tenant of all or a portion of a Commercial Unit to act as the proxy of its lessor, no designation to act as a proxy shall be effective for a period in excess of six (6) months after the date thereof. Photocopies, facsimiles or other mechanical reproductions of proxies shall be valid and counted for all purposes.

4.8.8 Majority Vote

Except when otherwise required by law or otherwise provided in the Declaration or in these By-Laws and subject and subordinate to Sponsor's veto control during the Initial Control Period as provided in subsection 2.5.8 above, the affirmative vote of a majority of those Unit Owners (in number and/or Common Interests, as applicable, or in Common Interests if not otherwise expressly provided) attending a meeting of Unit Owners at which a quorum is present shall be binding upon all Unit Owners for all purposes.

Section 4.9 **Election of Members of the Condominium Board**

4.9.1 Number of Independent and Sponsor Board Members

The number of Independent and Sponsor Board Members to be elected each year following the First Closing, and the rights and restrictions applicable to Sponsor and Unsold Unit Owners to nominate candidates to serve as Independent Board Members and the unrestricted rights of Sponsor and Unsold Unit Owners to vote for all candidates to serve as Independent Board Members, shall be determined in accordance with Section 2.6 above.

4.9.2 Vote Count

When voting for Independent Board Members, each Unit Owner (including Sponsor for so long as Sponsor shall own any Unsold Unit and other Unsold Unit Owners, if any, but excluding the Board as to any Units owned by it) shall be entitled to cast for each Independent Board Member to be elected not more or less than one vote for each 0.1% of Common Interest appurtenant to each and every Unit owned by such Owner. Accordingly, the number of votes received by each candidate for whom a Unit Owner casts a ballot will equal the total number of votes such Unit Owner is entitled to cast. The Condominium Board shall have no voting rights with respect to any Units owned, leased or operated by it.

4.9.3 No Cumulative Voting

A Unit Owner may not cumulate, split or otherwise transfer the number of votes such Unit Owner is entitled to cast from one candidate to another. In addition, the terms of Sections 2.6 and 4.8 hereof shall apply to all elections of members of the Condominium Board.

4.9.4 Plurality

All elections of the Independent Board Members shall be determined by plurality vote.

4.9.5 Independent Board Members Ballots

All elections of Independent Board Members from and after the first meeting of Unit Owners following the First Closing shall be by written ballot. Each ballot cast shall state: (a) the name of the voting Unit Owner and, if such ballot is cast by proxy, the name of the proxy; (b) the designation number(s) of the Unit(s) owned by the voting Unit Owner; (c) the amount of the Common Interest(s) appurtenant to such Unit(s); and (d) the names of the candidates for whom such ballot is cast (the number of which names shall not exceed the number of members to be elected). Any ballot that is not cast in conformity with this subsection 4.9.5 shall not be counted. All election ballots shall be retained in the records of the Condominium, appropriately segregated by election.

4.9.6 Sponsor Board Members Designations

The Sponsor Board Members shall be elected exclusively by appointment or designation by Sponsor so long as it owns any Unsold Unit and (after Sponsor no longer owns any Unsold Unit) by the then existing Unsold Unit Owners (if any). Such appointment and designation shall be in writing delivered at the meeting of Unit Owners at which a quorum is present or delivered in advance of such meeting to the Managing Agent or the Secretary or the Assistant Secretary. Such written appointment and designation shall be retained in the records of the Condominium, appropriately segregated by election.

In the event that Sponsor no longer owns any Unsold Unit and there is more than one (1) Unsold Unit Owner, then the Sponsor Board Member(s) shall be elected exclusively by appointment and designation by mutual agreement of the Unsold Unit Owners. If they cannot agree, then the Sponsor Board Member(s) shall be elected by plurality of the votes cast by the Unsold Unit Owners who are present (in person or by proxy) and voting at such meeting.

4.9.7 Voting Rights of Sponsor and Unsold Unit Owners

Sponsor and each Unsold Unit Owner shall have the right to vote all of the Common Interests and votes appurtenant to the respective Unsold Units owned by Sponsor and such Unsold Unit Owner, except (as to an Unsold Unit Owner) Sponsor shall have exclusive voting rights with respect to the election of Sponsor Board Members as provided herein and Section 2.6 hereof. During the Initial Control Period, the Sponsor or (if it no longer owns any Unsold Unit) Owner(s) of Unsold Units will have voting control of the election of the Board Members and shall exclusively elect that number of Sponsor Board Members as shall equal a majority of the Board Members (i.e., three (3) Sponsor Board Members if the Board shall comprise five (5) Board Members), as provided more fully in Section 2.6 hereof. After the end of Initial Control Period and so long as there is at least one (1) Unsold Unit, Sponsor (or if it no longer owns any Unsold Unit) the Owner(s) of Unsold Units shall exclusively elect up to two (2) Sponsor Board Members as provided more fully in Section 2.6 hereof.

Section 4.10 **Action Without a Meeting**

Any action required or permitted to be taken by the Unit Owners at a duly constituted meeting may be taken without such a meeting if Unit Owners sufficient in number (both in absolute number and/or in aggregate Common Interests, as applicable) to approve such action at a duly constituted meeting of such Unit Owners, pursuant to the Declaration or these By-Laws, consent in writing to the adoption of a resolution approving such action. All written consents given by such Unit Owners pursuant to this Section 4.10 shall be retained in the records of the Condominium together with a true copy of the resolutions to which they relate.

Section 4.11 **Title to Units**

Title to any Unit may be taken by any person or by any two or more persons as joint tenants, tenants in common or tenants by the entirety, as may be appropriate, but not as Owners in severalty.

Section 4.12 **Joint, Nonrecourse and Limited Liability of Unit Owners**

Each Unit Owner shall be jointly (but not severally) liable with all other Unit Owners with respect to all transactions of, or on behalf of, the Condominium Board, including each and every contract made and other document executed by or on behalf of the Condominium Board. However, such joint liability shall be without recourse for personal liability of the Unit Owner and limited to the Owner's legal and equity interest in the Owner's Unit and its appurtenant Common Interest. In addition, the joint liability of each Unit Owner shall be further limited to such portion of the total liability as the Common Interest appurtenant to such Owner's Unit bears to one hundred percent (100%). Each contract made by, or on behalf of, the Condominium Board shall expressly provide for such joint, non-recourse and limited liability in accordance with the foregoing. However, the failure to so expressly provide shall not, and shall not be construed to, in any way affect, change or waive the joint, nonrecourse and limited liability of Unit Owners as set forth herein. The foregoing is not applicable to, and shall not excuse, the personal liability of each Unit Owner for the payment of Common Charges, including Special Assessments, levied or imposed by the Condominium Board.

ARTICLE 5

MAINTENANCE, REPAIRS AND ALTERATIONS OF UNITS AND COMMON ELEMENTS

Section 5.1 **Maintenance and Repairs**

5.1.1 Units and Common Elements

Except as otherwise provided in the Declaration or in these By-Laws, all painting, decorating, cleaning, maintenance and repairs, whether structural or non-structural, ordinary or extraordinary:

(a) in or to any Residential or Commercial Unit and all portions thereof shall be performed by the Owner of such Unit at such Unit Owner's sole cost and expense, including: (i) the interior walls; (ii) the finishes and coverings of the boundary walls, ceilings and floors; (iii) the kitchen and bathroom fixtures and appliances; (iv) the windows and their frames, sills, sashes, mullions, mechanisms and latches; (v) all interior and entrance doors and their frames, hardware, glass and saddles; (vi) the exposed plumbing and gas facilities and equipment; (vii) air conditioning units; (viii) the lighting and electrical fixtures and related equipment (including switches, outlets and branch lines) servicing only

the Unit and any Common Elements incorporated therein pursuant to Article 13 of the Declaration, but excluding any other Common Elements contained therein); (ix) the tile, deck or other protective flooring comprising a terrace appurtenant to a Residential Unit; and (x) generally all matters included as part of a Unit as set forth in Section 6.8 of the Declaration;

(b) in or to the Common Elements, including the General Common Elements, Commercial Limited Common Elements and Residential Limited Common Elements (other than any Common Elements incorporated into one or more Units pursuant to the terms of Article 13 of the Declaration), shall be performed by the Condominium Board as a Common Expense of all Unit Owners;

(c) in or to or any Unit acquired by the Condominium Board, shall be performed by the Condominium Board as a Common Expense of all Unit Owners;

(d) in or to an Individual Limited Common Element appurtenant to a Unit (if any), shall be performed by: (i) the Condominium Board as a Common Expense of all Unit Owners, if involving structural or extraordinary maintenance or repairs (including the repair of any leaks that are not caused by the acts or omissions of the Unit Owner to which such Individual Limited Common Element is appurtenant) or (ii) the Owner of the Unit to which such Individual Limited Common Element is appurtenant, at such Owner's sole cost and expense, if involving non-structural, ordinary maintenance or repairs;

(e) in or to the sidewalks adjacent to the Property shall be performed by the Condominium Board as a Common Expense of all Unit Owners;

(f) in or to the Property in connection with the cyclical maintenance obligations set forth in the Landmark Declaration shall be performed by the Condominium Board as a Common Expense of all Unit Owners;

and

(g) in or to any vault shall be performed by the Condominium Board as a Common Expense of (i) all Unit Owners with respect to the northerly half of the vault and (ii) the Commercial Unit Owners with respect to the southerly half of the vault.

5.1.2 Lot Line Windows and Vaults

Notwithstanding anything to the contrary contained herein:

(a) if closure of any lot line windows is required, such closure shall be performed by the Condominium Board as a Common Expense of all Unit Owners;

and

(b) if the Board obtains a license or permit to use a vault (if any) and The City of New York revokes such license or permit, the cost of sealing such vault and relocating

the equipment, facilities and installations located therein shall be performed by the Condominium Board and charged to all Unit Owners as part of the Common Expenses.

5.1.3 Structural Repairs to Sold Units

A Sold Residential or Commercial Unit Owner shall not make any of the following repairs ("Structural Repairs") to the Owner's Sold Unit (including its terrace, if any) or its Installations without complying with the "Unit Repair Requirements" (as defined and set forth in subsection 5.2.4 below) and obtaining the following prior written approvals or consents:

(a) in the case of repairs affecting the structural components of the Building or the Unit's entrance doors, windows, terrace or any other portion of the Unit exposed to public view, the written approvals or consents of both the Condominium Board and (while Sponsor owns any Unsold Unit) Sponsor must be obtained, whose approvals or consents are discretionary and may be conditioned, withheld or denied without cause or explanation and without recourse against either by reason thereof;

or

(b) in the case of repairs affecting the Building's heating, plumbing, electric, ventilation, telephone, intercom, mechanical, electronic or other systems, the written reasonable approval of Condominium Board must first be obtained.

5.1.4 Repairs to Unsold Units

Sponsor and each Unsold Unit Owner shall have the right to make Structural Repairs and non-structural repairs (including all ordinary and extraordinary repairs) to such Owner's Unit and its appurtenant Individual Limited Common Element (if any) freely and without consent, payment or restriction other than the requirement to perform such repairs in compliance with the applicable work requirements set forth in Section 15.2 of the Declaration.

5.1.5 Report of Defects

Promptly upon obtaining knowledge thereof, each Unit Owner shall report to the Condominium Board or to the Managing Agent any defect or need for repairs for which the Condominium Board is responsible pursuant to the terms hereof.

5.1.6 Performance Standard

All painting, decorating, maintenance and repairs performed hereunder or otherwise, whether by or at the behest of a Unit Owner or the Condominium Board, shall be performed in such a manner as shall not unreasonably disturb or interfere with the use and enjoyment of any Unit by its owner or such Owner's Permitted Tenants/Occupants/Invitees.

5.1.7 Unit Windows and Doors

Notwithstanding anything to the contrary provided in subsection 5.1.1 above:

(a) the exterior (outdoor) glass surfaces of all windows of each Unit are to be washed and cleaned in accordance with applicable laws by the Owner of such Unit, at such Unit Owner's sole cost and expense;

(b) the Condominium Board shall repair air and water penetration between the Building's facade wall and the window frame of a Residential or Commercial Unit as a Common Expense of all Unit Owners;

(c) each Unit Owner, at such Owner's sole cost and expense, shall repair broken windows, latches or operating mechanisms, mullions, sashes and interior window sills of the Owner's Unit;

(d) all entrance doors to, and interior doors within, a Unit or its appurtenant Individual Limited Common Element (if any) are to be maintained and repaired by the Owner of such Unit, at such Owner's sole cost and expense;

(e) the exterior side of windows and doors of a Sold Residential Unit facing a hallway or the outdoors shall be maintained and repaired in accordance with (and shall not be painted, colored, covered or otherwise decorated or altered in violation of) the requirements of Section 10.11 (f), (g) and (h) of the Declaration;

and

(f) any replacement window or entrance door to be installed by a Sold Residential Unit Owner shall first be approved in writing by both by the Condominium Board and Sponsor (so long as Sponsor owns an Unsold Unit), whose approvals are discretionary and may be conditioned, withheld or denied without cause or explanation and without recourse against either by reason thereof.

5.1.8 General Maintenance Standard of Units and Common Elements

Each Unit (including its windows (both indoor and outdoor sides), doors, terrace, if any, and all portions thereof exposed to public view shall be kept, washed and maintained by its Owner (at such Owner's sole cost and expense), and the Common Elements (including all portions thereof used by the public or exposed to public view) shall be kept, washed and maintained by the Condominium Board (as part of the Common Expenses payable by all Unit Owners pro rata to their respective Common Interests):

(a) in good first class condition in conformity with the high dignity, character and standards of the Building;

(b) in clean, neat and sanitary condition;

and

(c) (as to all outdoor areas) free of snow, ice, water accumulation and debris, with all drains open and unclogged.

Each Unit Owner or the Condominium Board (as applicable) shall promptly make or perform all maintenance and repair work necessary to comply with the foregoing.

5.1.9 Neglect

Each Unit Owner shall be responsible for any and all damage to any other Unit or to the Common Elements resulting from such Owner's failure to maintain and repair the Owner's Unit or its appurtenant Individual Limited Common Element (if any).

5.1.10 Floors of Sold Residential Units

Each Sold Residential Unit Owner shall be obligated, at the Owner's sole cost and expense, to cover at least eighty percent (80%) of the floor areas of such Owner's Unit (other than the kitchen, pantry (if any), bathroom(s), powder room (if any) and closets) with carpeting, rugs or equally effective noise reducing material reasonably approved by the Condominium Board, unless the Condominium Board consents in writing to make exceptions for the Owner's Unit (such consent to be within the sole and absolute judgment and discretion of the Condominium Board).

5.1.11 Terraces of Sold Residential Units

The terrace appurtenant to a Sold Residential Unit: (a) shall not be walked upon, nor shall any object be placed thereon, without such Sold Residential Unit Owner, at the sole cost and expense of such Owner, first installing tiling, decking or other protective flooring which safeguards the roofing system and which is reasonably approved in writing by Sponsor (while Sponsor owns any Unsold Unit) and the Condominium Board; and (b) shall not be landscaped, painted, furnished, decorated, enclosed or otherwise altered without the prior written approvals and consents of both Sponsor (while Sponsor owns any Unsold Unit) and the Condominium Board, whose approvals and consents are discretionary and may be conditioned, withheld or denied without cause or explanation and without recourse against either by reason thereof.

5.1.12 Boundary Walls and Floor/Ceiling Slabs

Notwithstanding anything herein contained to the contrary, the Condominium Board shall be obligated to pay and perform as a Common Expense payable by all Unit Owners pro rata to their respective Common Interests, all structural and non-structural, and all extraordinary and ordinary, repairs to:

(a) the boundary walls enclosing a Residential or Commercial Unit (but not wall finishes or coverings, such as paint, wallpaper, wood panel or other surface material);

(b) the wooden plank subfloors (or other construction material) comprising the floors (but not floor finishes or coverings, including tile, wood, carpet or other surface

material) and ceilings (but not ceiling finishes or coverings, such as paint, plaster or other decorative material) of Residential and Commercial Units;

and

(c) the concrete (or other construction material) slab and roofing system underlying a terrace appurtenant to a Residential Unit (but not any tiling, decking or other protective flooring constituting the terrace above same).

All such excluded items are to be maintained and repaired by, and at the sole cost and expense of, each of the applicable Unit Owners.

5.1.13 General Obligation of Unit Owners

Each Unit Owner, at such Owner's sole cost and expense, shall generally be obligated to maintain and repair the Owner's Unit and its installations and any appurtenant Individual Limited Common Element in accordance with the applicable work requirements set forth in Section 15.2 of the Declaration, unless expressly provided otherwise elsewhere in these By-Laws or the Declaration.

5.1.14 Common Elements In or Adjacent To Units

The Condominium Board, as part of the Common Expenses payable by all Unit Owners pro rata to their respective Common Interests, shall be obligated to maintain and repair the Common Elements in, or adjacent to, a Unit in accordance with the applicable work requirements set forth in Section 15.2 of the Declaration, unless necessitated by the negligence, misuse, abuse or neglect of a Unit Owner (in which case same shall be repaired by the Board at the expense of the applicable Unit Owner as provided elsewhere herein).

5.1.15 Cooperation of Board

The Condominium Board shall reasonably cooperate with each Unit Owner in connection with any repair permitted to be made to or in connection with the Owner's Unit or its appurtenant Individual Limited Common Element (if any). In furtherance of such cooperation, the Condominium Board shall promptly execute and deliver any government document required in connection therewith, subject to the Owner's compliance with the following:

(a) such Unit Owner will be required to pay all required governmental fees and charges;

(b) (in the case of a Sold Residential or Commercial Unit only) such Sold Residential or Commercial Unit Owner shall be required to pay all reasonable professional fees (including legal, architect and engineering) and disbursements incurred by the Condominium Board to review the government document and to review any accompanying drawings and specifications (such fees, costs and expenses shall not be charged to Unsold Unit Owners);

and

(c) such Unit Owner shall indemnify the Condominium Board, its agents and employees and all other Unit Owners from all claims and liabilities and expenses arising from the government document executed by the Condominium Board or from any related work performed by or for such Unit Owner by the Owner's agents, employees and contractors.

Section 5.2 **Alterations and Structural Repairs**

5.2.1 Required Approvals

A Sold Residential or Commercial Unit Owner shall not make any of the following alterations ("Structural Alterations") to the Owner's Sold Unit (including its terrace, if any) or its installations without complying with the "Unit Alteration Requirements" (as defined and set forth in subsection 5.2.4 below) and obtaining the following prior written approvals or consents:

(a) in the case of alterations affecting the structural components of the Building or the Unit's entrance doors, windows, terrace or any other portion of the Unit exposed to public view, the written approvals or consents of both the Condominium Board and (while Sponsor owns any Unsold Unit) Sponsor must be obtained, whose approvals or consents are discretionary and may be conditioned, withheld or denied without cause or explanation and without recourse against either by reason thereof

or

(b) in the case of alterations affecting the Building's heating, plumbing, electric, ventilation, telephone, intercom, mechanical, electronic or other systems, the written reasonable approval of the Condominium Board must first be obtained.

A Sold Residential Unit Owner or Sold Commercial Unit Owner shall have the right to make all other Alterations to the Owner's Sold Unit without the approval of the Condominium Board or Sponsor, subject and subordinate to Articles 13, 14 and 15 of the Declaration, Section 5.1 above and Section 5.4 below. However, all non-structural alterations and all Board approved Structural Alterations (collectively, "Unit Alterations") must be performed in accordance and compliance with the "Unit Alteration Requirements" defined and set forth in subsection 5.2.4 below.

Sponsor and Unsold Unit Owners shall have the right to make all Unit Alterations (structural or non-structural, extraordinary or ordinary) to an Unsold Unit (including its entrance doors, windows, terrace and any other portions thereof exposed to public view) without approval or consent of the Condominium Board or Unit Owners.

5.2.2 Silence Deemed to be Approval

Except as prohibited by law, in the event that the Condominium Board or Sponsor shall fail to answer any written, reasonably detailed request for approval within thirty (30) days after such request is received, such failure to respond shall constitute the consent or approval of the Condominium Board or Sponsor (as applicable) thereto.

5.2.3 Unit Change

Notwithstanding anything to the contrary contained in subsection 5.2.1 or Section 5.1 above, Sponsor, an Unsold Unit Owner and an "Authorized First Sold Unit Owner" (as defined in Section 13.1 of the Declaration) shall have the right from time to time to make a "Unit Change" as defined and provided in Section 13.1 of the Declaration, freely and without consent, payment or restriction other than those set forth in Sections 13.2 and 15.2 of the Declaration. If a Sold Unit Owner is permitted to combine all or portions of two or more Units that are horizontally or vertically adjacent to each other, such Owner will have the right to incorporate portions of the Common Elements between or immediately adjacent to such Owner's Units (such as: the wall space between, or the portion of a hallway serving only, such Owner's horizontally adjacent Units; or the floor slab between such Owner's vertically adjacent Units), without paying any license or use fee or rental or other charge by reason thereof, but subject to such incorporation of portions of the Common Elements:

(a) being performed in compliance with the Unit Alteration Requirements;

(b) not preventing or unlawfully impairing legal access of other Units to the fire stairs, elevator, lobby or Building entrance;

and

(c) not diminishing or adversely and unreasonably affecting: (i) the proper and efficient performance, function, capacity or utility of the Building's installations servicing other Units or the Common Elements or (ii) the use of the Common Elements servicing other Units for their intended purposes.

5.2.4 Unit Alteration Requirements

All Unit Alterations (i.e., permitted non-structural and structural alterations) and/or permitted Structural Repairs (collectively, "Unit Alterations/Repairs") by a Sold Residential or Commercial Unit Owner must comply with the following requirements (sometimes "Unit Alteration Requirements" or "Unit Repair Requirements" or "Unit Alteration/Repair Requirements"):

(a) such Unit Alterations/Repairs work shall not commence until the Unit Owner causes all required plans, specifications, notices and/or certifications to be filed with all governmental authorities having jurisdiction, procures all required approvals, permits and licenses with respect to the same, and delivers copies of

all such plans, specifications, notices, certifications, approvals, permits and licenses to the Board or its Managing Agent (as directed);

(b) such Unit Alterations/Repairs work shall be diligently prosecuted to completion in compliance with all plans, specifications, notices and/or certifications and in conformity with all permits and licenses;

(c) such Unit Alterations/Repairs work shall be performed in accordance and compliance with: (i) all applicable work requirements set forth in Section 15.2 of the Declaration and (ii) the work rules of the Building adopted by the Condominium Board from time to time;

(d) the Condominium Board and its Managing Agent, and their respective employees and representatives, shall be given reasonable opportunity, from time to time, to inspect such Unit Alterations/Repairs work as it progresses;

(e) all contractors involved in such Unit Alterations/Repairs work shall be duly licensed to the extent required by applicable law and, if required under any contract with any union whose members are performing services at the Building, such Unit Alterations/Repairs work shall be performed solely by union members;

(f) promptly after the completion of such Unit Alterations/Repairs work, all necessary inspections and approvals of governmental authorities having jurisdiction thereof shall be obtained, all necessary notices and/or certifications shall be filed with the appropriate governmental authorities and the Condominium Board or its Managing Agent (as directed) shall be given a copy of all such inspections, approvals, notices and certifications;

(g) the Unit Alterations/Repairs shall comply with all applicable laws including federal lead based paint disclosure regulations;

(h) before work commences, the Sold Residential or Commercial Unit Owner shall give the Condominium Board, and the Condominium Board shall receive, written notice of the details of the proposed Unit Alterations/Repairs and (if requested) complete drawings showing all proposed construction changes prepared by an architect, engineer or other appropriate professional;

(i) (in the case of Unit Alterations/Repairs, including furnishing, painting and decorations, affecting the Sold Unit's terrace (if any), windows or the portions of the Sold Unit and its appurtenant Individual Limited Common Element, if any, exposed to public view) the Sold Residential or Commercial Unit Owner (as applicable) shall obtain the prior written approvals of both the Condominium Board and Sponsor (so long as Sponsor owns an Unsold Unit), whose approvals are discretionary and may be conditioned, denied or withheld without cause or explanation and without recourse against either by reason thereof;

(j) (if required by the Condominium Board) before such Unit Alterations/Repairs work commences the Sold Residential or Commercial Unit Owner (as applicable)

shall sign and deliver to the Condominium Board an Alteration Agreement, on the standard form adopted by, and in substance satisfactory to, the Condominium Board, setting forth the terms and conditions for performing the Unit Alterations/Repairs (including the Condominium Board's work rules, insurance requirements and an indemnity in favor of the Condominium Board, its agents and employees, and all Unit Owners, from and against any and all claims and liabilities and expenses arising out of the Unit Alterations/Repairs);

and

(k) the Sold Residential or Commercial Unit Owner (as applicable) shall pay or reimburse the Board for the costs and expenses it incurs in connection with the review of the construction drawings and related plans and specifications of the proposed Unit Alterations/Repairs, the execution of such Building standard Unit Alterations agreement and the monitoring of the Unit Alterations/Repairs Work, including fees and disbursements of the Board's architect, engineer, attorneys, superintendent and Managing Agent.

If a Sold Residential or Commercial Unit Owner (as applicable) violates or breaches any such Unit Alteration/Repair Requirements, the Condominium Board shall be entitled to cause such Unit Alterations/Repairs work by the Sold Unit Owner to be halted, including causing the Managing Agent to deny access to the Building to the Sold Unit Owner's agents, employees and contractors until the Sold Unit Owner complies with the same, and if required to avoid an interruption of any Building services to a Unit or the Common Elements, or to avoid or discharge a violation of law or to remove a condition which threatens the structural integrity of the Building or any portion thereof or the material health or safety of occupants of Units, to cause all such Unit Alterations/Repairs work to be removed and the Unit restored to its prior condition, at the Sold Unit Owner's sole cost and expense.

The foregoing Unit Alteration/Repair Requirements do not apply to: (a) furnishing, painting and decorating the portions of a Sold Unit which do not involve its terrace (if any), entrance doors, windows or other portions thereof exposed to public view; or (b) Unit Alterations/Repairs to Sponsor Units or Unsold Residential or Commercial Units. Such permitted furnishing, painting and decorating by a Sold Unit Owner and all Unit Alterations/Repairs by Sponsor or an Unsold Unit Owner may be made and performed freely and without consent, payment or restriction, other than the requirement to comply with the applicable work requirements set forth in Section 15.2 of the Declaration. Unit Alterations/Repairs by an Authorized First Sold Unit Owner who is given written authorization for the Unit Alterations/Repairs by Sponsor or an Unsold Unit Owner (as applicable) at or prior to title closing shall not be subject to (and may be made without) Board approval, but shall be subject to compliance with the "Unit Change Requirements" defined and provided in Section 13.2(r) of the Declaration.

5.2.5 Government Documents

The Condominium Board shall execute and return to Sponsor, an Unsold Unit Owner and a Sold Unit Owner who complies with all of the foregoing Unit Alteration/Repair Requirements, any government document reasonably required for the Unit Alterations/Repairs, subject to the Owner's compliance with the following:

(a) such Unit Owner shall be required to pay all required governmental fees and charges in connection with such government document;

(b) such Sold Unit Owner (but not Sponsor or an Unsold Unit Owner) shall be required to pay all reasonable professional fees (including legal, architect and engineering) and disbursements incurred by the Condominium Board to review the government document and to review any accompanying drawings and specifications;

and

(c) such Unit Owner shall indemnify the Condominium Board, its members, officers, agents (including the Managing Agent) and employees and all Unit Owners from and against any and all claims and liabilities and expenses arising from the government document executed by the Condominium Board and from any related work performed by or for such Owner by such Owner's agents, employees and contractors.

5.2.6 Exculpation of Board and Other Unit Owners

The Condominium Board and its members, officers, agents (including the Managing Agent) and employees, and Unit Owners (other than the applicable Unit Owner making the Unit Alterations/Repairs, or causing the Unit Alterations/Repairs to be made) shall not be liable for any claims or liabilities and expenses in connection with the preparation, execution or submission of a government document or that may be asserted by: (a) any contractor, subcontractor, materialman, architect or engineer on account of any such Unit Alterations/Repairs or (b) any person for personal injury or property damage arising therefrom.

5.2.7 Indemnity

Any Unit Owner (including Sponsor or an Unsold Unit Owner) making or causing to be made such Unit Alterations/Repairs shall indemnify the Condominium Board, its members, officers, agents (including the Managing Agent), employees and all other Unit Owners from and against any and all claims and liabilities and expenses arising in connection with such Unit Alterations.

5.2.8 Consent of Sponsor

In addition to the requirements set forth above in this Section 5.2, until a permanent Certificate of Occupancy is obtained for the Building authorizing the use of all Units for

their intended purposes as set forth in the Declaration, no Sold Unit Owner shall make any Unit Alterations/Repairs in or to the Owner's Unit or its appurtenant Individual Limited Common Element (if any) without first obtaining Sponsor's written consent. Such consent may be denied or withheld by Sponsor, in Sponsor's sole and absolute discretion, without cause or explanation and without recourse against Sponsor for refusing to consent and, if granted, may (at Sponsor's sole and absolute discretion) be conditioned upon complying with Sponsor's requirements with respect to the same. Such requirements may include that:

(a) such Unit Alterations/Repairs shall not require a change in the proposed Certificate of Occupancy of the Building nor result in a delay in obtaining said permanent Certificate of Occupancy for the Building;

(b) the Sold Unit Owner posts a bond or other similar security that is reasonably acceptable to Sponsor in an amount sufficient (in Sponsor's reasonable judgment) to insure the diligent completion of the work and the filing of any required notices or certificates with respect to such work and the completion of the same with all governmental authorities having jurisdiction;

and

(c) Sponsor, and its agents and employees, shall have the same rights of the Condominium Board in subsection 5.2.4 above: (i) to inspect the work from time to time as it progresses and (ii) to be given copies of all applicable or required government documents

If any Sold Unit Owner violates or breaches any of the foregoing terms and conditions, or fails to comply with the requirements of Sponsor in connection with the same, Sponsor shall be entitled to cause such Unit Alterations/Repairs work by the Sold Unit Owner to be halted, including causing the Managing Agent to deny access to the Building to the Sold Unit Owner's agents, employees and contractors until the Sold Unit Owner complies with the same, and if required to avoid or discharge a violation of law or to obtain a permanent Certificate of Occupancy, to cause all such work to be removed and the Unit restored to its prior condition, at the Sold Unit Owner's sole cost and expense.

5.2.9 Sponsor's Right to Alter

The foregoing Unit Alteration/Repair Requirements are applicable only to a Sold Unit and do not apply to any Sponsor Unit or Unsold Unit. Sponsor and each Unsold Unit Owner shall have the right ("Sponsor's Right to Alter") to alter its Unsold Units and the Common Elements in accordance with the rights and easements reserved and granted to Sponsor and Unsold Units in the Declaration and these By- Laws. Sponsor and each Unsold Unit Owner may exercise Sponsor's Right to Alter freely and without consent, payment or restriction, other than the requirement to comply with the applicable work requirements set forth in Section 15.2 of the Declaration. Sponsor's Right to Alter includes all changes to Units and Common Elements in Article 13 of the Declaration and

in the Plan in Section I, subsection "I-2. Changes in Unsold Units" and all rights and easements reserved and granted by Sponsor in Articles 10, 11 and 12 of the Declaration, including the right of Sponsor, its agents, employees and contractors, from time to time, freely and without consent, payment or restriction (other than the proviso stated below):

(a) to newly install and connect to any Building installations (whether comprising the Residential Limited Common Elements, the Commercial Limited Common Elements or General Common Elements) any installations now or hereafter servicing any Unsold Unit or any portion thereof;

(b) to thereafter inspect, maintain, repair and alter such newly installed and connected installations;

and

(c) to have access to the Common Elements to perform work in connection with the foregoing;

provided only that:

(i) such new installations and connections and the subsequent inspection, maintenance, repair and alteration thereof, shall be performed in accordance with the installation requirements set forth in Section 10.4 of the Declaration and the applicable work requirements set forth in Section 15.2 of the Declaration;

(ii) the new connections shall not unreasonably and adversely affect any Building, installations or otherwise permanently diminish the proper and efficient performance, function, capacity or utility of any Building installations servicing other Unit Owners so as to prevent or unreasonably impair the use or operation of any Unit or Common Element for its intended purpose;

(iii) the new connections shall not unreasonably and adversely affect the structural integrity of the Building or any portion thereof or the operation of the Building or the use of any Unit for its intended purpose;

and

(iv) no new equipment (other than replacements of existing equipment) shall be installed after the First Closing which encroaches on any hallway or the lobby or any other indoor usable or rentable space within the public areas of the Residential Limited Common Elements or the Commercial Limited Common Elements.

