THIS PLAN HAS BEEN AMENDED. SEE INSIDE COVER

CONDOMINIUM OFFERING PLAN

High Line 23 Condominium
515 West 23rd Street (a/k/a 515 and 517 West 23rd Street)
New York, New York 10011
County of New York

The Condominium will comprise 11 residential units ("**Residential Units**"), 6 storage units ("**Storage Units**") and 1 retail unit ("**Retail Unit**"). The Residential, Storage and Retail Units are being offered for sale pursuant to this Offering Plan.

Total Amount of Offering[(1)]:	11 Residential Units:	**$51,925,000**
	6 Storage Units:	**$172,000**
	Retail Unit	**$2,600,000**
	Total:	**$54,697,000**[(1)]

(1) Offering prices are negotiable and may be changed (see "Section I. Changes in Prices and Units").

SPONSOR:
23 Highline LLC
460 Park Avenue, Floor 22
New York, N.Y. 10022

SELLING AGENT:
Brown Harris Stevens Residential Sales LLC
2 Fifth Avenue
New York, New York 10011
and
Alf Naman Real Estate Advisors Ltd.
460 Park Avenue, Floor 22
New York, New York 10022

Date of Acceptance for Filing: **September 5, 2007**

The term of the initial offer is twelve (12) months commencing on the foregoing date of acceptance for filing of the Plan by the Department of Law. The term may be extended by an Amendment to the Plan.

SEE "SECTION A" FOR SPECIAL RISKS TO PURCHASERS.

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

©2007 Alan L. Kazlow, Esq.
Seyfarth Shaw LLP
All rights reserved.

Table of Contents

PART I

Caption		Page
SECTION A.	S PECIAL RISKS	A-1
A-1.	Retail Unit	A-1
A-2.	Subdivision of Retail Unit	A-1
A-3.	Federal Bank Deposit Insurance	A-1
A-4.	Contract Deposits; Liquidated Damages	A-2
A-5.	Special Work Payment	A-2
A-6.	"Time of the Essence" Provisions under Purchase and Sale Agreement and Plan	A-2
A-7.	Sponsor Voting Control of Condominium Board	A-3
A-8.	No Mortgage Financing Contingency	A-3
A-9.	Financing Risks	A-3
A-10.	Resale Risk	A-4
A-11.	Occupancy of Residential Units By Renters	A-4
A-12.	Real Estate Tax Exemption Benefits	A-5
A-13.	Real Estate Tax Projection	A-6
A-14.	Certain Closing Costs	A-6
A-15.	Suspension of Voting Rights	A-7
A-16.	Restriction on Ownership of Storage Units	A-7
A-17.	Cancellation of Interim Lease	A-7
A-18.	Board Consent Required for Lease Term of Less Than One (1) Year	A-8
A-19.	Alterations and Decorations of Terraces and Windows	A-8
A-20.	Status of Amenities at First Closing	A-8
A-21.	Construction Easements, Hours, Disruptions; Inconveniences and Amenities	A-8
A-22.	Sponsor's Financial Resources for Construction and Carrying Costs of Unsold Units	A-9
A-23.	Prohibition Against Advertising	A-9
A-24.	Risk of Loss	A-10
A-25.	Limited Period to Send Notice of Claim or Latent Construction Defect	A-10
A-26.	Remedies for Construction Defects	A-10
A-27.	Floor Designations	A-11
A-28.	Views From Units (Light and Air); Construction Inconveniences from Other Sites; Development Rights	A-11
A-29.	Insurance	A-12
A-30.	Square Footage in SCHEDULE A and Floor Plans Exceed Usable Floor Area	A-13
A-31.	SCHEDULE B	A-13
SECTION B.	INTRODUCTION	B-1
B-1.	Purpose of Plan	B-1
B-2.	New York Condominium Act	B-1
B-3.	Sponsor	B-1

B-4. The Units B-1
B-5. Basic Aspects of Condominium Ownership B-2
B-6. Equipment and Fixtures Included in Sale B-15
B-7. Prices Set By Sponsor Without Governmental Approval B-15
B-8. All Material Terms Disclosed B-15
B-9. Who May Purchase B-15
B-10. Caveat B-15
B-11. Glossary B-15

SECTION C. DESCRIPTION OF THE PROPERTY AND IMPROVEMENTS C-1
C-1. The Property, Services and Amenities C-1
C-2. Applicable Laws C-6
C-3. Construction Schedule C-6

SECTION D. LOCATION AND AREA INFORMATION D-1
D-1. Property Location and Surrounding Areas D-1

SECTION E. OFFERING PRICES AND RELATED INFORMATION E-1
E-1. SCHEDULE A E-1

SECTION F. BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION (SCHEDULE B) F-1
F-1. Projected First Year F-1
F-2. Revised Budget; Rescission F-1
F-3. Allocation and Apportionment of Expenses F-1
F-4. Budget Procedure F-6
F-5. Budget Certification F-6
F-6. Schedule B F-7
F-7. Schedule B-1: Unit Utility Projections F-27

SECTION G. OPINION ON COMPLIANCE WITH REAL PROPERTY LAW SECTION 339(i) G-1

SECTION H. RETAIL UNIT H-1
H-1. Uses and Shared Expenses H-1
H-2. Common Charges H-1
H-3. Changes in Use H-1
H-4. Subdivision and Other Unit Changes H-1
H-5. Common Charges H-1
H-6. Declaration and By-Laws H-2
H-7. Rights and Obligations H-2

SECTION I. CHANGES IN PRICES AND UNITS I-1
I-1. Changes in Offering Prices I-1
I-2. Offering Prices and Price-Related Terms are Negotiable I-1
I-3. Impact of Changes on Other Purchasers I-1
I-4. Changes in Units I-2
I-5. Compliance with Part 20 ..... I-2
I-6. Terms of Unit Changes I-3
I-7. Rights of Owners of Unsold Units and Retail Unit I-5

SECTION J. INTERIM LEASES J-1
J-1. Sponsor's Exclusive Option to Rent to Purchaser J-1
J-2. No Rent Laws Applicable to Interim Lease J-1
J-3. Cross-Default Provision J-1
J-4. 30 Days to Vacate J-1

SECTION K. PROCEDURE TO PURCHASE K-1
K-1. Procedure to Purchase K-1
K-2. Statutory Requirement K-2
K-3. Escrow; Trust Fund K-2
K-4. Lien Law Section 71-a(3) K-6
K-5. Special Risks K-6
K-6. "Time is of the Essence" Provisions K-7
K-7. Closing Date K-7
K-8. Projected Date of First Closing K-8
K-9. Purchaser's 30 Day Grace Period K-8
K-10. Unit Owner's Power of Attorney K-8
K-11. Period to Review Plan and Amendments K-9
K-12. Risk of Loss K-9
K-13. Purchase and Sale Agreement K-9
K-14. No Mortgage Financing Contingency K-9
K-15. Plan Governs K-9
K-16. Sponsor's Period to Accept or Reject Purchase and Sale Agreement K-9
K-17. No Waiver or Abrogation of Article 23-A of GBL K-10
K-18. Restriction Against Assignment K-10
K-19. Events of Default K-10
K-20. Sponsor's Remedies on Purchaser's Default K-11
K-21. Purchaser's Remedies on Sponsor's Default or Inability to Perform K-11
K-22. Release of Claim K-12
K-23. Purchaser's Closing Costs and Apportionments K-12
K-24. Closing Payments and Documents K-12
K-25. Possession K-13
K-26. State of Title K-13
K-27. Personal Property Included in Sale K-13
K-28. Pre-Closing Inspection of the Unit By Purchaser K-14
K-29. Prices and Price-Related Terms are Negotiable K-15
K-30. Broker K-15
K-31. Abandonment of Plan K-15
K-32. Purchaser's Representations K-15
K-33. Lawsuits K-15
K-34. Purchase and Sale Agreement Is Not a Lien K-15
K-35. Prohibition Against Advertising K-16

SECTION L. EFFECTIVE DATE L-1
L-1. Requirement of Effectiveness L-1
L-2. Procedure to Declare Plan Effective L-1
L-3. Minimum Percentage of Sales L-1
L-4. Purchase and Sale Agreements Excluded from Effectiveness L-1

L-5. Effective When 80% Sold L-2
L-6. Abandonment Prior to Effectiveness L-2
L-7. Abandonment After Effectiveness L-2

SECTION M. TERMS OF SALE M-1
M-1. Deed M-1
M-2. Risk of Loss M-1
M-3. Certificate of Occupancy M-1
M-4. Title Exceptions M-1
M-5. Personal Property M-6
M-6. Condominium Documents M-6
M-7. Existing Mortgages M-7

SECTION N. UNIT CLOSING COSTS AND APPORTIONMENTS N-1
N-1. Closing Costs and Apportionments N-1
N-2. Mortgage Tax Credit N-5
N-3. Fees of Sponsor's Attorney and Lender's Attorney N-6
N-4. Real Estate Taxes N-6

SECTION O. RIGHTS AND OBLIGATIONS OF THE SPONSOR O-1
O-1. Rights of Sponsor O-1
O-2. Obligations of Sponsor O-10

SECTION P. CONTROL BY THE SPONSOR P-1
P-1. Sponsor's Voting Control P-1
P-2. Sponsor Veto Control P-2

SECTION Q. BOARD OF MANAGERS Q-1
Q-1. Condominium Board; Elections; Term; Unit Owner's Meetings Q-1
Q-2. Initial Board Member and Officers Q-3
Q-3. Indemnification and No Personal Liability Q-4
Q-4. Compensation Q-5
Q-5. Election and Removal of Officers; Removal of Board Members Q-5
Q-6. Computation of Votes Q-7
Q-7. Amendments to Declaration or By-Laws Q-7
Q-8. Board Meetings Q-9
Q-9. Quorum Q-10
Q-10. Requirements for Board Decisions Q-10
Q-11. Requirements for Unit Owners' Decisions Q-11

SECTION R. RIGHTS AND OBLIGATIONS OF THE UNIT OWNERS AND THE BOARD OF MANAGERS R-1
R-1. Sale or Lease of Units by Unit Owners R-1
R-2. Mortgaging of Units by Unit Owners R-5
R-3. Common Charges and Special Assessments R-5
R-4. Repairs R-9
R-5. Additions, Alterations and Improvements R-13
R-6. Insurance R-15
R-7. Restrictions on Occupancy and Use R-18
R-8. Remedies R-20

R-9. Arbitration R-21
R-10. Rules and Regulations R-21
R-11. Successors and Assigns R-22
R-12. Termination of Condominium R-22
R-13. Incurring Debt R-23
R-14. Real Property Law Section 339-kk R-23

SECTION S. REAL ESTATE TAXES S-1
S-1. Separate Assessment of Units S-1
S-2. Present and Projected Real Estate Taxes S-2
S-3. Projected Assessed Valuation After Completion of Construction S-3
S-4. Changes in Assessed Valuation S-4
S-5. Tax Certiorari Proceedings S-5
S-6. By-Law Provision on Review of Assessment S-5
S-7. Real Estate Tax Benefits S-6
S-8. Haims and Kramer Levin Opinions S-9

SECTION T. OPINIONS OF COUNSEL T-1
T-1. Opinion on Tax Deductions to Unit Owners T-1
T-2. Tax Status of Condominium T-1
T-3. Caveat T-1
T-4. Disclaimer T-1
T-5. RPL Section 339-i Opinion T-2
T-6. Opinion on Income Tax Deductions to Residential Unit Owners and Tax Status of the Condominium T-3
T-7. Opinion Regarding Compliance with Real Property Law Section 339-i T-13

SECTION U. RESERVE FUND U-1
U-1. No Reserve Fund U-1
U-2. Budget Reserves for Contingencies and Capital Items U-1
U-3. Sources to Finance Capital Items U-1

SECTION V. WORKING CAPITAL FUND V-1
V-1. Amount of Working Capital Fund V-1
V-2. Funding of Total Amount of Working Capital Fund V-1
V-3. Use of Working Capital Fund V-2
V-4. Sources to Finance Capital Items V-2
V-5. Adequacy of Working Capital Fund V-2

SECTION W. MANAGEMENT AGREEMENT, CONTRACTS AND LEASES W-1
W-1. Management Agreement W-1
W-2. Other Contracts and Leases W-4
W-3. Sponsor's Limited Right to Bind Condominium Board W-4

SECTION X. IDENTITY OF PARTIES X-1
X-1. Sponsor X-1
X-2. Other Cooperative and Condominium Offerings X-1
X-3. Sponsor's Attorneys and Real Estate Tax Appraiser X-1
X-4. Managing Agent X-2
X-5. Selling Agent X-2

X-6. Architect and Other Construction Professionals X-2
X-7. Real Estate Brokerage Expert X-3
X-8. Relationship to Sponsor or Sponsor's Principals X-3

SECTION Y. REPORTS TO UNIT OWNERS Y-1
Y-1. Annual Financial Statements, Meetings and Budgets Y-1

SECTION Z. DOCUMENTS ON FILE Z-1
Z-1. Plan, Amendments and Condominium Documents Z-1

SECTION AA. GENERAL AA-1
AA-1. Litigation AA-1
AA-2. No Prior Cooperative or Condominium Offering of Property AA-1
AA-3. Compliance with Civil Rights Laws AA-1
AA-4. Amendments AA-1
AA-5. Use or Enjoyment of Property AA-1
AA-6. Contents of Plan AA-2

SECTION BB. RESERVATION OF AIR AND DEVELOPMENT RIGHTS BB-1

SECTION CC. SPONSOR'S STATEMENT OF SPECIFICATIONS CC-1
CC-1. Report On Description of Property and Specifications CC-1
CC-2. New Construction CC-1
CC-3. Certificate of Occupancy CC-1
CC-4. Official Inspection Reports CC-1

PART II

Document		Page
1.	PURCHASE AND SALE AGREEMENT	DOC 1-1
1A.	PURCHASE APPLICATION	DOC 1A-1
1B.	FORM W-9 REQUEST FOR TAXPAYER IDENTIFICATION NUMBER	DOC 1B-1
1C.	FORM W-8 CERTIFICATE OF FOREIGN STATUS	DOC 1C-1
1D.	ESCROW AGREEMENT	DOC 1D-1
1E.	DISPUTE RESOLUTION APPLICATION	DOC 1E-1
2.	UNIT OWNER'S POWER OF ATTORNEY	DOC 2-1
3.	FORM OF UNIT DEED	DOC 3-1
4.	DESCRIPTION OF PROPERTY AND SPECIFICATIONS	DOC 4-1
5.	FLOOR PLANS	DOC 5-1
6.	DECLARATION OF CONDOMINIUM	DOC 6-1
7.	CONDOMINIUM BY-LAWS	DOC 7-1
8.	CERTIFICATIONS:	
	A. SPONSOR AND SPONSOR'S PRINCIPAL	DOC 8A-1
	B. SPONSOR'S ARCHITECT	DOC 8B-1
	C. SPONSOR'S EXPERT CONCERNING ADEQUACY OF BUDGET	DOC 8C-1
	D. SPONSOR'S EXPERT CONCERNING ADEQUACY OF COMMON CHARGES PAYABLE BY THE RETAIL UNIT OWNER	DOC 8D-1
9.	OPINION ON MARKET RATE MANAGEMENT FEE	DOC 9-1

SECTION A. SPECIAL RISKS

The special risks summarized below are explained more fully in other sections of this Offering Plan ("**Plan**"). The entire Plan must be read to completely understand these and other material aspects of this offering. See Section B, subsection "B-11 Glossary" for the definitions of the frequently used words not expressly defined in this or other Sections of this Plan (whether initial uppercase or lowercase), as well as for the full meanings of the words defined in this and other sections of this Plan.

A-1. Retail Unit.

A-1.1. Changes in Use: The Building is initially planned to contain one Retail Unit at ground level. The Retail Unit is not yet leased as at this writing. The Retail Unit is not restricted to any particular use and may be used and changed to be used from time to time, Freely and Without Consent, Payment or Restriction, by the Owner of the Retail Unit (including Sponsor) for any lawful purpose, except: (a) no Unit may be used for: (a-1) any use that impairs or threatens the structural integrity of the Building or the life, health or safety of Owners, tenants or occupants of Units; (a-2) any use that violates applicable Laws; or (a-3) any use that results in the cancellation or a notice of cancellation of insurance maintained by the Condominium Board; and (b) no Sold Residential Unit or Sold Storage Unit and no portion of the Common Elements or the Immediately Adjacent Sidewalks to the Residential Space may be used in a manner that is an unreasonable nuisance to other Unit Owners or an unreasonable interference with the peaceful possession or proper use or Operation of the Units or the Common Elements for their intended or permitted purposes as stated in this Plan and the Condominium Documents (all of the foregoing are collectively, "**Prohibited Uses**"). The Retail Unit may be used as one (1) or more art galleries, restaurants, food stores, clothing stores, banks and other retail establishments, whether or not similar to the foregoing. The permitted uses of the Retail Unit may be noisy, emit odors, involve heavy traffic and cause other effects that need not be compatible with the primary use of the Building for dwelling purposes. See Section H, subsections H-1 and H-3 for discussion.

A-1.2. Common Expenses: The Condominium Association's expenses shall be specially allocated and apportioned to the Residential and Storage Units and to the Retail Unit based on special or exclusive use or availability or exclusive control of particular Units or common areas by particular Unit Owners and not based on their respective Common Interests as provided in Sections 339-i and 339-m of the Condominium Act (see Section B, subsection B-5.3 below). As a result, the Retail Unit is projected to pay approximately 2.1067% of the Common Expenses budgeted for the first year of Condominium operation, which is less than its Common Interest of 7.2812% (see Schedule B at subsection F-6 of Section F below).

A-2. Subdivision of Retail Unit. The Owner of the Retail Unit will have the unfettered and unconditional right, Freely and Without Consent, Payment or Restriction, to subdivide the Retail Unit into two or more Retail Units. See Section H, subsection H-4 for discussion.

A-3. Federal Bank Deposit Insurance. Deposits of Purchasers will be kept in a segregated attorneys special escrow account at Valley National Bank ("**Depository**"), which is covered by federal bank deposit insurance in the maximum amount of $100,000. To the extent a Purchaser's Deposit exceeds $100,000, the excess will not be federally insured and Purchaser will bear the

sole risk of any loss resulting from the failure of the Depository. See Section K, subsection K-3.1 for discussion.

A-4. Contract Deposits; Liquidated Damages.

A-4.1. Contract Deposit: Purchaser is to pay an Initial Deposit of 10% of the Purchase Price on signing the Purchase and Sale Agreement and an Additional Deposit of 15% of the Purchase Price 15 calendar days after Purchaser either is given a written notice or an Effectiveness Amendment (as applicable) wherein Sponsor declares the Plan effective. If, however, the Plan is already declared effective when Purchaser signs the Purchase and Sale Agreement, the 15% Additional Deposit is payable within 15 calendar days after the fully executed Purchase and Sale Agreement is returned to Purchaser.

A-4.2. Liquidated Damages: If a Purchase and Sale Agreement is cancelled based on a default by Purchaser that is not cured within 30 days after written notice of the default is given to Purchaser and the Plan is consummated with the First Closing of a Residential Unit to a bona fide Purchaser, Sponsor's sole remedy shall be: (a) to retain as "liquidated" (i.e., agreed upon) damages, Purchaser's Deposit (but not to exceed 25% of the Purchase Price) together with the interest earned thereon, plus any payment given for alterations, upgraded appliances, equipment or cabinets, or other work (collectively "**special work**") ordered by Purchaser (but not to exceed the actual costs thereof); and (b) to recover the actual Costs and Expenses incurred by Sponsor: (b-1) for such special work (to the extent the payment given therefor, if any, is insufficient), (b-2) to restore the Unit to the condition existing or originally planned to be constructed prior to undertaking the special work, and (b-3) to enforce this provision and collect such amounts. Sponsor, however, may not seek specific performance of the Purchase and Sale Agreement. See Section K, subsections K-5(a) and K-20 for discussion.

The "liquidated damages" provision limits Purchaser's liability and avoids Purchaser potentially paying Sponsor higher actual damages caused by Purchaser's default (e.g., due to a sale at a price lower than Purchaser's price and added carrying costs, among others) and is an agreement by the parties that the foregoing amounts are fair, reasonable and just compensation under the circumstances. The provision nonetheless is subject to review by a court or other authority having jurisdiction as to whether the liquidated amount is an unenforceable penalty designed to coerce performance of a Purchaser. See Section K., subsection K-3.8 for discussion of Attorney General's dispute resolution procedure.

A-5. Special Work Payment. If the Purchase and Sale Agreement is cancelled following Purchaser's exercise of a right to rescind or to cancel and the Deposit is returned to Purchaser, any payment given by Purchaser for special work will be refunded to Purchaser if, and only to the extent, such payment exceeds the actual Costs and Expenses paid or incurred to perform said special work and to restore the Unit to its condition existing or originally planned to be constructed before undertaking the special work ("**Net Refundable Special Work Payment**"). See subsections C-1.3, F-2, K-1.6, K-8, K-21, K-31 and M-2 for discussion.

A-6. "Time of the Essence" Provisions under Purchase and Sale Agreement and Plan. All time periods in the Purchase and Sale Agreement or this Plan expressly stated to be a deadline or "TIME OF THE ESSENCE" period or similar words mean that the specified period in which

Purchaser must pay or perform an obligation or act, or provide access to Purchaser's Unit to allow punch list work to be performed, or give a notice is an absolute deadline and cannot be extended by Purchaser, regardless of any inability or other excuse for the delay. For example, under the Purchase and Sale Agreement, if Purchaser defaults, Purchaser will be afforded a grace period of 30 calendar days from giving Purchaser notice of the default within which Purchaser must cure the default. The 30 day grace period is an absolute deadline or "TIME OF THE ESSENCE" period. This means that if the default is not timely cured by Purchaser within the 30 calendar day period (regardless of inability or other excuse for not timely curing the default), the Purchase and Sale Agreement will be cancelled and Purchaser will lose Purchaser's Deposit. See Section K, subsections K-5 and K-28.3 below for discussion.

A-7. Sponsor Voting Control of Condominium Board. Sponsor will have the exclusive right to designate and appoint a majority of the Condominium Board (including a majority of the Residential Board Members) and thereby have "voting control" of the Condominium Board for five (5) years from the First Closing of a Residential Unit or whenever the Unsold Residential and Storage Units constitute less than fifty percent (50%) in number and Common Interest of all Residential and Storage Units, whichever is sooner ("**Sponsor Board Control Period**"). After the end of the Sponsor Board Period, Sponsor will no longer have the right to nominate candidates to serve as the Independent Board Members (who will then constitute a majority of the Board Members) and thus Sponsor shall not thereafter exercise voting control of the Board. Nonetheless, Sponsor will continue to have the right, as Owner of one or more Unsold Residential Units, to vote for the Independent Board Members and to exclusively designate and appoint at least one (1) Sponsor Board Member (see Section P, subsection P-1 below). In order to assure, however, that Owner-occupants will have voting control of the Board when Sponsor's voting control ends, the By-Laws require a majority of the Condominium Board to be Owner-occupants or members of their household who have no relationship to Sponsor or its principals (whether by blood, marriage or adoption, or as a business associate, an employee, a shareholder or a limited partner) at all Board elections held after the end of the Sponsor Board Control Period. See Section Q, subsection Q-1 below. Prospective Purchasers should be aware that as a result of Sponsor's voting control over the Board during the Sponsor Board Control Period, Owner-occupants and Sponsor may have inherent conflicts on how the Property should be managed because Owner-occupants purchase Residential Units as a home and Sponsor owns the Unsold Residential Units as an investment.

A-8. No Mortgage Financing Contingency. Purchaser's obligations to purchase is not contingent upon obtaining financing. As a result, Purchaser will not be excused from his or her obligation to pay the full Purchase Price of the Unit on the date scheduled by Sponsor for Closing Title, regardless of Purchaser's ability to obtain mortgage financing and notwithstanding that any loan commitment Purchaser may have obtained expires prior to Closing of Title.

A-9. Financing Risks. Purchaser may not cancel based on inability to obtain or close a loan. As a result, if Purchaser is relying upon financing, Purchaser will assume the risks of meeting all conditions and requirements of the lender to obtain and fund the loan on the date set by Sponsor for Closing of Title under the Purchase and Sale Agreement, including conditions and requirements that may be beyond Purchaser's control. These risks include the following: (a) meeting all requirements concerning Purchaser (for example, Purchaser's income, financial condition, employment status, sale of an existing residence, etc.) and any adverse changes in

meeting these requirements that may occur between the issuance and funding of the loan commitment; (b) meeting a requirement for a certain percentage of Residential Units to be "owner-occupied" (some Institutional Lenders may require up to 50% of the Units to be "owner-occupied"); and (c) losing a "lock-in" interest rate because the Closing of Title under Purchaser's Purchase and Sale Agreement fails to occur before the expiration of the period within which the loan must close to obtain the locked-in rate. Purchaser also assumes the risk of adverse changes in the terms of the loan that may occur before the closing of the loan and paying additional amounts to extend the loan commitment period. By assuming these risks, Purchaser will not be excused from the obligation to purchase without abatement in the Purchase Price and without recourse against Sponsor or the Selling Agent. Sponsor and Selling Agent do not represent, assure or guarantee that a Purchaser will succeed in obtaining mortgage financing from an Institutional Lender or other independent sources, or (if Purchaser succeeds) the terms or costs of such financing, or whether the Closing of Title will occur before the loan commitment or any lock-in rate expires, or (if it expires) whether the commitment will be extended or the costs to obtain an extension or the terms and conditions thereof, which may be less favorable than the original commitment. See subsection A-10 and Section K, subsection K-14 for further discussion.

A-10. Resale Risk. A Purchaser may have difficulty in reselling his or her Unit if the prospective buyer is relying upon financing and is unable to obtain or close a loan because the Building does not then meet the lender's requirement (if any) for "owner-occupied" Units. See subsection A-11 for discussion.

A-11. Occupancy of Residential Units By Renters. Sponsor intends to sell rather than rent Residential Units, preferably to Purchasers for personal occupancy by themselves or their families, but may freely sell to Purchasers for rental investment. Sponsor reserves the unfettered and unconditional right, Freely and Without Consent, Payment or Restriction (except as herein provided), if market prices decline by 15% or more below the prices set forth in Purchase and Sale Agreements counted or to be counted toward effectiveness, to rent Residential Units, except Sponsor shall not use the Building as a hotel and, accordingly, any rental will be for an initial minimum interim of at least (6) months. Sponsor shall not rent on a daily or weekly basis. If Sponsor rents the Residential Units, Sponsor will resume sales rather than rent when the market prices upturn above said 15% threshold. At such time, Sponsor will cease to rent Residential Units and shall not offer to extend or renew then existing leases when they expire. Sponsor will make good faith efforts to sell the Units. To this end, Sponsor will permit its exclusive Selling Agent to multi-list Residential Units with brokers and show the Units to brokers and prospective Purchasers or their representatives; Sponsor will file updating Amendments to the Plan, and otherwise engage in customary sales activities to sell the Residential Units at prices above said 15% threshold. Prospective Purchasers should nevertheless be aware that they potentially may be living with transient tenants for an indefinite period, depending upon market conditions, while Sponsor continues to endeavor in good faith to sell Residential Units at prices above said 15% threshold. Transient tenants will receive the same Building services and use the Building's amenities (e.g., the lobby) as Owner-occupants. However, they have no investment in their Units and, therefore, do not share the same economic interests as Owner-occupants in the maintenance and care of the Building's facilities and amenities. See Section B, subsection B-4, and Section O, subsection O-1.3 below.

A-12. Real Estate Tax Exemption Benefits. In the opinion of Kramer Levin Naftalis & Frankel LLP ("**Kramer Levin**"), the Residential, Storage and Retail Units will be eligible for partial real property tax exemption benefits under Section 421-a of the Real Property Tax Law and related provisions of the New York City Administrative Code and the rules of the New York City Department of Housing Preservation and Development (collectively, "**Section 421-a Program**"), assuming the accuracy of certain representations made by the Sponsor and that various requirements of the Section 421-a Program are timely met. Under the Section 421-a Program, the increase in a property's assessed valuation resulting from construction of a new multiple dwelling over the "Prior Assessed Valuation" (defined below) will be exempt or partially exempt from taxation during the construction period (but not more than three (3) years) and continuing thereafter for the ten (10) fiscal tax year period following "completion of construction" (defined below). The term "**Prior Assessed Valuation**" means the taxable assessed valuation of the land and improvements thereon during the tax year preceding commencement of construction, which Kramer Levin advises in its opinion letter would be $166,106 for the entire Property. The term "**completion of construction**" means the issuance of a temporary or permanent Certificate of Occupancy for all residential apartments in the new multiple dwelling, as determined on January 5th (the so-called "taxable status date") of the year preceding the fiscal tax year (which begins on July 1st and ends the following June 30th).

Thus, if the Building's temporary Certificate of Occupancy for all Residential Units or permanent Certificate of Occupancy is in effect after January 5, 2009 and on or prior to January 5, 2010, as presently targeted, the said ten (10) year post-construction exemption period would be in effect during fiscal tax years 2010/2011 through 2019/2020. In the event said temporary Certificate of Occupancy for all Units or permanent Certificate of Occupancy is in effect on or prior to January 5, 2009, the said ten (10)-year post-construction exemption would be in effect instead during fiscal tax years 2009/2010 through 2018/2019.

For the period ending two (2) years following completion of construction, 100% of said increase in assessed valuation over the Prior Assessed Valuation allocable to the Residential, Storage and Retail Units would be exempt from taxation. Thereafter, the amount of such increase in assessed valuation over the Prior Assessed Valuation exempt from taxation applicable to all Units will decrease by 20% every two (2) years ("**Non-Exempt Amount**"), starting with the third fiscal tax year following completion of construction. The exemption will end and full taxes will be payable starting with the eleventh fiscal tax year following completion of construction. Throughout the construction period and such ten (10) year period, the Property and Units will be assessed real estate taxes based on: (a) the Prior Assessed Valuation multiplied by the then applicable tax rates; (b) real estate taxes on the Non-Exempt Amount of said increase in assessed valuation over the Prior Assessed Valuation resulting from construction of the new Building (as such Non-Exempt Amount increases by 20% every two years as aforesaid); plus (c) assessments for local improvements (if any).

To the extent the commercial, community facility and accessory use space in a newly constructed building exceeds 12% of the aggregate floor area of the building, the percentage of exemption will correspondingly be reduced. Here, the commercial, community facility and accessory use space is not projected to exceed said 12% threshold. See footnote 6 to SCHEDULE A in Section E below for further details and see Section S, subsection S-8 for text of said attorney's opinion.

Sponsor, Selling Agent and Kramer Levin do not assure, represent or guarantee that the Property will be eligible for Section 421-a Program partial tax exemption benefits, or (if it is eligible) when such benefits will commence, or the amount of such benefits, or the amount of real estate taxes payable during the first or subsequent years of Condominium operation.

A-13. Real Estate Tax Projection. The real estate tax projections in SCHEDULE A (in Section E below) are based on the estimated *post-completion of construction* assessment for the fiscal tax year **7/1/09** to **6/30/10**, which Jerome Haims Realty, Inc. ("**Haims**") estimates at $367,000 for all Residential Units, $765 for all Storage Units and $338,000 for the Retail Unit (all amounts are rounded) *exclusive* of any Section 421-a partial tax exemption benefits that might apply. See footnote (6) to SCHEDULE A (in Section E), and Section S, subsections S-2 and S-3 below. In addition, for purposes only of presenting the projected real estate taxes in SCHEDULE A, the Property's projected assessed valuation allocated to all Residential Units and all Storage Units, as estimated by Haims, has been apportioned to each Residential and Storage Unit Pro Rata to its Common Interest. The methodology used by the taxing authority to apportion the assessed valuation of the Property among the Units is uncertain. The taxing authority, for example, may use Common Interest, the initial offering prices of Units in SCHEDULE A, the actual Purchase Prices of Units (which will likely vary from their initial offering prices and are a truer indicator of value, but not necessarily used by the taxing authority), square footage or overall size. Accordingly, the actual apportionment of the assessed valuation of the entire Property to each Unit will likely vary, perhaps substantially, from the projections used in estimating the real estate taxes of Units in SCHEDULE A. Prospective Purchasers also should be aware that improvements a Purchaser makes to his or her Unit may increase its assessed valuation, resulting in higher real estate taxes.

While Haims has had considerable experience in real estate tax appraisals, Sponsor, Selling Agent and Haims do not assure, represent or guarantee: (a) the accuracy of the real estate tax projections, or (b) the actual assessed valuation of the Property upon completion of construction of the Building and the Units, or (c) the actual allocation of the Property's assessed valuation to each category of Units or to each Unit or (d) the actual tax rates for any tax period during Condominium operation. See footnote (6) to said SCHEDULE A for details of Haims' projections and Section S, subsection S-8, for the full text of its opinion and the assumptions and estimates upon which it is predicated.

A-14. Certain Closing Costs.

A-14.1. Delinquency, Sponsor's Attorney's Fee and Travel Closing Costs. If a Purchaser fails to Close Title on the date set by Sponsor in accordance with this Plan and the Purchase and Sale Agreement, or Purchaser is at fault for causing Sponsor to postpone the date scheduled by Sponsor for Closing (e.g., Sponsor postpones the Closing to remove a title condition because Purchaser fails to timely send Sponsor's attorney written notice of an objection to title at least 10 days prior to the date set by Sponsor for Closing, see Section K, subsection K-26), Purchaser will reimburse Sponsor at Closing for the Unit's Common Charges and real estate taxes (less any rent for the Unit collected by Sponsor) for the period the Closing is delayed, plus per diem interest on the Purchase Price at the rate of 12% per annum, prorated for each day during such period of delay, to compensate Sponsor for loss of potential earnings on the Purchase Price. Purchaser also will pay Sponsor's designated attorney $250 for each default notice and $250 for each time

the closing is rescheduled through no fault of Sponsor. Purchaser will pay the closing fee of Sponsor's attorney of $2,000 (if Purchaser closes without financing) or $2,500 (if Purchaser closes with financing). If any additional services are required to clear title, Purchaser also will pay Sponsor's designated attorney $500 for legal services in connection therewith. If Purchaser's Institutional Lender or attorney refuses to close title at the office of Sponsor's attorney, Purchaser will pay a travel fee to Sponsor's attorney of $350 (if the closing is held in Manhattan) or $500 (if the closing is held elsewhere in New York City). See section N, subsection N-1 below.

A-14.2. Transfer Taxes. At Closing of Title, Purchaser will pay (among other things) the New York City and State transfer taxes, including the portions thereof imposed by statute on Sponsor. When these taxes are paid by Purchaser, the transfer taxes are computed on a sum equal to the Purchase Price plus the transfer taxes, which essentially is a "tax on a tax". In addition, if Purchaser buys two or more Units (e.g., a Residential Unit and a Storage Unit) the transfer tax for all Units may be computed at the then applicable commercial tax rate, which currently is higher than the residential rate. See Section N, subsection N-1.1 for discussion.

