

CONDOMINIUM OFFERING PLAN

A PLAN TO CONVERT TO CONDOMINIUM OWNERSHIP

PREMISES KNOWN AS

THE 132 PERRY STREET CONDOMINIUM

**132 Perry Street
New York, New York 10014**

Purchase Price of Fifteen (15) Units Offered for Sale:

Nine (9) Residential Units	\$21,303,000.00
Four (4) Commercial Units	6,099,600.00
Two (2) Retail Units	<u>5,000,000.00</u>
Total Purchase Price:	\$32,402,600.00

The actual cash proceeds from the offering may vary from the amount shown, depending on the actual purchase price of each Unit.

Name and Address of Sponsor:

**132 Perry LLC
950 Third Avenue
New York, N.Y. 10022**

Name and Address of Sales Agent:

**Meisel Real Estate
141 Prince Street
New York, N.Y. 10012**

Date of Acceptance for Filing: February 18, 2000. The term of the initial offer is twelve months from the Date of Acceptance for Filing. The term may be extended by an amendment to this Plan.

SEE PAGE (V) 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.

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SPECIAL RISKS

1. SPONSOR SHALL NOT PERFORM ANY SPECIAL WORK DESIRED BY A PURCHASER OF A UNIT; ALL SPECIAL WORK MUST BE PERFORMED BY THE PURCHASER AFTER THE CLOSING OF TITLE. SEE "DESCRIPTION OF PROPERTY AND IMPROVEMENTS" AT PART I, SECTION C.
2. THE COMMERCIAL UNITS AND THE RETAIL UNITS MAY BE USED FOR ANY LAWFUL PURPOSE SUBJECT TO THE RESTRICTIONS SET FORTH IN THE DECLARATION AND BY-LAWS OF THE CONDOMINIUM. EACH COMMERCIAL UNIT AND RETAIL UNIT MAY BE SUBDIVIDED BY THEIR OWNERS INTO TWO OR MORE CONDOMINIUM UNITS. THE OWNERS OF THE COMMERCIAL UNITS, AND THE RETAIL UNITS SHALL HAVE THE RIGHT TO ELECT TWO MEMBERS OF THE BOARD OF MANAGERS OF THE CONDOMINIUM AND SHALL HAVE THE RIGHT TO VETO ACTIONS OF THE BOARD OF MANAGERS WHICH ADVERSELY AFFECT SUCH UNITS. SEE "COMMERCIAL UNITS AND RETAIL UNITS" AT PART I, SECTION H, "RIGHTS AND OBLIGATIONS OF UNIT OWNERS AND THE BOARD OF MANAGERS" AT PART I, SECTION R AND "CONTROL BY SPONSOR" AT PART I, SECTION P.
3. EACH UNIT OWNER WILL NEED TO INSTALL AT SUCH UNIT OWNER'S EXPENSE AFTER THE CLOSING OF TITLE, ONE OR MORE AIR HANDLERS AND CONNECTIONS TO THE REFRIGERATION AND CONDENSATE DRAIN LINES BEFORE SUCH UNITS WILL HAVE FUNCTIONING AIR CONDITIONING. SEE "DESCRIPTION OF PROPERTY AND IMPROVEMENTS" AT PART I, SECTION C.
4. IF THE USE OF THE RETAIL UNITS OR THE COMMERCIAL UNITS CAUSE AN INCREASE IN THE COST OF INSURANCE COVERAGE FOR THE CONDOMINIUM, THE CONDOMINIUM WILL BEAR THE COST OF ANY INCREASED PREMIUM. SEE "SCHEDULE B PROJECTED BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION" AT PART I, SECTION F.
5. A PURCHASER'S OBLIGATION UNDER A PURCHASE AGREEMENT SHALL NOT BE CONTINGENT UPON SUCH PURCHASER SUCCESSFULLY OBTAINING MORTGAGE FINANCING. CERTAIN LENDERS MAY IMPOSE MINIMUM SALES REQUIREMENTS BEFORE MORTGAGE FINANCING IS AVAILABLE. SEE "PROCEDURE TO PURCHASE" AT PART I, SECTION K.
6. IF AN ESCROW DEPOSIT MADE UNDER A PURCHASE AGREEMENT IS IN EXCESS OF \$100,000, SUCH EXCESS WILL NOT BE INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION. SEE "PROCEDURE TO PURCHASE" AT PART I, SECTION K.
7. TIME IS OF THE ESSENCE FOR A PURCHASER TO CURE A DEFAULT UNDER A PURCHASE AGREEMENT WITHIN THE THIRTY (30) DAY GRACE PERIOD AFTER PURCHASER RECEIVES NOTICE OF SPONSOR'S INTENTION TO CANCEL THE PURCHASE AGREEMENT BECAUSE OF THE DEFAULT. SEE "PROCEDURE TO PURCHASE" AT PART I, SECTION K.

8. THE DECLARATION OF CONDOMINIUM REQUIRES EACH UNIT OWNER TO GRANT A POWER OF ATTORNEY TO THE BOARD OF MANAGERS OF THE CONDOMINIUM IN THE FORM CONTAINED IN PART, II DOCUMENT NUMBER 2. SEE "PROCEDURE TO PURCHASE" AT PART I, SECTION K.
9. ALTHOUGH SPONSOR MAY DECLARE THE PLAN EFFECTIVE WHEN PURCHASE AGREEMENTS HAVE BEEN EXECUTED FOR FIFTEEN PERCENT (15%) OF THE UNITS, IT IS POSSIBLE THAT TITLE TO THE UNITS THAT ARE SUBJECT TO SUCH PURCHASE AGREEMENTS MAY NOT ULTIMATELY CLOSE. IN SUCH EVENT, THE PROPERTY MAY BE CONVERTED TO CONDOMINIUM OWNERSHIP WITH FEWER THAN FIFTEEN PERCENT (15%) OF THE UNITS BEING SOLD. SEE "EFFECTIVE DATE" AT PART I, SECTION L.
10. PURCHASERS SHALL PAY THE NEW YORK CITY REAL PROPERTY TRANSFER TAX AND THE NEW YORK STATE REAL ESTATE TRANSFER TAX PAYABLE IN CONNECTION WITH THE CONVEYANCE OF A UNIT. SEE "CLOSING COSTS AND ADJUSTMENTS" AT PART I, SECTION N.
11. NO BOND OR OTHER SECURITY HAS BEEN POSTED TO SECURE SPONSOR'S OBLIGATIONS UNDER THIS PLAN, INCLUDING SPONSOR'S OBLIGATION TO COMPLETE CONSTRUCTION OF THE CONDOMINIUM. SEE "RIGHTS AND OBLIGATIONS OF SPONSOR" AT PART I, SECTION O.
12. DURING THE INITIAL CONTROL PERIOD, SPONSOR SHALL DESIGNATE THE BOARD OF MANAGERS OF THE CONDOMINIUM. THROUGH ITS CONTROL OF THE BOARD, SPONSOR WILL BE ABLE TO CONTROL THE MAINTENANCE AND OPERATION OF AND THE SERVICES TO BE PROVIDED BY THE CONDOMINIUM. SPONSOR WILL ALSO BE ABLE TO DETERMINE THE COMMON CHARGES TO BE PAID BY ALL UNIT OWNERS AND WHETHER THE CONTINGENCY FUND IS USED TO DEFRAY INCREASES IN THE PROJECTED COMMON CHARGES. SEE "CONTROL BY SPONSOR" AT PART I, SECTION P.
13. THE BY-LAWS PROVIDE THAT UNTIL THE EARLIER TO OCCUR OF: (i) FIVE (5) YEARS FOLLOWING THE FIRST UNIT CLOSING, OR (ii) THE DATE ON WHICH UNSOLD UNITS REPRESENT LESS THAN TWENTY-FIVE (25%) PERCENT IN NUMBER AND COMMON INTEREST OF ALL RESIDENTIAL UNITS, SPONSOR CONSENT IS REQUIRED FOR THE CREATION OF ANY RESERVE IN EXCESS FROM THE AMOUNTS PROVIDED FOR IN SCHEDULE B - "PROJECTED BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION." SEE "CONTROL BY SPONSOR" AT PART I, SECTION P AND "RIGHTS AND OBLIGATIONS OF UNIT OWNERS AND THE BOARD OF MANAGERS" AT PART I, SECTION R.
14. BECAUSE OF THE SIZE OF THE COMMERCIAL UNITS AND THE RETAIL UNITS, THE CONDOMINIUM WILL FAIL TO QUALIFY AS A "CONDOMINIUM MANAGEMENT ASSOCIATION" UNDER THE INTERNAL REVENUE CODE OF 1986; ACCORDINGLY, THE CONDOMINIUM WILL NOT BE EXEMPT FROM TAXATION. TO MINIMIZE TAXES, THE CONDOMINIUM WILL NEED TO MONITOR ITS INCOME TO INSURE THAT ITS INCOME DOES NOT EXCEED ITS EXPENSES. SEE "OPINIONS OF COUNSEL" AT PART I, SECTION T.

15. CERTAIN UNITS CONTAINING "LOT LINE WINDOWS" MAY BE SEALED IN THE EVENT NEW STRUCTURES ARE ERECTED EAST OR WEST OF THE CONDOMINIUM. IN SUCH EVENT, THE BY-LAWS REQUIRE THE UNIT OWNERS AS A COMMON EXPENSE TO PAY THE COST OF ALL STRUCTURAL WORK REQUIRED TO CLOSE OR SEAL ANY LOT LINE WINDOW WHILE ANY COSTS WITH RESPECT TO THE DECORATION OF THE INTERIOR OF ANY SUCH UNIT SHALL BE BORNE BY THE UNIT OWNER. SEE "DESCRIPTION OF PROPERTY AND IMPROVEMENTS" AT PART I, SECTION C. SEE "DESCRIPTION OF PROPERTY, SPECIFICATIONS AND BUILDING CONDITION, AT PART II, DOCUMENT 4 FOR A LIST OF UNITS CONTAINING "LOT LINE WINDOWS.

PART I

A. INTRODUCTION

132 Perry LLC ("Sponsor") presents this offering plan (the "Plan") to convert to condominium ownership the land commonly known as 132 Perry Street, New York, New York, and the eleven story building being renovated and erected thereon (the "Building"). The condominium will be known as the "The 132 Perry Street Condominium" and is hereinafter referred to as the "Condominium".

The purpose of this Plan is to set forth in detail all material facts relating to the offer by Sponsor to sell nine (9) Residential Units, four (4) Commercial Units and two (2) Retail Units located in the Condominium. Sponsor may amend or supplement this Plan from time to time by filing an amendment with the New York State Department of Law ("Department of Law"). Amendments shall be served in accordance with the regulations of the State of New York upon all unit owners, all purchasers who have executed and delivered purchase agreements that are in effect and any commercial or professional tenants.

The statute in effect in the State of New York concerning condominiums, pursuant to which the Condominium will be organized and subject to, is Article 9-B of the Real Property Law of the State of New York (the "New York Condominium Act"). The Property will be subjected to the provisions of the New York Condominium Act by Sponsor's recording the Declaration of Condominium (the form of which is reproduced in Part II, Document Number 7) in the New York County Office of the Register of the City of New York. From and after the date of recording the Declaration, Sponsor will be the owner of all Units until each is sold and conveyed to a Purchaser pursuant to this Plan. The Condominium will comply with the New York Condominium Act and all other statutes and regulations applicable to condominiums in the State of New York.

Sponsor is a limited liability company organized and existing under the Limited Liability Company Law of the State of New York. (See "Identity of Parties" at Part I, Section W, for details concerning Sponsor and its principals.) Sponsor acquired title to the Property on June 21, 1999.

The Building will consist of nine (9) Residential Units created on the fourth through eleventh floors (individually, a "Residential Unit"), four (4) Commercial Units created on the second and third floors (individually, a "Commercial Unit") and two (2) Retail Units created on the ground floor (individually, a "Retail Unit").

Sponsor hereby offers nine (9) Residential Units, four (4) Commercial Units and two (2) Retail Units for sale under the Plan. The prices for all Units offered under the Plan are listed in "Schedule A - Prices of Units and Other Financial Information for each Unit for January 2, 2001 to December 31, 2001, the Projected First Year of Condominium Operation" ("Schedule A") at Part I, Section E. The prices in Schedule A have been set by Sponsor alone and are not subject to review or approval by the Department of Law or any other governmental agency.

The Plan is presented in two parts (in one volume), which together constitute the entire Plan. The Plan contains all material terms of the transaction. Part I sets forth a general description of the

Plan and Part II contains the basic documents necessary to create the Condominium and to otherwise effectuate the provisions of the Plan. Also included in Part II are a detailed physical description of the Property, the form of Purchase Agreement, Unit Deed and Unit Owner's Power of Attorney, and certifications of Sponsor, Sponsor's architect, and Sponsor's expert concerning the adequacy of the projected budget (set forth herein as Schedule B). In addition, Sponsor has filed with the Department of Law Exhibits to the Plan which are presented as Parts A (Certifications), B (General), C (Engineering) and D (Other Information). Copies of the Plan, all documents referred to in the Plan and all Exhibits submitted to the Department of Law will be available for inspection by prospective purchasers without charge and for copying at a reasonable charge to prospective purchasers and their attorneys at Sponsor's office.

It is anticipated that the Building will be substantially completed on or about January 1, 2001, unless completion of the Building is delayed by weather, strikes, lockouts, acts of God, shortages of, or inability to obtain, materials, equipment or labor, governmental restrictions or preemption, damage by fire or the elements, or any other cause over which Sponsor has no control.

The ownership of a Residential Unit is similar in many respects to the ownership of a private home. Each Unit Owner owns fee title to a Unit and is entitled to the exclusive possession thereof. Each Unit Owner may mortgage such Unit Owner's Unit in such amounts as desirable. Each Unit is separate and is not subject to the lien of any mortgage placed by other Unit Owners on their respective Units. A Unit Owner also owns and has the right to use, in common with the owners of all other Units, an undivided interest in the Common Elements. As more particularly set forth herein and in the Declaration, a Unit is measured from the inside of the exterior walls, floor and ceiling; the Common Elements include all parts of the Property other than the Units themselves, including, without limitation, the Land and the roofs, foundations and supports of the Building. The Declaration divides the Common Elements into two categories. The Common Elements are for the common use of all Units. The Limited Common Elements serve or benefit exclusively a Unit and are for the exclusive use of such Unit and its Unit Owner.

The cost of operating the Condominium will be borne entirely by the Unit Owners in proportion to their respective Common Interests. As detailed in the By-Laws, the Retail Unit Owners will pay a proportionate share of only certain Common Expenses attributable to the Common Elements; the remaining Common Expenses will be borne by the Residential Unit Owners and the Commercial Unit Owners. Unit Owners will have no interest in any rents, profits or revenues derived from the rental or use of any Unit owned by another. At least once a year, the Board of Managers of the Condominium (the "Board") will assess Common Charges against Unit Owners. Such charges will be assessed against Unit Owners in proportion to their respective Common Interests, in accordance with Sections 339-i and 339-m of the New York Condominium Act. Unit Owners will be billed monthly for their proportionate share of the Common Charges. The estimated Common Charges for each Unit for the first year of operation of the Property as a condominium are set forth in "Schedule A", at Part I, Section E.

Each Unit Owner will be obligated to comply with the Declaration, the By-Laws, the Rules and Regulations and other requirements adopted by the Board.

With certain exceptions, any sale or lease of a Residential Unit or a Commercial Unit will be

subject to a right by the Board to acquire or lease such Residential or Commercial Unit.

Operation of the Condominium will be vested in the Board, which, after the first annual meeting of Unit Owners, shall be comprised of five (5) representatives; three (3) representatives will be elected by the Residential Unit Owners, and two (2) representatives will be elected by the Commercial Unit Owners and the Retail Unit Owners. Each Unit Owner shall be entitled to vote for members of the Board; the number of votes cast by each Unit Owner is determined by the Common Interest attributable to his Unit.

As more fully set forth under "Opinions of Counsel" in Part I, Section T, it is the opinion of Sponsor's counsel that under present income tax laws, a Residential Unit Owner may deduct for Federal and New York State income tax purposes, real estate taxes and the interest paid on any mortgage encumbering such Unit Owner's Residential Unit subject to limitations discussed in the Tax Opinion.

In addition to the payment of Common Charges, all Unit Owners will be responsible for the payment of the real estate taxes that will be separately assessed against their Units, interest and amortization payments on the mortgage or mortgages, if any, covering their Units and charges for electricity consumed in their Units. All Units will be assessed by the City of New York as a separate tax lot for real estate tax purposes (although the earliest this may occur is July 1, 2001, and it is possible that this may not occur until July 1, 2002), and no Unit Owner will be responsible for the payment of, nor will such Unit Owner's Unit be subjected to, any lien arising from the non-payment of taxes on other Units. Schedule A sets forth estimates of the amount of real estate taxes that will be payable monthly with respect to each Unit during the first year of condominium operation. (See Notes to Schedule A at Part I, Section E, with respect to the basis for such estimates.)

After the closing of title, all Unit Owners will be solely responsible for the cost of maintenance and interior repairs to their Units, and for maintaining casualty insurance with respect to the personal property within their Units and liability insurance with respect to occurrences in or about their Units. All Unit Owners will pay directly to the utility the cost of electricity consumed in their Units. The Board will be solely responsible for the cost of maintenance and repairs to the Common Elements. The Board will also maintain casualty and liability insurance with respect to the Common Elements in accordance with the provisions of Section 6.2 of the By-Laws. See "Rights and Obligations of Unit Owners and the Board of Managers" at Part I, Section R, for a more complete discussion of the foregoing.

Sponsor hereby reserves the right to refuse to approve and execute a Purchase Agreement for any Unit to any one person or entity; provided, however, that Sponsor shall not discriminate against any person because of race, creed, color, national origin, sex, age, disability, marital status, or ancestry.

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. DEFINITIONS

For convenience, general definitions of the terms used in Part I of the Plan are set forth below, which definitions are subject in many cases to the more particular definitions of such terms set forth in the Declaration and By-Laws included in Part II of the Plan:

- Board:** The Board of Managers of the Condominium.
- Building:** The building being renovated on the Land in which are located the Units of the Condominium.
- By-Laws:** The By-Laws governing the operation of the Condominium, the form of which is set forth in Part II, Document Number 8.
- City Register's Office:** The New York County Office of the Register of the City of New York.
- Commercial Unit:** Any Unit designated as a Commercial Unit in the Declaration, consisting of a specific condominium unit in the Building and an appurtenant undivided interest in Common Elements. All Commercial Units are collectively referred to as "Commercial Units".
- Commercial Unit Owners:** Any owner of a Commercial Unit. All Commercial Unit Owners are collectively referred to as the "Commercial Unit Owners".
- Common Charges:** Assessments payable to the Board by all Unit Owners for the purpose of paying the Common Expenses.
- Common Elements:** The Land, all parts of the Building other than the Units, including the foundations, roofs and supports of the Building, and all areas or facilities of the Building designated in the Declaration for the common use of the Units and the Unit Owners. The Common Elements include the Limited Common Elements.
- Common Expenses:** The costs and expenses in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the Common Elements.
- Common Interest:** The proportionate undivided interest, expressed as a numerical percentage, in the Common Elements, appertaining to each Unit as determined in accordance with the Declaration. The total of the Common Interest percentages appertaining to all Units equals one hundred percent (100%). The Common Interest is the basis of determining, among other things, a Unit Owner's: (i) voting power, (ii) liability for a share of the Common Expenses and (iii) share of any distributions upon termination of the Condominium.

Declaration: The instrument creating the Condominium, the form of which is set forth in Part II, Document Number 7.

Floor Plans: The floor plans of the Building which are filed with the Real Property Assessment Department of The City of New York and the City Register's Office.

First Unit Closing: The first closing of title to a Unit pursuant to a Purchase Agreement.

Initial Control Period: The period ending on the earlier to occur of: (i) the closing of title to at least fifty (50%) percent of the Residential Units both in number and in Common Interest of all Residential Units (excluding Residential Units purchased by Sponsor or its designee), or (ii) two (2) years after the First Unit Closing.

Land: The land currently known by the street address 132 Perry Street, New York, New York. The Land is presently designated as Block 632, Lot 13. The Land consists of approximately 8,183 square feet. The Land is more particularly described in Schedule A to the Declaration.

Limited Common Elements: Those Common Elements which serve or benefit exclusively a Unit as designated in the Declaration. All balconies and terraces servicing Residential Units shall be Limited Common Elements.

Managing Agent: Andrews Building Corp., 666 Broadway, New York, N.Y. 10012.

Permitted Encumbrances: Encumbrances to the title to a Unit subject to which a Purchaser agrees to take title, as more particularly stated in Part I, Section M in "Terms of Sale." and Schedule A to the Purchase Agreement.

Permitted Mortgage: A mortgage that is a lien upon a Unit of which the Unit Owner has notified the Board pursuant to Article 7 of the By-Laws.

Plans and Specifications: The plans and specifications for the Building which are filed with, and approved by, the Department of Buildings of The City of New York and which plans and specifications may, from time to time, have been amended or changed, or may hereafter be amended or changed in accordance with the provisions of the Plan.

Property: The Land, the Building and the appurtenances thereto.

Purchase Agreement:	The agreement to purchase a Unit pursuant to the Plan, the general form of which is set forth in Part II, Document Number 1.
Purchaser:	A purchaser of a Unit under a Purchase Agreement.
Residential Unit:	Any Unit designated as a Residential Unit in the Declaration, consisting of a specific condominium unit in the Building and an appurtenant undivided interest in Common Elements. All Residential Units are collectively referred to as "Residential Units".
Residential Unit Owner:	Any owner of a Residential Unit. All Residential Unit Owners are collectively referred to as the "Residential Unit Owners".
Retail Unit:	Any Unit designated as a Retail Unit in the Declaration, consisting of a specific condominium unit in the Building and an appurtenant undivided interest in Common Elements. All Retail Units are collectively referred to as "Retail Units".
Retail Unit Owner:	Any owner of a Retail Unit. All Retail Unit Owners are collectively referred to as the "Retail Unit Owners".
Rules and Regulations:	The rules and regulations made in accordance with the By-Laws and attached thereto as Schedule A.
Sales Agent:	Meisel Real Estate, 141 Prince Street, New York, N.Y. 10012.
Sponsor:	132 Perry LLC, a New York limited liability company, 950 Third Avenue, New York, N.Y. 10022.
Sponsor's Attorneys:	Carb, Luria, Cook & Kufeld LLP, 521 Fifth Avenue, New York, N.Y. 10175.
Sponsor's Architect:	L.H. Pomeroy Architects, P.C., 462 Broadway, New York, N.Y. 10003.
Unit:	Any space designated as a Unit in the Declaration, consisting, generally, of a specific dwelling space or commercial space in the Building, and an appurtenant undivided interest in the Common Elements. All Residential Units, the Commercial Units, and the Retail Units are collectively referred to as the "Units".
Unit Owner:	Any owner of a Unit. All Residential Unit Owners, the Commercial Unit

Owners and the Retail Unit Owners are collectively referred to as "Unit Owners".

Unsold Units: Any Units which are offered for sale under this Plan and are owned by Sponsor or its designee, other than any Residential Unit purchased by and for the use of Sponsor or its designee, until such time as such Units have been sold.

All other capitalized terms used in Part I of the Plan which are not separately defined in Part I shall have the meanings ascribed thereto in the By-Laws or in the Declaration, as the case may be.

C. DESCRIPTION OF PROPERTY AND IMPROVEMENTS

1. The Building

The Building is being constructed and renovated in accordance with the Plans and Specifications on the Land which is situated on Perry Street between Greenwich Street and Washington Street, in the Borough of Manhattan, City, County and State of New York. The Land has a total area of approximately 8,183 square feet.

The Building, as being renovated, will constitute eleven (11) stories above grade. The Building will contain nine (9) Residential Units located in the fourth through eleventh floors of the Building. There will also be four (4) Commercial Units located in the second and third floors of the Building and two (2) Retail Units located on the ground floor of the Building.

The entrance to the lobby to the Building for the Residential Units and the Commercial Unit will be located on Perry Street. Such lobby shall be served by an elevator that will provide access to the Residential Units and the Commercial Units. The entrance to each Retail Unit will be located on Perry Street.

There are no parking facilities at the Building. Purchasers should note that a permitted use for both Retail Units is the storage of automobiles on a non-transient basis.

The Building is more particularly described in the report of L.H. Pomeroy Architects, P.C. which is reproduced in Part II, Document Number 4. Annexed as Document Number 6 is the certification of Superior Consulting Corp., a licenced engineer, certifying that no suspect friable asbestos-containing materials are contained in the Building as of October 1, 1999.

2. The Units

Subject to the rights of Sponsor and its designees to change the number of Residential Units (as set forth in "Changes in Prices and Units" at Part I, Section I), and the right of the Commercial Unit Owners and the Retail Unit Owners to subdivide their Units, there will be a total of fifteen (15) Units in the Building consisting of nine (9) Residential Units, four (4) Commercial Units and two (2) Retail Units.

Each Unit consists of an enclosed area measured horizontally from the exterior side of the glass or concealed block work of the exterior walls to the center line of the dry wall partitions separating one Unit from another Unit or to the Unit side of the concealed block work of concealed structural walls and partitions separating a Unit from corridors, stairs, elevator or other Common Elements. Each Unit consists of an enclosed area measured vertically from the top of the concrete floor to the underside surface of the sheetrock ceiling. Common Elements located within a Unit (if any) shall not be considered as a part of that Unit. Any balcony or roof terrace appurtenant to a Residential Unit shall not be deemed part of that Residential Unit but shall constitute a Limited Common Element. "Schedule A" at Part I, Section E, sets forth the approximate gross square foot area for each Unit. For those Residential Units adjoining balconies or terraces, the calculation of the square foot area of such Residential Units includes one-quarter of the area of any such balcony or terrace.

Detailed descriptions of the Units are set forth in the Declaration and in the report of L.H. Pomeroy Architects, P.C. which is reproduced in Part II, Document Number 4. Floor plans for each Unit are reproduced in Part II, Document Number 5.

The Residential Units and the Commercial Units will be delivered to Purchasers with painted walls, baseboards and ceilings. The Residential Units will be delivered with hardwood floors. The Retail Units will be delivered to Purchasers unfinished. All Purchasers will be obligated to do all additional painting and decorating of their Units at their own cost and expense. Sponsor shall not perform any special work desired by any Purchaser. All special work which a Purchaser desires for a Unit must be performed after Purchaser acquires title to such Unit. The contractor performing such special work is subject to approval by Sponsor and the Board. Such contractor may not employ persons that may cause labor disturbances or stoppages in the work of Building employees or other contractors or subcontractors employed in the Building.

As detailed in the report of L.H. Pomeroy Architects, P.C., which is reproduced in Part II, Document Number 4, air conditioning to the Units shall be supplied from condenser/compressor units located on the roof of the Building. Condensate drain lines and refrigerant lines shall run from the condenser/compressor units to each Unit. In order to have functioning air conditioning, all Unit Owners, at each such Unit Owner's sole cost and expense, will need to supply each Unit with one or more air handlers and connections to the refrigerant and condensate drain lines.

Certain Units have "lot line" windows located in the westerly or easterly walls of the Condominium. The report of L.H. Pomeroy Architects P.C. lists each Unit that contains "lot line" windows. If the adjacent properties to the east or west of the Condominium are ever redeveloped, it may be required that such "lot line" windows be closed up and sealed. In such event, Section 6.11-5 of the By-laws requires the Unit Owners as a Common Expense to pay the cost of all structural work required to close or seal any lot line window while any repainting, replastering, redecorating, or other costs required in connection with the decoration of the interior of any such Unit, shall be borne by the Unit Owner.

3. The Common Elements

Generally, the Common Elements consist of the Land on which the Building is built, and all

parts of the Building other than the Units. The Common Elements are for the common use of the all Units. The Common Elements include the Limited Common Elements which are Common Elements that serve or benefit exclusively one Unit to the exclusion of all other Units. Article 7 of the Declaration (Part II, Document Number 7) details the Common Elements.

4. Services and Facilities

Under present plans, the following services and facilities will initially be provided and made available to Unit Owners:

(1) Elevator Service

The elevator serving the Commercial Units and the Residential Units is automatic and will be in operation twenty-four (24) hours a day, seven (7) days a week.

(2) Cable Television Service

Cable television service shall be provided by Time Warner Cable TV for those Unit Owners who desire to subscribe. Each Commercial Unit and Residential Unit has been constructed and prepared to receive cable television. Each Unit Owner who desires this service must make his own arrangements with Time Warner Cable TV for the initial connection and subsequent monthly fees.

(3) Mail

In the lobby will be a room containing a locked mailbox for each Residential and Commercial Unit. Incoming mail will be delivered to the Building and inserted into the mailboxes by the United States Postal Service.

(4) Building Personnel

The Condominium shall employ a full-time, non-resident laborer.

5. Security Procedures

The Board is vested with the responsibility of devising and carrying out security procedures with respect to the Building. Such procedures may be adopted and from time to time changed by the Board as the Board, in its discretion, determines to be appropriate to secure the Building. The initial security procedures will require admission to a lobby of the Building by key or by entry by a Unit Owner. An intercom will allow voice and video communication between the individual Commercial and Residential Unit and the lobby; each Commercial Unit and Residential Unit will be equipped with a video monitor providing visual surveillance of the lobby. Instructions will also be given that no visitor will be admitted unless authorized by a Unit Owner that such visitor wishes to visit or, in the case of prospective Purchasers or lessees of Unsold Units, unless authorized by Sponsor, Managing Agent, sales personnel of Sales Agent or any owner or lessee of an Unsold Unit.

No representation, guarantee or warranty is made, nor assurance given, that the security

systems and procedures of the Building will prevent personal injury or damage to or loss of personal property. While Unsold Units are being offered for sale or lease by Sponsor or any designee, and during the course of renovations made by any Unit Owner, there will be a greater number of visitors to the Building than would otherwise be the case. No representation is being made and no assurance is given as to when such selling or leasing activity will terminate. Neither Sponsor nor its designee, Sales Agent nor Managing Agent shall be liable or responsible for any personal injury or for any loss or damage to personal property which may result from the failure of the Building's security procedures.

6. Renovation of the Building

Sponsor represents that the renovation of the Building, including the individual Units therein, will be completed substantially in accordance with the Plans and Specifications and all applicable zoning and building laws. In this regard, a temporary or partial Certificate of Occupancy for all or any portion of the Units will be issued by the Department of Buildings of the City of New York before the First Unit Closing. Sponsor is obligated to obtain a permanent Certificate of Occupancy for the Building. (See "Rights and Obligations of Sponsor" at Part I, Section O.) Copies of the Plans and Specifications for the Building will be filed with the Department of Buildings after the completion of the construction of the Building.

Under the present construction schedule, it is anticipated that the Building will be completed on or about January 1, 2001, unless delayed by weather, strikes, lockouts, acts of God, shortages of, or inability to obtain, materials, equipment or labor, governmental restrictions or preemption, damage by fire or the elements, or any other cause over which Sponsor has no control.

D. LOCATION AND AREA INFORMATION

1. Location and Services

The Condominium is located on Perry Street between Greenwich Street and Washington Street. The Condominium is known by the street address 132 Perry Street, New York, New York. The Greenwich Village area is a renowned section of New York City with commercial shopping areas, restaurants and residential areas nearby. Public services including schools, libraries, police and fire protection, water, sanitation, snow removal and street maintenance are provided by The City of New York.

The Condominium is served by the New York City Police Department's Sixth Precinct which is located at 233 West 10th Street; the nearest fire house operated by the New York City Fire Department is located at 132 West 10th Street. Both facilities are within approximately one-half mile from the Condominium. Nearby schools include P.S. 41 at 116 West 11th Street, and the Little Red School House at 196 Bleeker Street.

2. Applicable Zoning

The Property is located in a C6-1 zoning district under the Zoning Resolution of the City of New York.

E. SCHEDULE A

PRICES OF UNITS AND OTHER FINANCIAL INFORMATION FOR EACH UNIT FOR THE PERIOD JANUARY 2, 2001 TO DECEMBER 31, 2001, THE PROJECTED FIRST YEAR OF OPERATION

Unit Designation	Rooms and Baths [1]	Square Footage [2]	Offering Price [3]	Common Interest Percent [4]	Estimated Monthly Common Charges [5]	Estimated Monthly Real Estate Taxes [6]	Estimated Total Monthly Charges [7]
Retail East	1-0	3,630	3,000,000	8.6894%	538.06	1,044.74	1,582.80
Retail West	1-0	3,031	2,000,000	7.2555%	449.27	872.34	1,321.61
Commercial 2 Front East	1-Lav	1,432	1,036,000	3.4279%	432.12	412.14	844.26
Commercial 2 Front West	1-Lav	1,805	1,307,600	4.3208%	544.68	519.49	1,064.17
Commercial 2/3 East	2-2Lav	4,718	1,950,000	11.2938%	1,423.71	1,357.87	2,781.58
Commercial 2/3 West	2-2Lav	4,296	1,806,000	10.2837%	1,296.36	1,236.42	2,532.78
Residential 4 East	1-1	1,403	1,333,000	3.3585%	423.37	435.05	858.42
Residential 4 West	1-1	1,336	1,280,000	3.1980%	403.14	414.27	817.41
Residential 5th Floor	1-1-B	3,040	2,450,000	7.2771%	917.35	942.66	1,860.01
Residential 6th Floor	1-1-B	3,040	2,500,000	7.2771%	917.35	942.66	1,860.01
Residential 7th Floor	1-1-B	3,040	2,550,000	7.2771%	917.35	942.66	1,860.01
Residential 8th Floor	1-1-B	3,040	2,650,000	7.2771%	917.35	942.66	1,860.01
Residential 9th Floor	1-1-B	2,956	2,750,000	7.0760%	892.00	916.62	1,808.62
Residential 10/11 East	2-1-T	2,526	2,715,000	6.0467%	762.25	783.28	1,545.53
Residential 10/11 West	2-1-T	2,482	3,075,000	5.9413%	748.96	769.63	1,518.59
TOTALS		41,775	32,402,600	100.0000%	11,583.32	12,532.49	24,115.81

NOTES TO SCHEDULE A

- (1) The number of rooms and baths listed in this Schedule A has been computed in accordance with the recommended method of residential room count adopted by The Real Estate Board of New York, Inc. "B" indicates that such Residential Unit adjoins a balcony and "T" indicates that such Residential Unit adjoins a terrace; all balconies and terraces are Limited Common Elements. "Lav" indicates that such Commercial Unit includes a lavatory. The layout, areas and dimensions of the Units are set forth in the floor plans for each Unit prepared by L.H. Pomeroy Architects, P.C. which are reproduced in Part II, Document Number 5. The dimensions indicated on such floor plans are approximate. Accordingly, each Unit should be inspected prior to purchase to determine its actual dimensions, layout and physical condition.
- (2) The approximate gross square foot area for each Unit was measured horizontally from the exterior side of the glass or concealed block work of the exterior walls to the center line of the dry wall partitions separating one Unit from another Unit or to the Unit side of the concealed block work of concealed structural walls and partitions separating a Unit from corridors, stairs, elevator or other Common Elements. For those Residential Units adjoining balconies or terraces, the calculations of the square foot area of such Residential Units include one-quarter of the area of any balcony or terrace adjoining such Residential Units.
- (3) Sponsor has reserved the right to change the purchase price of any Unit from time to time as the purchase prices of Units are negotiable. See "Changes in Prices of Units" at Part I, Section I.

In addition to the payment of the purchase price, each Purchaser will be responsible for the payment of certain closing costs and expenses at the time of the closing of title of the Purchaser's Unit, including title insurance premiums, New York City Real Property Transfer Tax, New York State Real Estate Transfer Tax (including any Special Additional New York State Real Estate Transfer Tax payable in connection with the sale of a Residential Unit having a purchase price of \$1,000,000 or more), a contribution to the Condominium's Working Capital Fund and recording charges, as explained in "Closing Costs and Adjustments" at Part I, Section N. If the Purchaser obtains a mortgage loan, the Purchaser will be responsible for the payment of additional closing costs and expenses relating to such loan. The apportionment of certain charges relating to the Unit at the time of the closing of title will be reflected as adjustments to the purchase price, as explained in "Closing Costs and Adjustments" at Part I, Section N.

- (4) The Common Interest of each Unit, as calculated by Sponsor in accordance with the provisions of Section 339-i(1)(ii) of the New York Condominium Act, is based upon the floor space of each Unit (the gross square feet of each Unit). The Common Interest is expressed as a numerical percentage. Reproduced at Part I, Section G is the opinion of Andrews Building Corp. that the Common Interest of each Unit is in compliance with Section 339-i(1)(ii) of the New York Condominium Act.
- (5) The estimated Common Charges for each Unit are based on "Schedule B - Projected Budget

for the First Year of Condominium Operation", at Part I, Section F. The budget is based on the assumption that the first year of condominium operation will be January 2, 2001 to December 31, 2001. The actual first year of operation may be earlier or later. In addition to these estimated payments, each Unit Owner will be responsible for real estate taxes assessed such Unit, mortgage debt service, if any, the cost of electricity supplied to such Unit (including the electricity required to operate air conditioning equipment in the Unit), which will be separately metered and will be payable directly to the utility company, the cost of cable television services, if desired, and the cost of interior repairs and decorations to such Unit. See Note 6 with respect to real estate taxes.

- 6) The projected monthly real estate taxes for each Unit for the first year of condominium operation is based upon the tentative actual taxable assessed valuation of the Property of \$298,800 for the 2000/01 tax year (July 1, 2000 to June 30, 2001), and an estimated total taxable assessed valuation of \$2,590,000 for the 2001/02 tax year (July 1, 2001 to June 30, 2002). This estimated taxable assessed valuation for tax year 2001/02 reflects a projected eighty percent completion of construction of the Building, based on a valuation of the Property legally as of January 5, 2001, but practically on a prior date. It is also projected that the Property will be assessed as a completed project in tax year 2002/03 (July 1, 2002 to June 30, 2003) with a projected actual assessment valuation of approximately \$3,650,000.00 and a projected taxable assessed valuation of \$3,265,000.00. These estimates have been prepared by Sponsor's Attorneys.

These projections are based upon the following additional assumptions: (i) beginning with tax year 2001/02, the Residential Units will be classified as within tax class 2; (ii) the total assessed value of the Property will be allocated or assessed among the Units based upon each Unit's Common Interest, with 54.7289% of the total charged against the Residential Units; (iii) for the Commercial Units and the Retail Units, a tax rate of \$9.989 per \$100.00 of assessed valuation (the projected Class 4 tax rate for the 1999/00 tax year) will apply for the 2000/01 and 2001/02 tax years; (iv) for the Residential Units, a tax rate of \$9.989 per \$100.00 of assessed valuation (the projected Class 4 rate for the 1999/00 tax year) will apply for the 2000/01 tax year and a tax rate of \$10.851 per \$100,000 of assessed valuation (the projected Class 2 tax rate for the 1999/00 tax year) will apply for the 2001/02 tax year.

The total real estate taxes payable for the Residential Units for the period January 2, 2001 to December 31, 2001 are estimated to be \$85,074 calculated as follows:

(a) January 2, 2001 to June 30, 2001:	\$8,166
Total Tax for Residential Units - 7/1/00 to 6/30/01:	
54.7289% of \$298,800 x .09989 = \$16,335	
\$16,335 ÷ 12 months = \$1,361 per month	
\$1,361 x 6 months = \$8,166	
 (b) July 1, 2001 to December 31, 2001:	 76,908
Total Tax for Residential Units - 7/1/01 to 6/30/02:	
54.7289% of \$2,590,000 x .10851 = \$153,811	
\$153,811 ÷ 12 months = \$12,818 per month	
\$12,818 x 6 months = \$76,908	

Total Estimated Real Estate Taxes For Residential Units	
For January 2, 2001 to December 31, 2001	<u>\$85,074</u>

The total real estate taxes payable for the Commercial Units and the Retail Units for the period January 2, 2001 to December 31, 2001 are estimated to be \$65,316 calculated as follows:

a) January 2, 2001 to June 30, 2001: \$ 6,756

Total Tax for Commercial and Retail Units - 7/1/00 to 6/30/01:

$45.2711\% \text{ of } \$298,800 \times .09989 = \$13,512$

$\$13,512 \div 12 \text{ months} = \$1,126 \text{ per month}$

$\$1,126 \times 6 \text{ months} = \$6,756$

(b) July 1, 2001 to December 31, 2001: 58,560

Total Tax for Commercial and Retail Units - 7/1/01 to 6/30/02:

$45.2711\% \text{ of } \$2,590,000 \times .09989 = \$117,123$

$\$117,123 \div 12 \text{ months} = \$9,760 \text{ per month}$

$\$9,760 \times 6 \text{ months} = \$58,560$

Total Estimated Real Estate Taxes For Commercial and
Retail Units For January 2, 2001 to December 31, 2001

65,316

In addition, the Residential Units, once purchased from the Sponsor and otherwise in eligible ownership, would potentially be eligible for real property tax abatements for condominium dwelling units under Section 467-a of the Real Property Tax Law of the State of New York. This program of abatements would, for qualifying dwelling units whose average assessed value is greater than \$15,000 (as is projected to be the case for the Residential Units), reduce the real property taxes otherwise payable by 17-1/2%. Section 467-a currently expires with tax year 2000/01, and thus would not affect the taxes in tax year 2001/02, the earliest year that the Residential Units are projected to be taxed as condominium dwelling units. The estimate of real estate taxes payable during the first year of condominium operation assumes no abatement will be available to the Residential Units.

No warranty is given by Sponsor or Sponsor's Attorneys that the City of New York will: (i) assess the Property in accordance with the estimated taxable assessed valuations projected; (ii) allocate the assessed value of the Property as projected; and (iii) adopt the tax rates and classifications based on which these estimates are made. Further, there is no warranty that the City of New York will not increase the taxable assessed value of the Property in years subsequent to those subject to the projections here.

- (7) The Estimated Total Monthly Carrying Charges is the sum of the Estimated Monthly Common Charges and the Estimated Monthly Real Estate Taxes. The amount deductible by the Unit Owner for income tax purposes will include the amounts paid by the Unit Owner for real estate taxes and, in the event the Unit Owner mortgages his Unit, any finance charges or interest paid by such Unit Owner in connection with such mortgage indebtedness, as explained in "Opinions of Counsel" at Part I, Section T. These amounts may vary in subsequent years due to changes in the interest rate on any mortgage loan obtained by the Unit Owner, any refinancing of such mortgage, the allocation of constant debt service payments between interest and principal, changes in the assessed valuation, tax rate or method

of assessing real property which result in a change in real property taxes, or such other changes as may be reasonably expected to affect deductions.

F. SCHEDULE B

**Projected Budget for First Year of Condominium Operation
January 2, 2001 to December 31, 2001 (1)**

PROJECTED INCOME:

Residential and Commercial Units	
Common Charges	\$127,152.00
Retail Units Common Charges (2)	<u>11,848.00</u>
TOTAL PROJECTED INCOME (3)	<u>\$139,000.00</u>

PROJECTED EXPENSES:

Labor (4)	\$37,143.00
Heating (5)	25,700.00
Hot Water (5)	5,700.00
Utilities (Electricity and Gas) (6)	15,650.00
Water Charges and Sewer Rents (7)	5,700.00
Repairs, Maintenance and Supplies (8)	6,000.00
Service Contract (9)	1,780.00
Insurance (10)	14,500.00
Management (11)	14,400.00
Legal Fees (12)	500.00
Audit Fees (12)	4,500.00
Administrative & Miscellaneous (13)	1,500.00
Contingency (14)	<u>5,927.00</u>
TOTAL PROJECTED EXPENSES	<u>\$139,000.00</u>

NOTES TO SCHEDULE B

1. The preceding budget is predicated upon the Condominium commencing operation on January 2, 2001. If the projected commencement of the budget year in the Plan differs by six (6) months or more from the anticipated date of the First Unit Closing, the Plan must be amended to include a revised budget for the first year of Condominium operation. If the projected income and expenses in such revised budget exceed the original projections by twenty-five (25%) percent or more, all Purchasers shall have the right to rescind their Purchase Agreements and be refunded the Downpayment, together with all accrued interest, within fifteen (15) days after the presentation of the amendment. Sponsor may not declare the Plan effective if there are material changes to the preceding budget which have not been disclosed by an amendment to this Plan.
2. In accordance with the By-Laws, the Retail Unit Owners will pay a portion of the Common Expenses (as determined by the total Common Interest of the Retail Units) with respect to the following Common Expenses:

	Projected Expenses:	Amount payable by Retail Units (15.9449 % of \$74,307.00)
Heat	\$25,700.00	\$4,098.00
Repairs, Maintenance and Supplies	6,000.00	957.00
Service Contracts	1,780.00	284.00
Insurance	14,500.00	2,312.00
Management	14,400.00	2,296.00
Audit Fees	4,500.00	717.00
Administrative	1,500.00	239.00
Contingency	<u>5,927.00</u>	<u>945.00</u>
	\$74,307.00	\$11,848.00

Except for the cost of gas used to heat the Retail Units, the Retail Unit Owners will pay to the Board separately the cost of all gas and water (and proportionate sewer rent) as indicated on the submeters measuring gas and water consumed in the Retail Units. (See Notes 6 and 7.) Annexed as Part II, Document 10-D, is the certification of Andrews Building Corp. as to the adequacy of the Common Charges assessed the Retail Units.

3. The Total Projected Income does not include any interest income that may be received by the Board from its investment of the Working Capital Fund. It is possible that all or part of the Working Capital Fund may be expended during the first or subsequent years of operation. Accordingly, it is impossible to predict the amount of interest, if any, to be earned. For this reason, no interest income has been included in this budget.
4. The budget is based on a staff consisting of a full-time (40 hours per week for 52 weeks, and two weeks' paid vacation) non-resident laborer who will be paid at the rate of \$15.00 per hour or \$32,400.00 per year; the wage budgeted is in excess of the requirements of the New York State minimum wage laws. The laborer will not be a member of any labor union. As the laborer has not yet been employed, it is unknown the proximity to the Condominium of the laborer's residence.

Sponsor represents that this staff complies with all requirements of applicable housing and labor laws.

Also included in this item are payroll taxes, disability payments and Worker's Compensation, as follows:

	<u>Annual Cost</u>
A. Employer's Share of Social Security (FICA) 7.65% of \$32,400	\$2,478.60
B. Disability--Statutory	60.00
C. Worker's Compensation 5.65% of \$32,400	1,830.60
D. Unemployment 4.4% of \$8,500	374.00

5. This item includes the cost of gas used to produce heat for the Residential Units, the Commercial Units and the Retail Units and the cost of gas used to produce hot water for the Residential Units and the Commercial Units. The amount budgeted for gas is based on the estimate of I.V. Consulting Engineers, 57 East 11th Street, New York, N.Y. This estimate assumes that 30,405.37 therms of natural gas will be required to heat the Building annually and that 6,714 therms of natural gas will be required to provide domestic hot water to the Residential Units and the Commercial Units. This budget item is based upon the current average natural gas rates charged by the Consolidated Edison Company of New York, Inc. of \$.805 per therm (including all applicable taxes) plus an additional five percent (5%) for future increases in tariffs; accordingly, the total heating costs are budgeted at \$25,700.00 and the hot water costs are budgeted at \$5,700.00.

The Retail Units will have a separate hot water heater; there will be a separate submeter to measure the cost of gas used to produce such hot water which will be paid directly to the Board by the Retail Unit Owners. The amount payable by the Retail Unit Owners for hot water will depend upon consumption; the current average natural gas rates charged by Consolidated Edison Company of New York, Inc. is \$.805 per therm (including all applicable taxes).

It is not possible to project an exact figure to budget which will reflect the actual cost to heat the Building during the first year of condominium operation. This will vary with the level of consumption and the price of gas. It is believed that the projected figure will be sufficient to cover any increase in the cost of gas during the first year of condominium operation.

6. This item includes the cost of electricity supplied to Common Elements and the cost of gas used for cooking and for gas dryers in the Building. All Units are separately metered for electricity. Each Unit Owner will pay the charges for all electricity furnished to such Unit Owner's Unit, as measured by such separate meter, directly to Consolidated Edison Company of New York, Inc., as and when billed. There will be a separate submeter for gas consumed in the Retail Units; the Retail Unit Owners shall pay directly to the Board the cost of gas consumed in the Retail Units.

This item is based upon estimates prepared by I. V. Consulting Engineers, 57 East 11th Street, New York, N.Y., projecting consumption of approximately 117,384 kilowatt hours of electricity and 260.6 therms of natural gas for cooking and gas dryers. The amount budgeted is based upon the current rates charged by Consolidated Edison plus an additional five percent (5%) for future increases in tariffs; included in this item are all fuel adjustments and municipal and sales taxes. Accordingly, the total electric costs are budgeted at \$15,405.00 and the total costs for gas used for cooking and clothes dryers are budgeted at \$245.00.

It is not possible to project an exact figure to budget which will reflect the actual cost to be incurred during the first year of condominium operation for these utilities. This will vary with the level of consumption and the price of electricity and gas. It is believed that the projected figure will be sufficient to cover any increase in the cost of electricity and gas during the first year of condominium operation.

7. This item is based on an estimate prepared by I. V. Consulting Engineers, 57 East 11th Street, New York, N.Y. and is calculated on the current water and sewer rates of \$2.26 per 100 cubic feet. Water consumption will be metered by the City of New York. There will be two water submeters servicing the Condominium. One submeter will measure the water consumed by the Residential Units and the Commercial Units; this item reflects the cost of this water which is estimated to be 1,897,999 gallons or 252,217 cubic feet annually. The other submeter will measure the water consumed in the Retail Units; the cost of this water will be paid by the Retail Unit Owners directly to the Board. The amount payable by the Retail Unit Owners for water will depend upon consumption and will be calculated on the current water and sewer rates of \$2.26 per 100 cubic feet.
8. This item includes the cost of various services and supplies such as cleaning supplies and materials, bulbs, compactor bags and spray, snow removal, and miscellaneous plumbing supplies used in or for the Common Elements. This item also includes the cost of the annual test of the sprinkler system. This item does not contemplate that any major repairs will be made to the Condominium as manufacturer warranties shall be in effect during the first year of condominium operation. Each Unit Owner will be responsible for the costs of services and supplies used in or for their respective Units.
9. The only maintenance or service contracts contemplated are an exterminator (\$780.00) and a sprinkler maintenance contract (\$1,000.00). However, Sponsor has reserved the right, prior to the First Unit Closing, to enter into such contracts for periods of not more than two (2) years.
10. This item is based upon the suggested coverage by American Federal Group, Ltd., 60 East 88th Street, New York, New York and its estimate of current premiums plus an additional five percent (5%) for future increases in premiums. It is not possible to predict that the estimated premiums stated herein will not escalate, although the projection is believed to be reasonable.

The estimate is based on the following coverages:

Coverage**Estimated Premium**
(As of August 18, 1999)

A. Property Coverage in the amount of \$9,000,000 including agreed amount and replacement cost valuation (no co-insurance penalties will apply). Includes flood and earthquake coverage in the amount of \$1,000,000 each and business interruption coverage. Deductible: \$2,500.00	\$2,700.00
B. General and Umbrella Liability Coverage in combined limits of not less than \$50,000,000 per occurrence and in the aggregate. Includes elevator collision coverage. Deductible: \$10,000	7,500.00
C. Non-Owned Auto Liability Coverage in the amount of \$1,000,000, combined single limit, per occurrence.	100.00
D. Boiler and Machinery Coverage, in the amount of \$25,000,000 combined limit, per occurrence. Deductible: \$2,500	1,000.00
E. Commercial Crime Coverage in the amount of \$100,000 including Managing Agent. Deductible: \$1,000	1,000.00
F. Directors and Officers Liability Coverage in the amount of \$1,000,000. Deductible: \$2,500	<u>1,500.00</u>
Total:	\$13,800.00

All fire, casualty and general liability insurance provides that each Unit Owner is an additional insured party, that there will be no cancellation without notice to the Board, contains a waiver of subrogation, a waiver of invalidity because of the acts of the insured and Unit Owners and a waiver of pro-rata reduction if unit owners obtain additional coverage.

Purchasers should note that if the use of the Retail Units or Commercial Units cause an increase in the cost of insurance coverage, the Condominium will bear the cost of any increased premium.

This item does not include the cost of any insurance that Unit Owners may obtain at their own cost to cover such risk as fire and casualty losses to unit contents, replacements, additions, fixtures and improvements, and liability coverage for occurrences within the Unit or any Limited Common Elements contained therein.

11. At the First Unit Closing, the Condominium will enter into a management agreement with Andrews Building Corp. (the "Managing Agent"), for a term of one year for an annual fee of \$14,400.00. See "Management Agreement" at Part I, Section V, for further details.
12. This item includes auditing fees in connection with the preparation of the certified financial statement for the Condominium's first year of operation and its federal, state and city income tax returns (\$4,500.00) based upon an estimate of David Berdon & Co. LLP, 415 Madison Avenue, New York, N.Y. 10017, and for miscellaneous (but not major) legal services, in the event the Board decides to engage an attorney (\$500.00).
13. This item includes the cost of photocopying, faxing, postage and messenger services. The item also provides for the payment of bank service fees. This item includes the cost of various permits and/or inspections by city and state agencies that may be required.
14. This item is to provide a fund for unanticipated expenses not included in this budget for unanticipated increases in budgeted expenses. This item includes any income taxes or licensing expenses that may be payable by the Condominium. The By-Laws provide that the Retail Unit Owners are required to contribute to a reserve only with respect to the Common Elements; no provision for such reserve is being made under this budget. This budget may be modified from time to time prior to commencement of, or during, condominium operation, or to add new items of expense or to increase or decrease one or more items of operating expense. The funds for such modifications may be provided by decreasing the contingency fund, or by decreasing one or more other items of expense, or both. The contingency fund does not include a reserve for major capital repairs or replacement items for which no provision is made under this budget. This item shall also include interest that may be payable to Sponsor under promissory notes that may be given Sponsor as the First Closing if closing adjustments are in favor of Sponsor. See "Working Capital Fund" at Part I, Section U for further details of such notes.