The agents, employees and contractors of Sponsor shall be given reasonable access to, through and over the Common Elements to perform such alterations to the Unsold

Units or Common Elements as well as to inspect, maintain, repair and alter same. Such access includes the right to transport and store materials, supplies and equipment and to cause a temporary interruption in Building services, but shall be exercised in a reasonable manner so as not to unreasonably interfere with the permitted use or operation of a Unit in accordance with the Declaration and By-Laws.

5.2.10 Board Alterations

The Condominium Board shall have the substantially exclusive right and responsibility to make all necessary or desirable alterations to the Common Elements, including Units owned, leased or otherwise held or operated by the Condominium Board (collectively, "Board Alterations") in accordance and compliance with the Declaration and in particular (but not limited to) Sections 14.4 and 14.5 thereof, but subject and subordinate to: (a) all rights and easements expressly reserved to Sponsor and granted to Unsold Unit Owners in the Declaration, these By-Laws, the Plan and Plan amendments; and (b) the Condominium Board obtaining all requisite approvals of Sponsor and Unit Owners before undertaking any Board Alterations as and to the extent set forth in Section 14.5 of the Declaration. All costs and expenses of Board Alterations shall be paid as part of the Common Expenses payable by all Unit Owners pro rata to their respective Common Interests.

5.2.11 Hallway Alterations

A Sold Residential Unit Owner may decorate, paint, furnish and alter the elevator landing and/or hallway (collectively, "Hallway Alterations") leading to the Owner's Sold Residential Unit (but not the fire exit stairs or its landing), on the following terms and conditions:

(a) a majority of the Owners (or, if only two, both Owners) of the Residential Units sharing the hallway and Sponsor (if Sponsor owns an Unsold Residential Unit that shares the hallway) must first consent in writing to the Hallway Alterations;

and

(b) the Hallway Alterations shall be performed and comply with the same requirements applicable to Unit Alterations (that is, Unit Alteration/Repair Requirements).

Section 5.3 Declaration Governs Maintenance, Repairs and Alterations of Units and Common Elements

The provisions of the Declaration, and in particular (but not limited to) Articles 13, 14 and 15 thereof, relating to the maintenance of, and repairs and alterations to, the Units and the Common Elements (including the General Common Elements, the Residential Limited, the Common Elements Commercial Limited Common Elements and Individual Limited Common Elements, if any) are hereby incorporated herein and are paramount and shall govern the duty, right, terms, restrictions, requirements, approvals and consents, if any (collectively, "duty, right and requirements") of a Unit Owner or the

Condominium Board (as applicable) to perform and pay the costs and expenses of maintenance of, and repairs and alterations to, the Units and the Common Elements (including the General Common Elements, the Residential Limited Common Elements, the Commercial Limited Common Elements and Individual Limited Common Elements, if any).

Section 5.4 **Negligence, Misuse, Abuse or Neglect**

The provisions of this Article 5 to the contrary notwithstanding, in accordance with Section 14.7 of the Declaration, in the event that any maintenance, repairs, alterations or other work is necessitated by the negligence, misuse, abuse or neglect of:

(a) a Unit Owner or a tenant, licensee or occupant of a Unit, or the agents, employees and contractors of such Unit Owner, licensee or tenant, then the entire costs and expenses thereof shall be charged to, and borne by, only such Unit Owner and, if paid by the Board, shall be assessed as a Common Charge against such Owner's Unit and shall be payable by such Unit Owner;

or

(b) the Condominium Board or its agents, employees and contractors, then the entire Costs and Expenses thereof shall be charged to, and borne by all Unit Owners as a Common Expense payable by all Unit Owners pro rata to their respective Common Interests.

Nothing contained herein shall be deemed a waiver of any claims the Board or a Unit Owner may have against an insurer or otherwise. In addition, if the liability of a Unit Owner under the preceding clause is the result of a casualty caused by the negligence, misuse, abuse or neglect of such Unit Owner and such casualty is insured under a policy maintained by the Condominium Board containing a waiver of subrogation or equivalent provision, then such Unit Owner's liability shall be reduced by the amount of any insurance proceeds received and collected by the Condominium Board in connection therewith.

ARTICLE 6

INSURANCE

Section 6.1 **Insurance Requirements for the Condominium Board**

At the First Closing, Sponsor will provide at the expense of the Condominium Board, the insurance coverage disclosed in a footnote to the First Year's Budget set forth as SCHEDULE B in Section F of the Plan. Thereafter, the Condominium Board will maintain such insurance to the extent obtainable regardless of whether same is obtainable at reasonable rates (unless otherwise noted). However, the Condominium Board may change the insurance from time to time, but may not eliminate insurance

coverage that is obtainable and is required to be maintained under the By-Laws. In addition, the Condominium Board may not increase or decrease the amounts or change the types of insurance coverage in said SCHEDULE B during the Initial Control Period unless the prior written consent of Sponsor is given as provided in Section 2.5 hereof.

Section 6.2 **Fire and Casualty Insurance**

6.2.1 Coverage and Insured Parties

The Board shall obtain and maintain fire insurance with all risk coverage, vandalism and malicious mischief endorsements, insuring the Common Elements, including the walls separating the Units from the Common Elements and the Building standard bathroom and kitchen fixtures and covering the interests of the Condominium, the Condominium Board and all Unit Owners and their mortgagees, as their respective interests may appear, in an amount equal to one hundred percent (100%) of the full replacement value of the portions of the Property required to be insured against loss or damage pursuant to this clause (exclusive of foundations and footings), without deduction for depreciation.

6.2.2 Amount and Special Provisions

The fire and casualty insurance coverage shall be not less than an amount which shall be sufficient for the insurer to waive any co-insurance requirement or is based on an "agreed amount" replacement cost (or comparable term). In addition, such fire and casualty policies shall contain (if available at reasonable rates):

(a) waivers of: (i) subrogation in favor of Owners and designated tenants of Units; (ii) any defense based upon co-insurance or other insurances; (iii) invalidity arising out of the acts of an insured party; and (iv) pro rata reduction of liability;

(b) a provision that any adjustment of loss will be made by the Condominium Board and that all proceeds will be paid to the Condominium Board or (at the option of the Board) an Insurance Trustee appointed pursuant to these By-Laws where the Board is to restore the damaged area in accordance with these By-Laws;

(c) a New York Standard Mortgagee provision in favor of each Permitted Mortgagee, subject and subordinate however to the preceding loss payment provisions in favor of the Condominium Board or (at the option of the Board) Insurance Trustee;

and

(d) a provision preventing the policy from being canceled or substantially modified unless at least ten (10) days' prior written notice is given to all insured parties, including all Permitted and Registered Mortgagees who have requested same from the Condominium Board in writing.

6.2.3 Appraisal

Before obtaining any policy of property casualty insurance or any renewal thereof, the Condominium Board shall obtain an appraisal from a property insurance company or otherwise of the full replacement value of the portions of the Property, exclusive of foundations and footings, and without deduction for depreciation, for the purposes of determining the amount of such property casualty insurance to be obtained pursuant to this Section.

6.2.4 Proof of Insurance

Duplicate originals of all policies of property casualty insurance and of all renewals thereof, together with proof of payment of the premiums, shall be delivered to Sponsor or its successors and assigns as Owner of an Unsold Unit, a tenant of a Commercial Unit (if requested by the Owner of such Commercial Unit) and a Registered Mortgagee of an Unsold Unit at least thirty (30) days prior to the expiration of the then current policies.

6.2.5 Excluded From Coverage

The property casualty insurance shall not cover the decorations or finishes of walls, floors or ceilings of the Common Elements (unless otherwise determined by the Condominium Board) or of any Unit not owned, leased, held or operated by the Board, or the contents of any such Unit (including in the case of a Residential or Commercial Unit, its appliances, fixtures, furniture, furnishings, decorations and other personal property, other than the Building standard bathroom and kitchen fixtures).

Section 6.3 **Liability Insurance**

6.3.1 Coverage

The Condominium Board shall obtain and maintain commercial general liability coverage with respect to ownership, operation, maintenance, use and control against liability for injury or damage to persons or property in or upon the Common Elements and the sidewalks and vaults (if any) adjacent to the Property, and all Units or other property (if any) owned, leased, held or operated by the Condominium Board. The Condominium Board may, in its discretion, obtain umbrella liability insurance in such amounts in excess of that (if any) provided in the First Year's Budget (SCHEDULE B in Section F of the Plan) as the Condominium Board may determine from time to time.

6.3.2 Amount

The liability coverage shall be in such amounts as the Condominium Board may determine from time to time, but shall not be reduced below the amount set forth in the First Year's Budget (SCHEDULE B in Section F of the Plan) unless Sponsor shall otherwise consent thereto in writing during the Initial Control Period (as provided in Section 2.5 above). The Condominium Board shall review the amounts of liability coverage at least once each Budget Year.

6.3.3 Insured Parties

The liability policies shall list as co-insureds: (a) the Condominium Board and each and every member and officer thereof, (b) the Managing Agent or manager (if any), (c) each agent and employee of the Condominium Board and (d) each Unit Owner, as their respective interests may appear.

6.3.4 Excluded from Coverage

Such insurance shall not cover liability of a Unit Owner arising from occurrences within the Owner's Unit (including its terrace, if any) or its appurtenant Individual Limited Common Element (if any). This exception shall not apply to any Unit owned, leased, held or operated by the Condominium Board.

6.3.5 Proof of Insurance

Duplicate originals of all policies of liability insurance and of all renewals thereof, together with proof of payment of premiums for such liability coverage shall be given to Sponsor or its successors and assigns, as Owner of an Unsold Unit within ten (10) days after being requested.

Section 6.4 **Boiler and Machinery Insurance**

The Condominium Board shall obtain and maintain boiler and machinery insurance on equipment constituting part of the Common Elements, but not part of a Unit (which may be separately insured by the Owner of such Unit).

Section 6.5 **Worker's Compensation**

The Condominium Board shall obtain and maintain workers compensation insurance, New York State disability benefits insurance and employers' liability coverage covering any employees hired by the Condominium Board.

Section 6.6 **Other Insurance**

The Condominium Board shall also obtain and maintain the following insurance to the extent available at reasonable rates:

(a) business interruption insurance, including loss of rents in an amount equal to the Common Charges for at least twelve (12) months;

(b) water damage legal liability insurance;

(c) elevator liability and collision insurance;

(d) non-owned and hired automobile liability insurance;

(e) combination crime insurance, including blanket employee dishonesty, forgery or alteration, covering the members and officers of the Condominium Board, the

Managing Agent, (if any) and employees (if any) handling funds of the Condominium Board;

(f) officers and directors liability insurance for officers and members of the Condominium Board;

and

(g) such other or additional insurance as the Condominium Board shall determine from time to time.

Section 6.7 **Insurance Covering Work Performed by Board**

In connection with work performed by the Condominium Board, if not already covered by insurance policies then maintained by the Condominium Board, the Condominium Board shall also obtain and maintain installation floater coverage in an amount equal to the cost of the contract for any work performed by the Condominium Board on the Property or cause its contractors to maintain equivalent insurance, naming the Condominium Board, all Unit Owners and the Registered Mortgagees as their interests may appear, except that such insurance shall not be required if the estimated cost of such work is less than $100,000.00.

Section 6.8 **Insurance Amounts and Deductibility**

To the extent not specified above, all such insurance shall be in such amounts and may provide for such deductible amounts as the Condominium Board may determine from time to time.

Section 6.9 **Adjustment and Payments**

6.9.1 Adjustments by Board

All of the above policies shall provide that adjustment of loss shall be made by the Condominium Board and all policies of property casualty insurance shall provide that the proceeds of insurance shall be paid to: (a) the Condominium Board, if $1,000,000.00 or less; or (at the option of the Condominium Board) (b) to the Insurance Trustee, if in excess of $1,000,000.00. The fees and disbursements of any Insurance Trustee shall be paid by the Condominium Board as a Common Expense and charged to all Unit Owners pro rata to their respective Common Interests.

6.9.2 Payments

In either instance, all such insurance proceeds actually received by the Board or Insurance Trustee shall be held in trust for the benefit of all Unit Owners and their Permitted Mortgagees and shall be disbursed as provided in Article 7 below.

6.9.3 Commercial Units

The foregoing notwithstanding, a Commercial Unit Owner may settle and adjust any claim for a loss to its Commercial Unit, provided that the insurance proceeds applicable to a loss to any other Unit or the Common Elements shall not be reduced thereby.

Section 6.10 **Allocation of Insurance Premiums**

Unless otherwise expressly provided elsewhere in the Declaration or these By-Laws, the provisions for insurance maintained by the Condominium Board in accordance with this Article 6 shall be a Common Expense and charged to all Unit Owners pro rata to their respective Common Interests.

Section 6.11 **Insurance Requirements for Unit Owners**

6.11.1 General Prohibitions

A Unit Owner shall not:

(a) do or permit any act or thing to be done in or to such Owner's Unit which will invalidate or be in conflict with any public liability, property or other policy of insurance at any time carried by the Condominium Board with respect to the Property, except no such policy maintained by the Condominium Board shall conflict with or prohibit any use of a Unit permitted under the Declaration;

(b) keep anything in its Unit which is prohibited by the Fire Department, Board of Fire Underwriters, fire insurance rating organization or other authority having jurisdiction;

(c) permit a Unit to be used in any manner which will increase the insurance rate for the Property over that in effect as of the First Closing (other than uses permitted and intended by the Declaration), unless the Unit Owner responsible for such increase pays the additional cost thereof as provided in the following subsection 6.11.2;

or

(d) perform any work affecting the Common Elements without first obtaining and continuously maintaining until the work is completed, at the sole cost and expense of such Unit Owner, the insurance required in subsection 6.11.3 below.

6.11.2 Unit Owner Liability for Default

Any costs, expenses, fines, penalties or damages which shall be imposed upon the Condominium Board by reason of a default by a Unit Owner in performing its obligations under this Section 6.11 or by reason of any increase in the premium charged for insurance carried by the Condominium Board resulting from a change in the insurance rate for the Property attributable to a use of an Owner's Unit, other than joint-live work

uses (as to a Residential Unit) or permitted commercial uses (as to a Commercial Unit), or uses incidental thereto, shall be assessed a special Common Expense against such Unit only and shall be payable entirely by the Owner of such Unit. In no event, however, shall any Commercial Unit Owner be assessed a special Common Expense for any higher insurance premium based solely on the Building being classified as mixed-use (that is, residential and commercial uses). For all purposes hereunder, a schedule of rate for the Property issued by the New York Fire Insurance Exchange or other body making fire insurance rates applicable to the Property shall be conclusive evidence of the facts therein stated and of the several items and charges in the fire insurance rate or rates then applicable to the Property.

6.11.3 Work by Unit Owner

A Unit Owner, at such Owner's sole cost and expense, shall maintain or cause to be maintained by its contractor or otherwise the following insurance during its performance of any work, other than work exclusively within its Unit not affecting any of the Common Elements:

(a) Worker's Compensation and Disability Benefits Insurance as required by the Laws of the State of New York and Employer's Liability Insurance;

(b) Commercial General Liability and Products/Completed Operations Coverage to the extent such insurance coverage is not included in a policy maintained by the Condominium Board, including the Condominium Board, its agents, successors and assigns, and any tenant or tenants of the Unit as additional insureds with a minimum limit of $1,000,000.00 each occurrence and $2,000,000.00 in the aggregate;

and

(c) coverage in an amount equal to the cost of the contract for any work performed in the Common Elements, naming the Unit Owners, the Condominium Board, and any mortgagee of the Unit Owner performing such work as their interests may appear, except that such insurance shall not be required if the estimated cost of the work in the Common Elements is less than $100,000.00 and is covered by insurance policies maintained by the Condominium Board.

Section 6.12 **General Insurance Matters**

The policies of insurance required to be maintained under this Article 6 shall meet the following criteria:

(a) The policies of insurance shall be from a company rated in the A.M. Best Key Rating Guide with ratings of at least A- and of at least VI and such company shall be licensed to do business in the State of New York.

(b) The policies shall contain a provision that before any change or cancellation of a policy, at least thirty (30) days' advance written notice by certified mail, return

receipt requested, shall be given: (i) in the case of insurance maintained by the Condominium Board under Sections 6.2 to 6.7 above, to all Unit Owners and Registered Mortgagees; and (ii) in the case of insurance maintained by a Unit Owner under subsections 6.11.1 and 6.11.3, to the Condominium Board. All policies required to be obtained by the Condominium Board pursuant to this Article shall be renewed or replaced at least ten (10) days prior to the expiration of the then current term.

(c) All policies for property insurance maintained by the Condominium Board under Section 6.2 above shall contain waivers of subrogation and generally all policies maintained by the Condominium Board shall also cover cross-liability claims of one insured against another insured.

(d) All policies shall acknowledge that all Unit Owners are deemed additional insureds for any liability insurance and loss payees for property insurance although not individually named and that the Condominium Board is authorized to sign all checks for payment of proceeds or other instruments required in connection with the processing, payment and settlement of claims on such Unit Owners' behalf (other than the Unit Owner owning the policy under which such proceeds are paid).

(e) Each liability policy shall be endorsed with a severability of interest endorsement, if not otherwise included, stating that if a claim is brought by one insured against another insured under such policy, or by an employee of one insured against another insured under such policy, each insured shall be considered a separate insured for purposes of the insurance and shall meet the following additional criteria:

(i) the policies shall be written with a contractual liability endorsement, if not otherwise included, providing coverage for bodily injury or property damage assumed under any type of written contract, except any contract under which the insured assumes liability for the sole negligence of an indemnitee;

and

(ii) the policies shall be written to specifically include coverage for legal liability for damage of any part of the Property by fire.

(f) Any policies required to be furnished by a Unit Owner pursuant to Section 6.11 above may be maintained by the Unit Owner under a blanket policy or policies; provided, however, that the minimum amount of the total insurance afforded by such blanket policy which shall be allocable to the Owner's Unit(s) and the work to be performed and any sublimits of such policy allocable to the Unit(s) shall be in amounts which shall not be less than the amounts of the insurance required hereunder and the protection afforded under such policy shall be not less than which would have been afforded under a separate policy or policies, and the

certificate evidencing such insurance shall contain provisions confirming the foregoing. Certificate(s) evidencing the existence of any policy required to be maintained by a Unit Owner under Section 6.11.3 above shall be delivered to the Condominium Board with evidence of the payment of the premiums therefor not less than fifteen (15) days prior to the commencement of the work. Within ten (10) days of the expiration or termination date of any policy, the Unit Owner shall deliver a renewal or replacement policy, or certificate(s) evidencing the existence thereof, to the Condominium Board together with proof of the payment of the premium therefor.

(g) All of the conditions contained in Section 6.12 (b) above are required only to the extent obtainable at reasonable rates from any insurance company meeting the requirements set forth in Section 6.12(a) above.

(h) The requirements set forth in subsection 6.11.3 and this Section 6.12 shall be referred to herein collectively as the "Insurance Conditions".

(i) The Condominium Board may amend or waive any of the Insurance Conditions from time to time and/or adopt different or additional requirements in lieu of the Insurance Conditions set forth herein.

(j) Without limiting the remedies of the Condominium Board for a Unit Owner's default, in the event that any Unit Owner fails to provide evidence of insurance required to be provided by such Unit Owner hereunder and does not cure such default within three (3) business days after request therefor by the Condominium Board, the Condominium Board shall be authorized (but not required) to procure such coverage in the amounts stated with all costs thereof to be assessed against such Unit Owner's Unit as a special Common Expense payable entirely by such Unit Owner.

(k) Neither the issuance of any insurance policy hereunder, nor the minimum limits specified herein with respect to a Unit Owner's insurance coverage, shall be deemed to limit or restrict in any way any Unit Owner's liability in connection with or arising out of its work and the indemnification obligations set forth in the Declaration and these By-Laws.

(l) Each Unit Owner may carry for such Owner's own benefit insurance which is in addition or supplemental to that required herein, provided that the insurance coverage for the Condominium and other Unit Owners pursuant to this Article 6 shall not be diminished or otherwise adversely affected by reason of any such supplemental or additional insurance carried by such Unit Owner.

ARTICLE 7

DAMAGE OR DESTRUCTION OF BUILDING

Section 7.1 **Substantial Destruction or Damage**

7.1.1 Substantial Casualty

If seventy-five percent (75%) or more of the Building is destroyed or substantially damaged by casualty ("Substantial Casualty") and a majority of Unit Owners in number or aggregate Common Interests (it being intended and agreed that such majority is a different percentage in number or Common Interest permitted by Section 339-e(8) of the Condominium Act) or (only if such majority is not permitted by, and would violate a mandatory requirement of, the Condominium Act) seventy-five percent (75%) or more of the Unit Owners (in number or Common Interests) do not duly resolve to proceed with the repairs within sixty (60) days after the Condominium Board gives notice to all Unit Owners stating whether the net amount of any insurance proceeds payable on account of the loss will be sufficient to pay the estimated cost of the repairs, then the repairs shall not be made and the Property or so much thereof as shall remain shall be subject to an action for partition at the suit of any Unit Owner or lienor as if owned in common. In the event of a partition action, the net proceeds of sale, together with the net proceeds of insurance policies, if any, shall be considered as one fund and shall be divided among all Unit Owners pro rata to their respective Common Interests; provided, however, that no payment shall be made to a Unit Owner until there has first been paid off out of such Unit Owner's share of such fund all unpaid liens or such Owner's Unit in the order of priority of such liens (including liens of mortgages and liens of the Condominium Board).

7.1.2 Requirement for Unit Owners' Approval

To the extent not prohibited by the Condominium Act, the requisite number or percentage of Unit Owners shall be deemed to have duly and promptly resolved to proceed with the repairs if the net proceeds of insurance for such destruction or damage available to the Condominium Board shall be sufficient, in the reasonable judgment of the Condominium Board, to pay for the costs and expenses of repairs and a majority of the Unit Owners (both in number and in Common Interests) do not affirmatively vote (at a duly constituted meeting of Unit Owners at which a quorum is present) or elect in writing not to proceed with the repairs within the aforementioned sixty (60) day period.

Section 7.2 **Insurance Trust Funds**

7.2.1 Trust Funds

The proceeds of insurance policies receivable by reason of such casualty shall be payable either to the Condominium Board, if the same shall be $1,000,000.00 or less in the aggregate, or to the Condominium Board or (at the option of the Condominium Board) an Insurance Trustee, appointed by the Condominium Board, if the same shall

exceed $1,000,000.00 in the aggregate. In either instance, all such monies actually received (hereinafter referred to as the "Insurance Trust Funds") shall be held in trust for the benefit of all Unit Owners and their Permitted Mortgagees, and shall be disbursed pursuant to the terms of this Article 7.

7.2.2 Commercial Unit

Notwithstanding anything to the contrary contained either in the foregoing subsection 7.2.1 or elsewhere in this Article 7, the Commercial Unit Owner may settle or adjust any insurance claim for a casualty affecting the Owner's Commercial Unit, provided that the insurance proceeds received by any other Unit Owner or the Condominium Board is not reduced thereby.

Section 7.3 **Restoration**

7.3.1 Repair of Common Elements

If the requisite number or percentage of Unit Owners resolve to repair the damage caused by a Substantial Casualty or if less than seventy-five percent (75%) of the Building is destroyed or substantially damaged by casualty, the Condominium Board shall arrange for repairs to be made promptly to the Common Elements, including: (a) the perimeter walls enclosing Units (consisting of: the outdoor brick, masonry or other construction material of the Building's exterior walls; the furring on the indoor side thereof, such as studs, sheetrock and/or plaster; and painting, wallpapering or other wall coverings, finishes, treatments or decorations of the Common Elements, but not the Units); (b) all installations servicing Units which are part of the Common Elements and not expressly stated to be part of a Unit; and (c) any other parts of the Property for which the Condominium Board carries insurance covering such destruction or damage (such as the Building standard bathroom and kitchen fixtures of Residential and Commercial Units, but not the other portions, decorations or contents thereof).

7.3.2 Order of Priority of Payments

The Condominium Board or the Insurance Trustee (if any), as the case may be, shall disburse the Insurance Trust Funds as follows: first, to pay the costs and expenses incurred by the Condominium Board to recover the award; and second, the balance ("Net Insurance Trust Funds") to pay to the contractors engaged in making such repairs in appropriate progress payments.

7.3.3 Order of Priority of Repairs

If repairs are to be performed in or to Units, Common Elements that service or enclose Units and other Common Elements or any combination of the foregoing, repairs shall be performed, to the extent practicable and economical: first, in or to the Units, second, in or to the Common Elements that service or enclose Units and third, in or to the other Common Elements.

7.3.4 Unit Owners

Each Unit Owner whose Unit, or any portion thereof, shall be the subject of all or part of any repairs: (a) shall be kept reasonably informed as to the scheduling and progress of repairs to the Owner's Unit (but may not supervise or otherwise interfere with the performance of such repairs); and (b) shall be responsible to arrange, pay and perform all repairs to the interior of such Owner's Unit (excluding any repairs to be made by the Board, but including: all coverings, finishes, treatments and other decorations of walls, floors and ceilings; and all installations forming a part of the Unit, other than the Building standard bathroom and kitchen fixtures to be repaired by the Board) to the extent such repairs are required to be made by applicable law.

Section 7.4 **Allocation of Net Insurance Trust Funds**

In the event of a casualty to the Common Elements which is to be repaired (and is not subject to an action for partition under Section 7.1 above), the Net Insurance Trust Funds will be allocated to the affected General Common Elements, Residential Limited Common Elements and Individual Limited Common Elements (if any) in proportion to the costs and expenses to repair same. The amount so allocated will then be applied for the account of all Unit Owners pro rata to their respective Common Interests.

Section 7.5 **Insufficient Trust Funds**

If the Net Insurance Trust Funds shall be less than sufficient for the Condominium Board to discharge the costs and expenses of performing the repairs, the Condominium Board shall levy a Special Assessment (as provided in the following sentence) for the amount of such deficiency and the proceeds of such Special Assessment shall become part of the Net Insurance Trust Funds. Such Special Assessment shall be levied as a Common Expense of all Unit Owners pro rata to their respective Common Interests.

Section 7.6 **Surplus Trust Funds**

If, conversely, the Net Insurance Trust Funds shall prove to be more than sufficient to discharge the cost and expense of performing the repairs, such surplus shall be paid to all Unit Owners pro rata to their respective Common Interests.

Section 7.7 **Lien Priority**

No payment of any insurance proceeds or surplus Net Insurance Trust Funds shall be made to a Unit Owner until there has first been paid out of such Unit Owner's share thereof, such amounts as may be necessary to reduce unpaid liens on the Unit Owner's Unit (including the liens of mortgages and the liens of the Condominium Board) in the order of priority of such liens. Notwithstanding the foregoing, however, in the event a Special Assessment is levied pursuant to the terms of Section 7.5 above for any projected deficiency in the amount of the Net Insurance Trust Funds available to the Condominium Board and, after the payment of all costs and expenses incurred in connection with the repairs, any portion of the Net Insurance Trust Funds remains unspent, such surplus Net Insurance Trust Funds shall, to the extent of such Special

Assessment, be deemed to be, and shall constitute, an unspent Special Assessment and shall be refunded to the Unit Owners pro rata to the amount each had paid pursuant to such Special Assessment, free of any claim of any lienor (including, without limitation, any mortgagee) other than the lien of the Condominium Board.

Section 7.8 **Abatement in Common Charges**

7.8.1 Abatement

Except as otherwise provided in the following sentence and subsection 7.8.2 below, if, as a result of a destruction or damage, a Unit is rendered wholly or partially unusable for the purposes permitted in the Declaration, or the means of reasonable access thereto is prevented, as a result of a destruction or damage, the Common Charges otherwise payable by the Owner thereof shall proportionately abate until such Unit shall again be rendered useable for the purposes permitted in the Declaration and/or until the means of reasonable access thereto shall be restored, as the case may be. The amount of abatement shall be determined by the Condominium Board, in its discretion, reasonably exercised.

7.8.2 Exception

The foregoing notwithstanding, if the destruction or damage shall be caused by an act, omission or negligence of the Owner, occupant, visitor or tenant of the affected Residential or Commercial Unit, the Common Charges otherwise payable by such Owner shall abate only to the extent of any proceeds of business interruption or similar insurance actually collected by the Condominium Board with respect to such affected Unit.

ARTICLE 8

COMMON CHARGES

Section 8.1 **Determination of Common Charges**

8.1.1 Declaration Governs

In accordance with the Article 9 of the Declaration, the Common Profits shall be credited to, and the Common Expenses shall be charged to, all Residential and Commercial Unit Owners pro rata to their respective Common Interests.

8.1.2 Determination by Board

The Condominium Board shall determine the Common Expenses each Budget Year in accordance with the procedure set forth in Section 9.3 of the Declaration. The Common Charges shall be based on the Board's determination of the Common Expenses each Budget Year and shall be assessed or levied against all Residential and Commercial Unit Owners pro rata to their respective Common Interests. The provisions of the

Declaration, including in particular (but not limited to) Article 9 thereof, are hereby incorporated herein and are paramount and shall govern the principles, rules, requirements and procedures applicable to such determination and application of the Common Profits, the Common Expenses and the Common Charges payable by each Unit Owner. In the event of any inconsistency between the Declaration and these By-Laws, the Declaration shall govern and prevail.

Section 8.2 **Budget Revisions**

The Condominium Board may revise a Budget one (1) or more times during a Budget Year in accordance with the same requirements and procedure to adopt such Budget as set forth in Article 9 of the Declaration; provided, however, that after the adoption and implementation of a Budget, all subsequent revisions to such Budget may not increase the Common Charges more often than once for the remainder of such Budget Year. A revised Budget may not retroactively affect the amount of Common Charges previously billed, but may include a deficiency for a prior period which is payable prospectively in one (1) lump sum or installments, as determined by the Condominium Board.

Section 8.3 **Failure to Adopt**

The failure of the Condominium Board to adopt a new Budget for any Budget Year will not be regarded as a waiver of Common Charges or in any way excuse a Unit Owner from paying the Common Charges. Rather, Common Charges will continue to be paid on the basis of the last adopted Budget until a new Budget is adopted.

Section 8.4 **Special Assessments**

8.4.1 Authority

The Condominium Board may levy Special Assessments to pay the Common Expenses. Special Assessments are subject to the same principles, rules, requirements and procedures applicable to Common Charges, including those set forth in Article 9 of the Declaration.

8.4.2 Method of Payment

The Condominium Board may require a Special Assessment to be paid in one (1) lump sum or in periodic installments with or without interest. If Unit Owners are allowed to pay a Special Assessment in installments, the Board may require that each such Unit Owner evidence the Owner's obligation for the Special Assessment by signing and delivering a promissory note in favor of the Condominium Board. The note will be prepared by an attorney selected by the Condominium Board and will be in form and substance (including interest rate, if any) satisfactory to the Condominium Board. The Condominium Board may pledge, sell or make any other disposition of all Unit Owners' notes as it sees fit. Each Unit Owner will be given written notice of the amount and purpose of a Special Assessment and (if applicable) the terms of a promissory note, at least fifteen (15) days before a payment is due or the promissory note is to be signed and delivered. If a Unit Owner refuses or fails to timely sign and deliver said promissory

note, such Unit Owner shall be obligated to pay the full amount of the Special Assessment on the date set by the Condominium Board.

8.4.3 Remedies for Non-Payment

Special Assessments are part of the Common Charges. As a result, the Condominium Board will have all of the rights and remedies for collection of Special Assessments and promissory notes of Unit Owners as are applicable for the collection of Common Charges.

8.4.4 Real Estate Taxes

Until such time as each Unit is separately assessed and billed for real estate taxes, the Condominium Board shall collect such taxes in the form of a Special Assessment or (at the option and discretion of the Condominium Board) additional Common Charges for forwarding same to the appropriate taxing authority on behalf of the Unit Owners (in accordance with Article 9 of these By-Laws).

Section 8.5 **Application of Net Receipts**

The net receipts (after deducting expenses) derived from operations of the Common Elements will be applied against the Common Expenses.