A-14.3. Working Capital Payment. At Closing of Title, each Purchaser will be required to make a contribution to a Condominium Association's Working Capital Fund in an amount equal to one (1) month's projected Common Charges for each Unit being purchased, as shown in the Offering Price Schedule (SCHEDULE A in Section E below), as such projection may change in an Amendment to this Plan filed prior to the First Closing of a Residential Unit. Sponsor will advance an initial contribution of $17,000 to the Working Capital Fund at the First Closing of a Residential Unit and will be reimbursed therefor from the first Working Capital Fund contributions made by Purchasers. See Section V, subsection V-3, for use of Working Capital Fund.

A-15. Suspension of Voting Rights. Under the By-Laws, if the Condominium Board perfects its lien against a Sold Unit for unpaid Common Charges, then until the lien is paid or discharged by bonding or otherwise, the Owner of such Sold Unit will not have the right to nominate candidates to serve on the Condominium Board or vote for election of the Condominium Board. See Section Q, subsection Q-6 for full discussion.

A-16. Restriction on Ownership of Storage Units. Ownership of a Storage Unit is restricted to Sponsor or an Owner of a Residential Unit. As a result, a Purchaser of both a Residential Unit and a Storage Unit may only sell or transfer the Storage Unit to another Residential Unit Owner or, upon the resale or transfer of the Owner's Residential Unit, to the purchaser on such resale or the succeeding Owner on a transfer. See Section B, subsection B-5.5.2 for discussion.

A-17. Cancellation of Interim Lease. If an "Interim Lease" is entered into with a Purchaser for a Residential Unit and the "Interim Lease" is cancelled because of an uncured default or the election by the "Interim Tenant-Purchaser" to rescind pursuant to the terms of the Purchase and Sale Agreement or an offer to rescind in a Plan Amendment, such "Interim Tenant-Purchaser" will have only 30 calendar days thereafter to surrender vacant possession of the Unit. The 30 calendar days is a "TIME OF THE ESSENCE", or deadline, period. If the "Interim Tenant-Purchaser" fails to timely surrender vacant possession of the Unit within such 30 day period (regardless of inability or other excuse for not timely doing so), he or she will be liable to

Sponsor for all Costs and Expenses incurred by Sponsor for the delay and to recover vacant possession of the Unit. See Section J, subsections J-3 and J-4 for discussion and definitions of the quoted terms.

A-18. Board Consent Required for Lease Term of Less Than One (1) Year. The Owner of a Sold Residential Unit ("**Sold Residential Unit Owner**") may not lease his or her Unit for less than one (1) year to other than a member of the Owners' immediate family, without obtaining the prior written approval or consent of the Condominium Board, whose approval or consent is discretionary and may be conditioned, denied or withheld by the Board without cause or explanation and without recourse of any kind against the Board by reason thereof (herein called "**Discretionary Approval or Consent**"). This restriction does not apply to Unsold Residential Units, Unsold Storage Units or the Retail Unit. See Section R, subsection R-1.1.

A-19. Alterations and Decorations of Terraces and Windows. In order to protect the structural integrity and weather tightness of the Building and the safety of lower floors as well as the sidewalks adjacent to the Building, and to preserve the architectural and aesthetic harmony of the Building's façade and minimize possible unsightliness, the Terrace appurtenant to a Sold Residential Unit, the parapets, copings, railings and all other Roof Structures in, under and enclosing such Terrace, and the windows of a Sold Residential Unit may not be Altered, replaced, enclosed, partitioned, painted, landscaped, furnished or Decorated without obtaining the prior written Discretionary Approvals or Consents of both Sponsor (during only the Sponsor Veto Control Period and until issuance of the permanent Certificate of Occupancy of the Building) and the Condominium Board. For similar aesthetic purposes, the glass surfaces of windows of Sold Residential Units may not be colored, painted or covered, except window shades, blinds, curtains and other window treatments which are light colored or have light colored backings facing the outdoors in conformity with the rules established from time to time by Sponsor (during only the Sponsor Veto Control Period) and the Condominium Board will be permitted. The foregoing restrictions do not apply to Unsold Residential and Storage Units or the Retail Unit, which may be Altered and Decorated Freely and Without Consent, Payment or Restriction, other than the requirement to comply with the applicable Work Requirements set forth in Article 15 of the Declaration. See Section R, subsection R-7.2.

A-20. Status of Amenities at First Closing. The First Closing will likely be held when a temporary Certificate of Occupancy is issued and before all work is completed in order to obtain the permanent Certificate of Occupancy, as well as before completion of the furnishing, outfitting and other Decorations of the 515 West 23rd Street Building entrance, the lobby desk, the lobby, the public or common areas, the recreational facility and other amenities. See subsections A-21 "Inconveniences and Amenities" and Section C, subsection C-3.

A-21. Construction Easements, Hours, Disruptions; Inconveniences and Amenities.

Easements: In order to permit Sponsor to complete construction necessary for the issuance of a permanent Certificate of Occupancy and to perform other construction obligations under the Plan or a Purchase and Sale Agreement, Sponsor and Sponsor's contractors, subcontractors, construction workers and representatives shall have the following rights and easements, among others, with respect to the Common Elements after the First Closing of a Residential Unit: (a) a right and easement of access to, and use of, the Common Elements (including preferential and

priority use of the elevator); (b) a right and easement to transport on, across and through the Common Elements, and to temporarily store construction equipment, materials, supplies and debris on portions of the Common Elements considered appropriate by Sponsor or Sponsor's contractors; and (c) the right to temporarily interrupt Building services (including water, heating, cooling, electric, gas, ventilation, plumbing and other Building Systems). Sponsor will endeavor to minimize inconveniencing residents of the Building.

Hours: Sponsor's contractors, subcontractors and construction workers shall have the right to perform Work on Mondays to and including Saturdays, from 8:00 a.m. to 5:00 p.m., except that especially noisy Work will not begin before 8:30 a.m., and except further that Work may be performed at any time and on any day in the case of an emergency or to correct a condition that threatens the life, health or safety of Building occupants or to protect property or to provide a required Building service.

Disruptions: After the First Closing of a Residential Unit, portions of the Common Elements and Units will still be undergoing construction, equipping, outfitting and Decorating, which may extend up to possibly a year or more. During this period, the electrical, plumbing, elevator and other HVAC/Mechanical/Utility/Building Systems may be temporarily disrupted from time to time as Work is performed or Systems are balanced and adjusted.

Inconveniences and Amenities: During the course of completing the construction and build-out of the Common Elements and the Units after the First Closing of a Residential Unit, Unit Owners in occupancy may experience construction noise, dust, debris, temporary interruptions in service and other inconveniences from time to time. In addition, portions of the Common Elements, including the lobby, elevator cab and residential corridors may not be painted or contain the planned wall or floor finishes or Decorations, or may be covered with padding or other protections for this interim period. Also, certain amenities, such as the recreation room, may not start to become available, and the working hours of the Building staff may be reduced, until at least 50% or more of the Residential Units are occupied, subject to delays caused by completion of the Units and punch list work (which will have the highest priority) or Unavoidable Causes.

A-22. Sponsor's Financial Resources for Construction and Carrying Costs of Unsold Units. Sponsor represents that it has the financial resources: (a) to complete all planned construction of the Units and Common Elements in order to obtain a permanent Certificate of Occupancy for the Building; and (b) to pay for all "carrying costs" (namely, Common Charges, Special Assessments (if any) of the Condominium Board and real estate taxes) of Unsold Units. No bond or security is being provided to secure Sponsor's obligations for said construction or carrying costs. Accordingly, Sponsor's ability to meet these obligations will depend on Sponsor's financial resources if and when called upon to perform. See Section O, subsection O-2.3 for further discussion.

A-23. Prohibition Against Advertising. Purchaser is prohibited from advertising or publicizing the availability of Purchaser's Unit(s) for sale or lease prior to Closing of Title. See Section K, subsection K-35 for further discussion.

A-24. Risk of Loss. If and when Purchaser is given possession of a Unit prior to Closing of Title pursuant to an Interim Lease, Purchaser shall assume the risk of loss to the Unit from fire or other casualty to the extent the loss is not covered by insurance maintained by Sponsor or (after the First Closing of a Residential Unit) the Condominium Board. Purchaser also shall assume the risk of loss to the Unit's contents and Purchaser's personal property and should consider obtaining, at Purchaser's expense, insurance to insure Purchaser against such loss. See Section K, subsection K-12 below.

A-25. Limited Period to Send Notice of Claim or Latent Construction Defect.

A-25.1. Notice of Claim: Sponsor's agreement to indemnify the Condominium Board and Unit Owners from and against suits or proceedings arising out of Sponsor's acts or omissions is conditional upon any Independent Board Member (on behalf of the Board) or an affected Unit Owner (as applicable) promptly notifying Sponsor in writing of any claim, suit or proceeding for which indemnity is sought, but in no event shall Sponsor receive such notice, together with any complaint or petition (as applicable) as to which Sponsor is not directly served with process therein, later than fifteen (15) calendar days after the complaint or petition (as applicable) in such suit or proceeding is served on or received by any Independent Board Member (on behalf of the Condominium Board) or said affected Unit Owner, respectively. Such fifteen (15) day period is a "TIME OF ESSENCE" or deadline period.

A-25.2. Notice of Latent Construction Defects: Sponsor's Obligation to correct Latent Construction Defects in a Sold Residential or Storage Unit is conditional upon Sponsor receiving a Defect Notice thereof signed by Purchaser within a deadline of three (3) months after the Closing of Title to the Unit, except in the case only of a Latent Construction Defect in a Unit that is not reasonably ascertainable within such three (3) month deadline period, Sponsor must receive the Defect Notice within an extended deadline of three (3) months after the end of a reasonable period of discovery thereof or three (3) months from when and if sooner discovered, but in no event shall Sponsor receive the Defect Notice later than one (1) year after the closing of title to the Unit. Sponsor's Obligation to correct Patent or Latent Construction Defects in the Common Elements is conditional upon any Independent Board Member sending Sponsor a Defect Notice thereof within a deadline of three (3) months after the Independent Board Members comprise a majority of the Board Members or completion of the affected portion of the Common Elements or Title Closing of a Unit in which such affected portion of the Common Elements is located, whichever is later, except in the case only of a Latent Construction Defect in the Common Elements that is not reasonably ascertainable within the foregoing applicable three (3)-month deadline period, Sponsor must receive the Defect Notice within an extended deadline of three (3) months after the end of a reasonable period of discovery thereof or three (3) months from when and if sooner discovered, but in no event shall Sponsor receive the Defect Notice later than one (1) year from the date of issuance of a permanent Certificate of Occupancy of the Building or the date the Independent Board Members comprise a majority of the Condominium Board, whichever is later. "TIME IS OF THE ESSENCE" to send the Defect Notice within the applicable deadline period. See Section O, subsection O-2.11 for definitions and discussion.

A-26. Remedies for Construction Defects. If Sponsor defaults in Sponsor's Obligations to correct Construction Defects, the sole right and remedy of a Purchaser (for Construction Defects in Purchaser's Unit) or the Condominium Board (for Construction Defects in the Common

Elements) is a suit to compel Sponsor to repair, replace or otherwise correct the Construction Defects, but Sponsor shall not be liable to Purchasers or the Condominium Board for any losses or damages resulting therefrom. The foregoing, however, shall not limit liability for losses or damages based on common law fraud or arising under Article 23-A of the General Business Law or Section 63 of the Executive Law. See Section O, subsection O-2.11.4 below.

Sponsor shall be excused, released and discharged from Sponsor's Obligations for Construction Defects in a Unit or the Common Elements if reasonably continuous access thereto by Sponsor and Sponsor's Agents, Employees and Contractors is prevented and is not given within a deadline of thirty (30) calendar days after written notice thereof is mailed by certified mail (return receipt requested) or hand delivered, respectively, to the Purchaser of such Unit or an Independent Board Member ("TIME BEING OF THE ESSENCE"). See Section O, subsection O-2.11.4 below.

A-27. Floor Designations. There is no floor designated "13". Accordingly, the floor designations used in this Plan and the Condominium Documents and their corresponding actual construction levels, from the lowest to the highest floors, are as follows:

Plan Designation	Construction Floor
Cellar	Cellar
1 to 12	1 to 12
Penthouse Lower Level	13
Penthouse Upper Level	14

A-28. Views From Units (Light and Air); Construction Inconveniences from Other Sites; Development Rights.

A-28.1. Views: The Building is located in the area known as Special West Chelsea District near the High Line on the west side of Manhattan. Because nearby sites may be developed with new buildings or the buildings thereon may be reconstructed with additional floors, the views and "light and air" from any Unit at the time of purchase or closing of title may change and become obstructed. No representations are made or assurances given that the view or views from any Unit will remain as they are as of the date of this Plan or the date of closing of title to a Unit, or thereafter.

A-28.2. Construction Inconveniences: In addition, Unit Owners may experience the noise, disruption, dust and other inconveniences associated with nearby construction. Sponsor, however, is not aware of any planned development or construction at sites near the Building at the date of this Plan, other than a new 12-story building at 519 West 23rd Street and a one-story building at 511 West 23rd Street, adjacent to both sides of the Property, which are under construction or to be constructed at this writing. No Unit windows will be facing the building at 19 West 23rd Street and no Retail Unit windows will be facing the one-story building at 511 West 23rd Street.

A-28.3. Development Rights: The Property and an adjacent parcel (tax lot 43) owned by Sponsor are in the same zoning lot. Pursuant to a certain Declaration of Zoning Lot Development and Easement Restrictions, to be recorded prior to the recording of the Condominium Declaration, Sponsor, as owner of tax lot 43 ("**Adjacent Lot**") will own and hold all of the unused development rights and "floor area" (as such quoted term is defined in the Zoning Resolution of The City of New York) of said zoning lot now available, subsequently

acquired or that in the future may become available to said zoning lot under said Zoning Resolution (collectively, "**Development Rights**"), other than the development rights or floor area to be used in connection with the erection of the Building and the Units. Sponsor and all subsequent owners of the Adjacent Lot (each, "**Adjacent Lot Owner**"), and their respective successors and assigns, will have the unfettered and unconditional right to freely and exclusively utilize all of said unutilized Development Rights, without the approval or consent of the Condominium Board or Unit Owners and without participation by them in the proceeds realized on any use, assignment or transfer of the unutilized Development Rights. In no event, however, may the unutilized Development Rights be used to expand the planned overall size of the Building to add more floors or additional Units. The Condominium Board and Unit Owners will have no right, title or interest in the Development Rights and will not be a "party-in-interest", as defined in said Zoning Resolution. If requested by the Adjacent Lot Owner (including Sponsor as owner of the Adjacent Lot), the Condominium Board, on behalf of itself and all Unit Owners, shall execute, acknowledge in recordable form and deliver to the Adjacent Lot Owner, without fee, charge or Cost or Expense of any kind, and the Adjacent Lot Owner shall receive within ten (10) days after written request therefor is given, a confirmatory declaration to the foregoing effect and such other instruments as may be required or requested by the Adjacent Lot Owner to effectuate the foregoing. Each Unit Owner, by accepting a deed to said Owner's Unit or otherwise succeeding to title to said Unit, shall authorize and shall be deemed irrevocably to have authorized the Condominium Board to execute and deliver said confirmatory declaration and other instruments on its behalf. Said confirmatory declaration and other instruments shall be prepared by an attorney chosen by the Adjacent Lot Owner and shall be in substance satisfactory to the Adjacent Lot Owner, in its sole judgment. The Adjacent Lot Owner shall be responsible to pay the fees and expenses of its attorney to prepare said declaration and other instruments together with all governmental fees and charges to record same. The Condominium Board shall be responsible for the fees and expenses of any attorney or advisor it may engage in connection therewith. The foregoing is contained in Section 5.5 of the Declaration and shall be covenants running with the said zoning lot, including the Adjacent Lot, and shall inure to the benefit of, and shall be enforceable by, Sponsor and each succeeding Adjacent Lot Owner, and their respective successors and assigns.

Certain of the unutilized Development Rights have been transferred to a parcel at the northeast corner of 19th Street and Eleventh Avenue, where a new 21-story building is under development. This parcel is not adjacent to the Property. The currently remaining unutilized Development Rights are estimated at approximately 7,690 square feet. No closure or reduction in size of Unit windows will be required by reason of the use of such unutilized Development Rights, though views and "light and air" may be adversely affected and Unit Owners may experience noise, disruption, dust and other inconveniences associated with nearby construction as aforesaid. In addition, in the event the Building is totally or substantially destroyed and the Unit Owners elect to restore, the ability to re-build to full size may depend upon the zoning for the Property at that time. In the event the zoning is changed and the amount of floor area permitted for the Property under the new zoning is reduced, the Building and all Units possibly may not be re-built to their respective full sizes. See Section D, subsection D-1.4 and Section BB below.

A-29. Insurance.

A-29.1. Insurance to be Maintained By Condominium Board. The insurance to be maintained by the Condominium Board will include the cost to replace the Common Elements, including the

Building Walls, Unit boundary walls and Base Floors of the Building, following a fire or other casualty based on an "agreed amount replacement cost endorsement". Under this endorsement, the insurance carrier agrees to reimburse the Condominium Association for losses up to the full amount of the policy limit, regardless of the actual cost of replacement. The effect of the endorsement is to waive any claim the insurer might otherwise have for co-insurance whereby the Condominium Association would bear a portion of the cost of replacement. The endorsement, however, does not mean that the Condominium Board would necessarily receive sufficient proceeds to actually fully rebuild or restore the Building in the event of its total or substantial destruction. The Condominium Board will be responsible to periodically review the amount of casualty insurance for the Building's Common Elements to insure that the amount of coverage is sufficient, See Section B, subsection B-5.8.3 and the Insurance note in SCHEDULE B in Section F for discussion.

A-29.2. Insurance to be Maintained By Unit Owners. The Condominium Association's insurance will not cover losses to the furniture, furnishings, personal belongings, fixtures, cabinets, appliances or other improvements or contents of, or within, a Unit, including wall and floor coverings, window treatments and other Decorations. Each Unit Owner will be responsible to obtain and pay for insurance covering these items, if desired. In addition, the liability insurance to be maintained by the Condominium Board will cover claims for personal injury and property damage arising from occurrences on the Common Elements, but not within the Units or on a Unit's Terrace. Unit Owners may be jointly and severally liable for occurrences in, on or caused by the Common Elements to the extent the liability insurance maintained by the Condominium Board is inadequate or does not cover the risk. Each Unit Owner will be responsible to obtain and pay for liability insurance to protect against claims for occurrences within a Unit or on a Unit's Terrace, if desired. See Section B, subsection B-5.8.3 for discussion.

A-30. Square Footage in SCHEDULE A and Floor Plans Exceed Usable Floor Area. In accordance with customary practice in New York City, the approximate overall floor area of each Residential Unit shown on SCHEDULE A (in Section E below) or the Unit's Floor Plan (in DOCUMENT 5 of Part II) includes the width of the walls enclosing the Unit and thus will exceed the Unit's useable floor area. As a result, the actual usable floor area will be substantially less than the square footage shown on SCHEDULE A and the Unit's Floor Plan. The room and individual area dimensions shown on a Unit's Floor Plan, however, are measured from the exposed interior surface of the walls enclosing the room or individual area. See footnote (2) to said SCHEDULE A.

A-31. SCHEDULE B. The First Year's Budget (SCHEDULE B in Section F, subsection F-6 below), does not include the cost of façade cleaning, which is not contemplated to be incurred for the first year of Condominium operation, but likely would be undertaken by the Condominium Board from and after the second year of Condominium operation. The washing and cleaning of the Building's glass curtain wall façade will be the responsibility of the Condominium Board. In accordance with the Special Allocation and Apportionment Rule and Section 339-m, the cost of such maintenance Work will be included in the Specially Apportioned General Common Expenses and apportioned and assessed to all Residential and Storage Units and to the Retail Unit in the proportion that the vertical square footage of the Building's glass curtain wall façade enclosing the Residential Space or the Retail Unit (as applicable) bears to the total square footage of the Building's glass curtain wall façade, or approximately 95% to all Residential and

Storage Units and 5% to the Retail Unit. The amount so allocated to the Residential and Storage Units shall be apportioned and assessed to such Units Pro Rata to their respective Common Interests. A proposal of $21,675 for this Work, or approximately 5.4% of the projected Common Expenses for the projected first year of Condominium operation, was received from Altus Metal and Marble Services, Inc ("**Altus**"), with offices at 2 Brookview Court, Stony Brook, NY 11790, dated August 11, 2006. Based on said proposal from Altus, Sponsor's Budget expert, Platinum Properties Of New York Ltd., estimates $20,565 is fairly and properly allocated to all Residential and Storage Units and $1,110 is fairly and properly allocated to the Retail Unit based on the vertical square footage of the Building's façade enclosing the Residential Space and the Retail Unit, respectively. The amount allocated to the Residential and Storage Units shall be apportioned among such Units Pro Rata to their respective Common Interests. As a result, if and when the Condominium Board, undertakes to wash and clean the Buildings' façade, Common Charges likely will increase accordingly at such time. See Note 10 to said SCHEDULE B in subsection F-6 below.

END OF SECTION A

SECTION B. INTRODUCTION

B-1. Purpose of Plan. The purpose of this Plan is to set forth all the material terms of this offer. This Plan consists of this Part I and the Documents in Part II. The Plan may be amended by Sponsor from time to time when an Amendment is filed with the New York State Department of Law ("**Department of Law**" or "**Attorney General**"). Amendments to this Plan will be served on all "offerees" as defined in Part 20 of Title 13 NYCRR ("**Part 20**"), Section 20.1, which includes Purchasers and (after the First Closing of a Residential Unit) Unit Owners. Sponsor reserves the right to file Amendments that will substantially change the terms of this Plan and may adversely affect rights of Purchasers to the extent not prohibited by Part 20 (see Section AA, subsection AA-4 for discussion, including the right of Purchasers to rescind the Purchase and Sale Agreement following material adverse Amendments). A prospective Purchaser may be required to deposit one hundred dollars ($100) to obtain the Plan and any Amendments. The deposit will be held by Sponsor and credited to the Unit's Purchase Price or will be refunded if the Plan and any Amendments are returned within thirty (30) days in reasonably good, reusable condition.

B-2. New York Condominium Act. The condominium will be subject to and will comply with Article 9-B of the Real Property Law of the State of New York ("**New York Condominium Act**" or "**Condominium Act**"). The condominium will be established by Sponsor duly signing, recording and filing in the Register's Office of the City, County and State of New York, a Declaration of Condominium against the Property (which will be substantially in the form and content contained as DOCUMENT 6 in Part II) and the Exhibits thereto, including the By-Laws and the Rules and Regulations appended thereto (which will be substantially in the form and content contained as DOCUMENT 7 in Part II), and the Floor Plans of the Units and the Building (all of the foregoing are collectively, "**Condominium Documents**"). The property is planned to consist of a building with a cellar and 12 floors plus a duplex Penthouse, to be known as 515 West 23rd Street (a/k/a 515 and 517 West 23rd Street), New York, NY ("**Building**"), together with the parcel of land thereunder (more particularly identified in EXHIBIT A to the Declaration) and the air space thereover (said parcel and air space are collectively, "**Land**"). The Building and Land are together called the "**Property**". The term "**Condominium**" refers to the Property submitted to the provisions of the Condominium Act and to be known as High Line 23 Condominium.

B-3. Sponsor. The Sponsor of this Plan is 23 Highline LLC, having an address at 460 Park Avenue, Floor 22, New York, New York 10023. Sponsor acquired the fee title to the Property by deed dated July 7, 2005.

B-4. The Units. The Building is planned to contain 11 Residential Units, 6 Storage Units and 1 Retail Unit. Sponsor is offering for sale under this Plan all Residential, Storage and Retail Units, which are in the course of construction or to be constructed. Sponsor intends to sell the Residential Units offered for sale under this Plan and will endeavor in good faith to sell such Units rather than rent.

SPECIAL RISK: Sponsor, however, reserves the unfettered and unconditional right, Freely and Without Consent, Payment or Restriction (except as herein provided), if market prices decline by 15% or more below the prices set forth in Purchase and Sale Agreements counted or to be

counted toward effectiveness (see Section A, subsection A-11), to rent Residential Units, except Sponsor shall not use the Building as a hotel and, accordingly, any rental will be for an initial minimum term of at least six (6) months. Sponsor will not rent on a daily or weekly basis. No approval from Sponsor's lender is required to rent. Sponsor plans to refinance its existing acquisition loan with a construction loan, which will require the lender to release the mortgage lien from a Unit being sold and conveyed in exchange for a set minimum release price or maximum payment for the sale (see Section O subsection O-2.7). If Sponsor makes a bulk sale of all or some Unsold Units, the new owner of such Unsold Units is bound by Sponsor's commitment to endeavor in good faith to sell rather than rent and Sponsor's right to rent if market prices decline by 15% or more as aforesaid.

Sponsor reserves the further right, Freely and Without Consent, Payment or Restriction (other restrictions expressly stated below): (a) to limit a Purchaser from buying more than one Residential Unit or Storage Unit; (b) to determine the order in which Residential Units and Storage Units are offered for sale; (c) to temporarily not show or offer a Unit while awaiting the execution of a Purchase and Sale Agreement by a prospective Purchaser; (d) to temporarily withdraw a Residential Unit or Storage Unit from sale without prior notice while preparing and processing a price increase Amendment; (e) to withhold a Residential Unit or Storage Unit for future sale, but Sponsor will amend the Plan to identify the affected Unit being so withheld; and (f) to reject any purchase offer without cause or explanation, except no purchase offer will be rejected based on grounds prohibited by civil rights Laws (see Section AA, subsection AA-3 below).

B-5. Basic Aspects of Condominium Ownership. The basic aspects of condominium ownership are as follows.

B-5.1. Unit

B-5.1.1. Ownership and Possession. The space owned separately and exclusively in a condominium is called a "**Unit**". At Closing of Title, the Purchaser will own legal (or "fee title") to his or her Unit outright like a private home and will be entitled to exclusive possession of that Unit together with an interest in and right to use the General Common Elements in common with other Unit Owners and exclusive right to use the Residential Common Elements in common with other Residential and Storage Unit Owners, subject to certain easements and rights in favor of Sponsor and others, as explained below. All references in this Plan and the Condominium Documents to the rights and easements in favor of Sponsor, or similar words, mean the rights and easements of the respective Owners of the Unsold Residential and Storage Units, and the Retail Unit, from time to time, including Sponsor while Sponsor owns any one or more of these Units.

B-5.1.2. Included in Unit. A Unit includes the following individually-owned items (if and to the extent included in Sponsor's Plans and Specification or installed by a Unit Owner): (a) all entrance, Terrace, and interior doors (including their frames, hinges, levers, pulls, knobs, locks and saddles); (b) all interior partitions; (c) all windows and the portion of the glass door and windows separating a Unit from its Terrace, if any (including frames, panes, glass, latches and mechanisms) and interior sills; (d) all window blinds, shades and treatments; (e) all kitchen and bathroom appliances, plumbing fixtures, cabinets and countertops; (f) all finishes and coverings

of the Unit's walls (e.g., plaster, paint, tiles, fabric, wood paneling, baseboards and moldings), floors (e.g., wood flooring, tiles and carpeting, and all subflooring above the concrete slab or other construction material comprising a Base Floor) and ceilings (e.g., plaster and paint); (g) smoke and carbon monoxide detectors; (h) all individual plumbing, electric, gas, heating, ventilating, air conditioning, hot water, telephone, television, intercom, lighting, sprinkler and other individual mechanical Systems (e.g., individual heating and/or cooling units and related Installations) and the portions of any Building-wide Systems that serve exclusively the Unit, whether exposed to view or concealed behind walls or partitions (including: pipes; electrical wiring, outlets, switches, circuit breakers, meters and submeters; sprinkler heads; jacks; and ventilation fans); (i) the Terrace (if applicable) exclusively accessible through a door from the interior of a Residential Unit; and (j) the fireplace flue, chimney and related equipment and Installations serving exclusively certain Residential Units. The Terrace consists of the wood decking, pavers or other protective flooring or covering above a Roof, but does not include the Roof or its appurtenant Roof Structures under, in and enclosing the Terrace, which are part of the Residential Common Elements and not part of such Terrace.

The Storefronts, Storefront Windows and entrance to the Retail Unit, the areas of the Roof at floor 2 enclosing a portion of the Retail Unit which are reserved for skylights to be installed by, and at the sole Cost and Expense of, the Retail Unit Owner (if desired), and the "Building Walls" (defined below) from the sidewalk to a horizontal plane extending along and immediately below the parapets enclosing the Roof over the Retail Unit, are appurtenant to, and part of, such Unit.

A Residential or Storage Unit does not include the following, which are part of the Residential Common Elements: (a) the Building's façade and exterior walls (whether masonry, glass or other construction material), including all heads, jambs and exterior sills (collectively, "**Building Walls**") enclosing a Residential Unit or the Residential Common Elements, but excluding said portions of the Building Walls comprising the glass door and windows separating a Unit from its Terrace (if any), which are part of such Unit, and excluding further foundation walls (which are part of the General Common Elements); (b) the Party Walls separating a Residential or Storage Unit from another Unit or a portion of the Common Elements; (c) the Building's Base Floors (below a Unit's wood, tile or other flooring and any sub-flooring) and Base Ceilings (above the Unit's ceiling gypsum wall board, plaster or other finish); and (d) any chase walls, ducts, shafts, conduits, risers and the like serving two (2) or more Units or the Residential Common Elements, regardless of their location within or bordering a Unit. See Section 6.8 of the Declaration (DOCUMENT 6 in Part II) for a complete list of all individually-owned items included in a Unit.

B-5.2. Common Elements, Association's Properties and Common Interest.

B-5.2.1. Common Elements. The areas and improvements owned in common by all Unit Owners is called the "**Common Elements**". The Common Elements include the Structural Components of the Building (other than those portions of the Building Walls, the Base Floors and the Base Ceilings enclosing the Retail Unit, or the half-portion of a Base Wall or Base Ceiling nearest to and enclosing both the Retail Unit and a Common Element or another Unit, which nearest half-portion is part of the Retail Unit), all Building Equipment, Facilities, Systems and other Installations not expressly stated to be part of a Unit and all other parts of the Property necessary or convenient to its existence, maintenance and safety, or normally in common use.

Although the Common Elements of the Condominium are "owned" in common by all Unit Owners, certain Common Elements are for the "general use" in common by all Unit Owners (these are herein called "**General Common Elements**" and are summarized in subsection B-5.2.1.1 below) Certain Common Elements are for the limited use in common by either only all Residential and Storage Unit Owners (these are herein called "**Residential Common Elements**" or "**Residential Limited Common Elements**" and are summarized in subsection B-5.2.1.2 below), subject to certain rights and easements in favor of Sponsor (see Section O, subsection O-1.6) and the Retail Unit Owner (see Section H, subsection H-7.6).

B-5.2.1.1. General Common Elements. The General Common Elements include the following:

(a) Land: the parcel comprising the Land and the portions of the air space thereover occupied by the rooms, areas, Equipment and other improvements comprising the General Common Elements but exclude those portions of the air space comprising the Land occupied by the Units (which are part of the respective Units) or occupied by the Residential Common Elements (which are part of the Residential Common Elements) or comprise the unutilized Development Rights of the Land, which will be owned and held by Sponsor as owner of the Adjacent Lot pursuant to a certain Zoning Lot Development and Easement Restrictions to be recorded prior to the recording of the Condominium Declaration (see SPECIAL RISKS Section A, subsection A-28 above);

(b) Certain Structural Components: those portions of the Building's Structural Components constituting the Building's foundation, foundation walls, footings, pilings and structural columns, beams, girders, supports and similar structural members but not those structural members expressly included in the Residential Common Elements;

(c) On the Cellar level: the two (2) mechanical rooms, the electrical room, the data room, the fire pump room, the corridor leading to these rooms, the Equipment and Related Installations located in these rooms which serve both the Residential Space and the Retail Unit (e.g., the boiler), and egress stair "C";

(d) on Floor 1: the landing of egress stair "C" and the corridor and service door entrance leading to egress stair "C";

(e) on Floor 2: the Roof immediately above the Retail Unit, including the pre-cast concrete pavers and pedestals thereon, the membrane, insulation, flashing and counter-flashing, but excluding the areas thereon reserved for skylights to serve only the Retail Unit, which reserved areas are part of the Retail Unit, and excluding further the Roof and related Roof Structures below and enclosing the Terrace appurtenant to Unit 3, which Roof and related Roof Structures are part of the Residential Common Elements;

(f) Equipment, Installations and Systems: generally, the portions of all Building Equipment, Installations and Systems serving the General Common Elements or all or a portion of both the Residential Space (i.e., the Residential and Storage Units and the Residential Common Elements) and the Retail Unit, regardless of their location within or bordering a Unit or elsewhere in, on, under or adjoining the Building (e.g., the boiler and related Equipment and Installations referred to in clause (c) above); the main feeder line and house trap of the sewage System, but not the riser or distribution branches; the fire alarm service; the portions of the sprinkler and standpipe Systems serving the General Common

Elements or all or a portion of both the Residential Space and the Retail Unit, but exclude distribution or branch piping, sprinkler heads, hoses, racks and other portions thereof that serve exclusively, and are part of, the Residential Common Elements or a Unit (as applicable); the siamese connection; the main feeder lines for water and electricity, but not risers or distribution branches serving exclusively the Residential Common Elements or a Unit, which are part of the Residential Common Elements or such Unit, respectively; and the lighting and ventilation Systems serving the rooms and areas comprising the General Common Elements).

See Section 7.2 of the Declaration (DOCUMENT 6 in Part II of the Plan) for a complete list of all General Common Elements. The portions of said Building-wide Equipment, Installations and Systems that serve exclusively the Residential Space or the Retail Unit (e.g., distribution or branch lines, pipes, conduits, ducts and the like) are part of respectively the Residential Common Elements or a Residential or Storage Unit (as applicable) or the Retail Unit.