IN THE OPINION OF ANDREWS BUILDING CORP., PROJECTED RECEIPTS ARE ADEQUATE TO MEET THE ESTIMATED OPERATING EXPENSES FOR THE CONDOMINIUM'S FIRST YEAR OF OPERATION ASSUMING SUCH FIRST YEAR WILL BE JANUARY 2, 2001 TO DECEMBER 31, 2001. THE FOREGOING SCHEDULE, HOWEVER, IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A WARRANTY OR GUARANTEE BY ANYONE THAT THE RECEIPTS OR EXPENSES FOR THE FIRST YEAR OR ANY SUBSEQUENT YEAR OF OPERATION OF THE CONDOMINIUM WILL BE AS SET FORTH IN SUCH SCHEDULE AS IT IS LIKELY THAT THE ACTUAL RECEIPTS OR EXPENSES WILL EXCEED OR BE LESS THAN THE AMOUNT SHOWN IN SUCH SCHEDULE.

PRIOR TO THE RECORDING OF THE DECLARATION, SPONSOR MAY ENTER INTO SERVICE AND MAINTENANCE AGREEMENTS NOT INCONSISTENT WITH THE PLAN AND FOR PERIODS OF NOT MORE THAN TWO (2) YEARS WHICH WILL BE ASSUMED BY THE BOARD ON THE RECORDING OF THE DECLARATION.



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

G. COMPLIANCE WITH REAL PROPERTY LAW SECTION 339-i

October 20, 1999

132 Perry LLC
950 Third Avenue
New York, N.Y. 10022

Re: The 132 Perry Street Condominium
132 Perry Street
New York, New York

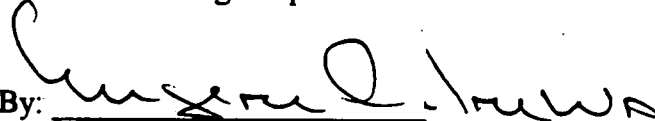
Ladies and Gentlemen:

Andrews Building Corp. is a licensed real estate brokerage and management firm. The undersigned has been engaged in management and sales of residential cooperatives and condominiums in the City of New York over the past twelve years. The undersigned has no beneficial interest in Sponsor or the profitability of the subject project.

The undersigned has reviewed the allocation of common interests as shown on Schedule A to be included in the offering plan for the subject project. The common interests have been allocated to each condominium unit in the approximate proportion that the floor area of the unit bears to the aggregate floor area of all the units, but reflecting the substantially exclusive advantages enjoyed by one or more but not all units in a part or parts of the common elements, in accordance with Section 339-i(1)(ii) of the New York State Real Property Law. This allocation utilizes measurements and calculations of gross square footage of each unit made by L. H. Pomeroy Architects P.C.

Very truly yours,

Andrews Building Corp.

By: 
Eugene Andrews, President

H. COMMERCIAL UNITS AND RETAIL UNITS

The four (4) Commercial Units are located on the second and third floors of the Building. The Retail Units are located on the ground floor of the Building.

The Commercial Units and Retail Units are offered for sale under the Plan.

All or any part of a Commercial Unit or a Retail Unit may be leased or subleased. The By-Laws allow the Commercial Units to be used for any lawful purpose including, without limitation, commercial and professional office space; the By-Laws allow the Retail Units to be used for any lawful purpose including, without limitation, retail stores, banks, restaurants, commercial and professional office space and the storage of automobiles on a non-transient basis. No assurance is given by Sponsor that tenants, occupants or uses of the Commercial Units or the Retail Units will not be objectionable to the Residential Unit Owners or other parties. If a Retail Unit is used for the storage of automobiles, such Retail Unit Owner shall name the Condominium as an additional insured party on its garage keeper's liability insurance policy. The occupants of the Commercial Units or the Retail Units may not: (i) engage in any illegal business operation, (ii) use or operate a Commercial Unit or Retail Unit as a so-called "adult book shop" (or any other type of pornography or sex shop or establishment involving nude or semi-nude live performances) or as a "head shop" or any other type of establishment for the sale of illegal drugs and/or drug-related paraphernalia or equipment, (iii) use or permit to be used the sidewalks outside the Retail Units for any display, sale or similar undertaking or storage, or (iv) use or permit to be used any loudspeaker, phonograph or other sound system or advertising device which may be heard outside the Retail Units.

The By-Laws provide that the Commercial Unit Owners and the Retail Unit Owners shall be solely responsible for the cost and expense of the maintenance and repair of their respective Units. The Commercial Unit Owners and the Retail Unit Owner may make any structural alterations in or to their respective Units or any Limited Common Elements contained in such Units without review or approval of the Board provided that such alterations are performed in accordance with all applicable law. The Declaration allows the Retail Unit Owners to post signs on the facade of the Building with respect to businesses in the Retail Units.

As provided in the By-Laws, and as detailed in Footnote 2, to "Schedule B, Projected Budget for First Year of Condominium Operation", the Common Charges payable by the Retail Units shall consist of a portion of the Common Expenses (as determined by the Common Interest of all Retail Units) for the following Common Expenses: (i) all insurance premiums on all policies of insurance required to be maintained pursuant to the By-Laws; (ii) all costs and expenses with respect to the fire standpipe system and the roof; (iii) all costs and expenses in connection with the exterior walls of the Building that constitute the Retail Units; (iv) annual auditing expenses of the Condominium; (v) all costs and expenses with respect to the water charges and sewer rents incurred with respect to the Retail Units; (vi) a reserve for the replacement of the Common Elements; and (vii) all costs and expenses with respect to the management of the Condominium. In addition, the Retail Units' Common Charges shall also include a portion of the Common Expenses for: (i) all costs and expenses with respect to the heating system of the Building that serves the Retail Units, including the maintenance of the boiler and the cost of gas, as determined by the meter servicing the boiler; (ii) all costs and expenses with respect to water tower; and (iii) all costs and expenses incurred for service contracts for sprinkler maintenance and extermination. During the first year of Condominium operation, the

Retail Units shall pay their pro rata share of the following budget items: Heat, Insurance, Repairs, Maintenance and Supplies, Service Contracts, Management, Audit Fees and Contingency. The Common Charges assessed the Retail Units are sufficient to cover the Common Expenses fairly attributable to such Units; the certification of Andrews Building Corp. as to the adequacy of such Common Charges is contained in Part II, Document Number 10-D.

The Commercial Unit Owners and the Retail Unit Owners shall have the right, without prior notice and without the vote or consent of the Board, any other Unit Owner or the holders of Residential Unit mortgages, to: (i) decorate or make alterations, additions or improvements, whether structural or non-structural, interior or exterior, ordinary or extraordinary, of any type or nature whatsoever, in, to and upon their respective Units and any Limited Common Elements contained therein; (ii) change the layout of, or number of rooms in, the Commercial Units or the Retail Units from time to time, provided the maximum number of rooms in the Building permitted by the Zoning Resolution of the City of New York is not exceeded; (iii) change the Commercial Units or the Retail Units by subdividing any such Unit into any desired number of commercial or retail condominium units (or by combining any units resulting from such subdivision); (iv) designate any Limited Common Element that serves only a Commercial Unit or a Retail Unit as part of an existing or newly created condominium unit or designate part of any Commercial Unit or any Retail Unit (or a newly created commercial condominium unit) as a newly created Limited Common Element; (v) reapportion among the newly created condominium units resulting from any subdivision (or combination) their percentage interests in the Common Elements; and (vi) change, alter or modify the facade and exterior portion of any Retail Unit, provided, however: (i) the percentage interest in the Common Elements of any Unit shall not be changed by reason thereof, unless the owner of such Unit shall consent thereto; (ii) a Commercial Unit Owner or a Retail Unit Owner shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold the Board and all other Unit Owners harmless from any liability arising therefrom; and (iii) a Commercial Unit Owner or a Retail Unit Owner establishes to the reasonable satisfaction of the Board that such Unit Owner has procured adequate liability insurance for the work being performed. In addition, to the extent permitted by law, the Retail Unit Owners may erect, maintain, repair and replace one or more signs on the Property for the purpose of advertising the operation of any business of a Retail Unit Owner or any or all tenants or occupants of the Retail Units. The provisions of the Declaration that provide for the foregoing may not be added to, amended, modified or deleted without the prior written consent of all Commercial Unit Owners and all Retail Unit Owners. As provided in the Declaration, the Commercial Unit Owners or Retail Unit Owners shall have the right to amend the Declaration or cause the Board to amend the Declaration to effectuate any of the aforesaid changes to any Commercial Unit or Retail Unit. While Sponsor is continuing to offer Units for sale pursuant to this Plan, any such subdivision shall be disclosed in a duly filed amendment to the Plan.

I. CHANGES IN PRICES AND UNITS

Sponsor reserves the right, at any time before and after the recording of the Declaration, without prior notice and without the consent of the Board, any Residential Unit Owner or mortgagee, to change the price, including the manner of payment and other terms of sale, of any Unit from that stated on "Schedule A" at Part I, Section E, except that no such change with respect to any Unit for which a Purchase Agreement is then in effect may be made without the consent of the Purchaser. No such change will be made other than pursuant to a duly filed amendment to the Plan, except that Sponsor reserves the right to decrease purchase prices at any time during the offering without filing

an amendment to the Plan if such a decrease in the purchase price does not constitute a general offering but is rather the result of an individually negotiated transaction as prices of Units are negotiable. In the event that Sponsor should increase the purchase price of a Unit as a result of an individually negotiated transaction, Sponsor will file a prior amendment to the Plan with the Department of Law before any Purchase Agreement is executed. Sponsor shall also amend the Plan if Sponsor changes the purchase price of one or more lines of Units or wishes to advertise any changed purchase price of Units. If any such change in purchase price is made, a Purchaser of a Unit affected thereby may pay more or less than other Purchasers under this Plan for similar Units, but this will not affect any prior or subsequent sale of Units that are not the subject of such change.

In order to meet the possible varying demand for number and type of Units, or to meet particular requirements of prospective purchasers, or for any other reason, Sponsor, for itself and its designees, reserves the right (except to the extent prohibited by law and provided any required approvals of any government agency is first obtained) at any time and from time to time, before and after the recording of the Declaration, without prior notice and without the consent of the Board, any Residential Unit Owner or mortgagee, to: (i) change the layout of, or number of rooms in, any Unsold Unit provided the maximum number of rooms in the Building permitted by the Zoning Resolution of the City of New York is not exceeded; (ii) change the size and/or number of Unsold Units by subdividing one or more Units into two or more separate Units, combining separate Unsold Units (including those resulting from such subdivision or otherwise) into one or more Units, altering any boundary walls between one or more Unsold Units, or otherwise; (iii) if appropriate, reapportion among the Unsold Units affected by any such change their Common Elements. In the event of any change pursuant to either subparagraph (ii) or (iii), such change shall be disclosed in a duly filed amendment to this Plan and the Declaration. No such change, including any change in the Common Interest or in the amount or quality of Common Elements directly affecting or servicing a Unit, will be made with respect to any Unit for which: (i) a Purchase Agreement is then in effect, and (ii) the Purchaser of such Unit is not in default under such Purchase Agreement, unless, such Purchaser consents to such change. The Common Interest of a Unit may change if there is a change in the ratio of the floor area of such Unit to the total floor area of all Units. After the Declaration is recorded, no change may be made in the number of Units or number of rooms within a Unit, nor may the size of any Unit be changed by subdivision or combination or alteration of boundary walls, or otherwise, nor may the Common Interest of any Unit be changed, nor may the amount or quality of Common Elements be changed, unless in each such event the Declaration (including the By-Laws, where appropriate) and the Floor Plans are amended and such amendments are duly recorded. However, no increase in a Unit's Common Interest after the recording of the Declaration will be made without obtaining the prior consent of all Unit Owners affected by such change and all Unit Owners affected shall have consented to such amendment. As more particularly provided in the Declaration, Sponsor or its designee will then have the right to so amend the Declaration (including the By-Laws), or to cause the Board to do so, to the extent required, in order to reflect such change affecting Unsold Units. To the extent permitted by law, in no event shall the Common Interest of any Unit be changed solely as a result of the use of any Common Elements if such Common Elements are not required to be maintained as Common Elements based upon permitted alterations of the boundary walls between any Unit and any Common Elements adjacent to such Unit.

It should be noted that so long as the layout and dimensions of a Unit conforms substantially to the Floor Plans, a Purchaser will not be excused from purchasing such Unit and will not have any claim against Sponsor as a result of such deviation from the Floor Plans. All material changes in the

Floor Plans will be disclosed by a duly filed amendment to this Plan.

Unless all Purchasers consent, prior to the expiration of the Initial Control Period, no material change shall be made in the size and no material adverse change shall be made in the quality of the Common Elements.

J. INTERIM LEASES

Sponsor reserves the right, but is not obligated, to rent or lease any Unit, prior to the date of closing title thereto, to any prospective Purchaser who has executed a Purchase Agreement which has been accepted by Sponsor and who has paid the Downpayment required by such Purchase Agreement, if the Purchaser so desires, for such rent and term and on such other conditions as may be agreed to between Sponsor and such Purchaser. No such lease may be made, however, until a temporary Certificate of Occupancy has been issued for the Unit being leased. No rent protection laws shall be applicable to any interim lease. Any interim lease and Purchase Agreement signed by a Purchaser will provide that an uncured default under the Purchase Agreement is a default under the lease and an uncured default under the lease is a default under the Purchase Agreement. However, before Sponsor may utilize the default under the lease to declare a default under the Purchase Agreement, Sponsor must either obtain an order of eviction or other judgment from a court or agency of competent jurisdiction against such Purchaser, unless such Purchaser has vacated the Unit. All interim leases shall provide that the Purchaser must vacate the Unit after a default under the Purchase Agreement or the rescission of the Purchase Agreement by the Purchaser within thirty days of such events.

Both the interim lease and the Purchase Agreement shall provide that the risk of loss by fire or other casualty shall be assumed by the Purchaser. In the event of damage or destruction of a Residential Unit by fire or other casualty prior to the closing of title, Sponsor shall not be obligated to repair or restore such Residential Unit; the Purchase Agreement and interim lease shall remain in full force and effect and the Purchaser shall not have right to reject title or receive a credit against or abatement in the Purchase Price.

Sponsor reserves the right to use or occupy itself or to rent or lease to a tenant who is not a Purchaser (for such rent and term and on such other conditions as may be agreed to between Sponsor and such tenant) any Unit not conveyed or with respect to which a Purchase Agreement is not then outstanding. Accordingly, a Purchaser may be acquiring a Unit that has been previously occupied, but Sponsor will notify such Purchaser of such occupancy prior to his execution of a Purchase Agreement, and such Unit will be delivered at the closing free and clear of all leases, tenancies and rights of occupancy, unless otherwise agreed to in writing by the Purchaser. No representation or warranty is made and no assurance is given as to how many Units may be leased by Sponsor, the length of the terms of such leases, or who the tenants may be at any time. Sponsor reserves the right, without prior notice or amendment, to use any Units in the Building as sales offices and/or model apartments. In the event Sponsor elects to sell any such Unit, Sponsor may require the Purchaser thereof to purchase all or any of the furniture, furnishings, equipment or decorations therein and pay such amounts as Sponsor may determine, upon the filing of an amendment to the Plan disclosing same.

K. PROCEDURE TO PURCHASE

1. Purchase Agreement

A person desiring to purchase a Unit will be required to sign three (3) copies of the Purchase Agreement which will be in the form set forth in Part II, Document Number 1. All Purchasers shall be afforded not less than three (3) business days to review this Plan, including all filed amendments, prior to executing a Purchase Agreement. The Purchase Agreement sets forth in detail the terms of sale with respect to each Unit and should be read carefully by each prospective Purchaser. Purchase Agreements are not assignable or transferable by a Purchaser. If there exists any conflict between the Plan and the Purchase Agreement, the provisions of the Plan shall control.

All Purchasers shall execute and deliver to the Sales Agent: (i) three (3) copies of the Purchase Agreement; (ii) a check for the Downpayment required under the Purchase Agreement; and (iii) three copies of Internal Revenue Service Form W-9.

Purchase Agreements will not be binding on Sponsor until approved and executed by it. Sponsor will have five (5) business days after the delivery by a Purchaser of an executed Purchase Agreement and the Downpayment required thereby, within which to accept or reject such Purchase Agreement. Sponsor reserves the right to request thorough identification and financial information concerning any prospective Purchaser, subject to the requirements of law. If a Purchase Agreement is not accepted by Sponsor within the aforesaid five (5) business day period, the Purchase Agreement shall be deemed to have been rejected and canceled and all checks representing the Downpayment shall be promptly returned to the party executing the Purchase Agreement. An accepted Purchase Agreement shall be promptly returned to the Purchaser.

Sponsor hereby reserves the right at any time and from time to time for any reason whatsoever, without prior notice or prior amendment to the Plan, to refuse to approve and execute (i) a Purchase Agreement for any Unit, except as prohibited by law, and (ii) a Purchase Agreement or Purchase Agreements, as the case may be, for more than one Unit to any one person or entity.

The Purchase Agreement and the Plan do not contain, and shall in no event be modified to contain, a provision waiving the Purchaser's rights or abrogating Sponsor's obligations under the Plan or under Article 23-A of the General Business Law of the State of New York.

2. Mortgage Financing

Each Purchaser will be permitted to finance the purchase of a Unit by obtaining a mortgage in such amount, and to such percentage of its value, as a Purchaser chooses or is able to secure, from an institutional or a non-institutional lender. Sponsor makes no representations with respect to the availability, amount, rate, term or any other condition or feature of mortgage financing of the Units.

Each Purchaser's obligations under the Purchase Agreement shall not be contingent upon successfully obtaining mortgage financing. Accordingly, a Purchaser who must finance the purchase of a Unit and fails to obtain such financing shall forfeit the Downpayment paid under the Purchase Agreement if such Purchaser is unable to pay the balance of the Purchase Price. The failure to obtain financing for the purchase of a Unit shall not relieve a Purchaser from Purchaser's obligations under a Purchase Agreement.

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

If a Purchaser chooses to finance the purchase of a Unit through a lending institution and obtains a commitment therefrom, neither a subsequent change in terms of such commitment, the expiration or other termination of such commitment, nor any change in such Purchaser's financial status or condition shall release such Purchaser from Purchaser's obligations under a Purchase Agreement.

A Purchaser who chooses to obtain mortgage financing should note that certain lenders may impose minimum sales requirements before granting a mortgage loan. Thus, it may be possible for a Purchaser to experience difficulty in obtaining a mortgage loan when the percentage of Units sold is less than a lender's minimum sales requirement. This may also make it difficult for a Purchaser to resell a Unit if prospective buyers are unable to obtain a mortgage loan because of a lender's minimum sales requirement. No representation is made by Sponsor as to the availability of mortgage financing.

3. Downpayment

When a Purchaser executes a Purchase Agreement, such Purchaser is required to make a Downpayment in an amount equal to ten (10%) percent of the purchase price ("Downpayment"). The Sponsor will comply with the escrow and trust fund requirements of the General Business Law Sections 352-e(2-b) and 352-h and the Regulations of the State of New York promulgated pursuant thereto by having Sponsor's Attorneys, Carb, Luria, Cook & Kufeld LLP, serve as escrow agent with respect to the Downpayment. The Downpayment shall be held in escrow by Sponsor's Attorneys pursuant to an escrow agreement, a copy of which is reproduced in Part II, Document Number 9-A.

All checks for any portion of the Downpayment shall be unendorsed and made payable to the direct order of "Carb, Luria, Cook & Kufeld LLP, as Escrow Agent". All Downpayments and any other advances made by all Purchasers prior to the closing of a Unit, whether received before or after the date of consummation of the Plan, and all accrued interest (hereafter, collectively, the "Escrow Fund") must be placed within five (5) business days after the agreement is signed by all necessary parties in Sponsor's attorneys segregated special sub-escrow accounts at The Bank of New York, 530 Fifth Avenue, New York, N.Y. 10036. All sub-escrow accounts will be entitled "Carb, Luria, Cook & Kufeld LLP Escrow Account f/b/o Purchaser." The Bank of New York is insured by the Federal Deposit Insurance Corporation to a maximum of One Hundred Thousand Dollars per account. If the Escrow Fund is in excess of \$100,000.00, such excess will not be insured by the Federal Deposit Insurance Corporation.

The signatories on these escrow accounts, authorized to withdraw an Escrow Fund are the following members of Sponsor's Attorneys: Geoffrey P. Pickett, Leonard H. Carter, Stephen A. Carb, or Edwin A. Novak. Neither Sponsor nor any principal of the Sponsor shall be a signatory on these accounts. The address of Carb, Luria, Cook & Kufeld LLP is 521 Fifth Avenue, New York, N.Y. 10175; their telephone number is (212) 986-3131. No partner or employee of Sponsor's attorneys is affiliated with Sponsor.

All sub-escrow accounts will be interest-bearing "money-market" type accounts; interest shall be credited from the date of deposit to the date of withdrawal. The interest rate payable will be determined by The Bank of New York from time-to-time; no representation is made that the interest rate payable by The Bank of New York will be prevailing rate payable by other depositories in the City of New York. Interest will be credited to a Purchaser at the Closing unless such Purchaser defaults under the Purchase Agreement. Interest paid to a Purchaser shall not reduce the purchase price of the Residential Unit under the Purchase Agreement. Each Purchaser shall be responsible for the payment of any and all taxes payable with respect to the interest received by such Purchaser.

No fees of any kind may be deducted from the account principal or any interest earned thereon. The administrative cost for maintenance of all accounts shall be borne by Sponsor's Attorneys.

Within ten (10) business days after the tender of the Downpayment submitted with the Purchase Agreement, the Escrow Agent shall notify a Purchaser that such funds have been deposited at The Bank of New York; such notice shall provide the account number and the initial interest rate. Such notice shall be sent by Sponsor's Attorneys to such Purchaser, at the address stated in the Purchase Agreement, by certified mail, return receipt requested. If any Purchaser does not receive notice of such deposit within fifteen (15) business days after tender of the deposit, any such Purchaser may cancel the Purchase Agreement and rescind within ninety (90) days after tender of the deposit or may apply to the Attorney General for relief. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Downpayment was timely deposited in accordance with the regulations of the State of New York and requisite notice was timely mailed to such Purchaser.

Each Escrow Fund shall be held in escrow by Sponsor's Attorneys pursuant to an escrow agreement with Sponsor, a copy of which is contained in Part II, Document Number 9-A. The escrow agreement provides that: (i) Sponsor indemnifies Sponsor's Attorneys from all costs, claims and expenses (including reasonable attorneys' fees) incurred in connection with the performance of Sponsor's Attorneys as escrow agent except with respect to actions or omissions performed by Sponsor's Attorneys in bad faith, in willful disregard of the escrow agreement or involving gross negligence on the part of Sponsor's Attorneys; (ii) upon payment of the Escrow Fund to the party entitled thereto pursuant to this Plan, the Purchase Agreement, the Escrow Agreement and the Regulations of the State of New York, Sponsor's Attorneys shall be discharged by Sponsor; (iii) Sponsor's Attorneys shall be permitted to act as counsel for Sponsor in any dispute with any Purchaser as to the disbursement of the Escrow Fund; and (iv) Sponsor will compensate the Sponsor's Attorneys for acting as the escrow agent under this Plan.

If Sponsor's Attorneys are replaced as escrow agent or if all Escrow Funds are transferred to a new escrow account, the Plan shall be amended before such actions occur.

Sponsor's Attorneys will hold each Escrow Fund in escrow until any of the following events occur: (i) the closing of title to a Unit at which time the Downpayment shall be paid to Sponsor and the accrued interest to the Purchaser; (ii) a writing signed by both Sponsor and the Purchaser directing the disbursement of the Escrow Fund; (iii) a determination of the Attorney General of the State of New York with respect to the disposition of the Escrow Fund, pursuant to the dispute resolution procedures contained in the Regulations of the State of New York as summarized in this subsection; (iv) a judgment or order of a court of competent jurisdiction; (v) the deposit of the Escrow Fund with

the Clerk of the County of New York; or (vi) the earlier cancellation of the Purchase Agreement pursuant to its provisions. If: (i) there is no written agreement between the parties to release the Escrow Fund; (ii) a Purchaser is in default under the Purchase Agreement entitling Sponsor to cancel the Purchase Agreement and retain for its own account the Downpayment, together with all accrued interest; and (iii) the Plan has been consummated, Sponsor's Attorneys will not pay the Escrow Fund to Sponsor until Sponsor's Attorneys have given such Purchaser written notice of its intention to disburse the Escrow Fund to Sponsor no fewer than ten (10) business days from the date of such notice. Thereafter, the Escrow Fund may be paid to Sponsor unless such Purchaser has applied to the Department of Law of the State of New York pursuant to the dispute resolution provisions of the Regulations of the State of New York and has so notified Sponsor's Attorneys in accordance with such provisions.

Under no circumstances shall Sponsor apply for release of an Escrow Fund for a defaulting Purchaser until after consummation of the Plan. Sponsor shall not object to the release of an Escrow Fund to a Purchaser who timely rescinds such Purchaser's Purchase Agreement in accordance with an offer of rescission contained in the Plan or an amendment to the Plan, or to all Purchasers after an amendment abandoning the Plan is accepted for filing by the Department of Law. If the Plan is withdrawn or abandoned (as described in "Effective Date" at Part I, Section L), all Downpayments, together with any accrued interest thereon, will be fully returned to the Purchasers within twenty (20) days.

Each Purchaser and Sponsor's Attorneys may apply to the Attorney General of the State of New York in the event of a dispute for a determination on the disposition of an Escrow Fund. Sponsor must avail itself of this procedure if there is a dispute between the Sponsor and a Purchaser with respect to which party is entitled to an Escrow Fund. The form of the application to the Attorney General for a determination on the disposition of an Escrow Fund is reproduced in Part II, Document 9-B. The party applying shall contemporaneously send to all other parties a copy of such application. Pending the determination of the Attorney General of the State of New York, to grant or deny the application, Sponsor, such Purchaser and Sponsor's Attorneys shall abide by any interim directive issued by the Attorney General. The Attorney General shall act upon the application within thirty (30) days after its submission to the Department of Law, by either making a determination or notifying the parties that an extension of time in which to do so is necessary for stated reasons. If the application permitting release of the Escrow Fund is granted, the Escrow Fund shall be disposed of in accordance with the determination of the Attorney General, subject to any court action in which preliminary relief is granted. If the application seeking release of funds is denied, Sponsor's Attorneys shall continue to hold the Escrow Fund in escrow until both Sponsor and such Purchaser direct payment to a specified party in accordance with: (i) a written direction signed by both Sponsor and such Purchaser, or (ii) a judgment or order of a court of competent jurisdiction is served upon Sponsor's Attorneys. In the alternative, Sponsor's Attorneys may deposit the Escrow Fund into court. In no event shall Sponsor's Attorneys release an Escrow Fund in dispute, other than a payment of such Escrow Fund into court, until such dispute is finally resolved either by determination of the Attorney General or by order or judgment of a court of competent jurisdiction or by written agreement of Sponsor and Purchaser.

Nothing contained in this subsection shall diminish or impair the Sponsor's statutory obligation to each Purchaser pursuant to General Business Law section 352-h to hold in trust all Downpayments, advances or payments in connection with the offer until consummation of the transaction with a Purchaser. Consummation of the Plan does not relieve Sponsor of its obligations pursuant to General

Business Law Section 352-h. All Escrow Funds remain the property of each Purchaser until employed in connection with the consummation of the transaction. The Escrow Funds shall not be a part of the estate of the Sponsor or Sponsor's Attorneys upon any bankruptcy, incapacity or death.

Sponsor's Attorneys shall maintain all records concerning the escrow accounts for seven (7) years after release of all Escrow Funds. If Sponsor's Attorneys dissolve, the former partners of the firm shall make appropriate arrangements for the maintenance of these records by one of them or by the successor firm and shall notify the Department of Law of such transfer.

If any check tendered for payment of the Downpayment is returned for insufficient funds or any other reason, such return shall be deemed to be a default under the Purchase Agreement and, upon such return, Sponsor shall have the right, among others, to deem such Purchase Agreement to be canceled and of no further force and effect.

4. Closing of Title.

After the Plan is declared effective (See Part I, Section L), Sponsor shall fix the date for the closing of title by serving notice on each Purchaser establishing the date for the closing of title of each Purchaser's Unit. Such notice shall specify the place in the City of New York and at the hour for the closing of title. Such notice shall be sent to each Purchaser by certified mail, return receipt requested, in accordance with the Regulations of the State of New York not less than thirty (30) days' before the date set for the closing of a Purchaser's Unit. Each Purchaser may waive this thirty (30) day notice provision by delivering to Sponsor a written waiver in the form annexed as Schedule B to the Purchase Agreement. Sponsor's Attorneys shall also notify each Purchaser, prior to the closing of title, of the additional amounts such Purchaser is required to pay Sponsor under this Plan for closing expenses and adjustments.

Sponsor anticipates the First Unit Closing shall occur on January 2, 2001. If this date is delayed twelve (12) months or more, all Purchasers who have entered into Purchase Agreements for Units shall have the right to rescind their Purchase Agreements and be refunded the Downpayment (together with all accrued interest) within fifteen (15) days after the presentation of the amendment to this Plan providing such rescission.

The balance of the purchase price must be paid simultaneously with the delivery of the deed to a Unit by a Purchaser's unendorsed certified check or official cashier's check which must be drawn on a bank that is a member of the New York Clearing House Association to the direct order of Sponsor or such parties as Sponsor may direct.

The Purchase Agreement provides that the time for the closing of title and the payment of the balance of the purchase price and the performance of a Purchaser's other obligations under the Purchase Agreement is of the essence of the Purchase Agreement. If a Purchaser fails to make any of such payments when required or fails to perform any of such Purchaser's other obligations under the Purchase Agreement and does not cure said default within thirty (30) days after Sponsor gives notice to such Purchaser of Sponsor's intention to cancel the Purchase Agreement, time being of the essence, Sponsor's remedies include, without limitation, the cancellation of such Purchase Agreement and the retention, as liquidated damages, of the Downpayment made by such Purchaser, together with interest earned thereon, if any. Because time is of the essence under the Purchase Agreement, no

extensions shall be granted beyond the aforesaid thirty (30) day period to cure any Purchaser's default.

From and after the closing of title to each Unit, each Purchaser will become obligated for the payment of Common Charges, real estate taxes, and assessments (including water charges and sewer rents), in proportion to the Unit's Common Interest, and all other expenses with respect to such Unit, whether or not such Purchaser has taken possession to such Unit and whether or not all work required to be performed by Sponsor or anyone else in or to such Unit or the Building has been completed.

At the closing of title, and simultaneously with the delivery of the deed conveying title to a Unit to a Purchaser, such Purchaser shall execute, acknowledge and deliver a power of attorney to the Board, as required by the Declaration, a copy of which is contained in Part II, Document Number 2. The power of attorney appoints the Board as agent for the following purposes: (i) to acquire or lease any Unit from a Unit Owner who wishes to sell or lease such Unit Owner's Unit or to acquire any such Unit at a foreclosure or similar sale; (ii) to sell, lease or mortgage any Unit so acquired; (iii) to execute any instrument the Board deems necessary or appropriate to comply with law or requirement of public authorities applicable to the demolition, construction, alteration, maintenance, repair or restoration of the Property; and (iv) to execute any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Property which the Board deems necessary or appropriate.

5. Risk of Loss

The risk of loss to a Unit by fire or other casualty until the closing of title is assumed by Sponsor until a Purchaser takes possession of a Unit pursuant to an interim lease, or until title to such Unit is conveyed to such Purchaser.

If a Unit is damaged by fire or other casualty prior to the Plan being declared effective, it shall be Sponsor's option to reconstruct such Unit or to abandon the Plan. If such damage to such Unit occurs after the Plan has been declared effective, Sponsor shall be obligated to reconstruct such Unit provided the damage to the Building can be repaired for less than \$160,000.00, excluding attorneys' fees. If Sponsor elects to repair or restore such Unit, the Purchase Agreement shall continue in full force and effect, and a Purchaser shall not have the right to reject title or receive a credit against, or abatement in, the Purchase Price. In such event, Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss shall, subject to the rights of the Board and other Unit Owners, belong entirely to Sponsor and if such proceeds are paid to a Purchaser, such Purchaser shall promptly upon receipt thereof turn them over to Sponsor.

If a Unit is damaged by fire or other casualty prior to the closing of title, and if Sponsor notifies the Purchaser of such Unit that: (i) it elects not to restore such Unit and to abandon the Plan, or (ii) if the Declaration has been recorded, and the Unit Owners of the Condominium do not resolve to make such repairs to the Condominium and such Unit, such Purchaser's Purchase Agreement shall be deemed canceled and of no further force or effect. In such event, the Escrow Agent shall return to such Purchaser the Downpayment, together with any accrued interest.

The aforesaid provisions shall be inapplicable if a Purchaser takes possession of a Unit prior to the closing of title pursuant to an interim lease or after the closing of title.

L. EFFECTIVE DATE

Sponsor's offer to sell the Units pursuant to this Plan is contingent upon the Plan being declared effective.

The Plan may be declared effective, at Sponsor's option, when Purchase Agreements have been executed and are in effect with bona fide Purchasers, including investors, with respect to fifteen (15%) percent of the fifteen (15) Units being offered for sale hereunder. The Plan must, however, be declared effective when Purchase Agreements have been executed and are in effect with respect to eighty (80%) percent of the fifteen (15) Units being offered for sale hereunder. The Plan may not be declared effective based upon Purchase Agreements signed by Purchasers who have been granted a right of rescission that has not yet expired or been waived or with any Purchaser who is the Sponsor, the Sales Agent or the Managing Agent, or is a principal of Sponsor, the Sales Agent or the Managing Agent, or is related to any principal of Sponsor, the Sales Agent or the Managing Agent by blood, marriage or adoption or as a business associate, an employee, a shareholder or a limited partner unless that any such Purchaser, other than the Sponsor or a principal of the Sponsor, may be included if Sponsor has submitted proof satisfactory to the Department of Law establishing that such Purchaser is bona fide.

All Purchasers should note that Purchase Agreements that are counted towards the effectiveness may not ultimately close; accordingly, it is possible that the Property may be converted to condominium ownership with fewer than fifteen (15%) percent of the Units being sold.

All Purchasers will be notified in writing by certified mail when the Plan is declared effective. Within five (5) days thereafter, the Plan will be amended to indicate that it has been declared effective. The First Unit Closing may not occur until such amendment has been accepted for filing by the Department of Law.

The Plan may be withdrawn or abandoned by Sponsor for any reason whatsoever at any time prior to its being declared effective or before Purchase Agreements are in effect for eighty (80%) percent of the fifteen (15) Units being offered for sale hereunder. Purchasers will be notified in writing, by certified mail, in the event the Plan is abandoned or withdrawn. If the Plan is abandoned, the Downpayments paid by Purchasers under their Purchase Agreements, including all accrued interest, shall be refunded to all Purchasers within twenty (20) days of the abandonment of the Plan.

Once the Plan has been declared effective by amendment that has been submitted to and accepted for filing by the Department of Law, it may not thereafter be abandoned or withdrawn, except that prior to the First Unit Closing, the Plan may, at the option of Sponsor, be withdrawn in the event of: (i) the existence of one or more defects in title affecting any one or more Units, that cannot be cured without litigation or without incurring expenditures of more than \$160,000.00, excluding attorneys' fees; (ii) a substantial damage or destruction of the Building (or any portion thereof) by fire or other casualty which cannot be repaired for more than \$160,000.00, excluding attorneys' fees; or (iii) a taking of all or part of the Property in condemnation proceedings by or eminent domain. The Plan may not be abandoned if the aforesaid title defects or determinations of any authority or regulatory association which exist on the date of the presentation of the Plan and are either known to Sponsor or are a matter of public record.

In the event the Plan is abandoned, Sponsor shall promptly submit an amendment confirming such abandonment to the Department of Law or file a notice of abandonment on Form RS-3 or such other form as the Department of Law may require and set forth the reason for the abandonment and disposition of all funds received.

M. TERMS OF SALE

The term "closing" herein refers to the conveyance of title to a Unit from Sponsor to a Purchaser by the delivery to such Purchaser of a deed, upon payment by such Purchaser to Sponsor of the balance of the purchase price for such Unit. The closing of title to each Unit shall be held at such time and place in the City of New York, pursuant to the applicable Purchase Agreement, as Sponsor may designate to the Purchaser on not less than thirty (30) days' prior notice. The closing of title to each Unit shall take place only after or concurrently with the following events:

(1) The issuance of: (i) a temporary or permanent Certificate of Occupancy for the entire Building, or (ii) a temporary or permanent Certificate of Occupancy for the Unit being conveyed;

(2) The recording or filing, as required by law, of the Declaration, By-Laws and Floor Plans in accordance with Section 339-p of the New York Condominium Act. The Declaration and the By-Laws shall be filed in the City Register's Office; the Floor Plans shall be filed in the New York County Clerk's Office, Division of Land Records;

(3) The release of the Unit and its appurtenant interest in the Common Elements from the liens of all mortgages. Prior to the First Unit Closing, each mortgagee will subordinate the lien of its mortgage to the Declaration;

(4) The delivery to each Purchaser of written notice of the time and place of the closing of title to his Unit at least thirty (30) days prior to the date of closing specified therein, including a reasonable opportunity for a Purchaser to examine such Purchaser's Unit and the Property prior to the closing of title. At the closing, each Purchaser will be required to sign and deliver to Sponsor an inspection statement substantially in the form set forth in Part II, Document Number 11 wherein the Purchaser acknowledges the condition to which the Unit has been received;

(5) The submission to, and acceptance for filing by, the Department of Law of an amendment to the Plan declaring the Plan effective;

(6) The execution and delivery by Sponsor of a bargain and sale deed with covenant against grantor's acts ("Unit Deed"), conveying title to the Unit and its appurtenant Common Interest, free and clear of all liens, encumbrances and other title exceptions other than the Permitted Encumbrances. The Unit Deed will be substantially in the form set forth in Part II, Document Number 3. The Permitted Encumbrances include the following:

- (i) Terms, conditions, covenants and easements set forth in the Declaration, By-Laws and Rules and Regulations as all may be amended;
- (ii) State of facts shown in the surveys of the Land made by Chas. J. Dearing dated 8/10/56 and last redated by visual examination by the office of Earl B. Lovell-S. P.

- Belcher, Inc. on 7/30/98 and any additional state of facts which a subsequent survey or personal inspection of the Land and Building would show, provided such additional facts would not prevent use of the Building for residential or commercial purposes;
- (iii) Any state of facts which an accurate survey and inspection of the Unit would show provided such state of facts would not render title unmarketable;
 - (iv) Any zoning lot and development agreement or zoning lot description and ownership statement and any other declaration or other instrument affecting the Land which Sponsor deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the Board of Standards and Appeals or any other public authority, applicable to the construction, alteration or repair of the Building;
 - (v) The lien of any unpaid real estate taxes, water charges or sewer rents or any unpaid assessment provided that said exceptions shall be omitted by Chicago Title Insurance Company (or such other title insurance company insuring a Purchaser's title to the Unit);
 - (vi) Standard exceptions and conditions contained in the form of title insurance policy then issued by Chicago Title Insurance Company (or such other title insurance company insuring Purchaser's title to the Unit);
 - (vii) Power of Attorney from a Purchaser to the Board;
 - (viii) Any encumbrance as to which Chicago Title Insurance Company (or such other title insurance company which insures a Purchaser's title to the Unit) would be willing, in a fee policy issued by it to a Purchaser, to insure such Purchaser that such encumbrance: (a) will not be collected out of the Unit if it is a lien, or (b) will not be enforced against the Unit if it is not a lien;
 - (ix) Any lease covering the Unit made from Sponsor to a Purchaser;
 - (x) Consents by Sponsor or any former owner of the Land for the erection of any structure or structures on, under or above any street or streets on which the Land may abut;
 - (xi) Any violations against the Property (other than the Unit) which are the obligation of the Board or another Unit Owner to correct; and
 - (xii) Encroachments of stoops, areas, cellar steps or doors, trim, copings, retaining walks, bay windows, balconies, sidewalks, elevator, fences, fire escapes, cornices, foundations, footings and similar projections, if any, on, over, or under the Property or the streets or sidewalks abutting the Property and the rights of governmental authorities to require the removal of any such projections and variations between record lines of the Property and retaining walls and the like, if any.
- (7) The assignment by Sponsor to a Purchaser of Sponsor's rights under any existing assignable

warranties covering appliances, equipment or fixtures installed in such Purchaser's Unit, and the assignment by Sponsor to the Board of Sponsor's rights under any existing assignable warranties covering appliances, equipment or fixtures installed in the Common Elements. Any personal property that is owned by Sponsor that is located within the Unit on the date the Purchase Agreement is signed is included in the conveyance. All personal property that is owned by Sponsor that is located within the Common Elements on the date the Declaration is filed becomes the property of the Condominium; and

(8) The execution and delivery by the Purchaser of the Unit Power of Attorney, the form of which is set forth in Part II, Document Number 2.

(9) The restoration of the Unit to the condition required under this Plan and the Purchase Agreement in the event of damage to the Unit from a casualty or other cause that occurs before the Closing.

N. CLOSING COSTS AND ADJUSTMENTS

As more particularly set forth in the Purchase Agreement, in addition to the Purchaser's own legal fees, all Purchasers will pay the following closing costs at the time of the closing of title of the Purchaser's Unit:

(1) If a Purchaser elects to obtain fee or mortgage title insurance either from Chicago Title Insurance Company, or a title insurance company selected by a Purchaser, such Purchaser will pay the premium therefor, which will vary depending upon the purchase price of the Unit and the amount of any mortgage.

Chicago Title Insurance Company has advised Sponsor that its premiums for fee title insurance (insuring a Purchaser's title to a Unit) shall be computed as follows:

(i) if the Purchase Price is greater than \$500,000 but less than \$1,000,000, the premium is \$1,628 plus \$2.576 for each \$1,000 of consideration in excess of \$500,000;

(ii) if the Purchase Price is greater than \$1,000,000, but less than \$5,000,000, the premium is \$2,916 plus \$2.366 for each \$1,000 of consideration in excess of \$1,000,000.

For mortgagee's title insurance (insuring only the lien of any mortgage encumbering a Unit), the premium shall be computed as follows:

(i) if the original principal amount of the mortgage is \$200,000 or greater, but less than \$500,000, the premium is \$658 plus \$2.352 for each \$1,000 of mortgage indebtedness in excess of \$200,000;

(ii) if the original principal amount of the mortgage is \$500,000 or greater, but less than \$1,000,000, the premium is \$1,364 plus \$2.142 for each \$1,000 of mortgage indebtedness in excess of \$500,000.

If simultaneous fee and mortgagee's policies are purchased, the premium of the mortgagee's policy of title insurance will then be thirty percent (30%) of the amount computed above as long as the amount of the mortgagee's policy does not exceed the amount of the fee policy.

For further information with respect to title insurance, please contact Mr. Nigel Drepaal, Chicago Title Insurance Company, 711 Third Avenue, New York, N.Y. 10017; telephone number (212) 880-1200.

Each Purchaser will be free to obtain title insurance from a title insurance company other than Chicago Title Insurance Company. However, no representation is made as to cost, terms or availability of such other title insurance.

(2) A fee for recording the Unit Deed and Unit Power of Attorney.

(3) \$250.00 to the Condominium as a contribution to its Working Capital Fund.

(4) The New York City Real Property Transfer Tax which is currently in an amount equal to 1.425% of the total consideration of a Residential Unit having a Purchase Price greater than \$500,000.00, or 2.625% of the total consideration of a Commercial Unit having a Purchase Price greater than \$500,000.00. To compute the New York City Real Property Transfer Tax payable: (i) multiply the Purchase Price of the Unit by the applicable City transfer tax rate and the New York State Real Estate Transfer Tax rate (0.4%) to compute a tentative tax; (ii) add the tentative tax to the Purchase Price; and (iii) multiply that sum by the applicable City transfer tax rate. The law enacting the New York City Real Property Transfer Tax provides that the seller is obligated to pay such tax; Sponsor is transferring this statutory obligation to each Purchaser.

(5) The basic New York State Real Estate Transfer Tax which is currently in an amount equal to \$2.00 for each \$500.00 (or part thereof) of total consideration. To compute the basic New York State Real Estate Transfer Tax payable: (i) multiply the Purchase Price of the Unit by the applicable City transfer tax rate and the State Transfer Tax rate (0.4%) to compute a tentative tax; (ii) add the tentative tax to the Purchase Price; (iii) multiply that sum by 0.4%. The law enacting the basic New York State Real Estate Transfer Tax provides that the seller is obligated to pay such tax; Sponsor is transferring this statutory obligation to each Purchaser.

If the Purchase Price of a Residential Unit is \$1,000,000.00 or greater, an additional New York State Real Estate Transfer Tax is imposed (commonly known as the "Mansion Tax") in the amount of one percent (1%) of the total consideration. The additional New York State Real Property Transfer Tax (the "Mansion Tax") is by law payable by the Purchaser.

(6) If a Purchaser obtains a mortgage loan, such Purchaser will pay Sponsor a sum equal to any mortgage tax credit to which such Purchaser may be entitled in connection with the recording of any documents evidencing such mortgage loan pursuant to Section 339-ee(2) of the New York Condominium Act. This reimbursement shall be determined as follows: The entire Property is presently covered by mortgages made by Sponsor for the construction of the Building; mortgage recording tax has been paid with respect to such mortgages. If a Purchaser obtains a purchase money mortgage loan, such Purchaser shall be entitled to a credit against the mortgage recording tax otherwise payable for the recording of such purchase money mortgage; section 339-ee(2) of the New

York Condominium Act provides that the amount of the credit is equal to the product of the Unit's Common Interest and the mortgage recording tax previously paid on the existing construction mortgages. The Purchase Agreement requires a Purchaser to reimburse Sponsor the amount of the credit available. In no event, however, shall a Purchaser's reimbursement to Sponsor exceed the total mortgage recording tax payable with respect to a Purchaser's purchase money mortgage.

(7) A Purchaser obtaining a mortgage loan will be responsible for the payment of all closing costs and expenses in connection therewith, including mortgage title insurance premium, mortgage recording taxes that may be payable, lender's attorneys' fees, loan origination fees, appraisals, credit reports, and a fee for recording the mortgage. No representation or warranty is made with respect to the amounts of such closing costs and expenses or the availability or cost of mortgage loans from any sources.

(8) If a Purchaser obtains title insurance from a company other than Chicago Title Insurance Company, such Purchaser shall pay Carb, Luria, Cook & Kufeld LLP a fee of \$350.00 for review and satisfaction of exceptions of the title insurance report of such company selected by such Purchaser.

TAXES AND TITLE INSURANCE PREMIUMS ARE BASED ON RATES IN EFFECT AS OF THE DATE HEREOF AND ARE SUBJECT TO CHANGE WITHOUT NOTICE.

At closing, Sponsor shall pay:

- (1) Any commissions earned by Sales Agent or other brokers specified in the Purchase Agreement in connection with the sale of a Unit; and
- (2) A fee for recording any Release of Mortgage.

At the closing of title to a Unit, adjustments will be made between Sponsor and a Purchaser with respect to: (i) real estate taxes and assessments, if any, on the basis of the period for which assessed including any amounts prepaid by Sponsor to the Board, provided, however, that if the Units have not been separately assessed for such payments, such Purchaser will pay a share of such payments in proportion to such Unit's Common Interest; (ii) Common Charges for the month in which title closes; and (iii) accrued or prepaid rent and any other charges pursuant to an interim lease, if any, covering such Purchaser's Unit.

It is unlikely that the Units will be separately assessed for real estate taxes prior to the First Unit Closing. Sponsor will pay the real estate taxes assessed the Property prior to June 30, 2001. Thereafter, until separate tax bills are issued with respect to each Unit, all Unit Owners (including Sponsor with respect to the Unsold Units) will pay to the Board their proportionate shares (based on each Unit's Common Interest) of the installment of real estate taxes assessed the Property that is then due and payable. The Board shall bill each Unit Owner monthly for each Unit's proportionate share of real estate taxes; payment shall be made by the Board no later than fifteen (15) days before the installment of real estate taxes is due and payable to the City of New York. The Board may pay such funds to Sponsor if Sponsor has already paid the installment of real estate taxes assessed the Property that is then due and payable. The Board will have a lien on each Unit for nonpayment as if such charges were Common Charges. (See "Common Charges" at Part I, Section R, (4).)

The following is an example of the closing costs payable by a Purchaser who is purchasing Residential Unit 5th Floor for a total purchase price of \$2,450,000, closing on February 1, 2001, with no mortgage indebtedness, based upon the estimates contained in Schedule A and this section with respect to title insurance, taxes and common charges:

- (1) Fee Title Insurance purchased from Chicago Title Insurance Company: \$6,347.00;
- (2) Recording fees for Unit Deed and Unit Power of Attorney: \$150.00;
- (3) Contribution to Condominium's Reserve Fund: \$250.00;
- (4) New York City Real Property Transfer Tax: \$35,549.65;
- (5) New York State Real Estate Transfer Tax: \$34,930.00;
(Basic Tax \$9,980.00; Additional Tax \$24,950.00)
- (6) Real Estate Tax Adjustment (to 6/30/01): \$4,713.30
- (7) Common Charge Adjustment (to 2/28/01): \$917.35

O. RIGHTS AND OBLIGATIONS OF SPONSOR

Sponsor has the following obligations:

(1) Sponsor shall defend any suits or proceedings arising out of Sponsor's acts or omissions and shall indemnify the Board and all Unit Owners with respect to any loss that such parties may incur as a result of such suits or proceedings. Sponsor shall not be liable for or obligated to defend any suits or proceedings with respect to any Unit arising out of any occurrence taking place on or after the date of the closing of title to such Unit or the leasing thereof to any Purchaser or, with respect to the Common Elements, arising out of any occurrence taking place on or after the date of the recording of the Declaration, except for suits or proceedings arising out of acts or omissions of Sponsor.

(2) All representations of the Sponsor made in this Plan, all obligations of Sponsor imposed by the General Business Law of the State of New York and such additional obligations under this Plan which are to be performed subsequent to the closing of title to a Unit will survive the delivery of the deed.

(3) Sponsor shall pay all Common Charges, any special assessments, and all real estate taxes assessed the Unsold Units. Sponsor represents that it has the financial resources to meet its obligations with respect to the Unsold Units. Funding for Sponsor's obligations with respect to the Unsold Units shall come from the income generated from projected sales and from the resources of Sponsor and its principals. No bond or other security has been posted to secure Sponsor's obligations under this Plan.

(4) If any Unit is damaged by fire or other casualty prior to the Plan being declared effective, it shall be Sponsor's option to reconstruct such Unit or to abandon the Plan. If Sponsor chooses to reconstruct such Unit, Purchaser shall remain obligated under the Purchase Agreement to purchase such Unit. If such damage occurs after the Plan has been declared effective, Sponsor shall be obligated

to reconstruct such Unit provided the damage to the Building can be repaired for less than \$160,000.00, excluding attorneys' fees. If Sponsor reconstructs such Unit, Purchaser shall remain obligated under the Purchase Agreement to purchase such Unit. The foregoing shall not be applicable if a Purchaser takes possession of a Unit prior to the Closing as the risk of loss to such Unit by fire or other casualty shall be assumed solely by Purchaser after Purchaser takes possession of such Unit.

(5) Sponsor shall procure fire and casualty insurance for the Condominium; such policy shall be an agreed amount replacement value policy. Such policy shall be in effect at the time of the First Unit Closing. The cost of such coverage is reflected in footnote 10 of "Schedule B--Projected Budget for First Year of Condominium Operation" at Part I, Section F.

(6) In the event of the dissolution or liquidation of Sponsor or in the event of the conveyance of twenty percent (20%) or more of the total number of Units to a single person or entity, the principals of Sponsor will provide financially responsible entities or individuals who will assume the status and all of the obligations of Sponsor for those Units under this Plan, and all applicable laws or regulations.

(7) Renovation of the Building shall be financed by a construction loan in the amount of \$10,000,000.00 extended by Landesbank Hessen-Thüringen Girozentrale, 420 Fifth Avenue, New York, N.Y. 10018. Such loan closed on October 28, 1999. Such loan shall be made pursuant to a building loan agreement and secured by a first mortgage.

(8) Sponsor will diligently, expeditiously and at its sole cost and expense, perform or cause to be performed such work, and will supply or cause to be supplied all materials, necessary to complete the Building substantially in accordance with the Plans and Specifications. Part II, Document Number 4 summarizes the Plans and Specifications. This summary was prepared by Sponsor's Architect.

Sponsor reserves the right to amend or modify, in any way, the Plans and Specifications (including, without limitation, changing materials, appliances, equipment, fixtures and other construction details) and substitute for any materials, appliances, equipment and fixtures set forth therein, provided, however, that: (i) any materials, appliances, equipment and fixtures which Sponsor may substitute shall be of substantially similar or better quality or design; and (ii) Sponsor shall not change the size or location of the Building, the Units, the Common Elements or the Limited Common Elements if such change affects the percentage of Common Interests allocated to a Unit or adversely affects the value of any Unit to which title has closed or for which a Purchase Agreement has been fully executed by a Purchaser and Sponsor and is in force and effect, unless, however, all Unit Owners whose Units would be affected by such change and all Purchasers under Purchase Agreements then in force and effect whose Units would be affected by such change consent in writing to such change.

(9) Prior to the First Unit Closing, Sponsor will obtain for the Building or any portion thereof, a temporary, partial, or permanent Certificate of Occupancy. If a permanent Certificate of Occupancy shall not have been issued by the First Unit Closing, Sponsor will secure for the entire Building prior to the expiration of any temporary or partial Certificate of Occupancy a renewal of such temporary or partial Certificate of Occupancy. Sponsor will obtain for the entire Building a permanent Certificate of Occupancy within two (2) years after the First Unit Closing, subject, however, to the construction of the Building being delayed by weather, strikes, lockouts, acts of God, shortages of, or inability to obtain, materials, equipment or labor, governmental restrictions or preemption, damage by fire or the

elements, or any other cause over which Sponsor has no control. Prior to the First Unit Closing, Sponsor shall substantially complete the construction to the public portions and common areas of the Building.