Section 8.6 **Budget Surplus**

In the event in any completed Budget Year, the Common Charges shall exceed the actual Common Expenses, the Condominium Board shall determine how to apply the surplus in accordance with Section 9.6 of the Declaration, which allows the Condominium Board the choice of applying the surplus to defray the Common Expenses of the next immediately succeeding Budget Year, or distributing the surplus to all then existing Unit Owners or to all then existing Unit Owners who were Unit Owners of record during such completed Budget Year (in either case, pro rata to their respective Common Interests), or crediting the surplus against the Common Charges next payable by Unit Owners (the amount credited shall be pro rata to their respective Common Interests), or any combination of the foregoing. In accordance with the Declaration, such determination shall be made by a majority of the Board Members (including the Independent and Sponsor Board Members) attending a meeting at which a quorum is present. In the event the Board fails to make such determination within four (4) months after the end of such Budget Year, the surplus shall be applied as follows: (a) while the Common Interests appurtenant to the Unsold Units constitute ten percent (10%) or more of the Common Interests appurtenant to all Units, the surplus shall be distributed to all then existing Unit Owners who were Unit Owners of record during such completed Budget Year, pro rata to their respective Common Interests or (b) after the Common Interests appurtenant to the Unsold Units constitute less than ten percent (10%) of the Common Interests appurtenant to all Units, the surplus shall be credited against the Common Charges next payable by all Unit Owners (the amount credited shall be pro rata to their respective Common Interests). To the extent the surplus is realized from expenses solely attributable to the Residential Unit Owners or the Commercial Unit

Owners, as the case may be, then such surplus shall be applied exclusively to such Unit Owner's benefit. To the extent such surplus is realized with respect to expenses for which the Commercial Unit Owners pay less than their respective common interest, any surplus so realized shall be credited to the Commercial Units' Common Charges based upon such lower percentage.

Section 8.7 **Separate Fees and Charges**

The Condominium Board shall not impose upon any Unit Owner or a Permitted Tenant/Occupant/Invitee of a Unit Owner any separate fee, charge or imposition (i.e., apart from regular Common Charges) for the mere use of the Common Elements. The foregoing provisions shall not preclude or prevent:

(a) the Condominium Board from assessing and collecting the regular Common Charges, including the following, which constitute part of the Common Charges: (i) Special Assessments imposed in accordance with the provisions of these By-Laws; (ii) real estate taxes (until the Units are separately assessed and billed); and (iii) water charges and sewer rents for the Building, unless separately metered or billed;

or

(b) the Condominium Board from assessing and collecting or charging Owners of Sold Residential or Commercial Units, but not Owners of Unsold Residential or Commercial Units: (i) reasonable fees upon the sale, conveyance, transfer or lease of a Sold Residential or Commercial Unit (such fees include the reasonable fees payable to a Managing Agent or an attorney retained by the Condominium Board in connection with such transaction); and (ii) license fees or rental for the exclusive right to use a portion of the Common Elements by a Sold Unit Owner (but no such fees or rental shall be charged to an Authorized First Sold Unit Owner in connection with a Unit Change pursuant to Article 13 of the Declaration or for the mere use in common of the Residential Limited Common Elements or the General Common Elements).

Section 8.8 **Payment of Common Charges**

All Unit Owners shall be obligated to pay the Common Charges and Special Assessments assessed by the Condominium Board pursuant to the terms of Article 9 of the Declaration and this Article 8 at such time or times (but not less than annually) as the Condominium Board shall determine. Unless otherwise determined by the Condominium Board, Common Charges shall be payable in equal monthly installments in advance on the first day of every month.

Section 8.9 **Lien**

To the extent permitted by law, the Condominium Board shall have a lien on each Unit as provided in the Condominium Act, on behalf and as agent of all Unit Owners, for unpaid Common Charges and Special Assessments assessed against such Unit. Such

lien, however, shall be subordinate to any liens for unpaid real estate taxes assessed against such Unit (to the extent required by law) and to any lien of a prior recorded Permitted First Mortgage pursuant to the following Section 8.10.

Section 8.10 Liability

8.10.1 Personal Liability

Each Unit Owner shall be personally liable for the payment of the Common Charges (including Special Assessments) assessed against the Owner's Unit that are due and payable to and including (but not after) the date of conveyance or transfer of title to the Unit together with its appurtenant Common Interest in compliance with the terms of Article 16 hereof. Accordingly, a Unit Owner shall not be liable for any Common Charges, including any installments of a Special Assessment, due and payable subsequent to such permitted conveyance or transfer of the Owner's Unit and its appurtenant Common Interest.

8.10.2 No Exemption for Waiver

No Unit Owner shall be exempted from liability for the payment of Common Charges (including Special Assessments) by waiving the use and enjoyment of any or all of the Common Elements or by abandoning such Owner's Unit (except with respect to a conveyance of a Unit to the Condominium Board, without compensation, pursuant to the terms of Section 8.11 below).

8.10.3 No Abatement for Service Failure

Except as expressly provided to the contrary in Section 7.8 above, no Unit Owner shall be entitled to a reduction or abatement in, or to delay payment of, the Common Charges or Special Assessments for any inconvenience or discomfort arising from: (a) the failure, interruption or diminution of any utility, Building or other Condominium services; (b) the making of repairs or alterations to the Common Elements or any Unit (including such Owner's Unit) pursuant to the terms of the Declaration or these By-Laws; or (c) any action taken by the Condominium Board or the officers of the Condominium Board to comply with the law.

8.10.4 Promissory Note

Each Unit Owner shall be personally liable under such Owner's promissory note given to the Condominium Board in payment of a Special Assessment, but shall not be liable with respect to any installment payment thereof due after title to the Unit together with its appurtenant Common Interest is conveyed or otherwise transferred in compliance with the terms of Article 16 hereof, provided that at title closing the succeeding Owner of the Unit shall execute and deliver to the Condominium Board, and the Condominium Board or its Managing Agent or attorney shall receive, a written assumption of the then unpaid installments under such promissory note. Such assumption agreement to be in the form prepared by an attorney retained by the Condominium Board, at the sole cost and expense of the Owner of the Unit being conveyed or transferred, and is to be in the

form and content satisfactory solely to the Condominium Board.

8.10.5 Liability of Succeeding Owner

Each succeeding Owner of a Unit (howsoever title to the Unit is acquired) shall be liable for the payment of all unpaid Common Charges (including all unpaid installments of a Special Assessment or of said promissory note and any other indebtedness owing under promissory notes given by a predecessor Owner of the Unit to the Condominium Board) and any other unpaid indebtedness owing to the Condominium Board with respect to such Unit prior to such new Owner's acquisition thereof; except that a Permitted First Mortgagee or its affiliate or designee who acquires title to a Unit at a foreclosure sale of such Permitted First Mortgage or by deed in lieu of such foreclosure, or a purchaser who acquires title to the Unit at such foreclosure sale or by deed in lieu of such foreclosure, shall not be liable, and such Unit shall not be subject to a lien, for past due Common Charges (including past due installments of a Special Assessment or past due payments or indebtedness under a promissory note) which were assessed, levied or arose subsequent to the recording of such Permitted First Mortgage and before acquisition of title to such Unit by said Permitted First Mortgagee, or its affiliate or designee, or by such purchaser.

8.10.6 Continuing Liability After Mortgage Foreclosure

In the event of a foreclosure of a Permitted First Mortgage (whether by a mortgage foreclosure sale, or a deed in lieu of such foreclosure or otherwise), the defaulting or delinquent Unit Owner shall remain fully liable for the payment of all unpaid Common Charges, including Special Assessments and any other indebtedness owing to the Condominium Board with respect to such Unit, that accrued prior to the consummation of such foreclosure or conveyance in lieu thereof.

8.10.7 Default

In case of a default by a Unit Owner, any deficit resulting from unpaid Common Charges and Special Assessments that are not collected from such defaulting or delinquent Unit Owner shall be deemed a Common Expense collectible from all those who are Unit Owners at the time that the same is levied.

Section 8.11 **Conveyance to Condominium Board**

Any Unit Owner may convey the Owner's Unit, together with its appurtenant Common Interest, to the Condominium Board or to its designee, corporate or otherwise, on behalf and as agent of, all Unit Owners without being compensated therefor, and, in such event, be exempt from the payment of Common Charges and Special Assessments (including all installments to become due pursuant to promissory notes, if any, given to the Condominium Board in payment of a Special Assessment) thereafter accruing; provided, however, that:

(a) all Common Charges and any Special Assessments (including all unpaid installments and any other indebtedness owing under said promissory notes)

then due and payable with respect to such Unit have been paid;

(b) such Unit is free and clear of all liens and encumbrances other than the statutory lien for unpaid Common Charges and Special Assessments (provided no monies are then owing under such statutory lien);

and

(c) no violation of any provision of the Condominium Documents then exists with respect to such Unit.

Section 8.12 **Statement of Common Charges**

The Condominium Board shall promptly provide a written statement of all unpaid Common Charges (including Special Assessments) and any other indebtedness due from any Unit Owner upon its receipt of a written request therefor from such Unit Owner. In addition, each Unit Owner and such Unit Owner's authorized representative shall be permitted to examine the books of account of the Condominium and the Condominium Board at reasonable times on business days, but not more frequently than once a month as more particularly provided in subsection 14.7.3 below.

Section 8.13 **Collection and Remedies on Non-Payment of Common Charges**

8.13.1 Lien and Remedies

The Condominium Board shall take prompt action to collect any Common Charges (including Special Assessments, if any) due to the Condominium Board that remains unpaid for more than thirty (30) days after the due date for the payment thereof. In connection therewith, the Condominium Board shall have the right and obligation: (a) to cause a lien for all sums due and owing to the Condominium Board to be filed with reasonable diligence in the County Clerk's Office pursuant to the terms of Section 339-z of the Condominium Act and (b) to cause such lien to be foreclosed in the manner provided in Section 339-aa of the Condominium Act. So long as the Sponsor Board Members constitute a majority of the Board Members, Sponsor (or other applicable Unsold Unit Owner) shall cause the Condominium Board to file such lien under the Condominium Act on those Unsold Units owned by Sponsor (or other applicable Unsold Unit Owner) in which Sponsor (or other applicable Unsold Unit Owner) is more than thirty (30) days in arrears in payment of Common Charges, including Special Assessments. In addition, the Condominium Board may (in its sole and absolute discretion) bring a suit to recover a money judgment for unpaid Common Charges without foreclosing or waiving the lien securing such charges and/or institute any and all other proceedings and actions deemed necessary or desirable by the Condominium Board to recover all such unpaid Common Charges, together with all additional sums of money collectible by the Condominium Board by reason of such nonpayment pursuant to the terms of this Section 8.13.

8.13.2 Interest and Late Charge

In the event that any Sold Unit Owner (but not an Unsold Unit Owner, including Sponsor or Owner of an Unsold Unit) shall fail to make payment of Common Charges (including any Special Assessments) within ten (10) days from the due date, such Sold Unit Owner shall be obligated to pay the Condominium Board, promptly following demand:

(a) interest thereon at a rate equal to the lower of sixteen percent (16%) a year or the highest rate allowed by law to be charged to individuals; such interest to be computed from the due date thereof until full payment is received by the Board;

and/or

(b) a late charge in an amount determined by the Condominium Board (but not to exceed $0.05 on each overdue dollar);

together with

(c) all costs and expenses paid or incurred by the Condominium Board, the Managing Agent or the manager (if any), including, but not limited to attorneys' fees and disbursements, in connection with collecting such unpaid Common Charges, said interest and/or late charge and in filing and foreclosing the aforementioned lien.

Nothing herein shall excuse the obligation, or extend the time period, to pay the Common Charges or a Special Assessment.

8.13.3 Receiver

In addition, if the Condominium Board shall bring an action to foreclose the aforementioned lien, the defaulting Unit Owner will be required to pay a reasonable rental for the use of such Owner's Unit, and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same.

8.13.4 Part of Common Charges

All such interest, late charge and costs and expenses provided in Section 18.13.2 above, and such rental provided in the preceding Section 18.13.3, shall be added to and shall constitute Common Charges payable by such Unit Owner.

8.13.5 Purchase by Board

In any lawsuit brought by the Condominium Board to foreclose a lien on a Unit because of unpaid Common Charges, the Condominium Board shall have the power, on behalf and as agent of all Unit Owners to purchase such Unit at the foreclosure sale thereof and to acquire, hold, lease, operate, mortgage, convey or make any other disposition of such Unit (but not to vote the votes appurtenant to the same).

8.13.6 Deficiency or Surplus

In the event that the net proceeds received on such foreclosure (after deduction of all legal fees and disbursements, advertising costs, brokerage commissions, receiver's fees and expenses, court costs and other costs and expenses paid or incurred in connection therewith) shall be insufficient to satisfy the defaulting Unit Owner's obligations to the Condominium Board, such Unit Owner shall remain personally liable for the deficiency. Any surplus on such foreclosure sale shall be paid to the defaulting Unit Owner after first paying all liens on such Owner's Unit in the order of priority of such liens.

8.13.7 Part of Common Elements

All Units acquired by the Condominium Board or its designee in connection with the enforcement of its lien for unpaid Common Charges or otherwise shall constitute part of the Common Elements and shall be held by the Condominium Board or its designee on behalf and as agent of all Unit Owners. Accordingly and as an example, the purchase price and all costs and expenses incurred in connection with the acquisition, operation and disposition thereof shall be assessed to all Unit Owners as part of the Common Expenses.

8.13.8 No Partition or Occupancy.

No Unit Owner shall have the right: (a) to partition or to bring an action for partition or (b) to occupy any Unit acquired or leased by the Condominium Board while such Unit is owned or leased by the Condominium Board.

Section 8.14 **Sales, Use or Occupancy Tax Exemptions**

The Condominium Board will adopt and follow such procedures as may be available, without additional cost to the Condominium (unless the applicable Unit Owner pays same), to enable any Unit Owner eligible for exemption from New York State and/or New York City sales, use and/or occupancy taxes to enjoy such exemption with respect to such Unit Owner's share of Common Expenses. Any benefits obtained by the Condominium as a result thereof shall be passed through to and shall belong exclusively to the Unit Owner entitled to any such exemption and if more than one (1) Unit Owner is entitled to such exemption, such benefits shall be apportioned among all Unit Owners entitled to such exemption pro rata to the Common Expenses allocable to all Units of Unit Owners entitled to such exemption.

ARTICLE 9

PROPERTY TAXES AND CHARGES

Section 9.1 **Real Estate Taxes**

9.1.1 Included in Common Expenses

Until such time as each Unit is separately assessed and billed for real estate taxes, the real estate taxes, business improvement district assessments (if any) or charges and other assessments levied with respect to the Property (collectively, "Real Estate Taxes" or "Real Estate Tax") shall be included in the Common Expenses and collected by the Condominium Board in addition to, and as part of, the Common Charges, as provided herein, and forwarded to the appropriate taxing authority on behalf of the Unit Owners when due and payable before the imposition of interest or penalties for late payment.

9.1.2 Allocation and Apportionment

Such Common Expense item of Real Estate Taxes shall be allocated and apportioned as follows: first, the Real Estate Taxes shall be apportioned 78.59% to all Residential Units and 21.41% to the Commercial Units; and second, the Real Estate Taxes thus apportioned to all Residential Units, and the Commercial Unit shall be allocated to each Unit in the same category of Units in the proportion that its initial offering price in SCHEDULE A of the Plan bears to the total initial offering prices of all Units of the same category of Units in such SCHEDULE A. The resulting amount so allocated to each Residential Unit and Commercial Unit is the share ("Tax Share") of this item of Common Expense payable by each Unit Owner as part of the Owner's Common Charges.

9.1.3 Payment and Application.

Each Unit Owner shall pay to the Condominium Board, within ten (10) days of written demand therefor, an amount equal to such Owner's Tax Share of Real Estate Taxes, and all amounts collected by the Board from Unit Owners as their Tax Shares shall be segregated from other monies of the Condominium and used solely to pay the Real Estate Taxes with reference to which such Tax Shares were determined. In lieu of the foregoing, Sponsor, as Owner of Unsold Units may (at its option) timely deliver to the Board a check payable to the New York City Department of Finance (or other applicable taxing Governmental Authority) in an amount equal to its Tax Share of Real Estate Taxes, which check the Board shall remit to The City of New York along with other payments by the Board of such Real Estate Taxes.

9.1.4 Real Estate Tax Exemption or Abatement

If a Unit Owner receives a Real Estate Tax exemption or abatement for its Unit which is reflected in the tax bill for the Property, then from and after and for so long as such Real Estate Tax exemption or abatement is in effect and reflected in the bill for Real Estate Taxes, such Unit Owner shall be entitled to an adjustment in the Tax Share allocated and assessed against its Unit and payable by it on account of its Unit, based on the

amount of such Real Estate Tax exemption or abatement, provided that such Unit Owner gives the Board satisfactory documentation of such exemption or abatement. A Unit Owner receiving a Real Estate Tax exemption or abatement for its Unit shall have the sole right and responsibility to collect from the collecting Governmental Authority any refund or rebate of Real Estate Taxes to which such Owner is entitled as a result of such exemption or abatement, and such Unit Owner shall not be entitled to any adjustment in the Common Charges. The Board shall cooperate with such Unit Owner in obtaining such refund or rebate.

9.1.5 Separate Assessment

Once the Units are separately assessed and each Owner is billed directly for such Real Estate Taxes assessed against the Owner's Unit, each Unit Owner shall be required to pay such Real Estate Taxes directly to the collecting governmental authority.

9.1.6 Application for Remission, Refund, Exemption and/or Abatement

Any Unit Owner shall have the right to apply for a tax remission, tax refund, tax exemption and/or tax abatement with respect to such Owner's Unit without the consent of the Board and/or any other Unit Owners.

9.1.7 Adjustment

Within sixty (60) days after the Units are separately assessed and billed for Real Estate Taxes, the Condominium Board and each Unit Owner shall adjust any overpayment or underpayment of Real Estate Taxes included in the Common Expenses and paid by each Owner as part of the Common Charges. Such adjustment shall be based on the product of:

(a) the taxable assessed valuation of the Property at the time of title closing to the Owner's Unit;

multiplied by

(b) the portion of the assessed valuation of the Property allocable to a Unit during the period Real Estate Taxes are paid by the Board, which allocable portion shall be in the ratio that the initial separate assessed valuation of such Owner's Unit bears to the aggregate initial separate assessed valuations of all Units;

multiplied by

(c) the tax rate applicable to such Owner's Unit at said title closing.

The amount of the overpayment or underpayment is required to be paid within fifteen (15) days after written notice is sent by the Board or a Unit Owner (including Sponsor) detailing the calculation of the amount owed. The notice shall be accompanied by suitable proof of the initial separate assessed valuation of the Unit and the aggregate initial separate assessed valuations of all Units (such as a real estate tax bill(s) and/or a

title report). If the amount due is not paid within the fifteen (15) day period, then the party owed payment shall be reimbursed: (a) interest on the unpaid amount at the yearly rate of sixteen percent (16%) computed from the end of the (15) day period until payment is received (to compensate for lost opportunity of earnings on the amount past due) and (b) the costs and expenses of collection. Any amounts payable to Condominium Board pursuant to this Section 9.1 shall constitute part of the Common Charges.

Section 9.2 **Real Estate Tax Benefits**

9.2.1 Right to Apply

Each Unit Owner, without the consent of the Condominium Board and/or any other Unit Owners, shall have the right to apply for Real Estate Tax exemption and/or abatement with respect to its Unit or Units. The consent, approval and signatures of the other Unit Owners and/or the Board shall not be required in connection with any such application or other document necessary or convenient to the exercise by a Unit Owner of any of its rights or powers under this Section 9.2, including any application or document required by the Department of Buildings and/or the Real Property Assessment Bureau of the City of New York. Nonetheless, at the request of such Unit Owner, the Board on behalf of all other Unit Owners shall promptly execute and return any such applications or other documents, subject to and in compliance and accordance with Article 20 of the Declaration (and in particular, but not limited to, Section 20.3 thereof).

9.2.2 Limited Power of Attorney

With the intention to constitute a durable limited power of attorney, each and every Unit Owner, by accepting or recording a deed to a Unit or otherwise succeeding to title to a Unit (whether through operation of law, transfer, merger, consolidation, liquidation, dissolution or otherwise) shall thereupon automatically have, and be deemed to have, irrevocably authorized, appointed and designated Sponsor, as Owner of Unsold Units, as agent and attorney-in-fact and granted for valuable consideration, and with full power of substitution of such Unit Owner, to act on behalf and as agent of such Unit Owner, and in the name, place and stead of such Unit Owner in any way such Unit Owner would do if personally present, to the full extent that such Unit Owner is permitted to act through an agent, with respect only to the execution, delivery and filing of any such application or document referred to in this Section 9.2 applicable to one (1) or more of Sponsor's Unsold Units.

Section 9.3 **Water Charges and Sewer Rent**

Water and sewer services are provided by The City of New York and are to be obtained by the Condominium Board as part of the services and facilities of the Condominium. The water charges and sewer rents shall be included in the Common Expenses payable by all Unit Owners pro rata to their respective Common Interests.

Section 9.4 **Board Certificate**

In connection with any proposed conveyance, lease or mortgage of all or part of a Unit, for so long as the Condominium Board is paying Real Estate Taxes and/or water charges and sewer rents, the Condominium Board or an officer of the Board shall sign on behalf of the Board and deliver to a Unit Owner within ten (10) days after written notice therefor is given, a certification as to the obligation and agreement of the Board to pay the Real Estate Taxes and/or water charges and sewer rents pursuant to these By-Laws. Such certification shall be addressed to such Unit Owner and/or the proposed purchaser (grantee), tenant or mortgagee, and any title insurer, as directed by such Unit Owner.

ARTICLE 10

UTILITIES

Section 10.1 **Electric and Gas Services to Residential and Commercial Units**

Electric service to each Residential Unit and Commercial Unit is separately metered or submetered and the costs of such services as measured by such separate meters or submeters shall be paid directly to the applicable utility provider by, each such Unit Owner. The cost of gas service to the Residential Units for cooking, fireplaces and dryers shall be paid directly to the applicable utility provider by the Condominium Board as a part of the Common Expenses payable by Residential Unit Owners pro rata to their respective Common Interests. The costs and expenses of the work to inspect, read, maintain, repair and alter gas and electric meters and/or submeters and all related utility installations (collectively, "Utility Equipment") shall be paid by the Condominium Board as part of the Common Expenses and shall be performed by the Condominium Board in accordance with the applicable work requirements set forth in Section 15.2 of the Declaration.

Section 10.2 **Electric and Gas Services to the Common Elements**

Electric and gas services to the Common Elements (including the General Common Elements, the Commercial Limited Common Elements and Residential Limited Common Elements) are separately metered or submetered and the costs of such services as measured by such separate meters or submeters shall be paid directly to the applicable utility provider by, the Condominium Board as part of Common Expenses payable by all Unit Owners pro rata to their respective Common Interests.

Section 10.3 **Heat, Hot Water and Air Conditioning Services to Residential and Commercial Units**

10.3.1 Heat and Hot Water

Heat and hot water shall be provided to Residential and Commercial Units respectively by two separate gas-fired boilers and gas-fired hot water heaters. The Condominium shall be responsible to operate, inspect, maintain, repair and alter such boilers and

heaters, and their related installations, at such Condominium's sole cost and expense.

10.3.2 Air Conditioning

Each Residential Unit shall be provided with two water cooled package air conditioning units.

Section 10.4 **Heat and Hot Water Services to the Common Elements**

To the extent, heat, hot water and/or air conditioning services are provided to all or any portion of the Common Elements (including the General Common Elements, the Commercial Limited Common Elements and Residential Limited Common Elements) now or hereafter, the Condominium Board shall be responsible to operate, inspect, maintain, repair and alter the installations providing such heat, hot water and/or air conditioning service as part of the Common Expenses payable by all Unit Owners pro rata to their respective Common Interests.

ARTICLE 11

USES AND OCCUPANCY OF PROPERTY AND ADJACENT SIDEWALKS AND VAULTS

Section 11.1 **Declaration Governs**

The Property, including the Common Elements and the Units and the adjacent sidewalks to the Property, shall be used and operated in accordance with the provisions of the Declaration, including in particular (but not limited to) Articles 10 through 15 thereof, which are hereby incorporated herein and are paramount and shall govern any provision of these By-Laws inconsistent therewith.

Section 11.2 **Common Elements**

11.2.1 General Common Elements

Generally, the General Common Elements are for the use and enjoyment in common by all Unit Owners and their respective Permitted Tenants/Occupants/Invitees for all purposes for which they are reasonably intended, suited and capable in connection with the permitted use and enjoyment of the Property as a whole or more than one category of Units in accordance and compliance with, and subject and subordinate to the rights and easements provided in, these By-Laws and the Declaration.

11.2.2 Limited Common Elements

Generally, the Residential Limited Common Elements and the Commercial Limited Common Elements are for the exclusive, or primarily exclusive, use and enjoyment in common by all Residential Unit Owners or the Commercial Unit Owners, as the case

may be, and their respective Permitted Tenants/Occupants/Invitees for all purposes for which they are reasonably intended, suited and capable in connection with the permitted use and enjoyment of the Residential Units or the Commercial Units, as the case may be, in accordance and compliance with, and subject and subordinate to the rights and easements provided in, these By-Laws and the Declaration.

11.2.3 Use Determined by Board

The Condominium Board shall have the right, from time to time, to determine, and to establish and amend the Rules and Regulations governing, the use and changes in uses of the areas and installations comprising the General Common Elements, the Commercial Limited Common Elements and the Residential Limited Common Elements, provided all such uses shall be in accordance and compliance with, and subject and subordinate to the rights and easements provided in, these By-Laws and the Declaration.

11.2.4 Rights and Easements

The foregoing rights of Unit Owners to use and enjoy the Common Elements (both the General Common Elements, the Commercial Limited Common Elements and the Residential Limited Common Elements, and the foregoing right of the Condominium Board to determine the uses of the Common Elements, shall be subject and subordinate to:

(a) the various rights and easements set forth in the Declaration, including in particular (but not limited to) Sections 10.2, 10.3, 10.4, 10.5, 10.8 and Articles 11, 12 and 13 thereof

and

(b) Sponsor's Rights set forth in the Plan, the Declaration and these By-Laws, which are superior, paramount and take preference over the rights of:

(i) Unit Owners and their Permitted Tenants/Occupants/Invitees;

and

(ii) the Condominium Board.

Section 11.3 **Units**

11.3.1 Use of Units

Each category of Units shall be used in compliance with Article 10 of the Declaration, including in particular (but not limited to) Section 10.2 thereof, and only for the purposes permitted in Article 10 of the Declaration, including in particular (but not limited to):

(a) Section 10.10 thereof, which provides (among other things) that each Sold

Residential Unit shall be used only as a joint live-work residence and for no other purpose and in compliance with the requirements and restrictions set forth therein;

(b) Section 10.11 thereof, which provides (among other things) that each Sold Commercial Unit shall be used only as commercial premises in compliance with applicable laws, and for no other purpose;

and

(c) Section 10.12 thereof, which provides (among other things):

(i) Unsold Residential and Commercial Units shall not be subject to the requirements and restrictions on use set forth in the Condominium Documents with respect to Sold Units;

(ii) Unsold Units may be used or changed to be used as models, offices for the sale, promotion, rental, operation or management of Unsold Units or for any lawful purpose other than Prohibited Uses;

(iii) such permitted uses of Unsold Units may be noisy, emit odors, cause heavy traffic and need not be compatible with the primary use of the Building for dwelling purposes;

and

(iv) the Condominium Board and other Unit Owners shall not have the right to approve the use or any changes in use, or the tenants, occupants or operation of, or the business conducted in, Unsold Units or any portions thereof.

11.3.2 Occupancy of Units

In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, all Sold Residential Units shall be occupied in accordance with applicable laws (including laws prohibiting overcrowding) and shall be restricted and limited to the following persons only:

(a) (in the case of a Sold Residential Unit owned by an individual or individuals only) occupancy shall be restricted and limited to:

(i) the Owner or a permitted tenant or permitted subtenant of the Owner's Unit and the immediate family of such Owner or permitted tenant or permitted subtenant;

and

(ii) domestic servants and temporary non-paying guests of such occupant;

(b) (in the case of a Sold Residential Unit owned by a corporation, limited liability company or partnership, general or limited partnership, trust, estate, fiduciary, unincorporated association, syndicate, joint venture, organization, sovereign government, consulate, governmental authority or any other entity) occupancy shall be restricted and limited to:

(i) an officer, director, shareholder, member, partner, beneficiary, principal, government official or an employee designated by such Owner or a permitted tenant or permitted subtenant of the Owner's Unit and the immediate family of such designated occupant or permitted tenant or permitted subtenant;

and

(ii) domestic servants and temporary non-paying guests of such occupant.

The immediate family, domestic servants and temporary guests are permitted to occupy the Sold Residential Unit even though the Owner or the designated occupant or permitted tenant or permitted subtenant (as applicable) is absent. No transient occupant (other than a temporary non-paying guest) shall be accommodated in a Sold Residential Unit at any time.

Pursuant to the joint live-work requirements, at least one (1) Artist must occupy a Residential Unit.

Notwithstanding the foregoing, the Condominium Board may, in its sole and absolute discretion, grant permission for occupancy of a Sold Residential Unit by persons other than those set forth above. If granted, such permission must be in writing and shall be personal to such Sold Residential Unit Owner or the permitted tenant or permitted subtenant of the Sold Residential Unit (as applicable) and shall not inure to the benefit of the successors or assigns of such Owner or tenant or subtenant (as applicable).

These restrictions and limitations do not apply to Sponsor Units, Unsold Units or Sold Commercial Units, each of which may be occupied by anyone regardless of any relationship or lack of relationship with the Owner thereof. Notwithstanding the foregoing, the Sponsor Units and Unsold Residential Units must comply with the joint live-work requirements.

Section 11.4 **Building Exterior Walls and Adjacent Sidewalks**

11.4.1 General Prohibition

The exterior walls of the Building and the adjacent sidewalks to the Property shall be used in accordance and compliance with the Declaration, including the general prohibitions set forth in Section 10.2 thereof.

11.4.2 Sponsor's Development Rights

Sponsor and each Unsold Unit Owner (if any) and the permitted tenants so expressly authorized in writing by Sponsor or an Unsold Unit Owner (as applicable) shall have the right, freely and without consent, payment or restriction (but subject to compliance with Section 10.2 of the Declaration), to use the exterior walls of the Building and the adjacent sidewalks to the Property for all purposes related to the use and enjoyment (including promotion) of its Unsold Units in accordance with Article 10 (including in particular, but not limited to, Sections 10.8, 10.9 and 10.15) and Article 12 (including in particular, but not limited to, Section 12.7) of the Declaration. The right of Sponsor, an Unsold Unit Owner and said authorized tenant of an Unsold Unit to use the Building's exterior walls and said adjacent sidewalks are superior, paramount and take preference over: (a) the right of Sold Commercial Unit Owner to use the Building's exterior walls for permitted signage (in accordance with the following subsection 11.4.3) or otherwise; (b) the rights of the Condominium Board to determine the uses thereof; and (c) the rights of Sold Unit Owners as to any use thereof approved or consented to by the Board.

11.4.3 Sold Commercial Units

Each Sold Commercial Unit Owner shall have the right to erect, install, maintain, repair and alter a customary sign or signs on the Building's exterior walls for the sole purpose of identifying the name of the occupant or occupants of the Sold Commercial Unit, subject and subordinate, however, to: (a) compliance with the applicable work requirements set forth in Section 15.2 of the Declaration; (b) obtaining the prior written reasonable approval of the Condominium Board and (while there is any Unsold Unit) Sponsor as to the size, material, appearance and location thereof; and (c) the rights superior rights of the Sponsor as provided in the preceding section 11.4.2.

11.4.4 Other Uses Determined by Board

All other uses of the Building's exterior walls and adjacent sidewalks to the Property by the Owners, tenants and occupants of Sold Units shall be determined by the Condominium Board and, except for such permitted signage by the Sold Commercial Unit Owner, shall not be used by a Sold Commercial Unit Owner or Sold Residential Unit Owner or any permitted tenant or occupant of such Sold Units, without first obtaining the written approvals or consents of the Condominium Board and (while there is any Unsold Unit) Sponsor, whose approvals or consents are discretionary and may be conditioned, withheld or denied without cause or explanation and without recourse against either by reason thereof.

Section 11.5 **Vaults**

Each vault (if any) may be used for any one or more lawful purposes (including the installation and housing of existing and new, additional and substitute and other installations for the use and enjoyment of the Unit Owners). The Condominium Board shall have the right to use the northerly half of the existing vault and the Commercial Unit

Owners shall have the right to use the southerly half of the vault for any lawful purpose, including housing of installations related to the permitted use and enjoyment of all or any portion of the Property, and the Condominium Board and the Commercial Unit Owners, as the case may be, shall have the duty to pay any governmental vault tax,, fee or charge imposed or levied with respect to their portion of such vault and to maintain, repair and alter such vault and the installations housed therein.