B-5.2.1.2. Residential Common Elements. The Residential Common Elements include the following:

(a) Land: the portions of the Land comprising the air space occupied by the rooms, areas, Equipment and other improvements included in the Residential Common Elements;

(b) Certain Structural Components: those portions of the Building's Structural Components constituting: the Building Walls and shear walls (if any) enclosing the Residential Space (i.e., excluding the portions of the Building Walls enclosing the Retail Unit, which are part of such Unit); all Roofs, the Roof over Unit PH, the Roof over the egress stairs and elevator equipment bulkhead, the Roof over the rooftop mechanical equipment room, and Roof set backs enclosing the Residential Space, including the main Roof and Roof set backs below the Terraces, together with their respective related Roof Structures (which include the membrane, insulation, flashing, counterflashing, drainage Systems and supports (if any) for a Terrace, but exclude the wood decking, pavers, or other protective flooring or covering over said Roofs, which constitute the Terrace appurtenant to, and part of, a specified Unit, and exclude further the portion of the Roof over the Retail Unit (which is part of the General Common Elements); and the Party Walls, Base Floors and Base Ceilings enclosing the Residential Space, but not the half portion of these elements that also enclose and are nearest to the Retail Unit (which nearest half portion is part of the Retail Unit);

(c) on the Cellar level: the superintendent's room, the corridors immediately adjacent to, and serving only, the Storage Units, the trash compactor room, the staff bathroom, the elevator shaft and pit, all Equipment and related Installations located in these rooms which serve exclusively the Residential Space, and egress stairs "A" and "B";

(d) on Floor 1: the 515 West 23rd Street residential entrance, the vestibule, the lobby, the concierge desk, the mailbox area and the elevator landing (collectively, "**515 West 23rd Street Public Areas**"), the mechanical room, the elevator shaft, egress stairs "A" and "B", and the exterior Building Walls enclosing the Residential Space, other than specified portions thereof expressly included in the Retail Unit (see subsection B-5.1.2 above);

(e) on Floor 2: the residential corridors, the elevator landing and shaft, the exercise room, the treatment room, the bathroom, egress stairs "A" and "B" and their landings, the Roof and

Related Roof Structures below and enclosing the Terrace appurtenant to Residential Unit 3, and the exterior Building Walls enclosing such floor, other than the portions thereof enclosing and part of the Retail Unit;

(f) on Floors 3 to Penthouse Upper Level: the elevator shaft, egress stairs "A" and "B" and their landings, the exterior Building Walls enclosing such floors and the main Roof and related Roof Structures below and enclosing the Terrace appurtenant to the Penthouse Unit;

(g) on the Roof of the Penthouse Upper Level: the elevator shaft, the elevator mechanical room, the electrical room, the mechanical room, the Equipment and related Installations housed in these rooms and closet which serve only the Residential Space and the bulkheads enclosing said rooms and closet;

(h) on the Bulkhead Level: the entire bulkhead enclosing the elevator equipment and egress stairs;

(i) Equipment, Installations and Systems: generally, the elevator, the refuse compactor and all other Equipment, Installations and Systems, and the portions of all Building-wide Equipment, Installations and Systems serving exclusively or primarily the Residential Space, regardless of their location within or bordering a Unit or elsewhere in, on, under or adjacent the Building, but not those portions of these elements that serve exclusively one (1) Unit (which are part of such Unit).

See Section 7.3 of the Declaration (DOCUMENT 6 in Part II) for a complete list of all Residential Common Elements.

B-5.2.2. Association's Properties. The Condominium consists of an unincorporated association of the Unit Owners ("**Condominium Association**" or "**Association**"), which is governed by a board of managers ("**Condominium Board**" or "**Board**") elected by the Unit Owners (see subsection B-5.6 below). The Condominium Board, on behalf of the Association, may purchase or lease Residential and Storage Units, directly or in the name of its nominee or designee, collect Common Charges, receive payments for the Association's Working Capital Fund, and potentially earn interest or income on investment of the monies held from time to time. All Units, monies and other assets owned, leased, licensed or otherwise held by the Condominium Board from time to time, directly or in the name of its nominee or designee, on behalf of the Condominium Association, whether real or personal property, chattel real, intangibles or otherwise, are collectively called the "**Association's Properties**".

B-5.2.2.1. Association's Residential Properties. Those assets of the Association's Properties that will be owned, leased, licensed or otherwise held by the Condominium Board on behalf and for the account of only the Residential and Storage Unit Owners (e.g., the Units purchased or leased pursuant to the Board's "Right of First Refusal" (see subsection B-5.5.2 below), the monies collected from payments of the Residential Common Charges and the Working Capital Fund, and any interest or investment income earned on all such monies) are herein called the "**Association's Residential Properties**".

B-5.2.2.2. Association's Commercial Properties. Those assets of the Association's Properties that will be owned, leased, licensed or otherwise held by the Board on behalf and for the account of only the Retail Unit Owner, the monies collected from payments of the Commercial Common

Charges and any interest or investment income earned thereon are herein called the "**Association's Commercial Properties**".

B-5.2.2.3. Association's General Properties. All other assets comprising the Association's Properties will be owned, leased, licensed or otherwise held by the Condominium Board on behalf and for the account of all Unit Owners (e.g., the monies collected from payments of the General Common Charges and any interest or investment income earned thereon) and are herein called the "**Association's General Properties**".

B-5.2.2.4. General. Unless otherwise expressly indicated, the references in this Plan (including the Declaration and By-Laws in Part II of the Plan) to the rights, requirements and obligations with respect to any Disposition of: (a) the Common Elements shall apply to the Association's Properties; (b) the General Common Elements shall apply to the Association's General Properties; and (c) the Residential Common Elements shall apply to the Association's Residential Properties.

B-5.2.3. Common Interest. Each Unit Owner owns a proportionate, undivided interest in fee simple in the Common Elements ("**Common Interest**"), which cannot be separated from the Unit. See SCHEDULE A (in Section E) for the percentage of Common Interest of each Unit and the statutory method used to determine each Unit's Common Interest. The Common Interest of each Unit also constitutes a proportionate, undivided interest of each Unit Owner in the Association's General Properties. The Common Interest of each Residential and Storage Unit constitutes, in addition, a proportionate, undivided interest of each Residential and Storage Unit Owner in the Association's Residential Properties.

B-5.3. Common Charges.

B-5.3.1. Definitions. Each Unit Owner shall be charged monthly (or in such other periodic payments as the Board may determine), and shall be personally liable for, the Owner's proportionate share of the Condominium's expenses (the amounts charged are called "**Common Charges**") in accordance with the New York Condominium Act, Real Property Law ("**RPL**") Sections 339-i and 339-m (see Section R, subsection R-3.3 below). Each Unit Owner also shall be charged, and shall be personally liable for, amounts assessed by the Condominium Board for certain Condominium expenses and individual delinquencies (these amounts are called "**Additional Common Charges**"). The Additional Common Charges are payable in addition to the monthly Common Charges and consist of assessments ("**Special Assessments**") payable in one or more installments at such time or times as the Condominium Board shall determine to pay certain Common Expenses. The Additional Common Charges also include the amounts levied against a particular Unit Owner in connection with: (a) a default in paying the Common Charges, Special Assessments or other sums authorized under the Declaration or By-Laws (including the Rules and Regulations); or (b) a default, breach or violation of any obligation, requirement or other provision of said Condominium Documents.

B-5.3.2. Condominium Lien. The Condominium Board will have a lien on the Unit for unpaid Common Charges and unpaid Additional Common Charges owed by the Owner of such Unit (see Section R, subsections R-3.4.1 and R-3.4.2 below).

B-5.3.3. Special Allocation and Apportionment Rule. Pursuant to RPL Section 339-m, the Declaration and By-Laws provide that the Condominium's expenses shall be specially allocated and apportioned based on special or exclusive use or availability or exclusive control of particular Units or common areas by particular Unit Owners in a manner different from those Common Expenses to be paid by all Units in proportion ("**Pro Rata**") to their respective Common Interests. This special allocation and apportionment of the Condominium's expenses is herein called the "**Special Allocation and Apportionment Rule**" and such "special or exclusive use or availability or exclusive control of particular Units or common areas by particular Unit Owners" is herein called "**Usage**".

B-5.3.4. Specially Allocated and Apportionment Expenses. The Condominium's expenses specially allocated and apportioned based on each Unit's Usage is herein called "**Specially Allocated and Apportioned Expenses**". These include the Residential Common Expenses (see subsection 5.3.5 below), the Commercial Common Expenses (see subsection 5.3.6 below) and the Specially Apportioned General Common Expenses (see subsection 5.3.7 below).

B-5.3.5. Residential Common Expenses. The following Condominium's expenses are herein collectively called the "**Residential Common Expenses**": (a) the expenses to Maintain, Repair, Alter, lease, license, sell, mortgage, manage and otherwise Operate and make Dispositions of the Residential Common Elements or the Association's Residential Properties; (b) the expenses to provide services specially or exclusively to the Residential and Storage Unit Owners; and (c) generally, the expenses to conduct affairs affecting or benefiting only or primarily the Residential Space or the Association's Residential Properties. The Residential Common Expenses constitute the Specially Allocated and Apportioned Expenses assessed to only the Residential and Storage Unit Owners based on their exclusive or substantially exclusive Usage of the Residential Common Elements and the Association's Residential Properties. The Residential Common Expenses shall always be allocated to only all Residential and Storage Units as one (1) group of Units and shall always be apportioned among them Pro Rata to their respective Common Interests. The Retail Unit shall not be allocated or assessed any Residential Common Expenses. The "**Residential Common Charges**" are the amounts assessed to the Residential and Storage Unit Owners to pay the Residential Common Expenses in accordance with the Special Allocation and Apportionment Rule.

B-5.3.6. Commercial Common Expenses. The following Condominium's expenses are herein collectively called the "**Commercial Common Expenses**": (a) the expenses to Maintain, Repair, Alter, lease, license, sell, mortgage, manage and otherwise Operate and make Dispositions of the Association's Commercial Properties (if any); (b) the expenses to provide services specially or exclusively to the Retail Unit Owner; and (c) generally, the expenses to conduct the affairs affecting or benefiting only or primarily the Retail Unit or the Association's Commercial Properties (if any). The Commercial Common Expenses constitute the Specially Allocated and Apportioned Expenses assessed to only the Retail Unit Owner based on Building services provided exclusively or primarily to the Retail Unit Owner and its exclusive or substantially exclusive Usage of the Association's Commercial Properties (if any). The Commercial Common Expenses shall always be allocated to only the Retail Unit Owner. The Residential and Storage Units shall not be allocated or assessed any Commercial Common Expenses. The "**Commercial Common Charges**" are the amounts assessed to the Retail Unit to pay the Commercial Common Expenses.

B-5.3.7. General Common Expenses. The following Condominium's expenses are herein collectively called the "**General Common Expenses**": (a) the expenses to Maintain, Repair, Alter, lease, license, sell, mortgage, manage and otherwise Operate and make Dispositions of the General Common Elements or the Association's General Properties; (b) the expenses to provide services to all Unit Owners; and (c) generally, the expenses to conduct affairs affecting or benefiting the entire Property or all Unit Owners. The "**General Common Charges**" are the share of the General Common Expenses charged to all Residential and Storage Units and to the Retail Unit in accordance with the amount fairly and properly attributable to each group of Units or to only a particular Unit. The General Common Expenses are allocated to all Units and generally are apportioned and assessed among them Pro Rata to their respective Common Interests unless the amount of a projected General Common Expense item fairly and properly attributable to the Residential and Storage Units or to the Retail Unit would otherwise require, in which case such fair and proper apportionment shall be used ("**Specially Apportioned General Common Expenses**") in accordance with the Special Allocation and Apportionment Rule

B-5.3.8. Common Expenses. The Residential Common Expenses, the Commercial Common Expenses and the General Common Expenses are herein collectively called the "**Common Expenses**". For a further discussion and details of the Residential Common Expenses and the General Common Expenses (including the Specially Apportioned General Common Expenses), see Section F and the First Year's Budget (SCHEDULE B) contained therein, and Section R, subsection "R-3. Common Charges and Special Assessments".

B-5.4. Compliance with the Condominium Documents. Each Unit Owner is obligated to comply with the Declaration, the By Laws and the Rules and Regulations, as they may be duly amended from time-to-time. These Condominium Documents, among other things, place reasonable restrictions on the use and occupancy of the Units and Common Elements in order to avoid one prevent the Common Elements from being used improperly. If a Unit Owner violates any of these provisions, such Unit Owner may be enjoined by a court in a Lawsuit brought by the Condominium Board and will be liable for all Costs and Expenses incurred by the Board in connection therewith and to collect such Costs and Expenses. See Section R, subsection "R-8. Remedies" for discussion.

B-5.5. Restrictions on Use, Resale, Leasing and Mortgaging. The Sold Residential and Storage Units will be subject to the following restrictions on use, resale, leasing and mortgaging.

B-5.5.1. Use. Each Sold Residential Unit may be used only as a one family dwelling and any incidental home occupation allowed by Law, and for no other purpose, and shall be occupied in accordance with all applicable Laws and the requirements of the Condominium Documents (see Section R, subsection R-7 below for full discussion). The Condominium Documents limit occupancy of Sold Residential Units to the Owner of the Unit and such Owner's "household" (as defined below) and (for a limited period) temporary non-paying guests, or a permitted tenant of such Owner, or a permitted subtenant of a permitted tenant, or a member of such permitted tenant's or permitted subtenant's household (collectively, "**Occupancy Requirements**"). The term "**household**" is defined in the Declaration to include the following: the Owner's immediate family or an unrelated companion and such companion's dependent children, and domestic employees. If the Owner or a permitted tenant is an Entity, then occupancy by a Related Party of such Entity shall be permitted as occupancy by the Owner or said permitted tenant under the

Declaration. A Sold Storage Unit may be used only for accessory storage of noncombustible materials or materials that do not ordinarily burn rapidly of the Unit's Owner, and the tenants and occupants of such Owner's Sold Residential Unit. These restrictions do not apply to Unsold Residential and Storage Units or the Retail Unit, which may be used, Freely and Without Consent, Payment or Restriction, for any lawful purpose, other than Prohibited Uses.

B-5.5.2. Resale and Leasing. A resale or leasing of a Sold Residential Unit or a Sold Storage Unit is subject to the right of the Condominium Board, or its nominee or designee, to purchase or lease the Sold Unit on the same terms offered by a bona fide purchaser or tenant ("**Right of First Refusal**" or "**Match Offer Right**"). Certain resales and leasing are exempt from the Board's Right of First Refusal (e.g., a sale or lease to an adult member of the Owner's immediate family or a transfer by gift or a devise under a will of a deceased Owner). The Board does not have the right to approve or disapprove of the purchaser or the sales price, but may purchase a Unit pursuant to its Right of First Refusal if approved by a majority in Common Interest of those Residential and Storage Unit Owners attending a meeting of Unit Owners at which a quorum is present. Unless purchased by the Board under said Right of First Refusal, there is no limit on the number of Owners who may purchase for investment rather than for personal occupancy. This potentially may result in an indeterminate number of non-resident Owners. The Board also does not have the right to approve or disapprove the rent or the other terms of a lease.

SPECIAL RISK: A lease, however, must meet certain requirements (e.g., the term may not be less than one (1) year) and cannot be assigned or the Unit sublet without obtaining the prior written Discretionary Approval or Consent of the Condominium Board. (See Section A, subsection A-18 above.) The Condominium Board, its Managing Agent and/or attorneys may also collect reasonable fees and expenses in connection with processing a resale or lease that is subject to the Board's Right of First Refusal. The Board's Right of First Refusal and the other restrictions, requirements and payments do not apply to Unsold Residential and Storage Units or the Retail Unit, each of which may be sold, transferred and leased Freely and Without Consent, Payment or Restriction (other than Sponsor's commitment to endeavor in good faith to sell rather than rent as provided in Section A, subsection A-11 above and the restriction against using a Unit for applicable Prohibited Uses). See Section R, subsection "R-1. Sale or Lease of Units by Unit Owners" for full discussion of these provisions.

SPECIAL RISK: Ownership of a Storage Unit is restricted to Sponsor or an Owner of a Residential Unit. As a result, a Storage Unit Owner may only sell or transfer the Storage Unit to another Residential Unit Owner or, upon the resale or transfer of the Owner's Residential Unit, to the purchaser on such resale or the succeeding Owner on a transfer.

B-5.5.3. Mortgaging. Each Unit may be separately encumbered by one (1) or more mortgages held by any lenders, without the consent or approval of the Condominium Board and without restriction, except no new mortgage may be given while an Owner is in default in paying the Common Charges or other unpaid liens on the Unit are outstanding (other than Permitted Mortgages). A copy of the each mortgage is to be filed with the Condominium Board. See Section R, subsection "R-2. Mortgaging of Units by Unit Owners" for discussion. See also Section W, subsection W-1.3 for the fee to be paid by an Owner to the Managing Agent if any Board action is requested with respect to a mortgage financing or refinancing of a Sold Unit.

B-5.6. The Condominium Board. The affairs of the Condominium and the Operation of the Building will be governed and administered by the Condominium Board. Initially, the Condominium Board will consist of one (1) Board Member designated by Sponsor. Sponsor will call the first meeting of Unit Owners to be held no later than approximately 60 calendar days after the first anniversary of the First Closing of a Residential Unit. If prior thereto, the Sold Residential and Storage Units constitute more than 50% in Common Interest and number of all Residential and Storage Units, such first meeting will be called to be held within approximately thirty (30) calendar days after such 50% threshold is exceeded. At such first meeting, the Unit Owners will elect a new five (5)-member Condominium Board, comprised of four (4) Residential Board Members and one (1) Commercial Board Member.

The Residential Board Members will consist of three (3) Sponsor Board Members and one (1) Independent Board Member during the "Sponsor Board Control Period" (i.e., the first five (5) years from the First Closing of a Residential Unit or whenever the Unsold Residential and Storage Units constitute less than 50% in number and Common Interest of all Residential and Storage Units, whichever is sooner), thereby giving Sponsor voting control of the Board and the Residential Board Members.

After the end of the Sponsor Board Control Period, for so long as Sponsor owns at least one (1) Unsold Residential Unit, Sponsor shall continue to exclusively appoint and designate one (1) Sponsor Board Member. See Section P, subsection P-1 for full discussion.

The Sponsor Board Member(s) will be appointed and designated exclusively by Sponsor. The Independent Board Member(s) will be elected by all Sold and Unsold Residential and Storage Unit Owners, each of whom will have one (1) vote for each 0.0001% of Common Interest (e.g., 82,525 votes if the Common Interest is 8.2525%). See Section Q, subsections Q-1 and Q-6 for details. The Retail Unit Owner (including Sponsor while it owns the Retail Unit) shall exclusively appoint and designate one (1) Commercial Board Member.

During the Sponsor Board Control Period, there will be no limitation or restriction on Sponsor's right to nominate and vote for the Independent Board Member. At all Board elections held after the end of the Sponsor Board Control Period, Sponsor will no longer have the right to "nominate" any candidates to serve as Independent Board Members (who will then constitute a majority of the Condominium Board) and thus Sponsor cannot exercise voting control of the Condominium Board, but Sponsor shall continue to have the right to "vote" (*without limitation or restriction*) for all candidates nominated to serve as Independent Board Members.

In order to assure that Owner-occupants will have voting control of the Condominium Board when Sponsor can no longer exercise voting control, the By-Laws contain a residency requirement pursuant to which a majority of the Condominium Board must be Owner-occupants or members of their household who are not related to Sponsor or its principals (whether by blood, marriage or adoption, or as a business associate, an employee, a shareholder or a limited partner) at all Board elections held after the end of the Sponsor Board Control Period (see Section Q, subsections Q-1.1 and Q-1.2).

All references herein to the Condominium Board shall include any nominee or designee, incorporated or otherwise, organized by the Board to act on behalf of the Condominium Association.

B-5.7. Separate Taxes and Mortgages.

B-5.7.1. Real Estate Taxes. After the Condominium is established, The City of New York will separately assess and bill each Unit for real estate taxes. The estimated real estate taxes for each Residential and Storage Unit for the projected first year of Condominium Operation are listed in the Offering Price Schedules (SCHEDULE A in Section E). These estimates are based on certain assumptions and projections and are not assured or guaranteed (see footnote (6) to SCHEDULE A). Generally, the City will start separately billing each Unit for real estate taxes within approximately six (6) months after the Condominium Documents are recorded and filed. During the interim period, the real estate taxes will continue to be assessed against the entire Property and will be paid by the Condominium Board as a General Common Expense. The Board will specially allocate and apportion the real estate taxes to the Units Pro Rata to their projected assessed values for real estate taxes in accordance with RPL Section 339-m as explained more fully in said footnote (6) to SCHEDULE A and in "Section S. Real Estate Taxes". After the Units are separately assessed and billed, each Owner will be solely liable for the real estate taxes and assessments levied on his or her Unit and no lien may thereafter be placed against an Owner's Unit because of non-payment of the real estate taxes on another Unit.

B-5.7.2. Mortgages. Each Unit is separate and is not subject to the lien, nor liable for payments, of any mortgage placed on any other Unit.

B-5.8. Maintenance, Repairs and Insurance.

B-5.8.1. Maintenance and Repairs of Units. Each Unit Owner, at his or her sole Cost and Expense, shall Maintain and Repair (other than: washing and cleaning of Unit windows, Terrace doors and windows, the Retail Unit's Storefronts, Storefront Windows and entrance; and structural or extraordinary Repairs expressly stated in the Condominium Documents to be performed by the Condominium Board) his or her Unit and its individual Equipment and Installations in accordance and compliance with the Building's Maintenance Standard, which requires each Owner: (a) to Maintain and Repair his or her Unit (including its Terrace, if any) in good and proper working order in accordance with good construction practices, free of water leaks and undue air penetration, and otherwise in clean and sanitary condition; (b) to Maintain and Repair the indoor side of the Unit's windows and the indoor side of the glass door and glass partition separating a Unit from its Terrace, the Unit's entrance and Terrace (if any) and other areas of the Owner's Unit exposed to public view in clean, neat and good appearance and first-class condition in accordance with the high quality, character and dignity of the Building, good construction practices and applicable Laws; and (c) to Maintain and Repair a Residential Unit's Terrace (if any), and its drains, in accordance with good construction practices and free and clear of snow, ice, water accumulation and debris. The foregoing Maintenance and Repair obligations apply to all individually-owned items included in, and part of, the Unit (see subsection B-5.1). However, a Sold Residential Unit's windows, its Terrace and the door leading thereto (if applicable), and related door hardware and saddles, and any other portion of a Sold Residential Unit exposed to public view shall not be Decorated, Repaired or Altered

without obtaining the prior written Discretionary Approvals or Consents of both the Condominium Board and (during only the Sponsor Veto Control Period and until issuance of a permanent Certificate of Occupancy of the Building) Sponsor (this restriction does not apply to Unsold Residential and Storage Units or the Retail Unit, which may be Decorated, Repaired and Altered without the approval or consent of the Condominium Board or Unit Owners). See Section R, subsection "R-4. Repairs" and subsection "R-5. Additions, Alterations and Improvements" for discussion.

The Condominium Board shall be responsible for the Maintenance, Repair and appearance (including washing and cleaning) of the Building's glass curtain wall façade, including washing and cleaning of the outdoor side of a Unit's windows, the outdoor side of the glass door and windows separating a Unit from its Terrace, and the outdoor side of the Storefronts, Storefront Windows and entrance door of the Retail Unit. In accordance with the Special Allocation and Apportionment Rule and Section 339-m, all Costs and Expenses to wash and clean the Building's glass curtain wall façade, including Unit windows, Terrace doors and windows, and the Retail Unit's Storefronts, Storefront Windows and entrance, shall be included in the Specially Apportioned General Common Expenses and apportioned and assessed to all Residential and Storage Units and to the Retail Unit in the proportion that the vertical square footage of the Building's glass curtain wall façade enclosing the Residential Space (including Unit windows and Terrace doors and windows) or the Retail Unit (including its Storefronts, Storefront Windows and entrance), as applicable, bears to the total square footage of the Building's glass curtain wall façade, or approximately 95% to all Residential and Storage Units and 5% to the Retail Unit. The amount charged to all Residential and Storage Units shall be apportioned and assessed among them Pro Rata to their respective Common Interests. See Section R, subsection R-4.1 below.

B-5.8.2. Maintenance and Repair of Common Elements and Association's Properties. The Condominium Board shall Maintain and Repair the Common Elements and the Association's Properties in accordance and compliance with the Building's Maintenance Standard (see Section R, subsections R-4.1.2 and R-4.1.3 below) and in a manner that: (a) shall not materially impair or prevent, nor unreasonably and materially interrupt or interfere with, the permitted Use and Enjoyment of a Unit; and (b) shall maintain the value of all Units and the Building services to be provided to the Units pursuant to the Declaration and the By-Laws. The Costs and Expenses of such Maintenance and Repairs shall be a General Common Expense (in the case of the General Common Elements and the Association's General Properties) or a Residential Common Expense (in the case of the Residential Common Elements and the Association's Residential Properties) or a Commercial Common Expense (in the case of the Association's Commercial Properties, if any), and shall be allocated and apportioned in accordance and compliance with the Special Allocation and Apportionment Rule and Section 339-m of the Condominium Act. Pursuant thereto, the Retail Unit Owner shall be allocated and assessed its allocable share of only that portion of the Costs and Expenses to Maintain and Repair those General Common Elements that actually serve or are actually utilized by the Retail Unit Owner (see subsection B-5.3 above).

B-5.8.3. Insurance. The Condominium Board will maintain fire and other casualty insurance insuring the Building, the Building's Equipment, the boundary walls of each Unit and all other items of Common Elements. The insurance will include the interests of the Condominium

Board, the Unit Owners and their Permitted Mortgagees. The Condominium Association's insurance will not cover losses to the furniture, furnishings, personal belongings, fixtures, cabinets, appliances or other improvements and contents in an Owner's Unit, including Decorations to walls, Base Floors, Base Ceilings and windows. Each Unit Owner will be responsible to obtain and pay for insurance covering the personal property and the contents of his or her Unit, if desired.

The Condominium Board will also maintain liability insurance covering claims for personal injury and property damage arising from occurrences on the Common Elements, but not within or on Units (including a Terrace). The insurance will include the interests of the Condominium Board, its officers, employees and agents, and each Unit Owner. Unit Owners may be jointly and severally liable for occurrences in, on or caused by the Common Elements to the extent the liability insurance maintained by the Board is inadequate or does not cover the risk. The liability insurance in the First Year's Budget is in the amount recommended by the insurance agent identified in the First Year's Budget (see SCHEDULE B in Section F for details). Each Unit Owner will be responsible to obtain and pay for liability insurance to protect against occurrences within or on his or her Unit, including any Terrace, and the Unit's undivided interest in the Common Elements, if desired.

The premiums for the casualty and liability insurance maintained by the Condominium Board will be included in the General Common Expenses and charged to all Unit Owners as set forth in the First Year's Budget (SCHEDULE B in Section F) and the Condominium Documents. The minimum insurance coverages are also contained in such First Year's Budget.

B-5.9. Sidewalks. The sidewalks immediately adjacent to, and fronting, the Property ("**Immediately Adjacent Sidewalks**") are owned by The City of New York and are not part of the Condominium or Common Elements. Nevertheless, each property owner is required by Law to keep the Immediately Adjacent Sidewalks clean and free and clear of snow, ice, debris and water accumulation (collectively, "**Sidewalk Cleaning Obligations**") and properly Maintained and Repaired (collectively, "**Sidewalk Repair Obligations**"). Under the Condominium Documents, all Sidewalk Cleaning Obligations and all Sidewalk Repair Obligations (collectively "**Sidewalk Obligations**") shall be performed by the Condominium Board as part of the General Common Expenses, which shall be allocated to all Unit Owners and apportioned and assessed among them Pro Rata to their respective Common Interests (see Section R, subsection R-4.1.4 for discussion). The Condominium Board shall not store trash containers or other objects on said Immediately Adjacent Sidewalks to the Retail Unit (including its entrance) or otherwise obstruct or impede access to the Retail Unit's entrance or use said Immediately Adjacent Sidewalks to the Retail Unit in a manner that interferes with the use or Operation of the Retail Unit or the business conducted therein.

All uses of the Immediately Adjacent Sidewalks to the Residential Space permitted by applicable Law shall be determined by the Condominium Board, subject to certain Promotional rights and easements reserved to Sponsor (see Section O, subsection O-1.6). Sponsor and other Unsold Residential Unit Owners (if any) shall have preference and priority over the Residential Board Members and Sold Residential Unit Owners to use the Immediately Adjacent Sidewalks to the Residential Space, and may exercise such preferential and priority use and benefit Freely and Without Consent, Payment or Restriction, other than the requirement to comply with the

applicable Work Requirements set forth in the Declaration (see Section 15.2 thereof). The portions of the Immediately Adjacent Sidewalks to the Retail Unit shall be for the preferential and priority use and benefit of the Owner of the Retail Unit and one (1) or more tenants or occupants of such Unit (with the written permission only of the Owner of the Retail Unit), who may exercise such preferential and priority use and benefit Freely and Without Consent, Payment or Restriction, other than the requirement to comply with the applicable Work Requirements set forth in the Declaration (see Section H, subsection H-7.16 for discussion).

B-6. Equipment and Fixtures Included in Sale. The offering price of each Residential Unit includes all appliances, equipment, cabinets, and electrical and plumbing fixtures included in Sponsor's Plans and Specifications and summarized in Section C, subsection C-1.4 below and the Description of Property and Specifications or Building Condition (DOCUMENT 4 in Part II of this Plan).

B-7. Prices Set By Sponsor Without Governmental Approval. The offering prices are set by Sponsor and are not subject to approval of the Department of Law or any other governmental agency.

B-8. All Material Terms Disclosed. This Plan delivered to prospective Purchasers contains all of the material terms of the transaction. Copies of the Plan, all documents referred to in the Plan and all Exhibits submitted to the Department of Law in connection with the filing of the Plan will be available for inspection without charge and for copying at a reasonable charge to prospective Purchasers and their attorneys at the office of the Selling Agent or Sponsor set forth on the cover page of the Plan and at the Real Estate Financing Section of the Investment Protection Bureau of the New York Department of Law, 120 Broadway, 23rd floor, New York, New York.

B-9. Who May Purchase. This offering is made to only individuals aged 18 years or older and Entities qualified to do business in the State of New York who are competent to own real estate in the State of New York.

B-10. Caveat. 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 AND SALE AGREEMENT.

B-11. Glossary.

The words frequently used in this Plan (both Parts I and II) are defined below. Unless the context otherwise requires, whenever the words defined herein or elsewhere in this Plan are used in any number (singular or plural), gender (masculine, feminine or neuter) or tense (past, present or future), they shall include any other number, gender or tense, respectively, as the context may require.

"**Additional Common Charges**": As defined in Section B, subsection B-5.3.1 above.

"**Adjacent Lot**": As defined in Section A, subsection A-28 above.

"**Agents, Employees and Contractors**": All agents, employees, contractors and subcontractors, and their respective employees and workers.

"**All Repair Work**": All Maintenance and Repairs, whether structural or non-structural, or extraordinary or ordinary.

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

"**amend**", "**amended**" and variations thereof: To amend, modify, add, delete, repeal or otherwise change.

"**Amendment**": An amendment to this Plan accepted and filed by the New York State Department of Law or to the Condominium Documents, as indicated by the text.

"**approval**": Unless otherwise expressly provided, the approval to be obtained is Discretionary Approval.

"**Association**": As defined in Section B, subsection B-5.2.2 above.

"**Association's Commercial Properties**": As defined in Section B, subsection B-5.2.2.2 above.

"**Association's General Properties**": As defined in Section B, subsection B-5.2.2.3 above.

"**Association's Properties**": As defined in Section B, subsection B-5.2.2 above.

"**Association's Residential Properties**": As defined in Section B, subsection B-5.2.2.1 above.

"**Authorized First Sold Residential Unit Owner**": As defined in Section O, subsection O-1.4 below.

"**Base Ceiling**": The reinforced concrete slab or other construction material above the plaster, gypsum wallboard or other finish covering a ceiling. The Base Ceiling borders the top of a Unit or Common Element and constitutes one of the Structural Components of the Building. The Base Ceiling of a Unit is also the Base Floor of the Unit immediately above such Unit.

"**Base Floor**": The reinforced concrete slab or other construction material below the wood, stone, tile, carpet or other finish and any sub-flooring covering a Base Floor. The Base Floor borders the bottom of a Unit or Common Element and constitutes one of the Structural Components of the Building. The Base Floor of a Unit is also the Base Ceiling of the Unit immediately below such Unit.

"**Board**": The Board of Managers of the Condominium

"**Board Members**": The members of the Condominium Board, including the Residential Board Members and the Commercial Board Member.

"**Budget**": The Budget of Projected Receipts and Expenses of Operation for the first 12 months of Condominium Operation (also called the "First Year's Budget").

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

"**Building**": The building to be constructed and known by the street address of 515 West 23rd Street (a/k/a 515 and 517 West 23rd Street), New York, New York 10011.

"**Building Construction Standard**": As defined in Section O, subsection O-2.11.1.

"**Building's Maintenance Standard**": To Maintain and Repair a Unit, including its Terrace, or the Common Elements (as applicable) in good and proper working order in accordance with good construction practices, free of water leaks and undue air penetration, and otherwise in clean, neat and sanitary condition. To Maintain and Repair both sides of all windows, Storefronts, Terrace door and glass partition, Unit entrance, Terrace and other areas of a Unit or the Common Elements exposed to public view in clean, neat and good appearance and first class condition in accordance with the high quality, character and dignity of the Building, good construction practices and all applicable Laws. To Maintain and Repair the Terraces, the Roofs, the drainage Systems, the Immediately Adjacent Sidewalks to the Property and other outdoor areas, in accordance with good construction practices and free and clear of snow, ice, water accumulation and debris.

"**Building Walls**": As defined in Section B, subsection B-5.1.

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

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

"**By-Laws**": The By-Laws of the Condominium set forth as EXHIBIT D to the Declaration, as such By-Laws or a provision thereof may be amended from time to time in accordance with its provisions. The By-Laws provide for (among other matters) the administration and governance of the Condominium Association, the Operation and uses of the Property and Units and the rights and obligations of the Condominium Board and the Unit Owners. The proposed By-Laws are set forth as DOCUMENT 7 in Part II of this Plan.

"**calendar day**": Any day of the year.

"**Claims**": All claims, rights, causes for Lawsuits and Lawsuits.

"**Closing**", **Closing of Title**" and words of similar import: The transfer of legal ownership of a Unit pursuant to this Plan and the Purchase and Sale Agreement.

"**Closing Date**": The date the Closing of Title occurs and Purchaser, among other things, pays the balance of the Purchase Price.

"**Commercial Board Member**": A member of the Condominium Board appointed and designated exclusively by the Retail Unit Owner to represent its interests on the Condominium Board.

"**Commercial Common Charges**": As defined in Section B, subsection B-5.3 above.

"**Commercial Common Expenses**": As defined in Section B, subsection B-5.3 above.

"**Commercial Equipment**": The Equipment and Installations comprising part of the Retail Unit at any time.

"**Common Charges**": As defined in Section B, subsection B-5.3.1 above.

"**Common Elements**": As defined in Section B, subsection B-5.2.1 above.

"**Common Expenses**": As defined in Section B, subsection B-5.3.1 above.

"**Common Interest**": As defined in Section B, subsection B-5.2.3 above.

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

"**Communication Equipment and Other Installations**": All antennae, satellite dishes and other communication devices and related Equipment (including fiber optic cable and other communication lines, wires, cables and conduits), plus any and all other new and/or additional Equipment and Installations that service or benefit Residential Units and/or the Retail Unit and/or the general public.

"**Condominium**": The condominium that is the subject of this Plan, to be known as High Line 23 Condominium and to be established on the Property by the filing and recording of the Condominium Documents. The term refers to the Property being submitted to the provisions of the Condominium Act.