(10) Before the First Unit Closing, Sponsor shall complete the following parts of the Common Elements of the Condominium: (i) entrance lobby, (ii) elevator and (iii) public corridors. In the event the First Unit Closing shall occur prior to the issuance of a permanent Certificate of Occupancy for the Building, Sponsor shall maintain the special escrow account described in "Procedure to Purchase" at Part I, Section K, in an amount at least equal to the amount certified by Sponsor's Architect as the amount ("Completion Cost") reasonably necessary to complete all alterations and improvements to the Common Elements and the Limited Common Elements in order to obtain a permanent Certificate of Occupancy for the Building. Sponsor, at its option, may post with the Escrow Agent an unconditional, irrevocable letter of credit or a surety bond in the amount of the Completion Cost, in lieu of maintaining the special escrow account. In the event Sponsor so elects to post a letter of credit or a surety bond, an amendment to the Plan will be filed disclosing same.

(11) Sponsor will cause to be corrected any defects in the construction of the Building, or in the installation or operation of any mechanical equipment therein, due to improper workmanship or material substantially at variance with the Plans and Specifications, provided and on condition that it is notified by the Board in writing of such defect no later than one (1) year after the later to occur of: (i) the issuance of a temporary Certificate of Occupancy for the Building, or (ii) the First Unit Closing. Sponsor will cause to be corrected any defects in the construction of a Unit within ninety (90) days from the closing date for the Unit. Notwithstanding the foregoing, Sponsor will not be responsible for correcting any defects in the construction of the Building or defects in the installation or operation of any appliances, equipment or fixtures with respect to which assignable warranties or other undertakings (however denoted) from contractors, subcontractors, materialmen or others are assigned to the Board or Unit Owners. In addition, in no event shall Sponsor be responsible for any condition resulting from normal wear and tear or natural deterioration or from the normal settling or shifting of the Building, or for defects of any insubstantial nature, such as, without limitation, nail pops, ridging on sheet rock walls, lumber shrinkage, door sticking due to weather, door warpage of less than 1/4", bath tile grouting, slight separation in joints of kitchen tile, any consequential damage resulting from settlement (including, without limitation, concrete cracks which do not impair the structural soundness of the Building), normal plumbing, heating and air conditioning noises, or carpet discoloring and stretching. In addition, Sponsor shall not be responsible for repair of chips, mars, breaks or other defects in window sashes, electric fixtures and globes, interior painted surfaces, sinks, tubs, bowls, shower doors, kitchen cabinets, counter tops, vanity tops and bases, medicine cabinets, doors, mirrors, hardware, flooring and appliance cabinets, unless notified of a defect therein prior to the closing of title to such Unit or the leasing thereof to the Purchaser thereof. Except as expressly set forth herein, Sponsor has no obligation to make any repairs of any kind. Sponsor is not making any warranty to any Residential Unit Owner or the Board pursuant to Article 36-B of the General Business Law of the State of New York. Nothing contained herein shall be construed to render Sponsor liable for consequential damages (whether based on negligence, breach of contract, warranty, or otherwise), it being intended that Sponsor's sole obligations hereunder shall be to repair or replace (at Sponsor's option) any defective item of construction (whether arising as a result of defects in material or improper workmanship or material substantially at variance with the Plans and Specifications), subject to the terms and conditions (and within the time limits) set forth in this subparagraph.

(12) On the date of the First Unit Closing, Sponsor will assign, or otherwise grant to the Board, its rights under any existing assignable warranties covering appliances, equipment or fixtures installed in the Building, provided that any such warranties with respect to appliances, equipment or fixtures located in the Unit of a Purchaser shall be assigned to such Purchaser on the date of closing of title to his Unit. On the date which is the earlier to occur of: (i) the issuance of a permanent Certificate of Occupancy for the Building, or (ii) the first annual meeting of Unit Owners, Sponsor will assign or otherwise grant to the Board its rights under any existing assignable warranties or guarantees of materials and/or workmanship from any contractor, subcontractor, materialmen or others that performed work in respect of, or furnished or fabricated materials to, the Building.

(13) Sponsor will pay or cause to be paid all contractors, subcontractors and materialmen and all others involved in the construction and equipping of the Building for work performed and fixtures, material and equipment supplied or installed in the construction thereof and will cause any and all mechanics' liens arising out of such construction and equipping, if any, to be discharged by means of the execution of a bond or undertaking, by deposit with the County Clerk for the County of New York, or by payment into court, in such amounts as a court of competent jurisdiction shall direct, all as provided in Sections 19 and 20 of the Lien Law of the State of New York. Sponsor shall pay all costs in connection with the creation of the Condominium, the preparation of the Plan and all selling expenses and compensation payable with respect to the sale of the Units.

(14) After completion of the Building, Sponsor will deliver to the Board a complete set of "as-built" drawings for the Building.

(15) Sponsor has not furnished any bond or other security to secure Sponsor's obligations under this Plan, including Sponsor's obligation to complete construction of the Condominium.

(16) Sponsor and its contractors, subcontractors, agents and employees will have a right of access to each Unit and to all of the Common Elements for the purpose of fulfilling Sponsor's obligations under the Plan and performing certain alterations and repairs in or about the Unsold Units. Sponsor will repair any damage caused as a result of such access and will exercise such access in such manner as will not unreasonably interfere with the use of the Unit for its permitted purposes.

P. CONTROL BY SPONSOR

The Initial Control Period will end when the earlier of the following events occurs: (i) the closing of title to fifty percent (50%) of the Units both in number and aggregate common interest of all Units or (ii) two (2) years following the First Unit Closing. During the Initial Control Period, the Board shall consist of three (3) persons designated by Sponsor. The first annual meeting of Unit Owners will be held within thirty (30) days after the Initial Control Period ends at which time the Residential Unit Owners will elect three (3) members of the Board and the Commercial and Retail Unit Owners will elect two (2) members of the Board. However, as long as Sponsor owns at least two (2) Unsold Residential Units, Sponsor shall have the right to designate one (1) member of the Board to be elected by the Residential Unit Owners. As long as Sponsor has such right to designate a member of the Board, the number of members of the Board may not be increased without the consent of Sponsor.

The By-Laws provide that until the earlier to occur of: (i) five (5) years following the First Unit Closing, or (ii) the date on which Unsold Units represent less than twenty-five (25%) percent in number and in Common Interest of all Residential Units, the Board may not, without Sponsor's prior written consent: (i) make any addition, alteration or improvement to the Common Elements; (ii) assess any Common Charges for the creation of, addition to, or replacement of all or part of any reserve, contingency or surplus funds in excess of the amounts for such funds as are referred to in the Projected Budget set forth in "Schedule B Projected Budget for First Year of Condominium Operation"; (iii) hire any employee in addition to the number of employees referred to in Schedule B; (iv) enter into any service or maintenance contract for work not covered in Schedule B, or otherwise provide services in excess of those contemplated by Schedule B or elsewhere in the Plan; or (v) borrow money on behalf of the Condominium. Notwithstanding the foregoing, such veto power by Sponsor may not exist over expenditures required: (i) to comply with applicable laws or regulations; (ii) to remedy any notice of violation; or (iii) to remedy any work order by an insurer.

The Commercial Unit Owners and the Retail Unit Owners shall elect two (2) members of the Board after the Initial Control Period ends. It is presently contemplated that Sponsor shall be the Retail Unit Owners. The By-Laws permit the Commercial Unit Owners and the Retail Unit Owners to veto actions of the Board which adversely affect such Units.

Through its control of the Board, Sponsor will be able to control the maintenance and operation of and the services to be provided by the Condominium. Sponsor will also be able to determine the Common Charges to be paid by all Unit Owners and whether the Contingency Fund is used to defray increases in the projected Common Charges.

Q. THE BOARD OF MANAGERS

The affairs of the Condominium shall be governed by the Board which shall be comprised of representatives of the Unit Owners.

Until the expiration of the Initial Control Period, the Board shall consist of three (3) persons, all of whom shall be designated by Sponsor. The members of the initial Board shall be Axel Stawski, Anthony Leichter and Estera Lisker; all such persons are officials of Sponsor. Within ten (10) days after the expiration of the Initial Control Period, the first annual meeting of the Unit Owners will be called for the purpose of electing the Board. Such meeting shall be held within twenty (20) days after the calling thereof. (See "Control by Sponsor" at Part I, Section P.) The Board shall consist of five (5) members. Three (3) members of the Board shall be elected by Residential Unit Owners (subject to right of Sponsor to designate one (1) member of the Board for so long as there are two (2) Unsold Residential Units) and two (2) members of the Board shall be elected by the Commercial Unit Owners and the Retail Unit Owners. Thereafter, each member of the Board shall be elected at the annual meeting of Unit Owners to be held on or before June 30th of each year on such business day as the Board may determine. Each member of the Board shall serve until the next annual meeting of Unit Owners and until a successor has been elected and qualified. Except for Board members elected by Sponsor or its designee, all members of the Board must be either Unit Owners or officers, directors, shareholders, partners, principals, or beneficiaries of corporations, partnerships, limited liability companies, fiduciaries or any other entities which own Units, Permitted Mortgagees, or family members of any of the foregoing.

Special meetings of Unit Owners may be held from time to time upon a resolution of the Board or upon a petition signed and presented to the Secretary of the Condominium by not less than twenty-five percent (25%) in Common Interest of all Unit Owners. At all meetings of Unit Owners, the presence in person or by proxy of Unit Owners owning more than fifty (50%) percent of the Common Interests attributable to all Units shall constitute a quorum and, except as otherwise provided in the By-Laws or Declaration, a majority of the votes cast at any such meeting at which a quorum is present shall be binding upon all Unit Owners.

The By-Laws provide that Board members shall have no liability to Unit Owners except that a Board member shall be liable for such member's own gross negligence or willful misconduct. All Unit Owners shall severally, to the extent of their respective interests in their Units and their appurtenant Common Interests, indemnify each Board member against any liability or claim, except those arising out of such Board members own gross negligence or willful misconduct.

Every contract made by the Board or by any member, officer, or managing agent thereof shall state that: (i) it is made only as agent for all Unit Owners, and such Board member, officer, or managing agent shall have no personal liability thereon (except in the capacity as a Unit Owner), and (ii) the liability of any Unit Owner to the Board with respect to such contract shall be limited to such proportionate share of the total liability as the Common Interest of such Unit Owner bears to the aggregate Common Interests of all Unit Owners. Notwithstanding the foregoing: (i) the Commercial Unit Owners and the Retail Unit Owners shall have no liability with respect to any contract, act or omission that relates solely to the Residential Units, and (ii) the Residential Unit Owners shall have no liability with respect to any contract, act or omission that relates solely to the Commercial Units or the Retail Units.

All Board members and officers of the Condominium shall serve without compensation.

Upon the affirmative vote of a majority of the members of the Board, any officer may be removed, either with or without cause, and his successor may be elected, at any regular meeting of the Board or at any special meeting of the Board called for such purpose. However, officers affiliated with Sponsor may be removed only for cause. Upon the affirmative vote of the Residential Unit Owners held at a regular or special meeting of Unit Owners, any Board member elected by the Residential Unit Owners may be removed with or without cause; any Board member elected by the Commercial Unit Owners and the Retail Unit Owners may be removed with or without cause by the affirmative vote of the Commercial Unit Owners and the Retail Unit Owners held at a regular or special meeting of Unit Owners. However, Board members affiliated with Sponsor may be removed only for cause. If any Board member designated by Sponsor is removed, such vacancy shall be filled by Sponsor.

At all meetings of Unit Owners, each Unit Owner shall be entitled to cast one (1) vote for each .0001% of Common Interest attributable to the Unit owned by such Unit Owner.

Generally, subject to certain exceptions, including rights granted Sponsor, the owner of Unsold Units and the Commercial Unit Owners and the Retail Unit Owners, any provision of the Declaration, By-Laws or Rules and Regulations may be amended, modified, added to or deleted by affirmative vote of at least seventy-five (75%) percent in number and in Common Interest of all Unit Owners.

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

1. Compliance with Condominium Documents

Each Unit Owner must strictly comply with the provisions of the Declaration, the By-Laws and the Rules and Regulations. The By-Laws, together with the Rules and Regulations, will be recorded with the Declaration in the City Register's Office. Pursuant to Section 339-j of the New York Condominium Act, failure of a Unit Owner to comply with the By-Laws and with the Rules and Regulations is grounds for an action by the Board or an aggrieved Unit Owner for damages and/or injunctive relief.

2. Sales and Leases of Units

All Residential Unit Owners and Commercial Unit Owners may sell or lease their Residential Units or Commercial Units on such terms as any such Unit Owners may negotiate with a prospective purchaser or lessee, provided that any such Unit Owner (other than Sponsor or its designee with respect to the Unsold Units) first gives the Board, on behalf of all Unit Owners, notice of the intention to sell or lease such Unit and an opportunity to purchase or lease such Unit at the same price or rental and on the same terms as were offered in good faith by a prospective purchaser or lessee, as required by Article 8 of the By-Laws. If the Board does not elect to purchase or lease the Residential or Commercial Unit within ten (10) business days after receipt of the offering Unit Owner's notice, such Unit Owner will have a period of sixty (60) days within which to enter into a written agreement with the prospective purchaser or lessee, as the case may be, embodying the terms set forth in said notice. In the event that such written agreement is not executed by such Unit Owner within said sixty (60) day period or such sale or lease is not consummated within sixty (60) days following the expiration of said sixty (60) day period, such Unit Owner will be required to reoffer such Residential or Commercial Unit to the Board.

If the Board chooses to exercise its right of first refusal with respect to any sale or lease of a Residential or Commercial Unit, it must consummate such purchase or lease within forty-five days (45) after the given by the Board of its election to accept such offer. The purchase of any Residential or Commercial Unit by the Board may be made from the funds deposited in the capital and/or expense accounts of the Board as reserves. If the funds in such accounts are insufficient to effectuate such purchase, the Board may levy an assessment against each Residential Unit and Commercial Unit in proportion to each such Unit's respective Common Interest as a Common Charge and/or the Board may, in its discretion, finance the acquisition of such Unit; provided, however, that no such financing may be secured by a mortgage upon any part of the Property other than the Unit to be purchased together with its appurtenant interests in the Common Elements. In no event may the Retail Unit Owners be subject to such an assessment used for the purchase of any Residential Unit or Commercial Unit by the Board.

All Units acquired or leased by the Board shall be held by the Board on behalf of all Unit Owners. No Units held by the Board shall carry any voting rights. Upon the sale of any Residential or Commercial Unit acquired by the Board or upon the lease of any such Residential or Commercial Unit by the Board, the Board may not discriminate against any person on the basis of race, creed, color, national origin, sex, age, disability, marital status or other grounds prohibited by law.

All Residential Unit Owners and Commercial Unit Owners may lease, sell or convey their Units to a spouse, adult child, parents, parent-in-law or adult sibling, or may convey such Units by gift, or may devise such Units by will, or have such Units pass by intestacy, without complying with the foregoing restrictions above; provided, however, that each succeeding Residential and Commercial Unit Owners shall be bound by, and such Units shall be subject to, the preceding restrictions.

There are no limitations as to the amount of the purchase price or rent that a Unit may owner may negotiate with a prospective purchaser or tenant of a Unit. Title to a Unit may not be conveyed or leased unless all unpaid Common Charges and liens against such Unit (other than Permitted Mortgages, as such term is defined in the By-Laws) are paid and satisfied.

The restrictions upon the sale and lease of Units shall not apply to Sponsor or its designee with respect to any Unsold Units or to Units acquired by a mortgagee in foreclosure or by deed in lieu of foreclosure; Sponsor or such mortgagee shall be free to sell or lease all Unsold Units without first offering to sell or lease such Unsold Units to the Board. These restrictions upon the sale and lease of Residential and Commercial Units shall not be applicable to the Retail Units; the Retail Unit Owners may freely sell or lease all or any portion of any Retail Unit.

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

The Board may establish reasonable fees for the processing of such sale and lease notices which shall be payable by the selling or leasing Residential Unit Owner or Commercial Unit Owner, as the case may be, to the Managing Agent.

3. Mortgage of Units by Unit Owners

All Unit Owners may mortgage their Units in such amounts as any such Unit Owner may obtain. Article 7 of the By-Laws requires that the Board is notified in writing of the making of any mortgage of a Residential Unit. If such notice is given by a Unit Owner, and if requested by the holder of such mortgage (hereafter, a "Permitted Mortgagee"), the Board shall notify the Permitted Mortgagee of any default by such Residential Unit Owner and allow the Permitted Mortgagee to cure such default. The provisions of Article 7 of the By-Laws shall not apply to the Commercial Units or the Retail Units unless so requested.

4. Common Charges

The Residential Unit Owners and the Commercial Unit Owners will each pay their pro rata share of all Common Expenses in proportion to their respective Common Interest. The Retail Unit Owners will only pay their allocated share of only certain Common Expenses which are listed in the section of the Plan entitled "Commercial Units and Retail Units" at Part I, Section H.

At least annually, the Board will prepare a budget for Common Expenses, as provided above, and allocate and assess, among all Unit Owners, Common Charges to meet Common Expenses. In

establishing the budget, the Board may choose to accumulate reserves for future capital expenditures or for other purposes. As more fully discussed in the section of Plan entitled "Control by Sponsor" at Part I, Section P, the By-Laws provide that until the earlier to occur of: (i) five (5) years following the First Unit Closing, or (ii) the date on which Unsold Units represent less than twenty-five (25%) percent in number and in Common Interest of all Residential Units, the Board may not, without Sponsor's prior written consent, assess any Common Charges for the creation of, addition to, or replacement of all or part of any reserve, contingency or surplus funds in excess of the amounts for such funds as are referred to in the Projected Budget set forth in "Schedule B- Projected Budget for First Year of Condominium Operation".

The Board will furnish copies of the budget on which Common Charges are based to all Unit Owners and advise such Unit Owners of the amount of Common Charges payable by them. Unless otherwise determined by the Board, Common Charges will be payable in advance on the first day of each month.

No Unit Owner may be exempt from liability for paying Common Charges by waiving use of any of the Common Elements or by abandoning such Unit. However, no Unit Owner will be liable for the payment of any part of the Common Charges assessed against such Unit subsequent to a sale, transfer or other conveyance by such Unit Owner of such Unit made in accordance with the By-Laws.

Section 339-kk of the New York Condominium Act permits the Board to notify a tenant of a condominium unit that such tenant is to pay rent otherwise payable to the non-resident owner of such condominium unit directly to the Board if such unit owner has failed to pay, within sixty days after the expiration of any applicable grace period, common charges, assessments, or other late fees payable to the Condominium. When all such common charges, assessments or late fees have been paid, the Board shall give notice of such fact to the tenant and the unit owner; the tenant shall thereafter resume paying rent to the unit owner.

Pursuant to Section 339-z of the New York Condominium Act and Article 6 of the By-Laws, the Board, on behalf of all Unit Owners, will have a lien on each Unit for unpaid Common Charges, together with interest thereon, assessed against each Unit. All such liens will be subordinate to liens for real estate taxes and a first mortgage of record on the Unit. Any lien for unpaid Common Charges against a Unit will be effective from and after filing of a verified notice thereof in the City Register's Office and until all sums secured thereby with interest accrued thereon shall have been fully paid, or until six (6) years from the date of filing (unless foreclosure of such lien is started within such six (6) year period), whichever shall be sooner. Such liens may be foreclosed by a suit brought in the name of the Board (acting on behalf of all Unit Owners) in like manner as the foreclosure of a mortgage on real property or an action may be brought by the Board to recover unpaid Common Charges without foreclosing the lien.

During the Initial Control Period, Sponsor will cause the Board to file liens for unpaid Common Charges on Units owned by Sponsor which are more than thirty (30) days in arrears in the payment of Common Charges.

5. Repairs to and Maintenance of Units and Common Elements

Generally, all painting, decorating, maintenance, repairs and replacements, whether structural

or non-structural, ordinary or extraordinary, (i) in or to any Unit (other than to the Common Elements included therein) and the interior side of the entrance doors thereto will be made by the Unit Owner at such Unit Owner's sole cost and expense, and (ii) in or to the Common Elements or the Limited Common Elements will be made by the Board, and the cost and expense thereof will be charged to the Residential Unit Owners and the Commercial Unit Owners as a Common Expense (except for those Common Elements stated in the By-Laws that the Retail Unit Owners will pay their allocated share). Without limiting the foregoing, Unit Owners shall be responsible for all maintenance, repairs and replacements of heating and cooling systems in their respective Units.

The interior and exterior glass surfaces of all windows located in any Unit are to be washed and cleaned by the Unit Owner at such Unit Owner's sole cost and expense. Any replacements of glass windows in any Unit because of breakage or otherwise shall be made by the Unit Owner. All normal maintenance, repairs and replacements of any balconies or terraces shall be made by the Residential Unit Owner whose Residential Unit contains such Limited Common Elements at such Residential Unit Owner's own cost and expense, but any structural or extraordinary repairs or replacements to any such balcony or terrace (including any leaks in balconies or terraces which are not caused by the acts or negligence of the Unit Owner having access to the same) will be made by the Board as a Common Expense.

The By-Laws provide that each Unit and all portions of the Common Elements shall be kept in first-class condition (and with respect to any balcony, terrace, roof or other part of the Property exposed to the elements, free of snow, ice and accumulation of water) by the Unit Owner or the Board, as the case may be, responsible for the maintenance thereof. As more fully set forth in Section 6.17 of the By-Laws, the Board and any managing agent, superintendent and other persons authorized by it will have a right of access to any Unit for the purposes, among others, of making inspections of, or removing violations of governmental laws or regulations against, any part of the Property, curing defaults by the Unit Owner under the By-Laws, Declaration or Rules and Regulations in the Unit Owner's maintenance and repair obligations at the sole cost and expense of such Unit Owner. Accordingly, keys to all Residential Units may be kept with the Managing Agent or the Board.

Sponsor and its contractors, subcontractors, agents and employees will have a right of access to each Unit and to all of the Common Elements for purposes of fulfilling Sponsor's obligations hereunder.

The By-Laws further require that those public or other areas of the Building exposed to public view which are required to be maintained by each Unit Owner or the Board be kept in good appearance and in conformity with the dignity and character of the Building by such Unit Owner or the Board.

The Commercial Unit Owners and the Retail Unit Owners shall be solely responsible to maintain such Units in good order (including the washing of all windows located in the Commercial Units and the Retail Units and the cleaning of sidewalks adjoining the Retail Units). The Commercial Unit Owners and the Retail Unit Owners shall also perform all painting, decorating, maintenance, repairs and replacements, whether structural or non-structural, ordinary or extraordinary to their respective Units and any Limited Common Elements contained in such Units.

6. Alterations and Improvements of Units and Common Elements

No Residential Unit Owner may make any structural alterations or improvements in or to his Residential Unit without the prior written approval of the Board. All alterations or improvements to a Residential Unit that are not structural in nature do not require the approval of the Board. The Board shall have the obligation to answer any written request by a Residential Unit Owner within sixty (60) days after such request is received; the failure to answer such request within such sixty (60) day period shall constitute the Board's consent to the proposed alteration or improvement.

As more fully set forth in the Declaration, these restrictions upon structural alterations or improvements to a Residential Unit shall not apply to Sponsor, or its designee of any Unsold Unit.

Prior to, and as a condition of, the granting of its consent to the making of any structural alterations or improvements in or to a Unit, the Board may, at its option, require the Residential Unit Owner to execute an agreement in form and substance satisfactory to the Board setting forth the terms and conditions under which such alteration, additions or improvements may be made, including, without limitation, the days and hours during which any work may be done. The Board may also require that the proposed structural alteration or improvement be reviewed and supervised during the course of construction by an architect or engineer selected by the Board at the sole cost and expense of the Residential Unit Owner.

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

The Commercial Unit Owners and the Retail Unit Owners may make any structural alteration or improvement in or to the Commercial Units, the Retail Units or any Limited Common Elements contained therein without review or approval of the Board.

7. Insurance

The Board is required to obtain and maintain, to the extent obtainable and to the extent determined by the Board to be appropriate, the following insurance: (i) fire insurance with all-risk extended coverage, vandalism and malicious mischief endorsements, insuring the entire Building (including each Unit, the Common Elements, the Limited Common Elements, and the fixtures, furniture and furnishings in the lobby and other common areas, but excluding fixtures, furniture, furnishings or other personal property contained in a Unit), together with all service machinery contained therein and covering the interests of the Condominium, the Board, all Unit Owners and Permitted Mortgagees, as their respective interests may appear, in an amount equal to the full replacement value of the Building (excluding the cost of excavation, foundations and footings), without deduction for depreciation; (ii) comprehensive general liability insurance against claims for personal injury, death or property damage occurring upon, in or about the Property, and on, in or about passageways in such amounts as from time to time are carried by prudent owners of comparable buildings in the City of New York; provided, however, that in no event shall the comprehensive general liability insurance afford protection to the limit (if available) of less than \$5,000,000.00 in respect to injury or death to a single person, \$5,000,000.00 in respect to any occurrence and \$5,000,000.00 in respect to property damage; and (iii) worker's compensation and New York State disability benefits insurance.

The Board is also required to obtain and maintain, to the extent obtainable, the following insurance: (i) boiler and machinery insurance; (ii) elevator liability and collision insurance; and (iii) such other insurance as the Board may determine including fidelity bond covering all officers, directors and employees of the Condominium, and of the Managing Agent or agents who handle funds of the Condominium.

For a detailed description of insurance to be maintained by the Board during the first year of Condominium operation, see "Footnote 10" to Schedule B at Part I, Section F.

All policies of physical damage insurance shall contain, to the extent obtainable, waivers of subrogation and waivers of any defense based on: (i) co-insurance, (ii) other insurance, (iii) invalidity arising from any acts of the insured, or (iv) pro rata reduction of liability, and shall provide that such policies may not be canceled or substantially modified without at least thirty (30) days' prior written notice to all of the insureds, including all Permitted Mortgagees. Duplicate originals or certificates of insurance of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all Unit Owners and Permitted Mortgagees at least thirty (30) days prior to the expiration of the then current policies.

Any insurance maintained by the Board may provide for such deductible amounts as the Board determines. The premiums for all insurance referred to above shall be a Common Expense and shall be paid by the Board.

As the Board is not required to obtain or maintain any insurance with respect to any property not constituting a part of the Common Elements, individual Unit Owners are urged to consider obtaining casualty insurance with respect to the fixtures, furniture, furnishings and other personal property located within their respective Units and liability insurance with respect to occurrences in or about their respective Units.

The By-Laws provide that all insurance policies maintained by the Condominium shall provide that the adjustment of loss shall be made by the Board. Insurance proceeds with respect to any loss shall be payable to the Board and shall be held in trust by the Board for the benefit of all Unit Owners and the Permitted Mortgagees. In the event that the Building or any part thereof is damaged or destroyed by fire or other casualty, the Board will, except as set forth below, arrange for the prompt repair and restoration thereof in accordance with the Plans and Specifications (including each Unit, but excluding fixtures, furniture, furnishings or other personal property not constituting a part of such Unit). If the insurance proceeds are insufficient to cover the cost of repairs or restorations, Unit Owners may be assessed for deficits, if any, in insurance proceeds. Any surplus insurance proceeds shall be paid to all Unit Owners in proportion to their respective Common Interests, except that no payment shall be made to a Unit Owner until there has first been paid out of such Unit's share of such funds such amounts as may be necessary to reduce unpaid liens on such Unit, other than Permitted Mortgagees, in the order of priority of such liens.

If three-fourths (3/4ths) or more of the Building is destroyed or substantially damaged and if Unit Owners representing seventy-five (75%) percent or more in Common Interest of all Units do not duly resolve within sixty (60) days from the date of such damage or destruction to proceed with the repair or restoration thereof, the Building will not be repaired and shall be subject to an action for partition instituted by any Unit Owner or lienor, as if owned in common, in which case the net proceeds of sale, together with the net proceeds of insurance policies, shall be divided among all Unit

Owners in proportion to their respective Common Interests, provided, however, that no payment shall be made to a Unit Owner until there has first been paid out of such Unit's share of such funds such amounts as may be necessary to discharge all unpaid liens on such Unit (other than mortgages which are not Permitted Mortgages) in the order of the priority of such liens.

8. Restrictions on Occupancy and Use of Units

Units may be owned or leased by an individual, corporation, partnership, limited liability company, fiduciary or any other entity.

Residential Units shall be used only as a residence. The By-laws provide that no more than one (1) family may reside in a Residential Unit at one time. Residential Units may be occupied by a Residential Unit Owner or members of the Owner's family. A Residential Unit Owner, as defined in Section 6.14 of the By-Laws, is either: (i) an individual Residential Unit Owner; (ii) a designated officer, director, stockholder or employee of such corporation; (iii) a designated partner or employee of such partnership; (iv) a designated partner or employee of such limited liability company; (v) a designated fiduciary or beneficiary of said fiduciary; or (vi) a designated principal or employee of such other entity, as the case may be. "Members of the Owner's family" or words of similar import whenever used herein shall be deemed to mean spouse, children, parents, brothers and sisters and nothing contained herein shall be deemed to prohibit the exclusive occupancy of any Residential Unit by such family members. In addition, a Residential Unit may be occupied by an individual Residential Unit Owner (or a member of his family) together with a person who is unrelated to Residential Unit Owner.

Sponsor or its designee may, without the permission of the Board, retain ownership of one or more Residential Units for use as models and sales and/or promotion offices in connection with the sale or rental of other Residential Units.

Further restrictions on the use of Residential Units are set forth in the By-Laws and in the Rules and Regulations.

No nuisance, immoral, improper, offensive or unlawful use shall be allowed in the Building or any portion thereof. All valid laws, zoning ordinances and regulations of governmental bodies having jurisdiction thereof, relating to any portion of the Property, shall be complied with at the sole expense of the Unit Owners or Board, whichever shall have the obligation to maintain or repair such portion of the Property. Rules and regulations concerning the use of Units may be promulgated and amended from time to time by the Board, provided that copies thereof are furnished to each Unit Owner prior to the time that they become effective.

The By-Laws allow the Commercial Units and the Retail Units to be used for any lawful purpose. See "Commercial Units and Retail Units" at Part I, Section H for a discussion of the possible uses of the Commercial Units and the Retail Units.

S. REAL ESTATE TAXES

After the Declaration is recorded in the City Register's Office, each Unit will be separately assessed for real estate taxes by the City of New York as a separate tax lot; however, at this time, it is uncertain as to which tax year will be the first year that the Units will be separately assessed. As the

Units will not be separately assessed for real estate taxes prior to the First Unit Closing, Sponsor will pay the real estate taxes assessed the Property prior to June 30, 2001. Sponsor will be reimbursed for any real estate taxes prepaid by Sponsor when a Unit Owner acquires title to a Unit from Sponsor. Thereafter, until separate tax bills are issued with respect to each Unit, all Unit Owners will pay to the Board their proportionate shares (based on each Unit's Common Interest) of the installment of real estate taxes assessed the Property that is then due and payable. The Board shall bill each Unit Owner monthly for each Unit's proportionate share of real estate taxes; payment shall be made by the Board no later than fifteen (15) days before the installment of real estate taxes is due and payable to the City of New York. The Board will have a lien on each Unit for nonpayment as if such charges were Common Charges. Sponsor, at its sole option, may pay any installment of real estate taxes assessed the Property payable after July 1, 2001; in such event, the Board shall reimburse Sponsor for all amounts paid from the amounts collected from Unit Owners for the payment of real estate taxes.

After the Units are separately assessed, Unit Owners will not be responsible for the payment of real estate taxes assessed Units other than their own; a lien arising from the non-payment of real estate taxes may be filed only against the delinquent Unit.

Footnote 6 to "Schedule A" at Part I, Section E contains the projections of Sponsor's counsel as to the estimated real estate taxes payable with respect to the Property during the first year of condominium operation.

No real estate tax reduction proceedings are pending at the present time.

The Board may act as agent of each Unit Owner who has given the Board written authorization to seek administrative and judicial review of assessments of the Property the Building and the Units and to enter into settlements and retain legal counsel with respect thereto. See Section 2.2 of Article II of the By-Laws.

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T. OPINIONS OF COUNSEL

October 20, 1999

132 Perry LLC
950 Third Avenue
New York, N.Y. 10022

Re: The 132 Perry Street Condominium
132 Perry Street
New York, N.Y.

Ladies and Gentlemen:

In connection with the offering of condominium units under a plan entitled Offering Plan for The 132 Perry Street Condominium (the "Plan"), you have requested our opinion concerning certain tax matters, including the deductibility for Federal, New York State and New York City income tax purposes of payments of mortgage interest and real estate taxes by Unit Owners. You have also requested our views as to the tax status of the condominium association.

The Units that are the subject matter of the Plan are located on the fourth through eleventh floors of the property at 132 Perry Street, New York, New York (the "Residential Units"). The ground floor of the property located at 132 Perry Street comprises of retail condominium units (the "Retail Units"); the second and third floors of the property contain commercial condominium units (the "Commercial Units"). Except as otherwise noted, the opinions that we are rendering pertain only to the Residential Units and references to "Unit Owner" in this opinion letter pertains only to owners of Residential Units. All capitalized terms not otherwise defined herein shall have the same meaning ascribed to them in the Plan.

Under the Plan, each Unit Owner will hold title to his or her Unit and an undivided interest in the Common Elements of the Property in fee simple. Under New York State law, each Unit and its interest in the Common Elements will be taxed as a separate parcel for real estate tax purposes. Each Unit Owner may place a separate mortgage on his or her Unit and, by doing so, incur direct liability for the interest payable on such mortgage.

In our opinion under present law, subject to the limitations discussed below, interest on a mortgage secured by a Residential Unit paid or accrued by the owner of such Residential Unit who is liable for the interest payment on such mortgage and who uses the Residential Unit exclusively as his or her personal residence will be deductible for Federal income tax purposes in the appropriate year according to his or her method of accounting, provided that he or she itemizes deductions. In

132 Perry LLC
October 20, 1999
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rendering this opinion, we assume that such interest is not prepaid, that the mortgage proceeds were used by the owner of the Residential Unit to purchase his or her Residential Unit, and that the Residential Unit is the owner's principal residence.

There are limitations on the deductibility of residential interest. Such interest is deductible if paid or accrued during the taxable year on indebtedness which is secured by either the taxpayer's principal residence, as defined for purposes of the provisions for the exclusion of gain on the sale of a principal residence, or on certain designated second homes. However, a ceiling is placed on the amount of indebtedness that may be taken into account for purposes of this deduction. In general, with respect to indebtedness incurred in purchasing a Residential Unit, this ceiling is \$1 million, or \$500,000 in the case of a married individual filing a separate return.

It is also our opinion under present law that real estate taxes assessed against a Residential Unit that are paid or accrued by the owner of the Residential Unit will be deductible for Federal income tax purposes in the appropriate year according to his or her method of accounting, provided that he or she itemizes deductions. We note, however, that no itemized deduction is allowed for real estate taxes paid by a taxpayer subject to the alternative minimum tax.

The deductible mortgage interest and real estate taxes described above will also be allowable as deductions for New York State and New York City income tax purposes to a resident individual. In this connection we note that a percentage of the total itemized deductions of certain higher income individuals is disallowed in determining both Federal and New York taxable income.

In our opinion under present law, interest on a mortgage secured by a Retail Unit or a Commercial Unit paid or accrued by the owner of such unit who is liable for the interest payment on such mortgage and who uses the unit exclusively to actively conduct a trade or business for profit will be deductible for Federal, New York State and New York City income tax purposes in the appropriate year according to the unit owner's method of accounting. In rendering this opinion, we assume that such interest is not prepaid and that the mortgage proceeds were used by the owner of the unit to purchase the unit. It is also our opinion under present law that real estate taxes and common charges assessed against a Retail Unit or a Commercial Unit that are paid or accrued by the owner of such unit who is liable for such taxes and common charges who uses the unit exclusively to actively conduct a trade or business for profit will be deductible for Federal, New York State and New York City income tax purposes in the appropriate year according to the unit owner's method of accounting. In rendering this opinion, we assume that such taxes and common charges are not prepaid. In connection with deductions for amounts relating to the Retail Units and the Commercial Units, we note that deductions for interest, taxes and trade or business expenses may be limited by special rules, such as the "at risk" and "passive loss" rules, the applicability of which depends on the unit owner's particular situation.

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We have reviewed various documents included as exhibits to the Plan relating to the organization of the Board of Managers of The 132 Perry Street Condominium ("the Association"), including the Declaration of Condominium and By-Laws of the Condominium (which are the instruments creating the Association).

Our opinion has been requested as to whether the Association will qualify as a "homeowners association" that for Federal income tax purposes is exempt from Federal income tax with respect to its exempt function income under Section 528 of the Internal Revenue Code of 1986 (the "Code"). In order for the Association to so qualify, it must meet the following six conditions:

1. The Association must be organized and operated to provide for the acquisition, construction, management, maintenance and care of the Association's property.
2. Sixty percent or more of the Association's gross income for the taxable year must consist solely of amounts received as membership dues, fees or assessments from owners of Residential Units.
3. Ninety percent or more of the expenditures of the Association for the taxable year must be expenditures for the acquisition, construction, management, maintenance and care of the Association's property.
4. No part of the net earnings of the Association may inure to the benefit of any private shareholder or individual, other than by acquiring, constructing or providing management, maintenance and care of the Association's property and other than by a rebate of excess membership dues, fees or assessments.
5. The Association must qualify as a "condominium management association," which is an organization meeting the requirements of paragraph 1, above, with respect to a condominium project substantially all the units of which are used by individuals for residences.
6. The Association must properly elect to have Section 528 of the Code apply for the taxable year.

"Substantially all the units" of a condominium management association will be considered as used by individuals for residences if at least eighty-five percent of the total square footage of all units within the project is used by individuals for residential purposes. Units that are used for purposes auxiliary to residential use are considered as used for residential purposes. These auxiliary purposes include laundry areas, storage rooms, and areas used by maintenance personnel. A special limitation is established for transient use. No unit will be considered as used for residential purposes if, for more than one-half the days in the association's taxable year, such unit is occupied by a person or series of persons each of whom occupies the unit for less than thirty days.

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We have been advised that as a consequence of the size of the Commercial Units and the Retail Units, less than 85 percent of the total square footage of all units within the project will be used by individuals for residences. If such is the case, the Association will fail to qualify as a condominium management association that may elect to be exempt from taxation. We note, however, that failure to qualify for election of exempt status will not be significant if the Association arranges its affairs to minimize or eliminate taxable income.

Under Section 121 of the Code, an eligible single individual or a married individual filing separately can exclude up to \$250,000 of gain realized on the sale of a principal residence, and eligible married individuals filing jointly can exclude up to \$500,000. Eligibility for the exclusion generally is keyed to ownership and use of the principal residence for a minimum two-year period. Specifically, the exclusion applies to the sale of property if, during the five-year period ending on the date of the sale, the property was owned and used by the individual as the individual's principal residence for periods aggregating two years or more. The exclusion generally is permitted for only one sale during any two-year period. However, both the ownership and use requirements and the two-year waiting period requirement are relaxed in certain situations to prevent hardship.

This opinion deals only with the specific tax matters discussed above, which do not necessarily comprise all tax matters which may be significant to purchasers of units. Accordingly, it is recommended that each prospective purchaser of a unit consult with his or her own tax advisor concerning the Federal, New York State and New York City tax consequences of the purchase and ownership of a unit.

This opinion is not a guarantee and is based on existing rules of law applied to the facts and documents referred to above. No assurances can be given that the tax laws upon which counsel base this opinion will not change. In no event will the sponsor, the sponsor's counsel, the board of managers of the condominium, the sales agent or any other person be liable if there are changes in the facts on which counsel relied in issuing this opinion or if there are changes in the applicable statutes, regulations, decisional law or Internal Revenue Service rulings on which counsel relied which cause the owners of units not to be entitled to the income tax deductions as described herein.

We consent to the use of this opinion letter as an exhibit to the Plan.

Very truly yours,

CARB, LURIA, COOK & KUFELD LLP

Carb, Luria, Cook & Kufeld LLP

LAW OFFICES
CARB, LURIA, COOK & KUFELD LLP
521 FIFTH AVENUE
NEW YORK, N.Y. 10175
(212) 986-3131

WRITER'S DIRECT DIAL

October 20, 1999

FACSIMILE:
(212) 682-2682

132 Perry LLC
950 Third Avenue
New York, New York 10022

Re: The 132 Perry Street Condominium
(the "Condominium")

Ladies and Gentlemen:

You have requested our opinion regarding the allocation of Common Interests to the Units at the Condominium. Except where otherwise indicated, the terms used in this opinion shall have the same meaning as set forth in the Offering Plan (the "Plan") for the Condominium.

In rendering this opinion, we have reviewed the allocation of Common Interests as shown on Schedule A of the Plan and on Schedule B of the Declaration of Condominium. We have also considered the relevant sections of the Real Property Law of the State of New York ("RPL") and such other materials as we deemed relevant. Our opinion is based solely upon the factual determinations made by Andrews Building Corp. as set forth in its opinion dated October 20, 1999, contained in the Plan. We have made no independent investigation of the truth or accuracy of the factual determinations of Andrews Building Corp.

Based upon our review of the foregoing, we have determined that Common Interests were allocated in accordance with the method set forth in RPL Section 339-i(1)(ii), i.e., in the approximate proportion that the floor area of a Unit bears to the aggregate floor area of all of the Units, but reflecting the substantially exclusive advantages enjoyed by one or more but not all units in a part or parts of the Common Elements. We note that for those Residential Units adjoining balconies or terraces, the calculation of the square foot area of such Residential Units includes one-quarter of the area of any balcony or terrace adjoining such Residential Unit.

Accordingly, it is our opinion that the assignment of Common Interests to the Units has been made in accordance with RPL Section 339-i. This opinion, while based upon existing rules of law applied to the facts and documents referred to above, is not a guarantee to Purchasers. In no event will the Sponsor, Carb, Luria, Cook & Kufeld LLP, the Sales Agent, or the Board of Managers of the Condominium, be liable if there are changes in the facts on which we have relied in issuing this opinion or there are changes in RPL Section 339-i or other applicable law.

We consent to the use of this opinion letter as an exhibit to the Plan.

Very truly yours,

CARB, LURIA, COOK & KUFELD LLP

Carb Luria Cook & Kufeld LLP

U. WORKING CAPITAL FUND

All Purchasers will contribute to the capital of the Condominium, as part of a Working Capital Fund, two hundred fifty dollars (\$250.00) at the closing of title to a Purchaser's Unit. No Reserve Fund for capital expenditures is being established under this Plan.

At the First Unit Closing, Sponsor will apportion with the Board the following items as of the date preceding the First Unit Closing: (i) Employees' wages, and all other payments or obligations relative to the employees of the Building; (ii) Fees for assignable permits and licenses, if any; (iii) Charges for electricity and gas for the Common Elements; (iv) Payments under service, maintenance and concession contracts; (v) Water charges and sewer rents on the basis of the fiscal or calendar year for which assessed; (vi) Cost of supplies on hand at Sponsor's cost (plus sales tax); and (vii) Premiums for transferable insurance policies.

The Working Capital Fund will be used for working capital and for other appropriate purposes as determined by the Board. If the net closing adjustments at the First Unit Closing are in favor of Sponsor, then payment of such net closing adjustments shall be made by the Board in twelve (12) equal monthly installments commencing three (3) months after the First Unit Closing, pursuant to unsecured promissory notes to be delivered at the time that such adjustments are made with interest thereon at a rate equal to the short-term applicable federal rate for the month in which the notes are executed. If the net closing adjustments are in favor of the Board, the amount thereof will be added to the Working Capital Fund. No separate item for the payment of any notes due Sponsor is contained in the projected budget set forth in "Schedule B - Projected Budget for First Year of Condominium Operation" as the amounts represented by any such notes constitute a prepayment of the enumerated expenses; the possibility of the payment of interest to Sponsor is provided for in the budget item for contingencies.

The Board will be able to utilize the money in the Working Capital Fund at any time and, accordingly, no representation can be made as to the exact amount of funds available at any specific time. However, during the Initial Control Period, the Working Capital Fund may not be used to reduce the projected Common Charges as stated on Schedule A.

No representation is made that the Working Capital Fund will be, or is intended to be, adequate to cover current or future expenses, including repairs or replacements, and if additional funds are required over and above the Working Capital Fund, it may be necessary to increase Common Charges. **NEITHER THE DEPARTMENT OF LAW NOR ANY OTHER GOVERNMENT AGENCY HAS PASSED UPON THE ADEQUACY OF THE WORKING CAPITAL FUND.**

V. MANAGEMENT AGREEMENT

Prior to the First Unit Closing, the Board will enter into a management agreement with Andrews Building Corp. ("Managing Agent"), 666 Broadway, New York, N.Y.

The management agreement will be for a term of one (1) year, except that it may be terminated by the Board on not less than thirty (30) days' notice. The Managing Agent may terminate the agreement upon sixty (60) days' notice.

The Managing Agent will receive an annual fee of \$14,400.00, payable in equal monthly installments. The Managing Agent will be entitled to additional fees for certain special services performed by it.

The duties and services to be rendered by Managing Agent include, among others:

- (1) billing and collecting Common Charges payable by Unit Owners;
- (2) causing the Building to be maintained, repaired and altered in the manner deemed advisable by the Board, except that the approval of the Board is necessary for any expenditure of over \$1,000.00 for any one item of ordinary repair or alteration (other than an emergency repair);
- (3) contracting for necessary services for the Building with the prior approval of the Board;
- (4) purchasing all supplies necessary to properly maintain and operate the Building;
- (5) checking all bills received in connection with the operation of the Building and causing all such bills and other expenses to be paid;
- (6) supervising, hiring and discharging employees, which duty may be delegated by Managing Agent to one or more persons in its general employ;
- (7) rendering monthly statements of receipts and disbursements to the Board;
- (8) maintaining payroll records and filing withholding tax statements for employees;
- (9) maintaining accurate sets of books for the Board (other than books of account maintained by the Board's accountant); and
- (10) preparing and submitting annually to the Board an operating budget of the anticipated income and expenses for the ensuing year for the Condominium.

The annual certified financial statement with respect to the Condominium will not be prepared by Managing Agent. Such statement will be prepared by an independent certified public accountant engaged by the Board at the sole expense of the Unit Owners.

The Management Agreement may not be assigned by the Managing Agent.

All expenses incurred by the Managing Agent in performance of its duties are Common Expenses and are to be paid by the Unit Owners. The Managing Agent shall not be liable to the Board for any loss or damage unless caused by the Managing Agent's own negligence or default in the performance of its obligations under the Management Agreement. The Board shall indemnify the Managing Agent from any liability for damages, costs and expenses (including attorneys' fees) for: (i) injury to any persons or property in, about, and in connection with the Building unless such injury is caused by the Managing Agent's own negligence or failure to comply with its obligations under the

Management Agreement; and (ii) acts properly performed by the Managing Agent pursuant to instructions of the Board.

As set forth in "Schedule B - Projected Budget for First Year of Condominium Operation", the Condominium shall provide a fidelity bond in the amount of \$100,000 covering the Managing Agent. The cost of such coverage shall be borne by the Condominium.

W. IDENTITY OF PARTIES

1. Sponsor

Sponsor, 132 Perry LLC, is a limited liability company organized on May 19, 1999 and existing under the laws of the State of New York. The principal office of Sponsor is located at 950 Third Avenue, New York, New York. The principals of Sponsor are Esera Lisker, Dr. Axel Stawski, and Anthony Leichter. Ms. Lisker is an investor in commercial real estate in New York City. Dr. Stawski is a developer of commercial real estate in New York City; his last project was the development of the office building located at 565 Fifth Avenue, New York, N.Y. Mr. Leichter has been involved with all phases of commercial and residential real estate development in New York City since 1960.

Sponsor has not offered properties for sale as cooperatives or condominiums in New York which were initially offered within the past five (5) years. Dr. Stawski and Mr. Leichter were both principals of F.G. Associates, L.P., the sponsor of the offering plan for the conversion of 42-50 Wooster Street, New York, New York to condominium ownership, which offering plan is available for inspection at the Department of Law, 120 Broadway, New York, N.Y. 10271. F.G. Associates, L.P. is current in its obligations under such offering plan.

There have been no prior felony convictions of Sponsor, or any principals of Sponsor; and no prior convictions, injunctions and judgments against Sponsor, or any principal of Sponsor that may be material to the Plan or an offering of securities generally, that occurred within fifteen (15) years prior to the submission of this Plan to the Department of Law.

2. Attorneys for Sponsor

Sponsor has retained the law firm of Carb, Luria, Cook & Kufeld LLP, 521 Fifth Avenue, New York, New York 10175, to represent it in connection with this Plan. The Plan was prepared under the supervision of Edwin A. Novak. The firm has also rendered an opinion with respect to the availability of income tax deductions to purchasers of Units. Carb, Luria, Cook & Kufeld LLP will serve as Escrow Agent for the Downpayments paid under Purchase Agreements and will represent Sponsor in connection with the closing of title to Units.

3. Managing Agent

The Managing Agent is Andrews Building Corp., 666 Broadway, New York, N.Y. This firm has been engaged in the management of residential properties, including cooperatives and condominiums in Manhattan, since 1987. Presently, the Managing Agent manages over one hundred

cooperatives and condominiums in the City of New York, including 140 Perry Street, 12 East 12th Street and 69 Bank Street.

There have been no prior felony convictions of the Managing Agent or its principals; and no prior convictions, injunctions and judgements against the Managing Agent or any of its principals that may be material to the Plan or an offering of securities generally that occurred within fifteen (15) years prior to the submission of this Plan to the Department of Law.

4. Sales Agent

The Sales Agent is Meisel Real Estate, 141 Prince Street, New York, New York. This firm has specialized in the sale of residential properties in the Soho and Greenwich Village areas for over ten (10) years.

There have been no prior felony convictions of the Sales Agent or its principals; and no prior convictions, injunctions and judgements against the Sales Agent or any of its principals that may be material to the Plan or an offering of securities generally that occurred within fifteen (15) years prior to the submission of this Plan to the Department of Law.

5. Architect

The architect, L.H. Pomeroy Architects, P.C., 462 Broadway, New York, New York, has prepared the architectural plans pursuant to which the Building is being erected. It has rendered its report summarizing the Plans and Specifications as reproduced in Part II, Document Number 4. The architect has no financial interest in the Property, Sponsor, or any other party interested in this transaction, except for its fee for services in producing this report and preparing the plans for the construction of the Property.

X. REPORTS TO UNIT OWNERS

An annual report of the receipts and expenditures of the Condominium, certified by an independent certified public accountant, shall be submitted by the Board to all Unit Owners within four (4) months after the end of each fiscal year. Notice of all meetings of Unit Owners shall be given by the Secretary to the Condominium to all Unit Owners of record in accordance with the By-Laws. A copy of the proposed annual budget of the Condominium will be sent to all Unit Owners at least fifteen (15) days prior to its adoption. During the Initial Control Period, this budget shall be certified by Andrews Building Corp. as being adequate; such certification shall be included in an amendment to the Plan.

Y. DOCUMENTS ON FILE

Sponsor shall keep copies of the Plan, all documents referred to in the Plan, and all Exhibits submitted to the Department of Law in connection with filing of the Plan, on file and available for inspection without charge and copying at a reasonable charge at Sponsor's offices for six years from the date of the First Unit Closing. Sponsor shall deliver to the Board a copy of all documents filed with the City Register's Office at the time of the First Unit Closing. Copies of the Declaration, By-

Laws, Rules and Regulations, Floor Plans, and all Condominium minutes shall be maintained at the office of the Board and shall be available for inspection by Unit Owners and their authorized agents during reasonable business hours.

Z. GENERAL

The Plan does not knowingly omit any material fact or knowingly contain any untrue statement of any material fact. Exact copies are contained in Part II of the Plan of the forms of Declaration, By-Laws, Purchase Agreement, Unit Deed, Unit Power of Attorney and other documents. Statements made in Part I of the Plan as to the provisions of such documents or any other document referred to herein, copies of which are on file with Sponsor, are necessarily not complete. Each such statement is qualified in all respects by the contents of such documents and, in the case of any such documents executed or with the written consent of a Purchaser pursuant to the Plan, any rider or separate agreement changing or adding provisions to such document.

There are no lawsuits, administrative proceedings or other legal proceedings now pending, or any judgments outstanding, which could materially affect this offering, the Property being offered for sale hereunder, Sponsor's capacity to perform all of its obligations hereunder, the Condominium or the operation thereof.

To the knowledge of Sponsor, the Property has never been the subject of any prior cooperative or condominium offerings. No preliminary binding agreements have been entered into nor has any money been collected from prospective Purchasers.

In accordance with the provisions of the laws of the State of New York, neither Sponsor nor Sales Agent will discriminate against any person on the basis of race, creed, color, national origin, sex, age, disability, marital status, or other grounds prohibited by law in the sale of Units pursuant to the Plan.

Sponsor reserves the right to amend the terms and conditions upon which Units are to be sold and to otherwise revise this Plan, including revisions affecting the rights, obligations and liabilities of Sponsor, Purchasers, or prospective purchasers, without obtaining the consent of Purchasers or others. However, Sponsor may neither unilaterally cancel an outstanding Purchase Agreement, except as therein provided, nor unilaterally change the purchase price or the payment terms contained in such a Purchase Agreement. All substantive or material revisions will be contained in a duly filed amendment to this Plan. In the case of a material revision adversely affecting the rights, obligations or liabilities of then existing Purchasers or reducing the undertakings or obligations of Sponsor, such Purchasers will be given the right to rescind their Purchase Agreements and be refunded all monies paid thereunder (with any interest earned thereon) in accordance with any such amendment.

Unless the context otherwise requires, words used in the singular in Part I of the Plan include the plural and vice versa, and a reference herein to any one gender, masculine, feminine or neuter, includes the other two.

No person has been authorized to make any statement or representation or furnish any information not expressly contained herein. Any information, data or representations not contained

herein or in the documents and exhibits referred to herein must not be relied upon. This Plan may not be changed or modified orally.

AA. SPONSOR'S STATEMENT OF BUILDING CONDITION

Sponsor hereby adopts the Description of Property and Building Condition, prepared by L.H. Pomeroy Architects, P.C., as set forth in Part II, Document Number 4 of this Plan. Sponsor represents that it has no knowledge of any material defects or need for major repairs to the Property except as set forth in this report.

132 PERRY LLC

PART II

DOCUMENT NUMBER 1

PURCHASE AGREEMENT

UNIT _____

OF

THE 132 PERRY STREET CONDOMINIUM

132 Perry Street
New York, New York

(Please sign three copies)

AGREEMENT, made as of _____, 200__ between **132 PERRY LLC**, a New York limited liability company, having an office at 950 Third Avenue, New York, New York 10017 ("Sponsor"), and _____, having an address at _____ ("Purchaser").