Section 11.6 **General Prohibitions**

The Property shall be used in accordance with the requirements of Article 10 of the Declaration and the following:

(a) no nuisance shall be allowed on any part of the Property or the vaults (if any) or adjacent sidewalks thereto, nor shall any use or practice be allowed in a Unit or the Common Elements that is an unreasonable interference with the peaceful possession or proper use of any Unit by its Owner or Permitted Tenants/Occupants/Invitees;

(b) all valid laws relating to any portion of the Property shall be complied with at the sole cost and expense of the applicable Unit Owner or the Condominium Board, whoever shall have the obligation to maintain or repair such part of the Property;

(c) nothing shall be done or kept in any Unit or in any of the Common Elements that would increase the rate of insurance for the Property, unless the Unit Owner responsible for such increase pays the additional premium therefor as provided in Section 6.11 above;

(d) no Unit Owner shall permit anything to be done or kept in the Owner's Unit or in the Common Elements that will result in the cancellation of insurance on the Property or the contents thereof, or that would be in violation of any law;

(e) no waste shall be committed in the Common Elements;

(f) nothing shall be done in any Unit or in, on or to the Common Elements that will impair or unreasonably threaten the structural integrity of the Building or the material health or safety of the Owners or Permitted Tenants/Occupants/Invitees of Units;

and

(g) in no event shall load bearing walls contributing to the support of any Unit or the Common Elements be altered or removed, except as expressly permitted in, and performed in accordance with, Articles 14 and 15 of the Declaration.

ARTICLE 12

ROOF

Section 12.1 **Roof**

The roof of the Building consists of the wooden plank subflooring above the fifth floor and the roofing system thereon and the ceiling slab above the fifth floor duplex Units and any roofing system thereon, but not any tile, deck or other protective flooring comprising a terrace if and as installed by an Owner of a Residential Unit to which such terrace is appurtenant. The roof shall be for the use in common of the Owners and permitted tenants of Residential Units and Commercial Units for all purposes in connection with the permitted use and enjoyment of the Building as shall be determined from time to time by the Condominium Board, subject and subordinate however:

(a) to the rights and easements set forth in the Declaration and these By-Laws, including Sponsor's Rights under Sections 10.8, 10.9, 10.17, 11.6, 11.9 and 12.1.2 of the Declaration, which are superior, paramount and take preference over the rights and easements of the Condominium Board and other Unit Owners

and

(b) to the continued use in their current locations, and the right to inspect, maintain, repair and alter, the installations comprising part of the Common Elements or a Unit which are installed on, in or under the roof on the date of First Closing.

Section 12.2 **Maintenance, Repair and Alteration**

The roof (but not the terraces thereon) is part of the General Common Elements and shall be maintained, repaired and altered by the Condominium Board as part of the Common Expense payable by all Unit Owners pro rata to their respective Common Interests, in accordance and compliance with Article 14 of the Declaration.

ARTICLE 13

FIRE SAFETY SYSTEMS

Section 13.1 **Maintenance, Repairs and Alterations**

The Building's "Fire Safety System" consists of the sprinkler system. The Building's Fire Safety System is part of the Common Elements and shall be maintained, repaired and altered by the Condominium Board as part of the Common Expenses payable by all Unit Owners pro rata to their respective Common Interests, in accordance and compliance with Article 14 of the Declaration.

Section 13.2 **Changes**

The Condominium Board shall have the right to alter, change and relocate elsewhere within the Common Elements the Fire Safety Systems, provided and on condition that all applicable laws and the requirements (including work requirements) and other provisions set forth in Article 15 of the Declaration are met.

ARTICLE 14

GENERAL OPERATING MATTERS

Section 14.1 **Compliance with Laws**

14.1.1 Responsible Party

The party ("Responsible Party") obligated to maintain or repair a portion of the Property or its adjacent vaults (if any) and adjacent sidewalks or the installations in or on the Property or its adjacent vaults (if any) and adjacent sidewalks (i.e., the Condominium Board with respect to the Common Elements, including the installations comprising the Common Elements; and a Unit Owner with respect to such Owner's Unit, including the installations within such Unit) shall also have the duty to comply with all laws applicable thereto, including the existence, inspection, use, maintenance, repair and alteration thereof.

14.1.2 Costs and Expenses

The costs and expenses of such compliance shall be entirely paid and borne by only such Responsible Party, except that in the case of the Condominium Board, such costs and expenses shall be part of Common Expenses payable by all Unit Owners pro rata to their respective Common Interests.

14.1.3 Compliance With Declaration

All work in connection with such compliance with laws shall be performed in accordance with the provisions (including work requirements) set forth in Article 15 of the Declaration.

14.1.4 Reasonable Diligence

The Responsible Party shall effect compliance with applicable laws with reasonable diligence and, if non-compliance has or would have a material adverse affect on any other party, the responsible party shall promptly commence and diligently prosecute compliance therewith to completion.

14.1.5 Contest by Board

The Condominium Board shall have the right on behalf of all Unit Owners to contest any

requirement of applicable law with which the Board is obligated to comply and which relates to the use, operation, maintenance, repair or alteration of the Common Elements or the affairs of the Condominium. During such contest, the Condominium Board shall have the right to defer compliance with such requirements of applicable law, provided:

(a) the Board prosecutes such contest diligently and in good faith by appropriate proceedings unless compliance with such requirement shall have been excused or exempted by a valid nonconforming use permit, waiver, extension or forbearance exempting the Condominium from such requirement;

and

(b) such contest or noncompliance does not involve any threat or danger of:

(i) foreclosure, forfeiture or loss of any part of the Property;

or

(ii) civil or criminal liability being imposed on the Condominium Board or any officer or member of the Board, any Unit Owner or any mortgagee or tenant of a Unit;

or

(iii) the creation of any lien, encumbrance or other charge against any part of the Property;

or

(iv) impairment of any insurance under Article 6 above.

14.1.6 Contest by Sponsor

Sponsor (as Owner of any Unsold Unit) shall have the right to contest any requirement of applicable law with which Sponsor is obligated to comply under the Plan, Declaration or these By-Laws or which relates to the use, Operation or maintenance of a Sponsor Unit. During such contest, the failure of Sponsor to comply with such requirement shall not constitute a default or violation hereunder or the Declaration, provided:

(a) Sponsor is contesting such requirement with reasonable diligence and in good faith by appropriate proceedings and shall have furnished such security, if any, as may be required in the proceedings, unless compliance with such requirement shall have been excused or exempted by a valid nonconforming use permit, waiver, extension or forbearance exempting Sponsor from such requirement;

and

(b) such contest or noncompliance does not involve any threat or danger of:

(i) foreclosure, forfeiture or loss of any part of the Property other than a Sponsor Unit;

or

(ii) civil or criminal liability being imposed on the Condominium Board, any other Unit Owner or any mortgagee or tenant of a non-Sponsor Unit;

or

(iii) the creation of any lien, encumbrance or other charge against any part of the Property other than against a Sponsor Unit;

or

(iv) the impairment of any insurance under Article 6 above.

Sponsor shall provide the Condominium Board with notice of any contest of the type described above in detail sufficient to enable the Board to ascertain whether the foregoing provisions have been complied with by Sponsor.

Section 14.2 **Indemnification**

14.2.1 Indemnity by a Unit Owner

Each Unit Owner shall indemnify all other Unit Owners and the Condominium Board from and against any and all claims and liabilities and expenses which may be imposed upon or incurred by any of the foregoing by reason of:

(a) any work performed or required to be performed by such Unit Owner in, on or about the Property;

(b) any negligence on the part of such Unit Owner or any of its related parties or the Permitted Tenants/Occupants/Invitees of such Unit Owner;

or

(c) any failure on the part of such Unit Owner to perform or comply with any of the terms or conditions contained in the Declaration or these By-Laws on its part to be performed or complied with.

14.2.2 Indemnity by Condominium Board

The Condominium Board shall indemnify each and every Unit Owner from and against any and all claims and liabilities and expenses which may be imposed upon or incurred by such Unit Owner by reason of:

(a) any work performed by the Condominium Board in, on or about the Property;

or

(b) any negligence or wrongful acts or omissions on the part of the Board or any of its members or officers, or agents, employees and contractors.

The costs and expenses of the foregoing indemnification by the Condominium Board shall be a Common Expense payable by all Unit Owners pro rata to their respective Common Interests.

Section 14.3 **Building Employees, Agents and Contractors**

14.3.1 Authority of Board

Subject and subordinate to Sponsor's veto control during the Initial Control Period as provided in Section 2.5.8 above, the Condominium Board shall have the authority:

(a) to hire or engage such employees, agents and contractors as may be necessary or appropriate in the judgment of the Board to perform its obligations set forth in the Declaration or these By-Laws;

and

(b) to make all decisions concerning the employment, compensation and dismissal of employees, agents and contractors, to service the Common Elements and the Owners, tenants and occupants of Units.

14.3.2 Common Expense

The costs and expenses of such employees, agents and contractors shall be a Common Expense payable by all Unit Owners pro rata to their respective Common Interests.

Section 14.4 **Refuse Disposal System**

14.4.1 Residential Units

The refuse chutes and compactor shall be used by the Owners and permitted tenants and occupants of Residential Units for disposal of customary household refuse; subject, however, to compliance with:

(a) applicable laws in effect from time to time, including laws ("Environmental Laws") requiring separation, and separate disposal or recycling, of paper, bottles, cans or other items;

and

(b) the Rules and Regulations, and amendments thereto, in effect or adopted from time to time by the Condominium Board.

14.4.2 Commercial Units

The compactor shall be used by the Owner and permitted tenants and occupants of Commercial Units for the disposal of ordinary, non-hazardous waste or refuse only; subject, however, to compliance with:

(a) applicable laws in effect from time to item, including Environmental Laws;

and

(b) the Rules and Regulations, and amendments thereto, in effect or adopted from time to time by the Condominium Board.

Each Commercial Unit Owner, at the Owner's sole cost and expense, shall arrange and pay for private cartage and disposal of hazardous waste or refuse in compliance with applicable laws, including Environmental Laws.

Section 14.5 **Rules and Regulations**

Certain requirements as to operations of the Property are set forth in the "Rules and Regulations" annexed to, and forming a part of, these By-Laws. The Rules and Regulations may be amended from time to time by the Condominium Board and (unless otherwise required by the Condominium Act) without recording an amendment to the Declaration to so amend the Rules and Regulations; provided, however, that:

(a) the amended Rules and Regulations may be overruled by vote of a majority of those Unit Owners, in number and in Common Interests, attending a meeting (duly called and held for such purpose) at which a quorum is present;

(b) such amendment to the Rules and Regulations shall not adversely affect any of Sponsor's Rights set forth in the Plan, the Declaration or these By-Laws, unless first approved in writing by Sponsor and each Unsold Unit Owner (if any) in each instance;

and

(c) the amended Rules and Regulations shall not become effective or operational for at least thirty (30) days after a copy of the complete text thereof shall be given to all Unit Owners then of record at such Unit Owner's address for notices or (if none is specified) at the Building and delivered or sent in the same manner as provided in Article 20 below for the giving of notices. A violation or failure to comply with the Rules and Regulations, as duly amended from time to time, shall constitute a violation of these By-Laws.

Section 14.6 **Interruption or Reduction in Services**

14.6.1 Right to Interrupt or Reduce

The Condominium Board and (while there is any Unsold Unit) Sponsor shall have the right to interrupt or reduce all or certain utility service and other services to the Common Elements or Units, for the purposes of:

(a) dealing with accidents, strikes, the performance of work and the like;

or

(b) (in the case of Sponsor) the performance of work in accordance with the rights and easements reserved to Sponsor in the Plan, the Declaration or these By-Laws.

14.6.2 No Liability or Abatement

The Condominium Board and Sponsor, and their respective members, directors, officers, principals, employees and agents, shall not be liable in damages or otherwise to any Owner or permitted tenant or occupant of a Unit for any such interruption or reduction of services, or for any such failure to furnish or interruption of services (including water, electricity, steam (if any) or sewer service), whether caused by a public utility or governmental authority supplying same or otherwise. In addition, any such permitted interruption or reduction of services, or such failure or interruption of service by a public utility, governmental authority or otherwise, shall not entitle any Unit Owner to any abatement or diminution of Common Charges. However, the Condominium Board or Sponsor (as applicable) shall use reasonable efforts to give all affected Unit Owners reasonable prior notice of any such interruption, reduction or failure, except in the event of an emergency, and to the extent reasonably practical shall endeavor to minimize any such interruption, reduction or failure.

Section 14.7 **Records and Audits**

14.7.1 Records Kept by Treasurer

The Treasurer of the Condominium, or the Managing Agent (if any) under the supervision of such Treasurer, shall keep full, detailed and accurate records and books of account with respect to the financial affairs of the Condominium and the Condominium Board, which records and books of account shall include:

(a) a chronological listing of all receipts of, and expenditures by, the Condominium Board and the Managing Agent (if any), together with cancelled checks, check register, statements, bills and invoices;

and

(b) a separate listing for each Unit, setting forth, among other things, the amount of

each assessment of Common Charges, real estate taxes, if applicable, Special Assessments levied against such Unit, the date when due, the amounts paid thereon and the balance, if any, remaining unpaid and a copy of any Permitted Mortgage encumbering such Unit, if applicable.

14.7.2 Records Kept by Secretary

The Secretary of the Condominium, or the Managing Agent (if any) under the supervision of the Secretary, shall keep detailed records of the actions of the Condominium Board, committees of the Board and relevant actions of Unit Owners with respect to matters governed by the Declaration or these By-Laws. Such records include:

(a) minutes of meetings of the Condominium Board and any resolutions adopted thereat;

(b) minutes of meetings of committees of the Board;

and

(c) minutes of meetings of Unit Owners and the outcome of any matters voted upon thereat.

14.7.3 Examination

Each Unit Owner, the Owner's authorized representative and Permitted Mortgagees of the Owner's Unit, shall be permitted to examine (without charge) and to copy (at a reasonable charge):

(a) the minutes of meetings of Unit Owners;

(b) books of account of the Condominium Board (but not any personal files of Unit Owners maintained by the Condominium Board);

and

(c) all other information, documents and records as may be in the possession or under the control of the Condominium Board or its agent or professionals in connection with the ownership, operation, maintenance and affairs of the Condominium and the Property.

All such examinations shall be conducted at the office of Managing Agent or other location reasonably convenient to the Property specified by the Board and in a manner that shall not unreasonably interfere with the operations or business of the Condominium, the Board or the Managing Agent (if any). The examinations shall be permitted during business hours, on business days and upon reasonable advance written notice, but not more frequently than once a month (such examination shall not extend over more than three (3) business days in any calendar month) as to each Unit

Owner and the Owner's authorized representative and Permitted Mortgagees. The Board shall retain all such books and records available for examination for at least three (3) years.

14.7.4 Tax Returns and Financial Statements

The Condominium Board shall cause to be prepared and filed on a timely basis and before the imposition of interest, charges or penalties for late filing, all requisite federal, state and city income tax and any other tax returns. In addition, within four (4) months after the end of each fiscal year of the Condominium, the Condominium Board shall submit to each Unit Owner and, if so requested, to any Permitted Mortgagee, an annual report of assets and liabilities and the operations of the Common Elements and Property generally, including the receipts and expenditures of the Condominium Board prepared and certified by an independent certified public accountant in accordance with generally accepted accounting principles consistently applied. The Costs and Expenses to prepare and file each such tax return(s) and to prepare and distribute each such annual report shall be paid by the Condominium Board as a Common Expense payable by all Unit Owners pro rata to their respective Common Interests.

Section 14.8 **Tenants and Occupants of Units Entitled To Receive Building Services**

14.8.1 Provision of Service

The Condominium Board shall provide to each tenant and occupant of all or a portion of a Unit, and such tenant and occupant shall receive, without discrimination, all of the same services and facilities as are required to be provided to the Owner of such Unit pursuant to the Declaration, these By-Laws or applicable law. No fee, charge, imposition or costs and expenses for such services and facilities shall be assessed by the Condominium Board against said tenant or occupant, or the Owner of said Unit, other than regular Common Charges and an assessment against the Unit Owner which is expressly authorized under the Condominium Documents. The aforesaid services and facilities include all Building systems and amenities comprising the Common Elements.

14.8.2 Removal of Violations

The Condominium Board, with reasonable diligence and in good faith, shall remove any violation noted or issued with respect to the Common Elements or which it is required to correct if failure to do so is grounds for a tenant of a Unit to reduce or withhold the rent or would constitute a violation of the tenant's lease or applicable law.

14.8.3 Tenant Violation

The Condominium Board will have no legal recourse against a Unit Owner for a violation of the Condominium Documents by a tenant or occupant of such Owner's Unit if (and during the period) such Unit Owner endeavors in good faith and with reasonable diligence to abate, enjoin or remedy the violation. However, the foregoing shall not excuse the Unit Owner from the obligation to pay for repairs caused by the said tenant's

or occupant's negligence as provided in Section14.7 of the Declaration.

ARTICLE 15

EXISTING LEASES

Section 15.1 **Subordination**

To the extent and for so long as the Declaration is subject and subordinate to the rights of any tenants of the Building under Existing Leases (if any), the rights granted or reserved to any Unit Owner or the Condominium Board and all requirements and limitations under these By-Laws, including the Rules and Regulations, shall be so subject and subordinate.

Section 15.2 **Provision of Services**

In the event an Existing Lease (if any) requires services be provided to the tenant thereunder which under the terms of the Declaration and By-Laws may only be provided by the Condominium Board or are under the exclusive control of the Condominium Board, then the Condominium Board shall provide such services to the tenant under such Existing Lease. If the services so provided are in excess of, or vary from, the services provided to Unit Owners under the Declaration and By-Laws, then all additional cost and expenses incurred by the Board in connection therewith shall be charged as a Special Assessment payable only by the applicable Owner of the Unit demised under such Existing Lease.

ARTICLE 16

UNIT CONVEYANCES, SALES, LEASES AND MORTGAGES

Section 16.1 **General**

16.1.1 Compliance with By-Laws

Subject to the terms of Section 16.5 hereof, a Sold Residential Unit Owner (hereafter sometimes collectively called a "Sold Unit Owner") shall not sell, transfer, convey or lease such Owner's Sold Unit except in compliance with the applicable provisions of this Article 16. Any purported sale, transfer, conveyance or lease consummated in violation of the applicable terms hereof shall be voidable at the sole election and discretion of the Condominium Board.

16.1.2 Ejectment or Eviction

With the intention to constitute a limited, durable power of attorney, each Sold Unit Owner, by accepting or recording a deed to a Unit or otherwise succeeding by title to a Unit (whether through operation of law, transfer, merger, consolidation, liquidation or

otherwise) shall thereupon automatically have, and be deemed to have, irrevocably authorized and designated the individuals who shall from time to time constitute the Condominium Board, in their capacity as Board Members, as agent and attorney in fact of the Sold Unit Owner, coupled with an interest and for valuable consideration, and with full power of substitution, to act on behalf and as agent of the Sold Unit Owner and in the name, place and stead of the Sold Unit Owner in any which such Owner could do if personally present, to the full extent such Owner is permitted by law to act through an agent, having the right, power and authority with respect only to the following, upon determination of a majority of the Board Members: (a) (in the case of a sale, transfer or conveyance in violation of this Article 16) to institute and prosecute through completion a lawsuit and all appeals therefrom to eject a purported successor Owner from the Unit owned by such Sold Unit Owner or (b) (in the case of a lease or occupancy agreement in violation of this Article 16) to evict a tenant of such Unit. Thus durable, limited power of attorney shall not be affected by the subsequent disability or incompetence of the Sold Unit Owner.

The Condominium Board shall have the right and option (but not the obligation) to institute such lawsuit, which is in addition to all other rights and remedies available to the Board in law or at equity.

16.1.3 Reimbursement

If the Condominium Board elects to bring this or any other lawsuit, the applicable Sold Unit Owner shall pay and reimburse the Condominium Board, promptly following demand, for all costs and expenses in connection with such lawsuit and for the costs and expenses of collection thereof. Such obligation to pay said costs and expenses shall be regarded as part of the Common Charges payable by such Sold Unit Owner.

16.1.4 Deed Provision

Each and every deed to a Unit, including transactions subject to, or exempted from, the "Right of First Refusal" defined in Section16.2.1 below, shall expressly provide that the acceptance thereof by the grantee shall constitute an acceptance, ratification and assumption of all of the terms of the Condominium Documents, and, in the absence of such express language, the same shall be conclusively deemed to have been included therein.

16.1.5 Lease Provisions Applicable to All Units

Each lease or occupancy agreement (collectively, "lease" or "lease Agreement") of a Unit to any tenant in a transaction subject to the Right of First Refusal pursuant to Section16.2 below or exempted therefrom pursuant to Section 16.5 below shall expressly state or provide (and shall be deemed to state and provide) that:

(a) the lease is subject and subordinate to the Condominium Documents and that in the event of any inconsistency between the lease and the Condominium Documents, the inconsistency shall be resolved in accordance with the Condominium Documents, which are paramount and shall govern;

and

(b) the Condominium Board shall have the and right, power and authority to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the landlord-Owner thereunder in the event of: (i) a default by the tenant in the payment, performance or observation of tenant's obligations under such lease or (ii) a foreclosure of landlord-Owner's Unit by the Condominium Board pursuant to the lien granted by Section 339-z of the Condominium Act.

16.1.6 Lease Provisions Applicable to Sold Residential Units Only

Each lease of a Sold Residential Unit only (but not an Unsold Residential Unit or a Commercial Unit) to any tenant in a transaction subject to said Right of First Refusal or exempted therefrom (other than an exemption based on the Unit being an Unsold Residential Unit or a Commercial Unit) shall be in the then current prevailing form of lease of a residential condominium unit for non-regulated multiple dwellings in The City of New York (or other printed form of lease approved by the Condominium Board, in its sole and absolute discretion), subject to such modifications as may be approved in writing by the Condominium Board (in its sole and absolute discretion), and shall expressly state or provide (and shall be deemed to expressly state or provide), in a transaction which is subject to the Condominium Board's Right of First Refusal, in addition to the mandatory provision set forth in Section 16.1.5 above and Section16.2.3 below, that:

(a) the lease is for a term of not less than one (1) year (unless the Condominium Board consents in writing to a shorter term);

(b) the lease shall not be amended or extended without the prior written consent of the Condominium Board in each instance (such consent is discretionary and may be conditioned, withheld or denied without cause or explanation and without recourse against the Condominium Board by reason thereof);

(c) the tenant thereunder shall not assign tenant's interest in such lease or sublet the Unit demised thereunder or any part thereof without the prior written consent of the Condominium Board in each instance (such consent is discretionary and may be conditioned, withheld or denied without cause or explanation and without recourse against the Condominium Board by reason thereof);

and

(d) the Unit shall be used and occupied only as a joint live-work Unit as allowed by law and in compliance with the other requirements and restrictions set forth in the Declaration (including Section 10.11 thereof) and these By-Laws (including subsections 5.1.11 and 11.3.2 hereof).

16.1.7 Lease Provisions Applicable to Sold Commercial Units

Each Lease of a Sold Commercial Unit (but not an Unsold Commercial Unit) shall

expressly state (and shall be deemed to expressly state) that the Sold Commercial Unit shall be used only as a commercial premises in compliance with applicable laws, and for no other purpose.

Section 16.2 **Right of First Refusal**

16.2.1 Exempt Transactions

The provisions of this Section 16.2 are subject and subordinate to Sections 16.5 hereof and do not apply to any of the transactions exempted under said Section 16.5 from the Right of First Refusal in favor of the Condominium Board set forth in this Section 16.2.

16.2.2 Definition

A contract to sell a Sold Residential or Commercial Unit together with its appurtenant Common Interest is hereinafter collectively referred to as a "sale agreement" and any sale agreement or lease agreement of a Sold Residential or Commercial Unit is each hereafter included in the collective term "sale or lease agreement".

16.2.3 Mandatory Provision in Sale or Lease Agreement

Each sale or lease agreement in a transaction subject to the Board's Right of First Refusal shall contain the following language:

> "THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER ARE HEREBY MADE EXPRESSLY SUBJECT TO THE RIGHTS, IF ANY, OF THE BOARD OF MANAGERS OF SOHO CENTER COURT CONDOMINIUM WITH RESPECT TO THE TRANSACTION EMBODIED HEREIN, PURSUANT TO THE TERMS OF SECTIONS 16.2 AND 16.3 OF THE BY-LAWS OF THE SAID CONDOMINIUM, AS THE SAME MAY HAVE BEEN AMENDED".

16.2.4 Procedure

Promptly after any such sale or lease agreement shall be fully executed, the Sold Unit Owner executing the same (hereinafter referred to as the "Offeree Unit Owner") shall send written notice thereof ("sale or lease notice") to the Condominium Board by certified or registered mail, return receipt requested, which sale or lease notice shall be accompanied by a fully executed, original counterpart of the sale or lease agreement, as the case may be, containing all of the terms offered in good faith by the prospective purchaser or tenant (hereinafter referred to as the "Outside Offeror"). The Sold Residential or Commercial Unit owned by the Offeree Unit Owner is hereafter sometimes called "Offeree's Unit."

16.2.5 Offer to Sell or Lease

The sending of the sale or lease notice shall constitute an offer by the Offeree Unit Owner to sell the Offeree's Unit, together with its appurtenant Common Interest, or to

lease the Offeree's Unit, as the case may be, to the Condominium Board or to its designee, corporate or otherwise, on behalf and as agent of all Unit Owners upon the same terms and conditions as are contained in such sale or lease agreement, subject, however, to the modifications and variances therefrom provided in Section 16.3 hereof.

16.2.6 Representations and Warranty

The giving of such sale or lease notice shall further constitute a representation and warranty by the Offeree Unit Owner to the Condominium Board, on behalf and as agent of all Unit Owners, that such Offeree Unit Owner believes the sale or lease agreement to be bona fide in all respects.

16.2.7 Submission of Documents

The sale or lease notice shall also be accompanied by such documents as the Board may determine from time to time to be part of the Board's standard document package in connection with the consideration of a sale or lease agreement. The standard document package are all documents relating to the housing, credit, financial and employment history of the Outside Offeror and may include a standard form of sale or lease application, income tax returns, credit reports, net worth statement, personal references, employer verification statement and current landlord good standing letter. The Offeree Unit Owner shall also submit to the Condominium Board or its Managing Agent (as directed), promptly following written request therefor, such additional documents and/or information as the Condominium Board may reasonably request with respect to the Outside Offeror or the transaction.

16.2.8 Right of First Refusal

The Condominium Board shall have the Right of First Refusal to purchase Offeree's Unit together with its appurtenant Common Interest (or to cause the same to be purchased by its designee, corporate or otherwise), or to lease Offeree's Unit (or to cause the same to be leased by its designee, corporate or otherwise), as the case may be, on behalf and as agent of all Unit Owners, upon the same terms and conditions as were contained in the sale or lease agreement and stated in the response(s) by the Offeree Unit Owner to any requests for additional documents and/or information pursuant to the terms of the preceding subsection 16.2.7, subject (however) to such modifications and variances thereto as are required in the following Section 16.3. If the Board wishes to exercise the Right of First Refusal, the Board shall do so in a written notice ("Acceptance Notice") given to the Offeree Unit Owner within fifteen (15) business days after the Board or its Managing Agent receives the sale or lease notice together with the Standard Document Package and such further documents and/or information as may have been requested pursuant to the preceding subsection 16.2.7 ("Option Period").

16.2.9 Required Approval of Unit Owners

Notwithstanding anything to the contrary contained herein, the Condominium Board shall not exercise its Right of First Refusal to purchase or lease an Offeree's Unit set

forth in this Section 16.2 without the prior approval of the Owners of a majority of the Common Interests appurtenant to all Sold and Unsold Units voting at a duly constituted meeting of Unit Owners called for such purpose and at which a quorum is present.

16.2.10 Compliance with Civil Rights Laws

In determining whether to elect to purchase or lease Offeree's Unit, the Condominium Board shall not discriminate against persons on the basis of race, creed, color, national origin, sex, age, disability, marital status or other grounds prohibited by law. This prohibition also applies to the sale, lease, sublease or other disposition of Offeree's Unit by the Condominium Board as the Owner or tenant (as applicable) thereof.

Section 16.3 **Acceptance of Offer**

16.3.1 Sale or Lease Agreement with Board

In the event that the Condominium Board shall elect, within the Option Period and in the manner provided in Section 16.2.8 hereof, to purchase an Offeree's Unit together with its appurtenant Common Interest (or to cause the same to be purchased by its designee) or to lease Offeree's Unit (or to cause the same to be leased by its designee), as applicable, the Offeree Unit Owner shall send to the Condominium Board for execution the sale or lease agreement, as modified:

(a) to reflect the Board as the purchaser or tenant (as applicable);

and

(b) to conform to the requirements set forth in subsection 16.3.2 or 16.3.3 below (as applicable).

Within ten (10) days after receipt thereof, the Condominium Board shall execute and return to the Offeree Unit Owner the sale or lease agreement, as so modified, together with a check for the requisite downpayment (in the case of a sale agreement).

16.3.2 Modified Terms of Sale Agreement

In the event such Offeree's Unit is to be sold to the Condominium Board or its designee, the sale agreement shall be modified to provide and conform to the following to the extent any term in the original sale agreement is contrary, inconsistent or silent with respect thereto (except as otherwise provided in clauses (d) and (e) below):

(a) the downpayment shall equal the lower of ten percent (10%) of the purchase price of the Offeree's Unit or the downpayment stated in the original sale agreement;

(b) such downpayment shall be held in escrow and disposed of in accordance with the terms of the sale agreement (as modified by this Section 16.3) by the attorney for the Offeree Unit Owner, or if the Offeree Unit Owner does not have

an attorney, by an attorney selected by the Condominium Board;

(c) the time and location of title closing shall be set by the Condominium Board and the date of title closing shall be determined by mutual agreement of the Condominium Board and Offeree Unit Owner or (if they are unable to agree) in no event later than sixty (60) business days after the Condominium Board gives the Offeree Unit Owner its Acceptance Notice electing to purchase Offeree's Unit;

(d) the Offeree Unit Owner shall convey Offeree's Unit and its appurtenant Common Interest to the Condominium Board or its designee by bargain and sale deed with covenant against grantor's acts and in the form required by Section 339-o of the Condominium Act, and, unless otherwise expressly provided in the sale agreement, with all documentary stamps affixed at the expense of the Offeree Unit Owner, who shall also pay all other City and State transfer taxes arising out of the sale which are at the time imposed by Law on a seller (but not the portion of such transfer taxes (such as the current New York State real property transfer tax, known as the "mansion tax"), which are imposed by law on a purchaser, unless the Offeree Unit Owner was expressly required to pay same under the original Sale Agreement);

and

(e) (unless otherwise expressly provided in the sale agreement) the Offeree Unit Owner and Condominium Board or its designee shall apportion as of 11:59 p.m. of the day preceding the closing based on the actual number of days in the month of closing:

(i) real estate taxes (if Offeree's Unit is not separately assessed at closing, the apportionment shall be based on the amount of real estate taxes for the Property which is attributable to Offeree's Unit as determined in accordance with Section 9.1 above;

(ii) Common Charges, including the then current installment of any Condominium Special Assessment for the month or period in which title closes (which Special Assessment shall be apportioned based on the actual number of days in such month or other period);

(iii) mortgage interest (if applicable);

(iv) electricity (if separately metered);

and

(v) rent paid or payable under any existing lease or tenancy.

16.3.3 Modified Terms of Lease Agreement

In the event Offeree's Unit is to be leased to the Condominium Board or its designee, the lease agreement shall be modified to provide and conform to the following to the extent any term in the original lease agreement is contrary, inconsistent or silent with respect thereto:

(a) the lease agreement will be on the then current prevailing printed form of lease of a condominium unit for non-regulated multiple dwellings in The City of New York (with such rider provisions, not inconsistent with such form lease) as those included in the proposed lease agreement with the Outside Offeror;

(b) the provisions of such prevailing form lease will govern any conflict with the provisions of the proposed printed form original lease agreement with the Outside Offeree;

(c) notwithstanding any prohibition or restriction against subletting in such prevailing form lease or in the proposed lease agreement with the Outside Offeror, the Condominium Board shall have the right and discretion to sublease the Unit one (1) or more times freely and without consent, payment or restriction and without the Offeree Unit Owner participating in, or sharing, the rent under such sublease;

and

(d) the terms of the lease agreement (and the obligation to pay rent) shall begin on a date mutually agreeable to the Condominium Board and Offeree Unit Owner, or (if they are unable to agree) in no event later than sixty (60) business days after the Condominium Board gives the Offeree Unit Owner its Acceptance Notice electing to lease Offeree's Unit.

16.3.4 Common Expenses

All payments made by the Condominium Board to purchase, own, lease, maintain, repair, alter and make any other disposition of Offeree's Unit purchased or leased by the Condominium Board in accordance with this Article 16 will be included in the Common Expenses payable by all Unit Owners pro rata to their respective Common Interests.

16.3.5 Revenues

Similarly, any revenues derived from owning, selling, leasing, subleasing, mortgaging or making any other disposition of Offeree's Unit owned or leased by the Condominium Board shall be applied to defray the Common Expenses.