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

"**Condominium Association**": As defined in Section B, subsection B-5.2.2 above.

"**Condominium Board**": The Board of Managers of the Condominium, which is the body that governs the affairs of the Condominium and the Operation of the Common Elements and the Association's Properties. The Condominium Board comprises the Residential Board Members and the Commercial Board Member.

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

"**consent**": Unless otherwise expressly provided, the consent to be obtained is Discretionary Consent.

"**Construction Changes**": As defined in Section O, subsection O-2.8 below.

"**Construction Change Requirement**": As defined in Section O, subsection O-2.8 below.

"**Construction Defect**": As defined in Section O, subsection O-2.11.2 below.

"**Costs and Expenses**" or "**Costs or Expenses**" or similar words: All losses, damages, liabilities, costs, expenses and amounts paid, payable or incurred (including reasonable legal fees and disbursements, court costs and all other litigation expenses, together with per diem interest thereon at the rate equal to the lower of 16% a year or the maximum legal rate, computed from the date paid to the date reimbursed) in connection with any Claim or to perform, observe, enforce, uphold, protect, defend, maintain, and to collect sums payable under, a right, remedy, obligation, requirement, agreement or indemnity given in or pursuant to the Condominium Documents or an Amendment thereto or this Plan or a Plan Amendment. This term also includes all costs and expenses: (a) to Operate and make any Disposition of the Common Elements and the Association's Properties, including interest and principal payments under a loan; (b) to conduct the affairs of the entire Property, the Association's Properties and the Condominium Association generally or only the Residential Space or the Association's Residential Properties (as applicable); and (c) to provide services to all Unit Owners or to only the Retail Unit Owner or the Residential and Storage Unit Owners (as applicable).

"**damages**": All damages, whether actual, compensatory, consequential, indirect, incidental, special, punitive or otherwise.

"**days**": All references in this Plan, the Declaration and By-Laws to "days" shall mean calendar days, unless expressly stated to be business days.

"**Declaration**": The instrument to be executed by Sponsor and recorded in the Register's Office, which submits the Property to condominium ownership pursuant to the Condominium Act.

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

"**Decorate**", "**Decorations**" and derivations thereof: All painting, ornaments, furnishings, furniture, fixtures, embellishments and decorations of any kind, including: all manner of flooring (e.g., wood, tiles of any composition, carpeting, rugs and other floor coverings); all manner of baseboards and moldings; all manner of lighting fixtures and chandeliers and related switch plates and electrical outlets; all manner of doorknobs, hinges and other hardware; all manner of plants, flowers and landscaping; and all manner of wall and ceiling finishes and coverings (e.g., paint, plaster, tiles, wood paneling, fabric and wallpaper) .

"**Defect Notice**": As defined in Section O, subsection O-2.11.2 below.

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

"**Deposit**": The amount deposited toward the Purchase Price of a Residential or Storage Unit under the Purchase and Sale Agreement.

"**Depository**": Valley National Bank, at its office at 275 Madison Avenue, New York, New York, where the Deposits of Purchasers will be deposited.

"**Development Rights**": As defined in Section A, subsection A-28 above.

"**Discretionary Approval**" or "**Discretionary Consent**" or "**Discretionary Approval or Consent**" or similar words: The approval or consent to be obtained is discretionary and may be conditioned, withheld or denied without cause or explanation, in the sole and absolute judgment of the Party whose approval or consent is sought or required to be given, without recourse against such Party in the event the approval or consent is conditioned, withheld or denied.

"**Disposition**": To own, hold, use, lease, sublease, rent, grant easements or concessions, license, mortgage, grant security interests, collateralize, assign, transfer, sell, convey, market, advertise, Promote, offer, manage, administer, clean, Operate (including maintain, Repair and Alter), improve, combine, subdivide, expand, contract and to otherwise transact any matter with respect to, and to make any other disposition of, real or personal property allowed by Law, whether or not similar to the foregoing (but not to cast the votes appurtenant to any Unit owned by the Condominium Board or its designee or nominee).

"**duties**": All duties, obligations, burdens, responsibilities, requirements and services.

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

"**elect**", "**elected**", "**election**" and similar words and derivations: To elect to serve on the Condominium Board by nomination and voting (in the case of the Residential Board Members) or by appointment and designation (in the case of the Sponsor Board Members and the Commercial Board Member).

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

"**Equipment**": All machinery, tools, apparatus, devices and implements comprising part of a Common Element or Unit (as applicable), at any time, whether mechanical, electrical, electronic, plumbing or otherwise (see EXHIBIT C to the Declaration for full definition).

"**Facilities**": All fixtures and personal property not otherwise comprising the Equipment, now or hereafter existing in, on or under the Land or Building and for the use, service or benefit of one (1) or more Units or Unit Owner(s) or forming a part of the Common Elements, or necessary or

desirable for the existence, Maintenance, life, health or safety of the Property or any portion thereof or the Owners or occupants of one (1) or more Units.

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

"**Filing**": The acceptance for filing of this Plan or a Plan Amendment by the Department of Law.

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

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

"**First Year's Budget**": The projection of receipts and expenses of the Property for the first twelve (12) months following the projected date of First Closing of a Residential Unit contained in SCHEDULE B, set forth in "Section F. Budget for First Year of Condominium Operation".

"**515 West 23rd Street Public Areas**": As defined in Section B, subsection B-5.2.1.2 above.

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

"**Force Majeure**": Acts of nature (such as flood, earthquake or severe or unusually inclement weather), explosion, fire, strikes, work stoppage or slowdown, unavailability of materials supplies, war, emergencies, national defense preemptions, governmental restrictions or actions, injunctions or court orders, or other cause or event beyond the control of Sponsor, the Condominium Board or other Person in question (as applicable) and not attributable to the improper or bad faith acts or omissions of such Person.

"**freely**": Same as Freely and Without Consent, Payment or Restriction.

"**Freely and Without Consent, Payment or Restriction**": This term means and includes, unless otherwise expressly provided: (a) unfettered and unconditional; (b) without consent or approval of the Condominium Board or other Unit Owners or mortgagees of Units; (c) without paying any kind of fee, rental, charge, imposition or other sum to the Condominium Board, or its Managing Agent, attorneys or other professionals or consultants, or to Unit Owners; and (d) without complying with any kind of work rule, restriction, requirement or limitation of the Condominium Board or other authority, other than the restriction against Prohibited Uses and the requirements to comply with all applicable Laws, the applicable Work Requirements set forth in Section 15.2 of the Declaration and any other expressly stated restriction, requirement or limitation.

"**GBL**": Article 23-A of the General Business Law of the State of New York and Part 20 of Title 13 NYCRR setting forth the regulations promulgated by the Department of Law, which are applicable to this Plan.

"**General Common Charges**": As defined in Section B, subsection B-5.3.7 above.

"**General Common Elements**": As defined in Section B, subsection B-5.2.1 above.

"**General Common Expenses**": As defined in Section B, subsection B-5.3.7 above.

"**good construction practices**": The quality of the workmanship and materials with respect to any Maintenance, Repair, Alteration or other Work in, on, to or affecting the Building (including the Common Elements and Units) shall meet or exceed any relevant specific standards required by applicable Laws as well as the standards of locally accepted building practices for high quality mixed-use, primarily residential buildings in the locale of the Building and comparable to the construction and amenities of the Building.

"**Government Documents**": All notices, reports, registrations, applications, petitions, declarations, easements, licenses, forms, items, papers and other documents to be filed with, or given or submitted to, a Governmental Authority (see EXHIBIT C to the Declaration for full definition).

"**Governmental Authorities**": All authorities, agencies, departments, assessors, boards, bodies, courts and other instrumentality's of a federal, state, county, municipal, village, local, foreign, international, regional, domestic or other governmental or quasi-governmental authorities having jurisdiction.

"**household**": As defined in Section B, subsection B-5.5.1 above.

"**HVAC**": Heating, ventilating and air conditioning.

"**HVAC/Mechanical/Utility Building Systems**": All Building Systems, including (if existing or to be constructed pursuant to Sponsor's Plans and Specifications) HVAC, hot and cold water, storm drainage, refuse, fire protection (e.g., sprinklers, siamese connection and standpipe) waste, utilities (e.g., electric, gas, cable television, telephone, Internet and other telecommunications), intercom and security, and all other Building Systems.

"**immediate family**": Same as family.

"**Immediately Adjacent Sidewalks**": As defined in Section B, subsection B-5.9 above.

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

"**indemnify**": Whenever this term is used, it shall include to defend and hold harmless, and shall apply to the Related Parties of the Party being indemnified and the respective heirs, legatees,

distributees, executors, administrators, legal representatives, successors and assigns of such indemnified Party and Related Parties.

"**Independent Board Members**": The members of the Condominium Board who have no family, employment or business relationship or affiliation with Sponsor or an Unsold Unit Owner or a Related Party to Sponsor or an Unsold Unit Owner. Generally, the Independent Board Members are the Owners of Sold Residential Units or the respective members of their household or Related Parties.

"**individual**": A natural person.

"**Initial Working Capital Fund**": The amount to be advanced to the Working Capital Fund by Sponsor at the First Closing for application to the Residential Common Expenses and the portion of the General Common Expenses assessed to Residential and Storage Unit Owners (including to pay the apportionments of certain Building expenses at the First Closing if in favor of Sponsor) as set forth in "Section V. Working Capital Fund".

"**Installations**": All Equipment, Facilities, Systems, structures and fixtures now or hereafter existing in, on, under or adjacent to the Land or Building and for the use, service or benefit of one (1) or more Units or Unit Owners or forming a part of the Common Elements, or necessary or desirable for the Use and Enjoyment of the Property or any portion thereof or the Owner, tenant or occupant of one (1) or more Units.

"**Institutional Lender**": A savings bank; savings and loan association; bank or trust company; credit union; insurance company; real estate investment trust; mortgage trust; a federal, state, municipal, union or other employee, welfare, pension or retirement fund or system; or the holder of a mortgage encumbering one (1) or more Unsold Units or the Retail Unit.

"**Institutional Mortgage**": Any mortgage covering one (1) or more Units whose initial holder is either an Unsold Unit Owner (including Sponsor), or its designee or nominee, or an Institutional Lender.

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

"**Land**": The parcel of land on which the Building is to be located together with the air space thereover. Such parcel is more particularly identified in EXHIBIT A to the Declaration in Part II of this Plan. The portions of said air space occupied by: (a) the Units are included in, and are part of, the respective Units; (b) the areas and improvements included in the Residential Common Elements are part of the Residential Common Elements; and (c) the areas and improvements comprising the General Common Elements are included in, and part of, the General Common Elements. All unused or unimproved air space not utilized in connection with the erection of the Building and the Units, whether now or hereafter available or subsequently acquired by the zoning lot, constitute the unutilized Development Rights of the Land and will be owned and held by Sponsor as owner of the Adjacent Lot within the same zoning lot as the Land pursuant to a certain Declaration of Zoning Lot Development and Easement Restrictions to be recorded prior to the recording of the Condominium Declaration. The Land includes, and is

subject to, all easements, agreements, covenants, restrictions, rights, privileges, benefits, encumbrances, burdens and other matters of record appurtenant thereto.

"**Latent Construction Defect**": As defined in Section O, subsection O-2.11.2 below.

"**Laws**": All applicable laws and ordinances of federal, state, city or other local Governmental Authorities and all applicable regulations, codes, rules, orders, permits, directives and requirements of all Governmental Authorities having jurisdiction over the Property or the Condominium.

"**Lawsuits**": All suits, whether legal or equitable, disputes, controversies and litigation brought in or before any court or judicial system (federal, state, local or international), governmental or administrative authority, arbitration or mediation association or alternative dispute resolution body.

"**Liabilities and Expenses**": All liabilities, judgments, awards, losses, damages, penalties, fines and Costs and Expenses.

"**Litigation Document**": Any pleading, affidavit, petition, application, motion, interrogatory or other document utilized in connection with any litigation (see EXHIBIT C to the Declaration for full definition).

"**Maintain**", "**Maintenance**" and similar words: To inspect, test, paint, keep and otherwise maintain a Unit or the Common Elements (as applicable) in accordance and compliance with the Building's Maintenance Standard.

"**majority of Board Members**" or "**majority of Residential Board Members**": More than fifty percent (50%) of all Board Members or all Residential Board Members, or more than 50% of those Board Members or those Residential Board Members attending a duly constituted Board meeting at which a quorum is present, as may be specified or indicated by the text.

"**majority in Common Interest of Unit Owners**" or "**majority in Common Interest of Residential and Storage Unit Owners**", or words of similar import or other specified percentage: Owners of more than fifty percent (50%) (or other specified percentage) in aggregate absolute Common Interests appurtenant to all Units or all Residential and Storage Units, or Owners of more than fifty percent (50%) (or other specified percentage) in aggregate absolute Common Interests of only those Unit Owners or only those Residential and Storage Unit Owners who are present, in person or by proxy, and voting at a duly constituted meeting of Unit Owners or Residential and Storage Unit Owners at which a quorum is present, as applicable or indicated. All references herein to "Units" shall exclude for quorum and voting purposes any Unit while such Unit is owned by the Condominium Board or its nominee or designee and all references to "Unit Owners" shall exclude for quorum and voting purposes the Condominium Board or its nominee or designee as Owner of any Unit. An Owner of more than one (1) Unit shall be counted as a separate Owner for each such Unit for quorum and voting purposes. A Unit owned by more than one (1) Person shall be considered one (1) Unit Owner for purposes of counting the number or percentage of Unit Owners for quorum and voting purposes.

"**majority in number of Unit Owners**" or "**majority in number of Residential and Storage Unit Owners**", or words of similar import or other specified percentage: Owners of more than fifty percent (50%) (or other specified percentage) in aggregate absolute number of all Units or all Residential and Storage Units, or Owners of more than fifty percent (50%) (or other specified percentage) in aggregate number of only those Unit Owners or only those Residential and Storage Unit Owners who are present, in person or by proxy, and voting at a duly constituted meeting of Unit Owners or Residential and Storage Unit Owners at which a quorum is present, as applicable or indicated. All references herein to "Units" shall exclude for quorum and voting purposes any Unit while such Unit is owned by the Condominium Board or its nominee or designee and all references to "Unit Owners" shall exclude for quorum and voting purposes the Condominium Board or its nominee or designee as Owner of a Unit. An Owner of more than one (1) Unit shall be counted as a separate Owner for each such Unit for quorum and voting purposes. A Unit owned by more than one (1) Person shall be considered one (1) Unit Owner for purposes of counting the number or percentage of Unit Owners for quorum and voting purposes.

"**Managing Agent**": The Person engaged from time-to-time by the Condominium Board to perform the duties of a managing agent of the Building and initially will mean management firm identified in Section W, subsection W-1 below, the proposed first managing agent chosen by Sponsor to be engaged by the Condominium Board.

"**Match Offer Right**": As defined in Section B, subsection B-5.5.2 above. Same as Right of First Refusal.

"**Minor Construction Defect**": As defined in Section O, subsection O-2.11.1 below.

"**Net Refundable Special Work Payment**": As defined in Section A, subsection A-5 above.

"**Occupancy Requirements**": As defined in Section B, subsection B-5.5.1 above.

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

"**Operate**", "**Operates**", "**Operation**", "**Operations**" or derivations thereof: To Maintain, Repair, Alter and to otherwise use, operate, manage and conduct the business and affairs of: (a) the Residential Space; (b) the Association's Residential Properties; (c) the General Common Elements; (d) the Association's Commercial Properties; (e) the Association's General Properties, (f) the entire Property, or (g) one or more Units, as the context requires, or as otherwise indicated by the text.

"**Owner**": The legal (record) owner of fee simple title of a Unit, including (as indicated, or otherwise expressly provided, by the text): (a) a Unit Owner; (b) a Residential Unit Owner; (c) a Storage Unit Owner; and (d) the Retail Unit Owner. An Owner of more than one (1) Unit shall be counted as a separate Owner for each such Unit for quorum and voting purposes. A Unit owned by more than one (1) Person shall be considered one (1) Unit Owner for purposes of counting the number or percentage of Unit Owners for quorum and voting purposes.

"**Owner-Occupied Residential Unit**": A Residential Unit occupied by its Owner or a member of the Owner's immediate family.

"**Owner-related Occupants**": The occupants of a Residential Unit who are a member of the Owner's family or an officer, director, shareholder, member, partner, trustee, executor, administrator, guardian, legal representative, beneficiary, government official or employee of a corporation, limited liability company, partnership, trust, sovereign government, consulate or other Entity which owns the Unit, or a member of the family of any of the foregoing.

"**Part 20**": As defined in Section B, subsection B-1 above.

"**Party**": A Unit Owner, the Condominium Board (including a Residential or Commercial Board Member), a Permitted Mortgagee, a Registered Tenant and an Insurance Trustee are each a party.

"**Party Wall**": A boundary wall or partition separating a Unit from another Unit or a portion of the Common Elements.

"**Patent Construction Defect**": As defined in Section O, subsection O-2.11.2 below.

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

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

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

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

"**Permitted Tenants/Occupants/Invitees**": The tenants, occupants, invitees, licensees, operators, contractors, subcontractors, agents, employees and workers permitted or authorized to occupy, use, visit, operate or enter a Unit by the Owner of such Unit or pursuant to Law or the Condominium Documents.

"**Person**": A natural person (i.e. individual) or an Entity.

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

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

"**powers**": All powers, rights, authorities, remedies, protections and benefits.

"**presentation date**", "**presentation**", "**presented**" and similar words: The day of hand delivery or (if mailed) the fifth (5th) day after mailing (whether by ordinary mail or registered or certified mail, with or without return receipt requested), whichever is the last to occur, of this Plan or a

Plan Amendment to all then existing Purchasers and (after the First Closing) then existing Sold Residential and Storage Unit Owners.

"**Prior Assessed Valuation**": As defined in Section A, subsection A-12 above.

"**Prohibited Uses**": As defined in Section A, subsection A-1 above.

"**Projected First Year of Condominium Operation**": The first twelve (12) months following the projected date of First Closing of a Residential Unit, as set forth in SCHEDULE B in Section F below.

"**Promote**", "**Promotion**" or derivations thereof: All manner of offering, advertising, marketing, Signage, displays and other promotion and promotional activities in connection with the sale, rental or Operation of a Unit or a business conducted in a Unit.

"**Property**": The Land, the Building and all other improvements on or under the Land and all other property (real, personal or mixed) used or intended for use in connection with the Land or Building and to be submitted by Sponsor to a regime of Condominium ownership to be established pursuant to the Declaration in accordance with the Condominium Act.

"**Pro Rata**": In the proportion that the Common Interest or floor area or offering price or Common Charge of a Unit bears to the total Common Interests or the total floor areas or total offering prices or total Common Charges of all specified Units (respectively), or that the Common Interest or floor area or offering price or Common Charge of a Residential or Storage Unit bears to the total Common Interests or total offering prices or total Common Charges of all Residential and Storage Units (respectively), or otherwise, as the context indicates. For example, the Residential Common Expenses are charged to only all Residential and Storage Unit Owners and apportioned and assessed among them Pro Rata to their respective Common Interests. This means that each Residential and Storage Unit Owner shall pay that portion of the Residential Common Expenses as the Common Interest appurtenant to such Owner's Unit bears to the total Common Interests appurtenant to all Residential and Storage Units.

"**Purchase and Sale Agreement**": The agreement between Sponsor and a Purchaser for the purchase and sale of a Residential Unit or both a Residential Unit and a Storage Unit in the form set forth as DOCUMENT 1 in Part II of this Plan.

"**Purchase Price**": The purchase price of a Residential Unit and/or Storage Unit under a Purchase and Sale Agreement.

"**Purchaser**": A Person or Persons buying a Residential Unit or both a Residential Unit and a Storage Unit under a fully executed Purchase and Sale Agreement, whether for personal occupancy or use of the Purchaser or a member of Purchaser's family or for rental or other investment purposes.

"**Reasonable Approval**", "**Reasonably Approved**" or similar words: The approval required to be obtained shall not be unreasonably conditioned, withheld, denied or delayed.

"**Register's Office**": The office of the Register of the County of New York, in the City and State of New York.

"**Related Party**": An individual who has or had an employment, business or family relationship to a Unit Owner or an Entity comprising a Unit Owner or a partner, member, manager, shareholder, officer, director or principal of a Unit Owner or an Entity comprising a Unit Owner; or an Entity whose legal, equity or beneficial interest is owned (directly or indirectly) by a Unit Owner or an Entity comprising a Unit Owner or a partner, member, manager, shareholder, officer, director or principal of a Unit Owner or an Entity comprising a Unit Owner.

"**Repair**", "**Repaired**", "**Repairs**" or derivations thereof: To repair, fix, correct, rebuild, restore, replace, substitute, remove and to perform any other Work, apart from Maintenance or Alterations, in or to a Unit or the Common Elements.

"**Residential Board Members**": The members of the Condominium Board who represent the interests of all Sold and Unsold Residential and Storage Unit Owners on the Condominium Board, consisting of the Independent Board Members and (for so long as there is one (1) Unsold Residential Unit) one (1) or more Sponsor Board Members, as provided in this Plan and the Condominium Documents.

"**Residential Common Charges**": As defined in Section B, subsection B-5.3.5 above.

"**Residential Common Elements**" or "**Residential Limited Common Elements**": As defined in Section B, subsection B-5.2.1 above.

"**Residential Common Expenses**": As defined in Section B, subsection B-5.3.5 above.

"**Residential Equipment**": The Equipment and Installations comprising the Residential Common Elements at any time.

"**Residential Space**": All of the Residential and Storage Units and the Residential Common Elements.

"**Residential Unit**": One of the dwelling Units in the Building being offered for sale under this Plan (such term includes a Sold Residential Unit and an Unsold Residential Unit, unless the context expressly provides otherwise) and constituting one of the Condominium Units to be established under, and to be so designated as such in EXHIBIT B to, the Declaration, together with the Common Interest appurtenant to each such Unit. Each Residential Unit includes the Terrace (if any) appurtenant to the Unit together with all Equipment, Installations and Systems, or portions thereof, wherever located, that are for the exclusive use, service or benefit of such Unit or its Owner and are not expressly stated in the Declaration to be part of the Common Elements or another Unit.

"**Residential Unit Owner**": The Owner of a Residential Unit.

"**Retail Unit**": The retail space in the Building and constituting one of the Condominium Units to be established under, and to be so designated as such in EXHIBIT B to, the Declaration, together with the Common Interest appurtenant to such Unit. The Retail Unit includes the

Building Walls from street level to a horizontal plane extending along and immediately below the parapet enclosing the Roof over the Retail Unit, all Equipment, Installations and Systems, or portions thereof, wherever located, that are for the exclusive use, service or benefit of such Unit or its Owner and are not expressly stated in the Declaration to be part of the Common Elements or another Unit.

"**Retail Unit Owner**": The Owner of the Retail Unit.

"**Right of First Refusal**": As defined in Section B, subsection B-5.5.2 above. Same as Match Offer Right.

"**Roof**": A "Roof" consists of the following (if and to the extent existing): the structural concrete slab or other construction material; the roofing material thereover, including the insulation, membrane, flashing, counterflashing, pre-cast concrete pavers and supporting pedestals (in the case of the Roof over the Retail Unit) and similar elements protecting the interior portions of the Building. The term "Roof" does not include the wood decking, pavers, tiles or other protective flooring or covering on a Roof comprising the Terrace appurtenant to, and part of, a specified Residential Unit. A reference to a "Roof" shall be deemed to include all Roof Structures appurtenant to such Roof, unless otherwise expressly provided. The roof over the Retail Unit, the roof above the top floor of the Building, the Roof over the PH Unit, the roof underneath a Terrace or the roof above the bulkheads enclosing the mechanical room, the egress stairs and elevator equipment are each a "Roof".

"**Roof Structures**": The drainage System of a Roof (including, if and to the extent existing, drains, gutters, leaders and similar elements), the parapets, copings, railings, walls and other structures enclosing a Roof, and the bulkheads enclosing the mechanical room, the egress stairs and the elevator equipment.

"**Section 339-m**": Section 339-m of the Condominium Act.

"**Selling Agent**": Brown Harris Stevens Residential Sales LLC, having an office at 2 Fifth Avenue, New York, New York 10011 and Alf Naman Real Estate Advisors Ltd., 460 Park Avenue, Floor 22, New York, New York 10022.

"**Sidewalk Cleaning Obligations**": As defined in Section B, subsection B-5.9 above.

"**Sidewalk Repair Obligations**": As defined in Section B, subsection B-5.9 above.

"**Sign**", "**Signs**" or "**Signage**" or similar words: Each or every kind whatsoever of: sign, inscription or lettering (on doors, windows or elsewhere), picture, banner, flag, awning, canopy, planter, landscaping, structure, placard, board, stanchion, decoration and display used for sales, rental, Promotional, advertising, identity, business, Operations and/or any other lawful purpose. There is no restriction or limitation whatsoever on the nature, composition, material, design, size, illumination, configuration, fabrication, quality, character, color, appearance or content of Signs, unless otherwise expressly provided.

"**Sold Residential Unit**", "**Sold Storage Unit**" or "**Sold Unit**": A Residential or Storage Unit that is sold and conveyed to a bona fide Purchaser under this Plan (including a bona fide

Purchaser who is buying for personal use or occupancy by the Purchaser or Purchaser's family or for rental investment). Generally, a Sold Unit is any Residential or Storage Unit that is not an Unsold Residential or Storage Unit.

"**Sold Residential Unit Owner**", "**Sold Storage Unit Owner**" or "**Sold Unit Owner**": The Owner of a Sold Residential Unit or Sold Storage Unit or Sold Unit.

"**Specially Allocated and Apportioned Expenses**": As defined in Section B, subsection B-5.3.4 above.

"**Special Allocation and Apportionment Rule**": As defined in Section B, subsection B-5.3.3 above.

"**Special Assessment**": The amount assessed by the Condominium Board to pay a portion of the Common Expenses and payable by all or certain Unit Owners (as applicable) in the time and manner determined by the Condominium Board. A Special Assessment is an Additional Common Charge and may be payable in an amount or amounts and time period other than that applicable to the regular Common Charges, as determined by the Condominium Board. A Special Assessment shall be payable by the applicable Unit Owners required to pay the Common Expenses to which such Special Assessment is to be applied as provided in the Condominium Documents and the First Year's Budget (i.e., SCHEDULE B in Section E below).

"**special work**": As defined in Section A, subsection A-4 above.

"**Specially Apportioned General Common Expenses**": As defined in Section B, subsection B-5.3 above.

"**Sponsor**": 23 Highline LLC, the offeror of the Residential, Storage and Retail Units under this Plan. Whenever the Plan, the Purchase and Sale Agreement or the Condominium Documents provide that Sponsor shall not be liable or responsible, or that there shall be no recourse against Sponsor, such provision shall be deemed to include Sponsor's Related Parties and Sponsor's employees, agents and attorneys, whether or not so expressly stated.

"**Sponsor Board Control Period**": As defined in Section A, subsection A-7 above.

"**Sponsor Related Party**": A Person who is a Related Party to Sponsor.

"**Sponsor Board Member**": A Board Member appointed and designated exclusively by Sponsor (or, after Sponsor no longer owns any Unsold Residential and Storage Unit, other Unsold Residential and Storage Unit Owners, if any) to serve as a Residential Board Member and represent the interests of Sponsor and other Unsold Residential and Storage Unit Owners on the Condominium Board.

"**Sponsor's Obligations**": As defined in Section O, subsection 0-2 below.

"**Sponsor's Rights**" or "**Sponsor's/Commercial Owner's Rights**": The special rights, powers, privileges, exemptions, easements, licenses, indemnities, remedies, protections and other benefits of Sponsor, Unsold Residential and Storage Unit Owners, and the Retail Unit Owner set forth in

this Plan (including a Plan Amendment) and the Condominium Documents and which are applicable to the respective Units owned by them (see Section 28.1 of the Declaration for full definition).

"**Sponsor Unit**": An Unsold Unit (including a Residential Unit, a Storage Unit or the Retail Unit) owned by Sponsor at the time in question.

"**Sponsor Veto Control Period**": The period ending on the *earlier* of: (a) the date that the Common Interests appurtenant to the Unsold Residential and Storage Units constitute less than twenty-five percent (25%) of the aggregate Common Interests appurtenant to all Residential and Storage Units; or (b) the fifth (5th) anniversary of the First Closing of a Residential Unit.

"**Storage Unit**": One of the residential storage spaces in the Building being offered for sale under this Plan (such term includes a Sold Storage Unit and an Unsold Storage Unit, unless the context expressly provides otherwise) and constituting one of the Condominium Units to be established under, and to be so designated as such in EXHIBIT B to, the Declaration, together with the Common Interest appurtenant to such Unit. Each Storage Unit includes all Equipment, Installations and Systems, or portions thereof, wherever located, that are for the exclusive use, service or benefit of such Unit or its Owner and are not expressly stated in the Declaration to be part of the Common Elements or another Unit.

"**Storage Unit Owner**": The Owner of a Storage Unit.

"**Storefronts**": The storefronts of the Retail Unit existing at any time, including the glass, frames, windows and all doors of such storefronts, any gates and other security devices and alarms protecting such windows and doors, any awnings, canopies or Signage immediately above or abutting same.

"**Storefront Windows**" or similar words: The windows on any Storefront of, or entrance to, the Retail Unit.

"**Structural Components**": The following components of the Building: foundations, structural columns, beams, supports, girders and similar structural members; load bearing walls; Building Walls; Base Floors; Base Ceilings; and Roofs, including Roof Structures appurtenant thereto.

"**Systems**": All mechanical, electrical, electronic, video, audio, Internet, plumbing and other Installations relating to: heat; ventilation; air conditioning; utilities for power, lighting and cooking; security; telephone; waste; refuse; fire protection; sprinklers; standpipe; hot and cold water; elevators; intercom; cable and satellite television; Roofs, including Roof Structures; Building Walls; and all other services provided to one (1) or more Units or the Common Elements.

"**Terrace**": The wood decking, pavers or other protective flooring or covering appurtenant to, and part of, a specified Residential Unit as identified in SCHEDULE A in Section E below and will be identified in EXHIBIT B to the Declaration and the Floor Plans. A Terrace does not include the Roof and its appurtenant Roof Structures (e.g., parapet, walls, copings, railings and drainage System) under, in and enclosing a Terrace, such Roof and Roof Structures being part of the Residential Common Elements.

"TIME IS OF THE ESSENCE", "TIME BEING OF THE ESSENCE", "TIME OF THE ESSENCE" or other words of similar import: The period stated to pay or perform an obligation or act, or to give a notice, is an absolute deadline and cannot be extended by the party required to so pay, perform or notify, regardless of the reason or excuse for not timely doing so.

"Title Closing": Same as Closing of Title.

"Title Insurance Company": any of the following title insurers or agent: First American Title Insurance Company of New York; Counsel Abstract, Inc., as agent for Ticor Title Insurance Company; Chicago Title Insurance Company; or Commonwealth Land Title Insurance Company.

"Unavoidable Causes": Same as Force Majeure.

"Unit": A Unit is a part of the Property intended for any type of use or uses, with an exit to a public street or to a Common Element or Common Elements leading to a public street, and is designated under the Declaration as a condominium unit owned separately and exclusively by its Owner together with the Common Interest appurtenant to the Unit. Each Owner has exclusive ownership and possession of the Owner's Unit, subject to certain use and occupancy restrictions, and certain rights and easements (including those in favor of the Condominium Board and Sponsor), as and to the extent set forth in this Plan and the Condominium Documents. A Unit is designated in this Plan, and will be designated in EXHIBIT B to the Declaration and on the Floor Plans, as a Residential Unit, a Storage Unit or the Retail Unit.

"Unit Change": As defined in Section I, subsection I-4 below.

"Unit Layout": As defined in footnote 2 to SCHEDULE A in Section E.

"Unit Owner": The Owner of a Unit. An Owner of more than one (1) Unit shall be considered a separate Unit Owner for each such Unit for quorum and voting purposes. A Unit owned by more than one (1) Person shall be considered one (1) Unit Owner for purposes of counting the number or percentage of Unit Owners for quorum and voting purposes.

"Unsold Residential Unit", "Unsold Storage Unit" or **"Unsold Unit"**: Any Unit (Residential, Storage or Retail) owned at the time in question by an Unsold Unit Owner (regardless of whether such Owner is Sponsor and/or other Person so designated by Sponsor as such). A Sold Unit that is reacquired by Sponsor shall be regarded as an Unsold Unit for all purposes other than for determining the expiration of the Sponsor Board Control Period or the Sponsor Veto Control Period. An Unsold Unit shall retain its status and character as an Unsold Unit until it is conveyed to a bona fide Purchaser under this Plan.

"Unsold Residential Unit Owner", "Unsold Storage Unit Owner", or **"Unsold Unit Owner"**: Sponsor and (if applicable) a Person designated by Sponsor in writing or a Plan Amendment as an Unsold Unit Owner having, with regard to each Unsold Unit owned by such designated Person, all or (if specified by Sponsor) certain of Sponsor's Rights (i.e., the rights, powers, easements, licenses, privileges, exemptions, indemnities, remedies, protections and other benefits of Sponsor under this Plan, the Plan Amendments and the Condominium Documents), but

subject in each case to the same limitations and restrictions as are applicable to Sponsor under this Plan, the Plan Amendments and the Condominium Documents.

"**Usage**": As defined in Section B, subsection B-5.3 above.

"**Use and Enjoy**", "**Use and Enjoyment**" or "**Used and Enjoyed**" or similar words: This term means all uses and enjoyment of the Property, the Common Elements and a Unit permitted by Law and not expressly prohibited, limited or restricted in this Plan, the Declaration or By-Laws, and includes existence, use, enjoyment, service, benefit, sale, rental, granting of licenses or concessions, management, control, function, business, Signage, market, advertisement, Promotion, Operation, health, safety, preservation, welfare, security, protection, appearance or other Disposition.

"**Work**" or derivations thereof: All labor performed, and all materials and supplies used, to Maintain, Repair, Alter and otherwise Operate or perform other work in or to a Unit or the Common Elements.

"**Work Requirements**": As defined in Section 15.2 of the Declaration.

"**Working Capital Fund**": The amounts to be "advanced" by Sponsor and to be paid by Purchasers of Residential and Storage Units for use as working capital of the Condominium as provided in "Section V. Working Capital Fund".

"**Working Capital Payment**": As defined in Section V, subsection V-2 below.

END OF SECTION B

SECTION C. DESCRIPTION OF THE PROPERTY AND IMPROVEMENTS

The following is a general description of the Property, including the Units and Common Elements, as well as certain facilities, services and amenities to be provided at the Condominium. For a more detailed description of the Property and the Building condition, see DOCUMENT 4. "Description of Property and Specifications or Building Condition" in Part II of this Plan. This summary and said DOCUMENT 4 are based on Sponsor's Plans and Specifications for the construction of the Building (including the Units) filed with the New York City Department of Buildings, as amended from time to time pursuant to this Plan.