WITNESSETH:

1. The Plan. Purchaser acknowledges having received and read a copy of the Offering Plan for The 132 Perry Street Condominium and any amendments thereto which have been filed with the Department of Law of the State of New York prior to the date hereof (hereinafter collectively referred to as the "Plan") at least three (3) business days prior to the date hereof. The Plan is incorporated in this Agreement by reference and is made a part hereof with the same force and effect as if set forth at length. In the event of any inconsistency between the provisions of this Agreement and the Plan, the Plan shall govern.

2. Definitions. Capitalized terms used in this Agreement which are also used in the Plan shall have the same meanings herein as such terms have in the Plan.

3. The Unit. Sponsor agrees to sell and convey, and Purchaser agrees to purchase, the unit designated as Unit _____ ("Unit") of the Condominium, together with its _____% undivided interest in the Common Elements appurtenant thereto, in accordance with this Agreement and the Plan.

4. Purchase Price.

4.1. The purchase price ("Purchase Price") is \$ _____, payable as follows:

(a) \$ _____, constituting a downpayment ("Downpayment") in the amount of ten percent (10%) of the Purchase Price, on the signing of this Agreement by check (subject to collection), receipt of which is hereby acknowledged; and

(b) \$ _____, constituting the balance of the Purchase Price, at the closing of title. The balance of the Purchase Price must be paid by Purchaser's certified check or official cashier's check which check must be drawn on a bank that is a member of the New York Clearing House Association, Inc.

All checks constituting the Downpayment shall be unendorsed and made payable to the direct order of "Carb, Luria, Cook & Kufeld LLP, as Escrow Agent". All checks constituting the balance of the Purchase Price shall be made to the order of Sponsor or such other parties as Sponsor may direct upon notice to Purchaser.

4.2. If any check tendered for payment of the Downpayment is returned for insufficient funds or any other reason, such return shall be deemed to be a default by Purchaser under this Agreement and shall entitle Sponsor to exercise any of the remedies set forth in Article 14 hereof including the right to deem this Agreement to be canceled and of no further force and effect.

5. Downpayment in Escrow.

5.1. Sponsor shall comply with the escrow and trust fund requirements of Sections 352-e(2b) and 352-h of the General Business Law of the State of New York, Section 71-a (3) of the Lien Law of the State of New York and the Regulations of the State of New York with respect to the Downpayment paid by Purchaser hereunder.

The Downpayment will be deposited within five (5) business days from the date hereof in a special interest-bearing escrow account entitled, "Carb, Luria, Cook & Kufeld LLP Escrow Account f/b/o Purchaser" at The Bank Of New York, 530 Fifth Avenue, New York, New York. The Downpayment shall be held in escrow pursuant to this Agreement, the Plan and the Escrow Agreement, a copy of which is contained in the Plan in Part II, Document Number 9. All disbursements in this special account shall be made upon the written authorization of certain members of Carb, Luria, Cook & Kufeld LLP, counsel to Sponsor (the "Escrow Agent").

5.2. The escrow account shall be a "money-market" type account; the interest rate payable will be determined by The Bank of New York from time-to-time. Interest shall be credited from the date of deposit to the date of withdrawal. Purchaser shall be responsible for the payment of any and all taxes with respect to the accrued interest.

5.3. Simultaneously with the execution of this Agreement, Purchaser shall execute three copies of Internal Revenue Service Form W-9; the Escrow Agent shall deliver a duplicate original of such form to The Bank of New York.

5.4. Purchaser acknowledges that if the Downpayment is in excess of \$100,000.00, such excess will not be insured by the Federal Deposit Insurance Corporation. Neither Sponsor or the Escrow Agent shall have any liability to Purchaser in the event of the insolvency of The Bank of New York.

5.5. Within ten (10) business days after the tender of the Downpayment by Purchaser to Sponsor, the Escrow Agent shall notify Purchaser that the Downpayment has been deposited at The

Bank of New York; such notice shall provide the account number and the initial interest rate. Such notice shall be sent by the Escrow Agent to Purchaser, at the above address by certified mail, return receipt requested. If Purchaser does not receive the aforesaid notice within fifteen (15) business days after tender of the Downpayment to Sponsor, Purchaser may rescind this Agreement within ninety (90) days after tender of the Downpayment to Sponsor by notice to Sponsor. Application to the Attorney General of the State of New York for relief may be made by either Purchaser or Sponsor; rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Downpayment was timely deposited in accordance with the regulations of the State of New York and requisite notice was timely mailed to Purchaser. If this Agreement is rescinded pursuant to this subsection, the Downpayment, together with all accrued interest, will be returned to Purchaser; in such event, this Agreement shall be canceled and of no further force and effect.

5.6. The Escrow Agent will hold the Downpayment, together with all accrued interest, in escrow until any of the following events occur: (a) the closing of title to the Unit, at which time the Downpayment shall be paid to Sponsor and all accrued interest shall be paid to Purchaser; (b) a writing signed by both Sponsor and Purchaser directing the disbursement of the Downpayment, together with all accrued interest; (c) a determination of the Attorney General of the State of New York with respect to the disposition of the Downpayment, pursuant to the dispute resolution procedures contained in the Regulations of the State of New York as summarized in the Plan; (d) a judgment or order of a court of competent jurisdiction; (e) the deposit of the Downpayment, together with all accrued interest, with the Clerk of the County of New York; or (f) the earlier cancellation of this Agreement pursuant to its provisions.

If: (a) there is no written agreement between the parties to release the Downpayment, (b) Purchaser is in default under this Agreement entitling Sponsor to cancel this Agreement and retain for its own account the Downpayment, together with all accrued interest, and (c) the Plan has been consummated, the Escrow Agent will not pay the Downpayment to Sponsor until the Escrow Agent gives Purchaser notice of its intention to disburse the Downpayment to Sponsor not fewer than ten (10) business days from the date of such notice. Thereafter, the Downpayment, together with all accrued interest, may be paid to Sponsor unless Purchaser has applied, before the disbursement date specified in the aforesaid notice, to the Department of Law of the State of New York pursuant to the dispute resolution provisions of the Regulations of the State of New York and has so notified the Escrow Agent in accordance with such provisions.

Purchaser and the Escrow Agent may apply to the Attorney General of the State of New York in the event of a dispute for a determination on the disposition of the Downpayment. Sponsor must avail itself of this procedure if there is a dispute between Sponsor and Purchaser with respect to which party is entitled to the Downpayment. The party applying shall contemporaneously send to all other parties a copy of such application. Pending the determination of the Attorney General of the State of New York, to grant or deny the application, Sponsor, Purchaser and the Escrow Agent shall abide by any interim directive issued by the Attorney General. The Attorney General shall act upon the application within thirty (30) days after its submission to the Department of Law, by either making a determination or notifying the parties that an extension of time in which to do so is necessary for stated reasons. If the application permitting release of the Downpayment is granted, the Downpayment, together with all accrued interest, shall be disbursed by the Escrow Agent in

accordance with the determination of the Attorney General, subject to any court action in which preliminary relief is granted. If the application seeking release of the Downpayment is denied, the Escrow Agent shall continue to hold the Downpayment, together with all accrued interest, in escrow until both Sponsor and Purchaser direct payment to a specified party in accordance with: (a) a written direction signed by both Sponsor and Purchaser, or (b) a judgment or order of a court of competent jurisdiction is served upon the Escrow Agent, or (c) the Escrow Agent deposits the Downpayment, together with all accrued interest, into court, or (d) by determination of the Attorney General.

5.7. The Downpayment shall remain the property of Purchaser until employed in connection with the purchase of the Unit. All interest accrued on the Downpayment (if any) shall be paid to Purchaser at the closing of title and shall not be credited to the Purchase Price. If the Plan is withdrawn or abandoned, the Downpayment, together with all accrued interest, will be returned to Purchaser within twenty (20) days.

5.8. If Sponsor is unable to deliver title to the Unit to Purchaser in accordance with the provisions of this Agreement and the Plan, and Purchaser elects to terminate this Agreement in accordance with the provisions of Article 15 hereof, the Escrow Agent shall refund the Downpayment, together with all accrued interest, within twenty (20) days from the date of Purchaser's termination notice.

6. Closing of Title.

6.1. The closing of title shall be held at such place in the City and State of New York and at such hour as Sponsor may designate to Purchaser on not less than thirty (30) days' prior notice. Sponsor, from time to time, may adjourn such date and hour on notice to Purchaser, which notice shall fix a new date, hour and place for the closing of title. At Purchaser's request, the date for the closing of title may be accelerated to a mutually convenient time for both Purchaser and Sponsor provided Purchaser delivers to Sponsor a written waiver of Purchaser's right to have thirty (30) days' prior notice of the closing of title, such waiver being substantially in the form set forth in Schedule B to this Agreement.

6.2. The closing of title shall occur only after or concurrently with the compliance with the prerequisites as set forth under "Terms of Sale" in Part I, Section K, of the Plan.

6.3. The term "Closing Date" or "closing of title" or words of similar import, whenever used herein, shall mean the date designated by Sponsor on which the deed to the Unit is delivered to Purchaser or any adjourned date fixed by Sponsor pursuant to subsection 6.1 hereof.

7. Delivery of the Deed and Power of Attorney to the Condominium Board.

7.1. At the closing of title, Sponsor shall deliver to Purchaser a bargain and sale deed with covenant against grantor's acts conveying title to the Unit to Purchaser. The deed shall be substantially in the form set forth in Document Number 3 in Part II of the Plan and shall be executed and acknowledged by Sponsor and Purchaser, in form for recording. Purchaser shall pay, at the closing of title, all New York State Real Estate Transfer Taxes and New York City Real Property Transfer Tax payable in connection with recording the deed. In connection therewith, Sponsor and

Purchaser shall duly execute and swear to: (a) a New York City Real Property Transfer Tax Return, (b) a New York State Real Estate Transfer Tax Return, and (c) an affidavit with respect to the installation in the Unit of an approved and operable single station smoke detecting alarm device, which affidavit is made in accordance with Section 378, subdivision 5 of the Executive Law of the State of New York and with Section 11-2105(g) of the Administrative Code of the City of New York. The parties shall also execute any other form then required by law. All closing documentation shall be prepared by Sponsor.

7.2. At the closing of title and simultaneously with the delivery of the deed conveying the Unit to Purchaser, Purchaser shall execute, acknowledge and deliver a power of attorney to the Board of Managers of the Condominium (the "Board") prepared by Sponsor substantially in the form set forth in Exhibit 2 in Part II of the Plan.

7.3. The deed and power of attorney to the Board shall be delivered to the representative of the title company insuring Purchaser's title (or if no such representative is present, then to Sponsor's attorney) for recording in the New York County Office of the Register of the City of New York (the "City Register's Office"). Purchaser shall pay all fees necessary to record these instruments in the City Register's Office. After being recorded, the deed shall be returned to Purchaser and the power of attorney shall be sent to the Board.

8. **Marketable Title.** At the closing of title, Sponsor shall convey to Purchaser good and marketable title in fee simple to the Unit, free and clear of all encumbrances other than those set forth in Schedule A annexed hereto and made a part hereof. Any encumbrance to which title is not to be subject shall not be an objection to title if: (a) the instrument required to remove said encumbrance of record is delivered to the proper party together with the recording or filing fees, or (b) Purchaser's title insurance company will insure Purchaser that said encumbrance will not be collected out of the Unit if it is a lien, or will not be enforced against the Unit if it is not a lien.

9. Closing Adjustments.

9.1. The following adjustments shall be made as of the Closing Date with respect to the Unit: (a) real estate taxes and assessments, if any, on the basis of the period for which assessed; (b) Common Charges for the month in which title closes; and (c) accrued rent and any other charges pursuant to an interim lease, if any, covering the Unit.

9.2. If the Unit has not been separately assessed for real estate taxes as of the Closing Date for the then current tax period, the adjustment under subsection 9.1(a) hereof shall be based upon the taxes prepaid for the Property for the current tax period as allocated to the Unit by the Unit's percentage interest in the Common Elements appurtenant to the Unit. Sponsor shall also be credited for any amounts paid by Sponsor that are held in escrow by the Board for the payment of future real estate taxes that are allocated to the Unit. If the Unit has been separately assessed but the closing of title occurs before the tax rate is fixed, adjustment of taxes shall be based upon the latest tax rate applied to the most recent applicable assessed valuation. Installments for tax assessments due after the delivery of the deed shall be paid by Purchaser and shall not be considered a defect in title.

9.3. The "Customs in Respect of Title Closings" recommended by The Real Estate Board of New York, Inc., as amended to date, shall apply to the adjustments and other matters therein mentioned except as otherwise provided herein.

9.4. The provisions of this Article 9 shall survive the closing of title hereunder.

10. Closing Costs. Purchaser shall pay the following costs and expenses at the time of closing of title: (a) if Purchaser elects to obtain fee title insurance, Purchaser will pay a premium therefor at rates to be determined by the title company insuring such title; (b) a fee for recording the deed and power of attorney; (c) the New York City Real Property Transfer Tax payable in connection with the conveyance of the Unit to Purchaser; (d) the basic New York State Real Estate Transfer Tax payable in connection with the conveyance of the Unit to Purchaser; (e) any additional New York State Real Estate Transfer Tax payable in connection with the transfer of residential property having a purchase price in excess of \$1,000,000 (commonly known as the "Mansion Tax"); (f) \$250.00 to the Condominium as a contribution to its Working Capital Fund; (g) a fee of \$350.00 to Sponsor's attorneys, Carb, Luria, Cook & Kufeld LLP for review and satisfaction of exceptions to title only if Purchaser selects a title insurance company other than Chicago Title Insurance Company; (h) if Purchaser obtains a loan to finance any portion of the Purchase Price, which loan ("Mortgage Loan") is to be secured by a mortgage covering the Unit, Purchaser shall pay Sponsor a sum equal to any mortgage tax credit to which Purchaser may be entitled in connection with the recording of any documents evidencing the Mortgage Loan pursuant to Section 339-ee(2) of the Real Property Law of the State of New York; and (i) if Purchaser obtains a Mortgage Loan: (1) an amount equal to the premium for any mortgage title insurance required by Purchaser's lender, (2) a fee for recording the mortgage securing such Loan, and (3) any mortgage recording tax which may be due and payable in connection therewith. Purchaser shall also be responsible for the payment of all closing costs and expenses in connection with any Mortgage Loan. Taxes are based upon rates in effect on the date the Plan was accepted for filing and are subject to change without notice. The provisions of this Article 10 shall survive the closing of title hereunder.

11. Binding Effect of Plan: Declaration; By-Laws and Rules and Regulations. Purchaser hereby accepts and approves the Plan (including the Declaration, By-Laws and Rules and Regulations contained therein) and agrees to abide and be bound by the terms and conditions thereof.

12. Agreement Subject to Mortgage. No encumbrance shall arise against the Property as a result of this Agreement or any monies deposited hereunder. In furtherance and not in limitation of the provisions of the preceding sentence, Purchaser agrees that the provisions of this Agreement are and shall be subject and subordinate to the lien of any mortgage, including, but not limited to, any construction or building loan mortgage, heretofore or hereafter made and any advances heretofore or hereafter made thereon and any payments or expenses already made or incurred or which hereafter may be made or incurred, pursuant to the terms thereof, or incidental thereto, or to protect the security thereof, to the full extent thereof without the execution of any further documents by Purchaser. Sponsor shall, at its option, either satisfy such mortgage or obtain a release of the Unit and its undivided interest in the Common Elements from the lien of such mortgage on or prior to the Closing Date. The existence of any mortgage or mortgages encumbering the Property, or portions thereof, other than the Unit and its undivided interest in the Common Elements, shall not constitute an objection to title or excuse Purchaser from completing payment of the Purchase Price or

performing all of Purchaser's other obligations hereunder or be the basis of any claim against, or liability of, Sponsor, provided that any such mortgage is subordinated to the Declaration or the Unit is released from the lien of such mortgage.

13. Events of Default.

13.1. The following shall constitute events of default by Purchaser under this Agreement: (a) Purchaser's failure to pay the balance of the Purchase Price on the Closing Date; (b) Purchaser's failure to duly sign before a notary public and deliver at closing of title all closing documentation referred to in Paragraphs 7.1 or 7.2 above; (c) Purchaser's failure to pay the closing expenses referred to in Paragraph 10 hereof; (d) if Purchaser becomes a tenant or occupant of the Unit, Purchaser's failure to pay rent or otherwise to comply with Purchaser's lease or tenancy or occupancy obligations or Purchaser vacating or abandoning the Unit; or (e) the failure to pay, perform, or observe any of Purchaser's other obligations hereunder which is not cured within thirty (30) days after notice specifying the nature of such default is sent by Sponsor.

13.2. If an event of default occurs, Sponsor's sole right shall be to cancel this Agreement by sending Purchaser thirty (30) days' prior written notice of its intention to cancel. If Sponsor elects to cancel, Purchaser shall have thirty (30) days from the giving of the cancellation notice within which Purchaser must cure the specified default. **TIME IS OF THE ESSENCE TO CURE SUCH DEFAULT WITHIN THIS THIRTY (30) DAY PERIOD.** If the default is not timely cured, then the Agreement shall be deemed canceled, Sponsor shall have the right to retain, as and for liquidated damages, the Downpayment, together with all accrued interest. The Downpayment, together with all accrued interest, shall be disbursed by the Escrow Agent in accordance with Paragraph 5.6 hereof.

Upon cancellation of this Agreement, this Agreement shall be null and void and neither party shall have any further rights, obligations, or liability to or against the other hereunder, and the parties shall be released and discharged from all obligations and liability under this Agreement and the Plan. Thereafter, the Unit may be sold to another as though this Agreement had never been made, and without accounting to Purchaser for the proceeds of such sale.

13.3. Sponsor may declare a failure by Purchaser as specified in paragraph 13.1 (d) hereof to be a default under this Agreement only if: (i) Purchaser has vacated the Unit, or (ii) after Sponsor has obtained an order of eviction or other judgment from a court of competent jurisdiction against Purchaser if Purchaser remains in possession of the Unit.

14. Sponsor's Inability to Convey the Unit. If Sponsor is unable to deliver title to the Unit to Purchaser in accordance with the provisions of this Agreement and the Plan, Sponsor shall not be obligated to bring any action or proceeding or otherwise incur any cost or expense of any nature whatsoever in excess of \$00 to cure such inability and Sponsor shall not otherwise incur any liability in connection therewith. If Sponsor notifies Purchaser of its inability to deliver such title and provided Purchaser is not in default hereunder, Purchaser's sole remedy shall be to either (a) take title to the Unit subject to such title as Sponsor is able to deliver (without any abatement in, or credit against, the Purchase Price, or any claim or right of action against Sponsor for damages or otherwise) or (b) terminate this Agreement. If Purchaser elects to terminate this Agreement, Purchaser shall so notify Sponsor within twenty (20) days after Sponsor's notice to Purchaser of its inability to deliver

title. If Purchaser so terminates this Agreement, the Escrow Agent shall, within twenty (20) days after Sponsor's receipt of Purchaser's termination notice, return to Purchaser the Downpayment, together with all accrued interest. Upon making such payment, this Agreement shall be null and void and neither party shall have any further rights, obligations or liability to or against the other hereunder, and the parties shall be released and discharged from all obligations and liability under this Agreement and the Plan. If Purchaser fails to terminate this Agreement pursuant to this paragraph, it shall be conclusively deemed that Purchaser elected the option to acquire such title to the Unit as Sponsor is able to deliver.

15. Agreement Subject to the Plan Being Effective. The parties' obligations under this Agreement are contingent upon (a) the Plan being declared effective by Sponsor, and (b) the acceptance for filing by the Attorney General of the State of New York of an amendment to the Plan disclosing that the Plan has been declared effective. The Plan may be withdrawn or abandoned by Sponsor as set forth in the Plan. If the Plan is withdrawn or abandoned, this Agreement shall be deemed canceled and, not later than twenty (20) days thereafter, the Escrow Agent shall return to Purchaser the Downpayment, together with all accrued interest, and upon making such payment, this Agreement shall be null and void and neither party shall have any further rights, obligations or liability to or against the other hereunder and the parties shall be released and discharged from all obligations and liability under this Agreement and under the Plan.

16. No Financing Contingency. Purchaser's obligations under this Agreement are not contingent upon Purchaser securing financing of the Purchase Price. **PURCHASER'S FAILURE TO OBTAIN FINANCING SHALL NOT RELIEVE PURCHASER OF PURCHASER'S OBLIGATIONS UNDER THIS AGREEMENT.** Purchaser further acknowledges that if Purchaser obtains a commitment for financing, neither a subsequent change in the terms of such commitment, the expiration or other termination of such commitment shall relieve Purchaser of Purchaser's obligations under this Agreement.

17. Fixtures, Appliances and Personal Property. This sale includes those fixtures, appliances and items of personal property which are described in Document Number 4 in Part II of the Plan as being part of the Unit are included in the sale of the Unit pursuant to this Agreement. Any personal property owned by Sponsor that is located within the Unit on the date hereof is also included in this sale.

18. Acceptance of Condition of Property. Purchaser shall accept title to the Unit (without abatement in, or credit against, the Purchase Price) notwithstanding the failure to complete construction of: (a) minor details of the Unit or the Building, (b) other Units, or (c) the public areas of the Building which do not prevent Purchaser's use of the Unit, provided a temporary or permanent Certificate of Occupancy for the entire Building or the Unit has been issued by the Department of Buildings of the City of New York. (In no event will the provisions of the foregoing sentence be in derogation of Sponsor's obligations as set forth in the Plan under "Rights and Obligations of Sponsor" at Part I, Section M.) Purchaser shall be given a reasonable opportunity to examine the Unit prior to the closing of title and shall make a careful inspection of the Unit at such time. At the closing of title, Purchaser shall sign and deliver to Sponsor an Inspection Statement prepared by Sponsor and substantially in the form set forth in Document Number 11 in Part II of the Plan.

19. Damage to the Unit. If, between the date of this Agreement and the closing of title, the Unit is damaged by fire or other casualty, the following shall apply:

19.1. Subject to subparagraph 19.4 hereof, the risk of loss to the Unit by fire or other casualty until the closing of title is assumed by Sponsor.

19.2 If the Unit is damaged by fire or other casualty prior to the Plan being declared effective, it shall be Sponsor's option to reconstruct the Unit or to abandon the Plan. If such damage to the Unit occurs after the Plan has been declared effective, Sponsor shall be obligated to reconstruct the Unit provided the damage to the Building can be repaired for less than \$00, excluding attorneys' fees. If Sponsor elects to repair or restore the Unit, this Agreement shall continue in full force and effect, and Purchaser shall not have the right to reject title or receive a credit against, or abatement in, the Purchase Price. In such event, Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss shall, subject to the rights of the Board and other Unit Owners, belong entirely to Sponsor and if such proceeds are paid to Purchaser, Purchaser shall promptly upon receipt thereof turn them over to Sponsor. The provisions of the preceding sentence shall survive the closing of title.

19.3. If the Unit is damaged by fire or other casualty prior to the closing of title, and if Sponsor notifies Purchaser that: (a) it elects not to restore the Unit and to abandon the Plan, or (b) if the Declaration has been recorded, and the Unit Owners of the Condominium do not resolve to make such repairs to the Condominium and the Unit, this Agreement shall be deemed canceled and of no further force or effect. In such event, the Escrow Agent shall return to Purchaser the Downpayment, together with any accrued interest. Upon cancellation of this Agreement, this Agreement shall be null and void and neither party shall have any further rights, obligations, or liability to or against the other hereunder, and the parties shall be released and discharged from all obligations and liability under this Agreement and the Plan.

19.4. Notwithstanding the foregoing, the risk of loss to the Unit by fire or other casualty prior to the closing of title shall be assumed solely by Purchaser after Purchaser takes possession of the Unit; in such event the provisions of subparagraphs 19.1, 19.2 or 19.3 shall be inapplicable and this Agreement shall remain in full force and effect unless Sponsor abandons the Plan in which case this Agreement shall be deemed canceled and of no further force or effect.

20. No Representations. Purchaser acknowledges that Purchaser has not relied upon any statements, whether written or oral, made by Sponsor, Sales Agent or any other person except as may be specifically represented in this Agreement or in the Plan; Purchaser having relied on Purchaser's own examination and investigation of the Unit, the Condominium, this Agreement and the Plan. No person has been authorized to make any representations on behalf of Sponsor except as herein or in the Plan specifically set forth. No oral representations or statements shall be considered a part of this Agreement or the Plan. Purchaser agrees: (a) to purchase the Unit, without offset or any claim against, or liability of, Sponsor, whether or not any layout or dimension of the Unit or any part thereof, or of the Common Elements, as shown on the floor plans on file with Sponsor and filed in the City Register's Office, is accurate or correct, provided the layouts and dimensions conform substantially to such Floor Plans, and (b) that Purchaser shall not be relieved of any of his obligations

hereunder by reason of any minor inaccuracy or error in such Floor Plans. The provisions of this Article 20 shall survive the closing of title.

21. Warranties. Sponsor makes no warranties with respect to the Unit except as stated in subsection 11 of the section of the Plan entitled "Rights and Obligations of Sponsor" at Part I, Section M. Any claim based upon Sponsor's representations of the condition of the Unit and their equipment or appliances must be presented by written notice to Sponsor within ninety (90) days from the Closing Date. Sponsor shall not, under any circumstances, be liable to Purchaser with respect to equipment as to which assignable warranties or guarantees are transferred to Purchaser. The provisions of this Article 21 shall survive the closing of title.

22. Broker. Purchaser warrants and represents to Sponsor that Meisel Real Estate is the only broker or sales agent with whom Purchaser has dealt in connection with this transaction, and Sponsor agrees to pay the commission earned by such broker pursuant to a separate agreement. Purchaser agrees that should any claim be made against Sponsor for commissions by any broker, sales agent or other person or entity other than the aforesaid broker, on account of any acts of Purchaser or Purchaser's representatives, Purchaser will indemnify and hold Sponsor free and harmless from and against any and all liabilities, losses, costs, damages and expenses in connection therewith, including reasonable legal fees and disbursements. The provisions of this Article 22 shall survive the closing of title hereunder.

23. Agreement May Not Be Assigned by Purchaser. Purchaser may not assign this Agreement or any of Purchaser's rights hereunder without Sponsor's written consent, which consent may be withheld for any reason or for no reason.

24. Binding Effect. This Agreement shall not be binding on Purchaser or Sponsor until a fully executed copy of this Agreement has been furnished to Purchaser. If this Agreement is not accepted by Sponsor within five (5) business days from the date submitted by Purchaser, this Agreement shall be deemed to have been rejected and of no further force and effect; the check for the shall be promptly returned to Purchaser.

25. Notices. Any notice, request or other communication hereunder or under the Plan shall be in writing and sent, postage prepaid, by registered or certified mail, return receipt requested, to Purchaser at the address given at the beginning of this Agreement, and to Sponsor at the address given at the beginning of this Agreement, with a copy to Carb, Luria, Cook & Kufeld LLP, 521 Fifth Avenue, New York, New York 10175 Attention: Edwin A. Novak, Esq., or to such other address as either party may hereafter designate to the other in writing. Except as otherwise expressly provided herein, the date of mailing shall be deemed to be the date of the giving of notice, except that the date of actual receipt shall be deemed to be the date of the giving of any notice of change of address.

26. Joint Purchasers. The term "Purchaser" shall be read as "Purchasers" if more than one person are purchasers, in which case their obligations shall be joint and several.

27. Further Assurances. Either party shall execute, acknowledge and deliver to the other party such instruments, and take such other actions, in addition to the instruments and actions

specifically provided for herein, as such other party may reasonably request in order to effectuate the provisions of this Agreement or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

28. Severability. If any provision of this Agreement or the Plan is invalid or unenforceable as against any person or under certain circumstances, the remainder of this Agreement or the Plan and the applicability of such provision to the person or circumstances shall not be affected thereby. Each provision of this Agreement and the Plan, except as otherwise herein or therein provided, shall be valid and enforced to the fullest extent permitted by law.

29. Strict Compliance. Any failure by Sponsor to insist upon the strict performance by Purchaser of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, and Sponsor, notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by Purchaser of any and all of the provisions of this Agreement to be performed by Purchaser.

30. Governing Law. The provisions of this Agreement shall be governed by the laws of the State of New York.

31. Waiver of Jury. Except as prohibited by law, the parties shall, and they hereby do, expressly waive trial by jury in any litigation arising out of, or connected with, or relating to, this Agreement, or the relationship created thereby. With respect to any matter for which a jury trial cannot be waived, the parties agree not to assert any claim relating to such matter as a counterclaim in, nor move to consolidate such claim with, any action or proceeding in which a jury trial is waived.

32. Entire Agreement. This Agreement supersedes any and all understandings and agreements between the parties and constitutes the entire agreement between them with respect to the subject matter hereof.

33. Certain References. A reference in this Agreement to any one gender, masculine, feminine or neuter, includes the other two, and the singular includes the plural and vice versa, unless the context otherwise requires. The term "herein" "hereof" or "hereunder" or similar terms used in this Agreement refer to this entire Agreement and not to the particular provision in which the term is used. Unless otherwise stated, all references herein to Articles, Sections or other provisions are references to Articles, Sections or other provisions of this Agreement.

34. Captions. The captions in this Agreement are for convenience and reference only and in no way define, limit or describe the scope of this Agreement or the intent of any provision hereof.

35. Successors and Assigns. The provisions of this Agreement shall bind and enure to the benefit of Sponsor and its successors and assigns and to the heirs, legal representatives, successors and permitted assigns of Purchaser.

36. No Oral Changes. This Agreement cannot be changed or terminated orally. Any changes or additional provisions must be set forth in a rider attached hereto or in a separate written agreement signed by the parties.

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

Sponsor: 132 PERRY LLC

By: _____

Purchaser:

Purchaser's Social Security Number:

SCHEDULE A

PERMITTED ENCUMBRANCES

1. Terms, conditions, covenants and easements set forth in the Declaration of Condominium, By-Laws, and the Rules and Regulations as all may be amended.
2. State of facts shown on the survey of the Land made by Chas J. Dearing dated 8/10/56 and last redated by visual examination by the office of Earl B. Lovell-S.P. Belcher, Inc. on 7/30/98 and any additional state of facts which a subsequent survey or personal inspection of the Land and Building would show, provided such additional facts would not prevent use of the Building for residential or commercial purposes.
3. Any state of facts which an accurate survey and inspection of the Unit would show, provided such state of facts would not render title unmarketable.
4. Any zoning lot and development agreement or zoning lot description and ownership statement and any other declaration or other instrument affecting the Land which Sponsor deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the Board of Standards and Appeals or any other public authority, applicable to the construction, alteration or repair of the Building.
5. The lien of any unpaid real estate taxes, water charges or sewer rents or any unpaid assessment provided that said exceptions shall be omitted by Chicago Title Insurance Company (or such other title insurance company insuring Purchaser's title to the Unit).
6. Standard exceptions and conditions contained in the form of title insurance policy then issued by Chicago Title Insurance Company (or such other title insurance company insuring Purchaser's title to the Unit).
7. Power of Attorney from Purchaser to the Board.
8. Any encumbrance as to which Chicago Title Insurance Company (or such other title insurance company which insures Purchaser's title to the Unit) would be willing, in a fee policy issued by it to Purchaser, to insure Purchaser that such encumbrance: (a) will not be collected out of the Unit if it is a lien, or (b) will not be enforced against the Unit if it is not a lien.
9. Any lease covering the Unit made from Sponsor to Purchaser.
10. Consents by Sponsor or any former owner of the Land for the erection of any structure or structures on, under or above any street or streets on which the Land may abut.

11. Any violations against the Property (other than the Unit) which are the obligation of the Board or another Unit Owner to correct.
12. Encroachments of stoops, areas, cellar steps or doors, trim, copings, retaining walks, bay windows, balconies, sidewalks, elevator, fences, fire escapes, cornices, foundations, footings and similar projections, if any, on, over, or under the Property or the streets or sidewalks abutting the Property and the rights of governmental authorities to require the removal of any such projections and variations between record lines of the Property and retaining walls and the like, if any.

SCHEDULE B

WAIVER

132 Perry LLC
950 Third Avenue
New York, N.Y. 10022

Re: Condominium Unit ____ (the "Unit")
The 132 Perry Street Condominium
132 Perry Street
New York, New York

Ladies and Gentlemen:

You have established _____ as the date for the closing of title to the Unit pursuant to Article 6 of our Purchase Agreement. (I)(we) hereby waive the right to have thirty (30) days' prior notice of the closing of title and request that the closing of title occur on _____.

Very truly yours,

Purchaser

Purchaser

Dated: _____

DOCUMENT NUMBER 2

UNIT POWER OF ATTORNEY

Terms used in this Unit Power of Attorney which are used (a) in the Declaration (the "Declaration") establishing a plan for condominium ownership of the premises known as The 132 Perry Street Condominium, 132 Perry Street, New York, New York under Article 9-B of the Real Property Law of the State of New York, said Declaration dated _____ and recorded in the New York County Office of the Register of the City of New York on _____, in Reel __, page __, or (b) in the By-Laws of The 132 Perry Street Condominium, (the "By-Laws") attached to, and recorded together with, the Declaration, shall have the same meanings in this Power of Attorney as in the Declaration or the By-Laws.

The undersigned _____, the owner of Unit No. _____ in The 132 Perry Street Condominium, said unit being designated and described in the Declaration and also designated as Tax Lot _____ in Block 632 on the Tax Map of the Real Property Assessment Department of The City of New York and on the Floor Plans, do(es) hereby irrevocably nominate, constitute and appoint the persons who may, from time to time, constitute the Board of Managers of the Condominium (the "Board") true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution, in their own names as members of the Board or in the name of their designee (corporate or otherwise), on behalf of all Unit Owners, in accordance with such Owners' respective interests in the Common Elements, subject to the provisions of the By-Laws: (1) (a) to acquire or lease any Unit, together with its Common Interest, from any Unit Owner desiring to sell, convey, transfer, assign, lease or sublease the same; and (b) to acquire any Unit, together with its Common Interest, which becomes the subject of a foreclosure or similar sale, on such terms and at such price or at such rental, as the case may be, as the Board shall deem proper, and thereafter to convey, sell, lease, mortgage or otherwise deal with (but not vote the interest appurtenant thereto) any such Unit so acquired by the Board, or to sublease any Unit so leased by the Board, on such terms as the Board may determine, granting to the Board the power to do all things in the Property which the undersigned could do if the undersigned were personally present; and (2) to execute, acknowledge and deliver: (a) any declaration or other instrument affecting the Property which the Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Landmarks Preservation Commission, the Board of Standards and Appeals or any other public authority, applicable to the demolition, construction, alteration, maintenance, repair or restoration of the Property; and (b) any consent, covenant, restriction, easement, or declaration, or any amendment thereto, affecting the Property which the Board deems necessary or appropriate, including amendments to the Declaration authorized pursuant to Article 17 thereof.

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

This Power of Attorney shall be irrevocable and shall not be affected by the subsequent disability or incompetence of the undersigned.

IN WITNESS WHEREOF, the undersigned has/have executed this Power of Attorney this _____ day of _____, 200__.

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

On the — day of _____ in the year 200__, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

DOCUMENT NUMBER 3

UNIT DEED

THIS INDENTURE, made the ___ day of _____, 200_, between 132 Perry LLC., a New York limited liability company, having an office at 950 Third Avenue, New York, New York 10022 (the "Grantor"), and _____, having an address at _____ (the "Grantee").

WITNESSETH:

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

The condominium unit known as Unit No. ___ (the "Unit") in the building (the "Building") known as The 132 Perry Street Condominium, 132 Perry Street, City, County and State of New York, said Unit being designated and described in the Declaration pursuant to Article 9-B of the Real Property Law of the State of New York (the "New York Condominium Act"), establishing a plan for condominium ownership of the Building and the land upon which the Building is situate (the "Land") said Declaration dated _____, and recorded in the New York County Office of the Register of the City of New York (the "City Register's Office") on _____, in Reel ___, page ___ (the "Declaration"). The Unit is also designated as Tax Lot _____ in Block 632 of Section 1 of the Borough of Manhattan on the Tax Map of the Real Property Assessment Department of The City of New York and on the Floor Plans of the Building, certified by L. H. Pomeroy Architects, P.C., on _____, and filed in the City Register's Office on _____, as Condominium Plan No. _____. The Land is more particularly described in Schedule A attached hereto and made a part hereof. All capitalized terms herein which are not separately defined herein shall have the meanings given to those terms in the Declaration or in the By-Laws of The 132 Perry Street Condominium (the "By-Laws").

Together with an undivided _____% interest in the Common Elements;

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

Together with, and subject to, the rights, obligations, easements, restrictions and other provisions set forth in the Declaration and the By-Laws (and any Rules and Regulations adopted under the By-Laws) of The 132 Perry Street Condominium, which shall constitute covenants running with the Land and shall bind any person having at any time any interest or estate in the Unit, as though recited and stipulated at length herein;

Subject also to such other liens, agreements, covenants, easements, restrictions and other matters of record as pertain to the Unit, to the Land and/or to the Building (which Land and Building are hereinafter collectively referred to as the Property).

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

If any provision of the Declaration or the By-Laws is invalid under, or would cause the Declaration or the By-Laws to be insufficient to submit the Property to, the provisions of the New York Condominium Act, or if any provision which is necessary to cause the Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the New York Condominium Act is missing from the Declaration or the By-Laws, or if the Declaration and the By-Laws are insufficient to submit the Property to the provisions of the New York Condominium Act, the applicable provisions of Article 16 of the Declaration shall control.

Except as otherwise specifically permitted by the Board of Managers of the Condominium or provided in the Declaration or the By-Laws, the Unit is intended for [residential purposes only] [commercial purposes only] [retail purposes only]. (*Delete inapplicable provisions*)

The Grantor covenants that the Grantor has not done or suffered anything whereby the Unit has been encumbered in any way whatever, except as set forth in the Declaration, and the By-Laws (and Rules and Regulations adopted under the By-Laws).

The Grantor, in compliance with Section 13 of the Lien Law of the State of New York, covenants that the Grantor will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund for the purpose of paying the cost of the improvement and will apply the same first to the payment of the cost of the improvement before using any part of the same for any other purposes.

The Grantee accepts and ratifies the provisions of the Declaration and the By-Laws (and any Rules and Regulations adopted under the By-Laws) and agrees to comply with all the terms and provisions thereof.

The term "Grantee" shall be read as "Grantees" whenever the sense of this indenture so requires.

This conveyance is made in the regular course of business actually conducted by the Grantor.

IN WITNESS WHEREOF, the Grantor and the Grantee have duly executed this indenture as of the day and year first above written.

132 PERRY LLC

By: _____

Grantee

Grantee

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

On the — day of _____ in the year 200__, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

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

On the — day of _____ in the year 200__, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

SCHEDULE A

ALL those certain plots, pieces or parcels of land, with the buildings and improvements thereon erected, situate, lying and being in the Borough of Manhattan, City, County and State of New York shown and designated as Lots 11, 12, 13 and 14 on a certain map entitled "Map 3 of Property in the 9th Ward of the City of New York belonging to the Estate of William W. Gilbert, deceased" dated New York, December, 1832 surveyed by Thomas R. Ludlam C.S. and filed in the Office of Register, County of New York on 5/1/1833 as Map No. 63 and which said lots taken together are bounded and described according to said map as follows:

BEGINNING at a point on the southerly side of Perry Street, distant 122 feet 1-1/4 inches westerly from the corner formed by the intersection of the southerly side of Perry Street with the westerly side of Greenwich Street;

RUNNING THENCE southerly along Lots 15 and 20 on said map, 100 feet 4-1/2 inches;

THENCE northwesterly along Lot 21 on said map 22 feet 6-1/4 inches to the easterly side of Lot 13 on said map;

THENCE southerly along said Lot 21 on said map 4 feet 7 inches to Lot 22 on said map;

THENCE westerly along Lots 22, 23 and the Land of William Deronde on said map 63 feet 2-1/4 inches to the division line between Lots 10 and 11 on said map;

THENCE northerly along said division line of Lots 10 and 11 on said map 97 feet 5-1/4 inches to the southerly side of Perry Street;

THENCE easterly along the southerly side of Perry Street, 84 feet to the point or place of BEGINNING.

DOCUMENT NO. 4

DESCRIPTION OF PROPERTY, SPECIFICATIONS, AND BUILDING CONDITION 132 PERRY STREET, NEW YORK, NEW YORK

General

The outline specifications which follow are intended to describe generally the nature of the work, materials and equipment incorporated in, and to indicate the character of, the building. The Sponsor, 132 Perry LLC, reserves the right to substitute materials, fixtures, appliances and equipment of equal or better quality and design. A copy of the Plans and Specifications will be on a file at the Sponsor's office and will be available for inspection by prospective purchasers. This report represents observations made most recently on October 22, 1999.

(A) Location And Use Of Property

The property, located at 132 Perry Street, Block 632, Lot 13, is in a C6-1 zoning district and will comply with the required regulations for commercial uses in a C6-1 district and the required regulations for residential use in an R-7 zoning district. The first floor retail units will have storefront doors and windows at the sidewalk wall. The retail units will be otherwise unfinished except for equipment required by code. The Plans and Specifications do not provide that a parking garage will be located in a retail unit. Residential occupancy shall be above the commercial occupancy only.

(B) Status of Construction

Records available indicate that the original building was built in the early 1900's and the present expansion will be completed in approximately December, 2000. The existing and expanded building is of fireproof construction. The original building consists of two stories and a cellar. Portions of the existing brick façade, concrete floor slabs and concrete roof slabs will be removed for the new construction. The existing structural elements are in good condition. Local Law 10/1980 façade inspections do not apply to the existing two-story building. Local Law 11/1998 façade inspections will apply to the eleven-story alteration and will be required every five years.

The expansion will include an additional floor of commercial space and eight floors of residential space. The total building will be eleven stories. The building is designed to be in compliance with Local Law 58 (Handicapped Access Law). A building permit for Foundation and Demolition was issued on October 22, 1999. It is expected that a permit for the complete Alteration application will be issued by February 15, 2000. A new certificate of occupancy will be issued for the building upon completion of construction.

(C) Site

The gross floor area is approximately 50,000 s.f. in a single mixed use building.

The building at grade occupies the entire site and fronts on Perry Street; a New York City street. The existing concrete sidewalk is in fair-to-good condition and will be repaired or replaced. It shall be maintained by the condominium.

(D) Utilities

- (i) Water: Water supply and combined sewer servicing the building will be provided by the City of New York. There will be sub-meters measuring water consumption for the Retail Units.
- (ii) Gas: Gas will be collectively metered for the heating and domestic hot water. There will be a 6" gas service line for the building that enters at the cellar level and is piped from the Consolidated Edison main on Perry Street. The gas line will run to a shut-off valve and then to the meters for heating the entire building, hot water heating for the residential and commercial units and for cooking and sub-meters for all gas usage in the retail units including hot water.
- (iii) Electrical: Electricity will be individually metered. The electric supply for each unit will be 100-150 amp/120/208 volt, three phase, 3 wire. The panels will be located in individual apartments. The incoming 2,500 amp /208 volt /3 phase /4 wire service enters the building at the cellar level from the Con Edison's mains at Perry Street and located in the electrical room. The service will be modified for apartment building metering, in the cellar. A master meter will be provided for all public areas and building common functions. Separate electrical meter will be provided for the Retail Units.
- (iv) Tele-Communications and Cable: Telephone, high speed internet and cable service will be provided by an independent private entity and other service providers. It will be the purchaser's obligation to purchase telecommunications and cable service and arrange for services for his or her unit. Conduits will be provided in the common area for this use.

(E) Sub-Soil Conditions

The sub soil consists of a four ton per square foot sandy soil which is well compacted. This will be suitable for existing loads and proposed new construction. The ground water table is well below the lowest level of foundation.

The existing structure has no signs of uneven settlement nor are there any signs of ground water infiltration. The possibility of flooding due to ground water or overflow from a body of water is minimal.

(F) Landscaping and Enclosures

Open areas are provided on the partial roof areas of the third and fourth floors and are accessible to all residential owners. All walkable surface areas are paved and are provided with adequate drainage.

(G) Building Size:

- (1) Height: approximately 139 feet

- (2) Floor to floor height varies from 11'-2" to 15'-8" on the lower three floors; 12'-0" on floors 4 through 10 and 13'-6" on the eleventh floor.

Floor to ceiling height varies from 10'-6" to 15'-0" on the lower three floors; 10'-11" on floors 4 through 10 and 12'-7" on the eleventh floor.

- (3) There is one partial cellar occupying approximately 1/3 of the total site.
- (4) The building has eleven floors. The elevator terminates at the tenth floor with internal stairs connecting floors ten and eleven.
- (5) Common equipment rooms are located on the cellar level, the first floor, and eleventh floor. Other mechanical equipment is located on the third floor roof terrace and open penthouse roof. The equipment rooms consist of the following:

Cellar: Sewer Room
Electrical Room
Telecommunications Room
Gas Meter Room
Superintendent's Office
Storage Room
Boiler & Hot Water Heater Room
Pump Room
Elevator Pit

First Floor: RPZ Room
Storage Room

Eleventh Floor: Elevator Machine Room
Eleventh Floor Roof: Open Mechanical Equipment Area.

(H) Structural System

The superstructure of the proposed building consists of reinforced concrete columns of varying sizes supporting a 10" reinforced flat slab with concrete drop beams at the perimeter. The existing superstructure is a concrete encased steel frame with framed concrete slabs. The foundations for both new and existing structures consists of spread concrete footings on undisturbed soil.

- (1) Exterior of building
Exterior walls are constructed of brick and concrete masonry cavity wall construction with steel lintels at openings. The R-value of the exterior walls is R-15. Windows and glazed doors are double glazed hinged casement type aluminum frame with dry glazing, as manufactured by Airmaster Corp., or equal. Lot line windows are similar with the addition of tempered glass and sprinklers located as per code.

Lot line windows occur at the following units:

First Floor

Retail East

Second Floor
 Commercial 2/3 East
 Commercial 2/3 West
 Fifth Floor
 Residential 5th Floor
 Sixth Floor
 Residential 6th Floor
 Seventh Floor
 Residential 7th Floor
 Eighth Floor
 Residential 8th Floor
 Ninth Floor
 Residential 9th Floor
 Tenth Floor
 Residential 10/11 East
 Residential 10/11 West
 Eleventh Floor
 Residential 10/11 East
 Residential 10/11 West

No lot line windows are required by the building code for natural light or air. In the event that structures are erected on adjacent lots, the windows may be sealed in accordance with the code.

There are presently no Landmark designations.

(2) Parapets and copings

Masonry parapets are capped in either masonry with waterproofing membrane under top coarse, or capped with factory painted aluminum copings.

Window sills are factory painted aluminum, precast stone or brick.

(3) Chimneys and caps

Fireplace chimneys terminate on the eleventh floor. The fourth floor roof is penetrated by the boiler/ hot water flue. The penthouse roof is penetrated by six (6) chimneys (2 sets of three) enclosed in a masonry enclosure. All flues and chimneys are metal walled complying with NYC MEA standards.

(4) Balconies and terraces

Balconies are constructed of reinforced concrete with a steel troweled finish. Railings are fabricated of steel with painted finish. Doors are manufactured by Airmaster Corp. or equal, are double glazed, individually hinged, and have manufacturer's hardware. The terraces and open space on the eleventh, fourth, and third floors are of pedestal mounted pre-cast pavers as manufactured by Wausau Tile, or equal.

(5) Exterior entrances

Exterior doors and frames are aluminum and glass with key locks. Exit doors at grade are steel with steel frames and operable from the interior only. All entrance

hardware shall be by Sergeant Hardware Co. or equal. Security access doors shall have electrical strikes provided by Von Dupin Co. or equal with operation from remote security intercom system in each unit.

Mailboxes are located in the lobby vestibule and are accessed by the Postal Service by a master key. Lighting in this area is provided by fixtures in the lobby ceiling.

(6) Service entrance

No separate service entrance is provided.

(7) Roof and Roof Structures

All roof areas will be of a liquid applied self-flashing membrane with rigid closed cell polyurethane insulation above. On accessible roofs, pedestal mounted pre-cast pavers will be used for walking surfaces.

Other roof areas will have stone ballast.

A 10-year manufacturer's warranty is provided for material.

At masonry locations, aluminum counter or stainless steel flashing is provided. At window walls the counter flashing is integral with the window system.

Drains are iron and cast in place with rims to accept roof membrane. A minimum of two drains or scuppers are provided for each roof area.

Factory pre-cast glass block skylights are provided on the roof areas of the third and fourth floors.

The bulkheads are constructed of the same materials and design as the building exterior and roof.

All access ladders, railings, are painted steel. All exposed attachments used to secure steel to masonry are galvanized.

Mechanical equipment will be supported on steel dunnage posted above roof for access and maintenance of roof areas. Fans and other ventilation devices are provided with integral curbs to accept roof membrane.

(8) Fire escapes

N/A

(9) Yard and courts

The rear yard (open space on roof at third floor) and the front setback areas (open space on roof at fourth floor) are accessible through public corridors on each floor. Paving, drainage, railings, and building materials are described in previous sections. Ramps are provided for all level changes with painted steel guardrails.

(10) Interior Stairs

The two enclosed exit stairs are constructed of reinforced concrete with steel trowel finish. The enclosure is painted masonry and painted gypsum board with wall mounted painted steel handrails.

(11) Interior doors and frames

Where multiple tenant floors are provided, each unit entrance has a fire rated hollow metal door with metal frame. The doors provided for the unit interior are non-rated solid core wood doors with metal frames. Stair doors will be fire rated hollow metal doors with metal frames rated as required. All stair doors to roof, grade, and cellar spaces are hollow metal with metal frames. Other exterior doors at equipment rooms are hollow metal with metal frames.

(12) Elevator

A single 2500 # traction type elevator as manufactured by Dover Elevator or equal, is provided serving floors one through ten. The elevator has a maximum legal capacity of 26 occupants. Controls are automatic with key switch access required for all floors from within the cab. Motor and control are AC solid state with controllers located in the equipment room on the roof at the eleventh floor. An electronic security system as manufactured by Siedel Corp. or equal is integrated into the elevator controls.

(13) Elevator Cab

The elevator cab has metal panel walls and ceiling, stone tile floor, and metal doors and control panels. The lighting is compact fluorescent downlights. The elevator is provided with an alarm, emergency light and intercom.

(I) Auxiliary Facilities

A common storage room is provided at grade accessible from the exterior. The condominium shall use this room for temporary refuse storage. Refuse shall be removed to the street by the building superintendent.

(J) Plumbing and Drainage

(1) Water Supply

Domestic water for the building will be provided from the City of New York. Street main shut-off valve, RPZ back flow preventor and meter will be provided.

(2) Fire Protection System

The primary water supply to the combination sprinkler and fire standpipe system will be a 7,500 gallon sprinkler/standpipe gravity tank located on the roof. A special service fire pump fed from the tank will supply water to the sprinkler and standpipe hoses for three top floors. The 7,500 gravity tank will receive make-up water from domestic water service via booster pump system.

- i) Standpipes: The standpipe risers will be located in staircase enclosures so that all portions of each floor are reachable by a 125 feet long hose.

- ii) Sprinkler heads: Automatic sprinklers supplied from the standpipe system will be provided throughout the building.
- iii) Siamese Connection: The secondary source of supply will be from Siamese connections located on street level.
- iv) Installation of standpipe and sprinkler systems will be in accordance with NFPA-13, NYC Building Code and NYC Fire Department requirements. ASTM A-53, Grade B, Schedule 40 or equal piping will be used. The entire system will be pressure tested and witnessed by NYC Fire Department, and signed-off by Licensed Plumber and NYC Building Department

(3) Domestic Water Pressure

Domestic water pressure will be maintained by a duplex domestic water boosted pumping system with a bladder tank which will provide water to all plumbing fixtures with a pressure of minimum 40 psi. Hot water will be generated by a modular domestic hot water system. The material of the new water pipes will be copper type L.

(4) Sanitary Sewage System

- i) Sewage Piping: A sewage piping system will convey all waste from fixtures. New waste pipes will be of cast iron, no hub. All equipment will discharge to gravity sanitary house sewer. Vent piping system will extend from fixtures, drains, equipment and stacks to point of termination above the roof.
- ii) Sewage Disposal: Sanitary drainage system will convey all soil and waste from fixtures and equipment located on the ground floor and above through vented fixtures branches, stacks and house drains. The Sanitary House Sewer will extend outside the building wall and connect to the exterior sewer.

(5) Permits

All permits required for the plumbing and drainage systems will be obtained from the appropriate agencies of the City of New York.

(6) Storm Drainage System

Storm drainage system will convey storm water from roof areas, areaways, etc. through new leaders to new house drains. Storm drainage piping will be of cast iron, no hub type. Storm drainage will be connected to the combined sewer connection inside the building.

(K) Heating

- (1) The heating system will consist of boilers, pumps and heating units for the apartments. The heating plant will be located in the Boiler Room on cellar floor.

The total heating capacity is 1,500,000 BTU/H. This is adequate for the anticipated heating needs of the occupants of the building.

- (2) Heating boilers with gas burners. The boilers will provide hot water in the closed loop systems. Circulating pumps will be located in the boiler room. The boiler plant will be of two AERCO-1000 or equal boilers. Domestic water will be heated by one of the boilers through plate heat exchanger. Boiler plant will be controlled by AERCO Electronic control system or equal.
- (3) All required certificates of inspection and permits for the operation of the new boiler will be issued prior to the residential occupancy of the building.

(L) Gas Supply

1. A complete gas system will be provided to all hot water boilers, water heaters, etc., requiring gas. The gas service to this equipment will be master metered.
2. Gas will be supplied by a 6" gas service connection to the Con Edison main and extend into the building. The gas service will be provided with a required meter in accordance with the utility company requirements: one meter for heating the entire building, domestic water heating for the residential and commercial units, second meter for gas for cooking and additional sub-meters for all gas usage of retail units. Gas meters will be located in the cellar.
3. All gas system, service and piping will be new. New piping shall be ANSI/ASME B36.10, or better, Schedule 40. Fittings shall be malleable, as per Con Edison and NYC Building Code.