16.3.6 Source of Funds to Purchase

In connection with a purchase of Offeree's Unit, the Condominium Board may levy a Special Assessment against all Unit Owners (other than the Offeree Unit Owner) in accordance with the terms of Section 8.4 hereof and/or the Condominium Board may, in

its discretion, finance the acquisition of Offeree's Unit; provided and on condition that:

(a) any such financing shall not be secured by an encumbrance on, or a hypothecation of, any portion of the Property other than the Offeree's Unit together with its appurtenant Common Interest;

(b) if the proposed amount to be borrowed exceeds $50,000.00, the affirmative consent or approval of at least a majority of all Unit Owners (both in number and aggregate Common Interests) in writing or at a duly constituted meeting of Unit Owners at which a quorum is present must first be obtained as provided in subsection 2.4.2(o) above;

(c) and if the proposed borrowing (regardless of amount) is to occur during the Initial Control Period, the affirmative consent or approval of Sponsor must first be obtained as provided in said subsection 2.4.2(o) and subsection 2.5.8 above;

and

(d) the loan documents shall expressly provide that the Unit Owners shall have joint, non-recourse and limited liability for the loan in accordance with Section 4.12 above.

16.3.7 Existing Mortgage

In addition, if (in the case of a sale) the Outside Offeror was to assume or to take title to Offeree's Unit subject to the Offeree Unit Owner's existing mortgage(s), the Condominium Board may purchase Offeree's Unit and assume or take title thereto subject to such mortgage(s), provided and on condition that:

(a) the requisite consents on approvals of Unit Owners and/or Sponsor are first obtained pursuant to said subsections 2.4.2(o) and 2.5.8 above (if and as applicable);

and

(b) such mortgage or mortgages shall expressly provide or include substantially equivalent provisions to the effect that Unit Owners shall have joint, non-recourse and limited liability in accordance with said Section 4.12 above.

16.3.8 Waiver of Partition

While Offeree's Unit is owned or leased by the Condominium Board or its designee, on behalf and as agent of all Unit Owners, Offeree's Unit shall be part of the Common Elements and Unit Owners shall be deemed to have waived all rights of partition, use or occupancy with respect to Offeree's Unit to the same effect as herein provided with respect to the Common Elements.

16.3.9 Board Decisions

The Condominium Board (inclusive of the Sponsor Board Members) will make all decisions concerning Offeree's Unit, including whether or not to exercise the Right of First Refusal pursuant to Section 16.2 hereof and all decisions relating to the disposition of Offeree's Unit while owned or leased by the Condominium Board, except the Board shall not have the right to cast the votes appurtenant to such Unit. These decisions include:

(a) the use of Offeree's Unit (provided such use shall be used in accordance with the Declaration and these By-Laws);

(b) (if Offeree's Unit is a Residential Unit) the occupancy of Offeree's Unit (provided occupancy shall be in accordance with these By-Laws);

(c) the sale, lease, operation, mortgage (subject to obtaining the requisite consents or approvals of Unit Owners and/or Sponsor pursuant to subsections 2.4.2(o) and 2.5.8 above, if and as applicable) or other disposition of Offeree's Unit (if owned by the Condominium Board) or the operation or sublease of Offeree's Unit (if leased by the Condominium Board);

and

(d) the maintenance, repair, alteration and other disposition of Offeree's Unit.

Section 16.4 **Failure to Accept Offer**

16.4.1 Ninety Days to Consummate

In the event that the Condominium Board shall decline or fail to accept an offer made pursuant to the terms of Section 16.2 hereof within the fifteen (15) business day Option Period set forth in subsection 16.2.8 above, the Offeree Unit Owner shall be free to consummate the transaction embodied in the sale or lease agreement and stated in any responses to requests by the Board for additional documents and/or information, within ninety (90) days after: (a) notice of declination is sent to the Offeree Unit Owner by the Condominium Board or (b) the expiration of the Option Period within which the Condominium Board or its designee might have accepted such offer, as the case may be. If the Offeree Unit Owner shall fail to consummate the transaction embodied in the sale or lease agreement and stated in any said responses within such ninety (90) day period, then, the transaction shall be voidable at the sole option of the Condominium Board and (If the Board elects to void same) the Board will again have the Right of First Refusal to purchase or lease the Offeree's Unit and the Offeree Unit Owner shall be required again to comply with all of the terms and provisions of Sections 16.2, 16.3 and 16.4 hereof with respect to the original or any subsequent Outside Offeror.

Section 16.5 **Transactions Exempt from Right of First Refusal**

16.5.1 Exempt Transactions

The following sales, transfers, conveyances and leases are exempt from the Condominium Board's Right of First Refusal under Section 16.2 hereof:

(a) a sale, transfer, conveyance or lease from a Sold Unit Owner to an adult member of such Owner's immediate family or to a trust for the benefit of such Owner or a member of such Owner's immediate family;

(b) a sale, transfer, conveyance or lease from a Sold Unit Owner to any entity in which such Owner owns more than fifty percent (50%) of the legal and beneficial interests or (if such Owner is a corporation, partnership, limited liability company or other entity) a sale, transfer, conveyance or Lease from such Owner to any individual who owns more than fifty percent (50%) of all legal and beneficial interests in such Owner;

(c) a transfer, conveyance or lease from a Sold Unit Owner to any person who acquires title or a Lease of such Owner's Unit as a gift or as an heir under the Owner's will or by intestacy;

(d) (if a Sold Unit Owner is declared judicially incompetent) a transfer, conveyance or lease from such Owner to such Owner's legal guardian or representative;

(e) a sale, transfer, conveyance or Lease from a Sold Unit Owner to Sponsor or other Unsold Unit Owner and any subsequent sale, transfer, conveyance or lease (including a sublease) thereof by Sponsor or other Unsold Unit Owner (as applicable) to any person;

(f) a sale, transfer, conveyance or lease (including any sublease) from Sponsor or an Unsold Unit Owner to any person;

(g) a sale, transfer, conveyance or lease from a Commercial Unit Owner to any person;

(h) a sale, transfer, conveyance or lease to the Condominium Board or from the Condominium Board to any person;

(i) a sale, transfer or conveyance from an officer or other person conducting a foreclosure sale of a mortgage or other lien foreclosure sale to any person;

(j) a transfer or conveyance by deed in lieu of foreclosure from a Sold Unit Owner to a Permitted Mortgagee or any person designated by a Permitted Mortgagee;

and

(k) a sale, transfer or conveyance from such Permitted Mortgagee or designee to

any person.

16.5.2 Application to Succeeding Owner

Each succeeding Owner of a Sold Unit (other than Sponsor, or an Unsold Unit Owner or said Permitted Mortgagee or its designee) shall be bound by, and such Owner's Sold Unit shall continue to be subject to, all of the terms and conditions of this Article 16.

16.5.3 Proceeds of Sale or Rental

Apart from the charges and fees authorized in Section 16.11 below, the Owner of a Sold Unit who is exempted from the Right of First Refusal pursuant to this Section 16.5 ("Exempt Unit Owner") shall retain all proceeds realized on the sale or leasing of the Unit, without participation by the Condominium Board or Unit Owners.

Section 16.6 **Certificate of Waiver or Exemption as to Right of First Refusal**

16.6.1 Requirement to Give Certificate

In the event the Condominium Board declines or fails to exercise or waives its Right of First Refusal or the transaction is exempt therefrom pursuant to Section 16.5 above, the Condominium Board shall furnish, or cause the Managing Agent to furnish, to the applicable Offeree Unit Owner or Exempt Unit Owner, and such Unit Owner shall receive, a written certification to such effect ("Certificate" or "Certificate of Waiver or Exemption") within the following thirty (30) day period:

(a) in the case of an Offeree Unit Owner, within thirty (30) days after expiration of the fifteen (15) business days Option Period set forth in subsection 16.2.8 above;

or

(b) in the case of an Exempt Unit Owner, within thirty (30) days after written request for such Certificate is given to the Condominium Board or its Managing Agent.

16.6.2 Execution and Contents of Certificate

The Certificate shall be executed and acknowledged by an officer of the Condominium Board and shall state in effect that:

(a) the provisions of Section 16.2 hereof have been met by the Offeree Unit Owner and that the Right of First Refusal provided for therein has been duly released or waived by the Condominium Board or that the transaction is exempt from the provisions of Section 16.2 pursuant to Section 16.5 hereof (as applicable);

and

(b) as a result thereof, the rights of the Condominium Board under such Section 16.2 have terminated or are not applicable (as the case may be).

16.6.3 Effect of Certificate

Such Certificate shall be conclusive upon the Condominium Board and all Unit Owners in favor of all persons who rely upon such Certificate in good faith. After the due issuance of such Certificate, the Offeree's Unit to which the same relates, together with its appurtenant Common Interest, may be conveyed or leased (as applicable) free and clear of the terms and conditions contained in Section 16.2 hereof.

16.6.4 Pre-requisite for Giving Certificate

The Condominium Board shall have the right (without liability for any claims or liabilities and expenses or other recourse of the Offeree Unit Owner or the Outside Offeror) to refuse to issue such Certificate if: (a) the Offeree Unit Owner or Exempt Unit Owner (as applicable) is in default in the payment of Common Charges (including Special Assessments, if any) or in the payment or performance of a substantial obligation under the Condominium Documents or (b) the Offeree Unit or the Unit owned by an Exempt Unit Owner (as applicable) is subject to an unpaid lien (other than a Permitted Mortgage). Upon the curing of such default or the satisfaction (or appropriate provision reasonably acceptable to the Board is made for the satisfaction) of such unpaid lien (as applicable), the Condominium Board shall cease to refuse to issue the appropriate Certificate.

16.6.5 Failure of Board to Exercise or Consummate

The Right of First Refusal described in Section 16.2 hereof shall be deemed terminated, released or waived by the Condominium Board (as opposed to satisfied pursuant to the express terms of Sections 16.2 and 16.4 hereof) in the event that:

(a) the Condominium Board shall fail to timely and properly exercise the Right of First Refusal or (if exercised) shall fail to consummate the sale or Lease, all as provided in this Article 16;

and

(b) the Offeree Unit Owner shall have faithfully complied with the provisions of this Article 16;

and

(c) the Condominium Board shall fail to furnish or cause the Managing Agent to furnish said Certificate of Waiver or Exemption within thirty (30) days after the expiration of the fifteen (15) business day Option Period set forth in subsection 16.2.8 above within which the Condominium Board is to make its election.

16.6.6 Validity Unaffected

A transaction that is exempt from the Board's Right of First Refusal pursuant to Section 16.5 hereof or a non-exempt transaction that meets the requirements of the preceding

subsection 16.6.5 may be consummated without a Certificate and the failure to issue a Certificate for such transaction shall not affect the validity or enforceability of said transaction.

16.6.7 No Severance of Ownership

A Unit Owner shall not execute any deed or other instrument conveying title to the Owner's Unit without including therein its appurtenant Common Interest, it being the intention to prevent any severance of such combined ownership. Any deed or other instrument purporting to affect one (1) or more such interests shall be taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the Common Interest appurtenant to any Unit may be sold, conveyed or other disposition made thereof, except as part of a sale, conveyance or other disposition of the Unit to which such Common Interest is appurtenant or as part of a sale, conveyance or other disposition of such part of the appurtenant Common Interests appurtenant to all Units. Nothing contained in this Section 16.7 however, shall prohibit the lease of any Unit without the simultaneous lease of its appurtenant Common Interest.

Section 16.7 **Payment of Common Charges**

A Unit Owner shall not be permitted to convey or lease such Owner's Unit unless such Owner shall have paid in full to the Condominium Board all unpaid Common Charges theretofore assessed against such Unit (including past due installments of Special Assessments, but not installments not yet due and payable) and shall have satisfied all unpaid liens, other than that of Permitted Mortgages, on such Unit. A letter from the Condominium Board or its Managing Agent stating the amount of Common Charges (including Special Assessments, if any) with respect to such Unit may be relied upon as conclusive evidence of such fact.

Section 16.8 **Unit Owner's Power of Attorney**

At the time of acquiring title to a Unit and as a condition thereof, the new Unit Owner shall duly execute, acknowledge and deliver to the representative of such new Owner's title insurance company (or, if no such representative is present, to Sponsor or, if Sponsor is not then the Owner of any Unsold Unit, to the Condominium Board) for recording in the Register's Office, and shall cause to be so recorded therein and shall pay all governmental charges and title company or agent service charges for recording, the Unit Owner's Power of Attorney required in Article 17 of the Declaration, in the form set forth as an exhibit to the Declaration or then in use by the Condominium Board. The Unit Owner's Power of Attorney shall, among other things, appoint the Condominium Board as the Unit Owners' attorney-in-fact with respect to the modification, amendment or cancellation of the Landmark Declaration.

Section 16.9 **Gifts and Devises, Etc.**

In accordance with Section 16.5(c) above, any Unit Owner shall be free to convey or transfer the Owner's Unit, together with its appurtenant Common Interest, by gift, or to

devise the same by will or to have the same pass by intestacy, without restriction and without compliance with Section 16.2 hereof, provided, however, that each succeeding Unit Owner shall be bound by, and such Owner's Unit shall be subject to, the provisions of this Article 16.

Section 16.10 **Charges Imposed on Non-Exempt Transactions**

16.10.1 Charges

If not prohibited by law, the Condominium Board shall have the right, power and authority to fix by resolution and collect, before the consummation of any sale, transfer, conveyance or Lease of a Sold Unit (other than in connection with a transaction that is exempt from the Right of First Refusal of the Condominium Board under Section 16.5 hereof) a reasonable charge to cover the reasonable fees and expenses of the Condominium Board or the Managing Agent or any attorney retained by the Condominium Board, in connection therewith. The proposed fees payable by such Sold Unit Owner to the Managing Agent set forth in the Plan or a Plan amendment shall conclusively be deemed to be reasonable. If such charge is adopted, it shall be added to and constitute Common Charges payable by the Offeree Unit Owner.

16.10.2 No Charges on Exempt Transaction

In no event shall any charge, fee, cost, expense or other imposition be fixed or collected for any sale, transfer, conveyance or Lease that is exempted under Sections 16.5 hereof from the Right of First Refusal provisions of Section 16.2 hereof, including in particular (but not limited to): (a) any Units sold, transferred, conveyed or leased to Sponsor, or (b) any Units sold, transferred, conveyed or leased by Sponsor or (c) any sale, transfer, conveyance or Lease of a Commercial Unit or an Unsold Unit.

16.10.3 Flip Tax Authorization

The Condominium Board shall have the right to impose a "transfer fee", or "entrance fee" or "exit fee" (collectively, "flip tax") on the sale, transfer or conveyance of a Sold Unit in connection with only a transaction that is subject to the Right of First Refusal in Section 16.2 hereof (but not in a transaction that is exempt therefrom under Section 16.5 hereof), provided and on condition that:

(a) such flip tax shall be approved in writing or at duly constituted meeting of Unit Owners called for such purpose;

(b) Owners of not less than two-thirds (2/3) of all Sold and Unsold Units (excluding any Unit owned by the Condominium Board), both in absolute number and aggregate Common Interests, shall affirmatively approve the flip tax and the amount thereof;

and

(c) the flip tax is not prohibited by law.

If such flip tax is adopted, it shall be added to and constitute Common Charges payable by the Offeree Unit Owner. Apart from the charges and fees authorized in this Section 16.11, the Offeree Unit Owner shall retain all proceeds realized from the sale or leasing of the Sold Unit, without participation by the Condominium Board or Unit Owners.

Section 16.11 **Estoppel Certificates**

16.11.1 Estoppel Certificates

If requested in writing by a Unit Owner, the Condominium Board shall deliver to the requesting Unit Owner from time to time, and such Unit Owner shall receive within ten (10) days after each written request is given, a written statement ("Estoppel Certificate") duly signed by an officer of the Board or the Managing Agent:

(a) certifying the date to which Common Charges (including any Special Assessments) have been paid and the amount of any unpaid indebtedness owed under the Condominium Documents;

and

(b) acknowledging that there are not, to the best knowledge of the Condominium Board, any uncured defaults or violations on the part of the Unit Owner under the Condominium Documents, as same may be then amended, or specifying any defaults or violations if any are claimed.

Such Estoppel Certificate may be conclusively relied upon by any prospective purchaser or any prospective or existing holder of a mortgage on, or any prospective or existing tenant of, the Owner's Unit. The failure of such Unit Owner to receive such Estoppel Certificate within said ten (10) day period shall be conclusive upon the Condominium Board that:

(a) the Unit Owner is current in the payment of Common Charges (including any Special Assessments);

and

(b) there is no unpaid indebtedness owed, nor any uncured defaults or violations on the part of such Unit Owner, under the Condominium Documents, as same may be amended.

The Condominium Board shall be required to deliver an Estoppel Certificate to a Unit Owner not more often than twice in any twelve (12) month period.

Section 16.12 **Registration of Mortgages**

A Unit Owner who mortgages the Owner's Unit or the holder of such mortgage, shall register such mortgage ("Registered Mortgage") with the Condominium Board by supplying the Condominium Board with the name and address of the mortgagee and

filing a conformed copy of the mortgage and the note secured thereby with the Condominium Board. The failure to comply with the foregoing shall not affect the validity or enforceability of the mortgage. A Unit Owner who satisfies a mortgage covering the Owner's Unit shall so notify the Condominium Board and shall also file a conformed copy of the satisfaction of the mortgage with the Condominium Board. The Secretary of the Condominium shall maintain all such mortgage information and documents in a book entitled Mortgages of Units.

Section 16.13 **Prohibition and Restriction on Mortgaging**

(a) Prohibition

No Unit Owner shall be permitted to mortgage, pledge or hypothecate such Owner's Unit unless and until such Owner shall have paid in full to the Condominium Board all unpaid Common Charges theretofore assessed against such Unit and shall have satisfied all unpaid liens against such Unit, except the liens of mortgages (collectively, "Permitted Mortgages" and individually, "Permitted Mortgage") made in compliance with these By-Laws. Notwithstanding the foregoing, any mortgage, pledge or hypothecation of an Unsold Unit without complying with the provisions of this subsection 16.5.1 shall not affect the validity or enforceability of such mortgage, pledge or hypothecation.

(b) Restriction

No Unit Owner shall execute any mortgage or other document mortgaging, pledging or hypothecating title to such Owner's Unit without including therein its appurtenant Common Interest, it being the intention to prevent any severance of such combined ownership. Any mortgage or other instrument purporting to affect one or more of such interests without including all such interests shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein.

Section 16.14 **Notice of Unpaid Common Charges and Default**

Whenever requested in writing by the holder of a Permitted Mortgage ("Permitted Mortgagee"):

(a) the Condominium Board shall promptly notify such Permitted Mortgagee of any default or violation by its mortgagor-Unit Owner in the payment of Common Charges for more than one (1) calendar month or in the observance or performance of any of the provisions of the Condominium Documents as to which the Condominium Board has knowledge then exists;

and

(b) when giving notice of any such default or violation to such mortgagor-Unit Owner, the Condominium Board shall also send a copy of such notice to such Owner's Permitted Mortgagee.

However, the Condominium Board and Unit Owners shall have no liability for any claims or liabilities and expenses for any failure, through oversight or negligence, in notifying a Permitted Mortgagee of such default by such mortgagor-Unit Owner or in failing to send a copy of such default notice to the Permitted Mortgagee. Nonetheless:

(c) the Condominium Board shall advise such Permitted Mortgagee of the default or violation promptly after discovering such failure;

and

(d) if the Condominium Board shall foreclose its lien on such mortgagor's Unit pursuant to the terms of Section 8.13 hereof by reason of such default or violation, the Condominium Board shall pay to such Permitted Mortgagee the extent of any net proceeds of said foreclosure sale of such Unit (subject to and in accordance with the lien priority set forth in Article 8 above), but not more than the sum as shall be due and owing to such Permitted Mortgagee.

Section 16.15 **Performance by Permitted Mortgagees**

Any sum of money to be paid or any act to be performed by a Unit Owner pursuant to the terms of the Condominium Documents may be paid or performed by such Owner's Permitted Mortgagee. The Condominium Board shall accept such Permitted Mortgagee's payment or performance with the same force and effect as if the same were paid or performed by such Unit Owner.

Section 16.16 **Examination of Books**

Each Permitted Mortgagee and its authorized representative shall be permitted to examine the books of account of the Condominium during business hours, on business days, and on reasonable advance notice, but not more frequently than once a month, all as provided more particularly in Section 14.7 above.

Section 16.17 **Consent of Mortgagees; Designation of Mortgage Representatives**

16.17.1 When Consent Required

Except as otherwise expressly provided in the Declaration or these By-Laws, no consent or approval by any mortgagee shall be required with respect to any determination or act of the Condominium Board or any Unit Owner, provided, however, that nothing contained herein shall be deemed to limit or affect the rights of any mortgagee against the mortgagor under the mortgage held by such mortgagee. In the event that any such consent or approval shall be expressly required pursuant to the terms of the Declaration or these By-Laws, the decision of a majority of the "Mortgage Representatives" (as defined in, and if any are designated pursuant to the terms of, the following subsection 16.17.2) shall be deemed binding upon the holders of all mortgages encumbering Units.

16.17.2 Mortgage Representative(s)

The holders of Institutional Mortgages constituting a majority in principal amount of all Institutional Mortgages may, if they so elect, designate not more that three (3) representatives (individually, "Mortgage Representative" and collectively, "Mortgage Representatives") by giving written notice thereof to the Condominium Board, which Mortgage Representative(s) shall thereby be empowered to act as the representatives of the holders of all mortgages encumbering Units with respect to any matter requiring the consent or approval of mortgagees under the Declaration or these By-Laws. Any designation of a Mortgage Representative(s) pursuant to the terms of this subsection 16.17.2 shall be effective until any successor Mortgage Representative(s) is (are) designated pursuant to the terms hereof and written notice thereof is given to the Condominium Board. Unless otherwise required by law, no holders of mortgages encumbering Units other than Permitted Mortgagees who hold Institutional Mortgages shall be entitled to participate in the designation of Mortgage Representatives, but all holders of mortgages encumbering Units shall be subject to all determinations made by the Mortgage Representatives pursuant to the terms of the Declaration or these By-Laws.

Section 16.18 **Subordination**

The mortgage lien of any mortgagee of a Unit shall automatically be subordinate to the terms and provisions of the Declaration and these By-Laws, and any such mortgage that fails to provide for such subordination shall nonetheless be deemed to provide for such subordination. Although no further instrument shall be required to effectuate such subordination, each mortgagee of a Unit, by accepting such mortgage, agrees to execute and deliver any instruments and documents required to be executed and delivered by the Condominium Board in connection with the confirmation of such subordination. In the event such mortgagee fails to execute and deliver any such instruments or documents, its acceptance of such mortgage shall be deemed to constitute its appointment of the Condominium Board as its true and lawful attorney-in-fact in its name, place and stead to execute and deliver any such instruments and documents, such power being for valuable consideration, and with full power of substitution.

Section 16.19 **Waiver of Rights of Partition, Use and Occupancy of Units Acquired By Board**

In the event that any Unit shall be acquired by the Condominium Board, or its designee, on behalf of Unit Owners, the Unit shall be part of the Common Elements and title to such Unit shall be deemed held on behalf of such Unit Owners as tenants-in-common and all such Unit Owners shall be deemed to have waived all rights of partition, use and occupancy with respect to such acquired Unit. All expenses incurred in connection with the acquisition, ownership, use, operation and disposition of such Unit shall be part of the Common Expenses payable by all Unit Owners pro rata to their respective Common Interests. Similarly, all revenues derived from rental, operation, sale, permitted mortgaging or other disposition of such Unit shall be used to defray the Common

Expenses or for such other appropriate purposes as shall be determined by the Board.

Section 16.20 **Registration of Tenants**

The tenant under any lease demising space in all or a portion of any Unit who is authorized in writing by the Unit Owner to have the benefits and protection of Sections 16.21 and 16.22 below, may register with the Condominium Board by furnishing to the Condominium Board a statement of its name and address, the date of its lease, a description of the premises demised to it, and the last date on which such lease is scheduled to expire. Any tenant having so registered is herein called a "Registered Tenant".

Section 16.21 **Notices to Registered Tenants**

Whenever requested in writing by a Registered Tenant of a Unit:

(a) the Condominium Board shall promptly notify such Registered Tenant of any default or violation by the Owner of such Unit in the Unit Owner's payment of Common Charges (including any Special Assessments) for more than one (1) calendar month;

and

(b) when giving notice of any such default, violation or failure to comply with the Condominium Documents to a Unit Owner, the Condominium Board shall also send a copy of such notice to each Registered Tenant of such Owner's Unit.

However, the Condominium Board and Unit Owners shall have no liability for any claims or liabilities and expenses for any failure, through oversight or negligence, in notifying a Registered Tenant of such default, violation or failure by such Unit Owner or in failing to send a copy of notice thereof to said Registered Tenant. Nonetheless, promptly after the Board discovers its failure, the Condominium Board shall advise such Registered Tenant of the Unit Owner's default, violation or failure.

Section 16.22 **Performance by Registered Tenants**

The Condominium Board shall accept payment of any sum or performance of any obligation required to be paid or performed by any Unit Owner pursuant to the provisions of the Declaration or these By-Laws from or by any Registered Tenant of any Unit with the same force and effect as though paid or performed by such Unit Owner.

ARTICLE 17

CERTAIN REMEDIES

Section 17.1 **Self Help**

17.1.1 Notice of Violation

If a Unit Owner shall violate, breach or default any of the provisions of the Condominium Documents on such Owner's part to be observed or performed, including any breach of Owner's obligation to clean, maintain or repair the Owner's Unit or the sidewalks adjacent thereto (if any) pursuant to the terms of Article 14 of the Declaration or these By-Laws, and shall fail to cure such violation within thirty (30) days after being given written notice of the same from the Condominium Board or the Managing Agent (if any), or with respect to any violation not reasonably susceptible to cure within such period, shall fail to diligently to commence such cure and, thereafter, to prosecute such cure with due diligence to completion, the Condominium Board or (if the Condominium Board fails to act) Sponsor (so long as Sponsor owns a Unit) shall each have the right to enter such Owner's Unit and/or its appurtenant Limited Common Element (if any) and, at the sole cost and expense of the offending Unit Owner, to summarily abate, remove or cure such violation without thereby being deemed guilty or liable in any manner of trespass. The offending Unit Owner shall reimburse the Condominium Board or Sponsor (as applicable) for such costs and expenses incurred to remedy such violation within ten (10) days after being given written demand therefor accompanied by a detailed bill itemizing same, together with the costs and expenses of collection thereof.

17.1.2 No Violation Notice in Emergency

In addition, in the event that the Condominium Board or (if the Condominium Board fails to act) Sponsor (so long as Sponsor owns a Unit) shall determine that the abatement, removal or cure of any such violation is immediately necessary for the preservation of the Building or for the safety or material health of the occupants of the Building or other individuals, or is required to avoid the suspension of any necessary service in the Building or to correct any dangerous or hazardous condition, the Condominium Board or Sponsor (as applicable) may take such action immediately, without prior notice and without allowing the said Unit Owner any period of time within which to cure or to commence to cure such violation.

17.1.3 Board Violation

If the Condominium Board shall violate any of Sponsor's Rights as defined in Section28.1 of the Declaration or fails to perform or comply with its obligations under the Condominium Documents, including those relating to the maintenance and repair of the Common Elements (as provided in Article 14 of the Declaration) or to the restoration of the Common Elements after a casualty loss or a taking by eminent domain or condemnation (as defined and provided respectively in Articles 7 and 18 hereof), then:

(a) the Condominium Board will indemnify Sponsor from and against any resulting

claims and liabilities and expenses;

and

(b) Sponsor shall have the right ("Right of Self-Help"), but not the obligation, to correct such violation or perform such defaulted obligation in the name, and at the cost and expense, of the Condominium Board.

This indemnity and Right of Self-Help will apply only if: (a) the Board's violation or failure to perform occurs while the Independent Board Members constitute a majority of the all Board Members and (b) (in the case of a violation issued or noted by a governmental authority against the Building) Sponsor is not obligated to correct the violation under the Plan.

17.1.4 Board Cure Period

In addition, before Sponsor undertakes any work to be paid or reimbursed by the Condominium Board:

(a) Sponsor shall first send to any Independent Board Member written notice ("Self-Help Notice") of Sponsor's election to do the work at the expense of the Condominium Board;

and

(b) the Condominium Board shall be given the following period to commence the Work:

(i) thirty (30) days from sending the Self-Help Notice (if, in Sponsor's reasonable judgment, the work will cost under $100,000.00);

(ii) sixty (60) days from sending the Self-Help Notice (if, in Sponsor's reasonable judgment, the work will cost $100,000.00 or more);

or

(iii) ninety (90) days from receipt of any proceeds of insurance (in the case of a casualty) or of any award (in the case of a taking by eminent domain or condemnation);

and

(c) the Condominium Board shall be allowed to complete the work with reasonable diligence.

In the event the Condominium Board does not begin the work within the applicable time period or the Condominium Board does not complete the work with reasonable diligence, Sponsor may (but is not obligated) to proceed to do the work in the name,

and at the cost and expense, of the Condominium Board.

17.1.5 Reimbursement of Sponsor

In the event Sponsor elects to do the work, the Condominium Board will reimburse Sponsor, promptly after written demand is made, for Sponsor's costs and expenses in connection therewith. Sponsor's demand notice shall be accompanied by a detailed statement of the costs and expenses to be reimbursed and copies of any supporting or relevant bills. If full payment is not received by Sponsor within ten (10) business days after giving the demand notice, the Condominium Board shall reimburse Sponsor for lost opportunity of earnings on the amount owed at the annual rate of sixteen percent (16%) (computed from the first day following the ten (10) business day period through the date payment is received by Sponsor). In addition, the Condominium Board shall reimburse Sponsor for the costs and expenses incurred to collect the amounts owed.

17.1.6 Indemnity

If a party exercises a Right of Self-Help pursuant to this Section17.1, such party shall be deemed to have agreed to indemnify the alleged offending Party, the Condominium Board (if the aggrieved party is not the Condominium Board) and each Unit Owner from any claims and liabilities and expenses which may be incurred by the indemnified parties in connection with such exercise of its Right of Self-Help.

17.1.7 Duty to Protect

Any party exercising the Right of Self-Help shall make all reasonable efforts to protect life and property located in the portion of the Property to which work is being performed pursuant thereto and shall not unreasonably interfere with the use of such portion of the Property for its intended purposes.

Section 17.2 **Abatement and Enjoinment**

17.2.1 Unit Owner Violation

In the event that any Unit Owner shall violate any of the provisions of the Condominium Documents on such Owner's part to be observed or performed, the Condominium Board or (if the Condominium Board fails to act) Sponsor (so long as Sponsor owns any Unit) shall have the right to enjoin, abate or remedy the continuance or repetition of any such violation by appropriate lawsuit.

17.2.2 Violation of Sponsor's Rights

The violation of any of the terms of the Condominium Documents or the Plan or a Plan amendment with respect to any of Sponsor's Rights thereunder shall give to Sponsor the right to enjoin, abate or remedy the continuation or repetition of any such violation by appropriate lawsuit.

17.2.3 Reimbursement

The offending party who is the subject of a lawsuit brought pursuant to this Section17.2 shall be obligated to reimburse the party bringing such lawsuit for all claims and liabilities and expenses incurred in connection with such violation and the lawsuit, as well as all costs and expenses of collection thereof.

17.2.4 Part of Common Charges

All sums payable by a Unit Owner to the Condominium Board pursuant to the terms of this Article 17 shall, for all purposes hereunder, constitute Common Charges payable by such Unit Owner.

Section 17.3 **Remedies Cumulative**

The remedies specifically granted to the Condominium Board or Sponsor in this Article 17 or elsewhere in the Condominium Documents shall be cumulative, shall be in addition to all other remedies obtainable at law or in equity and may be exercised at one time or at different times, concurrently or in any order, in the sole discretion of the Condominium Board or Sponsor, as the case may be. Further, the exercise of any remedy shall not operate as a waiver, or preclude the exercise, of any other remedy.

ARTICLE 18

CONDEMNATION OR EMINENT DOMAIN

Section 18.1 **Substantial Destruction or Damage**

18.1.1 Required Approval to Restore

If the Common Elements or any part thereof is taken in condemnation or by eminent domain ("Taking") and as a result thereof seventy-five percent (75%) or more of the Building is destroyed or substantially damaged ("Substantial Taking") and a majority of Unit Owners in number or aggregate Common Interests (it being intended and agreed that such majority is a different number or Common Interest permitted by Section 339-e(8) of the Condominium Act) or (only if such majority is not permitted by, and would violate a mandatory requirement of, the Condominium Act) seventy-five percent (75%) or more of the Unit Owners (in number or aggregate Common Interests) do not duly resolve to proceed with the repairs within ninety (90) days after the occurrence of such destruction or damage, then the repairs shall not be made and the Property or so much thereof as shall remain shall be subject to an action for partition at the suit of any Unit Owner or lienor as if owned in common. In the event of a partition action, the net proceeds of sale, together with all amounts awarded by the caking authority for other than fixtures and relocation as provided in subsection18.2.2 below, shall be considered as one fund and 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 off out of such Unit Owner's share of such fund all unpaid

liens on such Owner's Unit in the order of priority of such liens (including liens of mortgages and liens of the Condominium Board).