C-1. The Property, Services and Amenities.

C-1.1. Land. The Land comprises approximately 3,851 feet and fronts 39 feet and 0 inches on the northern side of 23rd Street and is 135 feet and 0 inches from the northwest corner formed by the intersection of 23rd Street and Tenth Avenue. The entrance to the Building for the Residential Units will be at 515 West 23rd Street. The entrance for the Retail Unit will be to the east at 517 West 23rd Street.

C-1.2. Building. The Building will contain one (1) cellar, 14 floors of Units above the cellar, a main Roof, and a bulkhead enclosing egress stairs and elevator equipment. The floors above the cellar will be numbered 1 to 12 and Penthouse (no floor "13" designation will be used). See the following subsection C-1.3 for location of the Units on each floor. The residential floors from floor 2 to Penthouse will be served by one (1) elevator. The cellar level will be served by the same elevator.

C-1.3. Units. Under Sponsor's current Plans and Specifications, the Building is to be newly constructed with a total of: 11 Residential Units located on portions of floors 2 through Penthouse; 6 Storage Units located on a portion of the cellar level; and 1 Retail Unit located on a portion floor 1 (ground level). Unit 3 and Unit PH are duplexes and each will have its own Terrace. The indoor floor areas of the Residential Units are planned to range in size approximately as follows: from an estimated 1,869 square feet to an estimated 3,586 square feet for the Residential Units; and from an estimated 27 square feet to an estimated 56 square feet for the Storage units. The Terraces will range in size approximately from an estimated 797 square feet to an estimated 1,237 square feet.

The floor plan of the planned configuration, layout, size and room dimensions of each Unit is contained in Part II as DOCUMENT 5 of this Plan. All square footages and dimensions shown on the floor plans and stated above and in SCHEDULE A (in Section E below) are approximate within reasonable tolerances and estimates based on Sponsor's Plans and Specifications, all of which are subject to normal construction allowances and variances, and subject further to change pursuant to Sponsor's right to change the number, configuration, layout, size and room dimensions of Units in compliance with part 20, Section 20.3(k) of the regulations issued by the Department of Law (see subsections I-4 and I-5 below). SPECIAL RISK: In accordance with the customary practice in New York City, the estimated square footages of the Units include the width of the walls enclosing the Units and, thus, will exceed their useable floor areas. (See Section A, subsection A-30.) The room and area dimensions, however, are measured from the exposed surface of the walls enclosing the room or area. Chase walls, shafts, cabinets and the

like are not subtracted. A minor or non-material inaccuracy in the actual square footage (i.e., floor area) or the actual size of individual rooms or areas of a Unit when built from that shown on SCHEDULE A (in Section E below) or its floor plan in DOCUMENT 5 in Part II, shall not excuse a Purchaser of such Unit from paying the full Purchase Price, without abatement, set-off or credit, and without recourse of any kind against Sponsor. If the actual overall size of a Unit when built, as similarly measured to include the width of the walls enclosing the Unit, is materially smaller than the total square footage (i.e., floor area) stated on its floor plan in DOCUMENT 5 in Part II or in SCHEDULE A (in Section E below), the Plan will be amended to offer such Purchaser the right for only fifteen (15) days after presentation of the Amendment to rescind the Purchase and Sale Agreement, which shall be the limit of Purchasers' remedy and Purchaser's sole recourse against Sponsor. If Purchaser elects to rescind, Purchaser's Deposit and any earned interest will be returned to Purchaser, together with any Net Refundable Special Work Payment (if and to the extent applicable) (see SPECIAL RISK Section A, subsection A-5 above).

C-1.4. Appliances and Finishes. All or most Residential Units are planned to be outfitted as follows, subject to the right of Sponsor to substitute equipment or material of no lesser quality and design: Kitchen: A Miele cooktop range, a Gaggenau or Miele oven, a Gaggenau hood, a Dacor microwave, a Miele dishwasher, a Viking refrigerator, a Viking wine cooler (Unit PH only), cabinets, stone floors and solid surface countertops; bathroom(s): separate bathtubs and separate showers in all master bathrooms, only showers or combined bathtub/shower in other bathrooms, a vanity, a medicine cabinet, solid surface countertops, stone tile floors, and Unit 3 and Unit PH also will have a powder room; living room, dining room, living/dining room, bedroom(s), study, foyer/gallery: engineered wood floors. Residential Units will also be equipped with a separate electric Miele laundry washer and dryer in various locations. Special features include: walk-in closets (except Unit 3) and working gas fireplaces in Units 10, 11, 12 and PH. Walls of Residential Units will be delivered painted with two light-colored finished coats, except for areas with stone in bathroom, powder rooms and kitchens. Each Residential Unit will be heated by perimeter hot water radiation as the primary source of heat and individual heat.

Furnishing, furniture, appliances, finishes and coverings (on walls, floors and ceilings) window treatments and all other Decorations in or about any sales model or office that are not expressly set forth in this Plan are for display purposes only and not included in the sale. Purchaser, at his or her sole Cost and Expense, will be responsible to repaint and repair any damage to the Unit or its contents that might be caused when Purchaser moves in.

The Retail Unit will be provided with valved and capped hot water and condenser water outlets from the Building's Systems for future connection of HVAC equipment to be installed by the Owner or tenant of the Retail Unit. The Roof enclosing a portion of the Retail Unit will have areas reserved for skylights to be installed by, and at the sole Cost and Expense of, the Owner or tenant of the Retail Unit.

See Part II, DOCUMENT 4 "Description of Property and Specifications or Building Condition" for additional details and appliance makers (subject to Sponsor's right to substitute material and appliance of no lesser quality and design as aforesaid).

C-1.5. Standard Building Services and Amenities. Generally, the services normally associated with the Operation and Maintenance of comparably sized and equipped upscale residential condominiums located in the vicinity of the Building will be provided to the Owners, tenants and occupants of Residential Units, regardless of the number of Units that are sold (see SPECIAL RISK Section A, subsection A-20 above as to potential incomplete status of Decorations at the First Closing and subsection C-1.6 below as to potential changes in services and amenities). All Costs and Expenses of these services and amenities will be part of the Residential Common Expenses, which shall be allocated to only all Residential and Storage Unit Owners and apportioned and assessed among them Pro Rata to their respective Common Interests in order that the Common Charges of the Residential and Storage Units reflect the amount of the Common Expenses fairly and properly attributable to such Units. These services and amenities are listed below and most of them will be in effect from and after the First Closing and occupancy of a Residential Unit (see SPECIAL RISK Section A, subsection A-21 as to the recreation room not starting to become unavailable and the working hours of the Building staff being reduced until at least 50% or more of the Residential Units are occupied, subject to delays caused by completion of the Units and punch list work (which will have the highest priority) and Unavoidable Causes):

Recreation Space: The Building will have a recreation space on the second floor, which will include a bathroom and a limited amount of exercise equipment. The recreation space, which will be unattended, is planned to be available 24 hours a day when at least 50% of the Residential Units are occupied and will be accessed through a key/swipe-card system, subject to the right of the Condominium Board to set different hours.

Lobby Attendant: A uniformed lobby attendant will be on duty for sixteen (16) hours a day on the weekdays Mondays to Fridays, subject to the right of the Condominium Board to determine the hours of coverage.

Elevator Service: The passenger elevator will be automatically operated and therefore will be in service as necessary, 24 hours per day, seven days a week.

Communications Facilities and Intercom Service: Each Residential Unit will be equipped with an intercom that will operate through a land-based telephone to be installed by, and at the expense of, the Unit Owner. This system will enable the occupants of each Unit to communicate directly with the lobby attendant regarding the admission of guests, visitors and, in the case of Building personnel, prior notice of their imminent arrival.

Mail: There will be separate mail boxes for each Residential Unit on the ground floor. Incoming mail will be inserted in the mail boxes by the U.S. Postal Service.

Maintenance personnel: Building maintenance personnel will include a non-resident Building superintendent and a lobby attendant (staffed in two 8-hour shifts, for a total of 16 hours a day, Mondays through Fridays).

Utilities: Each Residential Unit will contain connections for all utilities, including electricity, heating, domestic hot and cold water, telephone, internet and cable television service. Residential Units will have HVAC with heat pumps that provide perimeter heating/cooling.

Electricity for the Building will be provided by Consolidated Edison Company of New York, Inc. ("Con Edison") or by any utility that subsequently supplies electricity to the Building. Telephone services will be provided by Verizon or another telephone service provider. Units will be pre-wired and provided with a telephone jack in the living room, kitchen and each bedroom. Water and sewer services will be provided by The City of New York and the costs of such services will be included in the Common Charges, except the Retail Unit will pay for water and sewer services to the Condominium Board as measured by a separate sub-meter and the then current water and sewer rates of the taxing authority, including taxes. Cable television services will be provided by Time Warner Cable or another cable service provider (Units will be pre-wired for cable service and provided with cable service jacks in all of the same rooms in which telephone jacks are installed as stated above.) Charges for telephone and cable services will be paid for by the individual Residential Unit Owner directly to the service provider. Internet service must be arranged by the Residential Unit Owner, at such Owner's sole cost and Expense.

Refuse Disposal: There will be a refuse compactor located in the compactor room on a cellar level of the Building. Refuse will be compressed and is to be taken by the superintendent to the curbside on the days of collection by The City of New York.

Laundry: Each Residential Unit will contain a clothes washing machine and dryer. There will not be a separate laundry room.

Other Service Contracts: Certain additional services, covered by third-party contracts, are included in Building Standard Services and Amenities, such as elevator maintenance.

Security Procedures: Closed circuit television cameras will be provided at various locations on the ground floor to monitor the residential entrance, the lobby and the entrance to the elevator. Separate monitors will be provided at the lobby desk and the entry to each Residential Unit The cameras will be designed to cover the immediate area within view of the cameras, but not cover all areas involved. The elevator will be accessible by card reader only and can also be controlled by the lobby attendant. No representation, assurance or guaranty is made or given that the security system and procedures of the Building or its staff will prevent personal injury or damage to or loss of property.

Smoke and Carbon Monoxide Detectors: Smoke and carbon monoxide detectors shall be provided in each Residential Unit in compliance with applicable Laws.

C-1.6. General Provisions Concerning Services and Amenities: In all likelihood, the nature of the services and amenities listed above, the hours during which they are provided, any increase or services and amenities, and the rates charged for same by third-party providers will change from time to time, in the discretion of the Board or the party providing the service. Sponsor does not represent, assure or guarantee that the Board will maintain the services and amenities set forth above. However, all services and amenities required by Law will be provided at all required times from and after the First Closing and occupancy of a Residential Unit and any changes in the standard Building services and amenities cannot be made during the Sponsor Veto Control Period without obtaining Sponsor's prior written Discretionary Approval or Consent therefor.

C-1.7. Governing Condominium Documents; Changes and Interruptions in Building Services. The foregoing Building services and amenities will be governed by, and will be subject to, the Declaration, By-Laws and the Rules and Regulations (the latter may be amended from time to time by the Condominium Board). The Sponsor and Managing Agent will not be responsible for: (a) the quality or level of Building services or amenities (which will be within the discretion of the Condominium Board, but subject to certain rights, benefits and veto powers reserved to Sponsor) Until at least 50% of the Residential Units are occupied after the First Closing of a Residential Unit, the Building staff and other Building services may not be provided or may be reduced. However, while the Sponsor Board Members are a majority of the Board Members and at least 50% of the Residential Units are occupied, the Building services and amenities set forth in this Plan will not be reduced or eliminated without the consent of the Independent Board Members. It is noted that from and after the First Closing and occupancy of a Residential Unit, all Building services required by Law will be provided, although the furnishing, outfitting and other Decorations of the public and common areas (including the recreation room) may not be fully completed or start to become available until occupancy of at least 50% or more of the Residential Units, subject to delays caused by completion of the Units and punch list work (which will have the highest priority) and Unavoidable Causes (see SPECIAL RISK Section A, subsection A-21 above).

Sponsor will have the unfettered and unconditional right, Freely and Without Consent, Payment or Restriction (other than the requirement to comply with the applicable Work Requirements set forth in Article 15, Section 15.2 of the Declaration), and without liability to Owners, tenants or occupants of Units or to the Board for any Claims of Liabilities and Expenses, to temporarily interrupt Building services and amenities in order to complete construction and outfitting of the Building (including the Units and Common Elements) in accordance with Sponsor's Plans and Specifications or to perform construction obligations under this Plan, a Plan Amendment or a Purchase and Sale Agreement (whether performed before or after the Closing of Title thereunder).

The Condominium Board (including its members and officers in their capacity as such), the managing Agent and Sponsor will not be liable to Owners, tenants or occupants of Units or their invitees for any Claims or Costs and Expenses based on an interruption, reduction, change or discontinuance of a Building service or amenity due to Unavoidable Causes (e.g., fire, explosion, shortage or late delivery of material, labor disruptions, inclement weather, power interruption, failure of electrical or mechanical Equipment) or the acts or omissions of third parties engaged to provide Building services. The foregoing shall not excurse Sponsor from Sponsor's obligations under this Plan (including those set forth in Section O, "O-2 Obligations of Sponsor"), nor excuse Sponsor or the Managing Agent from its own negligence.

All decisions concerning the Building services and amenities summarized in subsection C-1.5 above and any changes thereto will be made by the Residential Board Members, who will be elected exclusively by the Sold to Unsold Residential and Storage Unit Owners. Such decisions will be made by the Sponsor Board Members while they have voting control of the Residential Board Members during only the Sponsor Board Control Period. The Plan will be amended to disclose an adverse change in a material Building service or amenity.

THIS PAGE IS INTENTIONALLY LEFT BLANK

SECTION D. LOCATION AND AREA INFORMATION

D-1. Property Location and Surrounding Areas.

D-1.1. Location. The Property is located on the north side of West 23rd Street between Tenth Avenue and Eleventh Avenue, with a frontage of approximately 39 feet 0 inches on West 23rd Street. The residential entrance of the Building is at 515 West 23rd Street. The entrance to the Retail Unit will be to the east at 517 West 23rd Street. The Property is in Section 3, Block 695, Tax Lot 27 of the Tax Map of the Country of New York.

D-1.2. Surrounding Areas.

Neighborhood. The neighborhood is composed of a variety of apartment buildings (some of which are condominiums or cooperatively owned), brownstone-type buildings and garage/warehouse-type buildings. The Property is in an area known as West Chelsea, and is within easy walking distance to the Hudson River. Within one block of the Property there is a combination of residential and commercial spaces.

West on 23rd Street: Commercial spaces dominate the street level and include a number of galleries, a bar, a hotel, two self-storage companies and U-haul.

East on 23rd Street: Commercial spaces include a gallery, a restaurant (American), a barber, a dentist and a parking garage.

North on 10th Ave: Commercial spaces include a number of galleries, an eatery (American), a post office, a bank, a car wash and garage.

South on 10th Ave: Commercial spaces include a number of restaurants (American, Italian) and a veterinary surgery.

Transportation: The Condominium is served by taxis and a variety of public transportation facilities. The Property is convenient to both bus and subway transportation. Bus stops for the crosstown bus service (No. 23) are on 23rd Street between 10th and 11th Avenues. The bus stop for the northbound bus service (No. 11) is on 10th Ave, between 22nd and 23rd Streets, and the bus stop for the southbound service (No. 11) is on 9th Ave, between 22nd and 23rd Streets. Access to the Westside Highway is on 24th Street.

New York is serviced by three major airports located within fifteen miles of the Condominium. Kennedy International and LaGuardia Airports are located in New York City and Newark Liberty International is located in Newark, New Jersey.

Shopping: Within walking distance of the Property is a wide variety of neighborhood stores where goods and services supporting residential uses readily can be found. Business and shopping areas are also within walking distance of the Property (Duane Reade, 0.6 miles), including a D'Agnostino's supermarket (0.3 miles), cleaners/tailor, bank (Chase, 0.1 miles), drugstore (Duane Reade, 0.6 miles) and a variety or retail shops. All distances are approximate.

Recreation and Cultural: Numerous museums, art galleries, health clubs, restaurants and other entertainment are nearby. There are currently over 260 galleries operating in West Chelsea, with most located between West 20th and West 28th Streets between 10th and 11th Avenues. Galleries on West 23rd Street include the Christophe Van De Weghe Gallery at 523 West 23rd Street (0.01 miles), the Perry Rubenstein Gallery at 527 West 23rd Street (0.02 miles) and the Jim Kempner Fine Art Gallery at 501 West 23rd Street (0.01 miles), and the Leo Koenig Gallery at 545 West 23rd Street (0.03 miles). The Chelsea Art Museum and the New Museum of Contemporary Arts are located at 556 West 22nd Street (0.02 miles). Health Clubs include the Chelsea Piers Sports Center at 23rd Street and the Westside Highway (0.3 miles), and a New York Sports Club located at 270 8th Avenue (0.4 miles). Notable local restaurants include The Red Cat (227 Tenth Ave., 0.03 miles), Bottino (246 10th Ave., 0.1 miles), The Half King (505 West 23rd St., 0.01 miles) and Bette (461 West 23rd St., 0.1 miles). A Clearview Cinema is located at 333 West 23rd Street (0.1 miles). All distances are approximate.

New York City: New York City is the most populous city in the United States, as well as one of the principal urban centers of the world. Manhattan is the center of New York City, containing numerous business and financial centers, excellent regional transportation, cultural activities, recreational and open-space park areas, educational facilities, superb medical centers and a vast array of restaurants. It is the nation's principal financial center and the home of the New York Stock Exchange and the National Over-the Counter Stock Market. Manhattan is the corporate headquarters for some of the largest banks in the United States. Many of the country's "Fortune 500" industrial corporations have their principal corporate headquarters in Manhattan; a large number of the nation's major law firms and most of the national accounting firms maintain offices in Manhattan. Manhattan is also recognized as the national center of the advertising, communications, broadcasting, publishing and garment industries.

Medical: The Condominium is also within easy access of a number of medical facilities in the York area, including the Greater New York Hospital, located at 75 9th Ave (approximately 0.5 miles from the Property), and the New York Presbyterian Hospital is located at 119 West 24th Street (approximately 0.7 miles from the Property)

Religious: Institutions serving various religious denominations are easily accessible to the Property, including the Church of the Guardian Angel (193 10th Ave., 0.5 miles), St Peter's Episcopal Church (346 West 20th St., 0.4 miles) and Congregation Beth Israel (347 West 34th St., 0.8 miles). All distances are approximate.

Educational: The Property is located in Region 9, School District 2 (Community School District 4), which includes the following schools, among others: P.S. 11 and M.S. 260, both located at 320 West 21st Street (0.5 miles); P.S. 33, at 281 Ninth Avenue (0.58 miles); M.S. 255 Salk School of Science, at 319 East 19th Street (1.94 miles); J.H.S. 104 Simon Baruch, at 330 East 21st Street (1.79 miles); Legacy School for Integrated Studies, at 33 West 13th Street (1.43 miles); The High School of Fashion Industries, at 225 West 24th Street (0.52 miles); N.Y.C. Lab H.S., at 333 West 17th Street (0.79 miles); Humanities Prep School, at 351 West 18th Street (0.51 miles) and Manhattan Village Academy H.S., at 43 West 22nd Street (0.86 miles). All distances are approximate. Sponsor does not represent, assure or guarantee which schools will be attended by children residing in the Building.

D-1.3. Municipal Services. The City of New York provides police, fire, water, sanitation (for Residential Units only), street snow removal and maintenance. The Property is served by the 10th police precinct, located at 357 West 35th Street (1.1 miles), and the fire department engine company # 34 is located at 440 West 38th Street (0.9 miles). All distances are approximate.

D-1.4. Zoning. The Building is located within the new West Chelsea Special District. The lot is now currently zoned as C-6-2A and C-6-3A, which permits residential, community facility and commercial uses as of right. All unutilized Development Rights (i.e., all Developments not used in connection with the erection of the Building and the Units), whether now or hereafter available or acquired, will be owned and held by Sponsor as owner of an Adjacent Lot within the same zoning lot as the Property, pursuant to a certain Declaration of Zoning Lot Development and Easement Restrictions to be recorded prior to the recording of the Condominium Declaration (see SPECIAL RISK Section A, subsection A-28). Sponsor, however, may not use the unutilized Development Rights to add floors or Units to the Building. Accordingly, the Building may not be expanded.

END OF SECTION D

SECTION E. OFFERING PRICES AND RELATED INFORMATION

E-1. SCHEDULE A

HIGH LINE 23 CONDOMINIUM

The Projections in this SCHEDULE A assume the first year of Condominium operation will be from January 1, 2009 to December 31, 2009, except that the projections for real estate taxes are for the **July 1, 2009** to **June 30, 2010** tax year, when a *post-completion construction assessment* is expected to be in effect.

Unit No. (1)	No. of Bedrooms/ Bathrooms (1)	Approximate Square Footage (2)		Offering Price (3)	Percentage of Common Interest (4)	Projected First Year's Common Charges (5)		Projected *Post-Completion* Real Estate Taxes *without* 421-a Benefits (6)		Projected *Post-Completion* Real Estate Taxes *with* 421-a Benefits (7)		Projected First Year's Total Charges *without* 421-a Benefits (7)		Projected First Year's Total Charges *with* 421-a Benefits (8)	
Residential Units:		Unit	Terrace(T) Skylight(S)			Monthly	Annual	Monthly	Annual	Monthly	Annual	Monthly	Annual	Monthly	Annual
3	2/2.5 (DPX)	494 LL 1,552 UL	797(T)	$2,950,000	8.0340%	$3,026.51	$36,318.06	$2,655.25	$31,862.94	$263.23	$3,158.77	$5,681.76	$68,181.00	$3,289.74	$39,476.83
4	2/2	1,869		2,650,000	6.1426%	2,313.97	27,767.61	2,030.12	24,361.46	201.26	2,415.10	4,344.09	52,129.07	2,515.23	30,182.71
5	2/2	2,104		3,125,000	6.9149%	2,604.92	31,259.04	2,285.40	27,424.81	226.57	2,718.79	4,890.32	58,683.85	2,831.49	33,977.83
6	3/3	2,297		3,650,000	7.5492%	2,843.87	34,126.38	2,495.02	29,940.23	247.35	2,968.16	5,338.89	64,066.61	3,091.22	37,094.54
7	3/3	2,511		4,250,000	8.2525%	3,108.83	37,305.97	2,727.48	32,729.79	270.39	3,244.71	5,836.31	70,035.76	3,379.22	40,550.68
8	3/3	2,511		4,500,000	8.2525%	3,108.83	37,305.97	2,727.48	32,729.79	270.39	3,244.71	5,836.31	70,035.76	3,379.22	40,550.68
9	3/3	2,511		4,750,000	8.2525%	3,108.83	37,305.97	2,727.48	32,729.79	270.39	3,244.71	5,836.31	70,035.76	3,379.22	40,550.68
10	3/3	2,511		5,100,000	8.2525%	3,108.83	37,305.97	2,727.48	32,729.79	270.39	3,244.71	5,836.31	70,035.76	3,379.22	40,550.68
11	3/3	2,571		5,500,000	8.4497%	3,183.12	38,197.49	2,792.66	33,511.87	276.85	3,322.24	5,975.78	71,709.36	3,459.97	41,519.73
12	3/3	2,622		5,950,000	8.6173%	3,246.24	38,954.87	2,848.04	34,176.51	282.34	3,388.13	6,094.28	73,131.38	3,528.58	42,343.00
PH	3/3.5 (DPX)	2,561 LL 1,025 UL	1237(T)	9,500,000	13.8184%	5,205.55	62,466.55	4,566.92	54,803.02	452.75	5,432.97	9,772.47	117,269.57	5,658.30	67,899.52
Sub-total 11 Residential Units:		27,139	2,034	$51,925,000	92.5361%	$34,859.50	$418,313.88	$30,583.33	$367,000.00	$3,031.91	$36,383.00	$65,442.83	$785,313.88	$37,891.41	$454,696.88
Storage Units:															
1		28		$21,600	0.0243%	$9.15	$109.81	$8.47	$101.63	$0.85	$10.23	$17.62	$211.44	$10.00	$120.04
2		28		21,600	0.0243%	9.15	109.81	8.47	101.63	0.85	10.23	17.62	211.44	10.00	120.04
3		42		36,000	0.0371%	13.97	167.66	12.93	155.21	1.30	15.62	26.90	322.87	15.27	183.28
4		27		22,400	0.0238%	8.98	107.72	8.32	99.79	0.84	10.04	17.30	207.51	9.82	117.76
5		27		22,400	0.0238%	8.98	107.72	8.32	99.79	0.84	10.04	17.30	207.51	9.82	117.76
6		56		48,000	0.0494%	18.62	223.40	17.25	206.95	1.74	20.84	35.87	430.35	20.36	244.24
Sub-total 6 Storage Units:		208	0	$172,000	0.1827%	$68.85	$826.12	$63.76	$765.00	$6.42	$77.00	$132.61	$1,591.12	$75.27	$903.12
Total Residential & Storage:		27,347	2,034	$52,097,000	92.7188%	$34,928.35	$419,140.00	$30,647.09	$367,765.00	$3,038.33	$36,460.00	$65,575.44	$786,905.00	$37,966.68	$455,600.00
Retail Unit:															
Retail		2,421	124(S)	$2,600,000	7.2812%	$751.67	$9,020.00	$2,890.00	$34,680.00	$286.92	$3,443.00	$3,641.67	$43,700.00	$1,038.59	$12,463.00
Total 1 Retail Unit:		2,421	124	$2,600,000	7.2812%	$751.67	$9,020.00	$2,890.00	$34,680.00	$286.92	$3,443.00	$3,641.67	$43,700.00	$1,038.59	$12,463.00
Total All 18 Units:		29,768	2,158	$54,697,000	100.0000%	$35,680.02	$428,160.00	$33,537.09	$402,445.00	$3,325.25	$39,903.00	$69,217.11	$830,605.00	$39,005.27	$468,063.00

"DPX" = Duplex
"LL" = Lower Level
"UL" = Upper Level

Footnotes start after the end of this SCHEDULE A.

Footnotes to SCHEDULE A

(1) The Building is planned to contain a total of 11 Residential Units, 6 Storage Units and 1 Retail Unit. All Residential, Storage and Retail Units are being offered for sale under the terms set forth in this Plan. Sponsor reserves the right to change the number of Units in compliance with Part 20, Section 20.3(k) (see Section I, subsections "I-4 and I-5 below).

Residential Unit 3 and the Penthouse Unit are duplex Units and are planned to contain the following number of bedrooms and bathrooms and square footage on each level:

Unit	No. of Bedrooms/ Bathrooms	Approximate Square Footage		Unit Total
		Indoor	Terrace	
3 Lower Level	0/.5	494	797	
3 Upper Level	2/2	1,552	____	
Unit Total:		2,046	797	3,843
PH Lower Level	2/2.5	2,561		
PH Upper Level	1/1	1,025	1,237	
Unit Total:		3,586	1,237	4,823

(2) Floor plans of the planned configuration, layout, room dimensions, fenestration (i.e., arrangement of windows for views and "light and air") and approximate overall size of each Unit (collectively, "**Unit Layout**") are contained in DOCUMENT 5 of Part II of this Plan. The floor plans and any other drawing or diagram of the Units, and all dimensions and square footages noted thereon and the square footages set forth in this SCHEDULE A are only approximations within reasonable tolerances and estimates based on the construction floor plans. SPECIAL RISK: In accordance with customary practice in New York City, the estimated overall size or floor area of each Residential Unit is measured from points behind the walls enclosing the Unit and, thus, will exceed the Unit's useable floor area. As a result, the actual usable floor area will be substantially less than the square footage shown on SCHEDULE A and the Unit's Floor Plan in DOCUMENT 5. (See Section A, subsection A-30.) The room and individual area dimensions, however, are measured from the exposed interior surface of the walls enclosing the room or individual area. Chase walls, shafts, cabinets and the like are not subtracted. The actual Unit Layout of a Unit may differ from its floor plan due to: (a) changes required by the New City Department of Buildings or other Governmental Authorities having jurisdiction; (b) site or other construction conditions; or (c) normal construction allowances and variances. A minor or non-material inaccuracy in the actual square footage (i.e., floor area) or the actual size of individual rooms or areas of a Unit when built from that shown on its floor plan in DOCUMENT 5 (or any other drawing or diagram) and this SCHEDULE A shall not excuse a Purchaser from his or her obligation under the Purchase and Sale Agreement to pay the full Purchase Price and all Closing costs, without abatement, set-off or credit, and without recourse of any kind against Sponsor or the Selling Agent.

If the actual overall size of a Unit when built, as measured from behind the walls enclosing the Unit, is materially smaller than the total square footage (i.e., floor area) stated on its floor plan in DOCUMENT 5 in Part II or in SCHEDULE A, the Plan will be amended to offer the affected Purchaser(s) the right for fifteen (15) days after presentation of the Amendment to rescind and recover Purchaser's Deposit together with any earned interest thereon and any Net Refundable Special Work Payment (if and to the extent applicable), which shall be the limit of Purchaser's

remedy and Purchaser's sole recourse against Sponsor and its Selling Agent. Sponsor reserves the right to make changes in a Unit Layout (see Section I, subsection I-4 below).

The number of total rooms and bathrooms for each Residential Unit are as follows:

Residential Unit No.	No. of Rooms / Bathrooms
3	4 rooms / 2.5 bathrooms
4	4 rooms / 2 bathrooms
5	4 rooms / 2 bathrooms
6	5 rooms / 3 bathrooms
7	4 rooms / 3 bathrooms
8	4 rooms / 3 bathrooms
9	4 rooms / 3 bathrooms
10	4 rooms / 3 bathrooms
11	4 rooms / 3 bathrooms
12	4 rooms / 3 bathrooms
PH	5 rooms / 3.5 bathrooms

Each bedroom and living room, dining room, living/dining room, and study is counted as one room. Kitchens are not counted as a room. Each bathroom with a shower and/or tub is one (1) bathroom and is counted as a half-bathroom if it does not contain either a shower or a tub.

(3) The offering prices and other terms of sale for Units not under contract are negotiable and may be changed by Sponsor from time to time in accordance with the provisions set forth below in Section I, subsections I-1 and I-2. As a result, a Purchaser may purchase on less favorable terms (including price) than other Purchasers for similar Units.

In addition to the Purchase Price, Purchasers will pay various Closing costs and if a Purchaser fails to Close on the date scheduled for Closing in accordance with the Purchase and Sale Agreement, such Purchaser will be required to reimburse Sponsor for certain losses and expenses (see Section N, subsection N-1.1 for full discussion).

(4) In accordance with Section 339(i)(1)(iv) of the Condominium Act, the Common Interest of each Unit in the Common Elements has been determined based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of the Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit.

(5) These projections are based upon the projections contained in the "Projected Budget for First Year of Condominium Operation - SCHEDULE B" (set forth in Section F below), which were made based on the assumption that the first year of Condominium operation will be from on or about January 1, 2009 and December 31, 2009. The actual first year of Condominium Operation may be earlier or later (see Section F, subsection F-2 for discussion). The projected Common Charges will start on the date of the First Closing of a Residential Unit. Until at least 50% of the Residential Units are occupied, the full Building staff hours and other Building services may not be provided or may be reduced. As a result, the projected Common Charges for all Units will be reduced accordingly for the interim period prior to occupancy of at least

50% of the Residential Units. Nonetheless, when at least one (1) Residential Unit is occupied, the lobby attendant will be on duty 16 hours a day, five (5) days a week, the visiting superintendent will be working on-site to clean and Maintain the Common Elements.

The estimated Common Charges in SCHEDULE A include the costs of heating, hot water, water and sewer, and gas (for cooking and Building Systems), but do not include the following Unit ownership expenses that each Residential Unit Owner will pay separately (to the extent applicable): (a) the costs of electricity supplied to each Residential Unit as determined by the Unit's separate submeter and separately billed by the Condominium Board to each Residential Unit; (b) the mortgage payments on any loan obtained to purchase the Unit; (c) the costs to Maintain, Repair and keep watertight the interior of the Unit (including: appliances; individual heat pump units and related Equipment and Installations for heating and air conditioning; individual plumbing and plumbing fixtures; and other individual fixtures and Equipment) and the wood decking or pavers comprising the Terrace (if applicable) appurtenant to the Unit; (d) the premiums for any insurance an Owner may wish (or may be required by the Unit's mortgage lender, if financed) to obtain to insure his or her appliances, fixtures, cabinets, furniture, belongings and other personal property against loss from fire or other casualty or to insure against claims for personal injury or property damage arising from incidents in or on the Unit, including the Terrace (these matters will not be covered under the insurance maintained by the Condominium Board) or liability for a Unit's undivided interest in the Common Elements to the extent the insurance maintained by the Board for incidents in, on or caused by the Common Elements is inadequate or the risk is not insured; (e) the charges for telephone, internet and any cable television service an Owner may install; and (f) the parking charges for any vehicle garaged at or near the Property. See SCHEDULE B-1 in Section F, subsection F-7 below, for projected costs of electricity of each Residential Unit and the assumptions on which such projections are based.

(6) After the Condominium is divided into individual tax lots and separately assessed and billed for real estate taxes by the taxing authority, each Unit will be taxed as a separate tax lot for real estate tax purposes and the Unit Owner will not be responsible for the payment of, nor will the Owner's Unit be subject to, any lien arising from the non-payment of, taxes on other Units. See "Section S. Real Estate Taxes" for discussion.

In the opinion of Seyfarth Shaw LLP, Sponsor's counsel, a "qualified" Residential Unit Owner may, under the income tax laws in effect on the date of the opinion, deduct from income, for Federal, New York State and New York City income tax purposes, subject to certain limitations: (a) real estate taxes assessed against the Residential Unit and paid or incurred by him or her and (b) interest paid or incurred by Owner on any mortgage indebtedness incurred to acquire, construct or substantially improve his or her Residential Unit and which is secured by the Residential Unit. To qualify for these deductions: (a) the Owner must itemize deductions; (b) the Owner must be an individual resident of the State of New York; and (c) the Residential Unit must be a "qualified residence" (as defined in said firm's tax opinion below). The Owner's deductions may be limited to the extent that interest paid or accrued on the aforesaid indebtedness, when added to the Owner's other indebtedness incurred with respect to each "qualified residence", exceeds certain limits set forth in Internal Revenue Code Section 163(h), and may further be limited under certain other circumstances, all as described in said law firm's tax opinion (see Section T, subsection T-6 for opinion).

The projected tax deduction to a qualified Residential Unit Owner may vary from year to year due to changes in the interest rate on the Unit Owner's mortgage (if any) or from changes in the allocation of constant debt service payments to interest and principal, or due to changes in real property taxes resulting from the expiration of real estate tax benefits (if any), or from changes in the assessed value, the tax rate or the method of assessing real property.