(M) Air Conditioning

1. Air conditioning system is designed to meet all requirements of N.Y. State Energy Code. Separate HVAC Units are provided for Lobby and Elevator Machine Rooms.
2. All condensing units will be located on the roof. All units shall be cooled by individual fan/coil blowers, and they shall be supplied and installed by each unit owner in order to have functioning air conditioning in a unit. Risers from the individual condensing units on the roof will terminate at the core riser at each floor for the unit owner to tie into. The condensing units for floors 2 through 11 will be Carrier model 38HDC or equal with a combined capacity of 78 tons. The condensing units for the first floor will be Carrier model 38AK012 or equal with a combined capacity of 40 tons.

The air conditioning units for the first floor lobby and eleventh floor elevator machine room will be EMI model CLC/SCC or equal with a capacity of 2½ tons per unit.

(N) Ventilation

All interior kitchens, baths, refuse rooms, boiler rooms, meter rooms and dryers are ventilated mechanically in accordance with New York City Building Codes. Duct risers from each bathroom and kitchen will be provided to roof exhaust fans.

(O) Electrical System

1. New electric service will be 2,500 amp, 3 phase, 4 wires complete with main switches and distribution panels for the entire building. The residential units will be provided with new electrical risers, protected by 100amp fusible 3-pole breakers at the main distribution panel. The simplex residential and commercial units will be provided with 200 amp, 42 circuit breakers 3 phase panels. The duplex residential and commercial units will be provided with 2 - 100 amp 3 phase panels, 30 circuit breakers in each. The electrical service will be adequate for residential use, including central air conditioning. Retail units will be provided with 800 amp 3 phase panels.
2. The incoming service will enter the building at the cellar level from the Con Edison mains located at Perry Street and enter the electrical rooms and apartment metering main switchboard which will be located in the Electric Room in the cellar. A master meter will be provided for all public areas and building common function and a separate meter for each unit. From each unit meter, the service will go to the individual unit panels located within each unit. Each unit will be separately metered by Con Edison.
3. Apartment Lighting and Receptacles

Kitchens are to be illuminated by a ceiling mounted incandescent lighting fixture. Bathrooms are to be illuminated by wall and ceiling incandescent lighting fixtures. There will be a ground fault protected duplex receptacles provided at the kitchen and bathroom. Residential units are to be provided with convenience duplex receptacles in accordance with the New York City electrical code. In each residential unit one convenience receptacle will be controlled by a switch located at the entry doors.

(P) Intercommunication

Each unit has two-way audio/visual communication as manufactured by Seidle Corp. or equal with the lobby, elevator and remote control of the electric strike for the lobby entrance.

(Q) Public Area Lighting

All stairs are provided with fluorescent lighting (levels as required by Code) and battery operated emergency lighting for back up. Where common corridors are provided and for the lobby, wall mounted sconces or downlights provide the required lighting.

1. The lobby is to be lit with incandescent ceiling fixtures.
2. Utility Rooms will be lit with fluorescent fixtures.
3. Tenant corridors and stairs are to be lit with ceiling and wall mounted fluorescent lighting fixtures.

(R) Garages and Parking Areas

No present parking facilities exist at the condominium.

(S) Swimming Pool

N/A

(T) Recreational Facilities

N/A.

(U) Permits and Certificates

The following permits must be received and inspections conducted for this project prior to the issuance of a Certificate of Occupancy:

1. Boiler Safety Approval and Inspection.
2. Demolition.
3. Elevator Safety.
4. Department of Environmental Protection Cross Connection Domestic/Fire Standpipe.
5. Construction.
6. Plumbing.
7. Mechanical.
8. Electrical.
9. Structural.
10. Sprinkler / Standpipe.

(V) Violations

No violations exist as of July 1999.

(W) Unit Information

All residential and commercial units have hardwood floors throughout the unit including kitchens. No flooring will be installed in the retail units. All toilet rooms and bathrooms in the commercial and residential units will have ceramic tile floor and wall finishes to ceiling. Suspended painted gypsum board ceilings are provided in the bathroom areas only. All other ceilings are painted structural concrete slab.

The third and second floor commercial units have painted structural concrete slabs and beam soffits throughout. All residential and commercial units are provided with painted walls, baseboards and ceilings.

At residential units, bathrooms are provided with shower enclosures, ceramic pedestal sink and ceramic toilet. Commercial unit toilet rooms are provided with ceramic pedestal sink and ceramic toilet. All fixtures and trim are of water conserving design as required by Code. Retail units have no toilets or bathrooms.

Bathroom Fixtures

<u>Fixture</u>	<u>Model</u>	<u>Manufacturer</u>
Shower Enclosure	Focal	Kohler or equal
Shower Trim	Triton	Kohler or equal
Sink (pedestal)	Memoirs	Kohler or equal
Sink Trim	Triton	Kohler or equal
Toilet (one-piece)	San Rafael	Kohler or equal

Kitchens are provided with gas range with oven, and sink.

Kitchen Fixtures

<u>Fixture</u>	<u>Model</u>	<u>Manufacturer</u>
Range	30" Slide-in	General Electric or equal
Kitchen Base Cabinets		Melamine on Particle Board
Sink	Stainless Steel Bowl LR-Series	Elkay
Sink Trim	Reliant	American Standard or equal

(X) Finish Schedule

<u>ROOM</u>	<u>FLOOR</u>	<u>WALLS</u>	<u>CEILING</u>	<u>REMARKS</u>
11 th flr. Elevator Machine Room	Painted concrete	Painted CMU	Painted concrete	4' fluorescent lighting fixtures
9 th Public Corridor	Wood	Painted Gypsum Bd	Painted Gypsum Bd	Wood moldings for floor base. Lighting is wall mounted decorative sconces.
4 th thru 11 th floor	Wood	Painted Gypsum Bd.	Painted Plaster Veneer	Exit Lighting Only
4 th flr. Corridor	Wood	Painted Gypsum Bd	Painted Gypsum Bd	Wood moldings for floor base. Lighting is wall mounted decorative sconces.
3 rd flr. Corridor	Wood	Painted Gypsum Bd	Painted Gypsum Bd	Wood moldings for floor base. Lighting is wall mounted decorative sconces.
2 nd flr. Corridor	Wood	Painted Gypsum Bd	Painted Gypsum Bd	Wood moldings for floor base. Lighting is wall mounted decorative sconces.
1 st flr. Ground Flr. Lobby	Tile pavers	Painted Gypsum Bd.	Suspended metal mesh	Metal halogen fixtures for general & accent lighting.
Cellar: Mechanical Rooms Superintendent's Office Storage Room	Painted concrete	Painted CMU	Painted concrete	4' fluorescent lighting fixtures

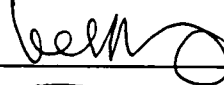
(Y) Safety and Warning Devices: Fire Protection System

1. The building will be provided with a combination fire standpipe sprinkler system and roof tank.
2. Sprinklers will be provided throughout the building.
3. Siamese connection to be installed at Perry Street.
4. Hose station will be installed at each floor landing in each stairwell.
5. Each apartment will contain a smoke detector in the vicinity of the bedrooms.

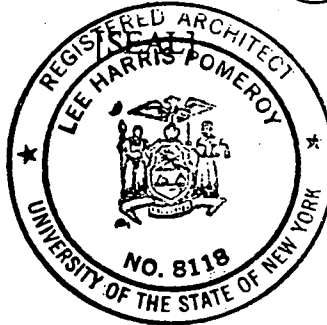
(Z) Additional Information

Floor plans for each floor of the building are annexed.

L. H. Pomeroy Architects P.C.

By:  _____

Dated October 25, 1999



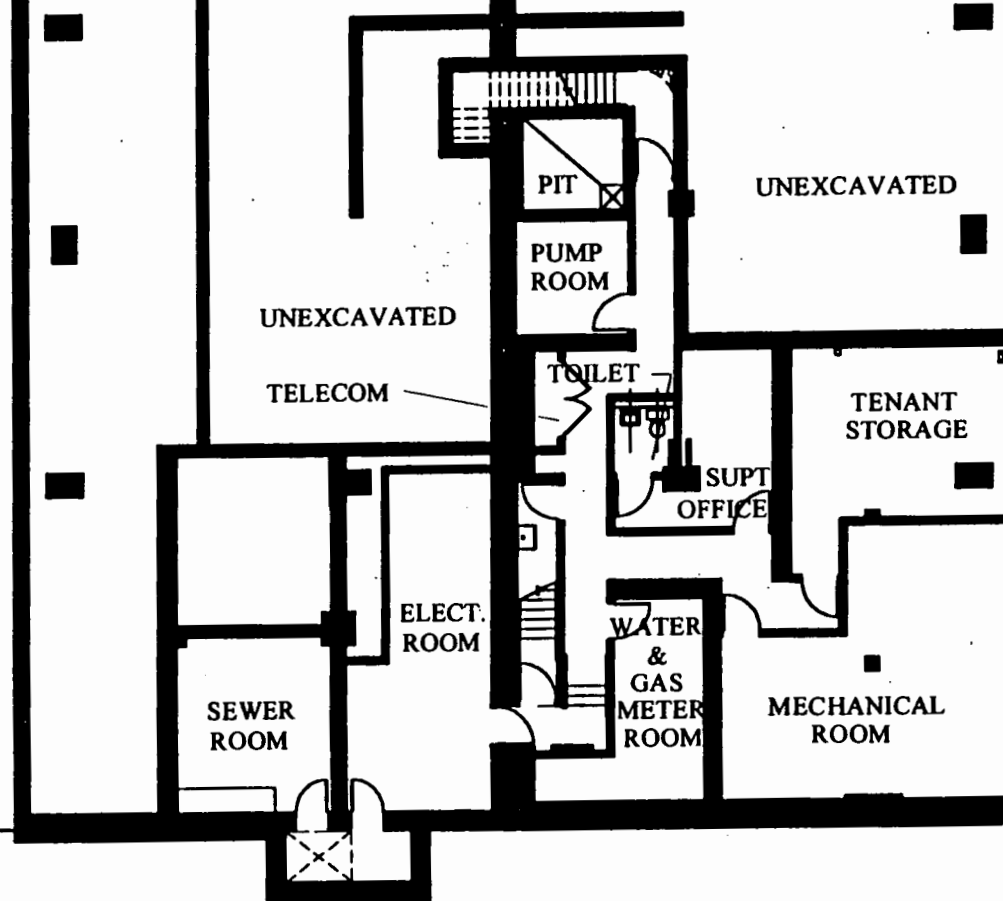
132 PERRY STREET
NEW YORK, NY

CELLAR



NET S.F. -
GROSS S.F. 2,936 SF

ALL DIMENSIONS ARE APPROXIMATE
AND SUBJECT TO CONSTRUCTION
VARIANCES AND TOLERANCES.
PORTIONS OF THE CEILINGS WITHIN
CERTAIN UNITS AND PORTIONS OF
THE CEILINGS OF THE PUBLIC AREAS
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DIFFERENT ELEVATIONS THAN OTHER
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STRUCTURAL FRAMING AND OR MECH-
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SHALL BE AS SET FORTH OR ITS
EQUIVALENT.



132 PERRY STREET
NEW YORK, NY

1ST FLOOR

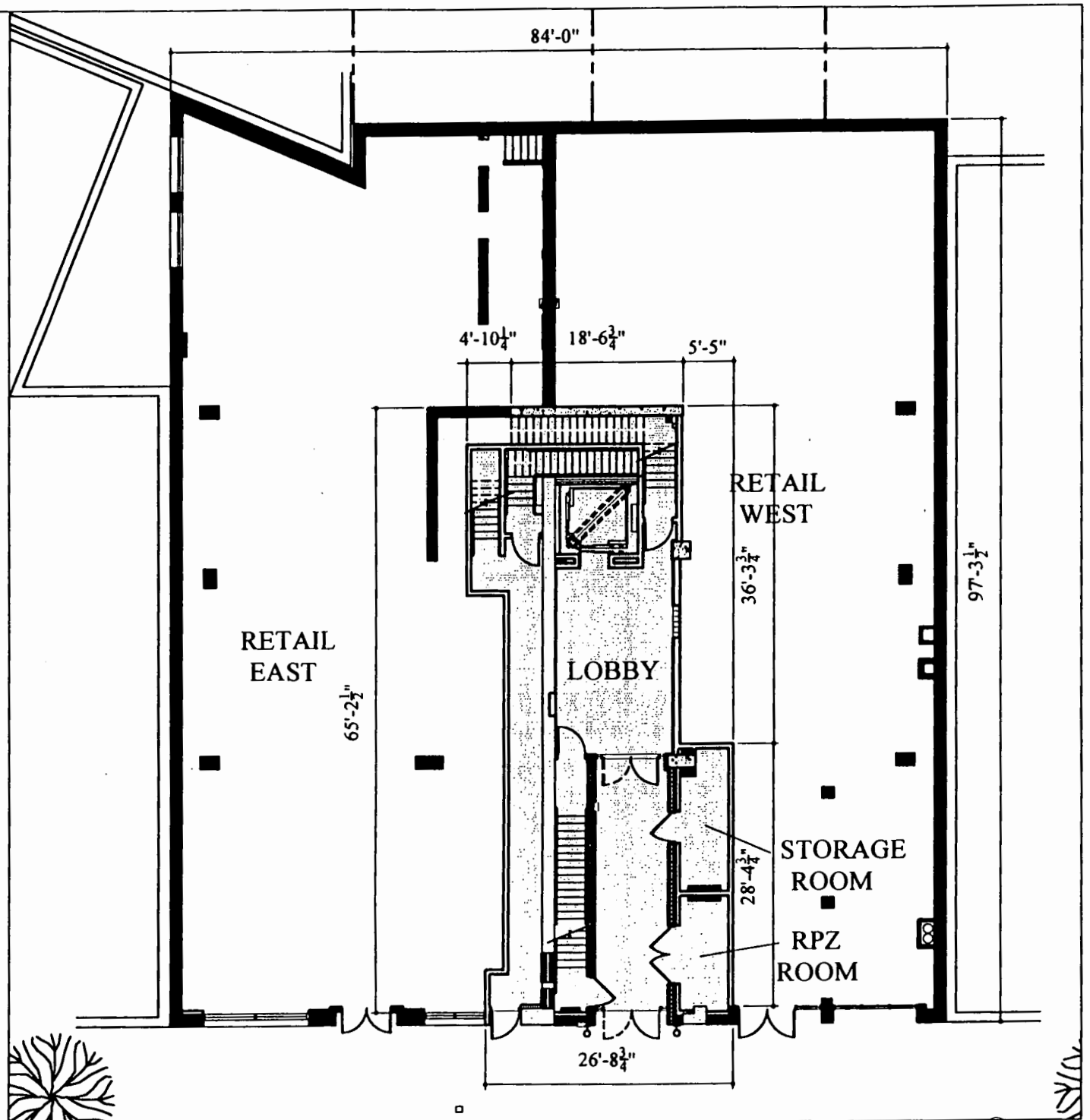
LEGEND

COMMON ELEMENTS



RETAIL EAST: GROSS SF 3,630
NET SF 3,328
RETAIL WEST: GROSS SF 3,031
NET SF 2,774

ALL DIMENSIONS ARE APPROXIMATE
AND SUBJECT TO CONSTRUCTION
VARIANCES AND TOLERANCES.
PORTIONS OF THE CEILINGS WITHIN
CERTAIN UNITS AND PORTIONS OF
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132 PERRY STREET
NEW YORK, NY

2ND FLOOR

LEGEND

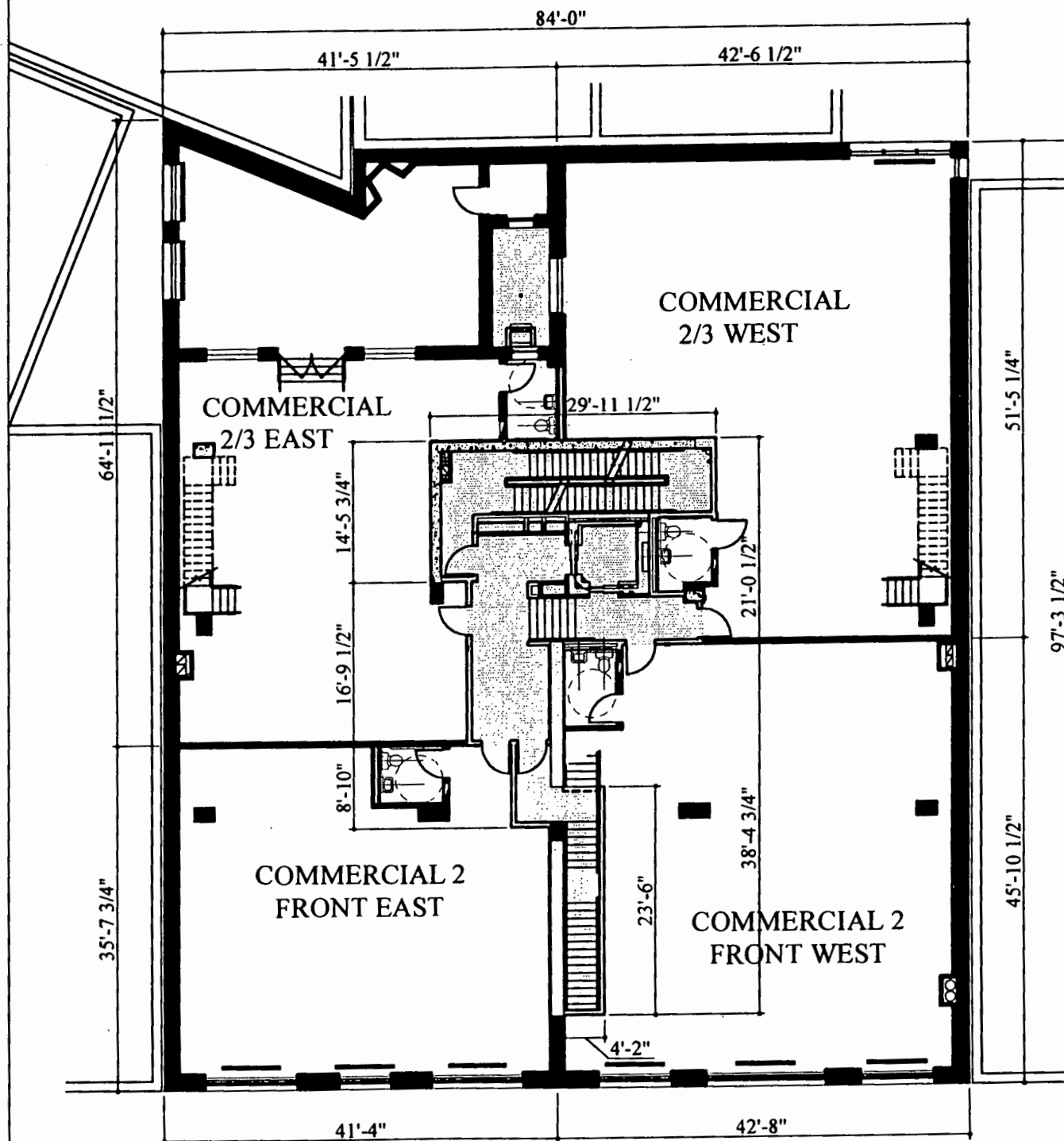
COMMON ELEMENTS



N

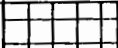
FRONT EAST:GROSS SF	1,432
NET SF	1,264
FRONT WEST:GROSS SF	1,805
NET SF	1,610
2/3 EAST:GROSS SF	2,120
NET SF	1,828
2/3 WEST:GROSS SF	1,920
NET SF	1,699

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES AND TOLERANCES. PORTIONS OF THE CEILINGS WITHIN CERTAIN UNITS AND PORTIONS OF THE CEILINGS OF THE PUBLIC AREAS OF CERTAIN FLOORS WILL BE AT DIFFERENT ELEVATIONS THAN OTHER PORTIONS OF SUCH CEILINGS DUE TO STRUCTURAL FRAMING AND OR MECHANICAL EQUIPMENT CONTAINED THEREIN. DIMENSIONS AND LAYOUTS ARE SUBJECT TO CHANGE IN ACCORDANCE WITH THE OFFERING PLAN. PLANS AND DIMENSIONS WILL VARY FROM FLOOR TO FLOOR. EQUIPMENT SHALL BE AS SET FORTH OR ITS EQUIVALENT.



132 PERRY STREET
NEW YORK, NY

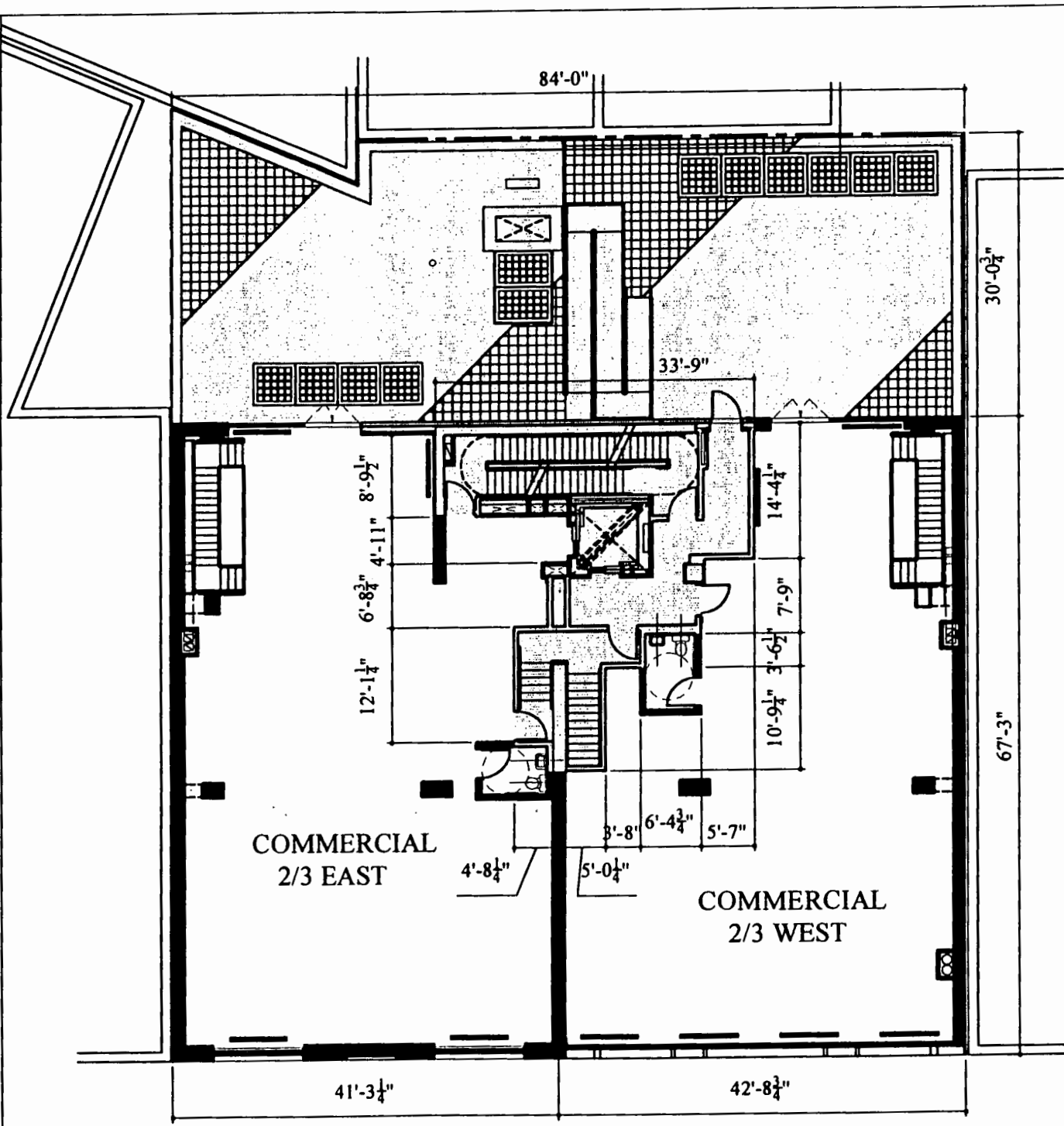
3RD FLOOR

LEGEND	
TERRACE FLOORING	
COMMON ELEMENTS	
SKYLIGHT	



2/3 EAST:GROSS SF	2,598
NET SF	2,344
2/3 WEST:GROSS SF	2,376
NET SF	2,170
OPEN SPACE SF	2,479

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4TH FLOOR

LEGEND

TERRACE FLOORING

COMMON ELEMENTS

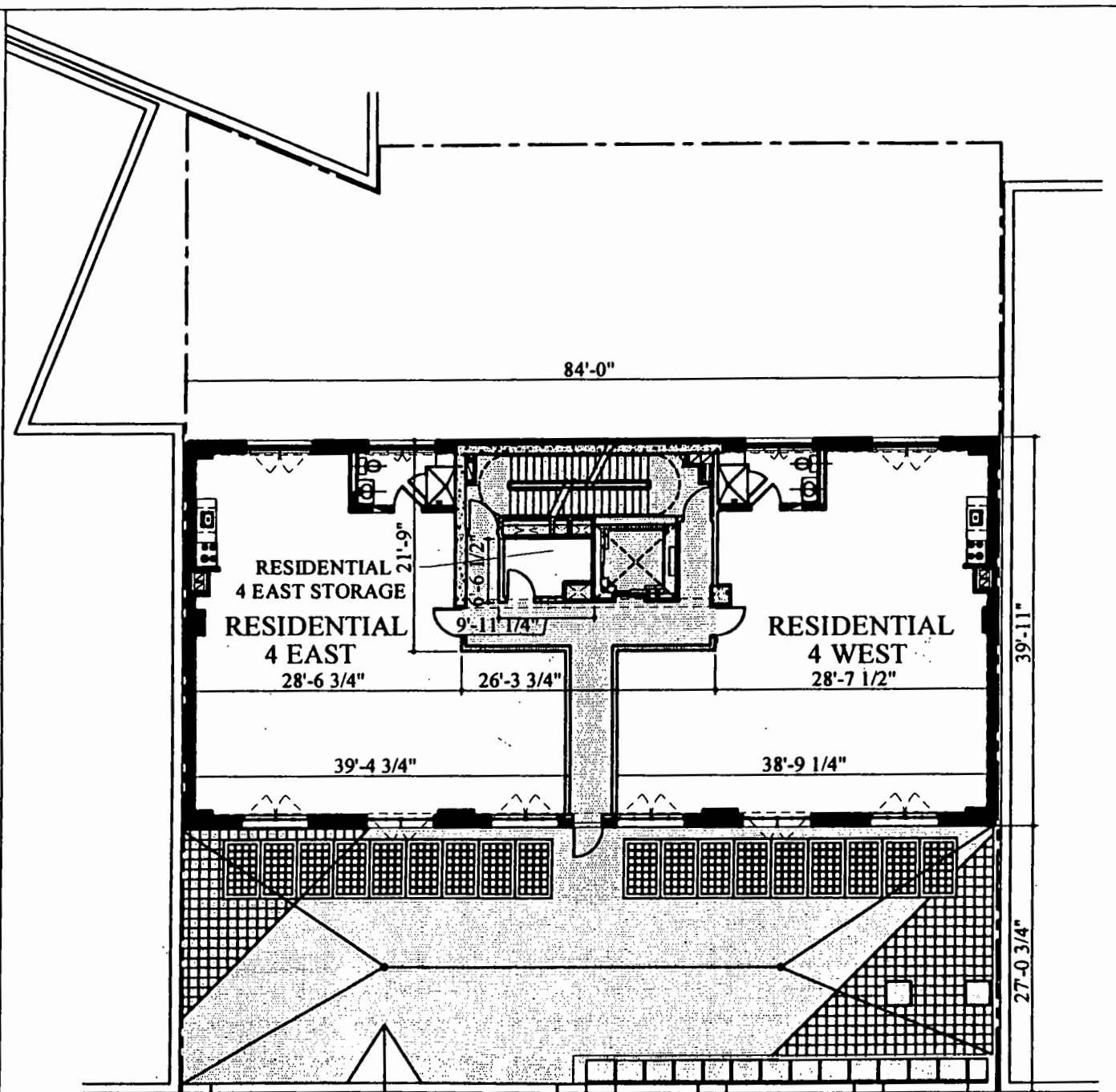
SKYLIGHTS



N

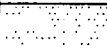
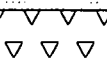
4 EAST:GROSS SF	1,403
NET SF	1,243
4 WEST:GROSS SF	1,336
NET SF	1,186
OPEN SPACE SF	2,154

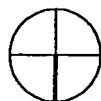
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5TH FLOOR

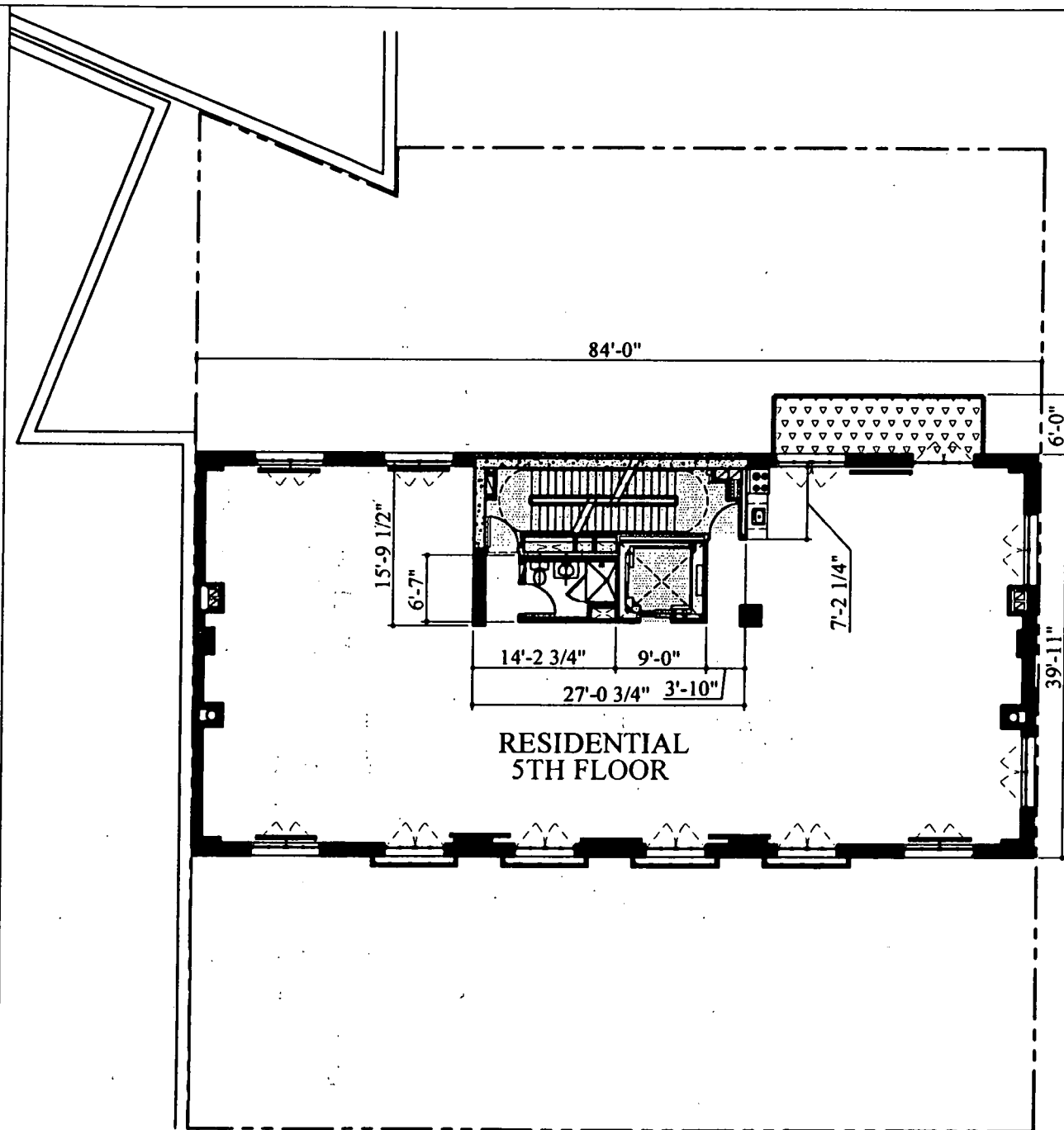
LEGEND	
COMMON ELEMENTS	
LTD. COM. ELEMENT	



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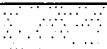
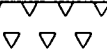
5TH FLOOR:GROSS SF 3,012
NET SF 2,715
BALCONY SF 113

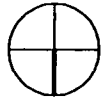
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6TH FLOOR

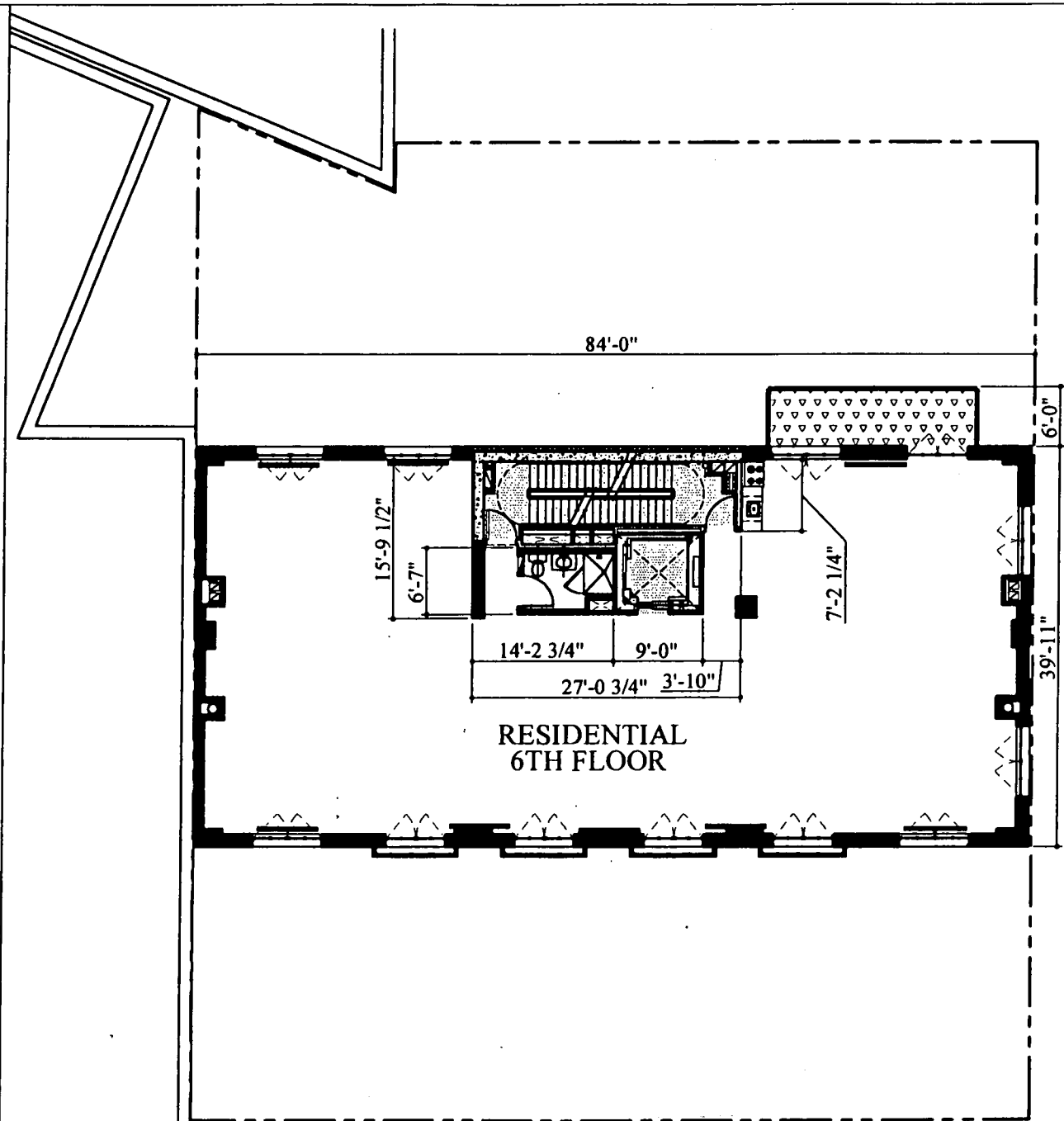
LEGEND	
COMMON ELEMENTS	
LTD. COM. ELEMENT	



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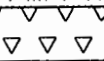
6TH FLOOR: GROSS SF 3,012
NET SF 2,715
BALCONY SF 113

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7TH FLOOR

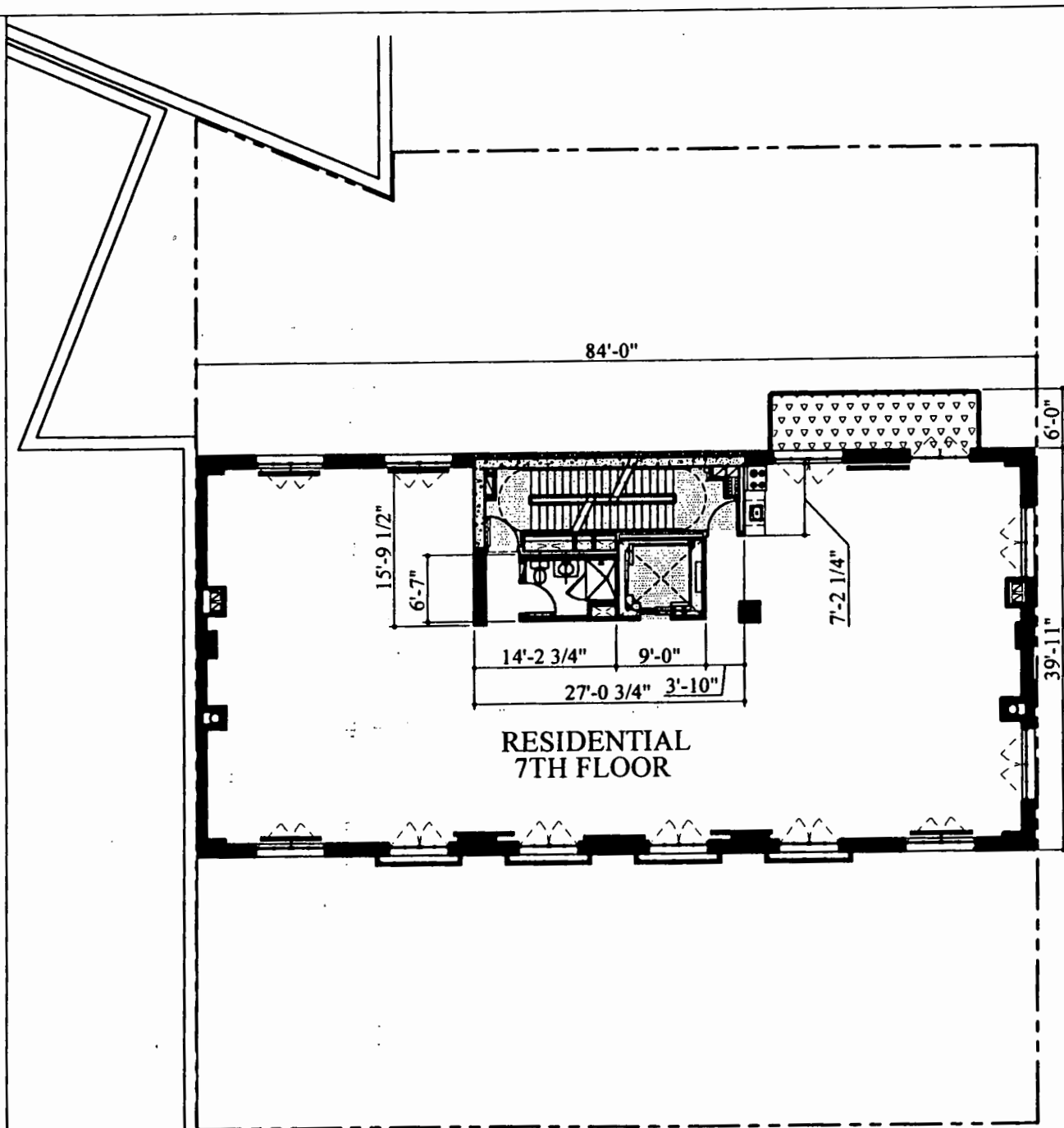
LEGEND	
COMMON ELEMENTS	
LTD. COM. ELEMENT	



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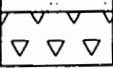
7TH FLOOR: GROSS SF 3,012
NET SF 2,715
BALCONY SF 113

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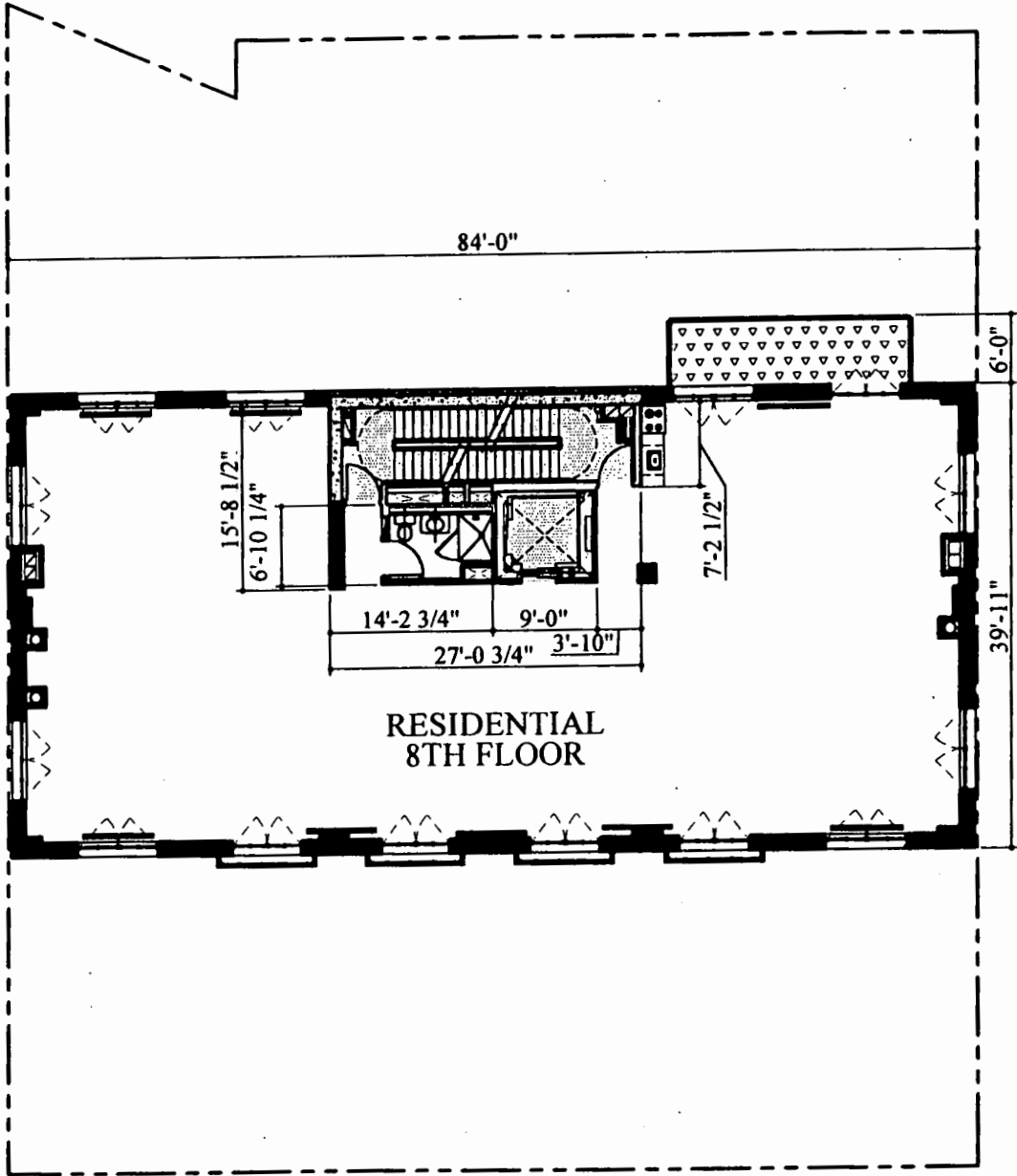
8TH FLOOR

LEGEND	
COMMON ELEMENTS	
LTD. COM. ELEMENT	



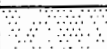
8TH FLOOR:GROSS SF 3,012
NET SF 2,712
BALCONY SF 113

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9TH FLOOR

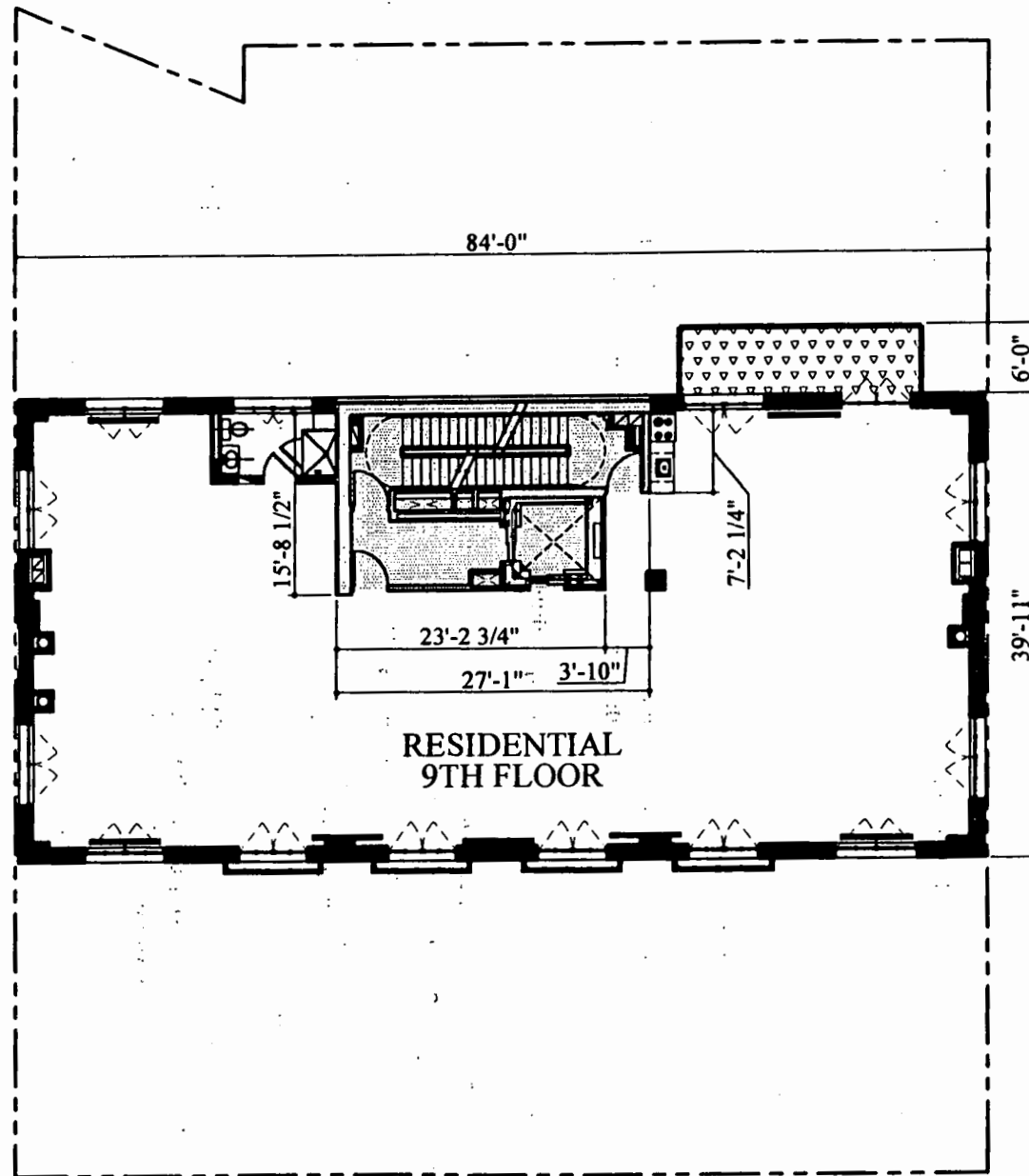
LEGEND	
COMMON ELEMENTS	
LTD. COM. ELEMENT	



N

9TH FLOOR: GROSS SF 2,928
NET SF 2,594
BALCONY SF 113

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10TH FLOOR

LEGEND

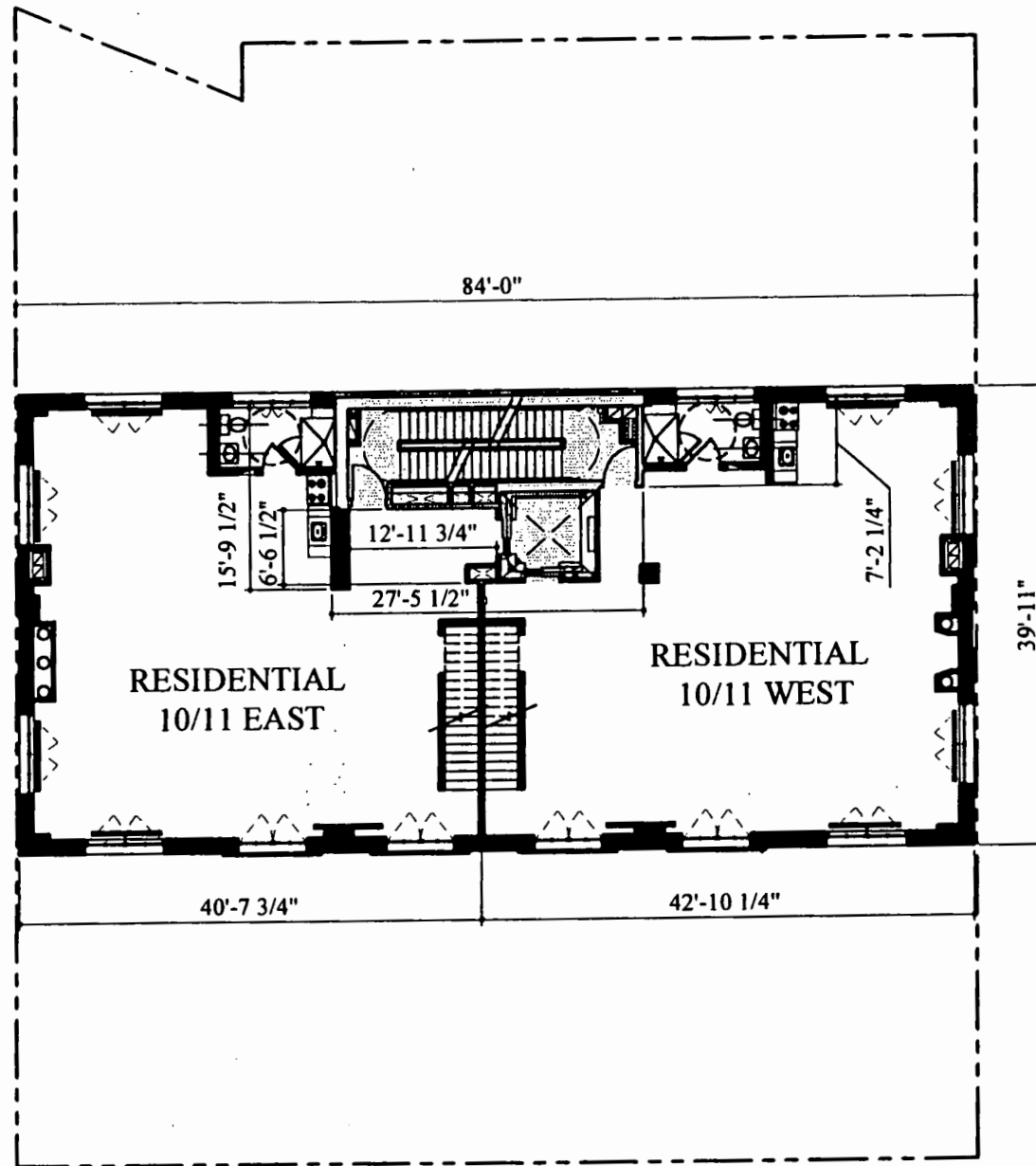
COMMON ELEMENTS



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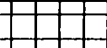
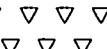
10/11 EAST:GROSS SF	1,505
NET SF	1,317
10/11 WEST:GROSS SF	1,510
NET SF	1,333

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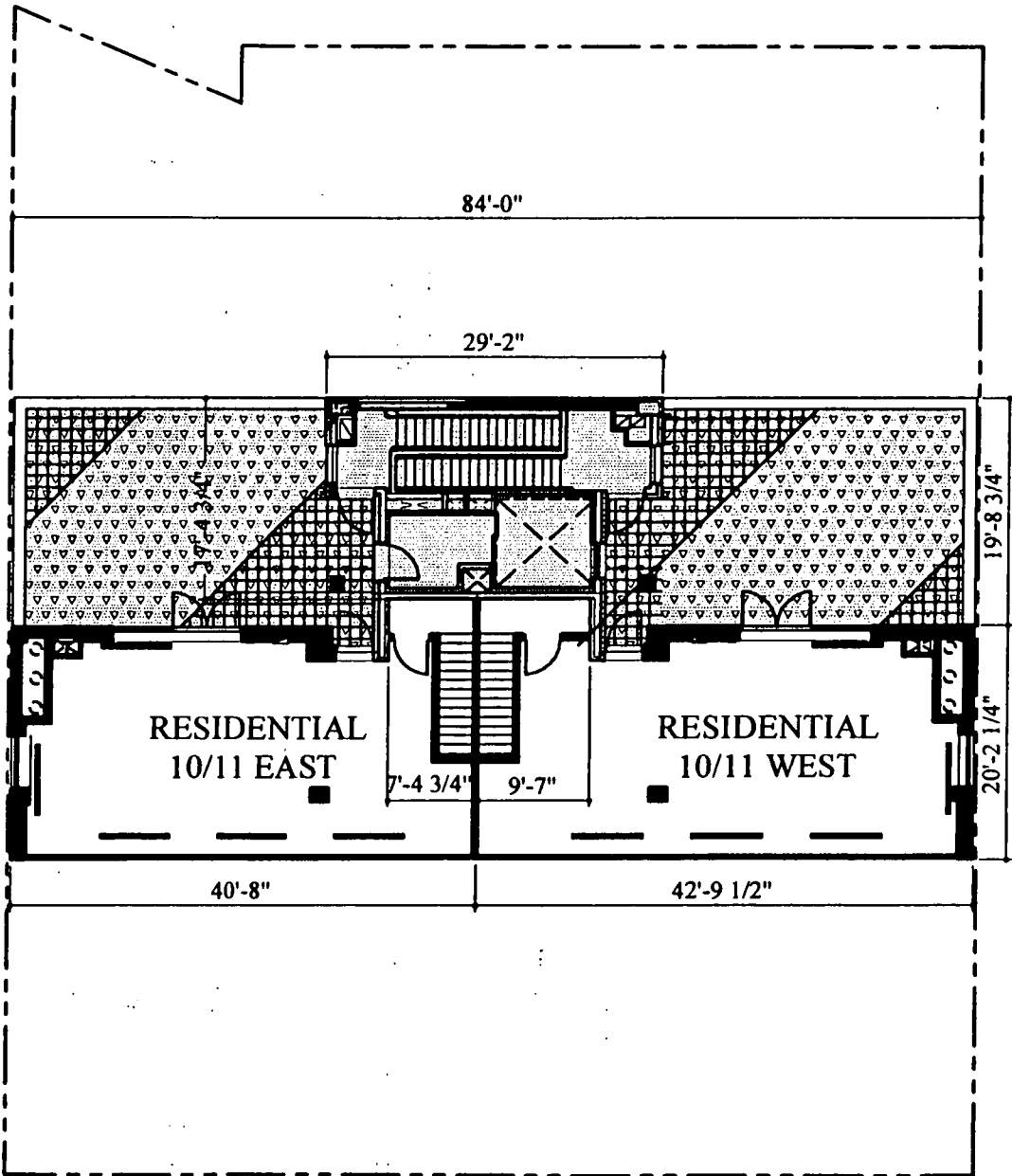
11TH FLOOR

LEGEND	
TERRACE FLOORING	
COMMON ELEMENTS	
LTD. COM. ELEMENT	



10/11 EAST: GROSS SF	885
NET SF	736
10/11 WEST: GROSS SF	836
NET SF	688
10/11 EAST TERRACE	546
10/11 WEST TERRACE	543

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ROOF PLAN

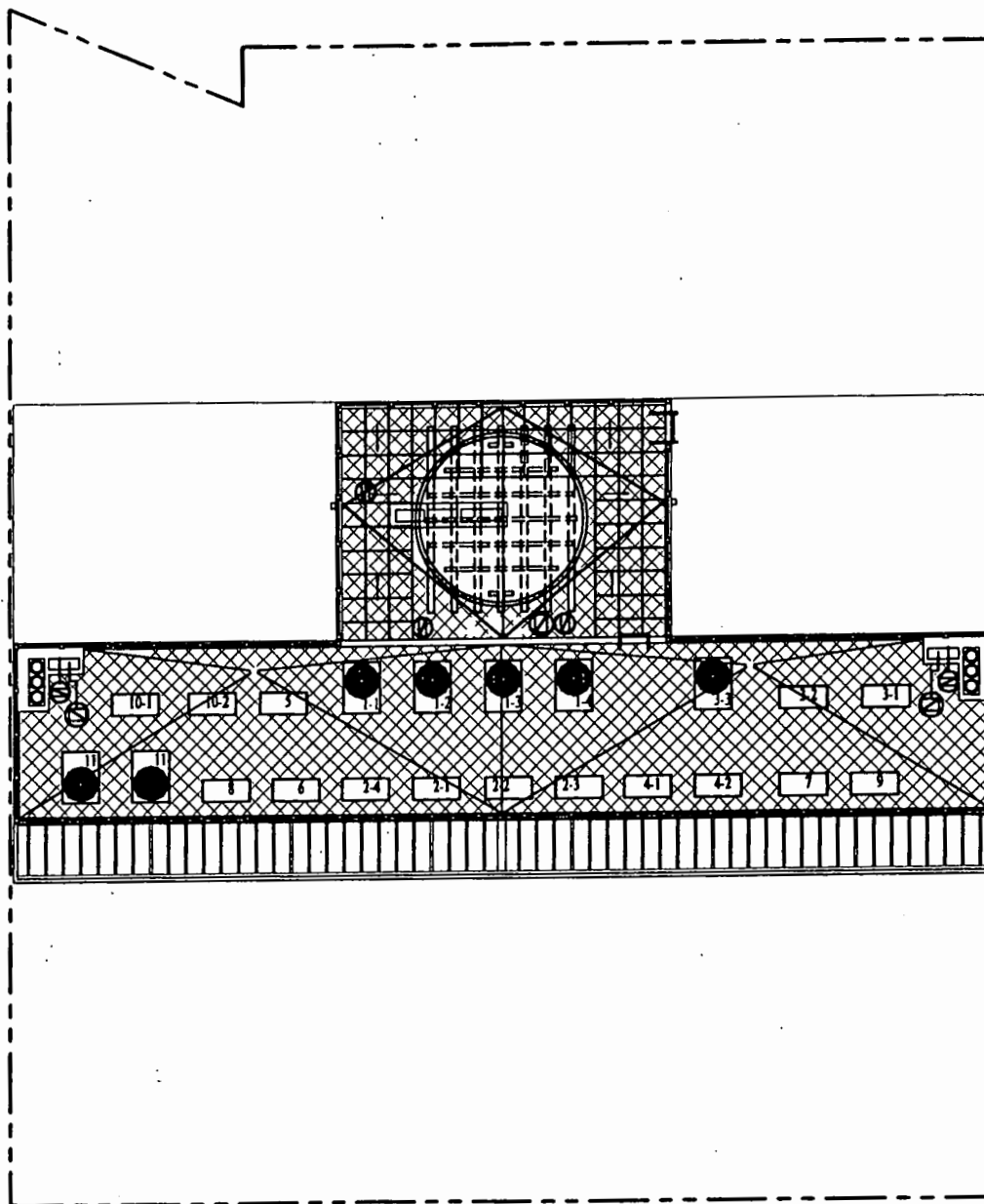
LEGEND

ROOF/EXTERIOR



NET S.F.
GROSS S.F.
ROOF S.F. 1670 SF

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SUPERIOR CONSULTING CORP.