18.1.2 Deemed Approval

To the extent not prohibited by the Condominium Act, the requisite number or percentage of Unit Owners shall be deemed to have duly and promptly resolved to proceed with the repairs if:

(a) the "Net Award Trust Funds" (defined in subsection18.3.2 below) for such destruction or damage available to the Condominium Board shall be sufficient, in the reasonable judgment of the Condominium Board, to pay for the costs and expenses of repairs;

and

(b) either:

(i) a majority of the Unit Owners (both in number and in aggregate Common Interests) do not affirmatively vote (at a duly constituted meeting of Unit Owners at which a quorum is present) or affirmatively elect in writing not to proceed with the repairs within the aforementioned ninety (90) day period;

or

(ii) Sponsor does not so affirmatively elect in writing not to proceed with the Repairs within such ninety (90) day period.

Section 18.2 **Award Trust Funds**

18.2.1 Payee of Award Proceeds

The award receivable by reason of such Taking shall be payable as follows:

(a) (if the award shall be $1,000,000.00 or less in the aggregate) to the Condominium Board;

or

(b) (if the award shall exceed $1,000,000.00 in the aggregate) to the Condominium Board or (at the option of the Condominium Board) an Insurance Trustee, appointed by the Condominium Board.

In either instance, all such monies actually received (hereinafter referred to as the "Award Trust Funds") shall be held in trust for the benefit of all Unit Owners and their Permitted Mortgagees and shall be disbursed pursuant to the terms of this Article 18.

18.2.2 Separate Claims

Notwithstanding anything to the contrary contained either in the foregoing subsection 18.2.1 or elsewhere in this Article 18:

(a) a Unit Owner whose Unit or any portion thereof is taken in condemnation or by eminent domain (whether or not all or a part of the Common Elements are contemporaneously taken) shall not be deemed to have waived whatever rights that such Owner may have to pursue a separate claim against the taking authority by reason thereof, provided that the award to any other Unit Owner or the Condominium Board is not reduced thereby;

(b) Sponsor may settle or adjust any claim for a taking of its Sponsor Unit(s), provided that the award to any other Unit Owner or the Condominium Board is not reduced thereby;

and

each Unit Owner shall have the exclusive right to claim all of the award made for trade fixtures or non-standard Building fixtures or improvements installed in the Owner's Unit and for any relocation or moving expense or other allowance of a similar nature designed to facilitate relocation of a displaced business concern (in the case of a Commercial Unit) or displaced household (in the case of a Residential Unit).

All amounts paid pursuant to such separate claims shall be paid directly to each claimant and shall not be part of the Award Trust Funds and each such claimant, at its sole cost and expense, shall make all arrangements and pay for any repairs which relate to the amounts collected.

Section 18.3 **Restoration**

If the requisite number or percentage of Unit Owners resolve or are deemed to have resolved to repair the damage caused by the substantial taking or if less than seventy-five percent (75%) of the Building is destroyed or substantially damaged by a taking, the Condominium Board shall arrange for repairs to be made promptly to the Common Elements including:

(a) the perimeter walls enclosing Units (consisting of: the outdoor masonry walls; and the furring on the indoor side thereof, such as studs, fire rated sheetrock and plaster, but not any paint, wallpaper or other wall coverings, finishes, treatments or decorations);

(b) all installations servicing the Units which are not expressly stated to be part of a Unit;

and

(c) any other parts of the Property for which the Condominium Board received

Award Trust Funds covering such destruction or damage.

All repairs to be made pursuant to this Section are subject and subordinate to any provisions on restoration in any Existing Leases then still in effect.

18.3.2 Order of Payment

The Condominium Board or the Insurance Trustee, as the case may be, shall disburse the Award Trust Funds in the following order: first, to pay the costs and expenses incurred by the Condominium Board to recover the award; and second, the balance ("Net Award Trust Funds") to pay to the contractors engaged in making such repairs in appropriate progress payments.

18.3.3 Order of Repairs

If repairs are to be performed in or to Units, Common Elements that service or enclose Units and other Common Elements or any combination of the foregoing, repairs shall be performed, to the extent practicable and economical in the following order: first, in or to the Units, second, in or to the Common Elements that service or enclose Units and third, in or to the other Common Elements.

18.3.4 Unsold Units

If an Unsold Unit, or any portion thereof, shall be the subject of all or part of any repairs, Sponsor or other Owner of such Unsold Unit (as applicable) shall have the right to supervise any decorating, finishing and equipping of such Owner's Unsold Unit.

18.3.5 Party in Charge

If the damage or destruction is to be repaired and affects exclusively or substantially exclusively a single Unit, then notwithstanding anything herein to the contrary, the Owner of such Unit shall promptly make all arrangements and determinations as to, and shall supervise, the repairs thereof. In all other cases, the Condominium Board shall promptly make all such arrangements and determinations of, and shall supervise, the repairs.

18.3.6 Decorations

The costs and expenses to make repairs to coverings, finishes, treatments and other decorations of walls, floors or ceilings of the Common Elements shall be part of the Common Expenses payable by all Unit Owners to the extent the Net Award Trust Funds, after being allocated and applied for all other repairs in accordance with this Article 18, shall be insufficient therefor.

Section 18.4 **Allocation of Net Award Trust Funds**

18.4.1 Allocation

In the event of a Taking of the Common Elements which is to be repaired (and is not subject to an action for partition under Section18.1 above), the Net Award Trust Funds will be allocated to the affected Common Elements and any Units taken in accordance with the determination of the Taking authority or (in the absence of such determination) an appraisal of the value of such affected Common Elements and Units. Such value shall be determined in accordance with the floor space taken (including the floor space of a Unit taken together with the floor space of the Individual Limited Common Element, if any, appurtenant to such Unit also taken), the relative value of said floor space taken to other space in the Property, the uniqueness of said floor space taken, the overall dimensions of the remaining floor space not taken, and any decrease in the availability, utility, function or performance of Common Elements for common use or substantially exclusive or exclusive use resulting from such taking. Any Unit Owner who has the right to use, or to exclusive or substantially exclusive use of, the affected Common Elements or whose Unit is taken may dispute the appraisal and submit the controversy to arbitration in accordance with Article 19 below.

18.4.2 Application

The amount of the Net Award Trust Funds so allocated to the affected Common Elements shall then be applied for the account of all Unit Owners pro rata to their respective Common Interests.

Section 18.5 **Insufficient Trust Funds**

If the Net Award Trust Funds shall be less than sufficient for the Condominium Board to discharge the costs and expenses of performing the repairs, the Condominium Board shall levy a Special Assessment (as provided in the following sentence) for the amount of such deficiency and the proceeds of such Special Assessment shall become part of the Net Award Trust Funds. If the repairs involve only the Common Elements, such Special Assessment shall be levied as a Common Expense payable by all Unit Owners pro rata to their respective Common Interests. If the repairs involve both the Common Elements and one (1) or more Units, the shortfall in the Net Awards Trust Funds (after giving effect to the allocation in Section 18.4 above) shall be apportioned in accordance with the respective costs and expenses of the repairs to be made to the Common Elements and such Units. The portion of such shortfall thus apportioned to the Common Elements shall be levied as a Special Assessment against all Unit Owners pro rata to their respective Common Interests and the portion thereof apportioned to the affected Units shall be levied as a Special Assessment against only the Owners of such Units pro rata to the respective costs and expenses to repair such Units.

Section 18.6 **Surplus Trust Funds**

If, conversely, the Net Award Trust Funds shall prove to be more than sufficient to discharge the costs and expenses of performing the repairs, such surplus shall be paid

to all Unit Owners pro rata to their respective Common Interests (if the Taking involves only the Common Elements). If the repairs involve both the Common Elements and one (1) or more Units, then such surplus shall be apportioned in accordance with respective costs and expenses of the repairs to be made to the Common Elements and such Units. The portion of the surplus thus apportioned to the Common Elements shall be distributed to all Unit Owners pro rata to their respective Common Interests and the portion thereof apportioned to the affected Units shall be distributed to their respective Owners pro rata to the respective costs and expenses to repair such Units.

Section 18.7 **Lien Priority**

No payment of any award or surplus Net Award Trust Funds shall be made to a Unit Owner until there has first been paid out of such Unit Owner's share thereof, such amounts as may be necessary to reduce unpaid liens on the Unit Owner's Unit (including the liens of mortgages and the liens of the Condominium Board) in the order of priority of such liens. Notwithstanding the foregoing, however, in the event a Special Assessment is levied pursuant to the terms of Section18.5 above for any projected deficiency in the amount of the Net Award Trust Funds available to the Condominium Board and, after the payment of all costs and expenses incurred in connection with the repairs, any portion of the Net Award Trust Funds remains unspent, such surplus Net Award Trust Funds shall, to the extent such Special Assessment contributed to such surplus, be deemed to be, and shall constitute, an unspent Special Assessment and shall be refunded to the applicable Unit Owners so assessed in proportion to the amount assessed, free of any claim of any lienor (including, without limitation, any mortgagee) other than the lien of the Condominium Board.

Section 18.8 **Adjustment of Common Interests**

18.8.1 Changes in Common Interests

If a portion of the Property taken is no longer subject to the Condominium Documents and the Property shall not be subject to a partition action as provided in Section18.1 above, then the Common Interest of the Unit or Units affected by such Taking shall be eliminated (if an entire Unit is taken) or proportionately reduced (if only a portion of a Unit is taken) and the Common Interests appurtenant to all other Units shall be proportionately increased by the amount of change in Common Interest of the affected Unit so that the total Common Interests of all Units shall equal one hundred percent (100%). All such proportionate changes in Common Interests shall be based on the same factors used originally to determine the Common Interests as set forth in Article 8 of the Declaration. Any dispute that may arise hereunder shall be resolved by arbitration pursuant to Article 19 below.

18.8.2 Procedure

All changes in Common Interests shall be reflected in a duly recorded amendment to the Declaration and (to the extent required by the Condominium Act) Floor Plans, which shall be prepared by the Condominium Board. The amendment to the Declaration shall

be executed and acknowledged in recordable form by the Condominium Board and the remaining Unit Owners and holders of recorded liens on such Units in accordance with Article 22 of the Declaration. In lieu of executing the amendment, such Unit Owners and lienors may execute and acknowledge in recordable form a separate consent which shall be attached to the amendment.

18.8.3 Changes in Votes

Following said taking of all or a portion of a Unit and the recording of such amendment to the Declaration and (if applicable) said consent to such amendment, the votes appurtenant to the affected Unit shall be based on its new Common Interest (in case of only a partial taking) or shall wholly terminate (in the case of a taking of the entire Unit) and the votes appurtenant to all other Units whose Common Interests are changed pursuant to subsection 18.8.1 above shall be based on their new Common Interests.

Section 18.9 **Abatement in Common Charges**

18.9.1 Abatement

Except as otherwise provided in the following subsection 18.9.2 below, if due to destruction or damage a Unit is rendered wholly or partially unusable for the purposes permitted in the Declaration, or the means of reasonable access thereto is prevented, the Common Charges otherwise payable by the Owner thereof shall proportionately abate until such Unit shall again be rendered useable for the purposes permitted in the Declaration and/or until the means of reasonable access thereto shall be restored, as the case may be. The amount of abatement shall be determined by the Condominium Board, in its discretion, reasonably exercised. To the extent that the amount of such abatement is not covered by insurance maintained by the Board, such uninsured amount shall be included in the Common Charges payable by all other Unit Owners pro rata to the respective Common Interests of such other Unit Owners.

18.9.2 Exception

The foregoing notwithstanding, if the destruction or damage shall be caused by an act, omission or negligence of the Owner, occupant, visitor or tenant of the affected Unit, the Common Charges otherwise payable by such Owner shall abate only to the extent of any proceeds of business interruption or similar insurance actually collected by the Condominium Board with respect to such affected Unit.

ARTICLE 19

ARBITRATION

Section 19.1 **Submission to Arbitration**

19.1.1 Requirement to Arbitrate

This Article shall constitute a written agreement of the parties to submit to arbitration (and not litigation) conducted in The City of New York in accordance with the terms of this Article 19 and the then "applicable commercial arbitration rules" (as defined in Section 19.3 below) any dispute, controversy or claim arising out of, or concerning, the Declaration or these By-Laws for which arbitration is required or permitted under the Declaration or these By-Laws, provided that:

(a) the only parties to the dispute are Unit Owners or one (1) or more Unit Owners and the Condominium Board;

and

(b) if the terms of this Article 19 differ from or conflict with the then applicable commercial arbitration rules, the arbitrators shall be chosen and the arbitration shall be governed in accordance with and pursuant to the terms and provisions of this Article 19.

19.1.2 Exclusive Dispute Resolution Method

Arbitration in accordance with this Article shall be the exclusive dispute resolution method for any dispute for which arbitration is required or permitted under the Declaration or these By-Laws, unless:

(a) expressly provided otherwise in the Declaration or these By-Laws;

or

(b) all parties to the dispute unanimously agree to vary any of the terms of this Article or unanimously agree to resolve their dispute in any other manner (including the manner set forth in Section3031 of the New York Civil Practice Law and Rules and known as "New York Simplified Procedure for Court Determination of Disputes" or an equivalent statute).

Section 19.2 **Notice of Arbitration**

The Party desiring arbitration of such dispute, controversy or claim shall give notice ("Arbitration Notice") of its intention to submit such dispute, controversy or claim to arbitration. Such Arbitration Notice shall set forth with particularity the dispute, controversy or claim sought to be arbitrated, and shall, in addition, comply with any applicable requirements of the then applicable commercial arbitration rules, which

requirements supplement, without conflicting with, the foregoing requirements in this sentence regarding such notice.

Section 19.3 **Commercial Arbitration Rules**

For purposes of this Article 19, the term "then applicable commercial arbitration rules" shall mean the commercial arbitration rules then applicable of the American Arbitration Association (or any successor thereto with similar function). If the American Arbitration Association or any successor thereto with similar function shall not then be in existence, the parties to an arbitration to which the arbitration rules of the American Arbitration Association (or any successor thereto with similar function) would otherwise apply under this Article19, during the fifteen (15) day period following the giving of the Arbitration Notice referred to in Section19.2 above, shall endeavor to agree upon an appropriate body of rules to govern arbitration to be conducted pursuant to this Article 19, and such rules so agreed on shall be the then applicable arbitration rules. However, if said parties fail to so agree within such fifteen (15) day period, such arbitration shall be governed by, and the then applicable arbitration rules shall be, the rules then applicable of the entity most commonly utilized in the New York City metropolitan area for the arbitration of commercial disputes.

Section 19.4 **Selection of Arbitrators**

19.4.1 Definition

The term "Appointing Authority" shall mean the entity or body that administers the then applicable commercial arbitration rules, provided that if such entity or body shall be affiliated with or subject to control by any party to an arbitration, the Appointing Authority for purposes of such arbitration shall instead be the entity at the time most commonly utilized in the New York City metropolitan area for the arbitration of commercial disputes and which is not so affiliated or subject to such control.

The term "qualified arbitrator" as used herein shall mean a disinterested individual having not less than ten (10) years experience relating to residential and commercial mixed-use real estate in New York City relatively comparable to the Property and relating to the specific matter in dispute.

19.4.2 Number of Arbitrators

In any dispute involving claims exceeding $100,000.00 in the aggregate, the dispute shall be submitted for resolution by three (3) arbitrators selected in accordance with subsection 19.4.3 below. All other disputes shall be submitted for resolution by a single arbitrator.

19.4.3 Procedure

In the case of a dispute to be resolved by three (3) arbitrators as provided in subsection 19.4.2 above, the party desiring arbitration shall appoint a qualified arbitrator on its behalf, and give notice thereof to the other party or parties to the arbitration, who shall,

within fifteen (15) days thereafter, collectively (if more than one other party) appoint a second qualified arbitrator on its or their behalf and give written notice thereof to the first party. The arbitrators thus appointed shall, within fifteen (15) days following the appointment of the second arbitrator, appoint a third qualified arbitrator and said three arbitrators shall, as promptly as possible (but in any event within thirty (30) days following the appointment of the third arbitrator), determine the matter which is the subject of the arbitration, and whether any damages, costs or expenses are to be awarded in connection therewith.

19.4.4 Selection by Appointing Authority

If a party to the arbitration having the right pursuant to subsection 19.4.3 above to appoint an arbitrator fails or neglects to do so when the requisite fifteen (15) day period, or if the two (2) arbitrators appointed by the parties to the arbitration shall fail to appoint a third arbitrator within the requisite fifteen (15) day period following the appointment of the second arbitrator, then any of the parties to the arbitration may apply to the Appointing Authority for the appointment of such arbitrator.

19.4.5 Successor

In the event any of the three (3) arbitrators selected pursuant to subsection 19.4.3 or 19.4.4 above shall fail, refuse or be unable to act, his or her successor shall be appointed within ten (10) days by the party or parties to the arbitration who originally appointed him or her, or in the event such party or parties shall fail to so appoint such successor, or in the case of the third arbitrator, his or her successor shall be appointed as provided in subsection19.4.4 above. None of the parties to the arbitration shall raise any challenge or objection as to the full power and jurisdiction of the Appointing Authority to entertain such application and make such appointment.

Section 19.5 **Decision of Arbitrator(s); Binding Effect**

19.5.1 Majority Requirement

The decision of the arbitrator (in the case of a single arbitrator) or a majority of the arbitrators (in the case of three (3) arbitrators) shall be delivered to the parties to the arbitration by the arbitrator(s) from and when made and shall be controlling for all purposes under the Declaration and these By-Laws immediately upon receipt by said parties of a copy of the decision.

19.5.2 Immediately Effective

The effectiveness of such decision for such purposes shall not be delayed or postponed pending confirmation of the arbitration decision or award or entry of judgment upon the decision or award, notwithstanding any challenge or contest by any of said parties with respect to the decision or award, and notwithstanding any application or other request by any of said parties that the arbitrator(s) or any court or other body stay, set aside, nullify or otherwise change the decision or award. Said parties shall make no request or other application to the arbitrator(s) or any court or other body for any injunction, stay or

other relief which would be contrary to the provisions of the preceding sentence, and agree that the arbitrator(s), any court and any other body shall have no jurisdiction or other authority to consider any request or other application for, or to grant, any injunction, stay or other relief which would violate any provision of this Article 19.

19.5.3 Subsequent Change

If any decision of the arbitrator (in the case of a single arbitrator) or the majority of the arbitrators (in the case of three (3) arbitrators) shall be set aside, nullified, modified or otherwise changed after the parties to the arbitration receive a copy of the original decision or award, said parties shall thereupon comply with the action setting aside, nullifying, modifying or otherwise changing the original decision or award, with such changes and adjustments by said parties in actions taken pursuant to the original decision as may be necessary for such purpose.

19.5.4 Binding and Conclusive

In any such arbitration, the determination of such dispute, controversy or claim by such arbitration shall constitute the final determination thereof and shall be binding and conclusive upon the parties to such arbitration and shall constitute an "award" by the arbitrator within the meaning of the American Arbitration Association rules and judgment may be entered thereon in any court of competent jurisdiction.

19.5.5 Exculpation and Indemnity of Arbitrators

No arbitrator, including an arbitrator selected by any party to the arbitration, shall have any liability to any other party to the arbitration by reason of the arbitrator's participation in any determination made under this Article 19, and each of the parties to the arbitration shall indemnify the arbitrator(s) from and against any and all claims asserted against any arbitrator by reason of such arbitrator's participation in any such determination.

19.5.6 Expenses of Arbitration

Except as otherwise determined by the arbitrator (in the case of a single arbitrator) or a majority of the arbitrators (in the case of three (3) arbitrators), whose determination shall be binding and conclusive upon all parties to the arbitration, the expenses of arbitration shall be shared equally by said parties, and each of said parties shall be responsible for the fees and expenses of its own attorneys and other representatives and witness.

19.5.7 Limitation on Power of Arbitrator(s)

The arbitrator(s) shall apply the law of the State of New York without regard to principles of conflict of laws and shall have no power to vary or modify any of the provisions of the Declaration or these By-Laws, and the powers and jurisdiction of the arbitrator(s) are hereby limited accordingly.

Section 19.6 **Payment of Undisputed Sums**

To the extent any dispute, controversy or claim concerns liability for or payment of Common Expenses assessed against a Unit, the Owner of such Unit shall pay any portion of such Common Expenses which is not in dispute within ten (10) days after a request by the Condominium Board that such dispute, controversy or claim be submitted to arbitration, or simultaneously with such a request that such dispute, controversy or claim be submitted to arbitration, if such request is made by such Unit Owner.

ARTICLE 20

NOTICES

Section 20.1 **General**

20.1.1 How and Where Given

All notices required or desired to be given hereunder, except for a notice of a meeting or a special meeting of Unit Owners under Section 4.4 above, shall be sent by hand delivery or overnight courier by a nationally recognized courier (with receipt of delivery) or registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

(a) (in the case of a notice to the Condominium Board) to:

The Board of Managers of
104 Wooster Street Condominium
104 Wooster Street
New York, New York 10012
Attention: President

with a copy sent simultaneously and in like manner to the Sponsor at its address given below (for so long as Sponsor owns a Unit) and to the then Managing Agent of the Building (if any);

(b) (in the case of a notice to a

(c) (in the case of a notice to Sponsor) to:

102-106 Wooster LLC
c/o Carter Management Corp.
750 Lexington Avenue, Suite 600
New York, New York 10022

20.1.2 Changes in Address

A different or additional address may be substituted or added by sending written notice of the change to the other parties (i.e., the Condominium Board, Unit Owners, Permitted Mortgagees and Registered Tenants).

20.1.3 Date Given

All notices will be deemed given on the date of hand delivery (unless it is not a business day or is received after business hours, in which case the notice shall be considered given on the next business day), or the next business day after being sent by overnight courier or the third full business day after being deposited in a post office or mail depository maintained by the United States Postal Service. Notices mailed outside the United States or notices of change or additional address will be deemed given when received.

20.1.4 Refusal or Failure to Accept

A refusal or failure to accept a notice shall be deemed receipt of the notice and will not affect the validity or enforceability of the notice, nor excuse or justify delaying the performance of any duties.

Section 20.2 **Waiver of Service of Notice**

Whenever any notice is required to be given by law or pursuant to the terms of the Condominium Documents, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE 21

FURTHER ASSURANCES

The provisions of Article 20 of the Declaration are applicable to, and govern, the terms, restrictions and requirements to be followed by the Condominium Board, each Unit Owner and all persons who, or whose interests in the Property or a Unit are subject, in connection with the cooperation by the aforementioned with each other in order to effectuate the purposes and provisions of the Condominium Documents, including the giving of assurances and the limited power of attorney set forth in Sections 20.4, 20.5 and 20.6 of the Declaration.

ARTICLE 22

AMENDMENTS TO BY-LAWS

Section 22.1 **Requirements**

Subject and subordinate to compliance with Section 22.4 below, the Condominium Board and following Unit Owners shall have the power to amend the By-Laws subject to obtaining the approvals and/or consents (if and as indicated below), in the following cases (in addition to any other cases expressly provided elsewhere in these By-Laws):

(a) in the case of an amendment affecting only the Common Elements, the Common Expenses and/or the Common Charges: the amendment may be made by the Condominium Board if approved or consented to by at least two-thirds (2/3) of all Unit Owners (both in number and in aggregate Common Interests) subject to clause (b) below:

(b) in the case of an amendment affecting only one (1) or more Unsold Units or an Individual Limited Common Element (if any) appurtenant to an Unsold Unit, or a Unit Change of an Unsold Unit, including a description change involving an Unsold Unit to instead comprise a portion of the Common Elements or vice versa: the amendment may be made solely by the applicable Owner or Owners (including Sponsor) of such Unsold Units (and without the approval or consent of the Condominium Board or other Unit Owners);

(c) in the case of an amendment to reflect changes required by either an Institutional Lender holding, or having issued a written commitment for, a Unit mortgage, a governmental authority having jurisdiction over the Property or the Condominium, or a title insurer of a Unit: the amendment may be made by (i) Sponsor so long as Sponsor owns a Unit (and without the approval or consent of the Condominium Board or other Unit Owners) or (ii) the Condominium Board, subject to obtaining the approval or consent of Sponsor while Sponsor owns any Unsold Unit, but without the approval or consent of other Unit Owners;

(d) in the case of an amendment to reflect only the subdivision of a Unit and the proper apportionment of the Common Interest of the Unit being subdivided, or the combination of a Unit with all or part of one (1) or more other Units and the proper apportionment of the Common Interests of the Units involved in such Unit Combination: the amendment may be made by the Owner of the Unit being subdivided or by the Owner or Owners of the Units involved in the Unit Combination, as applicable (and without the approval or consent of other Unit Owners or the Condominium Board);

and

(e) in the case of an amendment affecting a Unit's appurtenant Common Interest, size or configuration: the Owner of the affected Unit must approve or consent to the amendment in writing.

Section 22.2 **Restrictions**

The following restrictions apply to each and every amendment to these By-Laws. A provision of an amendment which violates or is inconsistent with or fails to comply with any of these restrictions shall be invalid, null and void, and without any force or effect:

(a) the applicable mortgage holder must approve or consent in writing to an amendment that would adversely affect the priority or validity of the lien of a purchase money mortgage or a mortgage held by an Institutional Lender on the Unit.

(b) Sponsor or an Unsold Unit Owner, as applicable, must approve or consent in writing to an amendment that would:

(i) unreasonably interfere with a potential or proposed sale, lease, mortgage or other disposition of a Unit owned by such Owner;

(ii) abridge, modify, suspend, eliminate or otherwise affect any right, power, easement, license, privilege, indemnity, exemption, remedy or other benefit of such Owner;

(iii) impose any discriminatory charge, fee or other imposition against or on such Owner; or

(iv) change or restrict the permitted use or occupancy of a Unit owned by such Owner.

Section 22.3 **Provisions of Declaration Apply and Govern**

The provisions of Article 22 of the Declaration are applicable to, and govern, the terms, restrictions, requirements, approvals and consents to be followed or obtained to amend these By-Laws.

ARTICLE 23

GENERAL

Section 23.1 **Inspection of Documents**

Copies of the Declaration, these By-Laws, the Rules and Regulations and the Floor Plans, as the same may be amended from time to time, shall be maintained at the office of the Condominium Board or its Managing Agent (if any) and shall be available for inspection by Unit Owners and their authorized representatives and agents in

accordance with the provisions of subsection14.7.3 above.

Section 23.2 **Waiver**

No restriction, requirement, condition, obligation or provision contained in these By-Laws (including the Rules and Regulations) shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breaches that may occur.

Section 23.3 **Conflicts**

These By-Laws are intended to be consistent with, and to complement and supplement, the Declaration, and are also intended to be consistent with the Plan for the Property and all amendments thereto filed by the Department of Law prior to the First Closing, as well as the Condominium Act and all other applicable Laws. In the event that any provision of these By-Laws or of the Rules and Regulations shall be construed to be inconsistent with any provision of the Declaration, the Plan or said amendments thereto, the Condominium Act or other applicable Law, the provision contained in the Declaration, the Plan and said amendments thereto, the Condominium Act or other applicable law, as the case may be, shall control.

Section 23.4 **Severability**

If any provision of these By-Laws is invalid or unenforceable as against any person or under certain circumstances, the remainder of these By-Laws and the applicability of such provision to other persons or circumstances shall not be affected thereby. Each provision of these By-Laws shall, except as otherwise provided herein, be valid and enforced to the fullest extent permitted by law.

Section 23.5 **Successors and Assigns**

23.5.1 General

Subject and subordinate to Article 28 of the Declaration, the powers and/or duties of, and limitations imposed on, a Unit Owner as set forth in these By-Laws and the Declaration, shall inure to the benefit of, and shall be binding upon, such Owner's heirs, executors, administrators, legal representatives, successors and assigns.

23.5.2 Permitted First Mortgage Exception

Notwithstanding the foregoing, any Permitted First Mortgagee of a Unit or a purchaser at a foreclosure sale of a Permitted First Mortgage who succeeds to the interest of a Unit Owner, shall be responsible only for the duties of such Unit Owner arising from and after the effective date of succession to title to such Unit and shall not be liable for any previously unpaid or past due Common Charges or Special Assessments accruing prior to the effective date that such successor succeeds to title.

23.5.3 Sponsor and Unsold Units

The Sponsor's Rights under the Condominium Documents, the Plan and the Plan amendments, and the duties, limitations, restrictions and requirements thereunder in connection therewith or otherwise applicable thereto, shall inure to and be binding upon a "Designee", an "Involuntary Transferee" and a "successor in interest", all as defined and more particularly provided in Article 28 of the Declaration:

Section 23.6 **Table of Contents and Headings**

The Table of Contents and the Article, Section and subsection headings in these By-Laws are for convenience and reference only and do not, and shall not be construed to, affect the scope, meaning or interpretation of any provision of these By-Laws.

Section 23.7 **References**

The words "Article", "Section", "subsection", "provision", "paragraph" and "clause" or similar words refer to an Article, Section, subsection, provision, paragraph and clause of these By-Laws, unless otherwise expressly stated. Similarly, the words "hereof", "herein", "above", "below" and similar terms mean these By-Laws.

Section 23.8 **Grammar**

Any word or term in these By-Laws that is: used in the singular, shall include the plural and vice versa; or used in any gender shall include any other gender; or used in any tense (past, present or future), shall include any other tense, whenever required by the sense of these By-Laws and not contrary to the express context.

Section 23.9 **Insurance Trustee**

The Insurance Trustee shall be appointed by the Condominium Board and the fees and disbursements of any Insurance Trustee shall be paid by the Condominium Board as a Common Expense payable by all Unit Owners pro rata to their respective Common Interests. The Insurance Trustee shall hold all proceeds as trust funds until paid over or applied as provided in the Declaration and these By-Laws.

Section 23.10 **Approvals or Consents**

Wherever in the Declaration or these By-Laws provision is made for any required, discretionary or other approval or consent of the Condominium Board, such approval or consent shall be sufficient and effective if given by the Board and the consent of the Unit Owners shall not be required, unless otherwise expressly provided in the Declaration or these By-Laws.

END OF BY-LAWS

The Rules and Regulations of 104 Wooster Street Condominium start on the next page and are part of these By-Laws.

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RULES AND REGULATIONS OF 104 WOOSTER STREET CONDOMINIUM

1. No Unit Owner shall allow anything whatever to fall from the windows, doors, or terrace of its Unit or sweep or throw therefrom any dirt or other substance into any of the Common Elements (except for the use of waste lines in the manner for which intended and not prohibited under the Declaration and the By-Laws) or on to the adjacent sidewalks to the Property.

2. No Unit Owner shall place a load upon any floor of its Unit exceeding the floor load per square foot area which it was designed to carry and which is allowed by applicable law. All treadmills and similar or unusually heavy objects shall be placed and maintained by each Unit Owner at its sole cost and expense in settings sufficient to absorb and prevent vibration and unreasonable noise and annoyance.

3. No Unit Owner shall alter, damage, impair, destroy or otherwise adversely and materially affect the Common Elements or the Individual Limited Common Element appurtenant another Unit without the express prior written consent of the Condominium Board or the Owner of such other Unit, respectively, except as expressly permitted herein or in the Declaration or the By-Laws. A Unit Owner shall give the Condominium Board or another Unit Owner prompt notice of any repairs that are needed in or to the Common Elements or the Individual Limited Common Elements appurtenant such other Owner's Unit, respectively, after such Unit Owner has actual notice thereof.

4. Water closets (if any) and other plumbing apparatus in the Building shall not be used for any purpose other than those for which they were designed, and no sweepings, rubbish, rags or any other article shall be thrown into the same. Any damage resulting from misuse of any water closets (if any) or other apparatus in a Unit shall be repaired and paid for by the Owner of such Unit.

5. Each Unit Owner shall submit for inspection by the Condominium Board any business permits required for the lawful conduct of any business permitted to be carried on in its Unit.

6. Any amounts assessed as a Common Expense against a Unit in addition to the regular monthly Common Charges due and payable as provided in the By-Laws shall be paid to the Condominium Board upon demand or if not demanded, then with the next monthly payment of Common Charges due and payable as provided in the By-Laws.

7. No servant or employee of the Condominium Board shall be sent out of the Building by any Unit Owner at any time for any purpose.

8. Complaints by a Unit Owner regarding services or operation of the Building shall be made in writing to the Condominium Board or its Managing Agent (if any).