The first year of Condominium operation is projected to begin January 1, 2009 and to end December 31, 2009. In the opinion of Jerome Haims Realty, Inc. ("**Haims**"), only an interim value of the Units (*pre-completion* of construction) is anticipated to be applicable for the first six (6) months of said projected first year of Condominium operation. Based on the current construction schedule, and assuming the Building is sufficiently completed so that a temporary Certificate of Occupancy is issued on or prior to January 5, 2009 for one or more Residential Units, Haims projects that the Residential and Storage Units will reflect their full *post-completion of construction* assessment with the July 1, 2009 to June 30, 2010 tax year, which corresponds to the last six (6) months of the projected first year of Condominium operation and the first six (6) months of the projected second year of Condominium operation.

The projected real estate taxes in this SCHEDULE A are based on the following projections by Haims of the estimated *post-completion of construction* taxable assessed valuation of the entire Property, estimated tax rate and estimated taxes (*exclusive* of any Section 421-a partial tax exemption benefits that might apply) for the **7/1/09** to **6/30/10** fiscal tax year (amounts are rounded):

Without Section 421-a Benefits:

Tax Year	Estimated **2009/2010** *Post-Completion* Taxable Assessed Valuation	Estimated **2009/2010** Tax Rate per $100 of Assessed Valuation	Estimated **2009/2010** Real Estate Taxes *without* §421-a Benefits
All Residential Units	$2,985,000	$12.31[(1)]	$367,000
All Storage Units	$6,210	$12.31	$765
Retail Unit	$338,000	$10.26	$17,170

In Haims opinion, the assessed value is to be apportioned to the Units by the taxing authority when the Units are separately assessed, as follows: an estimated 89.66% to all Residential Units, an estimated 0.19% to all Storage Units and an estimated 10.15% to the Retail Unit. See Section S, subsection S-2 for details.

SPECIAL RISK: For purposes only of presenting an estimate of the real estate taxes of each Unit in SCHEDULE A, the projected assessed valuation allocated to all Residential Units and all Storage Units, as estimated by Haims, have been apportioned among these Units in the proportion that each Unit's Common Interest bears to the Common Interests of all Residential Units and all Storage Units, respectively. The method that may be used by the taxing authority to apportion the Property's assessed valuation among the Units is uncertain. The taxing authority, for example, may apportion the Property's assessed valuation among Units in

proportion to each Unit's Common Interest or a Unit's initial offering price in SCHEDULE A or a Unit's actual Purchase Price (which is a truer indicator of value, but not the method necessarily used by the taxing authority) or a Unit's square footage or overall size. See SPECIAL RISK Section A, subsection A-13 above.

Until the Units are separately assessed and billed for real estate taxes by the taxing authority, real estate taxes assessed to the Property shall be included in the General Common Expenses and specially allocated and assessed in accordance with the projection of Haims of the estimated amounts stated above to be apportioned to the Units by the taxing authority (see Section F, subsection F-3 below). After the Units are separately assessed and billed for real estate taxes, the taxing authority will bill real estate taxes to each Unit in quarterly or semi-annual installments. The projection in this SCHEDULE A of each Unit's estimated monthly real estate taxes for the projected first year of Condominium Operation is solely to illustrate the amount to be budgeted each month for a Unit that Closes Title at the beginning of the projected first year of Condominium Operation.

If at the time of Closing Title a Unit is not separately assessed and billed for real estate taxes by the taxing authority, then Purchaser and Sponsor will apportion the actual real estate taxes in accordance with the projected apportionment to the Units as estimated by Haims (see Section N, subsection "N-1.3 Closing Apportionments with Purchasers" for further discussion).

Sponsor, Selling Agent and Haims do not represent, assure or guarantee the actual taxable assessed valuation, tax rate or real estate taxes for any tax year, or the actual apportionment of the taxable assessed valuation by the taxing authority among the Residential and Storage Units and the Retail Unit, or the actual amount of the taxable assessed valuation allocated to each Unit. See "Section S. Real Estate Taxes" for full discussion of the foregoing, the adjustment for any overpayment or underpayment of real estate taxes by a Unit Owner before the Units are separately assessed and billed by the taxing authority and other important real estate tax issues.

(7) Sponsor will apply to The City of New York for partial real estate tax exemption under Section 421-a of the Real Property Tax Law and Section 11-245 of the New York City Administrative Code and the regulations of the New York City Department of Housing Preservation ("**HPD**"), herein collectively called the "**Section 421-a Program**".

In the opinion of Kramer Levin Naftalis & Frankel L.L.P. ("**Kramer Levin**"), the Residential, Storage and Retail Units will be eligible for the partial real property tax exemption benefits under the Section 421-a Program, assuming the accuracy of certain representations made by the Sponsor and that various requirements of the Section 421-a Program are timely met. The following summary is based on pertinent portions of such opinion (see Section S, subsection S-8 for the full text of said opinion).

Under the Section 421-a Program, the increase in a property's assessed valuation resulting from construction of a new multiple dwelling over the prior taxable assessed valuation of the land and any improvements thereon for the tax year preceding commencement of construction of the new building (i.e., the "Prior Assessed Valuation") will be partially exempt from taxation during the construction period (but not more than three (3) years) and continuing thereafter for the ten (10) fiscal tax year period following "completion of construction" or the three (3) year maximum

construction period, whichever is less. The term "**completion of construction**" means the issuance of a temporary or permanent Certificate of Occupancy for all residential apartments in the new multiple dwelling, as determined on January 5th (the so-called "taxable status date") of the year preceding the fiscal tax year (which begins on July 1st and ends the following June 30th). Thus, if the Building's temporary Certificate of Occupancy for all Residential Units or permanent Certificate of Occupancy is in effect after January 5, 2009 and on or prior to January 5, 2010, as presently targeted, the said ten (10) year post-construction exemption period would be in effect during fiscal tax years 2010/2011 through 2019/2020. In the event said temporary Certificate of Occupancy for all Units or permanent Certificate of Occupancy is in effect on or prior to January 5, 2009, the said ten (10)-year post-construction exemption would be in effect instead during fiscal tax years 2009/2010 through 2018/2019.

For the period ending two (2) years following completion of construction, 100% of said increase in assessed valuation allocable to the Units would be exempt from taxation. Thereafter, the amount of such increase in assessed valuation exempt from taxation applicable to all Units will decrease by 20% every two (2) years ("**Non-Exempt Amount**"), starting with the third fiscal tax year following completion of construction. The exemption will end and full taxes will be payable starting with the eleventh fiscal tax year following completion of construction. Throughout the construction period and such ten (10) year period, the Property and Units will be assessed: (a) a minimum tax based on the Prior Assessed Valuation (or so-called "**Mini Tax**"); plus (b) real estate taxes on the Non-Exempt Amount of said increase in assessed valuation resulting from construction of the new Building) as such Non-Exempt Amount increases by 20% every two years as aforesaid); plus (c) assessments for local improvements (if any). The Mini Tax is calculated on the Assessed Valuation of the Land and any improvements thereon for the fiscal tax year preceding commencement of construction allocable to a Unit, multiplied by the tax rate applicable to said Unit then in effect for each tax year that the Section 421-a Program is in effect.

The projected real estate taxes for the **July 1, 2009** to **June 30, 2010** fiscal tax year *with Section 421-a benefits* (i.e., the Mini Tax) are based on the estimates of Haims and Kramer Levin set forth below of the following items: (a) the total Prior Assessed Valuation of the Property (i.e., the prior taxable assessed value of the land and any improvements thereon for the tax year preceding commencement of construction); (b) the projected allocation by the taxing authority of the total Prior Assessed Valuation to all Residential Units, all Storage Units and the Retail Unit (expressed as a percentage); and (c) the 2009/2010 tax rates applicable to the Residential, Storage and Retail Units (expressed as a percentage):

END OF TEXT ON THIS PAGE

With Section 421-a Benefits:

Estimated Total Prior Assessed Valuation of entire Property: $116,106

	Projection for All Residential Units	Projection for All Storage Units	Projection for Retail Unit
Estimated Allocation of Total Prior Assessed Valuation:	89.66%	0.19%	10.15%
Estimated 2009/2010 Tax Rate:	12.31%	12.31%	10.26%
Estimated **2009/2010** Real Estate Taxes:	**$36,383** ($166,106 x 89.66%x 12.31%)	**$77** ($166,106 x 0.19%x 12.31%)	**$3,443** ($166,106 x 10.15%x 10.26%)

See Section S, subsection S-3 below for discussion.

If and when the Section 421-a partial tax exemption benefits are in effect and the Units are separately assessed and billed, the real estate taxes payable by Unit Owners will be based on the Mini Tax described above for the first fiscal tax year following completion of construction. For each year thereafter during said ten (10) year post-completion of construction partial tax exemption period, the real estate taxes will increase in accordance with any increase in the then applicable assessed valuation of the Property, the Non-Exempt Amount of such assessed valuation under the Section 421-a Program (which starts with the third fiscal tax year after completion of construction), the then applicable tax rate, plus the Mini Tax (which will be adjusted based on the then applicable tax rate).

To the extent the commercial, community facility and accessory use space in a newly constructed building exceeds 12% of the aggregate floor area of the building, the percentage of exemption will correspondingly be reduced. Here, the commercial, community facility and accessory use space is projected not to exceed said 12% threshold.

Sponsor, Selling Agent and Kramer Levin do not represent, assure or guarantee whether the Property will qualify for the Section 421-a Program partial tax exemption benefits or (if it qualifies) the amount of such benefits or the amount of the Mini Tax, or when said benefits will begin and end.

CAVEAT: If the Section 421-a Program partial tax exemption benefits are not in effect when a Purchaser closes title or are never granted, then the real estate taxes payable by Residential and Storage Unit Owners would increase substantially as noted in the adjacent column "Projected First Year of *Post-Completion* Real Estate Taxes *without* 421-a Benefits".

(8) The Projected Total Charges with and without §421-a Benefits in the last four columns are the sum of the projected first year's annual and monthly Common Charges and projected 2009/2010 *post-completion of construction* annual and monthly real estate taxes in the adjacent columns.

END OF SECTION E

SECTION F. BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION (SCHEDULE B)

F-1. Projected First Year. The Budget for the first year of Condominium Operation (SCHEDULE B below) is based on the 12 month period projected to begin January 1, 2009. The actual date of Condominium Operation will begin at the First Closing of a Residential Unit with a bona fide Purchaser, which may be earlier or later.

F-2. Revised Budget; Rescission. If the actual or anticipated date of commencement of Condominium Operation is to be delayed more than six (6) months from the Budget Year projected in this Plan, the Plan must be amended to include a revised Budget disclosing current projections. If such revised projections exceed the original projections by twenty-five percent (25%) or more, or if the actual date is delayed twelve (12) months or more from such projected date, Sponsor must amend the Plan to offer all Purchasers the right to rescind and a period of fifteen (15) calendar days after the date of presentation of the Amendment to exercise the right. Sponsor must return any Deposit or downpayment to Purchasers who timely rescind within such 15 day period, together with any interest earned thereon and any Net Refundable Special Work Payment (if and to the extent applicable). Such right to rescind shall be Sponsor's sole liability and Purchaser's sole recourse against Sponsor (regardless of any losses or damages Purchaser may have sustained or incurred). Sponsor may not declare a Plan effective where there are any material changes to the Budget if these changes have not been disclosed by a duly filed Amendment to the Plan.

F-3. Allocation and Apportionment of Expenses. The following First Year's Budget (SCHEDULE B) itemizes those Condominium expenses comprising the Residential Common Expenses, which are charged to only the Residential and Storage Unit Owners Pro Rata to their respective Common Interests, or the General Common Expenses, which are charged to all Unit Owners, all in accordance with the Special Allocation and Apportionment Rule and as provided in RPL §339-m (see Section B, subsection B-5.3 above for full discussion). As explained therein, the General Common Expenses allocated to all Unit Owners are apportioned to the Units either Pro Rata to their respective Common Interests or, as to the Specially Apportioned General Common Expenses, an amount that reflects the portion of specified Budget items fairly and properly attributable to the Residential and Storage Units or to the Retail Unit, as applicable. The Specially Apportioned General Common Expenses are as follows (see applicable Budget items for details):

Gas: Gas service will be provided to the Residential Units for cooking and fireplaces, to the Residential Space for HVAC and hot water, and to the Retail Unit and General Common Elements for heat. The estimated costs of such gas service to the Residential Units, the Residential Space and the Retail Unit and the General Common Elements shall be specially allocated, apportioned and assessed as follows based on a gas consumption or Usage survey made by a qualified, licensed mechanical or consulting engineer, the then applicable gas rate of the utility provider and the applicable taxes, in accordance with the Special Allocation and Apportionment Rule and Section 339-m: (a) the estimated costs of said gas service to the Residential Units and the Residential Space shall be specially allocated and charged to only all Residential and Storage Unit Owners Pro Rata to their respective Common Interests; (b) the estimated costs of said gas service to the Retail Unit shall be specially allocated and charged to

only the Retail Unit Owner; and (c) the estimated costs of said gas service to the General Common Elements shall be charged to all Unit Owners Pro Rata to their respective Common Interests. For the first year of Condominium operation, the estimated costs of gas service shall be based upon the projections of gas consumption or Usage made by Ambrosino DePinto & Schmieder, Consulting Engineers PC ("**Ambrosino**"), which is summarized in Note 7 to SCHEDULE B below. Thereafter, the projected consumption of gas by the Residential Units and the Residential Space, the Retail Unit, and the General Common Elements shall continue to be based on the same ratio that their projected consumption of gas bears to the total projected consumption of gas as estimated by Ambrosino and contained in said Note 7 to SCHEDULE B until changed, at the option of the Board or the Retail Unit Owner, to be based on a new gas consumption or Usage survey made by Ambrosino or other qualified, licensed mechanical or consulting engineer chosen by the Condominium Board (or the Retail Unit Owner if the Board fails to make a choice within 30 calendar days after written notice is given from the Retail Unit Owner to so do).

Electric: Electric service to the Residential Units will be billed by the Condominium Board to each Residential Unit based on its separate submeter. Electric service to the Retail Unit for power and lighting, other than air conditioning, will be separately metered and paid directly by the Retail Unit Owner to the utility provider as measured by the Unit's individual meter. Electric service for providing power and lighting to the rooms, areas and Equipment comprising the General Common Elements and the Residential Common Elements, and to the Storage Units, will be commonly metered. The estimated costs of electric service to the Residential and Retail Units for air conditioning and to the General Common Elements, the Residential Common Elements and the Storage Units shall be allocated, apportioned and assessed as follows based on an electric consumption or Usage survey made a qualified, licensed electrical or consulting engineer, the then applicable electric rates of the utility provider and the applicable taxes, in accordance with the Special Allocation and Apportionment Rule and Section 339-m: (a) the estimated costs of said electric service to the Residential Units for air conditioning shall be specially allocated and assessed to only all Residential and Storage Unit Owners Pro Rata to their respective Common Interests; (b) the estimated costs of said electric service to the Retail Unit for air conditioning shall be specially allocated and assessed to only the Retail Unit Owner; (c) the estimated costs of electric service to the General Common Elements shall be included in the General Common Expenses and charged to all Unit Owners Pro Rata to their respective Common Interests; and (d) the estimated costs of electric service to the Residential Common Elements and the Storage Units shall be specially allocated to only all Residential and Storage Unit Owners as part of the Residential Common Expenses and apportioned and assessed to them Pro Rata to their respective Common Interests. For the first year of Condominium operation, the projected consumption of electricity by the Residential Units, the Retail Unit, the General Common Elements and the Residential Common Elements and the Storage Units shall be based on the electric consumption or Usage survey made by Ambrosino, which is summarized in Note 6 to SCHEDULE B below. Thereafter, the projected consumption of electricity by the Residential Units, the Retail Unit, the General Common Elements and the Residential Common Elements and the Storage Units shall continue to be based on the same ratio that their respective projected consumption of electricity bears to the total projected consumption of electricity as estimated by Ambrosino and contained in said Note 6 to SCHEDULE B until changed, at the option of the Condominium Board or the Retail Unit Owner, to be based on a new electric consumption or Usage survey made by Ambrosino or other qualified, licensed electrical or

consulting engineer chosen by the Condominium Board (or the Retail Unit Owner if the Board fails to make a choice within 30 calendar days after written notice is given from the Retail Unit Owner to so do).

Water and Sewer Charges: Water and sewer services will be provided primarily to the Residential Space. The Retail Unit, which will be outfitted with a sink and water closet, will consume negligible or inconsequential amounts of water. The General Common Elements will consume water in connection with sprinkler testing and potentially in an emergency. For purposes only of presentation in SCHEDULE B, no costs for water and sewer services will be allocated or assessed to the Retail Unit for its anticipated negligible or inconsequential water consumption. All other projected costs for water and sewer services as shown in SCHEDULE B below with respect to: (a) the Residential Space shall be included in the Residential Common Expenses and charged to only all Residential and Storage Unit Owners Pro Rata to their respective Common Interests; or (b) sprinkler testing shall be included in the General Common Expenses and charged to all Unit Owners Pro Rata to their respective Common Interests.

After the first year of Condominium operation, the Condominium Board may apportion and assess the costs of water and sewer services to the Retail Unit based on a water consumption or Usage survey conducted by a qualified, licensed mechanical or consulting engineer chosen by the Board and the then applicable rates of the taxing authority for water and sewer services. In the event the Retail Unit is assessed by the Condominium Board for water and sewer services based on said water consumption or Usage survey, the amount assessed to the Retail Unit in subsequent years shall continue to be based on said water consumption or Usage survey until the Retail Unit is metered or sub-metered for water consumption, or the Condominium Board or the Retail Unit Owner elect (from time-to-time) to conduct a new water consumption or Usage survey by a qualified, licensed mechanical or consulting engineer chosen by the Board (or the Retail Unit Owner if the Board fails to make a choice within 30 calendar days after written notice is given by the Retail Unit Owner to so do). The cost said water consumption or Usage survey, whether conducted at the election of the Condominium Board or the Retail Unit Owner, shall be included in the General Common Expenses and charged to all Unit Owners Pro Rata to their respective Common Interests. In the event the Retail Unit is separately metered for water service, then from and after the date such meter becomes operational, the Retail Unit shall no longer be assessed or charged by the Board for water and sewer services. If sub-metered, then from and after the date said sub-meter becomes operational, the costs of water and sewer services to the Retail Unit shall be based on its consumption or Usage as measured by such sub-meter and the then applicable water and sewer rates of the taxing authority.

Washing and Cleaning of Glass Curtain Wall Façade and Exterior of Unit Windows and Storefronts and Terrace Windows and Doors: The Condominium Board shall be responsible to wash and clean Building's glass curtain wall façade and the outdoor side of Unit windows, the Retail Unit's Storefronts, and Terrace windows and doors. In accordance with the Special Allocation and Apportionment Rule and Section 339-m, all Costs and Expenses to wash and clean the Building's glass curtain wall façade and said exterior of Unit windows and Storefronts and Terrace windows and doors, shall be apportioned and assessed to all Residential and Storage Units and to the Retail Unit in the proportion that the vertical square footage of the Building's glass curtain wall façade enclosing the Residential Space (including Unit windows and Terrace windows and doors) or the Retail Unit (including its Storefronts), as applicable, bears to the total

square footage of all of such surfaces, or approximately 95% to all Residential and Storage Units and 5% to the Retail Unit. The amount charged to all Residential and Storage Units shall be apportioned and assessed among them Pro Rata to their respective Common Interests

Insurance: If the Property's insurance premium is increased due solely to the use of the Retail Unit for other than dwelling purposes, the amount of such increase in the insurance premium shall be specially allocated, apportioned and assessed exclusively to the Retail Unit, after deducting the savings (if any) in the total insurance premium realized by the Condominium Association being included under a master policy obtained by Sponsor, a Sponsor Related Party, a Commercial Owner or the Managing Agent (as applicable). Similarly, any increase in the insurance premium due solely to the uses of the Residential Space for other than dwelling purposes (e.g., the second floor recreation room) shall be specially allocated and assessed to only the Residential and Storage Units and apportioned among them Pro Rata to their respective Common Interests. In addition, the Retail Unit Owner shall have the exclusive right to limit the amount of its allocable share of the Property's insurance premium to strictly reflect the amount fairly and properly attributable to it based on the following: (a) in the case of fire and casualty coverage: the premium therefor allocated to the Retail Unit (at the exclusive option of the Owner of the Retail Unit) shall be in the ratio that the sum of the square footage of the Retail Unit, plus its allocable share of the square footage of only those portions of the General Common Elements that actually serve or are actually utilized by the Retail Unit (such allocable share to be based on the Common Interest of the Retail Unit) bears to the total square footage of all areas (i.e., Common Elements and Units) being insured; and (b) in the case of liability coverage: the premium therefor allocated to the Retail Unit (at the exclusive option of the Owner of the Retail Unit) shall equal the product of its Common Interest multiplied by a fraction whose numerator is the square footage of only those General Common Elements that actually serve or are actually utilized by the Retail Unit, and whose denominator is the total square footage of all Common Elements being insured.

Management Fee: Since most of the management services will be devoted to the Residential Space and the Residential and Storage Unit Owners, the management fee shall be specially allocated to the Residential Common Expenses for each Budget Year approximately in the proportion that all other projected Residential Common Expenses bear to all other projected Common Expenses (i.e., both General and Residential Common Expenses) for such Budget Year, excluding the Budget items for audit and contingencies. The remaining balance of the management fee shall be allocated to the projected General Common Expenses for such Budget Year, which shall be allocated, apportioned and assessed to all Unit Owners Pro Rata to their respective Common Interests. Alternatively, at the exclusive option of the Retail Unit Owner, the management fee shall be allocated and apportioned to the Residential and Storage Units and to the Retail Unit in accordance with the methodology set forth in the First Year's Budget (i.e., SCHEDULE B in this Section F). For the first year of Condominium operation, the method used in SCHEDULE B shall be followed.

Legal: The legal fees and disbursements, court costs and other litigation expenses (collectively, "**Legal Expenses**") included in the General Common Expenses shall be limited and restricted strictly to only those legal services rendered in connection with the Operation of the General Common Elements, the Association's General Properties or the affairs of the entire Property or the whole Condominium Association (e.g., collection of the General Common Charges and

Claims and Lawsuits relating to the General Common Charges, the General Common Expenses, the General Common Elements or the Association's General Properties). Legal Expenses, however, incurred by the Condominium Board for legal services rendered in connection with the Operation or affairs of only the Residential Space or the Association's Residential Properties (e.g., collection of the Residential Common Charges and Claims and Lawsuits relating to only the Residential Common Charges, the Residential Common Expenses, the Residential Space, the Association's Residential Properties or Sponsor's obligations or undertakings under the Plan, a Plan Amendment or a Purchase and Sale Agreement) shall be specially allocated, apportioned and assessed to only the Residential and Storage Unit Owners Pro Rata to their respective Common Interests. After the end of each Budget Year, the Condominium Board and the Retail Unit Owner shall reconcile any underpayment or overpayment by the Retail Unit Owner of the legal fees and disbursements actually incurred for the Budget Year then ended and those included in the Budget for such Budget Year (see subsection H-7.3 below and Section 9.8.2 of the Declaration).

Audit: Since the services required to audit the Residential Common Expenses will be substantially greater than the audit services for the General Common Expenses, the accounting fees and disbursements incurred by the Condominium Board for preparing the Condominium Association's audited financial statements and its federal, state and city income, franchise and unincorporated business income tax returns will be specially allocated to the Residential Common Expenses approximately in the proportion that all other projected Residential Common Expenses bear to all other projected Common Expenses (i.e., both General and Residential Common Expenses) for such Budget Year, excluding the Budget items for management fee and contingencies. The remaining balance of the audit fees and disbursements shall be allocated to the projected General Common Expenses for such Budget Year, which shall be allocated, apportioned and assessed to all Unit Owners Pro Rata to their respective Common Interests. Alternatively, at the exclusive option of the Retail Unit Owner, the audit fee shall be allocated and apportioned to the Residential and Storage Units and to the Retail Unit in accordance with the methodology set forth in the First Year's Budget (i.e., SCHEDULE B in this Section F). For the first year of Condominium operation, the method used in SCHEDULE B shall be followed.

Contingencies: The Budget item for contingencies is to provide a fund for unanticipated contingencies, including an allowance for a possible increase in one (1) or more budgeted expense items and to add one (1) or more new expense items. The amount provided in each Budget for contingencies shall be a percentage of the total amount of all budgeted expenses, other than contingencies, allocated to all Residential and Storage Units and to the Retail Unit. The percentage to be used in each Budget shall be determined by the Condominium Board for each Budget Year, but cannot exceed 5%, excluding funds (if any) segregated for capital or major Repairs or Alterations, without obtaining the prior written Discretionary Approvals or Consents of both Sponsor (during only the Sponsor Veto Control Period) and, with respect to a contingency reserve as part of the General Common Expenses, the Retail Unit Owner (see Section 9.7 of the Declaration for full discussion).

Real Estate Taxes: Until the Units are separately assessed and billed for real estate taxes, the real estate taxes assessed to the Property shall be included in the General Common Expenses and specially allocated and assessed 89.66% to all Residential Units (and apportioned among them Pro Rata to their respective Common Interests), 0.19% to all Storage Units (and apportioned

among them Pro Rata to their respective Common Interests), and 10.15% to the Retail Unit, which is in accordance with the projected apportionment of real estate taxes as estimated by Haims in its opinion letter (see Section S, subsection S-8 below). The amounts so allocated apportioned and assessed to the respective Units shall be subject to adjustment for any overpayment or underpayment of real estate taxes as provided in "Section S. Real Estate Taxes" below (see also Section 9.12 of the Declaration and subsection 9.1.7 of the By-Laws).

Any dispute with respect to the Specially Apportioned General Common Expenses shall be resolved by arbitration in New York City pursuant to Article 19 of the By-Laws (see Section R, subsection R-9 below).

F-4. Budget Procedure. When adopting a Budget for each Budget Year, the Condominium Board shall determine the Budget items comprising the projected General Common Expenses, and shall allocate and apportion each Budget item of projected General Common Expense based on and in strict compliance with this Plan, including: this Section F and the following First Year's Budget (SCHEDULE B); the principles, rules, requirements and procedures set forth in Section H, subsection H-7.1 below and the Declaration (see Sections 9.2 through 9.12 of the Declaration and the Budget Guidelines in EXHIBIT F to the Declaration).

F-5. Budget Certification. In the opinion of Platinum Properties Of New York Ltd. ("**Platinum**"), having an office at c/o Michael Becher & Associates, Inc., 909 Third Avenue, 19th Floor, New York, New York 10022, the estimated amount of each Budget expense item allocated to the projected General Common Expenses and the portion thereof payable by the Retail Unit appear reasonable and adequate under existing circumstances to meet the reasonably anticipated expenses fairly and properly attributable to the Retail Unit (see Documents 8C and 8D in Part II of this Plan for Certifications of Platinum). The breakdown of the portion of each Budget expense item to be paid by all Residential and Storage Units and the Retail Unit is explained more fully in the notes to SCHEDULE B. Sponsor, Selling Agent and Platinum cannot, and do not, represent, assure or guarantee the actual amount of the Residential Common Expenses (or the resulting Residential Common Charges) or the actual amount of the General Common Expenses (or the resulting General Common Charges), which may be higher or lower than the estimates in SCHEDULE B. Furthermore, Sponsor, Selling Agent and Platinum cannot, and do not, represent, assure or guarantee the actual amounts of the General Common Expenses that are fairly and properly attributable to the Retail Unit in the first or subsequent years of Condominium Operation, which may vary (perhaps substantially) from their estimates in this Budget.

END OF TEXT ON THIS PAGE

F-6. Schedule B.

SCHEDULE B

Budget of Projected Receipts and Expenses of Operation
For the 12 Months Projected to Begin January 1, 2009
and to End December 31, 2010 (Note 1)

First Year's Projected Common Receipts (Note 2):

First Year's Common Charges: All Residential and Storage Units (Note 3):	$ 419,140
Retail Unit (Note 3):	$ 9,020
Total Projected Common Receipts:	$ 428,160

First Year's Projected Common Expenses (Note 4):

Estimated Expenses	Residential and Storage Units*	Retail Unit*	Total All Units	Allocation to General Common Expenses
Labor (Note 5)	$96,575 (98%)	$70 (2%)	$96,645 (100%)	$1,000
Electricity (Note 6)	137,645 (92%)	1,870 (7%)	139,515 (100%)	26,745
Gas (Note 7)	46,370 (90%)	1,840 (8%)	48,210 (100%)	2,970
Water and Sewer Charges (Note 8)	12,925 (99%)	25 (1%)	12,950 (100%)	350
Repairs, Maintenance and Supplies (Note 9)	9,930 (99%)	70 (1%)	10,000 (100%)	1,000
Service Contracts (Note 10)	20,775 (98%)	370 (2%)	21,145 (100%)	5,255
Insurance (Note 11)	58,820 (92%)	4,430 (8%)	63,250 (100%)	63,250
Management Fee (Note 12)	14,945 (99%)	55 (1%)	15,000 (100%)	750
Legal and Audit Fees (Note 13)	7,965 (99%)	35 (1%)	8,000 (100%)	500
Other (Note 14)	2,965 (99%)	35 (1%)	3,000 (100%)	500
Reserve for Contingencies (Note 15)	10,225 (97%)	220 (3%)	10,445 (100%)	
Total Projected Common Expenses:	$419,140	$9,020	$428,160	$102,320

* Percentages are rounded and reflect percentages of Budget items payable by the Residential and Storage Units and the Retail Unit. These percentages are not necessarily Pro Rata to their respective Common Interests, which are: 93% (rounded) for all Residential and Storage Units and 7% (rounded) for the Retail Unit.

The Notes to this SCHEDULE B start on the next page and are an integral part of this SCHEDULE B and should be read in conjunction herewith.

Notes to SCHEDULE B - - Budget of Projected Receipts and Expenses of Operation For the 12 Months Projected to Begin January 1, 2009 and to end December 31, 2009:

Note 1. Projected First Year of Condominium Operation

All amounts are projections for the first twelve (12) months of Condominium Operation, which is assumed (for budget purposes) will begin on January 1, 2009, the projected date of First Closing of a Residential Unit under this Plan, and also assumes occupancy of one or more Residential Units. The actual first year of Condominium Operation may begin earlier or later (see subsection F-2 above for requirements to revise the Budget and to offer rescission if the amended projections exceed the original projections by 25% or more).

Note 2. First Year's Projected Common Receipts

No income will be provided to the Condominium Association from any contracts or leases. The Common Charges payable by Unit Owners and potential interest or investment income earned on the Working Capital Fund (if any) will be the only other sources of income for the Condominium Association. For the purposes of presentation in this First Year's Budget, the Projected Common Receipts do not include any interest or investment income that may be received by the Condominium Board from investment of the Working Capital Fund, which will be established in increments at and after the First Closing of a Residential Unit. It is expected that all or part of such Working Capital Fund will be expended during the first or subsequent years of Condominium Operation and/or applied for cash flow purposes to cover (for example) unevenness in collection of Common Charges or payment of Common Expenses. Accordingly, such interest or investment income is not expected to be significant. For this reason, and for the further reason that such interest or investment income does not reflect normally anticipated income from operations, no interest or investment income from investment of said Working Capital Fund has been included in this Budget. Nevertheless, any interest or investment income earned on said Working Capital Fund (after deducting income taxes based thereon) will be available to pay the Residential Common Expenses and the portion of the General Common Expenses payable by the Residential and Storage Unit Owners. The Retail Unit Owner will not contribute to the Working Capital Fund and will not benefit from the application of such Fund or any interest or investment income earned thereon.

Note 3. First Year's Projected Common Charges (Budget: $428,160)

First Year's Projected Common Charges:	
Residential and Storage Units:	$419,140
Retail Unit:	9,020
Total:	$428,160

The projected Common Charges payable by all Residential and Storage Units and the Retail Unit in this First Year's Budget are to be applied to pay the following Common Expenses in accordance with the Special Allocation and Apportionment Rule and Section 339-m:

(a) the Common Charges assessed to the Residential and Storage Units shall be applied to pay: (a-1) the projected Residential Common Expenses (which are specially allocated and assessed to only all Residential and Storage Units); and (a-2) their Pro Rata share of the projected General Common Expenses estimated to be fairly and properly attributable to all Residential and Storage Units; and

(b) the Common Charges assessed to the Retail Unit shall be applied to pay only its Pro Rata share of the projected General Common Expenses estimated to be fairly and properly attributable to the Retail Unit based strictly upon (and limited and restricted to the extent only of): (b-1) those General Common Elements that actually serve or are actually utilized by the Retail Unit; (b-2) those services that are actually furnished by the Board to the Retail Unit; and (b-3) those items of projected General Common Expenses relating to the affairs of the entire Property or the Association's General Properties that are allocated to all Units, namely: insurance (including the increase in premium, if any, caused by the use of the Retail Unit, which shall be specially allocated and assessed to the Retail Unit after deducting any savings in premium realized by the Condominium being included under a master insurance policy obtained by Sponsor, a Sponsor Related Party, the Retail Unit Owner or the Managing Agent), management, legal (excluding legal services applicable only to the operation or affairs of the Residential Space or the Association's Residential Properties), audit and certain administrative and miscellaneous expenses.

The projected General Common Expenses allocated to all Unit Owners in this First Year's Budget have been apportioned and assessed among them Pro Rata to their respective Common Interests or (when appropriate) on the basis indicated to reflect the amount fairly and properly attributable to the Residential and Storage Units and/or the Retail Unit (as applicable). (See subsection F-3 above for discussion.) The breakdown of the portion of each Budget expense item in this Budget to be paid by all Residential and Storage Units and the Retail Unit or (as to certain expenses) only all Residential and Storage Units is summarized in the preceding table and is explained more fully in the following Notes.

The Residential and Storage Units shall always be regarded as one (1) group of Units when allocating apportioning and assessing the General Common Expenses and Residential Common Expenses, which shall be allocated, apportioned and assessed to them Pro Rata to their respective Common Interests.

Each item in this First Year's Budget allocated to the projected Residential Common Expenses and the projected General Common Expenses applies for only the first twelve (12) months of Condominium Operation and may be changed thereafter by approval of a majority of those Board Members attending a duly constituted Board meeting at which a quorum is present, subject to, and strictly in accordance and compliance with, the guidelines, procedures and requirements set forth in: Section B, subsection B-5.3 above; this First Year's Budget; Section H, subsection H-7.1 below; and the Declaration (see Sections 9.2 through 9.12 of the Declaration and the Budget Guidelines in EXHIBIT F to the Declaration). Any dispute or failure to agree as to a proposed Budget item or the adoption of a proposed Budget shall be resolved by arbitration in New York City pursuant to Article 19 of the By-Laws (see Section R, subsection "R-9. Arbitration" for discussion).

As a result, the allocation of projected expenses in this First Year's Budget to the projected Residential Common Expenses and/or the projected General Common Expenses (as applicable), and the amounts so allocated to the projected General Common Expenses that are allocated, apportioned and assessed to all Residential and Storage Units and the Retail Unit based on the amount reasonably anticipated to be fairly and properly attributable to the Residential and Storage Units and to the Retail Unit, may vary (perhaps substantially) in subsequent years of Condominium Operation.