INSPECTION • TESTING • ENGINEERS

BUILDING #62 • BROOKLYN NAVY YARD
BROOKLYN, NEW YORK 11205

TEL (718) 625-5828
FAX (718) 625-5890

October 20, 1999

132 Perry LLC
950 Third Ave
New York, N.Y. 10022

Reference: 132 Perry Street
New York, N.Y.

Ladies and Gentlemen:

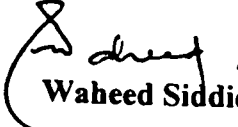
Our project manager, Harish Rajsakha, and the undersigned, an environmental engineer, conducted an inspection of the captioned premises on October 1, 1999.

Our visual inspection of the building's interior lead us to conclude that no suspect friable asbestos containing materials are present in the building. We inspected all insulation and fireproofing materials contained in the building. Our inspection was limited to exposed and accessible areas of the building only. We note that there is evidence that the asbestos pipe and boiler insulation has been previously abated.

We consent to the inclusion of this letter in the offering plan for the conversion of the captioned premises to condominium ownership.

Very truly yours,

Superior Consulting Corp.


Waheed Siddiqui



DOCUMENT NUMBER 7

DECLARATION

OF

THE 132 PERRY STREET CONDOMINIUM

(Pursuant to Article 9-B of the Real Property Law of the State of New York)

132 PERRY LLC, a New York limited liability company, having an office at 950 Third Avenue, New York, New York 10022 ("Sponsor"), does hereby declare as follows:

ARTICLE 1

SUBMISSION OF THE PROPERTY

1.1 Sponsor hereby submits the Land and Building (each as hereinafter defined), all other improvements erected and to be erected thereon, all easements, rights and appurtenances belonging thereto and all other property, real, personal or mixed, intended for use in connection therewith (collectively, the "Property") to the provisions of Article 9-B of the Real Property Law of the State of New York (the "New York Condominium Act") and pursuant thereto does hereby establish a condominium to be known as The 132 Perry Street Condominium (the "Condominium").

1.2 Attached to this Declaration and made a part hereof are the By-Laws of the Condominium which set forth detailed provisions governing the operation, use and occupancy of the Condominium (said By-Laws, as they may be amended from time to time, are hereinafter referred to as the "By-Laws"). All capitalized terms which are not separately defined herein shall have the meanings given to those terms in the By-Laws.

ARTICLE 2

THE LAND

Included in the Property described in Article 1 is all that certain tract, plot, piece and parcel of land (the "Land") situate, lying and being in the City, County and State of New York, and more particularly described in Schedule A annexed hereto and made a part hereof. The Land is owned by Sponsor in fee simple absolute. The Land consists of approximately 8,183 square feet.

ARTICLE 3

THE PROPERTY

Included in the Property described in Article 1 is an eleven-story building (collectively, the "Building") consisting of: (i) two (2) retail units (collectively, the "Retail Units" and individually, a

"Retail Unit") which comprise portions of the first floor of the Building; (ii) four (4) commercial units which comprise portions of the second through third floors of the Building, (collectively, the "Commercial Units" and individually, a "Commercial Unit"); and (iii) nine (9) residential units located on the fourth through eleventh floors of the Building (collectively, the "Residential Units" and individually, a "Residential Unit"). The Retail Units, the Commercial Units and the Residential Units are sometimes hereafter collectively referred to as the "Units" and individually as a "Unit". The owner of a Retail Unit is herein referred to as a "Retail Unit Owner" and the owners of all Retail Units are herein collectively referred to as the "Retail Unit Owners"; the owner of a Commercial Unit is herein referred to as a "Commercial Unit Owner" and the owners of all Commercial Units are herein collectively referred to as the "Commercial Unit Owners"; the owner of a Residential Unit is herein referred to as a "Residential Unit Owner" and the owners of all Residential Units are herein collectively referred to as the "Residential Unit Owners". The Residential Unit Owners, the Commercial Unit Owners and the Retail Unit Owners are collectively referred to as "Unit Owners" and individually as a "Unit Owner." The Building has the street address, 132 Perry Street, New York, New York.

ARTICLE 4

THE BUILDING

The Building is constructed of concrete and steel. The exterior walls are of masonry and brick. The Building consists of a cellar and eleven stories above grade.

ARTICLE 5

THE UNITS

Schedule B annexed hereto and made a part hereof sets forth the following data with respect to each Unit necessary for the proper identification thereof: Unit designation; tax lot number; direction in which each Unit faces; approximate square foot area; number of rooms; the portions of the Common Elements (as hereinafter defined) to which the Unit has immediate access or the right to exclusive use; and the percentage interest in the Common Elements appurtenant to such Unit. The location of each Unit is shown on the floor plans of the Building (the "Floor Plans") certified by L. H. Pomeroy Architects, P.C., intended to be filed in the Office of the Register of the City of New York (the "City Register's Office") simultaneously with the recording of this Declaration. The Floor Plans are incorporated and made a part of the Declaration as if set forth at length herein.

ARTICLE 6

DIMENSIONS OF UNITS

Each Unit consists of an enclosed area measured horizontally from the exterior side of the glass or concealed block work of the exterior walls to the center line of the dry wall partitions separating one Unit from another Unit or to the Unit side of the concealed block work of concealed structural walls and partitions separating a Unit from corridors, stairs, elevators or other Common

Elements. Each Unit consists of an enclosed area measured vertically from the top surface of the concrete floor to the underside surface of the sheetrock ceiling. Common Elements located within the Unit (if any) shall not be considered as part of that Unit. Any balcony or terrace appurtenant to a Residential Unit shall not be deemed part of that Unit but shall constitute a Limited Common Element.

ARTICLE 7

COMMON ELEMENTS

7.1 The Common Elements of the Condominium (the "Common Elements") consist of the entire Property including the Land and all parts of the Building and improvements thereon other than the Units. The Common Elements include, but are not limited to, those rooms, areas, corridors, spaces and other parts of the Building and all facilities¹ therein for the common use of the Units and the Unit Owners or which are necessary or convenient for the existence, maintenance or safety of the Property.

The Common Elements include the Limited Common Elements, which are Common Elements that serve or benefit exclusively one Unit to the exclusion of all other Units.

7.2 The Common Elements consist of the following:

7.2-1 The Land (as more particularly described in Schedule A annexed hereto) together with all easements, rights and privileges appurtenant thereto.

7.2-2 All foundation, footings, columns, girders, beams, supports and interior load-bearing walls.

¹As used herein, the word "facility" or "facilities" includes, but is not limited to, the following items (grouped more or less functionally) which are set forth only for purposes of illustrating the broad scope of that term: systems, equipment, apparatus, heaters, convectors, radiators, convertors, heat exchanges, mechanisms; devices, machinery, motors, pumps, controls, tank or tank assembly, insulation, condensers, compressors, fans, dampers, blowers, thermostats, thermometers, coils, vents, sensors, shut-off valves or other valves, gongs, panels, receptacles, outlets, relays, alarms, sprinkler heads, electrical distribution facilities, wiring, wirewaves, switches, switchboards, circuit breakers, transformers, fittings, siamese connection, hose, plumbing fixtures, lighting fixtures cabinet fixtures, bulbs, signs, telephone panel board, meter assemblies, scaffolding, piping, lines, ducts, conduits, cables risers, mains, shafts, pits, flue, locks or other hardware, racks, screens, strainers, traps, drains, catch basins, leaders, filters, compactor, canopy, closets, cabinets, doors, railings, copings, steps, furniture, mirrors, furnishings, appurtenances, urns, baskets, mailboxes, carpeting, tile or other floor coverings, draperies, shades or other window coverings, wallpaper or other wall coverings, trees or other plantings, and all planters.

7.2-3 All roofs, bulkheads and drains on the roof including the roof terrace adjacent to Residential Units 4 East and 4 West.

7.2-4 The water tank located on the main roof.

7.2-5 Fire standpipe system and sprinkler system including risers, valves, hoses and hose racks.

7.2-6 The sewer room, electric meter room, telecommunications room, gas meter room, superintendent's office, storage room and elevator pit all located in the cellar of the Building, the RPZ room, storage room and boiler room and hot water room all located on the first floor of the Building, the pump room located on the tenth floor of the Building, the elevator machine room located on the eleventh floor of the Building, the open mechanical equipment area located on the eleventh floor roof and all equipment contained in all of the aforesaid rooms.

7.2-7 All gas supply lines to the boiler room.

7.2-8 The water supply lines and sewage disposal lines to the public lines on Perry Street.

7.2-9 Hot water supply lines, certain air duct risers (including supply duct work) and certain heating, ventilation and air conditioning facilities, including flues, serving or benefiting the Units except such facilities that constitute Limited Common Elements detailed in Article 7.3-4 hereof.

7.2-10 Those portions of the exterior walls of the Building beyond the Unit side of the exterior wall (including all exterior glass surfaces of all windows which are not part of any Unit), those portions of the concrete floors and the sheetrock ceilings and all area in between such floors and ceilings that are beyond the Unit side of such floors and ceilings, and those portions of the concealed block work of concealed structural walls or partitions separating a Unit from corridors, stairs, elevators, or other Common Elements beyond the Unit side of such concealed block work.

7.2-11 All staircases, including all landings, stairs, railings and bulkheads.

7.2-12 The lobby, including the vestibule and public corridors located on the first floor of the Building (including all duct work supplying heating, ventilation and air conditioning to such areas.)

7.2-13 The elevator, including its shaft, pit, machine room and appurtenant facilities.

7.2-14 All public hallways and mechanical closets.

7.2-15 All kitchen and toilet exhaust risers, fans and flues servicing the Units.

7.2-16 All electrical, telephone, gas, hot water and television antenna risers and feeders servicing the Units.

7.2-17 The sanitary sewage system and storm drainage system servicing the Units.

7.2-18 The intercom and security system including all duct work and equipment.

7.2-19 The exterior glass surfaces of all the windows of the Units.

7.2-20 All other facilities in the Building which serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of the Units.

7.3 The Limited Common Elements consist of the following:

7.3-1 All balconies adjoining Residential Units 5th Floor, 6th Floor, 7th Floor, 8th Floor and 9th Floor, and the terraces adjoining Residential Units 10/11 East and 10/11 West, including railings and posts appurtenant to such balconies and terraces. Notwithstanding anything to the contrary contained in this Declaration or the By-Laws, the Residential Unit Owners of the Residential Units enumerated in this subsection shall have the exclusive right to use Limited Common Elements enumerated in this subsection adjoining their Units.

7.3-2 Entrance doors to each Residential Unit.

7.3-3 The ventilation and air conditioning risers and electrical risers from each Unit to individual condenser units located on the roof of the Building.

7.3-4 All kitchen and toilet exhaust risers, fans and flues serving the Retail Units.

ARTICLE 8

USE OF UNITS

8.1 As more particularly set forth in the By-Laws, Residential Units may be used for residential purposes only. Under no circumstances may more than one family occupy a Residential Unit at one time. A Residential Unit may be owned or leased by an individual, corporation, partnership, limited liability company, fiduciary or any other entity.

8.2 Units may be leased only in accordance with the By-Laws and the Rules and Regulations. No portion of a Residential Unit, other than the entire Residential Unit, may be leased and no transient tenants may be accommodated therein. Portions of the Commercial Units may be leased.

8.3 Notwithstanding the foregoing or anything contained in the By-Laws or Rules and Regulations to the contrary, Sponsor may, without the permission of the Board of Managers of the Condominium (the "Board"), use any Unsold Units (as hereinafter defined) as models and sales and/or promotion offices in connection with the sale or rental of the Units or for any other purpose, subject only to compliance with applicable governmental laws and regulations.

8.4 The Commercial Units and the Retail Units may be used for any lawful purpose (except as otherwise prohibited by this Declaration or the By-Laws).

ARTICLE 9

CHANGES IN THE CONDOMINIUM

9.1 Except to the extent prohibited by law and provided any required approvals of any government agency are first obtained, Sponsor or its designee shall have the right, without the vote or consent of the Board or any Unit Owner to: (a) make alterations, additions or improvements, whether structural or non-structural, interior or exterior, ordinary or extraordinary, in, to and upon any Residential Unit, Retail Unit or Commercial Unit owned by Sponsor or its designee ("Unsold Units"); (b) change the layout of, or number of rooms in, any Unsold Units from time to time; (c) change the size and/or number of Unsold Units by subdividing one or more Unsold Units into two or more separate Units, combining separate Unsold Units (including those resulting from such subdivision or otherwise) into one or more Units, altering the boundary walls between any Unsold Units, or otherwise; and (d) if appropriate, reapportion among the Unsold Units affected by such change in size or number pursuant to the preceding clause (c) their percentage interests in the Common Elements; provided, however, that the percentage interest in the Common Elements of any other Units (other than Unsold Units) shall not be changed by reason thereof unless the owners of such Units shall consent thereto and, provided further, that Sponsor or its designee shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold the Board and all other Unit Owners harmless from any liability arising therefrom. The provisions of this Article 9 may not be added to, amended, modified or deleted without the prior written consent of Sponsor or its designee. By the written permission of the Board, any other Residential Unit Owner, Commercial Unit Owner or Retail Unit Owner may be given, with respect to such owner's Unit, the same rights as are set forth in this Article 9 with respect to Unsold Units. No change may be made pursuant to clauses (b), (c) and (d) above, unless, in each such event, this Declaration and the Floor Plans (and the By-Laws, if appropriate) are amended, such amendments are duly recorded in the City Register's Office and all Unit Owners affected by any such changes have consented to such amendments. Notwithstanding the other provisions of this Article 9, no reapportionment of the interests in the Common Elements appurtenant to any Unit shall be made unless there is first delivered to the Board a written certification stating that the percentage interests of the respective Units in the Common Elements, immediately after such reapportionment, will be based in accordance with Article 11 hereof. The certification referred to herein shall be delivered, at Sponsor's election, by Sponsor, the managing agent of the Condominium or any other person reasonably acceptable to the Board, in the case of any Unsold Unit, and by either the managing agent of the Condominium or any other person reasonably acceptable to the Board, in the case of any other Unit.

9.2 Except to the extent prohibited by law, the Commercial Unit Owners and the Retail Unit Owners shall have the right, without prior notice and without the vote or consent of the Board, any other Unit Owner or the holders of Residential Unit mortgages, to: (a) decorate or make alterations, additions or improvements, whether structural or non-structural, interior or exterior, ordinary or extraordinary, of any type or nature whatsoever, in, to and upon any Commercial Unit or Retail Unit or any Common Element or Limited Common Element appurtenant to any such Units; (b) change the layout of, or number of rooms in, any Commercial Unit or Retail Unit from time to time provided that maximum number of rooms in the Building permitted by the Zoning Resolution

of the City of New York is not exceeded; (c) change any Commercial Unit or Retail Unit by subdividing any such Commercial Unit or Retail Unit into any desired number of commercial or retail condominium units (or by combining any units resulting from such subdivision); (d) designate any Limited Common Element that serves only a Commercial Unit or a Retail Unit as part of an existing or newly created condominium unit or designate part of any Commercial Unit or Retail Unit (or a newly created condominium unit) as a newly created Limited Common Element; (e) reapportion among the newly created condominium units resulting from any subdivision (or combination) their percentage interests in the Common Elements; and (f) change, alter or modify the facade and exterior portion of a Retail Unit; provided, however, that (i) the percentage interests in the Common Elements of any Unit shall not be changed by reason thereof, unless the owner of such Unit shall consent thereto, (ii) such Commercial Unit Owners or Retail Unit Owners shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold the Board and all other Unit Owners harmless from any liability arising therefrom and (iii) such Commercial Unit Owners or Retail Unit Owners establish to the reasonable satisfaction of the Board that such Unit Owner has procured adequate liability insurance for the work being performed. In addition, to the extent permitted by law, the Retail Unit Owners may erect, maintain, repair and replace one or more signs on the Property for the purpose of advertising the operation of any business of a Retail Unit Owner or of any or all tenants or occupants of a Retail Unit.. The provisions of this Article 9.2 may not be added to, amended, modified or deleted without the prior written consent of all Commercial Unit Owners and Retail Unit Owners.

ARTICLE 10

PERSON TO RECEIVE SERVICE

Andrews Building Corp., 666 Broadway, New York, New York 10012, or any successor managing agent of the Condominium is hereby designated to receive service of process in any action which may be brought against the Condominium.

ARTICLE 11

DETERMINATION OF PERCENTAGE INTERESTS IN COMMON ELEMENTS

The percentage interest of the respective Units in the Common Elements has been determined in accordance with Section 339-i(1)(ii) of the New York Condominium Act and is based upon the ratio of the square foot area of each Unit to the total square foot area of all Units. One-quarter of the total square foot area of any balcony or terrace, for those Residential Units adjoining balconies or terraces, is included in the square foot area of such Residential Units.

ARTICLE 12

ENCROACHMENTS

If: (a) any portion of the Common Elements encroaches upon any Unit or upon any other Common Element, (b) any Unit encroaches upon any other Unit or upon any portion of the Common

Elements or (c) any encroachment shall hereafter occur as a result of: (i) settling or shifting of the Building, (ii) any alteration or repair to the Common Elements, made in accordance with this Declaration or the By-Laws or (iii) any repair or restoration of the Building (or any portion thereof) or of any Unit or Common Element, after damage by fire or other casualty or any taking by condemnation or eminent domain proceedings of all or any portion of any Unit or the Common Elements, then, in any such event, a valid easement shall exist for such encroachment and for the maintenance of the same as long as the Building shall stand.

ARTICLE 13

EASEMENTS

13.1 Each Unit Owner shall have an easement in common with all other Unit Owners to use, install, operate, maintain, alter, repair, rebuild, restore and replace all pipes, wires, ducts, vents, ventilating shafts, cables, conduits, public utility lines, facilities and all other Common Elements located in any of the other Units (or elsewhere on the Property) and serving his or her Unit. Each Unit shall be subject to an easement in favor of all other Unit Owners to use, install, operate, maintain, alter, repair, rebuild, restore and replace the pipes, ducts, vents, ventilating shafts, cables, wires, conduits, public utility lines, facilities and all other Common Elements serving such other Units and located in such Unit.

13.2 In addition to the above, an easement in favor of the Board, its agents, contractors and employees, shall exist providing for a right of access to the Units and to the Common Elements to inspect, maintain or repair or make repairs to the Units to prevent damage to such Common Elements or any other Units, to make repairs to such Common Elements, to any wires, pipes, conduits or cable television system servicing any of the Units or to make repairs to any other Unit provided such right of access shall be exercised in such a manner as will not unreasonably interfere with the normal conduct of business of the owner, tenants or other occupants of the Commercial Units, the Retail Units or with the use of the Residential Units for their permitted purposes. Such entry shall be permitted on not less than one days' notice, except that notice will not be necessary in the case of an "emergency" (i.e., a condition requiring repair or replacement immediately necessary for the preservation or safety of the Building or for the safety of the occupants of the Building or other persons, or required to avoid the suspension of any necessary service in the Building).

13.3 Each Unit Owner shall have, in common with all other Unit Owners, an easement for ingress and egress through the Residential Units, the Commercial Units and the Retail Units, as the case may be, and for the use of any Common Element to the extent necessitated by an emergency. The Residential Units, the Commercial Units and the Retail Units shall be subject to such easement.

13.4 Each Unit Owner shall have, in common with all other Unit Owners, and each Unit shall be subject to, an easement: (a) to install, operate, maintain, repair, alter, rebuild, restore and replace the Units, the Common Elements or Limited Common Elements located in, over, under, through or upon any Unit, any Common Element or Limited Common Element, and (b) to maintain any encroachment on any Unit, the Common Elements or the Limited Common Elements resulting from the repair, alteration, rebuilding, restoration or replacement of the Units, the Common Elements

or the Limited Common Elements provided that access to any Unit, the Common Elements or the Limited Common Elements in furtherance of such easement shall be exercised in such a manner as will not unreasonably interfere with the normal conduct of business of the owner, tenants or other occupants of the Commercial Units, the Retail Units or with the use of the Residential Units for their permitted purposes. Such entry shall be permitted on not less than one day's notice, except that no notice will be necessary in the case of an emergency.

13.5 Each Unit shall have an easement of support and of necessity and shall be subject to an easement of support and necessity in favor of all other Units and the Common Elements.

13.6 Sponsor or its designee shall, to the extent permitted by law, have an easement to erect, maintain, repair and replace, from time to time, one or more signs on the Property for the purposes of advertising the sale or lease of any Unsold Unit and shall have an additional easement providing access in and to all Units and Common Elements consistent with an offering plan for condominium ownership of the Property, as amended from time to time, including, without limitation, the right to develop, renovate, maintain, repair, refurbish, offer, sell and lease Units. The Retail Unit Owners and their respective successors and assigns shall, to the extent permitted by law, have an easement to erect, maintain, repair and replace, from time to time, one or more signs on the Property for the purposes of advertising the sale or lease of all or any portion of the Retail Units and the operation of any business of any Retail Unit Owner or of any or all tenants or occupants of all or any portion of the Retail Units.

13.7 Sponsor or its designee and the Board shall have the right to grant such additional electric, gas, steam or other utility easements or relocate any existing utility easements in any portion of the Property, as Sponsor or its designee, or the Board, as the case may be, shall deem necessary or desirable for the proper operation and maintenance of the Building or any portion thereof, or for the general health or welfare of the owners, tenants and occupants of the appropriate Units, provided that such additional utilities or the relocation of existing utilities will not prevent or unreasonably interfere with the normal conduct of business of the owners, tenants and other occupants of the Commercial Units, the Retail Units or with the use of the Residential Units for their permitted purposes. Any utility company and its employees and agents shall have the right of access to any Unit or the Common Elements in furtherance of such easement, provided such right of access shall be exercised in such a manner as shall not unreasonably interfere with the normal conduct of business of the owners, tenants and other occupants of the Commercial Units, the Retail Units or with the use of the Residential Units for their permitted purposes.

The user of any easement granted by this Article 13 shall have the responsibility of repairing any damage resulting therefrom.

ARTICLE 14

POWER OF ATTORNEY TO THE BOARD

Each Unit Owner shall grant to the persons who shall from time to time constitute the Board, an irrevocable power of attorney, coupled with an interest (in such form and content as the Board

shall determine): (a) (i) to acquire or lease any Residential Unit or Commercial Unit, together with its Common Interest, from any Residential Unit Owner or Commercial Unit Owner desiring to sell, convey, transfer, assign, lease or sublease the same; and (ii) to acquire any Unit, together with its Common Interest, which becomes the subject of a foreclosure or similar sale, on such terms and at such price or at such rental, as the case may be, as the Board shall deem proper, and thereafter to convey, sell, lease, mortgage or otherwise deal with (but not vote the interest appurtenant thereto) any such Unit so acquired by the Board, or to sublease any Unit so leased by the Board, on such terms as the Board may determine, granting to the Board the power to do all things in the Property which the undersigned could do if the undersigned were personally present; and (b) to execute, acknowledge and deliver: (i) any declaration or other instrument affecting the Property which the Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Landmarks Preservation Commission, the Board of Standards and Appeals or any other public authority, applicable to the demolition, construction, alteration, maintenance, repair or restoration of the Property; and (ii) any consent, covenant, restriction, easement, or declaration, or any amendment thereto, affecting the Property which the Board deems necessary or appropriate, including amendments to the Declaration authorized pursuant to Article 17 thereof.

ARTICLE 15

ACQUISITIONS OF UNITS BY THE BOARD

If (a) any Unit Owner surrenders his Unit, together with (i) the undivided interest in the Common Elements appurtenant thereto, (ii) the interest of such Unit Owner in any other Units theretofore acquired by the Board or its designee, corporate or otherwise, on behalf of all Unit Owners or the proceeds of the sale or lease thereof, if any, and (iii) the interest of such Unit Owner in the Common Elements and any other assets of the Condominium (such interests in (i), (ii) and (iii) being hereinafter collectively called the "Appurtenant Interests"), pursuant to the provisions of Section 339-x of the New York Condominium Act; or (b) the Board acquires or leases a Unit (together with its Appurtenant Interests) or purchases, at a foreclosure or other similar sale, a Unit (together with its Appurtenant Interests), then, in any such event, title to any such Unit (together with its Appurtenant Interests) shall be held by the Board or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective interests in the Common Elements. The lease or sublease covering any Unit leased or subleased by the Board or its designee shall be held by the Board or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective interests in the Common Elements.

ARTICLE 16

COVENANTS RUNNING WITH THE LAND

16.1 All provisions of this Declaration and the By-Laws and the Rules and Regulations annexed hereto and made a part hereof, including, but not limited to, the provisions of this Article

shall, to the extent applicable and unless otherwise expressly herein or therein provided to the contrary, be perpetual and be construed to be covenants running with the Land and with every part thereof and interest therein, and all of the provisions thereof shall be binding upon and inure to the benefit of the owner of all or any part thereof, or interest therein, and his heirs, executors, administrators, legal representatives, successors and assigns, but the same are not intended to create nor shall they be construed as creating any rights in or for the benefit of the general public. All present and future owners, tenants and occupants of Units shall be subject to and shall comply with the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time. The acceptance of a deed or conveyance or the entering into a lease or the entering into occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such owner, tenant, or occupant, and all of such provisions shall be deemed and taken to be covenants running with the Land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed or conveyance or lease thereof.

16.2 If any provision of this Declaration or the By-Laws is invalid under, or would cause this Declaration and the By-Laws to be insufficient to submit the Property to the provisions of, the New York Condominium Act, such provision shall be deemed deleted from the Declaration or the By-Laws, as the case may be, for the purpose of submitting the Property to the provisions of the New York Condominium Act but shall nevertheless be valid and binding upon and inure to the benefit of the owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under other applicable law to the extent permitted under such applicable law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land. If any provision which is necessary to cause this Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the New York Condominium Act is missing from this Declaration or the By-Laws, then such provision shall be deemed included as part of this Declaration or the By-Laws, as the case may be, for the purposes of submitting the Property to the provisions of the New York Condominium Act.

16.3 Subject to the provisions of Section 16.2, if this Declaration and the By-Laws are insufficient to submit the Property to the provisions of the New York Condominium Act, the provisions of this Declaration and the By-Laws shall nevertheless be valid and binding upon and inure to the benefit of the owners of the Property, and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under other applicable law to the extent permitted under such applicable law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land.

ARTICLE 17

AMENDMENTS OF DECLARATION

17.1 Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions affecting Sponsor or its designee or any Unsold Units, any provision of this Declaration may be added to, amended, modified or deleted by the vote of at least seventy-five (75%) percent in number and in common interest of all Unit Owners taken in accordance with the provisions of the By-Laws, provided, however, that the common interest appurtenant to each Unit as expressed in this Declaration shall not be altered without the written consent of all Unit Owners affected. No such amendment, modification, addition or deletion shall be effective until recorded in the City Register's Office. Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions affecting Sponsor or its designee or any Unsold Units, any such amendment, modification, addition or deletion shall be executed by the Board as attorney-in-fact for the Unit Owners, coupled with an interest, the Board being hereby authorized so to act as their attorney-in-fact.

17.2 If the number of rooms in an Unsold Unit is changed, or the size and/or number of Unsold Units is changed (whether as a result of a subdivision or combination of Unsold Units or alteration of boundary walls between Unsold Units, or otherwise) and the appurtenant percentage interest in the Common Elements is reapportioned as a result thereof, all in accordance with Article 9 hereof, then Sponsor or its designee shall have the right to execute, or (on its request) to require any other Unit Owner or the Board to execute, and record in the City Register's Office and elsewhere, if required by law, an amendment to this Declaration (together with such other documents as Sponsor or its designee deems appropriate to effectuate the same) reflecting such change in the number of rooms in an Unsold Unit or in the size and/or number of Unsold Units (whether as a result of said subdivision, combination, alteration or otherwise) and the reapportionment of the percentage interests in the Common Elements resulting therefrom, all without the approval of the Board or the Unit Owners.

17.3 If: (i) the size and/or number of the Commercial Units or the Retail Units are changed and the percentage interest in the Common Elements appurtenant to any Commercial Unit or Retail Unit is reapportioned among any newly created condominium units resulting from any such subdivision (or any combining of newly created condominium units), or (ii) a Limited Common Element is designated as part of an existing or newly created condominium unit or part of a Commercial Unit or a Retail Unit is designated as a newly created Limited Common Element, all in accordance with Article 9.2 hereof, then any such Commercial Unit Owner or Retail Unit Owner shall have the right to execute, or (on its request) to require any other Unit Owner or the Board to execute, and record in the City Register's Office, and elsewhere, if required by law, an amendment to this Declaration (together with such other documents as such Commercial Unit Owner or Retail Unit Owner deems appropriate to effectuate the same) reflecting (a) such change in the size of any such Commercial Unit or Retail Unit or the subdivision of any such Commercial Unit or Retail Unit into separate condominium units (or the subsequent combination of such newly created condominium units) and the reapportionment of the percentage interests in the Common Elements among such newly created condominium units; or (b) such designation of a Limited Common Element in an

existing or newly created condominium unit or such designation of part of any such Commercial Unit or Retail Unit as a newly created Limited Common Element.

17.4 To facilitate the provisions contained in Articles 17.2 and 17.3 hereof with respect to certain types of amendments by or affecting the Sponsor or its designee with respect to any Unsold Unit, any Commercial Unit Owner with respect to any Commercial Unit or any Retail Unit Owner with respect to any Retail Unit, any such amendment to the Declaration may be executed by the Board which shall be deemed to have received a power of attorney from each Unit Owner to execute such type of amendment.

ARTICLE 18

TERMINATION OF CONDOMINIUM

The Condominium shall continue until: (a) terminated by casualty loss, condemnation or eminent domain, as more particularly provided in the By-Laws, or (b) such time as withdrawal of the Property from the provisions of the New York Condominium Act is authorized by a vote of at least eighty (80%) percent in number and in common interest of all Unit Owners. Sponsor will not vote its interests appurtenant to any Unsold Units for such withdrawal unless at least eighty (80%) percent in number and in common interest of all other Unit Owners so elect for such withdrawal, at which time Sponsor may choose to vote either in favor of or against withdrawal from Condominium ownership, as it sees fit. In the event said withdrawal is authorized as aforesaid, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all Unit Owners in proportion to their respective common interests, provided, however, that no payment shall be made to a Unit Owner until there has first been paid from out of his share of such net proceeds all liens on his Unit, in the order of priority of such liens.

ARTICLE 19

WAIVER

No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

ARTICLE 20

CAPTIONS

The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration nor the intent of any provision hereof.

ARTICLE 21

SEVERABILITY

Subject to the provisions of Sections 16.2 and 16.3, if any provision of this Declaration is invalid or unenforceable as against any person or under certain circumstances, the remainder of this Declaration and the applicability of such provision to other persons or circumstances shall not be affected thereby. Each provision of this Declaration shall, except as otherwise herein provided, be valid and enforced to the fullest extent permitted by law.

ARTICLE 22

COVENANT OF FURTHER ASSURANCES

22.1 Any party which is subject to the terms of this Declaration, whether such party is a Unit Owner, a lessee or sublessee of a Unit Owner, an occupant of a Unit, a member or officer of the Board, or otherwise, shall, at the expense of any such other party requesting the same, execute, acknowledge and deliver to such other party such instruments, in addition to those specifically provided for herein, and take such other action, as such other party may reasonably request to effectuate the provisions of this Declaration or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

22.2 If any Unit Owner or any other party which is subject to the terms of this Declaration fails to execute, acknowledge or deliver any instrument, or fails or refuses, within ten (10) days after request thereof, to take any action which the Board, such Unit Owner or party is required to execute, acknowledge and deliver or to take pursuant to this Declaration, then the Board is hereby authorized as attorney-in-fact for such Unit Owner or other party, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of such Unit Owner or other party and such document or action shall be binding on such Unit Owner or other party.

22.3 If any Unit Owner, the Board or any other party which is subject to the terms of this Declaration fails to execute, acknowledge or deliver any instrument, or fails or refuses, within ten (10) days after request thereof, to take any action which the Board, Unit Owner or party is required to execute, acknowledge and deliver or to take pursuant to this Declaration at the request of Sponsor, then Sponsor is hereby authorized as attorney-in-fact for such Unit Owner, Board or other party, coupled with an interest, to execute, acknowledge and deliver such instrument or to take such action, in the name of such Unit Owner, Board or other party and such document or action shall be binding on such Unit Owner, Board or other party, as the case may be.

ARTICLE 23

SUCCESSORS AND ASSIGNS

23.1 The rights and/or obligations of Sponsor or its designee as set forth herein shall inure to the benefit of and be binding upon any successor or assign of Sponsor or its designee or, with

consent of Sponsor, any transferee of any Unsold Unit. Subject to the foregoing, Sponsor or its designee shall have the right, at any time, in its sole discretion, to assign or otherwise transfer its respective interests herein, whether by merger, consolidation, lease, assignment or otherwise.

23.2 The rights and/or obligations of the Commercial Unit Owners or the Retail Unit Owners as set forth herein shall inure to the benefit of and be binding upon any successor or assign of any Commercial Unit Owner or Retail Unit Owner (or of the owners of any units created by a subdivision of any such Units). Subject to the foregoing, any Commercial Unit Owner or Retail Unit Owner shall have the right, at any time, to assign or otherwise transfer such Unit Owner's interest herein whether by merger, consolidation, lease, assignment or otherwise.

IN WITNESS WHEREOF, Sponsor has caused this Declaration to be executed as of the _____ day of _____, 200_.

132 PERRY LLC

By: _____

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

On the ____ day of _____ in the year 200_, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

SCHEDULE A

ALL those certain plots, pieces or parcels of land, with the buildings and improvements thereon erected, situate, lying and being in the Borough of Manhattan, City, County and State of New York shown and designated as Lots 11, 12, 13 and 14 on a certain map entitled "Map 3 of Property in the 9th Ward of the City of New York belonging to the Estate of William W. Gilbert, deceased" dated New York, December, 1832 surveyed by Thomas R. Ludlam C.S. and filed in the Office of Register, County of New York on 5/1/1833 as Map No. 63 and which said lots taken together are bounded and described according to said map as follows:

BEGINNING at a point on the southerly side of Perry Street, distant 122 feet 1-1/4 inches westerly from the corner formed by the intersection of the southerly side of Perry Street with the westerly side of Greenwich Street;

RUNNING THENCE southerly along Lots 15 and 20 on said map, 100 feet 4-1/2 inches;

THENCE northwesterly along Lot 21 on said map 22 feet 6-1/4 inches to the easterly side of Lot 13 on said map;

THENCE southerly along said Lot 21 on said map 4 feet 7 inches to Lot 22 on said map;

THENCE westerly along Lots 22, 23 and the Land of William Deronde on said map 63 feet 2-1/4 inches to the division line between Lots 10 and 11 on said map;

THENCE northerly along said division line of Lots 10 and 11 on said map 97 feet 5-1/4 inches to the southerly side of Perry Street;

THENCE easterly along the southerly side of Perry Street, 84 feet to the point or place of **BEGINNING**.

SCHEDULE B

<u>Unit No.</u>	<u>Tax Lot No.</u>	<u>Location in Building</u>	<u>Approx. Unit Area (Sq. ft.)</u>	<u>No. of Rooms - No. of Baths</u>	<u>Common Elements to which Unit Has Immediate Access</u>	<u>Percentage Interest in Common Elements</u>
Retail East		First Floor	3,630	1-0	Stairway	8.6894%
Retail West		First Floor	3,031	1-0	Stairway	7.2555%
Commercial 2 Front East		Second Floor	1,432	1-Lavatory	Elevator; Public Corridor; Stairway	3.4279%
Commercial 2 Front West		Second Floor	1,805	1-Lavatory	Elevator; Public Corridor; Stairway	4.3208%
Commercial 2/3 East		Second and Third Floors	4,718	2-2 Lavatories	Elevator; Public Corridor; Stairway	11.2938%
Commercial 2/3 West		Second and Third Floors	4,296	2-2 Lavatories	Elevator; Public Corridor; Stairway	10.2837%
Residential 4 East		Fourth Floor	1,403	1-1	Elevator; Public Corridor; Stairway	3.3585%
Residential 4 West		Fourth Floor	1,336	1-1	Elevator; Public Corridor; Stairway	3.1980%

<u>Unit No.</u>	<u>Tax Lot No.</u>	<u>Location in Building</u>	<u>Approx. Unit Area (Sq. ft.)</u>	<u>No. of Rooms - No. of Baths</u>	<u>Common Elements to which Unit Has Immediate Access</u>	<u>Percentage Interest in Common Elements</u>
Residential 5 th Floor		Fifth Floor	3,040	1-1	Elevator; Stairway; Balcony	7.2771%
Residential 6 th Floor		Sixth Floor	3,040	1-1	Elevator; Stairway; Balcony	7.2771%
Residential 7 th Floor		Seventh Floor	3,040	1-1	Elevator; Stairway; Balcony	7.2771%
Residential 8 th Floor		Eighth Floor	3,040	1-1	Elevator; Stairway; Balcony	7.2771%
Residential 9 th Floor		Ninth Floor	2,956	1-1	Elevator; Stairway; Terrace	7.0760%
Residential 10/11 East		Tenth and Eleventh Floors	2,526	2-1	Elevator; Public Corridor; Stairway; Terrace	6.0467%
Residential 10/11 West		Tenth and Eleventh Floors	2,482	2-1	Elevator; Public Corridor; Stairway	5.9414%

DOCUMENT NUMBER 8

BY-LAWS

OF

THE 132 PERRY STREET CONDOMINIUM

ARTICLE 1

GENERAL

1.1 Purpose. The purpose of these By-Laws is to set forth the rules and procedures concerning the conduct of the affairs of The 132 Perry Street Condominium (the "Condominium"). The Condominium consists of land situate in the City, County and State of New York, more particularly described on Schedule A of the Declaration (as hereinafter defined) (the "Land"), the building and other improvements now or hereafter to be constructed on the Land (hereinafter collectively referred to as the "Building"), including, without limitation, the Units, the Common Elements, the Limited Common Elements, all easements, rights and appurtenances belonging thereto, and all other property, real, personal or mixed, intended for use in connection therewith, all of which have been submitted to the provisions of Article 9-B of the Real Property Law of the State of New York (the "New York Condominium Act") by the recording of a declaration of condominium (which, as the same may be amended from time to time, is herein referred to as the "Declaration") in the New York County Office of the Register of the City of New York ("City Register's Office"), together with these By-Laws. The Land and the Building are hereinafter collectively called the Property. All capitalized terms herein which are not separately defined herein shall have the meanings given to those terms in the Declaration. The Common Elements and the Limited Common Elements are collectively referred to as the "Common Elements".

1.2 Applicability of By-Laws. These By-Laws are applicable to the Property and to the use and occupancy thereof. All present and future Unit Owners, mortgagees, lessees, sublessee and occupants of Units and employees and guests of Unit Owners, as well as all other persons who may use the facilities of the Property, are and shall be subject to the Declaration, these By-Laws and the Rules and Regulations annexed hereto as Schedule A. The acceptance of a deed or 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 these By-Laws, the Rules and Regulations and the Declaration are accepted, ratified, and will be complied with.

1.3 Principal Office of Condominium. The principal office of the Condominium shall be located within the Building or at such other place within the Borough of Manhattan reasonably convenient thereto, as may be designated from time to time by the Board of Managers of the Condominium (the "Board").

ARTICLE 2

BOARD OF MANAGERS

2.1 Number, Term and Qualification.

2.1-1 As more particularly set forth in 2.2, the affairs of the Condominium shall be governed by the Board which shall be comprised of representatives of the Residential Unit Owners, the Commercial Unit Owners and the Retail Unit Owners. From and after the holding of the first annual meeting of Unit Owners as provided in 3.1, the Board shall consist of five (5) persons, three (3) of whom shall be elected by the Residential Unit Owners and two (2) of whom shall be elected by the Commercial Unit Owners and the Retail Unit Owners in accordance with 3.9 hereof.

2.1-2 Each member of the Board to be elected by the Unit Owners, except for the first Board as provided in 2.4 and except as otherwise provided herein, shall be elected at the annual meeting of Unit Owners. Each member of the Board shall serve until the next annual meeting of Unit Owners and until his successor has been elected and qualified. There shall be no limit on the number of successive terms a Board member may serve.

2.1-3 Except for Board members elected or appointed by Sponsor, or its designee, all members of the Board shall be either Unit Owners or officers, directors, shareholders, partners, principals, or beneficiaries of corporations, partnerships, limited liability companies, fiduciaries or any other entities which own Units, Permitted Mortgagees, or family members of any of the foregoing. Other than Board members elected or appointed by Sponsor or its designee, no Board member shall continue to serve after such Board member ceases to be qualified as set forth above. As used herein the term "Permitted Mortgagee" means the holder of any mortgage ("Permitted Mortgage") of a Unit or Units of which the Unit Owner has notified the Board pursuant to Article 7 of these By-Laws.

2.2 Powers and Duties.

2.2-1 The Board shall have the powers and duties necessary for or incidental to the administration of the affairs of the Condominium (except such powers and duties which by law, the Declaration or these By-Laws, may not be delegated to the Board by the Unit Owners or which are reserved by Unit Owners). It is the responsibility of the Board to manage, maintain and care for the Condominium. All determinations with respect to the administration of the affairs of the Condominium shall be made by the Board.

2.2-2 Subject to the provisions of 2.2-1 and without limiting the generality thereof, the Board shall be entitled to make determinations with respect to the following matters and/or take the following actions:

2.2-2.1 Operation, care, upkeep, maintenance, repair and replacement of the Common Elements and the Limited Common Elements.

2.2-2.2 Determination of Common Charges (as hereinafter defined), including the determination, in accordance with these By-Laws, of that portion of Common Expenses to be paid the Residential Unit Owners and the Commercial Unit Owners and the determination of that portion of the Common Expenses to be paid by the Retail Unit Owners.

2.2-2.3 Employment and dismissal of the personnel necessary for the maintenance and operation of the Common Elements and the Limited Common Elements.

2.2-2.4 Adoption of, and amendments and additions to, the Rules and Regulations (as hereinafter defined) covering the details of the operation and use of the Property.

2.2-2.5 Maintenance of bank accounts on behalf of the Condominium (with respect to matters within its jurisdiction as provided in these By-Laws) and designation of the signatories required therefor.

2.2-2.6 Obtaining and reviewing of insurance for the Property, including the Units, pursuant to the provisions of 6.2.

2.2-2.7 Making of repairs, restorations, additions and improvements to, or alterations of, the Common Elements and the Limited Common Elements.

2.2-2.8 Levying of fines against Residential Unit Owners for violations of the Rules and Regulations (any such fines shall constitute Common Charges payable by the Residential Unit Owner against which they are levied).

2.2-2.9 Adjustment and settlement of insurance claims and execution and delivery of releases in connection therewith, as set forth in 6.2.

2.2-2.10 Borrowing money on behalf of the Condominium when required in connection with the operation, care, upkeep or maintenance of, or the making of repairs, replacements, restorations, or additions to or alterations of the Common Elements or the Limited Common Elements provided that the consent of at least 75% in Common Interest of all Unit Owners shall be required for any such borrowings in excess of the aggregate amount of \$50,000.00 in any one calendar year (regardless of the balance of any such loans outstanding from previous years). No lien to secure repayment of any sum borrowed pursuant to this subparagraph may be created on any Unit or its appurtenant interests in the Common Elements without the consent of the owner of such Unit. If any sum borrowed by the Board pursuant to the authority contained in this subparagraph is not repaid by the Board, a Unit Owner who pays to the creditor such proportion thereof as his interest in the Common Elements bears to the interest of all the Unit Owners in the Common Elements shall be entitled to obtain from the creditor a release of any judgment or other lien which said creditor has filed or has the right to file against such Unit Owner's Unit.

2.2-2.11 Collection of Common Charges from Unit Owners.

2.2-2.12 Enforcement of Obligations of Unit Owners.

2.2-2.13 Execution, acknowledgment and delivery of (i) any declaration or other instrument affecting the Property which the Board deems reasonably necessary to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Landmarks Preservation Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Building; or (ii) any consent, covenant, restriction, easement or declaration affecting the Property which the Board deems reasonably necessary.

2.2-2.14 Preparation, execution and recording, on behalf of all Unit Owners, as their attorney-in-fact, coupled with an interest, of a restatement of the Declaration and/or these By-Laws whenever, in the Board's estimation, it is advisable to consolidate and restate all amendments, modifications, additions and deletions theretofore made to the Declaration and/or these By-Laws.

2.2-2.15 Acceptance of the surrender of any Unit in the name of the Board, or its designee, on behalf of all Unit Owners.

2.2-2.16 Purchase, lease or otherwise acquire in the name of the Board, or its designee, on behalf of all Unit Owners, Units offered for sale or lease by their owners.

2.2-2.17 Purchase of any Unit at foreclosure or other similar sale, in the name of the Board, or its designee, on behalf of all Unit Owners.

2.2-2.18 Organization of corporations to act as designees of the Board with respect to such matters as the Board may determine, including, without limitation, in connection with the acquisition of title to any Unit by the Board on behalf of all Unit Owners.

2.2-2.19 Sale, lease or mortgage of or other dealing with (but not voting the interest appurtenant to) any Unit, if acquired by the Board or its designee, on behalf of all Unit Owners.

2.2-2.20 Making of repairs and restorations of the Common Elements or parts thereof damaged or destroyed by fire or other casualty or necessitated as a result of condemnation or eminent domain proceedings.

2.2-2.21 Causing a guest of a Residential Unit Owner to be barred from the Condominium if such guest has violated the Rules and Regulations of the Condominium, annexed hereto as Schedule A, as modified, amended or added to in accordance with the terms of these By-Laws.

2.2-2.22 Suing, or being sued, complaining, defending, compromising and settling of lawsuits in the name of or on behalf of the Board and/or a Unit Owner or Unit Owners, as the case may be.

2.2-2.23 Act as an agent of each Unit Owner who has given the Board his written authorization to do the following:

- (a) Seek administrative and judicial review of an assessment made in accordance with Section 339-y of the New York Condominium Act pursuant to Title 1-A of Article 5 and Title 1 of Article 7 of the Real Property Tax Law of the State of New York;
- (b) Enter into settlements in its discretion of any administrative and judicial proceeding commenced;
- (c) Retain legal counsel in such administrative and judicial proceeding, and charge each Unit Owner a pro rata share of expenses, disbursements, and legal fees, for which charges the Board shall have a lien pursuant to Section 339-z of the New York Condominium Act.

If a Unit Owner fails to designate the Board as his agent as provided herein and the assessment of such Unit Owner's Unit is reduced solely because of the actions of the Board, each such Unit Owner whose assessment is so reduced shall pay the Board a pro rata share of the expenses, disbursements and legal fees incurred by the Board for which charge the Board shall have a lien pursuant to Section 339-z of the New York Condominium Act.

2.2-3 Any act with respect to a matter determinable by the Board and deemed necessary or desirable by the Board in connection therewith shall be done or performed by the Board or shall be done on its behalf and at its direction by the agents, employees or designees of the Board.

2.2-4 Notwithstanding anything to the contrary contained in these By-Laws, until the earlier to occur of: (a) five (5) years after the date of the first closing of title ("First Unit Closing") to a Unit under a Purchase Agreement (as such term is defined in the offering plan (the "Offering Plan") for the conversion of the Property to condominium ownership), or (b) such time as Unsold Units (as such term is defined in the Offering Plan) shall represent less than twenty-five percent (25%) in number and in Common Interest of all Residential Units, excluding Residential Units purchased by 132 Perry LLC., the sponsor (the "Sponsor") of the Offering Plan or Sponsor's designee, the Board may not, without Sponsor's prior written consent: (i) make any addition, alteration or improvement to the Common Elements; (ii) assess any Common Charges for the creation of, addition to or replacement of, all or part of any reserve, contingency or surplus funds in excess of the amounts for such funds as are referred to in Schedule B - "Projected Budget for First Year of Condominium Operation" set forth in the Offering Plan; (iii) hire any employee in addition to the employees provided for in said Schedule B; (iv) enter into any service or maintenance contract for work not covered in said Schedule B, or otherwise provide services in excess of those contemplated by such Schedule B or the Offering Plan; or (v) borrow money on behalf of the Condominium. Notwithstanding the foregoing, Sponsor's prior written consent shall not be required if such expenditures are required: (a) to comply with applicable laws or regulations; (b) to remedy any notice of violation; or (c) to remedy any work order of an insurer.