9. The fiscal year of the Condominium shall be a calendar year beginning on the first day of January or such other fiscal year as the Condominium Board shall establish

from time to time.

10. No vehicle belonging to an Owner, tenant or occupant of a Unit or to agents, employees or contractors of such Owner, tenant or occupant, shall be parked in such manner as to impede or prevent ready access to or from any entrance or exit to or from another Unit or the Building.

11. A Unit Owner may apply to the Condominium Board for a temporary waiver of one or more of the Rules and Regulations. Such temporary waiver may be granted by the Board in its sole discretion, for good cause shown.

12. At the discretion of the Condominium Board, any consent or approval given under these Rules and Regulations may be made conditional and may also be amended at any time. However, if expressly provided herein or elsewhere that a consent or approval may not be unreasonably withheld, then such consent or approval may only be made conditional or amended if such condition or amendment is not unreasonable.

13. The sidewalks adjacent to the Property, the public or common areas of the Common Elements (including, entrances to the lobby, passages, public halls, vestibules, corridors and stairways) shall not be obstructed or encumbered by refuse or otherwise used for any purpose other than in connection with temporary loading or unloading or for ingress to and egress from the Units (except as otherwise provided in the By-Laws and the Declaration).

14. No velocipedes, bicycles, scooters, baby carriages or similar vehicles shall be allowed to stand in the public halls, passageways, or other public areas of the Building.

15. All service and delivery persons going to or from Residential Units will be required to use the entrance of the Building designated by the Condominium Board for such purposes.

16. Trunks and heavy baggage of Sold Residential Unit Owners shall be taken in or out of the Building only through the entrance and exit as designated by the Condominium Board or the Managing Agent for such purpose.

17. No article (including, but not limited to, garbage cans, bottles or mats) shall be placed or stored by a Unit Owner in any of the halls or on any of the staircases or fire tower landings of the Building, nor shall any fire exit thereof be obstructed in any manner.

18. Any storage space shall be used only for the storage of trunks, bags, suitcases and packing cases, all of which shall be empty, and for the storage of such other articles as the Condominium Board, in its sole discretion, may determine. Supervision, management and control of the moving in, storing and removal of an Owner's property from such storage space is vested in the Condominium Board. The use of storage space shall be at the sole risk of the respective Owners or other person using the same, and the Condominium Board, its agents, or the Managing Agent shall

not be liable for any injury to person, loss by theft or otherwise, or damage to property, whether due to the negligence of the Condominium Board, its agents, the Managing Agent, or otherwise.

19. Each Unit Owner shall comply with all applicable municipal, state and federal laws and the regulations, codes and other requirements of governmental authorities having jurisdiction (collectively called "Environmental Laws") regarding the disposal by a Unit Owner of trash. In furtherance thereof, each Unit Owner shall comply with all Environmental Laws requiring trash to be separated into "recyclable" and "non-recyclable" materials. The Condominium Board may designate from time to time types of materials which must be separated for recycling, the types of containers or binding to be used by a Unit Owner for disposal of designated recyclable or non-recyclable materials and the locations where recyclable or non-recyclable materials shall be deposited. Each Unit Owner shall comply with all other rules and regulations the Condominium Board may establish from time to time for disposal and recycling of trash. Any costs and expenses incurred by the Condominium Board as a result of a Unit Owner's violation of this rule or the enforcement of this rule against such Unit Owner (including, legal fees and disbursements, litigation expenses and fines and penalties imposed on the Condominium Board by any governmental authority having jurisdiction) shall be payable, promptly following demand, by said Unit Owner as part of the Common Charges. Notwithstanding the foregoing, Sponsor or other Unsold Unit Owner shall not be obligated to reimburse the Condominium Board for any costs and expenses incurred by the Board as a result of a violation of this rule by a tenant or occupant of an Unsold Unit or the enforcement of this rule against Sponsor or other Unsold Unit Owners by reason of said violation.

20. There shall be no playing or lounging in the residential entrances, lobby, passages, public halls, vestibules, corridors, or stairways of the Building, except in recreational areas or other areas (if any) designated as such in the Declaration or by the Condominium Board.

21. The Condominium Board or the Managing Agent may, from time to time, curtail or relocate portions of the Common Elements, if any devoted to storage, recreation or service purposes in the Building.

22. Nothing shall be done or kept in any Unit or on any terrace, or in the Common Elements that will increase the rate of insurance of the Building, or the contents thereof, without the prior written consent of the Condominium Board. No Unit Owner shall permit anything to be done or kept in any Unit or on any terrace, or in the Common Elements, that will result in the cancellation of insurance on the Building, or the contents thereof, or that would be in violation of any law. No Owner or tenant of a Unit or such Owner's or tenant's family members, agents, servants, employees, licensees or visitors shall, at any time, bring into or keep in such Owner's or tenant's Unit or its terrace any inflammable, combustible, or explosive fluid, material, chemical, or substance, except as shall be necessary and appropriate for the permitted uses of such

23. There shall be no barbecuing in the Units, terraces or Common Elements.

Terraces shall not be enclosed, painted, furnished with furniture or horticulture or otherwise decorated or altered without the prior written approvals or consents in each instance of both the Condominium Board and Sponsor (while Sponsor owns any Unsold Unit), whose approvals or consents are discretionary and may be denied or withheld without cause or explanation and without recourse against either by reason thereof.

24. No Sold Unit Owner shall make, cause, or permit any unusual, disturbing, or objectionable noises or odors to be produced upon or to emanate from such Owner's Unit or its appurtenant Individual Limited Common Element or permit anything to be done therein that will unreasonably interfere with the rights, comforts, or conveniences of the other Unit Owners. No Sold Residential Unit Owner shall play or permit to be played any musical instrument, or shall operate or permit to be operated a phonograph, sound system, radio, television set, or other loudspeaker device in such Owner's Unit between midnight and the following 8:00 A.M., if the same shall disturb or annoy other occupants of the Building, and in no event shall any Unit Owner practice or suffer to be practiced either vocal or instrumental music between the hours of 10:00 P.M. and the following 9:00 A.M. No construction, repair work or other installation involving noise shall be conducted in any Sold Residential Unit or its appurtenant Individual Limited Common Element except on business days and only between the hours of 8:00 A.M. and 5:00 P.M., unless such construction or repair work is necessitated by an emergency.

25. No bird, reptile or other animal shall be permitted, raised, bred, kept, or harbored in Residential Units, other than: no more than two (2) domestic dogs or domestic cats, unless, in each instance, the same shall have been expressly permitted in writing by the Condominium Board or the Managing Agent. Any such consent, if given, shall be revocable at any time by the Condominium Board or the Managing Agent in their sole discretion. No Sold Residential Unit shall be used for the breeding of animals or pets for commercial purposes. No dangerous or poisonous reptiles or insects shall be kept in any Sold Residential Unit. No pigeons or other birds or animals shall be fed by Owners, tenants or occupants of Sold Residential Units from the window sills, terraces, or other public portions of the Building, or on the sidewalk or street adjacent to the Building.

26. No group tour or exhibition of any Sold Residential Unit or its contents shall be conducted, nor shall any auction sale be held in any Sold Residential Unit, without the consent of the Condominium Board or the Managing Agent in each instance.

27. No clients or other invitees shall be permitted to wait in any lobby, public hallway or vestibule of the Building.

28. Unless expressly authorized by the Condominium Board in each instance, not less than eighty percent (80%) of the floor area of each Sold Residential Unit (excepting only the kitchens, pantry, bathroom(s), closets and foyer(s), if any) must be covered with rugs, carpeting or equally effective noise reducing material.

29. No window guards or other window decorations shall be used in or about any Unit, except such as shall have been reasonably approved in writing by the

Condominium Board or the Managing Agent. All Residential Unit Owners with children under the age of twelve (12) years are required to install window guards. The design and method of installation must be approved in advance by the Managing Agent. In no event, however, shall any exterior glass surface of any windows at the Property be colored or painted.

30. No ventilator or air conditioning device shall be installed in any Sold Residential Unit without the prior written approvals of the Condominium Board and Sponsor (while Sponsor owns any Unsold Unit), whose approvals are discretionary and may be conditioned, withheld or denied without cause or explanation and without recourse against either by reason thereof.

31. No radio or television aerial shall be attached to or hung from the exterior of Sold Units. No clothes, sheets, blankets, laundry, or other articles of any kind shall be hung on or out of a Unit or its appurtenant terrace (if any).

32. No sign, notice, advertisement, or illumination (including, without limitation, "For Sale", "For Lease", or "For Rent" signs) shall be inscribed or exposed on or at any window of a Sold Unit or other part of the Building by a Sold Unit Owner except such as are permitted (if any) pursuant to the terms of the Declaration and/or the By-Laws or shall have been approved in writing by Sponsor (while Sponsor owns any Unit) and the Condominium Board. Nothing shall be projected from any window of a Sold Unit without similar approvals. All of such approvals are discretionary and may be denied or withheld without cause or explanation and without recourse against either by reason thereof.

33. 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.

34. Each Sold Residential Unit Owner shall keep the Owner's Unit and its appurtenant terrace in a good state of preservation, condition, repair and cleanliness in accordance with the terms of the Declaration and By-Laws.

35. The agents of the Condominium Board or the Managing Agent, and any contractor or worker authorized by the Condominium Board or the Managing Agent, may enter any room or area of the Common Elements or Units or a Residential Unit terrace at any reasonable hour of the day, on at least one (1) day's prior oral or written notice to the Unit Owner, for the purpose of inspecting such Unit or terrace for the presence of any vermin, insects or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects or other pests; however, such entry, inspection and extermination shall be done in a reasonable manner so as not to unreasonably interfere with the use, occupancy or operation of such Unit for its permitted purposes.

36. The Condominium Board or the Building's superintendent or the Managing

Agent, upon request, shall be given a pass-key to each Unit by its Owner. If any lock is altered or a new lock is installed, the Condominium Board or the Building's superintendent or the Managing Agent shall be provided with a key thereto immediately upon such alteration or installation. If the Unit Owner is not personally present to open and permit an entry to such Owner's Unit at any time when an entry therein is necessary or permissible under these Rules and Regulations or under the By-Laws, and such Unit Owner has not furnished a key to the Condominium Board or the Building's superintendent or the Managing Agent, then the Condominium Board or the Building's superintendent or Managing Agent or their agents (but, except in an emergency, only when specifically authorized by an officer of the Condominium or an officer of the Managing Agent) may forcibly enter such Unit without liability for damages or trespass by reason thereof (if, during such entry, reasonable care is given to such Unit Owner's property).

37. If any key or keys of an Owner or tenant of a Unit, or any family member thereof, or any agent, servant, employee, licensee or visitor of such Owner or tenant, are entrusted by such person to an employee of the Condominium or to the Building's superintendent or to the Managing Agent, whether for such person's Unit, vehicle, trunk or other item of personal property, the acceptance of the key shall be at the sole risk of such Unit Owner or tenant, and neither the Condominium Board (or its agent and employees) nor the Managing Agent (or its employees) or other Unit Owners shall be liable for injury, loss or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

38. Owners or tenants of Sold Residential Units and their respective family members, guests, servants, employees, agents, visitors or licensees shall not at any time or for any reason whatsoever enter upon, or attempt to enter upon, the roofs of the Building, other than the terrace appurtenant to a Residential Unit in accordance and compliance with the Declaration and By-Laws.

END OF RULES AND REGULATIONS

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DECLARANT

102-106 Wooster, LLC

DECLARATION

Dated: July 9, 1999

Location: Block 500, Lot 2
New York County, New York

Address: 102-106 Wooster Street
New York, New York

Record and Return to:

Robert S. Davis, Esq.
Robinson Silverman Pearce Aronsohn & Berman LLP
1290 Avenue of the Americas
New York, New York 10104

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DECLARATION

DECLARATION made as of the 9th day of July, 1999 by 102-106 Wooster, LLC, having an address at c/o Carter Management Corp., 750 Lexington Avenue, Suite 600, New York, New York 10022 (the "Declarant"):

WITNESSETH:

WHEREAS, Declarant is the owner in fee simple of certain real property located in the Borough of Manhattan, City, County and State of New York, which property is designated as Block 500, Lot 2 on the tax Map of the City of New York and by the street address 102-106 Wooster Street, and is more particularly described on Exhibit A attached hereto (the "Subject Property") and on which is located a building commonly known by said address (the "Designated Structure");

WHEREAS, Declarant proposes to renovate the Designated Structure:

WHEREAS, the Subject Property together with the Designated Structure(s) constitute(s) the Subject Premises (the "Subject Premises"); and

WHEREAS, Commonwealth Land Title Insurance Company ("Commonwealth"), a title company, has certified as of May 20, 1999 that Declarant is the sole part in interest ("Party in Interest"), as that term is defined in the zoning lot definition in Section 12-10 of the Zoning Resolution of the City of New York (the "Zoning Resolution"), to the Subject Premises, a copy of which certification is attached hereto as Exhibit B; and

WHEREAS, all Parties in Interest to the Subject Property have executed this Declaration or waived their rights to execute this Declaration;

WHEREAS, as of the date hereof, Commonwealth has determined there has been no change in the certification attached as Exhibit B and Declarant represents and warrants that

the Parties in Interest listed in Exhibit B are the only known Parties in Interest in the Subject Premises as of the date hereof; and

WHEREAS, pursuant to the provisions of Section 3020 of the New York City Charter and Title 25, Chapter 3 of the Administrative Code of the City of New York (the "Landmark Preservation Law), the Landmarks Preservation Commission (the "LPC") has designated an area which includes the Designated Structure(s) as the SoHo Cast Iron Historic District because of its special character or historical or aesthetic interest or value; and

WHEREAS, Declarant at the public hearing on April 27, 1999 requested the LPC issue a report to the City Planning Commission of the City of New York (the "CPC") for an application under Section 42-142 of the Zoning Resolution for an authorization (the "Authorization") to modify Section 42-14D of the Zoning Resolution, with respect to conforming uses within an M1-5A zoning district, so that portions of the Designated Structure above the first floor may be occupied as Joint Living Work Quarters for Artists; and

WHEREAS, following the close of said public hearing, the LPC voted to issue the report to the CPC as requested for the authorization application (the "Application"), and to grant a Certificate of Appropriateness ("C of A"), which allows the alteration of the Designated Structure in the SoHo Cast Iron Historic District in accordance with Section 25-307 of the Administrative Code of the city of New York. A copy of the C of A is annexed hereto as Exhibit C; and

WHEREAS, Section 42-142 requires, inter alia, that a program has been established for continuing maintenance (the "Continuing Maintenance Program") that will result in preservation of the Designated Structure by Declarant; and

WHEREAS, Declarant has agreed to certain obligations and restrictions contained in this Declaration for the protection, preservation, repair and maintenance of the Designated Structure; and

WHEREAS, Declarant desires to restrict the manner in which the Subject Premises may be developed, restored, and operated in order to assure the protection, preservation, repair and maintenance of the Designated Structure; and

WHEREAS, Declarant represents and warrants that there are no restrictions, liens, obligations, covenants, easements, limitations or encumbrances of any kind, the requirements of which have not been waived or subordinated, which would prevent or preclude, presently or potentially, the imposition of the restrictions, covenants, obligations, easements and agreements of this Declaration.

NOW, THEREFORE, Declarant does hereby declare and agree that the Subject Premises shall be held, sold, transferred, conveyed and occupied subject to the following restrictions, covenants, obligations, easements, and agreements, all of which are for the purpose of protecting the Subject Premises, which shall inure to the benefit of the City of New York, and which shall run with the Subject Premises and bind Declarant and its heirs, successors and assigns so long as they have a right, title or interest in the Subject Premises or any part thereof.

ARTICLE I

DEFINITIONS

The following words, when used in this Declaration, shall have the following meaning:

1.1 "Application" shall mean the application to the City Planning Commission for the Special Permit.

1.2 "Buildings Department" shall mean the New York City Department of Buildings, or any successor to the jurisdiction thereof.

1.3 "Chairperson of the CPC"shall mean the Chairperson of the City Planning Commission of the City of New York or any successor to the jurisdiction thereof

1.4 "Chairperson of the LPC" shall mean the Chairperson of the Landmarks Preservation Commission of the City of New York or any successor to the jurisdiction thereof.

1.5 "City" shall mean the City of New York.

1.6 "City Council" shall mean the New York City Council or any successor to the jurisdiction thereof.

1.7 "CPC" shall mean the New York City Planning Commission or any successor to the jurisdiction thereof.

1.8 "Declarant" shall mean the named Declarant and the heirs, successors and assigns of the named Declarant including, without limitation, any owner of a condominium unit within the Designated Structure, except that Declarant shall not be deemed to include (i) a mortgagee of all or any portion of the Subject Property until it succeeds to the interest or obligation of Declarant by purchase, assignment, foreclosure or otherwise, or (ii) a tenant of the Subject Premises, unless such tenant holds a lease to all or substantially all of the Subject Premises.

1.9 "DCP" shall mean the New York City Department of City Planning or any successor to the jurisdiction thereof.

1.10 "Designated Structure" shall mean the structure located on Tax Block 500, Lot 2 in the Borough of Manhattan, which is a contributing structure in SoHo Cast Iron Historic District.

1.11 "Force Majeure" shall mean: (a) strike, lockout or labor dispute(s); (b) inability to obtain materials or reasonable substitutes therefor unless due to any act or failure to act by Declarant; (c) acts of God; (d) unforeseen governmental restrictions, regulations, omissions or controls; (e) enemy or hostile government actions; (f) civil commotion, insurrection, revolution or sabotage; (g) fire or other casualty; (h) inclement weather of such a nature as to make performance or completion of the Landmark Work not feasible unless due to any act or failure to act by Declarant; (i) any damage to the Subject Premises of such a nature as to make completion of the Landmark Work not feasible;(j) a taking of the Subject Premises, or a portion thereof, by condemnation or eminent domain; (k) failure of a public utility to provide power, heat or light; (l) unusual delay in transportation; (m) material delays by the City, State or United States Government, or any agency or instrumentality thereof, in the performance of any work or processing or approval of any applications required in order to permit Declarant to carry out its obligations pursuant to this Declaration unless due to any act or failure to act by Declarant; (n) denial to Declarant by any owner of an enforceable interest in adjoining real property, including any private fee owner or ground lessee of adjoining real property, or any agency of the City or State having an enforceable interest in adjoining real property, including sidewalk or streets, of a right to access to such adjoining real property, if such access is required to accomplish the obligations of the Declarant pursuant to this Declaration; (o) the pendency of a litigation not initiated by Declarant or similar proceeding which suspends or materially and adversely affects the ability of the Declarant to accomplish the obligations of the Declarant

pursuant to this Declaration; or (p) other conditions similar in character to the foregoing which are beyond the control of Declarant. No event shall constitute Force Majeure unless Declarant complies with the procedures set forth in Sections 2.1 and 6.2 hereof.

1.12 "Landmark Work" shall refer to the restoration work on the Designated Structure as described in the C of A which is attached hereto as Exhibit C.

1.13 "LPC" shall mean the Landmarks Preservation Commission of New York City or any successor to the jurisdiction thereof.

1.14 "Mortgage" shall mean (a) the institutional first mortgagee of all or substantially all of the Subject Premises listed in Exhibit B or (b) the first mortgagee of a condominium unit within the Designated Structure.

1.15 "Party(ies) in Interest" shall mean any party-in-interest listed in Exhibit B and any other party-in-interest to the Subject Premises who has given written notice of its name and address to the CPC and the LPC.

1.16 "Authorization" shall mean the authorization described on page 2 hereof.

1.17 "Authorization Use" shall mean the Joint Living Work Quarters for Artists. Notwithstanding the foregoing, no use shall be deemed an Authorization Use if it is permitted as-of-right or as a nonconforming use within the Subject Premises by the terms of the Zoning Resolution then in effect.

1.18 "Zoning Resolution" shall mean the Zoning Resolution of the City of New York.

ARTICLE II

DEVELOPMENT, PRESERVATION, REPAIR AND MAINTENANCE OF THE SUBJECT PROPERTY

2.1 Certificate of Occupancy. (a) The issuance of the Authorization is premised on, inter alia, the performance of the construction of the following restoration work on the Designated Structure in conformity with the C of A and the requirements thereof (which restoration works shall be referred to as the "Landmark Work"):

Front Elevation:

- Masonry and terra-cotta restoration.
- Generic and limestone restoration.
- Repair of cast-iron elements.
- Cornice repair.
- New wood windows in refurbished frames.
- Removal of fire escape stairs, ladder, counterweight and supports. Refurbishment of remaining elements.
- Painting of all metal and wood components.
- New handrails at entry stairs.

Rear Elevations:

- Restoration of copper mansard and dormers.
- Installation of new casement windows at new and existing openings.
- Cleaning existing bluestone sills and lintels. Install new bluestone sills and lintels at new window openings.
- Replace missing terra-cotta coping.

(b) No temporary certificate of occupancy ("TCO") or permanent certificate of occupancy ("PCO") which permits an Authorization Use shall be granted by the Buildings Department or accepted by Declarant until the Chairperson of the LPC shall have given written notice to the Buildings Department that (i) the Landmark Work has been satisfactorily completed by Declarant or (ii) the Chairperson of the LPC has certified in writing, as provided in Section 2.1(d) hereof, that (a) a Force Majeure has occurred and (b) the Chairperson of the LPC has no

objection to the issuance of a TCO or PCO for, as appropriate, all or part of the Subject Property. The Chairperson of the LPC shall issue said notice reasonably promptly after Declarant has made written request to the Chairperson of the LPC and has provided documentation to support such request, and the Chairperson of the LPC shall in all events endeavor to issue such written notice to the Buildings Department, or inform Declarant in writing of the reason for not issuing said notice, within twenty-one (21) calendar days after Declarant has requested such written notice. Upon receipt of the written notice from the Chairperson of the LPC that (i) the Landmark Work has been satisfactorily completed or (ii) the Chairperson of the LPC has certified that a Force Majeure has occurred and that the Chairperson of the LPC has no objection to the issuance of a TCO or PCO, the Buildings Department may grant, and Declarant may accept, a TCO or PCO for the Designated Structure.

(c) Declarant shall permit inspection of the Designated Structure by the Chairperson of the LPC and representatives designated by the Chairperson of the LPC in connection with the notice described in Section 2.1(b) hereof.

(d) (i) Upon application by Declarant, notwithstanding anything contained in any other provision of this Declaration, the Chairperson of the LPC, in the exercise of his or her reasonable judgment, may certify that the performance or completion of the Landmark Work is delayed due to a Force Majeure as provided in paragraph (ii) below.

(ii) In the event that Declarant reasonably believes that full performance of its obligations to complete the Landmark Work has been delayed as a result of a Force Majeure, Declarant shall so notify the Chairperson of the LPC as soon as Declarant learns of such circumstances. Declarant's written notice shall include a description of the condition or event, its cause (if known to Declarant), its probable duration, and in Declarant's reasonable

judgment, the impact it is reasonably anticipated to have on the completion of the Landmark Work. The Chairperson of the LPC shall, within twenty-one (21) calendar days of its receipt of Declarant's written notice, (A) certify in writing that a Force Majeure has occurred, including a determination of the expected duration of such delay (the "Delay Notice"), and grant Declarant appropriate relief for such delay, including certifying in writing to the Buildings Department that the Chairperson of the LPC has no objection to the issuance of a TCO or PCO for, as appropriate, all or part of the Subject Property, or (B) notify Declarant that it does not reasonably believe a Force Majeure has occurred. With respect to any claim that a Force Majeure has delayed the Declarant's performance or completion of the Landmark Work, the LPC may require that Declarant post a bond or other security in a form and amount acceptable to the Chairperson of the LPC in order to ensure that the Landmark Work is completed. Such alternative security could include, without limitation, alternative or additional conditions on the issuance of any PCO or TCO. Any delay caused as the result of a Force Majeure shall be deemed to continue only as long as the Declarant shall be using reasonable efforts to minimize the effects thereof. Upon cessation of the events of the events causing such delay, the Declarant shall promptly recommence the Landmark Work.

(e) Notwithstanding anything else the contrary contained herein, this Declaration shall not be deemed to prohibit or restrict Declarant from (i) applying for or receiving a TCO or a PCO for any floor area in the Designated Structure which is not to be used for an Authorization Use; or (ii) obtaining permits or building notices from the Buildings Department to perform work, including tenant work, in the Designated Structure prior to the completion of the Landmark Work; or (iii) entering into agreements affecting all or any portions of the space in the Designated Structure prior to completion of the Landmark Work.

2.2 Preservation, Repair and Maintenance. Declarant hereby covenants and agrees to preserve, repair and maintain the Designated Structure in sound first-class condition, at its own cost and expense, in accordance with this Declaration, the C of A and the Landmarks Preservation Law. It is understood that certain obligations and duties set forth in this Declaration are above and beyond the requirements of the Landmarks Preservation Law and do not in any way diminish Declarant's obligation and responsibility to comply with all provisions of the Landmarks Preservation Law.

2.3 Continuing Maintenance Program. Declarant shall comply with the obligations and restrictions of the continuing maintenance program (the "Continuing Maintenance Program") as set forth below:

(a) Periodic Inspections. Declarant shall establish and carry out a cyclical inspection and maintenance program for the Designated Structure which shall include, without limitation, the following:

(i) At Declarant's expense, an inspection (the "Periodic Inspection") shall be made every five years, on or within two weeks of the anniversary of the issuance by the LPC of the Notice of Compliance pursuant to the C of A, and thereafter, shall be made on or within every five years from the date of such initial inspection. In the event that Declarant has accepted a TCO or a PCO that permits an Authorization Use without having first received the Notice of Compliance, the first periodic inspection shall be made on or within the fifth anniversary date of the issuance of such TCO or PCO and every five years thereafter. The Periodic Inspection shall be done by a preservation architect, engineer or other qualified person knowledgeable about the preservation of historic structures (the "Preservation Architect") selected by Declarant from a list prepared by Declarant and approved by the Chairperson of the

LPC as to their credentials, which approval shall not be unreasonably withheld or delayed. Declarant shall update such listing upon the request of the Chairperson of the LPC. In addition, Declarant may periodically supplement the list of Preservation Architects, subject to the approval of the Chairperson of the LPC as to their credentials. The Preservation Architect shall make a thorough inspection of the exterior of the Designated Structure and those portions of the interior which, if not properly maintained, could affect the condition of the exterior. The Periodic Inspection shall include (but not be limited to) the following portions of the Designated Structure:

a. All masonry portions of the building, including but not limited to

   1. Foundations;

   2. All brick, terra cotta, and mortar joints;

   3. Limestone and granite

   4. Paved areas, sidewalks, entrance areaway;

   5. Parapet, coping and corbelling;

   6. All chimneys and flues;

   7. Bluestone sills and lintels (existing and new);

b. All windows, sash and frames, and doors;

c. All metal work;

d. All areas of the roof, flashing, drainage and rainwater systems;

e. All skylights

f. All mechanical systems and equipment, including but not limited to

   1. Plumbing;

   2. Electric and lighting fixtures;

(ii) The Preservation Architect shall, at the expense of Declarant, submit a report on each Periodic Inspection (the "Periodic Report") to Declarant and the LPC within 45 days after each Periodic Inspection. The Periodic Report shall outline the existing conditions of the Designated Structure and detail the work which should be performed in order to maintain the Designated Structure, including all architectural features and elements, in a sound first-class, including but not limited to caulking, painting, cleaning, repair of architectural features and elements, checking for rust and repointing of masonry.

(iii) Submission of Local Law 10 & 11 Facade Inspection Report. If the Designated Structure is subject to the Facade Inspection Report requirements of Title 1 RCNY §32-03 et seq., a copy of any Facade Inspection Report which is submitted to the New York City Department of Buildings shall also be provided at the same time to the Landmarks Preservation Commission. In the event that the building is found to be unsafe pursuant to such inspection, the Declarant shall notify the Landmarks Preservation Commission simultaneously with the owner and the Department of Buildings, pursuant to Title 1 RCNY §32-03(b)(2)(vii).

(iv) Except as set forth below, Declarant shall perform all work which a Periodic Report, Facade Inspection Report or Emergency Incident Report (as defined below) identifies as necessary to maintain the Designated Structure, including architectural features and elements, in sound first-class condition. No work shall be performed except pursuant to a permit from the LPC if a permit is required under the Landmarks Preservation Law. If the LPC determines that a specific item of work or method of work as set forth in a Periodic Report or Emergency Incident Report would be inappropriate or inadequate, the determination of the LPC shall control and Declarant need not and shall not have such specific item performed. Declarant

shall have the right to contest in a hearing before the LPC any work called for in a Periodic Report or Emergency Incident Report. Declarant's obligation to perform such contested work or to perform it by a method acceptable to the LPC shall be stayed pending a decision in any such proceeding at the LPC. Declarant shall proceed with all work which is uncontested during the stay pursuant to a permit.

(v) Unless Declarant has notified the LPC in writing that it contests any work as set forth in the preceding paragraph, Declarant shall apply for all necessary permits or certificates from the LPC within 45 days of receiving the completed report from the Preservation Architect. Declarant shall use its best efforts to assure that all repairs, rehabilitation, repointing and restoration work detailed in the Periodic Report or Emergency Incident Report shall be completed as the earliest possible date, but not later than within nine months of the date of issue of the certificate or permit from the LPC or, if no such certificate or permit is required, within nine months of the date of the Periodic Report or Emergency Incident Report. If for reasons beyond Declarant's control, as determined by the Chairperson of the LPC, such work cannot be completed within nine months, Declarant shall apply to the LPC for an extension of time within which to complete such work. Such extensions shall be for a stated additional period of time to be related to the period of delay and shall not be unreasonably withheld.

(b) Emergency Protection Program. Declarant shall establish and be prepared to carry out an emergency protection program for the Designated Structure which shall include at the minimum, the following:

(i) If a fire, the elements or any other cause whatsoever damages or destroys the Designated Structure or any part thereof (the "Emergency Incident"), Declarant shall

use all reasonable means to save, protect and preserve the Designated Structure at the time of and following the Emergency Incident, including, but not limited to, acting with an approval from the Chairperson of the LPC or his or her designated representatives to stabilize and prevent further damage to or deterioration of the structure, and to secure the Subject Premises from unauthorized access. Declarant shall not remove from the Subject Premises any debris consisting of exterior features of the Designated Structure without an approval from the Chairperson of the LPC or his or her designated representative. Unless necessitated as a safety precaution as ordered by the Departments of Buildings, Health, Fire or Police, or as an action taken in response to a life-threatening situation, the Declarant shall not remove any other debris or otherwise clear the Subject Premises without the approval of the LPC or its Chairperson.

(ii) Declarant shall give immediate written notice of such Emergency Incident to the LPC. Declarant shall also give timely notice to the LPC of the time or times when the New York City Departments of Buildings, Health and Fire will inspect the Subject Premises following the Emergency Incident, in order that the LPC may have a representative present during such inspections.

(iii) Within sixty days of such Emergency Incident, a Preservation Architect shall, at the expense of Declarant, make a thorough inspection of the Designated Structure and submit a report (an "Emergency Incident Report") to Declarant and to the LPC outlining the condition of the structure, assessing the extent of damage, and recommending (A) work, if any, which must be undertaken immediately, upon receipt of proper permits, in order to stabilize and prevent further damage to the Designated Structure, and (B) work that should be performed to repair and restore the Designated Structure to a sound, first-class condition or,

alternatively to (A) and (B), that Declarant make an application to the LPC for permission to demolish the remaining portions of the Designated Structure.

(iv) With regard to the work to be performed pursuant to subparagraph (iii)(A), Declarant shall immediately upon receipt of the Emergency Incident Report request and vigorously pursue all necessary permits and upon their issuance, shall undertake all such work with alacrity. If no permits are required, work shall be undertaken as soon as possible after receipt of the Emergency Incident Report.

(v) With regard to the work to be performed pursuant to subparagraph (iii)(B), within ninety days of receiving the report of the Preservation Architect, Declarant shall apply for all necessary permits and certificates from the LPC to repair and restore or to demolish. No work on the exterior of the Designated Structure, and no work on the interior of the Designated Structure which would affect the exterior or which would require the issuance of a permit from the Department of Buildings shall be performed except pursuant to a permit from the LPC. If the LPC determines that a recommendation to demolish or to perform a specific item of work or method of work set forth in the report would be inappropriate, using the criteria set forth in the Landmarks Preservation Law, the determination of the LPC shall control and the Declarant shall not have such specific work performed or be entitled to have the Designated Structure demolished unless Declarant is obligated to perform such work or demolish the structure in accordance with an "Unsafe Building Notice" issued by the Department of Buildings. All repair, restoration, rehabilitation, repointing, and other work provided for in a certificate or permit shall be completed within nine months of the date of issuance of such certificate or permit by the LPC. If such work cannot be completed within nine months for reasons beyond Declarant's control, as determined by the Chairperson of the LPC, Declarant shall apply in writing to the LPC for an

extension of time within which to complete such work. Such extensions shall be for a stated additional period of time which is related to the period of the delay and shall not be unreasonably withheld.