Note 4. First Year's Projected Common Expenses (Budget: $428,160)

All projected Common Expenses are for the first twelve (12) months of Condominium Operation, which is assumed (for budget purposes) will begin January 1, 2009, the projected date of First Closing of a Residential Unit under the Plan and also assumes occupancy of at least one Residential Unit. The actual first year of Condominium Operation may begin earlier or later. All amounts in this Budget are estimates and approximations. While they are believed to be reasonable, they are not assured or guaranteed.

The Building is being newly constructed and therefore no historical operating expenses of the Building are available for comparison purposes. The projected Common Expenses in this Budget are based mostly on: (a) the estimates certified by Platinum of the reasonably anticipated recurring costs of operations for the First Year's Budget under existing circumstances; and (b) the assumption that present trends and conditions, to the extent applicable, will continue. Certain of the estimated expenses (where indicated below) may be based on proposals that are not binding.

SCHEDULE B does not reflect: (a) real estate taxes for the interim period prior to the separate assessment of Units, which will be specially allocated and apportioned to the Units Pro Rata to their respective projected assessed values for real estate taxes in accordance with RPL Section 339-m, as explained in footnote 6 to SCHEDULE A and Section S, subsections S-1.2 and S-1.3 below); (b) potential major or capital repairs or replacements in future years as all Building Equipment and Installations will be new (CAVEAT: no reserves for major or capital replacements are budgeted); (c) miscellaneous two or five year inspection fees (see NOTE 13 below. No Budget item is guaranteed. This Budget has been prepared and certified to be adequate by Platinum (see DOCUMENTS 8C and 8D in Part II of this Plan).

Before the First Closing of a Residential Unit, Sponsor has reserved the right, from time to time, to enter into, modify, renew and replace service, maintenance, employment, concessionaire, utility and other agreements and insurance policies that will be binding on the Condominium Board after such First Closing. However, the Plan will be amended to disclose the terms of any service or maintenance contract not set forth in this Budget that would materially increase the first year's projected Common Charges or is for a term in excess of five (5) years, other than service or utility agreements that customarily are for longer terms (such as cable television, utility and telecommunication agreements, which typically are for initial terms of ten (10) to twenty (20) years). After the First Closing and until at least 50% of the Residential Units are occupied, Sponsor reserves the right to appropriately reduce the Common Charges of all Units or all Residential and Storage Units (as applicable) to correspond to a reduction in certain Common Expenses (e.g., labor and common area utility costs). Nonetheless, when at least one (1)

Residential Unit is occupied, the lobby attendant will be on duty as scheduled in this Budget and the visiting superintendent will be working on-site to clean and Maintain the Common Elements, among other services.

BUDGET FORECASTS ARE INHERENTLY UNCERTAIN AS OPERATING EXPENSES WILL BE AFFECTED BY MANY AND VARIABLE FACTORS AS WELL AS UNFORESEEABLE EVENTS. THE PROJECTED EXPENSES IN THIS BUDGET ARE GOOD FAITH ESTIMATES, BUT CANNOT BE, AND ARE NOT, ASSURED OR GUARANTEED. IN ALL LIKELIHOOD, THE ACTUAL EXPENSES WILL VARY FROM THEIR ESTIMATES.

IF THE TOTAL ACTUAL EXPENSES ARE HIGHER THAN PROJECTED, THEN THE COMMON CHARGES WILL INCREASE TO PAY THE DEFICIT. COMMON CHARGES OF UNIT OWNERS ARE THE SOLE SOURCE OF RECEIPTS AVAILABLE TO PAY THE PROJECTED EXPENSES IN THIS FIRST YEAR'S BUDGET.

Note 5. **Labor and Related Expenses (Budget: $96,645)**

All Residential and Storage Units:	$ 96,575
Retail Unit:	70
Total:	$ 96,645

The budgeted amount is for a non-union building. The estimated costs are for one (1) part-time superintendent and two (2) full time lobby attendants for (two (2) eight-hour shifts, Monday through Friday). The superintendent will be scheduled to visit the Building three (3) hours per day, five (5) days per week; and will be on call during off hours. The superintendent is required to live within one (1) block or 200 feet of the Building under applicable Law. The level of staffing described in this Schedule B complies with all applicable housing and labor laws.

The base wages for each category of persons to be employed by the Condominium Association are projected as follows:

Position	Employees	Total
Part-time Superintendent	1	$15,600
Full-time Lobby Attendants	2	62,400
Total		$78,000

The projected vacation, holiday, sick days, contingency, and payroll taxes are as follows:

Item	Projected
Vacations, Holidays, and Contingency	$5,511
FICA and Medicare	6,210
Workers' Compensation and Disability	3,559
State and Federal Unemployment Insurances	1,072
Uniforms – purchasing and cleaning	,293
Total	$18,645
Total Labor and Related Expenses	$96,645

Platinum has projected $1,000 to be allocated to the General Common Expenses for common area cleaning, sidewalk cleaning and snow removal, escorting for meter readings and sprinkler tests, etc., which costs are allocated to all Units Pro Rata to their respective Common Interests. Accordingly, the amount attributable to the Residential and Storage Units is $930 ($1,000 x 93.0%, rounded), and to the Retail Unit is $70 ($1,000 x 7.0%, rounded).

In the future this expense should be reviewed annually by the Condominium Board and adjusted in accordance with the experience of the actual time spent by the superintendent for cleaning these areas. Any dispute with respect thereto shall be submitted to arbitration in New York City pursuant to Article 19 of the By-Laws (See Section R, subsection R-9 "Arbitration" for discussion).

Recapitulation:

	All Residential and Storage Units	Retail Unit	All Units
Residential Common Expenses:	$ 95,645	$0	$95,645
General Common Expenses:	930	70	1,000
Total:	$ 96,575	$70	$ 96,645

In the opinion of Platinum, the amount of this Budget item allocated to the Residential Common Expenses and the General Common Expenses appears reasonable and adequate under existing circumstances to meet the reasonably anticipated Labor and Related Expenses estimated to be fairly and properly attributable to each such category of Common Expenses and to the Residential and Storage Units and the Retail Unit.

Note 6. **Electricity (Budget: $139,515)**

All Residential and Storage Units:	$137,645
Retail Unit:	1,870
Total:	$139,575

The amount set forth is the estimate for the electricity consumed only by the Residential Common Elements and the General Common Elements. The electricity for each Residential Unit and the Retail Unit will be separately metered.

The amount set forth in Schedule B for electricity is based on the projections of consumption and rate for all Common Elements as described in a letter, dated July 16, 2007, from Ambrosino DePinto & Schmieder, Consulting Engineers PC ("**Ambrosino**"), 275 Seventh Avenue, 21st Floor, New York, New York, 10001-6787, which reflects a projected annual consumption estimated at approximately 524,818 kilowatt hours("**kwh**") of electricity per year, of which an estimated 424,214 kwh is attributable to the Residential Common Elements and an estimated 100,604 is attributable to the General Common Elements.

The details of the estimated consumption are as follows:

Residential Common Elements	**Estimated Consumption**
Lighting	88,992 kwh
Elevator	12,969
Domestic Water Booster	47,061
HVAC	264,392
Miscellaneous Plumbing	10,800
Sub-total	424,214 kwh

General Common Elements	**Estimated Consumption**
Lighting	18,720 kwh
HVAC	81,884
Sub-total	100,604 kwh
Total	524,818 kwh

The estimated average rate is $0.222 as at the date of Ambrosino's letter, to which Platinum has added an estimated fifteen (15%) percent inflation factor, and sales tax at 4.125%, for a total estimated cost of $139,515 (rounded). The projected cost to the Residential Common Elements is estimated at $112,770 (rounded), which is specially allocated and charged to only all Residential and Storage Units Pro rata to their respective Common Interests

The projected cost to the General Common Elements is estimated at $26,745, which is allocated to all Units Pro Rata to their respective Common Interests. Accordingly, the amount attributable to the Residential and Storage Units is estimated at $24,875, rounded (i.e., $26,745 x 93.0%, rounded); and the amount attributable to the Retail Unit is estimated at $1,870 (i.e., $26,745 x 7.0%, rounded).

The actual costs of electricity will depend on the level of consumption and electric rates. Consumption will be affected by various and unpredictable factors, including conservation measures (if any) adopted by the Condominium Board. The electric rates will be affected by numerous, unpredictable variables that impact on the cost of oil used by the utility, as its primary energy source to generate electricity. Electric prices fluctuate, are volatile and are inherently uncertain.

Recapitulation:

	All Residential and Storage Units	Retail Unit	All Units
Residential Common Expenses:	$112,770	$0	$112,770
General Common Expenses:	24,875	1,870	26,745
Total:	$137,645	$1,870	$139,515

In the opinion of Platinum, the amount of this Budget item allocated to the Residential Common Expenses and the General Common Expenses appears reasonable and adequate under existing

circumstances to meet the reasonably anticipated Electricity Expenses estimated to be fairly attributable to each such category of Common Expenses and to the Residential and Storage Units and to the Retail Unit.

Note 7. **Gas (Budget: $48,210)**

All Residential and Storage Units:	$ 46,370
Retail Unit:	1,840
Total:	$ 48,210

There will be two (2) gas meters in the Building, one for heating and one for domestic cooking and hot water. The estimated consumption and cost per Ambrosino are as follows:

Unit	Projected Heating (Therms)	Projected Cooking and Hot Water Therms	Projected Cost	Projected Average Cost per Therm
Residential and Storage Units:	8,984	7,437	$24,880	$1.5154
Retail Unit:	800	0	$1,360	$1.7000
General Common Elements:	1,748	0	$2,970	$1.6991
Residential Common Elements:	7,421	0	$11,540	$1.5550

The Budget amount includes an inflation factor estimated by Platinum at fifteen (15%) percent above the average cost per Therm at July 16, 2007 of: $1.5154 for the Residential Units' heating, cooking, and hot water; $1.7000 for heating of the Retail Unit; $1.6991 for heating the General Common Elements; and $1.5550 for heating the Residential Common Elements. Accordingly, an inflation factor estimated by Platinum at fifteen (15%) percent has been added to these costs and sales tax at 4.125%. Therefore, the Residential Units' heating, cooking and hot water costs are estimated at $29,790 (rounded); the Retail Unit's heating cost is estimated at $1,630 (rounded); the General Common Elements heating cost is estimated at $3,555 (rounded); and the Residential Common Elements heating cost is estimated at $13,820 (rounded). The estimated cost for the General Common Elements is allocated to all Units Pro Rata to their respective Common Interests. As a result, the allocation to the Residential and Storage Units is estimated at $2,760 (i.e., $2,970 x 93.0%, rounded), and to the Retail Unit is estimated at $210, rounded, (i.e., $2,970 x 7.0%, rounded). The projected cost for the Residential Common Elements is estimated at $13,820 and is specially allocated to only the Residential and Storage Units and apportioned among them Pro Rata to their respective Common Interests.

In the future, this expense should be reviewed annually by the Condominium Board and an engineer hired to determine current costs, if in dispute. The cost of the engineer will be a General Common Expense to be allocated, apportioned an assessed to all Units Pro Rata to their respective Common Interests. Any dispute with respect thereto shall be submitted to arbitration in New York City pursuant to Article 19 of the By-Laws (See Section R, subsection R-9 "Arbitration" for discussion).

The actual costs of gas will depend on the level of consumption and gas rates. Consumption will be affected by various and unpredictable factors, including conservation measures (if any)

adopted by the Condominium Board. Gas prices fluctuate, are volatile, and are inherently uncertain.

Recapitulation:

	All Residential and Storage Units	Retail Unit	All Units
Residential Common Expenses:	$43,610	$0	$43,610
General Common Expenses:	2,760	210	2,970
Special Allocation:	0	1,630	1,630
Total:	**$46,370**	**$1,840**	**$48,210**

In the opinion of Platinum, the amount of this Budget item allocated to the Residential Common Expense and the General Common Expense appears reasonable and adequate under existing circumstances to meet the reasonably anticipated Electricity Expenses estimated to be fairly and properly attributable to each such category of Common Expenses and to the Residential and Storage Units and the Retail Unit.

Note 8. Water Charges and Sewer Rents (Budget: $12,950)

All Residential and Storage Units:	$12,925
Retail Unit:	25
Total:	$12,950

The City of New York will provide municipal water and sewer services to the Building. There will be a single meter serving the entire Building, which will be included in one billing from the New York City Water Board. The Retail Unit is planned to be outfitted with a sink and water closet, which will consume a negligible amount of water. For purposes only of presentation in this Budget, the projected costs of water and sewer services are limited to only the Residential and Storage Units and the Building's fire protection Systems, which are part of the General Common Elements.

Water and sewer services will be provided primarily to the Residential Common Elements and the Residential Units for domestic hot and cold water, lavatories and sanitary sewerage. The General Common Elements will use water service in connection with only the Building's fire protection Systems, which do not consume water, except in the cases of testing and an emergency. Accordingly, the projected costs of water and sewer services in this First Year's Budget, based on the following projections of consumption by Ambrosino and Platinum, shall be charged as follows: (a) the projected costs of water and sewer services to the Residential Space shall be allocated to only all Residential and Storage Unit Owners and apportioned and assessed to them Pro Rata to their respective Common Interests; and (b) the projected cost of testing the Building's sprinkler System will be allocated to all Unit Owners and apportioned and assessed to them Pro Rata to their respective Common Interests.

Ambrosino, in its aforesaid letter, estimates usage at 69 gallons per person, per day for a total consumption estimated at 1,484,000 gallons or 1,984 HCF (hundred cubic feet) (1,484,000 divided by 748), excluding clothes washing machines and sprinkler testing. Platinum estimates

39,312 gallons for water usage for washing machines or 53 HCF; and 47,124 gallons for sprinkler testing or 63 HCF for a total of 2,100 HCF.

The current water rate for the New York City fiscal year beginning July 1, 2007 is $2.027/HCF. In order to compute the sewer rent the water charge is multiplied by the factor 159 with the result being $5.23/HCF for the period 7/1/07 thru 6/30/08. The Budget is predicated on the historical increase in the water rate of approximately 11.5% for the fiscal year beginning July 1, 2008 for an estimated water rate of $2.25/HCF, plus the sewer factor at times 159 resulting in a total rate estimated at $5.83 for the period 7/1/08 thru 6/30/09; and for the fiscal year beginning July 1, 2009 for an estimated water rate of $2.51/HCF, plus the sewer factor at times 159 resulting in a total rate estimated at $6.50/HCF for the period 7/1/09 thru 6/30/10. The Budget amount is based upon the estimated $5.83/HCF rate for 1/1/09 through 6/30/09, and $6.50/HCF rate for 7/1/09 through 12/31/09, for a total expense estimated at $12,950 (rounded) for all Residential and Storage Units and testing the sprinkler System at $350 (rounded).

The projected cost of water and sewer services to the Residential Space at 1,984 HCF plus 53 HCF, as estimated above, is estimated at $12,600 (rounded), which is a Residential Common Expense charged to only all Residential and Storage Units Pro Rata to their respective Common Interests.

The projected cost of sprinkler testing at 63 HCF is estimated at $350, which is a General Common Expense and is allocated, apportioned and assessed to the Residential and Storage Units and to the Retail Unit Pro Rata to their respective Common Interests, or an estimated $325 (rounded) for the Residential and Storage Units (i.e., $350 x 93%, rounded); and $25 (rounded) for the Retail Unit (i.e., $350 x 7.0%, rounded).

Recapitulation:

	All Residential and Storage Units	Retail Unit	All Units
Residential Common Expenses:	$12,600	$0	$12,600
General Common Expenses:	325	25	350
Total:	$12,925	$25	$12,950

In the future, this expense should be reviewed annually by the Condominium Board and an engineer hired by the Board to determine current costs, if in dispute. The cost of the engineer will be a General Common Expense to be allocated, apportioned and assessed to all Units Pro Rata to their respective Common Interests. Any dispute with respect thereto shall be submitted to arbitration in New York City pursuant to Article 19 of the By-Laws (See Section R, subsection R-9 "Arbitration" for discussion).

The actual cost of water and sewer services will depend, in part, on the level of water consumption and the rates and formulas for these services as determined by The City of New York. Consumption will depend upon the water usage within the individual Residential Units, which may vary widely depending on the size of households and individual requirements and habits.

This Budget item is based upon projections from Ambrosino, historical increases by the New York City Department of Environmental Protection, the experience of Platinum and its opinion of the reasonably anticipated costs of water and sewer services to the Residential and Storage Units and Residential Common Elements as indicated above for the projected Budget Year under existing circumstances and assuming present trends and conditions, to the extent applicable, will continue.

Note 9. Repairs, Maintenance and Supplies (Budget: $10,000)

All Residential and Storage Units:	$9,930
Retail Unit:	70
Total:	$10,000

The Condominium Board is to provide for repairs, maintenance and supplies to: (a) the Residential Common Elements (including: the 515 West 23rd Street Public Areas; the residential common wear; the elevator; the egress stairs; the cellar trash compactor room; the cellar superintendent's room, the staff bathroom, the room housing the Storage Units and the Building storage room; and all Systems and Installations comprising the Residential Common Elements or exclusively serving or benefiting, in common, the Residential and Storage Units); and (b) the General Common Elements (including: the cellar Systems and Installations comprising the General Common Elements or serving or benefiting all Units or one or more of both the Residential and Storage Units and the Retail Unit), and the Immediately Adjacent Sidewalks to the Property. Each Unit Owner will be responsible to pay and perform or provide for any needed or desired repairs (other than structural repairs), maintenance and supplies to or for the Owner's Unit and Unit's equipment and installations (including a Residential Unit's appliances; heating and air conditioning equipment and fixtures; bathroom and kitchen sinks, toilets, bathtub/shower, and related hardware), as well as Unit painting, washing and cleaning the both sides of Unit windows and any skylight, and Decorations. The Retail Unit is responsible for repairs and maintenance to its Storefronts.

The Budget amount represents the estimated cost for ordinary maintenance and repairs of the Common Elements, including periodic painting and supplies, such as cleaning supplies, lubricants, bulbs, fixtures, hardware, rubbish bags, etc. used in connection with the foregoing and the operation of the Common Elements.

Given that the Building will be new construction with all new mechanicals and Systems, Platinum has projected a relatively low-end cost for general repairs, maintenance and supplies estimated at approximately $10,000 for the first 12 months of Condominium operation. Of this amount, Platinum projects the amounts fairly and properly attributable to the Residential Common Elements and the General Common Elements at an estimated $9,000 and $1,000 respectively. The estimated $9,000 allocated to the Residential Common Elements is a Residential Common Expense and charged to only all Residential and Storage Unit Owners Pro Rata to their respective Common Interests. The estimated $1,000 allocated to the General Common Elements is a General Common Expense and charged to all Unit Owners Pro Rata to their respective Common Interests, or approximately $930 to all Residential and Storage Units ($1,000 x 93%, rounded) and approximately $70 to the Retail Unit ($1,000 x 7.0%, rounded), all amounts are rounded.

No amounts have been budgeted for repairs to the Roof, the heating, ventilating and air-conditioning Systems, or the Building exterior, all of which will be new, or for items to be covered by construction warranties, or to cover any major capital expenditure.

Recapitulation:

	All Residential and Storage Units	Retail Unit	All Units
Residential Common Expenses:	$9,000	$0	$9,000
General Common Expenses:	930	70	1,000
Total:	$9,930	$70	$10,000

During the first year of Condominium operation, the purchase of small equipment may be necessary, including a vacuum cleaner, snow blower, wet-vac machine and various power tools. The cost of this equipment is to be paid from this Budget item, the Budget item for "Other Expenses" and the Working Capital Fund to the extent sufficient (see Section V. Working Capital Fund).

The Building is being newly constructed and accordingly, no historical costs are available. This projection is based upon an estimate of Platinum based on its experience and on its opinion of the reasonably anticipated costs of Building repairs, maintenance and supplies for the first year Condominium operation following completion, or substantial completion, of the construction of the Building's structure and Systems, under existing circumstances and assuming present trends and conditions, to the extent applicable, will continue. No budget item, however, is warranted as to its accuracy, sufficiency or otherwise.

Note 10. Service Contracts (Budget: $21,145)

All Residential and Storage Units:	$20,775
Retail Unit:	370
Total:	$21,145

No service contracts have been entered into as of the date of the Plan. However, it is anticipated that the service contracts for the following items, in addition to the Management Agreement discussed in Note 12, will be entered into at the following projected costs, based on proposals or estimates of Platinum, during the first year of Condominium operation:

Contractor	Type of Service		Estimated First Year's Cost	
Otis Elevator Maintenance 516 West 34th Street New York, NY, 10001	Elevator Maintenance (at $735/month as of 5/06) Proposal		$10,040	(1)*
Robert Horowitz 149 Madison Avenue, Suite 501 New York, NY, 10016	Maintenance of Intercom, Access Communication, and Closed Circuit TV	$450/mo.	5,850	(2)*
To be Determined	Sprinkler Inspection and Drain Test	$850/yr.	920	(2)**
To be Determined	Fire Pump Performance	$2,500/yr.	2,710	(2)**
To be Determined	Extermination	$1,500/yr.	1,625	(2)**
Total			$21,145	

(1) Includes an increase of 5% above the estimate of $735/month plus sales tax.
(2) Sales tax of 8.375% has been added to the above amount

* Residential Common Expense item
** General Common Expense item

The total projected costs for service contracts during the first year of Condominium operation are estimated at $21,145. The projected fee for the management agreement is included separately under Note 12.

Platinum projects the total costs of service and maintenance contracts applicable to the General Common Elements and the Residential Space at an estimated $15,890 and $5,255, respectively. The estimated $5,255 applicable to the General Common Elements is a General Common Expense and charged to all Unit Owners Pro Rata to their respective Common Interests, or $4,885 (rounded) to all Residential and Storage Units ($5,255 x 93%, rounded) and $370 (rounded) to the Retail Unit ($5,255 x 7.0%, rounded). The estimated $15,890 applicable to the Residential Space is a Residential Common Expense and charged to only all Residential and Storage Unit Owners Pro Rata to their respective Common Interests.

SPECIAL RISK: This Budget item does not include the cost of façade cleaning, which is not contemplated to be incurred for the first year of Condominium operation, but likely would be undertaken by the Condominium Board from and after the second year of Condominium operation. The washing and cleaning of the Building's entire glass curtain wall façade, including the portions enclosing the Residential Space, the General Common Elements and the Retail Unit, will be the responsibility of the Condominium Board. In accordance with the Special Allocation and Apportionment Rule and Section 339-m, the cost of such maintenance Work will be included in the General Common Expenses and allocated to all Residential and Storage Units and to the Retail Unit in the proportion that the vertical square footage of the Building's glass curtain wall façade enclosing the Residential Space or the Retail Unit (as applicable) bears to the total square footage of the Building's glass curtain wall façade. The amount so allocated to the Residential and Storage Units shall be apportioned and assessed to such Units Pro Rata to their respective Common Interests. A proposal of $21,675, including sales tax, for this Work was

received from Altus Metal and Marble Services, Inc ("**Altus**"), with offices at 2 Brookview Court, Stony Brook, NY 11790, dated August 11, 2006, consisting of the following breakdown to wash and clean the various sides of the Building's glass curtain wall façade: south side from grade to floor 14: $8,800; east side from floor 1 to floor 14: $2,800; and north side from floor 1 to floor 14: $8,400. Based on said proposal from Altus, Platinum projects the total cost to wash and clean the Building's glass curtain wall façade for the second year of Condominium operation at an estimated $21,675 (including sales tax), or approximately 5.4% is of the projected 'Common Expense for the proposed first year of Condominium operation, of which Platinum estimates $20,565 is fairly and properly allocated to all Residential and Storage Units and $1,110 is fairly and properly allocated to the Retail Unit based on the vertical square footage of the Building's glass curtain wall façade enclosing the Residential Space and the Retail Unit, respectively. The amount allocated to the Residential and Storage Units shall be apportioned among such Units Pro Rata to their respective Common Interests. As a result, if when the Condominium Board, undertakes to wash and clean the Buildings' glass curtain façade walls, Common Charges likely will increase accordingly at such time. See SPECIAL RISK Section A, subsection A-31 above.

After the first year of Condominium operation, the amount budgeted for service and maintenance contracts will be adjusted annually to reflect the actual amounts thereof properly and fairly applicable to the General Common Elements and the Residential Space, and the Retail Unit.

Recapitulation:

	All Residential and Storage Units	Retail Unit	All Units
Residential Common Expenses:	$15,890	$0	$15,890
General Common Expenses:	4,885	370	5,255
Total:	$20,775	$370	$21,145

In the opinion of Platinum, the amounts of this Budget item allocated to the Residential Common Expenses, the General Common Expenses and the Retail Unit appear reasonable and adequate under existing circumstances to meet the reasonably anticipated projected costs of service and maintenance contracts to be fairly and properly attributable to each such category of Common Expenses and to the Residential and Storage Units and the Retail Unit, and the amount fairly to be specially allocated to the Retail Unit to clean its façade.

Note 11. Insurance (Budget: $63,250)

All Residential and Storage Units:	$58,820
Retail Unit:	4,430
Total:	$63,250

The budgeted amount for insurance premiums are based on a letter, dated July 18, 2007, from the insurance brokerage firm of S. Jonas Insurance ("**Jonas**"), 450 Seventh Avenue, Suite 2208, New York, New York 10123, setting forth the following coverages:

Coverage	Limit
Building	
All-Risk/RC/Agreed Amount/Replacement Cost Risks of Direct Physical Loss Subject to Policy Terms and Conditions	$17,000,000 (Deductible - $5,000)
Building Ordinance/ICC Demolition	$1,000,000/$1,000,000
Business Income/Extra Expense	$150,000
Co-Insurance	None
Flood (Rising Water)	$1,000,000 (Deductible - $25,000)
Earthquake	$1,000,000 (Deductible - $25,000)
Elevator Collision	Included
General Liability - Each Occurrence	$1,000,000
General Aggregate	$2,000,000
Personal Injury/Bodily Injury	$1,000,000
Employee Benefits Liability (Claims Made)	$1,000,000
Water Damage Legal Liability	$1,000,000
Non Owned/Hired Auto	$1,000,000
Lead/Mold	Included
Fidelity Bond	
Employee Dishonesty	$100,000 (Deductible - $5,000)
Managing Agent's Rider	Included
Directors' & Officers' Liability	$1,000,000 (Deductible - $5,000)
Umbrella – Limit	$100,000,000
Excess Directors' & Officers' Liability (excludes Employment Practices)	Included
Self Insured Retention	$25,000
Energy Systems – Comprehensive Limit	$17,000,000 (Deductible - $5,000)
Business Income/Extra Expense	$150,000
Business Income Deductible	
Building Ordinance & Law	$1,000,000

Note: This is only a general description of coverages provided. For a detailed description of the terms of a policy, refer to the policy itself. This proposal is dependent upon the receipt of acceptable loss information and loss control surveys.

The total annual premiums for these coverages were $55,000 as at July 18, 2007, to which Platinum adds an estimated fifteen percent (15%) inflation factor for a total projected cost of $63,250. In the opinion of Platinum, an inflation factor estimated at fifteen percent (15%) is appropriate. While this is a good faith estimate, insurance premiums have been subject to substantial increases in recent years. No assurance, representation or guarantee is given that the actual costs of insurance will be in accordance with this projection. Insurance expenses are a General Common Expense and have been allocated among all Units on the basis of Common Interest. Accordingly, the amount allocated to the Residential and Storage Units is estimated at $58,820 ($63,250 x 93%, rounded) and the amount allocated to the Retail Unit is estimated at $4,430 ($63,250 x 7%, rounded). See subsection F-3 above for exclusive right reserved to the Retail Unit Owner to allocate the insurance premiums based on the methodology contained therein so as to strictly reflect the amount fairly and properly attributable to the Retail Unit.

Recapitulation:

	All Residential and Storage Units	Retail Unit	All Units
Residential Common Expenses:	$0	$0	$0
General Common Expenses:	58,820	4,430	63,250
Total:	$58,820	$4,430	$63,250

At First Closing of a Residential Unit, Sponsor will deliver to the Condominium Board, at the expense of the Condominium Board (payable by all Unit Owners as set forth above), policies or binders for the insurance coverages set forth above in favor of the Condominium Association. The actual cost of such coverages will depend on the premiums in effect at First Closing of a Residential Unit, which possibly may be higher than those projected in this Budget, depending upon various, unpredictable factors.

The All Risk Replacement Cost coverage limit is based upon an agreed amount replacement cost for the Building. By carrying a building limit of $17,000,000 (subject to underwriting review at the time of placement as aforesaid), the insurance policy will include a provision known as an "agreed amount replacement cost endorsement" or "agreed value" whereby the insurance carrier agrees to reimburse the insured for losses up to the full amount of the policy regardless of the actual replacement value of the Building. This clause has the effect of waiving any co-insurance the insurer might otherwise require. This clause does not mean that the Condominium Association would necessarily receive sufficient proceeds to actually fully rebuild or restore the Building in the event of its substantial or total destruction. The Condominium Board should periodically review the amount of casualty insurance for the Building to insure that the amount of coverage is sufficient.

The fire, casualty and general liability insurance will provide that each Unit Owner is an additional insured, that there will be no cancellation without notice to the Condominium Board, and (to the extent obtainable) 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. The liability coverage is in the amount recommended by Jonas as being adequate.

Each Unit Owner should consider the desirability of obtaining additional insurance at the Unit Owner's sole cost for the following coverages, which are not included in the above coverages:

(a) fire or casualty losses to the contents of the Owner's Unit, including appliances, cabinets, kitchen and bathroom fixtures, furnishings, household items and other personal property;

(b) liability for personal injury or property damage as a result of occurrences within the Owner's Unit or on its appurtenant Terrace (if and as applicable), including water damage legal liability to cover damage arising from leaks or other conditions within the Unit or on its appurtenant Terrace (if and as applicable); and

(c) liability arising from its undivided interest in the Common Elements (to the extent the coverage maintained by the Board is inadequate or does not cover the risk).

Note 12. Management Fee (Budget: $15,000)

All Residential and Storage Units:	$14,945
Retail Unit:	55
Total:	$15,000

At or prior to the First Closing of a Residential Unit, the Condominium Board will enter into a management agreement with Alf Naman Real Estate Advisors Ltd., 460 Park Avenue, Floor 22, New York, NY 10022. The proposed agreement with said Managing Agent is for an initial term of 12 full calendar months following the month the First Closing of a Residential Unit is consummated, at an annual fee of $15,000, payable in advance in equal monthly installments. The agreement automatically will be extended from year to year until canceled by either party at least 90 days prior to an annual extension. The fee is negotiable after expiration of said 12 month period. The management fee includes billing and collection services, day-to-day phone availability, on-site inspections and attendance at Board and Unit Owners meetings. Reference should be made to Section W in Part I of the Plan for further discussion of the terms of the management agreement, including reimbursement of expenses, commissions for placing insurance and fees from Sold Unit Owners on a sale, conveyance, lease, alteration or financing (or refinancing).

In the opinion of Platinum, most of the management services will be devoted to the Residential Space and the Residential and Storage Unit Owners. Accordingly, 95% of the projected management fee, or $14,250 ($15,000 x 95%), has been specially allocated by Platinum to the Residential and Storage Unit Owners based on the amount of management services fairly attributable to such Units. The balance of the projected management fee, or $750 ($15,000 x 5%), has been charged by Platinum to all Unit Owners Pro Rata to their respective Common Interests, or $695, rounded, to all Residential and Storage Unit Owners ($750 x 93%, rounded) and $55 (rounded) to the Retail Unit Owner ($750 x 7.0%, rounded).

Recapitulation:

	All Residential and Storage Units	Retail Unit	All Units
Residential Common Expenses:	$14,250	$0	$14,250
General Common Expenses:	695	55	750
Total:	$14,945	$55	$15,000

In the opinion of Platinum, such allocation to the Residential Common Expenses and General Common Expenses, and the amounts thereof so apportioned among the category of Units indicated, appear reasonable and adequate under existing circumstances to pay the projected management fee fairly and properly attributable to: (a) the Residential Common Expenses and General Common Expenses; and (b) each category of Units (that is: all Residential and Storage Units, and the Retail Unit).

Note 13. Legal and Audit Fees (Budget: $8,000)

All Residential and Storage Units:	$7,965
Retail Unit:	35
Total:	$8,000

This Budget expense item includes an allowance of $500 for potential legal expenses in the event the Condominium Board elects to retain an attorney for minor legal services with respect to the operation, governance and affairs of the Residential Space (no legal services are anticipated with respect to operation, governance or affairs of the General Common Elements or the whole Condominium Association). Accordingly, this amount has been included in the Residential Common Expenses and charged to only all Residential and Storage Unit Owners Pro Rata to their respective Common Interests.

The Condominium Association will incur auditing fees in connection with the preparation of the Condominium Association's first year's audited financial statements and its Federal, State, and City income tax and franchise tax returns. An estimated $7,500 has been budgeted for these services based upon a written quote received from Berdon LLP, CPAs and Advisors, 360 Madison Avenue, New York, NY 10017. No accountant has been engaged for these services as of this writing.

This estimated $7,500 Budget expense item has been allocated $7,000 to the Residential Common Expenses and $500 to the General Common Expenses based on the opinion of Platinum of the estimated amount to audit the Residential Common Expenses and the related accounting services attributable to the Residential Space, as compared to the services attributable to the General Common Expenses and the General Common Elements. The amount thus allocated to: (a) the Residential Common Expenses (i.e., $7,000) shall be charged to only all Residential and Storage Unit Owners Pro Rata to their respective Common Interests; and (b) the General Common Expenses (i.e., $500) shall be charged to all Unit Owners Pro Rata to their respective Common Interests, or $465 (rounded) to all Residential and Storage Units (i.e., $500 x 93%, rounded) and $35 (rounded) to the Retail Unit (i.e., $500 x 7.0%, rounded).

Recapitulation:

	All Residential and Storage Units	Retail Unit	All Units
Residential Common Expenses:	$7,500	$0	$7,500
General Common Expenses:	465	35	500
Total:	$7,965	$35	$8,000

In the opinion of Platinum, the foregoing allocations of the estimated legal and auditing expenses to the Residential Common Expenses and the General Common Expenses, and the amounts thereof so apportioned to all Residential and Storage Units and to the Retail Unit, appear reasonable and adequate under existing circumstances to pay the estimated legal and audit fees fairly and properly attributable to each of them.

Note 14. Other Expenses (Budget: $3,000)

All Residential and Storage Units:	$2,965
Retail Unit:	35
Total:	$3,000

This Budget expense item includes: licenses and permits; annual elevator inspection (but excludes the two and five year inspections); corporate and franchise taxes; payroll costs related to the generation of weekly payroll, taxes, and tax filings; office telephone; office supplies; reproduction costs for notices, etc., to Unit Owners, staff, etc.; and a minor amount to purchase small equipment (for cleaning and snow removal) and hand tools. This Budget does not include the fees for future inspections such as standpipe and sprinkler five year inspections.