2.2-5 Notwithstanding anything to the contrary contained in these By-laws, the members of the Board elected by the Commercial Unit Owners and the Retail Unit Owners shall have the right to veto any action of the Board which, in the sole judgment of such representatives, adversely affects the interest of the Commercial Unit Owners or the Retail Unit Owners or their ability to use and enjoy the Commercial Units and the Retail Units for commercial purposes. provided however, that such action may not be vetoed if: (i) such action is necessary to enable the Board to comply with laws, rules or regulations of any governmental authority having jurisdiction over the Condominium; and (ii) no other alternative is available after a discussion of the alternatives were considered at a meeting at which such representatives were present.

2.3 Managing Agent and Managers. The Board shall, with respect to matters about which the Board is entitled to make determinations or take actions pursuant to 2.2 hereof, employ a managing agent and/or a manager, to perform such duties and services as the Board shall authorize including, but not limited to, the duties listed in subsections 2.2-(2.1), (2.3), (2.6), (2.7), (2.11), (2.20), and (2.21). The Board may also delegate to such managing agent or manager other powers granted to it by these By-Laws, except the powers set forth in subsections 2.2-(2.2), (2.4), (2.5), (2.8), (2.9), (2.10), (2.16), (2.17), (2.19), (2.22), and (2.23).

2.4 First Board. Until the first annual meeting of Unit Owners, the Board shall consist of three (3) persons designated by Sponsor, from time to time. Within ten (10) days after the earlier to occur of: (a) the closing of title to at least fifty (50%) percent of the Residential Units both in number and in Common Interest of all Residential Units (excluding Residential Units purchased by Sponsor or its designee), or (b) two (2) years after the First Unit Closing, such first Board shall call the first annual meeting of Unit Owners in accordance with the provisions of 3.1.

2.5 Removal. Subject to the provisions of 2.4 and 3.9-3, any Board member elected by the Residential Unit Owners may be removed, with or without cause, by a vote of Residential Unit Owners present in person or by proxy at a regular or special meeting of Unit Owners at which a quorum is present, and any Board members elected by the Commercial Unit Owners and the Retail Unit Owners may be removed, with or without cause, by a vote of the Commercial Unit Owners and the Retail Unit Owners present in person or by proxy at a regular or special meeting of Unit Owners at which a quorum is present. Any Board member affiliated with Sponsor may be removed only for cause. Any Board member whose removal has been proposed shall be given an opportunity to be heard at the meeting.

2.6 Vacancies. Subject to the provisions of 2.4, 3.9-3, and 3.9-4, a vacancy on the Board for a member elected by the Residential Unit Owners shall be filled by the members of the Board elected by the Residential Unit Owners then in office, at a special meeting of the Board held for that purpose. A vacancy on the Board for a member elected by the Commercial Unit Owners and the Retail Unit Owners shall be filled by the member of the Board elected by the Commercial Unit Owners and the Retail Unit Owners then in office, at a special meeting of the Board held for that purpose. Any special meeting of the Board required under this section shall occur promptly after the occurrence of any such vacancy even though the members present at such meeting may constitute

less than a quorum, and any person so elected shall be a member of the Board for the remainder of the term of the member creating such vacancy and until a successor shall be elected at the next annual meeting of Unit Owners. Any vacancy on the Board for any member designated by Sponsor shall be filled by Sponsor.

2.7 Organization Meeting of the Board The first meeting of the Board following each annual meeting of Unit Owners shall be held within ten (10) days after such annual meeting at such time and place in the Borough of Manhattan as shall be fixed by a majority of the members thereof, and no notice shall be necessary to the newly elected Board members in order to legally constitute such meeting, provided that a majority of the members of the Board shall be present thereat.

2.8 Regular Meetings of the Board. Regular meetings of the Board may be held at such time and place in the Borough of Manhattan as shall be determined from time to time by a majority of the members thereof, provided that at least four (4) such meetings shall be held during each fiscal year. Notice of regular meetings shall be given to each member thereof, by personal delivery or mail, at least five (5) business days prior to the day named for such meeting.

2.9 Special Meetings of the Board. Special meetings of the Board may be called by the President or Vice President of the Condominium by giving five (5) business days' prior notice to each member of the Board, by personal delivery or mail, which notice shall state the time, place (in the Borough of Manhattan) and purpose of the meeting. Special meetings of the Board shall be called by the President or Vice President of the Condominium in like manner and on like notice on the written request of at least two members of the Board.

2.10 Waiver of Notice. Any Board member may at any time waive notice of any Board meeting in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board at any meeting thereof shall constitute a waiver of notice by him of the time and place thereof. If all the members are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

2.11 Determinations by the Board: Quorum.

2.11-1 Except as otherwise set forth in 2.11-3, all determinations of the Board shall be made at a meeting of the Board at which a quorum thereof is present. At any such Board meeting, a majority of the members thereof shall constitute a quorum and the votes of a majority of such members present shall constitute the decision of the Board.

2.11-2 If at any Board meeting there is less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

2.11-3 Members of the Board may participate in a meeting thereof by means of a conference

telephone or similar communications equipment in order that all persons participating in such meeting can hear each other and such participation shall constitute presence at such meeting. Notwithstanding anything to the contrary contained herein, any action permitted or required to be taken at a meeting of the Board may be taken without a meeting if all members of the Board consent thereto in writing.

2.12 Compensation. No member of the Board shall receive any compensation for acting as such.

2.13 Liability of the Board and Unit Owners. To the extent permitted by applicable law, no member of the Board shall have any personal liability with respect to any contract, act or omission of the Board or of any managing agent in connection with the affairs or operation of the Condominium (except in his capacity as a Unit Owner) and the liability of any Unit Owner with respect thereto shall be limited as hereinafter set forth. Every contract made by the Board or by any managing agent thereof shall state that it is made by the Board or managing agent only as agent of all Unit Owners, that such Board members, or managing agent shall have no personal liability thereon (except in his capacity as a Unit Owner) and shall also state the applicable limitations of liability of Unit Owners provided for in the next sentence. The liability of any Unit Owner with respect to any contract, act or omission with respect to the Condominium shall be limited to such proportionate share of the total liability as the Common Interest of such Unit bears to the aggregate Common Interests of all Units and, unless expressly stated to the contrary in such contract (as determined by the Board in its sole and absolute discretion), to the extent permitted by applicable law, shall be limited to such Unit Owner's interest in his Unit and its Common Interest so that such Unit Owner shall have no personal liability for such contract, act or omission. Nothing in the preceding sentence shall limit a Unit Owner's liability for the payment of Common Charges. Notwithstanding the foregoing: (i) the Commercial Unit Owners and the Retail Unit Owners shall have no liability with respect to any contract, act or omission that relates solely to the Residential Units; and (ii) the Residential Unit Owners shall have no liability with respect to any contract, act or omission that relates solely to the Commercial Units or the Retail Units. Any such contract or agreement may also provide that it covers the assets, if any, of the Board. Board members shall have no liability to Unit Owners for errors of judgment, negligence or otherwise, except that a Board member shall be liable for gross negligence or willful misconduct. All Unit Owners shall, severally, to the extent of their respective interests in their Units and their appurtenant interests in the Common Elements, indemnify each Board member against any liability or claim except those arising out of the Board member's own gross negligence or willful misconduct. The Board may contract or effect any other transaction with any Board member, any Unit Owner, Sponsor or any affiliate of any of them, without, except in cases of bad faith or willful misconduct, incurring any liability for self-dealing.

2.14 Fidelity Bonds. The Board shall obtain fidelity bonds, in amounts deemed appropriate, by it, for all of its members, officers and employees and of the managing agent if any, employed by it and the premiums on such bonds shall constitute Common Expenses (as hereinafter defined).

2.15 Committees. The Board may, subject to such limitations and exceptions as the Board may prescribe, appoint such committees as the Board may deem appropriate, each to consist of three

(3) or more members of the Board. Each such committee, to the extent provided in the resolution which creates it, shall have and may exercise all the powers of the Board during the intervals between the meetings of the Board insofar as may be permitted by law.

2.16 Principal Office of the Board. The principal office of the Board shall be located within the Property or at such other place in the Borough of Manhattan reasonably convenient thereto, as may be designated from time to time by the Board.

2.17 Status of the Board. In addition to the status conferred upon the Board under or pursuant to the provisions of New York Condominium Act, the Board shall, to the extent permitted by applicable law, be deemed to constitute a separate unincorporated association for all purposes under and pursuant to the provisions of the General Associations Law of the State of New York. In the event of the incorporation of the Board pursuant to the provisions of 2.18, the provisions of this section shall no longer be applicable.

2.18 Incorporation of the Board. To the extent and in the manner provided in the New York Condominium Act, the Board may, as provided in this Article 2, be incorporated under the applicable statutes of the State of New York. In the event that the Board so incorporates it shall have, to the extent permitted by applicable law, the status conferred upon it under such statutes in addition to the status conferred upon the Board under or pursuant to the provisions of the New York Condominium Act. The certificate of incorporation and by-laws of any such resulting corporation shall conform as closely as practicable to the provisions of the Declaration and these By-Laws and the provisions of the Declaration and these By-Laws shall control in the event of any inconsistency or conflict between the provisions thereof and the provisions of such certificate of incorporation and by-laws.

2.19 The Board as Agent of Unit Owners. In exercising its powers and performing its duties under the Declaration and these By-Laws, the Board shall act as, and shall be, the agent of the Unit Owners, subject to and in accordance with the provisions of the Declaration and these By-Laws.

ARTICLE 3

UNIT OWNERS

3.1 Annual Meetings. On a date not later than thirty (30) days after the earlier to occur of: (i) the closing of title to at least fifty (50%) percent of Residential Units both in number and in Common Interest of all Residential Units (excluding Residential Units purchased by Sponsor or its designee) or (ii) two (2) years after the First Unit Closing, the first annual meeting of Unit Owners shall be held. Notice of such meeting will be sent to all Unit Owners, in accordance with 3.4 hereof, within ten (10) days after either of the aforesaid events occurred. At such meeting, the incumbent Board shall resign and a new Board shall be elected (as provided herein) consisting of five (5) members. Thereafter, annual meetings of Unit Owners shall be held on or before June 30th of each year on such business day as the Board may determine. At such meetings, the Residential Unit Owners

shall elect three members of the Board and the Commercial Unit Owners and the Retail Unit Owners shall elect two members of the Board subject to the rights granted Sponsor under Section 3.3-3 hereof. At such annual meeting of Unit Owners, there shall also be transacted such other business as may properly come before such meeting.

3.2 Place of Meetings. Meetings of Unit Owners shall be held at the Condominium or at such other suitable and convenient place in the Borough of Manhattan, as may be designated by the Board.

3.3 Special Meetings. The President of the Condominium shall call a special meeting of Unit Owners if so directed by resolution of the Board or upon a petition signed and presented to the Secretary of the Condominium by not less than twenty-five (25%) percent in common interest of Unit Owners.

3.4 Notice of Meetings. Notice of each annual or special meeting shall be given by the Secretary of the Condominium to all Unit Owners of record entitled to vote thereat. Each such notice shall state the purposes of the meeting and the time and place where it is to be held and no business shall be transacted thereat except as stated in the notice. All notices hereunder shall be given by personal delivery, mail or telegram, at least five (5) business days prior to the day named for the meeting and shall be given or sent to the Unit Owners entitled to receive same at their address at the Property or at such other address as any Unit Owner has designated by notice in writing to the Secretary at least ten (10) days prior to the giving of notice of the applicable meeting.

3.5 Adjournment of Meetings. If any meeting of Unit Owners cannot be held because a quorum is not present, a majority of Unit Owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time fixed for the original meeting.

3.6 Order of Business. The order of business at all meetings of Unit Owners shall be as follows:

- (a) Roll call.
- (b) Proof of notice of meeting.
- (c) Reading of minutes of preceding meeting.
- (d) Reports of officers.
- (e) Reports of members of the Board.
- (f) Reports of committees.
- (g) Election of inspectors of election (when so required).
- (h) Election of members of the Board (when so required).
- (i) Unfinished business.
- (j) New business.

3.7 Title to Units. Title to Units may be taken by any individual, corporation, partnership, limited liability company, association, fiduciary or any other entity, or any two (2) or more of such owners as joint tenants, tenants in common or tenants by the entirety, as may be appropriate.

3.8 Voting.

3.8-1 Each Unit Owner or a person designated by such Unit Owner to act as proxy on behalf of such Unit Owner shall be entitled to cast the votes appurtenant to such Unit at all meetings of Unit Owners. Any person designated to act as proxy need not be a Unit Owner. The designation of any such proxy shall be made in writing to the Secretary of the Condominium and shall be revocable at any time by written notice to such Secretary by the Unit Owner so designating. A fiduciary shall be the voting member with respect to any Unit owned in a fiduciary capacity. Neither the Board nor its designee shall be entitled to vote the interest appurtenant to any Unit owned by the Board and the common interest of such Unit shall be excluded from the total of interests in the Common Elements when computing the interest of Unit Owners for voting purposes.

3.8-2 Except as set forth in 3.9, at all meetings of Unit Owners each Unit Owner (or his proxy) entitled to vote thereat (including Sponsor with respect to Units owned by Sponsor or its designee) shall be entitled to cast one (1) vote for each .0001% of Common Interest attributable to his or its Unit.

3.9 Election of the Board: Rights of Sponsor.

3.9-1 All elections of Board members to be elected by the Residential Unit Owners shall be determined by plurality vote of the owners of Residential Units; all elections of Board members to be elected by the Commercial Unit Owners and the Retail Unit Owners shall be determined by plurality vote of the owners of the Commercial Units and the Retail Units.

3.9-2 When voting for members of the Board, the voting shall be by ballot and each ballot shall state the name of the Unit Owner voting and the percentage of Common Interests owned by such Unit Owner, and in addition, the name of the proxy if such ballot is cast by a proxy. Nothing contained in these By-Laws shall be deemed to permit cumulative voting.

3.9-3 Notwithstanding any other provision of these By-Laws to the contrary, Sponsor and its designee shall have the right to designate one (1) member of the Board to be elected by the Residential Unit Owners so long as there are at least two (2) Unsold Residential Units. As long as Sponsor has such right to designate members of the Board, the number of members of the Board may not be increased without the consent of Sponsor. Any vacancy created by removal by a Board member designated by Sponsor, or by any other cause which results in a Board member designated by Sponsor ceasing to be a member of the Board, shall be filled by a person designated by Sponsor.

3.10 Majority of Unit Owners. Except as may otherwise be provided by law, as used in these By-Laws, the term "Majority of Unit Owners" means those Unit Owners having more than fifty (50%) percent of the total authorized votes of all Unit Owners (determined in accordance with the provisions of 3.8), who are present in person or by proxy and voting at any meeting at which a quorum is present.

3.11 Quorum. The presence in person or by proxy of Unit Owners owning more than fifty (50%) percent of the Common Interests attributable to all Units shall constitute a quorum at all meetings of Unit Owners.

3.12 Majority of Unit Owners. Except where otherwise provided by law, the Declaration or these By-Laws, at all meetings of Unit Owners, the affirmative vote of a Majority of Unit Owners shall be binding upon all Unit Owners for all purposes.

ARTICLE 4

OFFICERS

4.1 Designation. The principal officers of the Condominium shall be a President, Vice President, Secretary and Treasurer thereof, all of whom shall be elected by the Board. The Board may appoint an Assistant Treasurer, Assistant Secretary and such other officers as in its judgment may be desirable. None of the officers of the Condominium need be Unit Owners nor have any interest herein nor be Board members until the first organization meeting of the Board after the first annual meeting of Unit Owners. Thereafter, the President and Vice President of the Condominium must be members of the Board.

4.2 Election of Officers. The officers of the Condominium shall be elected annually by the Board at the organization meeting thereof, except that the initial officers of the Condominium shall be elected by the initial Board and shall hold office at the pleasure of such Board and until their successors are elected.

4.3 Removal of Officers. Upon the affirmative vote of a majority of the members of the Board, any officer may be removed, either with or without cause, and such officer's successor may be elected, at any regular meeting of the Board or at any special meeting of the Board called for such purpose. Notwithstanding the foregoing, officers affiliated with Sponsor may be removed only for cause.

4.4 President. The President of the Condominium shall be the chief executive officer of the Condominium and shall preside at all meetings of Unit Owners and at all meetings of the Board. The President shall have all of the general powers and duties which are incident to the office of a stock corporation organized under the Business Corporation Law of the State of New York, including, but not limited to the power to appoint committees from among Unit Owners from time to time as the President may deem appropriate to assist in the conduct of the affairs of the Condominium.

4.5 Vice President. The Vice President of the Condominium shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If both the President and Vice President are unable to act, the Board shall appoint some other member of the Board to act in the place of the President on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed by the Board or by the President.

4.6 Secretary. The Secretary of the Condominium shall keep the minutes of all meetings of Unit Owners and of the Board. The Secretary shall have charge of such books and papers as the Board shall direct and shall in general perform all the duties incident to the office of secretary of a stock corporation organized under the Business Corporation Law of the State of New York.

4.7 Treasurer. The Treasurer of the Condominium 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 Board (or in the name of the managing agent appointed by the Board) in such depositories as may from time to time be designated by the Board and shall in general perform all of the duties incident to the office of treasurer of a stock corporation organized under the Business Corporation Law of the State of New York.

4.8 Execution of Documents. All agreements, contracts, leases, checks and other instruments of the Condominium shall be executed by any two officers thereof or by such other person or persons as may be designated by the Board.

4.9 Compensation of Officers. Except as otherwise provided by the Board, no officer shall receive any compensation for acting as such.

ARTICLE 5

NOTICES

5.1 Notices. All notices required or desired to be given hereunder to the Board shall be sent by registered or certified mail, return receipt requested, to the office of the Board or to such other address as the Board may designate from time to time by notice in writing to all Unit Owners and Permitted Mortgagees, and a duplicate of such notice shall be sent in like manner to the managing agent employed by the Board. All notices to any Unit Owner shall, except as otherwise provided herein, be sent by registered or certified mail, return receipt requested, to the Property address of such Unit Owner at the Property or to such other address as may have been designated by such Unit Owner from time to time, in writing, to the Board. All notices to Permitted Mortgagees shall be sent by registered or certified mail, return receipt requested, to their respective addresses, as designated by them from time to time, in writing, to the Board. All notices shall be deemed to have been given when mailed in postage prepaid sealed wrapper, except notices of change of address which shall be deemed to have been given when received.

5.2 Waiver of Service of Notice. Whenever any notice is required to be given by law, the Declaration or these By-Laws, a waiver thereof, 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 6

OPERATION OF THE PROPERTY

6.1 Determination Of Common Expenses and Fixing of Common Charges.

6.1-1 Except as otherwise provided herein, the Board shall from time to time, and at least annually, prepare a budget for the Condominium. In preparing this budget, the Board shall determine all costs and expenses in connection with the repair, maintenance, replacement, restoration and operation of, and any alterations, additions or improvement to: (i) the Common Elements, and (ii) the Limited Common Elements. Such amounts determined are collectively referred to as the "Common Expenses". The Board shall allocate and assess to the Unit Owners, in accordance with their respective Common Interests, charges to meet the Common Expenses. Notwithstanding the foregoing, the Retail Unit Owners shall be obligated to pay Common Expenses, pro-rated in accordance with the Common Interest of their respective Units, only with regard to the following Common Expenses: (i) all insurance premiums on all policies of insurance required to be maintained pursuant to the By-Laws; (ii) all costs and expenses with respect to the fire standpipe system and the roof; (iii) all costs and expenses in connection with the exterior walls of the Building that constitute the Retail Units; (iv) annual auditing expenses of the Condominium; (v) all costs and expenses with respect to the water charges and sewer rents incurred with respect to the Retail Units; (vi) a reserve for the replacement of the Common Elements; and (vii) all costs and expenses with respect to the management of the Condominium. In addition, the Retail Units' Common Charges shall also include a portion of the Common Expenses for: (i) all costs and expenses with respect to the heating system of the Building that serves the Retail Units, including the maintenance of the boiler and the cost of gas, as determined by the meter servicing the boiler; (ii) all costs and expenses with respect to the water tower; and (iii) all costs and expenses incurred for service contracts for sprinkler maintenance and extermination. All other Common Expenses shall be borne solely by the Residential Unit Owners and the Commercial Unit Owners. In determining the Common Expenses, the Board may include such amounts as the Board may deem proper for: (i) a reserve for the replacement of the Limited Common Elements and (ii) a reserve for the purchase or lease by the Board or its designee of any Unit which the Board has decided to purchase or lease pursuant to these By-Laws.

6.1-2 The Board shall advise all Unit Owners promptly in writing of the amount of Common Charges payable by each of them and shall furnish copies of the budget on which Common Charges are based to all Unit Owners.

6.1-3 Until the Units are separately assessed for real estate tax purposes, the Board will pay all real estate taxes with respect to the Property and allocate the cost thereof among all Units in proportion to each Unit's respective Common Interests, and each Unit Owner will reimburse the Board for his proportionate share thereof. Such reimbursement shall be allocated as if it were a Common Charge. Sponsor, at its sole option, may pay all real estate taxes for all Units; in such event, the Board shall reimburse Sponsor for all amounts paid.

6.1-4 The excess of all rents, profits and revenues derived from the rental or use of any space forming part of or included in any Common Element remaining after the deduction of the expenses in connection therewith shall constitute income of the Unit Owners and be collected on behalf of the Unit Owners by the Board. Notwithstanding any provision contained in these By-Laws or in the Declaration to the contrary, in no event shall any rent, profit or revenue derived from the rental or use of any space in the Building be deemed to be derived from the rental or use of any floor slabs, ceilings or walls delineating or enclosing such space or the incidental use of any portion of any Common Elements appurtenant to such space.

6.2 Insurance.

6.2-1 The Board shall be required to obtain and maintain, to the extent obtainable, and to the extent determined by the Board to be appropriate, the following insurance: (a) fire insurance with all risk extended coverage, vandalism and malicious mischief endorsements, insuring the entire Building (including each Unit, the Common Elements and the Limited Common Elements and the fixtures, furniture and furnishings in the lobby and other common areas, but excluding fixtures, furniture, furnishings or other personal property contained in a Unit), together with all service machinery contained therein and covering the interests of the Condominium, the Board, all Unit Owners and Permitted Mortgagees, as their respective interests may appear, in an amount equal to the full replacement value of the Building (excluding the cost of excavation, foundations and footings), without deduction for depreciation; (b) comprehensive general liability insurance against claims for personal injury, death or property damage occurring upon, in or about the Property, and on, in or about the passageways in such amounts as from time to time are carried by prudent owners of comparable buildings in The City of New York; provided, however, that in no event shall the comprehensive general liability insurance afford protection to the limit (if available) of less than \$5,000,000.00 in respect to injury or death to a single person, \$5,000,000.00 in respect to any occurrence and \$5,000,000.00 in respect of property damage; and (c) worker's compensation and New York State disability benefits insurance. The Board shall be required to obtain and maintain, to the extent obtainable, the following additional insurance: (a) boiler and machinery insurance; (b) elevator liability and collision insurance; (c) fidelity insurance covering all officers, Board members and employees of the Condominium, and of the managing agent or agents who handle funds of the Condominium; and (d) such other insurance as the Board may determine. The premiums of all insurance shall be a Common Expense and shall be borne by the Unit Owners in proportion to their respective Common Interests.

6.2-2 All insurance policies shall provide that adjustment of loss shall be made by the Board. Insurance proceeds with respect to any loss shall be payable to the Board and shall be held in trust by the Board for the benefit of all Unit Owners and the Permitted Mortgagees. Such funds will be disbursed by the Board in accordance with 6.3.

6.2-3 The amount of fire insurance to be maintained until the first Board meeting following the first annual meeting of Unit Owners shall be in at least the sum of \$9,000,000.00.

6.2-4 All policies of physical damage insurance shall contain, to the extent obtainable, waivers of subrogation and waivers of any defense based on (i) co-insurance, or (ii) other insurance, or (iii) invalidity arising from any acts of the insured, or (iv) pro-rata reduction of liability, and shall provide that such policies may not be canceled or substantially modified without at least thirty (30) days' prior written notice to all of the insured, including all Permitted Mortgagees. Duplicate originals or certificates of insurance of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all Unit Owners and Permitted Mortgagees at least thirty (30) days prior to expiration of the then current policies.

6.2-5 The Board shall be required to obtain and maintain comprehensive general liability insurance in accordance with the provisions of 6.2-1 as such limits may be increased by the Board from time to time, covering each Unit Owner, and covering all claims for personal injury or property damage arising out of any occurrences on the property, except that such policy will not cover liability of a Unit Owner arising from occurrences within such Unit Owner's Unit or within the Limited Common Elements, if any, exclusive to such Unit. The Board shall also be required to obtain and maintain fidelity insurance covering the Board, the managing agent thereof, each Board member and each officer and employee of the Condominium. The insurance required in accordance with this subsection shall also cover cross-liability claims of one insured against another. The Board shall review such limits once each year. Until the first meeting of the Board following the first annual meeting of Unit Owners, such liability insurance shall be in a single limit of not less than \$5,000,000.00 covering all claims for personal injury or property damage arising out of one occurrence.

6.2-6 Any insurance maintained by the Board may provide for such deductible amounts as the Board determines.

6.2-7 Unit Owners shall not be prohibited from carrying other insurance for their own benefit, and the Board shall not be prohibited from carrying insurance for the benefit of the Unit Owners, provided that all such policies shall contain waivers of subrogation, if available, and further provided that the liability of the carriers issuing insurance obtained by the Board shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner.

6.3 Repair Or Reconstruction after Fire or Other Casualty.

6.3-1 In the event that the Building or any part thereof is damaged or destroyed by fire or other casualty (unless three-fourths or more of the Building is destroyed or substantially damaged and seventy-five (75%) percent or more in Common Interest of all Unit Owners do not duly resolve to proceed with repair or restoration within sixty (60) days from the date of such damage), the Board will arrange for the prompt repair and restoration thereof (including each Unit, but excluding fixtures, furniture, furnishings or other personal property not constituting a part of such Unit) and the Board shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. If the insurance proceeds are insufficient to cover, or exceed, the cost of repairs and restoration, the deficit or surplus, as the case may be, will be shared entirely by all Unit Owners in proportion to their respective Common Interests. Any surplus payable

to any Unit Owner pursuant to this subsection shall be reduced by such amounts as may be required to reduce unpaid liens (other than mortgages which are not Permitted Mortgages) on any such Unit in the order of priority of such liens.

6.3-2 If three-fourths (3/4) or more of the Building is destroyed or substantially damaged and if seventy-five (75%) percent or more in Common Interest of all Unit Owners do not resolve within sixty (60) days from the date of such damage or destruction to proceed with the repair or restoration thereof, the Building will not be repaired. In such event, the Building shall be subject to an action for partition instituted by any Unit Owner or lienor, as if owned in common, in which case the net proceeds of sale, together with the net proceeds of insurance policies, shall be divided among all Unit Owners in proportion to their respective Common Interests, provided, however, that no payment shall be made to a Unit Owner until there has first been paid out of his share of such funds such amounts as may be necessary to reduce all unpaid liens on his Unit (other than mortgages which are not Permitted Mortgages) in the order of the priority of such liens.

6.3-3 Any dispute between Unit Owners or between any Unit Owner and the Board arising under this Section 6.3 shall be determined by arbitration as set forth in Article 11 hereof.

6.4 Payment of Common Charges.

6.4-1 All Unit Owners shall be obligated to pay Common Charges assessed by the Board pursuant to the provisions of 6.1 at such time or times (but not less than annually) as the Board determines. Unless otherwise determined by the Board, Common Charges shall be payable monthly, in advance, on the first day of each month. To the extent permitted by law, the Board shall have a lien on each Unit, on behalf of all Unit Owners, for unpaid Common Charges and Special Assessments assessed against such Unit. Such lien, however, shall be subordinate to any liens for unpaid real estate taxes assessed against such Unit (to the extent required by law) and to any lien of a Permitted Mortgage.

6.4-2 No Unit Owner shall be liable for the payment of any part of the Common Charges assessed against his Unit subsequent to a sale or other conveyance by him (made in accordance with these By-Laws) of such Unit together with its appurtenant interests in the Common Elements. In accordance with Section 339-z of the New York Condominium Act, a purchaser of a Unit shall be liable for the payment of Common Charges accrued and unpaid against such Unit prior to the acquisition of such Unit; however, a purchaser of a Unit at a foreclosure sale of a first Mortgage shall not be liable for, and such Unit shall not be subject to, a lien for the payment of Common Charges accrued and unpaid against such Unit prior to the acquisition by said purchaser of such Unit unless the foreclosure sale proceeds are in excess of the amounts payable under the first Mortgage in which case, such excess sale proceeds shall be paid to the Condominium in satisfaction of such accrued and unpaid Common Charges.

6.5 Collection of Common Charges. The Board shall take prompt action to collect any Common Charges due to the Board which remains unpaid for more than thirty (30) days after the due

date for payment thereof, including, without limitation, the institution of such actions for the recovery of interest and expenses as provided in this Article 6.

6.6 Default in Payment of Common Charges.

6.6-1 The Board shall have the right and obligation to cause liens for all sums due and owing the Board to be filed in the City Register's Office pursuant to the provisions of Section 339-z of the New York Condominium Act, to cause such liens to be foreclosed in the manner provided in Section 339-aa of the New York Condominium Act and/or to institute all other proceedings deemed necessary or desirable by the Board to recover all such unpaid Common Charges.

6.6-2 In the event any Unit Owner fails to make payment of Common Charges, any such Unit Owner shall be obligated to pay: (a) a "late charge" of \$.04 for each dollar of such amounts which remain unpaid for more than ten (10) days from their due date (although nothing herein shall be deemed to extend the period within which such amounts are to be paid) and (b) interest at the rate of two (2%) percent per month (but in no event in excess of the maximum rate permitted by law) on such unpaid amounts (less any "late charges" theretofore collected on such amounts) computed from the due date thereof, together with all expenses, including without limitation, attorneys' fees and disbursements paid or incurred by the Board or by its managing agent in any proceeding brought to collect such unpaid Common Charges or in an action to foreclose the lien on such Unit arising from said unpaid Common Charges as provided in Section 339-z of the New York Condominium Act, in the manner provided in Section 339-aa thereof or in any other manner permitted by law. All such "late charges", interest and expenses shall be added to and shall constitute Common Charges payable by such Unit Owner.

6.7 Foreclosure of Liens for Unpaid Common Charges. In any action brought by the Board to foreclose a lien on a Unit because of unpaid Common Charges, the Unit Owner shall be required to pay a reasonable rental for the use and occupancy of such Unit and the plaintiff in such foreclosure action shall be entitled to the appointment, without notice, of a receiver to collect the same. The Board, acting on behalf of all Unit Owners, shall have the power to purchase such Unit at the foreclosure sale thereof and to acquire, hold, lease, mortgage, convey, or otherwise deal with such Unit (but not to vote the Common Interest appurtenant to such Unit). A suit to recover a money judgment for unpaid Common Charges shall be maintainable without foreclosing or waiving the lien securing such charges. In the event the net proceeds received on such foreclosure (after deduction of all legal fees and disbursements, advertising costs, brokerage commissions and other costs and expenses incurred in connection therewith) are insufficient to satisfy the defaulting Unit Owner's obligations, such Unit Owner shall remain liable for the deficit.

6.8 Statement of Common Charges. The Board shall promptly provide any Unit Owner who so requests with a written statement of all unpaid Common Charges due to it from such Unit Owner.

6.9 Maintenance and Repairs.

6.9-1 Except as otherwise provided in the Declaration or these By-Laws, all painting, decorating, maintenance, repairs and replacements, whether structural or non-structural, ordinary or extraordinary, (a) in or to any Unit (including any portion of the Common Elements or Limited Common Elements included therein and maintained as a part of such Unit pursuant to 6.15-4 but excluding other Common Elements included therein) and the interior side of entrance doors of all Residential Units shall be made by the owner of such Unit at such Unit Owner's sole cost and expense, (b) in or to the Common Elements or the Limited Common Elements (excluding any portion of the Limited Common Elements included in any Unit and maintained as part of such Unit pursuant to 6.15-4, but excluding other Common Elements and Limited Common Elements included therein) shall be made by the Board and the cost and expense thereof shall be charged to the Unit Owners as a Common Expense in accordance with 6.1.

6.9-2 Notwithstanding the provisions of 6.9-1:

6.9-2.1 All normal maintenance, repairs and replacements of all balconies or terraces shall be made by the Residential Unit Owner having access to such balconies or terraces at such Residential Unit Owner's sole cost and expense, but any structural or extraordinary repairs or replacements to such balconies or terraces (including any leaks which are not caused by the acts or negligence of the Residential Unit Owner having access to the same) shall be made by the Board and the cost and expense thereof shall be charged to all Residential Unit Owners as a Common Expense.

6.9-2.2 All windows located in any Residential Unit shall be replaced by the Residential Unit Owner thereof. The interior glass surfaces of all windows located in any Residential Unit shall not be colored or painted. The windows shall be washed by the Residential Unit Owner thereof at such Unit Owner's sole cost and expense.

6.9-2.3 Each Unit and all portions of the Common Elements and the Limited Common Elements shall be kept in first-class condition (and with respect to any terrace, or other part of the Property exposed to the elements, free of snow, ice and accumulation of water) by the Unit Owner or the Board, whichever is responsible for the maintenance thereof as set forth herein, and such Unit Owner or the Board, as the case may be, shall promptly make or perform, or cause to be made or performed, all maintenance work, repairs and replacements necessary in connection therewith. In addition, the public areas of the Building and those areas exposed to the public view shall be kept in good appearance, in conformity with the dignity and character of the Building.

6.9-2.4 It shall be the sole responsibility of the Commercial Unit Owners and the Retail Unit Owners to maintain each Unit Owner's respective Unit in good order (including the washing, maintenance and replacement of all windows located in the Commercial Units and the Retail Units and the cleaning of the sidewalks adjoining the Retail Units).

6.10 Violation of Maintenance Obligations.

6.10-1 In the event that any Residential Unit Owner, after receipt of written notice from the Board, fails or neglects in any way to perform any obligation with respect to the painting, decorating, maintenance, repair or replacement of such Residential Unit Owner's Unit as provided in this Article 6 or of any Common Element or Limited Common Element for which such Residential Unit Owner is responsible under the Declaration or these By-Laws, the Board shall perform or cause to be performed such painting, decorating, maintenance, repairs or replacements unless such Residential Unit Owner, within five (5) days after receiving notice of such default by the Board, cures such default, or in the case of default not reasonably susceptible to cure within such period, commences and thereafter prosecutes to completion, with due diligence, the curing of such default. All sums expended and all costs and expenses incurred by the Board in connection with the making of any such painting, decorating, maintenance, repairs or replacements in such Residential Unit Owner's Unit, together with interest thereon at the rate of two (2%) percent per month (but in no event in excess of the maximum rate permitted by law), shall be immediately payable by such Residential Unit Owner to the Board and shall, for all purposes hereunder, constitute Common Charges payable by such Residential Unit Owner.

6.10-2 In the event that any Commercial Unit Owner or Retail Unit Owner fails or neglects in any way to perform any obligation with respect to the repair or replacement of any part of any such Unit or any Limited Common Elements contained in any such Unit, the Board may, but shall not be obligated to, perform or cause to be performed any such repair or replacement, provided that: (i) the Board gives the any such Commercial Unit Owner or Retail Unit Owner notice (in writing) that such repair or replacement is necessary and that the Board will complete such repair or replacement in the event such Commercial Unit Owner or Retail Unit Owner does not promptly act or complete the repair or replacement; and (ii) in the event the Board shall make such repair or replacement, it shall be at the expense of the Board which shall then submit a bill for reimbursement to such Unit Owner. The Board shall have the right, in the event that any Commercial Unit Owner or Retail Unit Owner disputes the amount of such payment or whether such Unit Owner is obligated to pay the same, to submit such dispute to arbitration in accordance with these By-Laws. If a Commercial Unit Owner or Retail Unit Owner has disputed the bill, such Unit Owner shall pay the cost of such repair or replacement only after a determination by arbitration, provided that such arbitration determines that: (i) such Unit Owner failed to perform such repair or replacement, and (ii) the repair or replacement was required to be performed by such Unit Owner. In such event, any Commercial Unit Owner or Retail Unit Owner shall pay to the Board only the amount determined by the arbitration to be the reasonable cost of such repair or replacement. In the event that such repair or replacement is made by the Board, the Board shall indemnify such Commercial Unit Owner or Retail Unit Owner and hold such Unit Owner harmless from and against any claims, costs, expenses or liabilities whatsoever including counsel fees, in any way incurred by such Unit Owner in connection with the manner of completion of such repair or replacement by the Board or any defect therein (but not for the existence of the conditions requiring such repair or replacement).

6.11 Structural Alterations, Improvements and Repairs of Units.

6.11-1 Except as otherwise provided in the Declaration, no Residential Unit Owner shall make any structural alteration or improvement in or to such Residential Unit Owner's Unit without the prior written approval of the Board. The Board shall have the obligation to answer any written request by a Residential Unit Owner for approval of a proposed structural alteration or improvement in or to such Residential Unit Owner's Unit within sixty (60) days after such request is received, and the failure to do so within the stipulated time shall constitute the Board's consent to the proposed alteration or improvement. Prior to, and as a condition of, the granting of its consent to the making of a structural alteration or improvement in or to a Residential Unit, the Board may, at its option, require the Residential Unit Owner to execute an agreement in form and substance satisfactory to the Board setting forth the terms and conditions under which such alteration or improvement may be made, including, without limitation, the days and hours during which any work may be done. The Board may also require that the proposed structural alteration or improvement be reviewed and supervised during the course of construction by an architect or engineer selected by the Board at the sole cost and expense of the Residential Unit Owner.

6.11-2 The Commercial Unit Owners and the Retail Unit Owners may make any structural alteration or improvement in or to their respective Units or any Limited Common Elements contained in any such Unit without review or approval of the Board.

6.11-3 All structural alterations or improvements by Unit Owners shall be made in compliance with all laws, rules, ordinances and regulations of all governmental authorities having jurisdiction thereof. A Unit Owner making or causing to be made any structural alteration or improvement shall agree, and shall be deemed to have agreed, to hold the Board and all other Unit Owners harmless from any liability arising therefrom.

6.11-4 Any application to any department of The City of New York or to any other governmental authority having jurisdiction thereof for a permit to make a structural alteration or improvement in or to any Unit so approved by the Board shall be executed by the Board, provided that the Board shall not incur any liability, cost or expense in connection with such application to any Unit Owner or to any contractor, subcontractor, materialman, architect or engineer on account of such alteration, addition, improvement or repair or to any person having any claim for injury to person or damage to property arising therefrom.

6.11-5 If any lot line windows in the Condominium are required by law to be closed up and sealed, such closing and sealing shall be done in a manner and with such materials as are acceptable to the Board in the exercise of its sole discretion. The cost of the structural work to close and seal any such lot line window shall be borne by all Unit Owners as a Common Expense, any and all repainting, replastering, redecorating and other costs and expenses pertaining to the interior of each Unit affected by such closing and sealing shall be borne by each affected Unit Owner.

6.12 Alterations, Additions or Improvements to Common Elements. Except as otherwise provided in the Declaration or these By-Laws, all alterations, additions or improvements in or to the Common Elements shall be made by the Board. The cost and expense of such alterations, additions or improvements to the Common Elements shall be charged to all Unit Owners as a Common Expense, except the Retail Unit Owner shall not be liable for alterations, additions or improvements to Common Elements not enumerated in 6.1. All alterations, additions or improvements to the Limited Common Elements shall be charged either to all Unit Owners as a Common Expense or to the Unit Owner required to maintain such Limited Common Elements, as the case may be. Whenever, in the judgment of the Board, the cost of any such alteration, addition or improvement to be payable by the Unit Owners would exceed \$100,000.00 in the aggregate in any calendar year, then such proposed alteration, addition or improvement shall not be made unless the consent of at least 75% in Common Interest of all Unit Owners is obtained. Except as otherwise provided in the Declaration or these By-Laws, all such alterations, additions or improvements costing in the aggregate \$100,000.00 or less in any calendar year may be made without the approval of the Unit Owners.

6.13 Expansion of Certain Common Elements.

6.13-1 In the event that pursuant to any of the provisions of these By-Laws, any consent by the Board or any Unit Owner is required as a condition precedent to any alteration, addition or improvement to any Common Element or any Limited Common Element (collectively sometimes referred to in this Section 6.13 as an "Expansion"), proposed to be made by Sponsor or its designee, or the Board (collectively sometimes referred to in this Section 6.13 as the "Proponent"), such consent shall not be unreasonably withheld or delayed by the Board or such Unit Owner (referred to in this Section 6.13 as the "Opposing Party") whose consent is so required. The Proponent shall give to the Opposing Party notice setting forth in reasonable detail the material aspects of such proposed Expansion. If the Opposing Party does not give notice of any objection to the Proponent within twenty (20) days after the Proponent gives its notice, then the Opposing Party shall be deemed to have consented to the making of the proposed Expansion. If the Opposing Party does give notice of objection, such notice shall set forth in reasonable detail the specific objections of the Opposing Party. If the Proponent considers such objection unreasonable, then the Proponent may submit to arbitration the question of whether or not the Opposing Party unreasonably withheld its consent. If in such arbitration it is determined that the Opposing Party unreasonably withheld its consent, the Proponent may make the proposed Expansion. In no event shall any arbitrator in such arbitration determine that the Opposing Party reasonably withheld its consent to such proposal if: (a) the Proponent makes or causes to be made reasonable provisions providing: (i) for the costs and expenses of the Expansion to be paid by it, and (ii) that all costs and expenses for maintaining and repairing such Expansion after its completion will not be charges to the Opposing Party; (b) the proposed Expansion would not unreasonably or unnecessarily interfere with the use and enjoyment of the owners, tenants and occupants of those Units affected by the Expansion; and (c) the proposed Expansion would not materially weaken the structure of the Building.

6.13-2 Nothing contained in 6.13-1 shall in any way be deemed to limit (a) the Proponent's right to modify any proposal made by it thereunder in such a manner as the Proponent believes will

meet the objections of the Opposing Party or of any arbitrator or (b) any party's right, pursuant to the other applicable provisions of these By-Laws or the Declaration, to make any Expansion to a Common Element or a Limited Common Element without the Opposing Party's approval.

6.14 Restrictions on Use of Units.

6.14-1 In order to provide for occupancy of the Building as a distinguished luxury residence and for the protection of the values of the Residential Units, the use of the Property shall be restricted to and shall be in accordance with the following provisions:

6.14-1.1 Each Residential Unit shall be used as a residence only, except as otherwise herein expressly provided. Not more than one family may reside in a Residential Unit at one time. Residential Units may be occupied only by the Residential Unit Owner, members of the Residential Unit Owner's family, or by the Residential Unit Owner together with a person who is unrelated to the Residential Unit Owner. For the purposes of this Section 6.14, a Residential Unit Owner shall be: (a) an individual Residential Unit Owner, (b) a designated officer, director, stockholder or employee of a corporation, (c) a designated partner or employee of a partnership, (d) a designated partner or employee of a limited liability company, (e) a designated fiduciary or beneficiary of a fiduciary or (f) a designated principal or employee of such other entity, as the case may be. Unless otherwise consented to by the Board, occupants of a leased Residential Unit must be: (i) an individual lessee (or family members), (ii) a designated officer, director, stockholder or employee of a corporate lessee (or family members), (iii) a designated partner or employee of a partnership lessee (or family members), (iv) a designated partner or employee of a limited liability company lessee (or family members), (v) a designated fiduciary or beneficiary of a fiduciary lessee (or family members), or (vi) a principal or employee of such other entity which is a lessee (or family members). "Family Members" or words of similar import whenever used herein shall be deemed to mean spouse, children, parents, brothers and sisters and nothing contained herein shall be deemed to prohibit the exclusive occupancy of any Residential Unit by such family members.

6.14-1.2 Units may be owned by an individual, corporation, partnership, limited liability company, association, fiduciary or any other entity.

6.14-1.3 No portion of a Residential Unit (other than the entire Residential Unit) may be sold, conveyed, leased or subleased, and no transient tenant may be accommodated therein.

6.14-2 Sponsor may use any Unsold Units as models and sales and/or promotion offices in connection with the sale or rental of the Units.

6.14-3 The Commercial Units (or any portion thereof) may be used for any lawful purpose, (except as set for in these By-laws), including, without limitation, commercial and professional office space. The Retail Units (or any portion thereof), may be used for any lawful purpose (except as set forth in these By-Laws), including, without limitation, retail stores, banks, restaurants, commercial and professional offices and the storage of automobiles on a non-transient basis. The Commercial Unit

Owners and the Retail Unit Owners must use, occupy and maintain (or cause to be used, occupied and maintained) the Commercial Units and the Retail Units in a manner which will not detract from the character or appearance of the Condominium. The Commercial Unit Owners and the Retail Unit Owners (and any tenants or occupants of the Commercial Units or the Retail Units) may not: (a) engage in any illegal business operation, (b) use or operate the Commercial Units and the Retail Units as a so-called "adult book shop" (or any other type of pornography or sex shop or establishment involving nude or semi-nude live performances) or as a "head shop" or any other type of establishment for the sale of illegal drugs and/or drug-related paraphernalia or equipment, (c) use or permit to be used the sidewalks outside the Retail Units for any display, sale or similar undertaking or storage, or (d) use or permit to be used any loudspeaker, phonograph or other sound system or advertising device which may be heard outside the Commercial Units or the Retail Units.

The Commercial Unit Owners and the Retail Unit Owners, at their sole expense, shall comply with all laws, orders and regulations of federal, state and municipal authorities and with any direction of any public officer or officers, pursuant to law, and all rules, orders, regulations or requirements of the New York Board of Fire Underwriters, or any other similar body which shall impose any violation, order or duty upon the Condominium, the Board, the Commercial Unit Owners or the Retail Unit Owners with respect to the Commercial Units or the Retail Units as a result of: (i) any unauthorized use of the Commercial Units or the Retail Unit, or (ii) the conduct by the Commercial Unit Owners or the Retail Unit Owners of their respective businesses in the such Units in a manner different from the ordinary and proper conduct of such businesses. If a Retail Unit is used for the storage of automobiles, the Retail Unit Owner shall name the Condominium as an additional insured party on its Garage Keeper's Liability Policy.

The Commercial Unit Owners and the Retail Unit Owners shall not at any time use or occupy or suffer or permit anyone to use or occupy their respective Units in violation of any temporary or permanent certificate of occupancy issued for the Commercial Units, the Retail Units or the Building.

6.15 Use of Common Elements.

6.15-1 The Common Elements and the Limited Common Elements may be used only for the furnishing of the services and facilities and for the other uses for which they are reasonably suited.

6.15-2 No furniture, packages or objects of any kind shall be placed in the lobbies, vestibules, public halls, stairways, public elevators or any other part of the Common Elements or the Limited Common Elements other than the areas designated as storage areas without the prior consent of the Board. The lobbies, vestibules, public halls, stairways and public elevators shall be used only for normal passage through them.

6.15-3 Residential Unit Owners shall require their tradesmen to utilize exclusively the entrance designated by the Board for transporting packages, merchandise or other objects.

6.15-4 Unit Owners whose Units are the only Units serviced or benefitted by any Limited Common Elements adjacent or appurtenant to such Units, shall have the exclusive right to use such

Limited Common Elements as if it were part of their Units. With respect to the foregoing, no amendment to the Declaration nor a reallocation of Common Interests to any Unit shall be made.

6.15-5 The provisions of 6.15-1, 6.15-2 and 6.15-3 shall not apply to Sponsor or its designee so long as there are any Unsold Units, provided, however, that no such party shall use such Common Elements or Limited Common Elements in such a manner as will unreasonably interfere with the use of the other Units for their permitted purposes.

6.16 Other Provisions as to Use. No nuisance shall be allowed on the Property nor shall any use or practice be allowed which is a source of annoyance to its residents or occupants or which interferes with the peaceful possession or proper use of the Property by its residents or occupants. No immoral, improper, offensive or unlawful use shall be made of the Property or any portion thereof and all valid laws, zoning ordinances and regulations of governmental bodies having jurisdiction thereof, relating to any portion of the Property, shall be complied with at the full expense of the respective Unit Owners or the Board, whoever shall have the obligation to maintain or repair such part of the Property.

6.17 Right of Access.

6.17-1 Each Unit Owner shall grant a right of access to such Unit Owner's Unit to the Board, the managing agent, superintendent and/or any other person authorized by any of the foregoing, for the purpose of: (a) making inspections of, or for the purpose of removing violations noted or issued by any governmental authority against, the Common Elements, the Limited Common Elements or any other part of the Property, (b) curing defaults hereunder or under the Declaration or Rules and Regulations by such Unit Owner or correcting any conditions originating in his Unit and threatening another Unit or all or any part of the Common Elements or the Limited Common Elements, (c) performing installations, alterations or repairs to the mechanical or electrical services or other portions of the Common Elements or the Limited Common Elements within such Unit Owner's Unit or elsewhere in the Building, (d) reading, maintaining or replacing utility meters relating to the Common Elements, the Limited Common Elements or any Unit in the Building, or (e) correcting any condition which violates the provisions of any Permitted Mortgage covering another Unit. Requests for such entry must be made not less than one (1) day in advance. The right of entry shall be exercised in such a manner as will not unreasonably interfere with the use of the Units for their permitted purposes. In case of an emergency (i.e., a condition requiring repairs or replacements immediately necessary for the preservation or safety of the Building or for the safety of occupants of the Building, or other persons, or required to avoid the suspension of any necessary service in the Building), such right of entry shall be immediate, without advance notice, whether or not the Unit Owner is present.

6.17-2 A Unit Owner shall grant a right of access to such Unit Owner's Unit, and the Board shall grant rights of access to the Common Elements, to Sponsor and its contractors, subcontractors, agents and employees, for the purposes of fulfilling Sponsor's obligations as set forth in the Offering Plan, provided that access thereto shall be exercised in such a manner as will not unreasonably interfere with the use of the Unit for its permitted purposes.

6.18 Rules and Regulations. Annexed hereto as Schedule A and made a part hereof are Rules and Regulations concerning the use of the Units and Common Elements. The Board may from time to time modify, amend or add to such Rules and Regulations except that a Majority of Unit Owners may overrule the Board with respect to any such modification, amendment or addition at any meeting of Unit Owners. Copies of any newly adopted Rules and Regulations, or any modifications, amendments or additions to the Rules and Regulations, shall be furnished by the Board to each Unit Owner not less than thirty (30) days prior to the effective date thereof. Rules and Regulations with respect to the Commercial Units or the Retail Units may not be modified, amended or added unless the prior consent of the Commercial Unit Owners or the Retail Unit Owners is obtained.

6.19 Water Charges and Sewer Rents. Water for the Building shall be supplied by the City of New York and shall be submetered. All water consumed by the Residential Units and the Commercial Units or used in connection with the Common Elements or the Limited Common Elements shall be paid by the Board as a Common Expense. All water consumed by the Retail Units shall be paid by the Retail Unit Owners. Sewer rents shall be apportioned among the parties in accordance with the amount of water consumed. The Board shall cause to be read the submeters and shall bill the Retail Unit Owners for the cost of the water consumed (and proportionate sewer rents) by the Retail Units; the Retail Unit Owners shall pay such charges to the Board within thirty (30) days after such bill is rendered. The amounts paid to the Board by the Retail Unit Owners for water charges and sewer rents shall be in addition to the Common Charges assessed the Retail Units. The Board shall have all remedies granted under 6.6 and 6.7 in connection with the collection of Common Charges if the Retail Unit Owners fail to pay the amounts billed for water charges and sewer rents.

6.20 Gas. The charges for gas for the Residential Units and the Commercial Units for all purposes other than heat shall be paid by the Board as a Common Expense for which no contribution shall be made by the Retail Unit Owners. The charges for gas used for the heating of the Building shall be paid by the Board as a Common Expense for which all Unit Owners shall contribute. All gas consumed in the Retail Units for hot water and other purposes shall be submetered. The Board shall cause all such submeters to be read and shall bill the Retail Unit Owners for the cost of the gas as measured by such submeters; the Retail Unit Owners shall pay such charges to the Board within thirty (30) days after such bill is rendered. The amounts paid to the Board by the Retail Unit Owners for gas shall be in addition to the Common Charges assessed the Retail Units. The Board shall have all remedies granted under 6.6 and 6.7 in connection with the collection of Common Charges if the Retail Unit Owners fail to pay the amounts billed for gas.

6.21 Electricity. Electricity for each Unit shall be supplied through a separate electric meter for each Unit. Each Unit Owner shall be required to pay the bills for electricity consumed or used in his Unit directly to the utility company.

6.22 Utilities Serving the Common Elements. The cost and expense of water, electricity and gas serving or benefitting any Common Element shall: (a) be considered part of the expense of maintaining such Common Element, (b) be determined by the Board and (c) be charged to the Unit Owners as a Common Expense.

6.23 Abatement and Enjoinment of Violations by Unit Owners.

6.23-1 The violation of any of the Rules and Regulations or the breach of any By-Law contained herein, or the breach of any provision of the Declaration, shall give the Board the right, in addition to such other rights set forth in these By-Laws: (a) to enter any Unit or Common Element in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition resulting in such violation or breach and the Board shall not thereby be deemed guilty or liable in any manner of trespass; and (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such violation or breach or maintain an action for monetary damages.

6.23-2 The violation or breach of any of the provisions of these By-Laws, any of the Rules and Regulations or the Declaration with respect to any rights, easements, privileges or licenses granted to Sponsor or its designee shall give to Sponsor and its designee the right, in addition to any other rights set forth in these By-Laws or the Declaration, to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such violation or breach.

ARTICLE 7

MORTGAGES

7.1 **Notice to Condominium Board.** A Residential Unit Owner who mortgages such Unit Owner's Unit, or the holder of such mortgage, shall notify the Board of the name and address of the mortgagee and the original principal amount of such mortgage. A Residential Unit Owner who satisfies a mortgage covering such Unit Owner's Unit shall so notify the Board. The Board shall maintain such information in a book entitled "Mortgages of Units". The Commercial Unit Owners and the Retail Unit Owners shall have the right to mortgage their respective Units without restriction and without notification to the Board.