(c) Access to Designated Structure. Declarant agrees to provide access to the Designated Structure to the LPC and its designated representatives at reasonable times and upon reasonable written notice, except in cases of emergency, in which event the LPC or its representatives shall have access, if feasible, immediately and without notice, in order to insure that the preservation, repair and maintenance of the Designated Structure is carried out in accordance with this Declaration.

(d) Failure to Perform. In the event that the preservation, repair, or maintenance of the Designated Structure is not performed in accordance with the provisions of this Article, the LPC shall give written notice of such failure to perform to the Declarant. In the event that Declarant, its successors or assigns, fails after sixty days from receipt of written notice from the LPC to perform or shall commence to perform but fail diligently to prosecute to completion, any such repair and/or maintenance, or any obligations of Declarant set forth in this Declaration, the City of New York may perform all of the necessary work at the sole cost and expense of the Declarant and shall have the right to enter onto the Subject Property and to charge said Declarant for all the actual cost of such work, together with actual administrative and legal fees incurred in the collection thereof. Such actual costs shall include, but not be limited to, payments by the City of New York to any lawyers, consultants, contractors, painters, engineers, architects and skilled artisans required to be hired to perform or supervise such work. To the extent such actual costs are expended by the City of New York, the LPC shall have a lien on the Subject Premises as if a lien had been filed, perfected and enforced for materials and labor under

Article 2 of the Lien Law of the State of New York. Notwithstanding the foregoing, in the event that the Designated Structure is converted to a condominium, Declarant's right to notice and cure provided in this subsection shall apply only to the condominium board and to any owner of space occupied by retail uses in the Designated Structure; provided that the LPC has received notice by said parties in accordance with Section 6.2.

ARTICLE ARTICLE III

CONDOMINIUM BOARD

3.1 General. In the event that the Designated Structure is converted to a condominium in accordance with Article 9B of the New York State Real Property Law ("RPL"), the condominium board ("Board") shall have the responsibility to carry out all of Declarant's obligations and the authority to exercise all of Declarant's rights under this Declaration and upon such assumption, Declarant 102-106 Wooster, LLC shall be released from its liability thereunder.

The following provisions of this Article 3 shall be operative only in the event that the Board is formed as described in this Section 3.1

3.2 Board. The Board shall require that each owner of a condominium unit (the "Unit Owner") appoint the Board as his Attorney-in-Fact with respect to modification, amendment, or cancellation of the Declaration.

3.3 Condominium Declaration. Every deed conveying title to, or a partial interest in, the Subject Premises and every lease of all or substantially all of the Subject Premises shall contain a recital that the grantee is bound by the terms of the Condominium Declaration and By-laws which shall incorporate an obligation by the Board to comply with the provisions of Article 3 of this Declaration.

ARTICLE ARTICLE IV

EFFECT AND ENFORCEMENT

4.1 Effective Date.

(a) This Declaration shall have no force and effect unless and until the approval of the Authorization by the CPC, as evidenced by a letter from or on behalf of the CPC to the Department of Buildings setting forth such approval. The Declaration shall become immediately effective upon the Effective Date. If, before the Effective Date, Declarant requests or causes the application for the Authorization to be withdrawn or abandoned, or if final action has been taken having the effect of denying the Authorization, then, upon notice to CPC and LPC, this Declaration shall not become effective, shall be automatically cancelled and shall be of no force and effect.

(b) If the Authorization is at any time declared invalid or is otherwise voided by final judgment of any court of competent jurisdiction from which no appeal can be taken or for which no appeal has been taken within the applicable statutory period provided for such appeal, then, upon entry of said judgment or the expiration of the applicable statutory period for such entry, as the case may be, this Declaration shall be automatically cancelled without further action by Declarant and shall be of no further force or effect and the CPC shall, if requested by Declarant, provide Declarant with a letter in recordable form stating that the Declaration has been so cancelled and is of no further force and effect. In the event that Declarant has obtained a certificate of occupancy allowing any Authorization Use in the Designated Structure, Declarant shall promptly, after receipt of such letter, obtain a revised certificate of occupancy from the Buildings Department reflecting the cessation of any such Authorization Use in the Designated Structure.

4.2 Filing and Recording. Declarant shall file and record at its sole cost and expense this Declaration in the Register's Office, indexing it against the Subject Property, immediately upon the Effective Date. Declarant shall promptly delivery to the CPC and the LPC duplicate executed originals, promptly following the Effective Date and, following recordation, a true copy of this Declaration as recorded, as certified by the Register. If Declarant fails to so record this Declaration, the City may record this Declaration, at the sole cost and expense of Declarant, who shall promptly pay to the City such costs together with fees for purchase of a reasonable number of certified copies of the recorded Declaration.

4.3 Additional Remedies. Declarant acknowledges that the City is an interested party to this Declaration, and consents to enforcement by the City, administratively or at law or equity, of the restrictions, covenants, easements, obligations and agreements contained herein. Declarant also acknowledges that the remedies set forth in this Declaration are not exclusive, and that the City and any agency thereof may pursue other remedies not specifically set forth herein including, but not limited to, the seeking of a mandatory injunction compelling Declarant, its heirs, successors or assigns, to comply with any provision, whether major or minor, of this Declaration.

4.4 Notice and Cure. (a) Before any agency, department, commission or other subdivision of the City of New York institutes any proceeding or proceedings to enforce the terms or conditions of this Declaration because of any violation hereof, it shall give Declarant forty-five (45) days written notice of such alleged violation, during which period Declarant shall have the opportunity to effect a cure of such alleged violation. If Declarant commences to effect a cure during such forty-five (45) day period and proceeds diligently towards the effectuation of such cure, the aforesaid forty-five (45) day period shall be extended for so long as Declarant

continues to proceed diligently with the effectuation of such cure. In the event that title to the Subject Premises, or any part thereof, shall become vested in more than one party, the right to notice and cure provided in this subsection shall apply equally to all parties with a fee interest in the Subject Property, or any part thereof, including ground lessees; provided the LPC has received notice by said parties in accordance with Section 6.2. Notwithstanding the foregoing, in the event that the Designated Structure is converted to a condominium, the right to notice and cure provided in this subsection shall apply only to the condominium board and to any owner of space occupied by retail uses in the Designated Structure; provided that the LPC has received notice by said parties in accordance with Section 6.2.

(b) If Declarant fails to observe any of the terms or conditions of this Declaration, and the Declarant fails to cure such violation within the applicable grace period provided in subparagraph 4.4(a) of this Declaration, then prior to the institution by any agency or department of the City of any action, proceedings against Declarant in connection with such failure, a Mortgagee who has given written notice of its name and address to the CPC and the LPC shall be given thirty (30) days written notice of such alleged violation, during which period such Mortgagee shall have the opportunity to effect a cure of such alleged violation. If such Mortgagee commences to effect a cure during such thirty (30) day period and proceeds diligently towards the effectuation of such cure, the aforesaid thirty (30) day period shall be extended for so long as such Mortgagee continues to proceed diligently with the effectuation of such cure.

(c) If after due notice as set forth in Section 4.4, Declarant and Mortgagee fail to cure such alleged violations, the City may exercise any and all of its rights, including those delineated in this Section and may disapprove any amendment, modification, or cancellation of

this Declaration on the sole grounds that Declarant is in default of any material obligation under this Declaration.

4.5 Acknowledgment of Covenants. Declarant acknowledges that the restrictions, covenants, easements, obligations and agreements in this Declaration, which are an integral part of the Special Permit, will protect the value and desirability of the Subject Premises as well as benefit the City of New York and all property owners within a one-half mile radius of the Subject Premises. Those restrictions, covenants, easements, obligations and agreements shall be covenants running with the land, and shall bind Declarant and its successors, legal representatives, and assigns.

4.6 No Other Enforceable Restrictions. Declarant represents and warrants that there are no enforceable restrictions of record on the use of the Subject Property or the Designated Structure, nor any present or presently existing future estate or interests in the Subject Property or the Designated Structure, nor any lien, obligation, enforceable covenant, limitation or encumbrance of any kind which precludes, directly or indirectly, imposition on the Subject Premises of the restrictions, covenants, easements and obligations of this Declaration.

4.7 Governance. This Declaration shall be governed by and construed in accordance with the laws of the State of New York.

4.8 Severability. In the event that any provision of this Declaration shall be deemed, adjudged or determined to be invalid or unlawful by a court of competent jurisdiction and the judgment of such court shall be upheld on the final appeal, or the time for further review of such judgment on appeal or by other proceeding has lapsed, such provision shall be severable, and the remainder of this Declaration shall continue to be of full force and effect.

4.9 Applicability to other City Agencies. Declarant covenants to include a copy of this Declaration as part of any application submitted to the LPC, CPC, Buildings Department, Board of Standards and Appeals ("BSA"), New York State Attorney General (in the event of a proposed conversion of the Designated Structure to condominium ownership) or any agency succeeding to their respective jurisdictions. The restrictions and obligations contained herein are a condition of any permit or Certificate of Occupancy to be issued by the Building Department and Declarant will take all reasonable steps to ensure that they are so listed. Failure to carry out such obligation beyond any applicable grace period shall constitute sufficient cause for the Commissioner of the Buildings Department to revoke any building permit issued pursuant to the Special Permit or to apply to the BSA or to a court of competent jurisdiction for revocation of the Certificate of Occupancy or any permit issued by the Buildings Department.

4.10 Limitation of Liability. (a) Declarant shall be liable in the performance of any term, provision or covenant in this Declaration, subject to the following sentences to Section 4.12 below. Notwithstanding anything to the contrary contained in this Declaration, the City and any other party or person relying on the Declaration will look solely to the fee estate and interest of Declarant in the Subject Property, on an in rem basis only, for the collection of any money judgment recovered against Declarant, and no other property of Declarant shall be subject to levy, execution or other enforcement procedure for the satisfaction of the remedies of the City or any other person or entity with respect to this Declaration, and Declarant shall have no personal liability under this Declaration. The liability of any Unit Owner under this Declaration shall be limited to the amount of such Unit Owner's prorated share, based on such Unit Owner's interest in the common elements of the Condominium, of the costs of compliance with this Declaration. For the purposes of this Section 4.10, "Declarant" shall mean "Declarant" as defined in Article 1

hereof, as well as any principals, disclosed or undisclosed, partners (including Pyrites, Inc., the general partner of Declarant), affiliates, officers, employees, shareholders or directors of Declarant.

(b) The restrictions, covenants and agreements set forth in this Declaration shall be binding upon the Declarant and any successor-in-interest only for the period during which Declarant and any successor-in-interest is the holder of a fee interest in or is a party-in-interest of the Subject Premises and only to the extent of such fee or the interest rendering Declarant a party-in-interest. At such time as the named Declarant has no further fee interest in the Subject Premises and is no longer a party-in-interest of the Subject Premises, Declarant's obligations and liability with respect to this Declaration shall wholly cease and terminate from and after the conveyance of Declarant's interest and Declarant's successors-in-interest in the Subject Premises by acceptance of such conveyance automatically shall be deemed to assume Declarant's obligations and liabilities hereunder to the extent of such successor-in-interest's interest.

4.11 Subordination. Declarant shall cause every individual, business organization or other entity that between the date hereof and the date of recordation of this Declaration becomes a Party-in-Interest to the Subject Property, to execute this Declaration or to subordinate such interest to the Declaration and waive its right to execution. Any mortgage or other lien encumbering the Subject Property after the recording date of this Declaration shall be subject and subordinate hereto.

4.12 Right to Convey. Nothing contained herein shall be construed as requiring the consent of the CPC, the LPC, the City, any agency thereof or any other person or entity to

any sale, transfer, conveyance, mortgage, lease or assignment of any interest in the Subject Property or the Designated Structure.

ARTICLE ARTICLE V

AMENDMENTS, MODIFICATIONS AND CANCELLATIONS

5.1 Amendment or Cancellation. Except as provided in paragraph 4.1 above, this Declaration may be amended or cancelled only upon application by LPC on behalf of Declarant and only with the express written approval of the CPC, and no other approval or consent shall be required from any public body, private person or legal entity of any kind; provided, however, that no such approval shall be required in the case of any cancellation pursuant to paragraph 5.4.

5.2 Minor Modification. The Chairperson of the LPC and the Chairperson of the CPC may, by express written consent, administratively approve modifications to the Declaration that the CPC has determined to be minor. Such minor modifications shall not be deemed amendments requiring the approval of the CPC, the LPC or any other agency or department of the City of New York.

5.3 Recording and Filing. Any modification, amendment or cancellation of this Declaration, except pursuant to paragraph 5.4, shall be executed and recorded in the same manner as this Declaration. Following any modification, amendment or cancellation, Declarant shall immediately record it and provide one executed and certified true copy thereof to each of the CPC and the LPC and upon failure to so record, permit its recording by the CPC or the LPC at the cost and expense of Declarant.

5.4 Surrender or Nullification. In the event that Declarant does not use the Authorization Restricted Space pursuant to the Authorization, Declarant may surrender the Authorization to the CPC and proceed with any use permitted by the Zoning Resolution and in accordance with the Landmarks Preservation Law as if such Authorization had not been granted. This Declaration shall be rendered null and void upon recordation of an instrument filed by Declarant discharging it of record, with copies to LPC and CPC, the recordation of which instrument shall constitute a waiver of the right to use the Subject Property pursuant to the Authorization.

ARTICLE ARTICLE VI

MISCELLANEOUS

6.1 Exhibits. Any and all exhibits, appendices, or attachments referred to herein are hereby incorporated fully and made an integral part of this Declaration by reference.

6.2 Notices. All notices, demands, requests, consents, waivers, approvals and other communications which may be or are permitted, desirable or required to be given, served or deemed to have been given or sent hereunder shall be in writing and shall be sent (a) if intended for Declarant to 102-106 Wooster, LLC, c/o Carter Management Corp., 750 Lexington Avenue, Suite 600, New York, New York 10022, Attention: Jason D. Carter, with a copy to: Robinson Silverman Pearce Aronsohn & Berman LLP, 1290 Avenue of the Americas, New York, New York 10104, Attention: Robert S. Davis, Esq., (b) if intended for the CPC, to the CPC at 22 Reade Street, New York, New York 10007, Attn: Chairperson, (c) and if intended for the LPC, to the LPC at100 Old Slip, New York, New York 10005, Attn: Chairperson. Declarant, or its representatives, by notice given as provided in this paragraph 6.2, may change any address for

the purposes of this Declaration. Each notice, demand, request, consent, approval or other communication shall be either (i) sent by registered or certified mail, postage prepaid, or (ii) delivered by hand, and shall be deemed sufficiently given, served or sent for all purposes hereunder five (5) business days after it shall be mailed, or, if delivered by hand, when actually received.

6.3 Indemnification. Provided that Declarant is found by a court of competent jurisdiction to have been in default in the performance of its obligations under this Declaration after having received written notice of such default and opportunity to cure as provided above, and such finding is upheld on final appeal, or the time for further review of such finding on appeal or by other proceeding has lapsed, Declarant shall indemnify and hold harmless the City from and against all of its reasonable legal and administrative expenses arising out of or in connection with the City's enforcement of Declarant's obligations under this Declaration.

IN WITNESS WHEREOF, Declarant has executed this Declaration as of the day and year first above written.

102-106 Wooster, LLC

By: 102-106 Wooster Corp.

By: _____
Jason D. Carter
President

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

On the 9th day of July, 1999, before me personally came Jason D. Carter, to me known, who being by me duly sworn, did depose and say that he resides at _____; that he is the president of 102-106 Wooster Corp., the managing general partner of 102-106 Wooster, LLC; that he had authority to sign same; and he acknowledged to me that he executed the same as the act and deed of said Corporation for the use and purposes herein mentioned.

Gertrude Williams

Notary Public

GERTRUDE ~~MELVIN~~ Williams
Notary Public, State of New York
No. 01ME5011765
Qualified in Westchester County
Commission Expires June 15, 2001

SCHEDULE A

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

BEGINNING at a point on the easterly side of Wooster Street, distant 125 feet 3 inches northerly from the corner formed by the intersection of the northerly side of Spring Street and the easterly side of Wooster Street;

RUNNING THENCE northerly along the easterly side of Wooster Street, 74 feet 11-1/2 inches to a point;

THENCE easterly along a line which forms an interior angle of 89 degrees 39 minutes 10 seconds with the last mentioned course, 100 feet 1 inch to a point;

THENCE southerly along a line which forms an interior angle of 90 degrees 21 minutes 00 seconds with the last mentioned course, 74 feet 10-1/4 inches;

THENCE westerly along a line which forms an interior angle of 89 degrees 42 minutes 30 seconds with the last mentioned course, 100 feet 1 inch to the easterly side of Wooster Street, to the point or place of BEGINNING.

Title No. NY990914

EXHIBIT "I"

CERTIFICATION PURSUANT TO ZONING LOT SUBDIVISION C OF SECTION 12 - 10 OF THE ZONING RESOLUTION OF DECEMBER 15, 1961 OF THE CITY OF NEW YORK - AS AMENDED EFFECTIVE AUGUST 18, 1977

COMMONWEALTH LAND TITLE INSURANCE COMPANY, a Title Insurance Company licensed to do business in the State of New York and having its principal office at 655 Third Avenue, New York, New York, hereby certifies that as to the land hereafter described being a tract of land, either unsubdivided or consisting of two or more lots of record, contiguous for a minimum of ten linear feet, located within a single block in the single ownership of 102-106 Wooster, LLC that all the parties in interest constituting a party as defined in Section 12 - 10 subdivision (c) of the Zoning Resolution of the City of New York, effective December 15, 1961, as amended, are the following:

NAME/ADDRESS	NATURE OF INTEREST
1. 102-106 Wooster LLC 840 Meadow Lane Southampton, NY	Fee owner. NOTE: The last deed of record in Reel 2537 Page 264 not does not include a metes and bounds description of the premises.
2. Credit Suisse First Boston Mortgage Capital LLC 11 Madison Avenue	Mortgagee. Assignee of Leases and Rents and Secured Party on U.C.C. Financing Statement.

The subject tract of land with respect to which the foregoing parties are the parties in interest as aforesaid, is known as Tax Lot Number 2 in Block 500 on the Tax Map of the City of New York, New York County and more particularly described as follows:

SEE ATTACHED SCHEDULE "A"

NOTE FOR INFORMATION: The premises descried herein lies within the Soho-Cast Iron Historic District - Notice of Designation recorded in Reel 288 Page 1059.

SCHEDULE A

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

:GINNING at a point on the easterly side of Wooster Street, distant 125 feet 3 inches northerly from the rner formed by the intersection of the northerly side of Spring Street and the easterly side of Wooster reet;

JNNING THENCE northerly along the easterly side of Wooster Street, 74 feet 11-1/2 inches to a point;

HENCE easterly along a line which forms an interior angle of 89 degrees 39 minutes 10 seconds with the st mentioned course, 100 feet 1 inch to a point;

HENCE southerly along a line which forms an interior angle of 90 degrees 21 minutes 00 seconds with e last mentioned course, 74 feet 10-1/4 inches;

HENCE westerly along a line which forms an interior angle of 89 degrees 42 minutes 30 seconds with the st mentioned course, 100 feet 1 inch to the easterly side of Wooster Street, to the point or place of EGINNING.

That the said premises are known as and by street address 102-106 Wooster Street, New York, NY as shown on the following DIAGRAM:

SEE ATTACHED DIAGRAM

CERTIFIED 5/20/99 to:

Robert Davis, Esq.
Robinson Silverman Pearce Aronsohn & Berman
1290 Avenue of the Americas
New York, NY 10104

NOTE: A Zoning Lot may or may not coincide with a lot as shown on the Official Tax Map of the City of New York, or on any recorded subdivision plot or deed. A Zoning Lot may be subdivided into two or more Zoning Lots provided all the resulting Zoning Lots and all the buildings thereon shall comply with the applicable provisions of the Zoning Lot Resolution.

THIS CERTIFICATE IS MADE FOR AND ACCEPTED BY THE APPLICANT UPON THE EXPRESS UNDERSTANDING THAT LIABILITY HEREUNDER IS LIMITED TO ONE THOUSAND ($1,000.00) DOLLARS.

COMMONWEALTH LAND TITLE INSURANCE COMPANY

Donald C. Ende

Donald C. Ende
Senior Vice President

TATE OF NEW YORK, COUNTY OF NEW YORK ss:

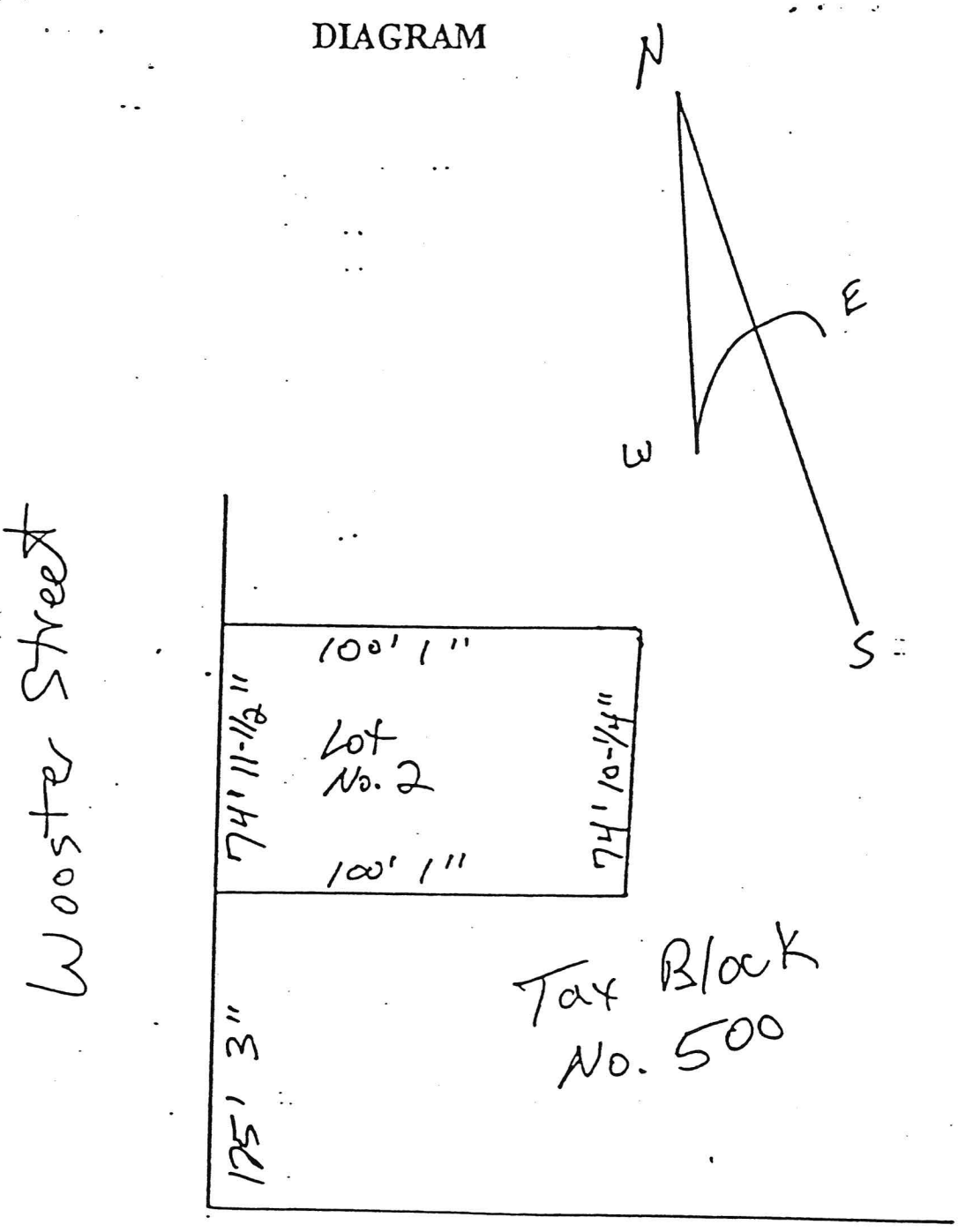
)n the 8th day of June, 1999, before me personally came Donald C. Ende to me known, who, being by
ıe duly sworn, did depose and say that he has an address at 655 Third Avenue, New York, New York,
ıat he is Senior Vice President of COMMONWEALTH LAND TITLE INSURANCE COMPANY, the
orporation described in and which executed the foregoing instrument; that he knows the seal of said
orporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of
ıe board of directors of said corporation, and that he signed his name thereto by like order.

Francis M. Hoffman

FRANCIS M. HOFFMAN, ESQ.
Notary Public, State of New York
No. 02HO4858009
Qualified in Suffolk County
Commission Expires April 7, 2000

Title No. NY990914

DIAGRAM



DOCUMENT 10A

CERTIFICATION BY SPONSOR AND SPONSOR'S PRINCIPALS

TO: New York State Department of Law Real Estate Financing Bureau

FROM: **"Sponsor":** 102-106 Wooster LLC

and

"Principals": The undersigned individuals signing in their capacity as principals of Sponsor

RE: **"Property":** 104 Wooster Street
New York, New York 10012

DATE: March 6, 2000

We are the Sponsor and the Principals of the Sponsor of the Condominium Offering Plan ("**Offering Plan**") for the captioned Property.

We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Attorney General in Part 20 and such other laws and regulations as may be applicable.

We have read the entire Offering Plan. We have investigated the facts set forth in the Offering Plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the Offering Plan does, and that documents submitted hereafter by us which amend or supplement the Offering Plan will:

(i) set forth the detailed terms of the transaction and be complete, current and accurate;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;

(iii) not omit any material fact;

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

(v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;

(vi) not contain any promise or representation as to the future which is beyond

reasonable expectation or unwarranted by existing circumstances; and

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

This certification is made under 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.

SPONSOR:

102-106 Wooster LLC

By:
Signature: Jason D. Carter

Name: Jason Carter

Title: Manager/Member

Sworn to before me this 6th
day of March 2000

DANSINGHANI, MOHAN K.
NOTARY PUBLIC, STATE OF NEW YORK
NO. 01DA5039674
QUALIFIED IN NASSAU COUNTY
COMMISSION EXP FEB. 21, 2001

Mohan K. Dansinghani
Notary Public

PRINCIPALS OF SPONSOR IN THEIR CAPACITIES AS SUCH PRINCIPALS:

Signature: Jason D. Carter
Print Name: Jason Carter

Sworn to before me this 6th
day of March , 2000

Mohan K. Dansinghani
Notary Public

DANSINGHANI, MOHAN K.
NOTARY PUBLIC, STATE OF NEW YORK
NO. 01DA5039674
QUALIFIED IN NASSAU COUNTY
COMMISSION EXP FEB. 21, 2001

Signature: Julia Carter
Print Name: Julia Carter

Sworn to before me this 6th
day of March , 2000

Mohan K. Dansinghani
Notary Public

DANSINGHANI, MOHAN K.
NOTARY PUBLIC, STATE OF NEW YORK
NO. 01DA5039674
QUALIFIED IN NASSAU COUNTY
COMMISSION EXP FEB. 21, 2001

DOCUMENT 10B

CERTIFICATION BY ARCHITECT

TO: New York State Department of Law
Real Estate Financing Bureau

FROM: Judith Saltzman

RE: **"Property":** 104 Wooster Street
New York, New York 10012

"Sponsor": 102-106 Wooster LLC

"Offering Plan": The Condominium Offering Plan for the captioned Property

DATE: March 7, 2000

The Sponsor of the Offering Plan to convert the captioned Property to condominium ownership retained me to prepare a report disclosing the condition of the Property (the **"Report"**). I visually inspected the Property on July 23, 1999 and prepared the Report dated August 20, 1999, a copy of which is intended to be incorporated into the Offering Plan so that prospective purchasers may rely on the Report.

I am a licensed architect in the State in which the Property is located.

I understand that I am responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to this Report.

I have read the entire Report and investigated the facts set forth in the Report and the facts underlying it and conducted the visual inspection referred to above with due diligence in order to form a basis for this certification. I certify that the Report and all documents prepared by me disclose all the material facts which were then discernible from a visual inspection of the Property. This certification is made for the benefit of all persons to whom this offer is made.

I certify that the Report based on my visual inspection:

(i) sets forth in narrative form the physical condition of the entire Property and is current and accurate as of the date of inspection;

(ii) in my professional opinion affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the physical condition of the Property;

(iii) does not omit any material fact;

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

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

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

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

It is to be understood that all aspects of the physical condition of the Property cannot be determined by a visual inspection and that all statements contained in this certification are premised on and limited to such visual inspection.

I further certify that I am not owned or controlled by and have no beneficial interest in the Sponsor and that my compensation for preparing this Report is not contingent on the conversion of the Property to a condominium or on the profitability or price of the offering. This statement is not intended as a guarantee or warranty of the physical condition of the Property.

Signature: Judith Saltzman

Name: Judith Saltzman
Title: Vice President

Sworn to before me this

8 day of March, 2000

Notary Public

Beth Cooper Lawrence
Notary Public, State of New York
No. 01LA4764106
Qualified In New York County
Commission Expires Sept. 30, 2000

3844/027/137097

DOCUMENT 10C

ANDREWS
BUILDING
CORPORATION

[illegible]
[illegible]
Tel: (212) 529-5088
Fax: (212) 529-7987

CERTIFICATION OF SPONSOR'S EXPERT CONCERNING ADEQUACY OF BUDGET

March 1, 2000

New York State Department of Law
Bureau of Real Estate Financing
120 Broadway, 23rd Floor
New York, NY 10271

Re: *104 Wooster Street Condominium*
102-106 Wooster Street
New York, NY

Gentlemen:

The Sponsor of the Condominium Offering Plan for the captioned property retained our firm to review or prepare Schedule B, containing projections of income and expenses of the first year of condominium operation. Our experience in this field includes management of the operation of comparable condominium and cooperative buildings in Manhattan for over ten years.

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

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

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

We certify that the Schedule:

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

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

(iii) does not omit any material fact;

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

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

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

(vii) does not contain any representation or statement which is false, where we:

(a) knew the truth;

(b) with reasonable effort could have known the truth;

(c) made no reasonable effort to ascertain the truth; or

(d) did not have knowledge concerning the representation or statement made.

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

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

Very truly yours,
ANDREWS BUILDING CORP.

By: Eugene Andrews, Pres.

Sworn to before me this
1st day of March, 2000

Notary Public

York

2001

DOCUMENT 10D

ANDREWS
BUILDING
CORPORATION

[illegible]
New York, NY 10011
Tel. (212) 529-3685
Fax. (212) 529-7987

CERTIFICATION OF EXPERT CONCERNING THE ADEQUACY OF COMMON CHARGES PAYABLE BY THE COMMERCIAL UNIT OWNERS PURSUANT TO SECTION 20.4 (e) OF THE REGULATIONS ISSUED PURSUANT TO GENERAL BUSINESS LAW, ARTICLE 23-A AS AMENDED

March 1, 2000

New York State Department of Law
Real Estate Financing Bureau
120 Broadway, 23rd Floor
New York, NY 10271

Re: *104 Wooster Street Condominium*
102-106 Wooster
New York, NY

Gentlemen:

The Sponsor of the Condominium Offering Plan for the captioned property retained our firm to prepare Schedule B, containing projections of common charges payable by the owners of the commercial units for the first year of condominium operation.

Andrews Building Corp. has been engaged in the management of residential real estate for the past ten years. Our experience in this field includes management of the operation of comparable condominium and cooperative buildings in Manhattan for over ten years. Andrews Building Corp. is a licensed real estate broker in the State of New York.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to commercial units listed in Schedule B.

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

We certify that the projections in Schedule B for the common charges payable by the owners of the commercial units appear reasonable and adequate under existing circumstances to meet the anticipated operating expenses fairly attributable to such commercial units for the projected first year of condominium operation and that the allocation of common charges attributable to the commercial units also reflects special or exclusive use or available or exclusive control of particular common areas.

We certify that the Schedule:

(1) sets forth in detail the projected common charges for the commercial units for the first year of condominium operation;

(2) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the common charges payable by the owners of the commercial units;

(3) does not omit any material fact;

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

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

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

(7) does not contain any representation or statement which is false, where we:

(a) knew the truth;

(b) with reasonable effort could have known the truth;

(c) made no reasonable effort to ascertain the truth; or

(d) did not have knowledge concerning the representation or statement made.

We further certify that we are not owned or controlled by the Sponsor. We understand that a copy of this Certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the common charges fairly attributable to the commercial units for the first year of condominium operation.

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

Sworn to before me this
1st day of March, 2000

Notary Public

ANDREWS BUILDING CORP.

By: Eugene Andrews
President