7.2 **Notice of Default and Unpaid Common Charges.** Whenever so requested in writing by a Permitted Mortgagee, the Board shall promptly report to such Permitted Mortgagee any default by the Residential Unit Owner of the Residential Unit subject to the mortgage held by such Permitted Mortgagee in the payment of Common Charges or any other default by such Residential Unit Owner under the provisions of the Declaration or these By-Laws which may to the Board's knowledge then exist. The Board, when giving notice to a Residential Unit Owner of any such default, shall, if requested, also send a copy of such notice to such Residential Unit Owner's Permitted Mortgagee.

7.3 **Performance by Permitted Mortgagees.** The Board shall accept payment of any sum or performance of any act by any Permitted Mortgagee of a Residential Unit Owner required to be paid or performed by such Residential Unit Owner pursuant to the provisions of the Declaration, these By-Laws or the Rules and Regulations with the same force and effect as though paid or performed by such Residential Unit Owner.

7.4 Examination of Books. Each Unit Owner and Permitted Mortgagee shall be permitted to examine the minutes of the meeting of the Board at reasonable times, on business days, but not more often than once a month.

7.5 Consent of Mortgagees. Except as otherwise expressly provided for herein or in the Declaration, no consent or approval by any mortgagee shall be required with respect to the determination or act of the 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.

7.6 Mortgages of the Commercial Units and Retail Units. If requested by any Commercial Unit Owner or any Retail Unit Owner, any mortgagee of a Commercial Unit or a Retail Unit may avail itself of the rights and privileges contained in this Article 7. The Board shall execute an agreement with any such mortgagee so confirming such rights and privileges.

ARTICLE 8

SELLING AND LEASING OF UNITS

8.1 Selling and Leasing. No Residential Unit Owner or Commercial Unit Owner, other than Sponsor, or its designee may sell or lease such Unit Owner's Residential Unit or Commercial Unit except by complying with the following provisions:

8.1-1 Any Residential Unit Owner or Commercial Unit Owner who receives a bona fide offer to: (a) purchase such Unit Owner's Residential Unit or Commercial Unit together with its appurtenant interests in the Common Elements, or (b) lease such Unit Owner's Residential Unit or Commercial Unit (such offer to purchase or lease a Residential or Commercial Unit, as the case may be, is called an "Outside Offer", the party making any such Outside Offer is called an "Outside Offeror" and the Unit Owner to whom the Outside Offer is made is called an "Offeree Unit Owner"), which such Unit Owner intends to accept shall give notice by certified or registered mail to the Board of the receipt of such Outside Offer. Said notice shall also state the name and address of the Outside Offeror, the terms of the proposed transaction (including, but not limited to, the intended closing date in the event of a purchase or the intended occupancy date in the event of a lease) and such other information as the Board may reasonably require. The giving of such notice to the Board shall constitute an offer by such Residential Unit Owner or Commercial Unit Owner to sell such Unit Owner's Unit together with its appurtenant interests in the Common Elements or to lease such Unit Owner's Unit to the Board, or its designee, corporate or otherwise, on behalf of all other Unit Owners, upon the same terms and conditions as contained in such Outside Offer and shall also constitute a representation and warranty by such Residential or Commercial Unit Owner who has received such Outside Offer, to the Board on behalf of all Unit Owners, that such Unit Owner believes the Outside Offer to be bona fide in all respects. The Offeree Unit Owner shall submit in writing such further information with respect to the Outside Offeror as the Board may reasonably request. Not later than ten (10) business days after receipt of such notice together with such other information as may have been requested, the Board

may elect, by sending written notice to such Offeree Unit Owner before the expiration of said ten (10) business day period, by certified or registered mail, to purchase or lease such Residential Unit or Commercial Unit together with its appurtenant interests in the Common Elements (or to cause the same to be purchased or leased by its designee), on behalf of all Unit Owners, upon the same terms and conditions as contained in the Outside Offer and as stated in the notice from the Offeree Unit Owner.

8.1-2 In the event the Board shall timely elect to purchase such Residential or Commercial Unit together with its appurtenant interests in the Common Elements or to lease such Residential or Commercial Unit, or to cause the same to be purchased or leased by its designee, corporate or otherwise, title shall close or a lease shall be executed at the office of the attorneys for the Board, in accordance with the terms of the Outside Offer, within forty-five (45) days after the giving of notice by the Board of its election to accept such offer. If, pursuant to such Outside Offer, the Outside Offeror was to assume or take title to the Residential or Commercial Unit subject to the Offeree Unit Owner's existing mortgage or mortgages, the Board may purchase such Residential or Commercial Unit and assume or take title to such Residential or Commercial Unit subject to said existing mortgage or mortgages, as the case may be. At the closing, the Offeree Unit Owner, if such Residential or Commercial Unit together with its appurtenant interests in the Common Elements is to be sold, shall convey the same to the Board, or to its designee on behalf of all other Unit Owners, by deed in the form required by Section 339-o of the Real Property Law of the State of New York, with all applicable New York State and New York City transfer taxes paid by the Offeree Unit Owner, who shall also pay any other taxes arising out of such sale. Real estate taxes, mortgage interest, if any, and Common Charges shall be apportioned between the Offeree Unit Owner and the Board, or its designee, corporate or otherwise, as of the closing date. In the event such Residential Unit or Commercial Unit is to be leased, the Offeree Unit Owner shall execute and deliver to the Board, or to its designee, as tenant, a lease covering such Residential or Commercial Unit, for the rental and term contained in such Outside Offer.

8.1-3 In the event the Board or its designee shall fail to accept such offer within ten (10) business days after receipt of notice, as aforesaid, the Offeree Unit Owner shall have a period of sixty (60) days within which to accept the Outside Offer. In the event the Offeree Unit Owner shall not, within such sixty (60) day period, accept in writing the Outside Offer or if the Offeree Unit Owner shall accept the Outside Offer within such sixty (60) day period but such sale or lease, as the case may be, shall not be consummated within sixty (60) days following the expiration of such sixty (60) day period, then, should such Offeree Unit Owner thereafter elect to sell such Residential Unit together with its appurtenant interests in the Common Elements or to lease such Residential or Commercial Unit, as the case may be, the Offeree Unit Owner shall be required to again comply with all the terms and provisions of this Section 8.1.

8.1-4 Any deed to an Outside Offeror shall be deemed to provide that the acceptance thereof by the grantee shall constitute an assumption of the provisions of the Declaration, the By-Laws and the Rules and Regulations, as the same may be amended from time to time.

8.1-5 Any lease executed in connection with the acceptance of any Outside Offer to lease a Residential or Commercial Unit shall be consistent with these By-Laws and shall provide that it may not be modified, amended, extended or assigned without the prior consent in writing of the Board, that the tenant shall not assign his interest in such lease or sublet the demised premises or any part thereof without the prior consent in writing of the Board and that the Board shall have power to terminate such lease and/or to bring summary proceedings to evict the tenant in name of the landlord thereunder, in the event of: (i) a default by the tenant in the performance of its obligations under these By-Laws or Rules and Regulations of the Condominium, or (ii) a foreclosure of the lien granted by Section 339-z of the New York Condominium Act.

8.1-6 The form of any such lease executed by the Board or Outside Offeror shall contain such modifications as shall be approved in writing by the Board. Any lease executed by the Board as tenant shall provide that the Board may enter into a sublease of the premises without the consent of the landlord.

8.1-7 Any purported sale or lease of a Residential Unit or Commercial Unit in violation of this Section 8.1 shall be voidable at the election of the Board and if the Board shall so elect, the Residential Unit Owner or the Commercial Unit Owner shall be deemed to have authorized and empowered the Board to institute legal proceedings to evict the purported tenant (in case of any unauthorized leasing) in the name of the Residential Unit Owner as the purported landlord. Such Residential Unit Owner or Commercial Unit Owner shall reimburse the Board for all expenses (including attorneys' fees and disbursements) incurred in connection with such proceedings.

8.1-8 The foregoing restrictions of this Section 8.1 shall not apply to Unsold Units. Sponsor or its designee shall have the right to freely sell their respective Residential or Commercial Units or to freely lease all or any part thereof without having to first offer the same for sale or lease to the Board.

8.1-9 The foregoing restrictions of this Section 8.1 shall not apply to the Retail Units. Retail Unit Owners shall have the right to freely sell a Retail Unit (or any part thereof) or to freely lease a Retail Unit (or any part thereof) without having to first offer the same for sale or lease to the Board.

8.2 No Severance of Ownership. No Unit Owner shall execute any deed, mortgage or other instrument conveying or mortgaging title to his Unit without including therein its appurtenant interests in the Common Elements, it being the intention to prevent any severance of such combined ownership. Any such deed, mortgage or other instrument purporting to affect one or more of such interests without including all such interests shall be deemed and taken to include the interest or interests so omitted even though the latter shall not be expressly mentioned or described therein. No part of the appurtenant interests in the Common Elements of any Unit may be sold, conveyed or otherwise disposed of, except as part of a sale, conveyance or other disposition of the Unit to which such interests are appurtenant or as part of a sale, conveyance or other disposition of such part of the appurtenant interests in the Common Elements of all Units. Nothing in this section shall prohibit the lease of any Unit without the simultaneous lease of its appurtenant interests.

8.3 Release by the Board of Right of First Refusal. The right of first refusal contained in 8.1 may be released or waived by the Board only in the manner provided in 8.4. In the event the Board shall release or waive its right of first refusal as to any Residential Unit or Commercial Unit, such Residential Unit or Commercial Unit, together with its appurtenant interests in the Common Elements, may be sold, conveyed or leased, free and clear of the provisions of 8.1.

8.4 Certificate of Termination of Right of First Refusal. A certificate executed and acknowledged by the Secretary of the Condominium stating that the provisions of 8.1 have been met by a Residential Unit Owner or stating that the right of first refusal contained therein has been duly released or waived by the Board, and that as a result thereof the rights of the Board thereunder have terminated with respect to the outstanding Outside Offer, shall be conclusive upon the Board and the Unit Owners in favor of all persons who rely on such certificate in good faith. The Board shall furnish such certificate upon request to any Residential Unit Owner and Commercial Unit Owner in respect to whom the provisions of 8.1 have, in fact, terminated, provided that all unpaid Common Charges assessed such Residential Unit or Commercial Unit have been paid. Both the Board and the Condominium's managing agent shall have the right to impose a reasonable processing fee in connection with the issuance of such certificate.

8.5 Financing of Purchase or Lease of Units by the Board. The purchase or lease of any Unit by the Board or its designee, on behalf of all Unit Owners, may be made from the funds deposited in the capital and/or expense accounts of the Board. If the funds in such accounts are insufficient to effectuate any such purchase, the Board may levy an assessment against each Unit Owner, in proportion to his respective Common Interest, as a Common Charge, and/or the Board may, in its discretion, finance the acquisition or leasing of such Unit; in no event may such assessment be levied against the Retail Unit Owners for the purchase or lease of a Unit or to pay the Common Charge assessed such Unit. The limitations contained in 2.2-2.10 with respect to the borrowing of funds shall be applicable to any financing of the acquisition or lease of Units by the Board. Any such financing may not be secured by an encumbrance or hypothecation of any portion of the Property other than the Unit to be purchased together with its appurtenant interests in the Common Elements.

8.6 Exceptions. The provisions of 8.1 shall not apply with respect to any lease, sale or conveyance of any Residential Unit or Commercial Unit together with its appurtenant interests in the Common Elements by: (a) the Residential Unit Owner or the Commercial Unit Owner thereof to a spouse, adult children, parents, parents-in-law, adult siblings or to any one or more of them or to any related or controlled entity of such Unit Owner thereof,¹ (b) Sponsor or its designee with respect to Unsold Units, (c) the Board, (d) any proper officer conducting the sale of a Unit in connection with the foreclosure of a mortgage or other lien covering such Unit or delivering a deed in lieu of such foreclosure or (e) a Permitted Mortgagee or his nominee, who has acquired title to any Residential

¹The term "related or controlled entity" shall mean an entity which owns more than fifty (50%) percent of the legal and beneficial interest of such Unit Owner, or an entity with respect to which such Unit Owner owns more than fifty (50%) of the legal and beneficial interest thereof.

Unit at any foreclosure sale of his Permitted Mortgage or by deed in lieu thereof delivered in a bona fide transaction; provided, however, that each succeeding Residential Unit Owner shall be bound by, and his Residential Unit subject to, the provisions of this Article 8.

8.7 Gifts and Devises; etc. Any Unit Owner shall be free to convey or transfer his Unit by gift, or may devise his Unit by will or have his Unit pass by intestacy, without restriction, provided, however, that each succeeding Unit Owner shall be bound by, and his Unit subject to the provisions of this Article 8.

8.8 Acquisition of Units by Board. In the event that any Unit shall be acquired by the Board or its designee, corporate or otherwise, on behalf of all Unit Owners, as tenants-in-common: (a) all such Unit Owners shall be deemed to have waived all rights of partition with respect to such acquired Unit; (b) no such unit shall have any voting rights until conveyed by the Board of its designee; and (c) upon the sale or lease of any such Unit by the Board, the Board may not discriminate against any persons on the basis of race, creed, color, national origin, sex, age, disability, marital status or other grounds prohibited by law.

8.9 Payment of Assessments. No Unit Owner shall be permitted to convey, mortgage, pledge, hypothecate or lease such Unit Owner's Unit unless and until such Unit Owner shall have paid in full to the Board all unpaid Common Charges theretofore assessed against such Unit and until such Unit Owner shall have satisfied all unpaid liens against his Unit, other than Permitted Mortgages.

ARTICLE 9

CONDEMNATION

In the event of the taking in condemnation or by eminent domain of all or any part of the Common Elements or the Limited Common Elements, the Board, subject to the provisions set forth below, will arrange for the prompt repair and restoration of such part of the Common Elements or the Limited Common Elements so taken, which, pursuant to the provisions of these By-Laws, are required to be maintained by the Board. The award made for any such taking shall be payable to the Board to hold in trust for the Unit Owners. The award shall be disbursed to the contractors engaged in such repair and restoration, if any, in appropriate progress payments. If the net proceeds of any such award are insufficient to cover, or if such net proceeds exceed, the cost of any repairs and restorations, the deficit or surplus, as the case may be, will be borne and shared by all Unit Owners with respect to any taking of the Common Elements pro-rata in accordance with their Common Interests. Notwithstanding any provisions contained herein to the contrary, in the event that seventy-five (75%) percent or more in Common Interest of all Unit Owners do not duly and promptly resolve to proceed with such repair or restoration of the Common Elements, such repairs or restorations shall not be made and the net proceeds of any such award with respect thereto shall be divided among the Unit Owners in proportion to their respective Common Interests, after first paying out of the share of each Unit Owner the amount of any unpaid liens on such Units other than mortgages which are not Permitted

Mortgages. As used in this Article 9, the words "promptly resolve" shall mean not more than sixty (60) days from the date of such taking.

ARTICLE 10

RECORDS AND AUDITS

10.1 Records. The Board or the managing agent thereof shall keep detailed records of the actions of the Board, minutes of the meetings of the Board, minutes of the meetings of the Unit Owners and financial records and books of account with respect to the activities of the Board, including a listing of all receipts and expenditures. In addition, the Board shall keep a separate account for each Unit, which, among other things, shall contain the amount of each assessment of Common Charges against each such Unit, the date when due, the amounts paid thereon and the balance, if any, remaining unpaid.

10.2 Audits. Within four (4) months after the end of each fiscal year, an annual report of receipts and expenditures, prepared and certified by an independent certified public accountant, shall be submitted by the Board to all Unit Owners. The cost of such report submitted by the Board shall be paid by the Unit Owners as a Common Expense.

10.3 Availability 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 Board and shall be available for inspection by Unit Owners and their authorized agents during reasonable business hours.

ARTICLE 11

ARBITRATION

11.1 General Procedure. Any arbitration provided for in these By-Laws shall be conducted before one arbitrator in the City of New York by the American Arbitration Association or any successor organization thereof, in accordance with its rules then in effect and the decision rendered in such arbitration shall be binding upon the parties and may be entered in any court having jurisdiction. In the event that the American Arbitration Association shall not then be in existence and has no successor, any arbitration hereunder shall be conducted in The City of New York before one arbitrator appointed, on application of any party, by any Justice of the highest court of appellate jurisdiction located in the County of New York. The decision of the arbitrator so chosen shall be given within ten (10) days after his appointment. All expenses incurred by the Condominium in connection with the arbitration, including the fees and expenses of counsel and experts retained by the Condominium, shall be a Common Expense. Any arbitrator appointed or selected in connection with

any arbitration hereunder shall be a member of law firm whose principal office is in the Borough of Manhattan and which has at least five (5) members.

11.2 Agreement by Parties. The parties to any dispute required or permitted to be submitted to arbitration hereunder may, by mutual agreement between them, vary any of the provisions of 11.1 with respect to the arbitration of such dispute, or may agree to resolve their dispute in any other manner, including, without limitation, the manner set forth in Section 3031 et seq. of the New York Civil Practice Law and Rules and known as the "New York Simplified Procedure for Court Determination of Disputes".

ARTICLE 12

MISCELLANEOUS

12.1 Waiver. No provisions in these By-Laws or the Rules and Regulations shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

12.2 Captions. The captions herein are inserted only as a matter of convenience and for reference, and no way define, limit or describe the scope of these By-Laws nor the intent of any provision hereof.

12.3 Certain References.

12.3-1 A reference in these By-Laws to any one gender, masculine, feminine or neuter, includes the other two, and the singular includes the plural, and vice versa, unless the context otherwise requires.

12.3-2 The terms "herein" or "hereunder" or similar terms used in these By-Laws refer to these entire By-Laws and not to the particular provision in which the terms are used.

12.3-3 Unless otherwise stated, all references herein to Articles, Sections or other provisions are references to Articles, Sections or other provisions of these By-Laws.

12.4 Severability. Subject to the provisions of the Declaration, if any provision of these By-Laws is invalid or unenforceable as against any person, party or under certain circumstances, the remainder of these By-Laws and the applicability of such provision to other persons, parties or circumstances shall not be affected thereby. Each provision of these By-Laws shall, except as otherwise herein provided, be valid and enforced to the fullest extent permitted by law. In the event any provisions of these By-Laws or the Rules and Regulations conflict with the provisions of the Declaration, the provisions of the Declaration shall control.

12.5 Successors and Assigns. The rights and/or obligations of Sponsor as set forth herein shall inure to the benefit of and be binding upon any successor or assign of Sponsor or, with the consent of Sponsor, upon any transferee of Unsold Units.

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12.6 Covenant of Further Assurances.

12.6-1 Any party which is subject to the terms of these By-Laws, whether such party is a Unit Owner, a lessee or sublessee of a Unit Owner, an occupant of a Unit, a member or officer of the Board, or otherwise, shall, at the expense of any such other party requesting the same, execute, acknowledge and deliver to such other party such instruments, in addition to those specifically provided for herein, and take such other action, as such other party may reasonably request to effectuate the provisions of these By-Laws or any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

12.6-2 If any Unit Owner or other party which is subject to the terms of these By-Laws fails to execute, acknowledge or deliver any instrument, or fails or refuses, within ten (10) days after request therefor, to take any action which such Unit Owner or party is required to execute, acknowledge and deliver or to take pursuant to these By-Laws, then the Board is hereby authorized, as attorney-in-fact for such Unit Owner or other party, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of such Unit Owner or other party and such document or action shall be binding on such Unit Owner or other party.

12.6-3 If the Board, any Unit Owner or other party which is subject to the terms of these By-Laws fails to execute, acknowledge or deliver any instrument, or fails or refuses, within ten (10) days after request therefor, to take any action which the Board, such Unit Owner or party is required to execute, acknowledge and deliver or to take pursuant to these By-Laws at the request of Sponsor or its designee, then Sponsor or its designee is hereby authorized, as attorney-in-fact for the Board, such Unit Owner or other party, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of the Board, such Unit Owner or other party and such document or action shall be binding on such Unit Owner, Board or other party.

12.7 Commercial Units or Retail Units Amendment. If the Declaration is amended to permit the subdivision of a Commercial Unit or a Retail Unit into one or more condominium units (as is permitted under section 9.2 of the Declaration), the owners of all such units created shall be deemed to be a Commercial Unit Owner or Retail Unit Owner as referred to in these By-Laws. In such event, the owners of all Commercial Units or Retail Units having a majority of the Common Interest of all such units shall have the authority to exercise all rights and privileges granted the Commercial Unit Owners or the Retail Unit Owners under the By-Laws and to give all consents and approvals required under the By-Laws by any such Unit Owner. In the event additional commercial units or retail units are created, the Commercial Unit Owners or the Retail Unit Owners may cause these By-Laws to be amended to reflect the creation of additional units.

ARTICLE 13

AMENDMENTS

13.1 Amendments by Unit Owners. Subject to the conditions contained herein or in the Declaration with respect to amendments affecting Sponsor or its designee, the Commercial Unit Owners, the Retail Unit Owners or any Unsold Units, any of these By-Laws may be amended, modified, added to or deleted by affirmative vote of at least 75% in number and in Common Interest of all Unit Owners, provided, however, that the Common Interest appurtenant to each Unit as expressed in the Declaration shall not be altered without the written consent of all Unit Owners affected thereby. Subject to the provisions contained herein or in the Declaration with respect to amendments, modifications, additions or deletions affecting Sponsor or its designee, the Commercial Unit Owners, the Retail Unit Owners or any Unsold Units, any such amendment, modification, addition or deletion shall be executed by the Board, as attorney-in-fact for the Unit Owners, coupled with an interest, for the purpose of approving and executing any instrument effecting such amendment, modification, addition or deletion.

13.2 Amendments Affecting Sponsor or its Designee and the Commercial Unit Owners or the Retail Unit Owners. Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition or deletion of or to these By-Laws, the Declaration or the Rules and Regulations shall be effective in any way against: (a) Sponsor or its designee of any Unsold Unit unless Sponsor has given its prior written consent thereof, (b) the holder of any present or future mortgage, pledge or other lien or security interest covering any Unsold Unit unless such holder has given its prior written consent thereof, or (c) the Commercial Unit Owners or the Retail Unit Owners unless such Unit Owners have given their prior written consent thereof.

SCHEDULE A

RULES AND REGULATIONS OF CONDOMINIUM

1. The sidewalks, entrances, passages, public halls, elevators, vestibules, corridors and stairways of or appurtenant to the Building shall not be obstructed or used for any other purpose than ingress or egress from the Units.
2. No article (including, but not limited to, garbage cans, bottles or mats) shall be placed in any of the halls or on any of the staircase of the Building, nor shall any fire exit thereof be obstructed in any manner. Nothing shall be hung or shaken from any doors, windows, roofs or terraces or placed upon the window sills of the Building.
3. Neither occupants nor their guests shall play in the entrances, passages, public halls, elevators, vestibules, corridors or stairways of the Building.
4. Except as otherwise provided in the By-Laws, no public hall or public elevator of the Building shall be decorated or furnished by any Unit Owner in any manner.
5. Each Unit Owner shall keep such Unit Owner's Unit in a good state of preservation and cleanliness, and shall not sweep or throw or permit to be swept or thrown therefrom, or from the doors or windows thereof, any dirt or other substance.
6. No window decorations shall be used in or about any Residential Unit except as shall have been approved in writing by the Board or the managing agent thereof, which approval may be granted or refused in the sole discretion of the Board or the managing agent. Notwithstanding the foregoing, window guards may be installed in any Residential Unit in accordance with applicable laws, rules and regulations of the City of New York.
7. Except for a master antenna which may be located on the roof of the Building, no radio or television aerial shall be attached to or hung from the exterior of the Building and no sign, notice or illumination shall be inscribed or exposed on or at any window or other part of the Building, except as permitted pursuant to the Declaration and the By-Laws with respect to the Retail Units and the Unsold Units or shall have been approved in writing by the Board or the managing agent thereof, nor shall anything be projected from any window of a Residential Unit without similar approval which approval may be granted or refused in the sole discretion of the Board or the managing agent.
8. No ventilator or air conditioning device shall be installed in any Residential Unit without the prior written approval of the Board, which approval may be granted or refused in the sole discretion of the Board.

9. All radio, television or other electrical equipment of any kind or nature installed or used in each Residential Unit shall fully comply with all rules, regulations, requirements or recommendations of the New York Board of Fire Underwriters and the public authorities having jurisdiction and the Unit Owner alone shall be liable for any damage or injury caused by any radio, television or other electrical equipment in such Unit Owner's Unit.
10. No Residential Unit Owner shall make or permit any disturbing noises or activity in the Building, or do or permit anything to be done therein, which will interfere with the rights, comforts or conveniences of other Unit Owners. No Residential Unit Owner shall play upon or suffer to be played upon any musical instrument, or operate or permit to be operated a phonograph or radio or television set or other loudspeaker in such Residential Owner's Unit between midnight and the following 7:00 A.M. if the same shall disturb or annoy other occupants of the Building, and in no event shall practice or suffer to be practiced either vocal or instrumental music between the hours of 10:00 P.M. and the following 9:00 A.M. No construction or repair work or other installation involving noise shall be conducted in any Unit except on weekdays (not including legal holidays) and only between the hours of 8:00 A.M. and 5:00 P.M. unless such construction or repair work is necessitated by an emergency.
11. No bird, reptile or animal shall be permitted in any public portions of the Building, unless carried or on a leash. No pigeons or other birds or animals shall be fed from the window sills, terraces or other public portions of the Building or on the sidewalk or street adjacent to the Building.
12. All packages, including those containing perishable food will be required to be delivered by outside personnel to individual Units. Such deliveries will be made only at such times as the Unit Owner or other occupant of the Unit is present and willing to accept delivery.
13. No refuse from the Units shall be sent to any holding or other area of the Building except at such times and in such manner as the Board or the managing agent thereof may direct.
14. Water-closets and other water apparatus in the Building shall not be used for any purpose other than those for which they were designed, nor shall any sweepings, rubbish, rags or any other article be thrown into the same. Any damage resulting from misuse of any water-closets or other apparatus in a Unit shall be repaired and paid for by the owner of such Unit.
15. No occupant of the Building shall send any employee of the Condominium or of the managing agent thereof out of the Building on any private business.
16. The agents of the Board or the managing agent thereof, and any contractor or workman authorized by the Board or the managing agent thereof, may enter any room or Unit at any reasonable hour of the day, on at least five (5) day's prior notice to the Unit Owner, for the purpose of inspecting such Unit for the presence of any vermin, insects or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such

vermin, insects or other pests; however, such entry, inspection and extermination shall be done in a reasonable manner so as not to unreasonably interfere with the use of such Unit for its permitted purposes.

17. The Board or the managing agent thereof may retain a pass-key to each Residential Unit. If any lock is altered or a new lock is installed, the Board or the managing agent thereof shall be provided with a key thereto immediately upon such alteration or installation. If the Residential Unit Owner is not personally present to open and permit entry to such Residential Unit at any time when entry therein is necessary or permissible under these Rules and Regulations or under the By-Laws and has not furnished a key to the Board or the managing agent thereof, then the Board or such 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 Residential Unit Owner's property).
18. The Board or the managing agent thereof may from time to time curtail or relocate any portion of the Common Elements devoted to storage or service purposes in the Building, if any.
19. Complaints regarding the service of the Condominium shall be made in writing to the Board or to the managing agent thereof.
20. Any consent or approval given under these Rules and Regulations may be added to, amended or repealed at any time by resolution of the Board.
21. Clothes and other articles shall not be dried or aired on the roof or any balcony or terrace.
22. Residential Unit Owners shall not cause or permit any unusual or objectionable noises or odors to be produced upon or to emanate from their Units or any balcony or terrace appurtenant thereto.
23. No Unit Owner, or any agent, servant, employee, licensee or visitor of such Unit Owner, shall at any time bring into or keep in such Unit Owner's Unit any inflammable, combustible or explosive fluid, material, chemical or substance, except as shall be necessary and appropriate for the permitted uses of such Unit.
24. If any key or keys are entrusted by a Unit Owner, or by any member of such Unit Owner's family, or by any agent, servant, employee, licensee or visitor of such Unit Owner, to an employee of the Condominium or of the managing agent thereof, whether for such Unit Owner's Unit or an automobile, trunk, or other item of personal property, the acceptance of the key shall be at the sole risk of such Unit Owner, and neither the Board nor the managing agent thereof shall be liable for injury, loss or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

25. Nothing shall be done or kept in any Unit or in the Common Elements which will increase the rate of insurance of the Building or contents thereof without the prior written consent of the Board. No Unit Owner shall permit anything to be done or kept in such Unit Owner's Unit or in the Common Elements which will result in the cancellation of insurance on the Building or which would be in violation of any law. No waste shall be committed in the Common Elements.
26. No group tour or other ~~exhibition of any Residential Unit or its contents in any manner~~ whatsoever shall be conducted, without the consent of the Board or its managing agent.
27. Unit Owners shall comply with all laws, rules and regulations of the City of New York with respect to the disposal of refuse, including the sorting thereof.
28. No Residential Unit Owner shall install any plantings on any balcony or terrace without the prior written approval of the Board. Plantings shall be contained in boxes of wood lined with metal or other materials impervious to dampness and standing on supports at least two (2) inches from the balcony or terrace surface, and if adjoining a wall, at least three (3) inches from such wall. Suitable weep holes shall be provided in the boxes to draw off water. In special locations, such as a corner abutting a parapet wall, plantings may be contained in masonry or hollow tile walls which shall be at least three inches from the parapet and flashing, with the floor of drainage tiles and suitable weep holes at the sides to draw off water. Such masonry planting beds shall not, however, rest directly upon the surface of such balcony or terrace but shall stand on supports at least two (2) inches above such surface. It shall be the responsibility of the Residential Unit Owner to maintain the containers in good condition, and the drainage tiles and weep holes in operating condition. Such Residential Unit Owner shall pay the cost of any repairs rendered necessary by or damage caused by such plantings.

DOCUMENT NUMBER 9-A

ESCROW AGREEMENT dated as of October 20, 1999, by and between **132 PERRY LLC**, having its office at 2060 Third Avenue, New York, New York 10022 (the "Sponsor"), and **CARB, LURIA, COOK & KUFELD LLP**, having its office at 521 Fifth Avenue, New York, New York 10175 (the "Escrow Agent").

WITNESSETH:

WHEREAS, Sponsor is the sponsor of an offering plan (the "Plan") for the premises known as The 132 Perry Street Condominium, 132 Perry Street, New York, New York; and

WHEREAS, Sponsor wishes Escrow Agent to hold in escrow all amounts paid by purchasers (collectively, the "Purchasers" and individually, a "Purchaser") as a portion of the purchase price of condominium units offered for sale under the Plan (collectively, the "Downpayments" and individually, a "Downpayment") until the closing of title to any unit or the earlier cancellation of any Purchasers' purchase agreement (the "Purchase Agreement"); and

WHEREAS, Escrow Agent is willing to hold the Downpayments in escrow in accordance with the following provisions.

NOW, THEREFORE, the parties agree as follows:

1. ESTABLISHMENT OF THE ESCROW ACCOUNT.

1.1 All Downpayments shall be held in escrow by Escrow Agent at The Bank of New York at its branch located at 530 Fifth Avenue, New York, N.Y. 10036.

1.2 The name of the master escrow account is "Carb, Luria, Cook & Kufeld LLP, Attorney Escrow Account"; the master escrow account number is [REDACTED]

1.3 Members of Escrow Agent are the sole signatories on the master escrow account and each sub-escrow account.

1.4 Each Downpayment shall be deposited in individual interest-bearing, "money-market" sub-escrow account which sub-escrow accounts shall be in the name of "Carb, Luria, Cook & Kufeld LLP, Attorney Escrow Account f/b/o Purchaser". At such time as the Downpayment is released from escrow, the Downpayment, together with all accrued interest, will be transferred from the individual sub-escrow account to the non-interest bearing checking master escrow account so that checks may be drawn to disburse the Downpayment, together with all accrued interest.

1.5 The master escrow account is not an IOLA account established pursuant to Judiciary Law Section 497.

2. DEPOSITS TO THE ESCROW ACCOUNT.

2.1 Each Downpayment shall be deposited in a sub-escrow account within five (5) business days after the Purchase Agreement is signed by all necessary parties. All instruments to be deposited shall be made payable to the direct order of "Carb, Luria, Cook & Kufeld LLP, as Escrow Agent." Any instrument payable other than as required hereby, and which cannot be deposited into such escrow account, shall be returned to the Purchaser promptly, but in no event more than five (5) business days following receipt of such instrument by Escrow Agent. In such event, the instrument shall be deemed not to have been delivered to Escrow Agent pursuant to the terms of this Agreement. Sponsor shall also deliver to Escrow Agent Internal Revenue Service Form W-9, executed by Purchaser, when the Downpayment is delivered to Escrow Agent.

2.2 Within ten (10) business days after Sponsor has delivered to Escrow Agent the check(s) for a Downpayment payable under a Purchase Agreement, Escrow Agent will notify the Purchaser that such funds have been deposited into a sub-escrow account. Such notice shall also state the account number and the initial interest rate payable by The Bank of New York. Such notice shall be sent by Escrow Agent to the Purchaser, at the address stated in the Purchase Agreement, by certified mail, return receipt requested. If the Purchaser does not receive notice of such deposit within fifteen (15) business days after tender of such Purchaser's Downpayment by Sponsor to Escrow Agent, the Purchaser may cancel the purchase and rescind the Purchase Agreement so long as the right to rescind is exercised within ninety (90) days after tender of such Downpayment to Sponsor. Rescission may not be afforded where proof satisfactory to the Attorney General of the State of New York (the "Attorney General") is submitted establishing that such Downpayment was timely deposited and requisite notice was timely mailed to the Purchaser in conformity with the Attorney General's regulations.

2.3 Any additional monies paid by any Purchaser to Sponsor prior to the closing of title shall be paid to Escrow Agent and shall be deposited into such Purchaser's sub-escrow account.

2.4 All sub-escrow accounts shall be "money-market" accounts. The interest rate to be earned will be determined by The Bank of New York at the time of the deposit; such interest rate may change during the pendency of the escrow.

3. RELEASE OF FUNDS.

3.1 Consummation of the Plan does not relieve Sponsor of its fiduciary obligations pursuant to General Business Law Section 352-h.

3.2 Escrow Agent shall continue to hold in escrow each Downpayment, including all accrued interest, until any of the following events occur: (i) the closing of title to a Unit at which time the Downpayment shall be paid to Sponsor and all accrued interest shall be paid to Purchaser without the need for a written agreement from Purchaser; (ii) a writing signed by both Sponsor and Purchaser directing the disbursement of a Downpayment, together with all accrued interest; (iii) a determination of the Attorney General with respect to the disposition of a Downpayment, pursuant to the dispute resolution procedures contained in the Regulations of the State of New York; (iv) a judgment or

order of a court of competent jurisdiction; (v) the deposit of a Downpayment, together with all accrued interest, with the Clerk of the County of New York; or (vi) the earlier cancellation of the Purchase Agreement pursuant to its provisions.

3.3 If: (i) there is no written agreement between the parties to release a Downpayment, (ii) Purchaser is in default under such Purchaser's Purchase Agreement entitling Sponsor to cancel such Purchase Agreement and retain for its own account the Downpayment, together with all accrued interest, and (iii) the Plan has been consummated, Escrow Agent will not pay such Downpayment to Sponsor until Escrow Agent gives Purchaser notice of its intention to disburse such Downpayment to Sponsor not fewer than ten (10) business days from the date of such notice. Thereafter, such Downpayment, together with all accrued interest, may be paid to Sponsor unless Purchaser has applied, before the disbursement date specified in the aforesaid notice, to the Attorney General pursuant to the dispute resolution provisions of the Regulations of the State of New York and has so notified Escrow Agent in accordance with such provisions.

3.4 Each Purchaser and Escrow Agent may apply to the Attorney General in the event of a dispute for a determination on the disposition of a Downpayment. Sponsor must avail itself of this procedure if there is a dispute between Sponsor and Purchaser with respect to which party is entitled to a Downpayment. The party applying shall contemporaneously send to all other parties a copy of such application. Pending the determination of the Attorney General, to grant or deny the application, Sponsor, Purchaser and Escrow Agent shall abide by any interim directive issued by the Attorney General. If the application permitting release of such Downpayment is granted, such Downpayment, together with all accrued interest, shall be disbursed by Escrow Agent in accordance with the determination of the Attorney General, subject to any court action in which preliminary relief is granted. If the application seeking release of any such Downpayment is denied, the Escrow Agent shall continue to hold such Downpayment, together with all accrued interest, in escrow until both Sponsor and Purchaser direct payment to a specified party 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 is served upon Escrow Agent, or (iii) by determination of the Attorney General. Notwithstanding the foregoing, Escrow Agent may deposit such Downpayment, together with all accrued interest, with the Clerk of the County of New York.

3.5 Sponsor shall not object to the release of a Downpayment to a Purchaser if such Purchaser timely rescinds in accordance with an offer of rescission contained in any future amendment to the Plan.

3.6 At the closing of title to a Unit, all accrued interest will be paid to the Purchaser of such Unit. Interest paid to a Purchaser shall not reduce the purchase price payable by such Purchaser under such Purchaser's Purchase Agreement. If the closing of title does not occur, all interest shall be paid to the party receiving the Downpayment.

3.7 The party receiving the interest paid by The Bank of New York with respect to the a Downpayment shall be responsible for the payment of all income taxes payable with respect to such interest.

4. RECORDKEEPING.

4.1 Escrow Agent shall maintain all records concerning the master escrow account and each sub-escrow account for seven years after release of the funds.

4.2 In the event Carb, Luria, Cook & Kufeld LLP shall dissolve, the former members of the firm shall make appropriate arrangements for the maintenance of these records by one of the members of the firm or by any 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 for inspection at the office of Escrow Agent, 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 all Purchasers, and Escrow Agent hereby acknowledges its fiduciary obligations.

5.3 Escrow Agent shall have no liability to either Sponsor or any Purchaser in the event of the insolvency of The Bank of New York.

6. RESPONSIBILITIES OF SPONSOR.

6.1 Sponsor agrees that Sponsor and its agents, including any selling agents, shall immediately deliver any Downpayment and any other funds received from a Purchaser by any of them prior to closing of a Unit to Escrow Agent after the execution of the Purchase Agreement by Sponsor.

6.2 Sponsor agrees that it shall not interfere with Escrow Agent's performance of its fiduciary duties and compliance with the Regulations of the State of New York.

7. TERMINATION OF AGREEMENT.

7.1 This Agreement shall remain in effect unless and until it is canceled, by either: (i) written notice is given by Sponsor to Escrow Agent of the cancellation of designation of Escrow Agent to act in said capacity, which cancellation shall take effect only upon the filing of an amendment to the Plan with the Department of Law providing for a successor Escrow Agent; or (ii) the resignation of Escrow Agent upon giving notice to Sponsor of its desire to so resign, which resignation shall take effect only upon the filing of an amendment with the Department of Law providing for a successor Escrow Agent.

7.2 Upon termination of the duties of Escrow Agent as described in paragraph 7.1 above, Escrow Agent shall deliver all Downpayments and any and all contracts or documents maintained by Escrow Agent to the new escrow agent.

7.3 If Escrow Agent deposits any Downpayment with the Clerk of the County of New York, Escrow Agent shall be relieved and discharged of all further obligations and responsibilities with respect to such Downpayment.

7.4 Upon disbursement of a Downpayment, together with all accrued interest, to the party entitled thereto pursuant to the Plan, the Purchase Agreement, or the Regulations of the State of New York, Escrow Agent shall be relieved and discharged of all further obligations and responsibilities with respect to such Downpayment.

8. SUCCESSORS AND ASSIGNS.

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

9. GOVERNING LAW.

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

10. ESCROW AGENT'S COMPENSATION.

10.1 Sponsor shall compensate Escrow Agent for its services in connection with this Agreement. Escrow Agent's compensation shall not be paid from the Downpayments and that compensation to Escrow Agent for the performance of its services hereunder shall not be deducted from the Downpayments or by any financial institution under any circumstance.

11. INDEMNITY.

11.1 Sponsor acknowledges that Escrow Agent is acting solely as a stakeholder at its request and for its convenience and that Escrow Agent shall not be liable to Sponsor for any act or omission on its part unless taken or suffered in bad faith or in willful disregard of this agreement or involving gross negligence on the part of Escrow Agent. Sponsor shall defend, indemnify and hold Escrow Agent harmless from and against all costs, claims and expenses (including reasonable attorneys' fees) incurred in connection with the performance of Escrow Agent's duties hereunder, except with respect to actions or omissions taken or suffered by Escrow Agent in bad faith or in willful disregard of this agreement or involving gross negligence on the part of Escrow Agent.

12. COUNSEL ADVICE.

12.1 Escrow Agent may act or refrain from acting in respect of any matter referred to herein in full reliance upon and with the advice of counsel which may be selected by it (including any

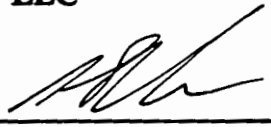
member of its firm) and shall be fully protected in so acting or refraining from action upon the advice of such counsel.

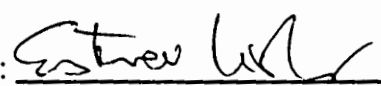
13. REPRESENTATION OF SPONSOR.

13.1 Escrow Agent or any member of its firm shall be permitted to act as counsel for Sponsor in any dispute as to the disbursement of any Downpayment or any other dispute between the parties whether or not Escrow Agent is in possession of any Downpayment and continues to act as Escrow Agent.

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

132 PERRY LLC

By: 
Axel Stawski, Member and Manager

By: 
Estera Lisker, Member and Manager

CARB, LURIA, COOK & KUFELD LLP

By: 
Edwin A. Novak, Partner

DOCUMENT NUMBER 9-B
APPLICATION TO THE ATTORNEY GENERAL
FOR A DETERMINATION ON THE
DISPOSITION OF DOWNPAYMENTS

[Send this application to the reviewing attorney assigned to the subject plan.]

Re: _____

Address of Building or
Name of Project

File Number: _____

Application is made to the Attorney General to consider and determine the disposition of down payments held pursuant to GBL Sections 352-e(2-b) and 352-h. The following information is submitted in support of this application:

1. Name _____
of Applicant

2. Address _____
of Applicant

3. Name, Address, and Telephone Number
of Applicant's Attorney (if any) _____

4. This is an application for

- ☐ return of downpayment.
☐ forfeiture of downpayment.
☐ other: _____

5. The project is ☐ a conversion of occupied premises.
☐ newly constructed or rehabilitated.
☐ vacant (as is).

6. The project is structured as
[] a cooperative.
[] a condominium.
[] a homeowners association.
[] a timeshare.

[] other: _____
7. Name and Address
of Sponsor: _____

8. Name and Address
of Escrow Agent: _____

9. If downpayments are maintained in an escrow account:
(a) Name of account _____
(b) Name and address
of bank _____
(c) Account number (if known) _____
(d) Initial interest rate (if known) _____
10. If downpayments have been secured by bonds:
(a) Name and address of
bond issuer or surety: _____

(b) Copy of bond included in this application. (DO NOT
SEND ORIGINAL BOND.) If not included, explain:

11. If downpayments have been secured by a letter of credit:

(a) Name and address of bank which issued the letter of credit: _____

(b) Date of expiration of the letter of credit, if known: _____

12. Plan information:

(a) Date of filing of plan: _____

(b) Plan ☐ has been declared effective. Approximate date: _____

☐ has not been declared effective.

(c) If effective, the plan

☐ has closed or the first unit has closed.
Approximate date: _____

☐ has not closed.

☐ don't know.

(d) Downpayments are secured by

☐ escrow account.

☐ bonds.

☐ letter of credit.

13. Contract information:

(a) Copy of contract and of all riders or modification letters are attached. (DO NOT SEND ORIGINALS.)

(b) Date on which subscription or purchase agreement was signed: _____

(c) Date(s) of downpayment(s): _____

(d) Total amount of downpayment(s): _____

(e) Names and addresses of subscribers or purchasers
affected by this application:

14. State the basis for your claim. Please be as specific as possible. You may add additional sheets. Attach copies of any relevant documents.

15. I am contemporaneously sending a copy of this application to the following persons: _____

Note: You are required to mail a copy of this Application to all other affected parties.

In filing this application, I understand that the Attorney General is not my private attorney, but represents the public in enforcing laws designed to protect the public from unlawful business practices. I also understand that if I have any questions concerning my legal rights or responsibilities I may contact a private attorney. The above application is true and accurate to the best of my knowledge. False statements made herein are punishable as a Class A Misdemeanor under Section 175.30 and/or Section 210.45 of the Penal Law.

Signature: _____ Date: _____

Name (Printed): _____

Telephone: (Home) _____ (Business) _____

Mailing Address: _____

DOCUMENT 10-A

**CERTIFICATION OF SPONSOR AND SPONSOR'S
PRINCIPALS PURSUANT TO SECTION 20.4(b)
OF THE REGULATIONS ISSUED PURSUANT
TO GENERAL BUSINESS LAW, ARTICLE 23-A, AS AMENDED**

New York State Department of Law
120 Broadway
New York, New York 10271

Attention: Real Estate Financing Bureau

Re: The 132 Perry Street Condominium
132 Perry Street
New York, New York

We are the sponsor and principals of sponsor of the condominium offering plan for the captioned property.

We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law the regulations promulgated by the Department of Law in Part 20, and such other laws and regulation as may be applicable.

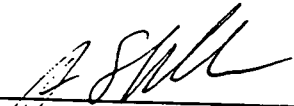
We have read the entire offering plan. We have investigated the facts set forth in the offering plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the offering plan does, and that documents submitted hereafter by us which amend or supplement the offering plan will:

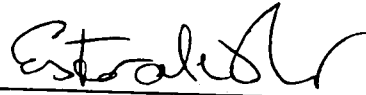
- (i) set forth the detailed terms of the transaction and be complete, current and accurate;
- (ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgement;
- (iii) not omit any material fact;
- (iv) not contain any untrue statement of a material fact;
- (v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;

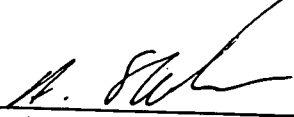
- (vi) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) not contain any representation or statement which is false, where we:
(a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth, or (d) did not have knowledge concerning the representations or statements made.

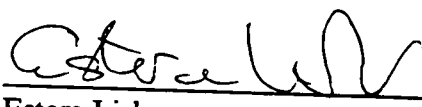
This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

132 PERRY, LLC., Sponsor

By: 
Axel Stawski, Member and Manager

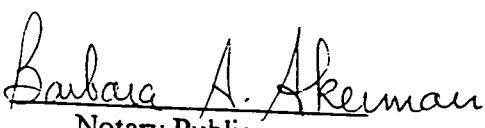
By: 
Estera Lisker, Member and Manager


Axel Stawski


Estera Lisker


Anthony Leichter

Sworn to before me this
15th day of October, 1999


Notary Public

BARBARA A. AKERMAN
Notary Public, State of New York
No. 01AK4866338
Qualified in Westchester County
Commission Expires Oct. 6, 2000

DOCUMENT 10-B

**CERTIFICATION OF SPONSOR'S ARCHITECT
PURSUANT TO SECTION 20.4(c)
OF THE REGULATIONS ISSUED
PURSUANT TO GENERAL BUSINESS LAW,
ARTICLE 23-A. AS AMENDED**

New York State Department of Law
120 Broadway
New York, New York 10271

Attention: Real Estate Financing Bureau

Re: The 132 Perry Street Condominium
132 Perry Street
New York, New York

The undersigned, on behalf of L. H. Pomeroy Architects, P.C., certifies as follows:

The Sponsor of the offering plan to convert the captioned property to condominium ownership retained our firm to prepare a report describing the construction and/or renovation of the property (the "Report"). We last visually inspected existing portions of the renovated property, if any, on October 22, 1999, and we examined the building plans and specifications that were prepared by our firm dated October 1, 1999, and prepared the Report dated October 25, 1999, a copy of which is intended to be incorporated into the offering plan so that prospective Purchasers may rely on the Report. We are a registered architect in the State in which the property is located.

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 this Report.

We have read the entire Report and investigated the facts set forth in the Report and the facts underlying it with due diligence in order to form a basis for this certification. This certification is made for the benefit of all persons to whom this offer is made.

We certify that the Report:

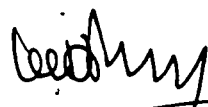
- (i) sets forth in narrative form the description and/or physical condition of the entire property as it will exist upon completion of renovation and/or construction, provided that renovation and/or construction is in accordance with the plans and specifications that we examined.
- (ii) in our professional opinion affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the description and/or

physical condition of the property as it will exist upon completion of renovation and/or construction, provided that renovation and/or construction is in accordance with the plans and specifications that we examined;

- (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.

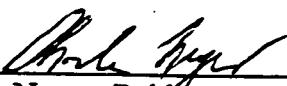
We further certify that we are not owned or controlled by and have no beneficial interest in the sponsor and that our compensation for preparing this Report is not contingent on the conversion of the property to a condominium or on the profitability or price of the offering. This statement is not intended as a guarantee or warranty of the physical condition of the property.

L. H. Pomeroy Architects, P.C.

By: 

Sworn to before me this

26th day of October, 1999



Notary Public

CHARLES NIGRO
NOTARY PUBLIC, State of New York
No. 24-8146050
Qualified in Kings County
Cert. Filed in New York County
Commission Expires May. 31, 2000

DOCUMENT 10-C

**CERTIFICATION OF SPONSOR'S EXPERT ON ADEQUACY
OF BUDGET PURSUANT TO SECTION 20.4(d)
OF THE REGULATIONS ISSUED PURSUANT TO GENERAL BUSINESS LAW,
ARTICLE 23-A, AS AMENDED**

New York State Department of Law
120 Broadway
New York, New York

Attention: Real Estate Financing Bureau

Re: The 132 Perry Street Condominium
132 Perry Street
New York, New York

The undersigned, on behalf of Andrews Building Corp. 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. This firm has managed residential cooperative apartment buildings and residential condominium buildings in the City of New York since 1987 and currently manages over one hundred (100) residential buildings in the City 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 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 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 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 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.

ANDREWS BUILDING CORP.

By: Eugene I. Andrews

Eugene Andrews, President

Sworn to before me this

22 day of October, 1999

Stephen D. Kessler
Notary Public

STEPHEN D. KESSLER
Notary Public, State of New York
No. 4699100

Qualified in New York County
Term Expires December 31, 1999

DOCUMENT 10-D

**CERTIFICATION OF SPONSOR'S EXPERT ON ADEQUACY
OF COMMON CHARGES PAYABLE BY
COMMERCIAL UNITS AND RETAIL UNITS
PURSUANT TO SECTION 20.4(e)
OF THE REGULATIONS ISSUED PURSUANT
TO GENERAL BUSINESS LAW, ARTICLE 23-A, AS AMENDED**

New York State Department of Law
120 Broadway
New York, New York
Attention: Real Estate Financing Bureau

Re: The 132 Perry Street Condominium
132 Perry Street
New York, New York

The undersigned, on behalf of Andrews Building Corp. certifies as follows:

The sponsor of the condominium offering plan for the captioned property retained our firm to review Schedule B which includes projections of common charges payable by the owner of the commercial units and the retail units. This firm has managed residential cooperative apartment buildings and residential condominium buildings in the City of New York since 1987 and currently manages over one hundred (100) residential buildings in the City 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 Attorney General in Part 20 insofar as they are applicable to the commercial unit listed in Schedule B.

We have reviewed the Schedule as it impacts upon the commercial units and the retail units and investigated the facts underlying it with due diligence in order to form a basis for this certification.

We have also relied on our experience in managing residential buildings.

We certify that the projections in Schedule B for common charges payable by the owner of the commercial units and the retail units appear reasonable and adequate under existing circumstances to meet the anticipated operating expenses fairly attributable to such commercial units and retail units or the projected first year of condominium operation, and that the allocation of common charges

attributable to the commercial units and the retail units also reflects special or exclusive use or availability or exclusive control of particular common areas.

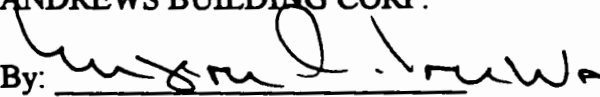
We certify that the estimates in the Schedule B for the common charges payable by the owner of the commercial units and the retail units:

- (i) set forth in detail the projected common charges for the commercial units and the retail units for the first year of condominium operation;
- (ii) afford potential investors, purchasers and participants adequate basis upon which to found their judgment concerning the common charges payable by the owners of the commercial units and the retail units;
- (iii) do not omit any material fact;
- (iv) do not contain any untrue statement of a material fact;
- (v) do not contain any fraud, deception, concealment, or suppression;
- (vi) 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.

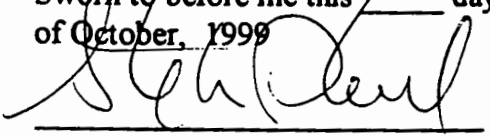
We further certify that we are not owned or controlled by the sponsor. We understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the common charges fairly attributable to the commercial unit for 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.

ANDREWS BUILDING CORP.

By: 
Eugene Andrews, President

Sworn to before me this 22 day
of October, 1999


Notary Public

STEPHEN D. KESSLER
Notary Public, State of New York
No. 4688100
Qualified in New York County
Term Expires December 31, 1999

DOCUMENT NUMBER 11

INSPECTION STATEMENT

132 Perry LLC
950 Third Avenue
New York, New York 10022

Re: Unit _____
The 132 Perry Street Condominium
132 Perry Street
New York, New York _____

Ladies and Gentlemen:

As a result of my/our final inspection, please be advised that except as otherwise noted, I/we found the following items in good condition, free of chips, mars, breaks or other defects:

<u>Items</u>	<u>Initials</u>	<u>Exceptions, if any</u>
Window sashes		
Electric fixtures & globes		
Interior painted surfaces		
Sinks, tubs, bowls & shower doors		
Kitchen cabinets & counter tops		
Vanity tops & base		
Medicine cabinets, doors & mirror		
Hardware		
Flooring		
Appliance cabinets		

I/we understand that to prevent pilferage, certain items such as medicine cabinet doors, shower heads, toilet seats, vanity knobs, will be installed just prior to my/our date of moving. I/we agree and I/we will sign off each item requiring adjustment or repairs as it is completed.

Dated:

Purchaser

Purchaser

Agreed:
132 Perry LLC

By: _____