For purposes only of presentation in this Budget, all estimated amounts includible in "Other Expenses" have been allocated $2,500 to the Residential Common Expenses, and $500 to the General Common Expenses. The amount thus allocated to: (a) the Residential Common Expenses shall be charged to only all Residential and Storage Unit Owners Pro Rata to their respective Common Interests; and (b) the General Common Expenses shall be charged to all Unit Owners Pro Rata to their respective Common Interests. Accordingly, the $500 allocated to the General Common Expenses is apportioned $465 (rounded) to all Residential and Storage Units (i.e., $500 x 93%, rounded) and $35 (rounded) to the Retail Unit (i.e., $500 x 7%, rounded). After the first year of Condominium operation, the amount budgeted for Other Expenses will be adjusted annually to reflect the actual amounts thereof properly and fairly applicable to the Residential Space and the General Common Elements.

Recapitulation:

	All Residential and Storage Units	Retail Unit	All Units
Residential Common Expenses:	$2,500	$0	$2,500
General Common Expenses:	465	35	500
Total:	$2,965	$35	$3,000

In the opinion of Platinum, such allocation to the Residential Common Expenses and General Common Expense, and the amounts thereof apportioned among the category of Units indicated, appears reasonable and adequate under existing circumstances to pay the costs of this Budget item fairly and properly attributable to: (a) the Residential Common Expenses and General Common Expenses; and (b) each category of Units (that is: all Residential and Storage Units, and the Retail Unit).

This projection is an estimate of Platinum, and is based on its opinion of the reasonably anticipated customary miscellaneous expenses of the Condominium Association for the projected

Budget Year under existing circumstances and assuming present trends and conditions, to the extent applicable, will continue.

Note 15. Reserve for Contingencies (Budget: $10,445)

All Residential and Storage Units:	$10,225
Retail Unit:	220
Total:	$10,445

This Budget expense item is to provide a fund for unanticipated operating expenses during the first year of Condominium Operation, including an allowance for a possible increase in one (1) or more expense items in this Budget and/or to add to this Budget one (1) or more new expense items. This item is not to provide a reserve for capital or expenditures and no such capital reserve fund is included in this Budget or under this Plan (see "Section U. Reserve Fund").

For budgeting purposes only, this contingency item consists of: (a) approximately 2.5% of the total of all other budgeted General and Residential Common Expenses of $408,915 allocated to all Residential and Storage Units, or $10,225, rounded (i.e., $408,915 x 2.5%); and (b) approximately 2.5% of the total of all other General Common Expenses of $10,425 allocated to the Retail Unit, or $220, rounded (i.e., $10,425 x 2.5%). After the first year of Condominium Operation, the amount budgeted for Reserve for Contingencies will be determined annually by the Condominium Board, but cannot exceed 5% of the Common Charges budgeted to be paid by the Residential and Storage Units and the Retail Unit without obtaining the prior written Discretionary Approvals or Consents of Sponsor (during only the Sponsor Veto Control Period) and (with respect to the contingency reserve for the General Common Expenses) the Retail Unit Owner (see subjection F-3 above).

In the opinion of Platinum, the amount budgeted as a reserve for contingencies appears reasonable and adequate under existing circumstances and the amounts thereof allocated to the Residential and Storage Units and to the Retail Unit appears to represent the amounts fairly and properly attributable to each of them.

This projection is an estimate of Platinum based upon its experience in residential management and on its opinion of the reasonably anticipated customary contingency expenses of the Condominium Association for the projected Budget Year under existing circumstances and assuming present trends and conditions, to the extent applicable, will continue.

END OF SCHEDULE B

F-7. Schedule B-1: Unit Utility Projections.

SCHEDULE B-1

Unit Utility Projections of
Ambrosino DePinto & Schmieder, Consulting Engineers P.C.

The cost of electricity for light, power (for laundry equipment, dishwasher and other appliances) and air conditioning to the Residential Units will be paid directly to the utility provider by each Residential Unit Owner as determined by each Unit's separate meter and the then current utility rates and taxes (all other utility costs for heat, hot water, cooking and fireplaces to the Residential Units will be included in the Common Charges). The following table contains the projected annual cost of electricity for each Residential Unit for the projected first year of Condominium operation of July 1, 2008 to June 30, 2009 based on projected consumption in kilowatt hours ("**KWH**"), as estimated by Ambrosino DePinto & Schmieder, Consulting Engineers P.C. ("**ADS**") in a letter dated July 16, 2007 (see below), and the utility rates contained in said letter of ADS to which Platinum has added an estimated twenty percent (20%) inflation factor, including sale tax:

Residential Unit	Project Annual Consumption in KWH	Projected First Year's Electric Costs*
3	15,345	$4,080
4	14,053	3,740
5	15,173	4,042
6	16,863	4,486
7	16,998	4,524
8	18,018	4,794
9	17,959	4,778
10	18,377	4,890
11	18,637	4,958
12	19,191	5,106
PH	29,623	7,884

* Amounts are rounded.

CAVEAT: MANY AND VARIABLE FACTORS, AS WELL AS UNFORESEEABLE EVENTS, WILL AFFECT UTILITY COSTS. THE PROJECTED CONSUMPTION, UTILITY RATES AND COSTS ARE GOOD FAITH ESTIMATES, BUT CANNOT BE, AND ARE NOT, ASSURED OR GUARANTEED. ACTUAL CONSUMPTION WILL BE SEPARATELY METERED AND WILL FLUCTUATE WITH PERSONAL NEEDS, HABITS AND WEATHER CONDITIONS. IN ALL LIKELIHOOD, ACTUAL UTILITY COSTS WILL VARY FROM THESE ESTIMATES.

ads
ENGINEERS

July 16, 2007

23 High Line, LLC
c/o Alf Naman Real Estate Advisors
460 Park Avenue, 22nd Floor
New York, New York 10022

Re: 23 High Line
ads Project No. 05060.0

Gentlemen:

Attached please find our estimated annual utility costs, based on current Utility Company rates, for the above referenced project:

Electric:

Electric utility cost for each Apartment will be metered separately by the Utility Company. Separate Utility Company meters will also be provided for the Gallery and Common Space loads. Estimated annual cost for electric energy is as follows:

Apartment No.	KWH	Utility Cost*	Fuse Size (Amps)	No. Of Active Circuits
Unit 3	15,345	$3,400	175	30
Unit 4	14,053	$3,117	175	26
Unit 5	15,173	$3,368	175	28
Unit 6	16,863	$3,738	175	28
Unit 7	16,998	$3,770	175	32
Unit 8	18,018	$3,995	175	32
Unit 9	17,959	$3,982	175	32
Unit 10	18,377	$4,075	175	32
Unit 11	18,637	$4,132	175	32
Unit 12	19,191	$4,255	175	32
PH	29,623	$6,570	250	36
Residential Common Areas	424,214	$81,134.92		
General Common Areas	100,604	$21,879.10		

*Residential Unit rates are based upon Con Ed rate structure SC-1 as of June 2007 with average combined Market Supply and Adjustment Credit charges of $0.15092/KWH, Renewable Portfolio charge of 0.0004/KWH, Systems Benefit charge of $0.0017/KWH and Gross Receipts Tax of 4.9129%. Charges also include an $11.78 meter charge. Sales tax is not included.

AMBROSINO, DePINTO & SCHMIEDER ENGINEERS
275 SEVENTH AVENUE, 21ST FLOOR NEW YORK, NY 10001-6708
212 645 6000 PHONE 212 645 6533 FAX WWW.ADSCE.COM

Residential Common and General Common charges are based upon Con Ed rate structure SC-9 as of June 2007 with average combined Market Supply and Adjustment Credit charges of $16.50/KW, and $0.1049/KWH, Renewable Portfolio charge of $0.0004/KWH, Systems Benefit charge of $0.0017/KWH and Gross Receipts Tax of 2.4157%. Sales tax is not included.

Domestic Water and Waste:

The estimated annual cost for domestic water and associated waste is as follows:

Item	Cost
Domestic water	$5,395
Waste	$8,579

These costs are based on a consumption of approximately 2,000,000 gallons (2,674 HCF) per year and a water rate of $2.02 per 748 gallons (1 HCF). Sewer costs are taken as 159% of water rates. Sales tax not included.

Gas:

Two Utility Company meters will be provided, one for domestic cooking and hot water loads and one for heating. The estimated annual cost for gas per Apartment is as follows:

Apartment No.	Heating (Therms)	Cooking & Hot Water (Therms)	Annual Cost
Unit 3	688	712	$ 2,110
Unit 4	558	513	$ 1,620
Unit 5	675	513	$ 1,800
Unit 6	714	712	$ 2,150
Unit 7	727	712	$ 2,170
Unit 8	766	712	$ 2,230
Unit 9	766	712	$ 2,230
Unit 10	792	712	$ 2,280
Unit 11	805	712	$ 2,300
Unit 12	870	712	$ 2,400
PH	1623	712	$ 3,590
Sub-Total (Apts)	8984	7,437	$24,880

Space	Heating (Therms)	Cooking & Hot Water (Therms)	Annual Cost
Gallery	800		$1,360
Residential Common Areas	7,421		$11,540
General Common Areas	1,748		$2,970

The domestic cost is based on a monthly charge of $59.69 for the first ninety (90) therms and $1.41 per therm thereafter. The heating cost is based on a monthly charge of $59.69 for the first ninety (90) therm and $1.54 per therm thereafter. Costs include 10% delivery charge and are rounded to the nearest $10.00. Gas rates based on Con Ed rate structure SC-01 as of June 2007 with 6 month average monthly rate adjustment included. Sales tax is not included.

If there are any questions or if additional information is required, please do not hesitate to call.

Sincerely,

Michael S. Leone, Principal
a d s Engineers
MSL/mb

P:\PROJ\2005\05060\wp\Offering Plan\071007 Utility Estimate.doc

END OF SECTION F

SECTION G. OPINION ON COMPLIANCE WITH REAL PROPERTY LAW SECTION 339(i)

Platinum Properties Of New York Ltd.
c/o Michael Becher & Associates, Inc.
805 Third Avenue, 19th Floor
New York, New York 10023

April 11, 2007

23 Highline LLC
460 Park Avenue, Floor 22,
New York, New York 10022

Re: Condominium Offering Plan (the "**Plan**") for
High Line 23 Condominium
515 West 23rd Street (a/k/a 515 and 517 West 23rd Street),
New York, New York 10021 (the "**Building**")

Ladies and Gentlemen:

Platinum Properties Of New York Ltd. is a real estate brokerage firm licensed in the State of New York. Our principal has been engaged in the sale and management of residential properties in New York, including condominiums, for more than twenty-five (25) years, including association with other real estate firms in New York City. We have been involved in similar renderings of opinions on compliance with Real Property Law Section 339(i) with the conversions to condominium or cooperative ownership of numerous buildings, including: 1600 Broadway, New York, New York, 10036; Bridge Tower Plaza (61st Street and 1st Avenue), New York, New York; 130 West 30th Street Condominium, New York, New York; The Heywood Building, 263 Ninth Avenue, New York, New York; Cathedral Tower Condominium, 514 West 110th Street, New York, New York; 1628 Second Avenue, New York, New York; Charles Street Condominium, 95 Charles Street, New York, New York; 203 West 90th Street Condominium, New York, New York; and Stuyvesant Heights Condominium, 380-382 Lewis Avenue, Brooklyn, New York. All capitalized terms defined in the Plan that are used herein without express definition will have the same meanings given to them in the Plan.

You have requested our opinion on whether the method used to determine the undivided percentage interest of each Unit in the Common Elements in the above-referenced matter complies with Real Property Law Section 339-i(1)(iv) ("**Section 339-i(1)(iv)**"). In connection with this opinion, we have reviewed the Plan and have assumed and relied upon the statements and information contained therein (including the floor plans and the computations of square footages prepared by Gruzen Samton LLP) as being correct and accurate.

The Plan states that the Common Interest of each Unit is based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the

Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit, as provided in Section 339-i(1)(iv).

In our opinion, the Common Interest of each Unit set forth in the Plan appears to be based on factors of relative value to other Units in the Condominium (such as floor space and location in the Building), and other factors of uniqueness of the Unit, the availability of the Common Elements for the exclusive use, service and benefit of certain Units (such as the Residential Common Elements, which are limited or restricted completely or primarily to the use in common of only the Residential and Storage Units to the exclusion or substantial exclusion of the Retail Unit) or for shared use (such as the General Common Elements, which are for the use in common of all Units), and the overall dimensions of the Unit.

Accordingly, based upon our knowledge of current market conditions and on our experience in the real estate brokerage and residential management business, in our opinion, the Common Interest of each Unit complies with the requirements of said Section 339-i(1)(iv) so as to reasonably reflect: (a) its value relative to other Units, (b) those Building services and amenities furnished exclusively to the Residential and Storage Units or furnished to all Units, and (c) those Common Elements that are for the exclusive or substantially exclusive use, service and benefit of only the Residential and Storage Units (i.e., the Residential Common Elements) or are for the shared use, service and benefit in common of all Units (i.e., the General Common Elements).

We are not owned or controlled by, and have no financial or beneficial interest in, nor any family, employment or other business relationship with, Sponsor, 23 Highline LLC, or Sponsor's principals, other than our fee for services rendered in connection with this opinion and the Plan (i.e., the preparation and certification of the First Year's Budget (SCHEDULE B) and the adequacy of the projected Common Charges of the Retail Unit).

We understand that this letter will be reproduced in the Plan and we hereby consent to such use.

Very truly yours,

PLATINUM PROPERTIES OF NEW YORK LTD.

By: Elizabeth A. Hurley
Name: Elizabeth A. Hurley, President

END OF SECTION G

SECTION H. RETAIL UNIT

H-1. Uses and Shared Expenses. The Retail Unit is being designed to contain an art gallery, but may freely be redesigned to include two (2) or more or retail stores. The Retail Unit is not yet leased as at this writing. The rent under any lease of the Retail Unit will be payable and belong to the Owner of the Retail Unit and will not benefit the Condominium Association. The share of the projected expenses of Condominium operation attributable to the Retail Unit is based on the Special Allocation and Apportionment Rule, as provided in RPL §339-m (see Section F and SCHEDULE B contained therein for details).

H-2. Common Charges. The Common Charges payable by the Retail Unit Owner are sufficient to cover the Condominium expenses fairly attributable to the Retail Unit (see DOCUMENT 8D in Part II of this Plan for Certification of Platinum Properties Of New York Ltd. to the foregoing effect).

H-3. Changes in Use. The Retail Unit is not restricted to any particular use and the Owner of the Retail Unit (including Sponsor) may use and change the use of the Retail Unit from time to time for any lawful use, Freely and Without Consent, Payment or Restriction, other than the restriction against Prohibited Uses (see Section A, subsection A-1 for discussion). The Retail Unit may be used for one (1) or more art galleries, restaurants, food stores, clothing stores, banks and other retail and commercial establishments, whether or not similar to the foregoing. The permitted uses of the Retail Unit may be noisy, emit odors, involve heavy traffic and cause other effects that need not necessarily be compatible with the primary use of the Building for dwelling purposes. The use and any change in use of the Retail Unit shall comply with all applicable Laws, including zoning Laws and the Building's Certificate of Occupancy, subject to the right of the Retail Unit Owner to seek a zoning variance and to amend the Certificate of Occupancy to authorize a different use. The Condominium Board and Residential and Storage Unit Owners will not have the right to approve the use, any change in use, Operation, occupancy or tenancy of the Retail Unit or the businesses conducted therein, and no representation, assurance or guarantee is made or given by Sponsor with respect thereto.

H-4. Subdivision and Other Unit Changes. The Retail Unit Owner shall have the right to subdivide and make other "Unit Changes" (as defined in Section I, subsection I-4 below) to its Unit, subject to compliance with Part 20 of the Attorney General's regulations (see subsection I-5 below) and the terms and requirements set forth in subsection I-6 below).

H-5. Common Charges. The Common Charges allocated to the Retail Unit reflect the Condominium expenses fairly attributable to such Unit. In addition to the projected Common Charges contained in the First Year's Budget (SCHEDULE B in Section F above), the Retail Unit will pay the Operating expenses of the Commercial Equipment serving exclusively the Retail Unit. The Retail Unit does not have special or exclusive use or availability or exclusive control of particular common areas. The Common Charges allocated to the Residential and Storage Units reflect their special or exclusive Usage of the Residential Common Elements and the Association's Residential Properties (if any). See SCHEDULE B in Section F above for the Residential Common Charges allocated to the Residential and Storage Unit Owners to pay the Residential Common Expenses fairly attributable to such Units and the share of the General Common Expenses fairly attributable to such Units.

H-6. Declaration and By-Laws. The Declaration and By-Laws authorize and require the Condominium Board to specially allocate or apportion profits and expenses or specific expense items based on special or exclusive use or availability or exclusive control of particular Units or common areas by particular Unit Owners. Any dispute between the Retail Unit Owner and the Condominium Board concerning any special allocations or apportionments shall be resolved by arbitration in New York City pursuant to Article 19 of the By-Laws (see Section R, subsection R-9 below for discussion).

H-7. Rights and Obligations. The Retail Unit Owner have rights and obligations which differ from those of Residential and Storage Unit Owners. These differences are explained in the preceding subsections H-1 to H-6 and in the following provisions of this subsection. The rights and obligations of the Retail Unit Owner will not have a material adverse impact upon the Condominium.

H-7.1. Budget Adoption. The Retail Unit Owner may propose a Budget of projected receipts and projected expenses for each Budget Year, including a change in allocation or apportionment of Common Expenses, for consideration by the Condominium Board. The Commercial Board Member, who will be appointed and designated exclusively by the Retail Unit Owner, shall participate in (but shall not control) the determinations of the Condominium Board in adopting each Budget and the allocation and apportionment of the Condominium Association's expenses to the Unit Owners, which nonetheless are to be allocated and apportioned in strict compliance with the Special Allocation and Apportionment Rule (see above Section B, subsection B-5.3.3, and Section F and SCHEDULE B contained therein). The Retail Unit Owner is to receive a copy of a newly adopted Budget or a revised Budget that increases the General Common Charges at least 30 calendar days before the effective date of such increase. All approvals, decisions and actions to be made by the Commercial Board Member (including those involving the proposal and approval of a Budget or revised Budget) may be made or taken by the Retail Unit Owner in place of the Commercial Board Member.

H-7.2. Budget Reserves. If a Budget includes a reserve for unanticipated General Common Expenses or an allowance for an increase in one or more items of General Common Expenses or for potential new or additional General Common Expenses, or other contingencies included in the General Common Expenses (collectively, "**Contingency Reserve**"), such Contingency Reserve, when added to all amounts not spent in a Contingency Reserve for one (1) or more prior Budgets, shall not exceed five percent (5%) of the projected General Common Expenses in such Budget without obtaining the prior written Discretionary Approval or Consent of the Retail Unit Owner. The foregoing does not apply to budgeted reserves to be segregated in a separate account for use solely to make capital or major Repairs or Alterations.

H-7.3. Budget Reconciliation. After the end of each Budget Year, the Condominium Board and the Retail Unit Owner shall reconcile any net underpayment or overpayment by the Retail Unit Owner of the audited General Common Expenses fairly allocated and apportioned to each of them in accordance with the procedure set forth in Section 9.2 of the Declaration and repeated in subsection 8.6.2 of the By-Laws. Any net underpayment by the Retail Unit Owner shall be included in such Owner's Common Charges next due and payable and any net overpayment shall be credited to (and reduce) such Owner's Common Charges next due and payable or (at the exclusive option of the Retail Unit Owner) refunded immediately to the Retail Unit Owner as provided in the Condominium Documents.

H-7.4. Sale, Lease or Other Disposition. A sale, lease, sublease, license or other Disposition of the Retail Unit or any portion of the Retail Unit may be made Freely and Without Consent, Payment or Restriction of any kind, other than the restriction against using a Unit for any Prohibited Uses. This means that any Disposition of the Retail Unit or any portion thereof is unfettered or unconditional (except only the restriction against Prohibited Uses) and may be made:

(a) without consent or approval of the Condominium Board, the Unit Owners or others;

(b) without complying with any kind of conditions, limitations, restrictions or requirements of the Condominium Board or other authority, other than the requirement to comply with applicable Laws and said restriction against Prohibited Uses;

(c) without paying any kind of fees, flip tax, costs or expenses of the Condominium Board or its Managing Agent or attorneys;

(d) without approval, and regardless, of the identity of the proposed purchaser, transferee, tenant, subtenant or licensee;

(e) without requiring the proposed purchaser, transferee, tenant, subtenant or licensee to submit an application, financial statement, tax return, references or other documents, or attend a personal interview;

(f) without any "Right of First Refusal" (or "Match Offer Right") in favor of the Condominium Board or Unit Owners;

(g) without approval, and regardless, of the form or content of the agreement of sale/purchase, lease, sublease, license or other Disposition of the Retail Unit; and

(h) without in any way sharing or participating in the income or revenues derived from the sale, rental, license, Operation, use or other Disposition of the Retail Unit.

H-7.5. Alterations. The Retail Unit Owner shall have the unfettered and unconditional right, Freely and Without Consent, Payment or Restriction (other than the requirement to comply with the applicable Work Requirements set forth in the Declaration) to Alter its Retail Unit. Such right to Alter by the Retail Unit Owner includes the same right as Sponsor to make "Unit Changes" as defined and set forth in Section I, subsection I-4, but subject to compliance with the requirements in subsections I-5 and I-6 below.

H-7.6. Rights and Easements. The Retail Unit Owner, its authorized tenants and licensees, and the respective authorized Agents, Employees and Contractors of each of the foregoing, shall have the following rights and easements:

(a) rights and easements: (a-1) to install Commercial Equipment (e.g., flues and exhaust fans) in order to provide heat, ventilation, air conditioning, hot water and other services to the Retail Unit and Communications Equipment and Other Installations in, on and along the non-habitable or non-public portions of the General Common Elements and the Residential Common Elements (e.g., the Building Walls, the Roofs (but not any Terrace located thereon)

and Roof Structures, and the spaces, areas and rooms in the cellar housing Residential Equipment or General Common Elements); and (a-2) to construct and install sky lights in the areas reserved for such purpose on the Roof at floor 2 enclosing a portion of the Retail Unit[1];

(b) rights and easements to connect Commercial Equipment (e.g., utility lines, conduits, pipes and ducts) to Equipment forming a part of the General Common Elements or Residential Common Elements (e.g., complimentary utility lines, conduits, pipes and ducts)[1];

(c) rights and easements for ingress and egress to, from, through, across and on the public and other portions of the General Common Elements and Residential Common Elements (including the 515 West 23rd Street Public Areas and elevator) in order to: (c-1) access the Retail Unit; (c-2) perform all such installations outlined in clause (a) above; (c-3) Maintain, Repair, Alter and otherwise Operate then existing Commercial Equipment, such newly installed Commercial Equipment and Communications Equipment and Other Installations and said skylights; and (c-4) transport materials, supplies and Equipment;

(d) rights and easements to temporarily interrupt Building services in connection with the performance of the Work; and

(e) rights and easements for emergency egress to, through, across and on the public portions of the General Common Elements and Residential Common Elements leading to a street.

All these rights and easements are unfettered and unconditional and may be exercised and performed Freely and Without Consent, Payment or Restriction (other than the requirement to comply with the applicable Work Requirements set forth in Article 15 of the Declaration), including without paying any kind of fee or charge. Such Work Requirements applicable to said Alterations, installations, connections and access include (among others):

(a) the requirement to comply with all applicable Laws;

(b) the requirement not to permanently diminish or adversely and unreasonably affect the proper and efficient performance, function, capacity or utility of another Owner's Unit or the Common Elements serving another Unit;

(c) the requirement not to impair or threaten the Structural Components of the Building or the structural integrity of the Building or the life, health or safety of Owners or permitted tenants or occupants of other Units; and

---

[1] All such installations and connections must comply with the "Installation Requirements" as defined and set forth in Section 10.4.2 of the Declaration, which requires that: (a) the Work is to be performed in accordance with the applicable Work Requirements contained in Section 15.2 of the Declaration; and (b) the Commercial Equipment to be installed or connected shall not prevent access to, nor overload or materially impair the proper and efficient performance, function, capacity or utility of the Equipment and Installations then comprising the Common Elements or a Residential Unit.

(d) the requirement not to unreasonably interfere with the peaceful possession or proper use of the Units or the Common Elements as permitted or stated in the Condominium Documents.

H-7.7. Exemptions. The Alterations, Installations and related Work to be performed pursuant to subsections H-7.5 and H-7.6 are exempt from the Board approvals, consents and other requirements applicable to Alterations of Sold Residential Units. The Residential Board Members, other Unit Owners and their Unit mortgage lenders will not have the right to approve or to review the plans and specifications of the proposed Alterations to the Retail Unit or the proposed Installations or connections of Commercial Equipment and Communications Equipment and Other Installations affecting the General Common Elements or the Residential Common Elements, or to Maintain, Repair, Alter and otherwise Operate any existing or newly installed Commercial Equipment and Communications Equipment and Other Installations. In addition, the Retail Unit Owner and its authorized tenants and licensees, and the respective Agents, Employees and Contractors of each of the foregoing, will not be required to enter into any agreement or comply with any requirements or Work rules of the Condominium Board or pay any charge or other fee, including those (if any) that may be imposed or adopted by the Condominium Board for Alterations to Sold Residential Units, but all such Alterations of the Retail Unit and said Installations, connections and Operation of any existing or newly installed Commercial Equipment and Communications Equipment and Other Installations must be performed in accordance with the applicable Work Requirements set forth in Section 15.2 of the Declaration.

H-7.8. Obligation for Maintenance, Repairs and Damages. All Commercial Equipment and said Communications Equipment and Other Installations shall be Maintained and Repaired by, and at the sole Cost and Expense of, the Retail Unit Owner or such Owner's tenant or licensee. If the Common Elements are damaged as a result of said Alterations to an Owner's Retail Unit or the Installation or Operation of the Commercial Equipment or said Communications Equipment and Other Installations, the Retail Unit Owner shall pay and perform, or cause its tenant or licensee to pay and perform, all Work to Repair the damage and restore the affected Common Elements to as near as reasonable and economically practical to the condition existing immediately prior to being damaged.

H-7.9. Signs. The Retail Unit Owner and its authorized tenants and licensees shall have the unfettered and unconditional right, Freely and Without Consent, Payment or Restriction (other than those set forth below), to erect, install, Maintain, Repair and Alter one (1) or more Signs on: (a) the Building Walls enclosing such Owner's Retail Unit (which extend from the sidewalk to a horizontal plane running along and immediately below the parapets of the Roof above the Retail Unit), including its Storefronts, Storefront Windows and entrance; and (b) portions of the sidewalk(s) along and adjacent to such Owner's Retail Unit. The Signs may be of any nature, size, content, composition, material, design, illumination, configuration, fabrication, quality, color, appearance, content or character whatsoever, and may be used for any Promotional, advertising, display, sales, rental, identity, business, operation and/or other lawful purpose. The Condominium Board and other Unit Owners shall not have the right to approve the Signs or impose any charge or fee in connection with their installation, existence, use, Maintenance, Repair or Alteration. In addition, the Owner or a tenant, operator or licensee of the Retail Unit shall not be required to enter into any agreement or comply with any requirements or Work rules

of the Condominium Board, including those that may be adopted for Alterations to Residential Units. Nevertheless, all Work performed and Signs: (a) must comply with all Laws and the applicable Work Requirements set forth in the Declaration; (b) must not impair or threaten the structural integrity of any portion of the Building; and (c) must not unreasonably and materially prevent another Unit from being used for any purpose permitted in the Declaration and By-Laws.

H-7.10. Condominium Board. From and after the election of the first Condominium Board by the Unit Owners following the First Closing of a Residential Unit, the Condominium Board shall at all times comprise not less than one (1) Commercial Board Member, who shall be appointed and designated exclusively by the Retail Unit Owner (including Sponsor while it owns the Retail Unit). If the total number of Board Members is increased to more than five (5) Board Members, the number of Commercial Board Members to be elected exclusively by appointment and designation by the Retail Unit Owner shall increase proportionately (any fraction will be rounded up to the next whole number). The Commercial Board Member may be removed "with" or "without" cause by only the Retail Unit Owner. A vacancy on the Board of the Commercial Board Member, whether resulting from removal ("with" or "without" cause), resignation, incompetency, incapacity, death or otherwise, shall be filled by appointment and designation exclusively by the Retail Unit Owner. Any decision to be made by the Condominium Board that affects only the Retail Unit will be determined solely by the Commercial Board Member or (at the exclusive option of the Retail Unit Owner) the Retail Unit Owner in lieu of the Commercial Board Member. The Residential Board Members and the Residential and Storage Unit Owners will not have the right to vote on any matter that affects only the Retail Unit or the Association's Commercial Properties (if any). Likewise, the Commercial Board Member and Retail Unit Owner will not have the right to vote on any matter that affects only the Residential Space or the Association's Residential Properties. The Commercial Board Member shall have the exclusive right to appoint and designate a co-Vice President and co-Secretary, who shall have all of the same powers and duties of the equivalent officer of a stock corporation organized under the Business Corporation Law of the State of New York, but may act in connection with only the Operation and affairs of the Retail Unit.

H-7.11. Casualty. In the event the Retail Unit is damaged by fire or other casualty, the Owner of the Retail Unit shall have the sole right: (a) to arrange for the Repair and restoration of its Unit; and (b) to adjust and settle with the Condominium Association's insurance carrier any insurance claim for the loss or damage to the Unit, provided the insurance proceeds to be received by any other Unit Owner or the Condominium Board are not reduced thereby.

H-7.12. Cooperation of Condominium Board.

H-7.12.1. Cooperation. The Condominium Board shall fully cooperate with the Retail Unit Owner, Freely and Without Consent, Payment or Restriction (except for certain out-of-pocket costs set forth below) in connection with: (a) the sale, lease, sublease, license, mortgage or other Disposition of all or a portion of such Owner's Retail Unit; (b) the Operation or change in size or configuration (including a subdivision, expansion or combination with another Unit) or other Disposition of such Owner's Retail Unit (including its Commercial Equipment and Installations); and (c) the exercise of the rights and performance of the duties and obligations of such Owner under the Condominium Documents.

H-7.12.2. Certain Rights and Requirements. In furtherance of such cooperation:

(a) the Retail Unit Owner and its authorized Agents, Employees, and Contractors shall be given reasonable access (including ingress and egress) to, from, through, across and on the General Common Elements and the Residential Common Elements (including the 515 West 23rd Street Public Areas and the elevator) to the extent reasonably necessary and provided the permitted Use and Enjoyment of any Residential or Storage Unit is not unreasonably interfered with; and

(b) the Condominium Board shall properly complete, sign and return to the Owner of a Retail Unit, and such Owner shall receive within ten (10) calendar days after written request therefore is given, any Government Document, Litigation Document or Amendment to the Condominium Documents in accordance with subsection H-7.14 below.

The Commercial Board Member shall be authorized to so complete, sign and return such Government Document, Litigation Document and Amendment on behalf of the Condominium Board. The Retail Unit Owner will also have the right to sign documents of the Building Department and other Governmental Authorities which are applicable to the Maintenance, Repair, Alteration or Operation of such Owner's Retail Unit.

H-7.12.3. Payments and Indemnity: The Retail Unit Owner shall:

(a) pay or reimburse the Condominium Board for the governmental fees and charges or court costs in connection with a Government Document or Litigation Document, respectively, executed by the Condominium Board at the request of the Retail Unit Owner; and

(b) indemnify the Condominium Board, its officers and Board Members, employees and agents, and all other Unit Owners from and against all Claims arising or resulting from: (b-1) the execution by the Condominium Board of a Government Document, Litigation Document or an Amendment to the Condominium Documents; (b-2) access to, from, through, across and on the General Common Elements and Residential Common Elements under clause "(a)" of the preceding subsection H-7.12.2; or (b-3) any other action performed, taken or omitted at the request such Unit Owner.

H-7.13. Indemnity and Self-Help. If the Condominium Board violates any of its duties, obligations or requirements under the Condominium Documents:

(a) the Condominium Board shall indemnify the Retail Unit Owner from and against all Claims and Liabilities and Expenses arising or resulting therefrom; and

(b) (if such violation adversely affects the Operation or the business conducted in one or more portions of the Retail Unit, or any of the rights, powers, easements, licenses, privileges, exemptions, indemnities, remedies, protections or other benefits of the Retail Unit Owner) the Retail Unit Owner shall have the right ("**Right of Self-Help**"), but will not be obligated, to perform or fulfill such defaulted duty, obligation or requirement, at the Cost and Expense of the Condominium Board, after complying with the following: (b-1) written notice ("**Self-Help Notice**") of intention to exercise the Right of Self-Help must be given to the

Condominium Board; and (b-2) the Condominium Board shall have the opportunity to cure the violation, but must begin to cure same within ten (10) calendar days and must complete the cure within thirty (30) calendar days or (if not capable of completion with reasonable diligence within thirty (30) calendar days) a reasonable period not to exceed ninety (90) calendar days (all such time periods to start on giving the Self-Help Notice).

For example, if the Condominium Board unduly delays or fails to repair water leaks into the Retail Unit from the Roof enclosing such Unit or other portions of the Common Elements, the Owner of the Retail Unit may exercise such Right of Self-Help in compliance with the foregoing.

In the event the Condominium Board elects not to, or fails to timely, cure the violation and the Right of Self-Help is exercised, the Condominium Board shall pay or (at the option of the Retail Unit Owner) reimburse such Owner, promptly after written demand is made, for the Costs and Expenses incurred by such Owner to cure the violation. The demand notice shall be accompanied by a detailed statement of the Costs and Expenses together with copies of all supporting or relevant bills. If full payment of such Costs and Expenses is not received by the Retail Unit Owner within ten (10) calendar days after giving the demand notice, the Condominium Board shall pay such Owner, for lost opportunity of potential earnings thereon, per diem interest on the amount owed at the yearly rate of ten percent (10%) (computed from the first day following the ten (10) calendar day period through the date payment is received) together with all Costs and Expenses of collection of the amount owed.

H-7.14. Amendments to Condominium Documents. The Retail Unit Owner, at its sole Cost and Expense, shall have the unfettered and unconditional right from time to time, Freely and Without Consent, Payment or Restriction (including without the consent or approval of the Condominium Board, without the express consent or approval of other Unit Owners, who automatically and irrevocably shall be deemed to have given their consent or approval and without paying the Condominium Board any fees, charges or expenses), to amend the Condominium Documents to reflect a change in the size or number of such Owner's Retail Unit and the reallocation of the Common Interest in connection with such change, provided such reallocation will not change the Common Interest of any other Unit without the written consent of the Owner of such other Unit and, provided further, the total of the Common Interests being reallocated shall remain the same. In addition, the Retail Unit Owner or (at their option) the Commercial Board Member shall have the unfettered and unconditional right, Freely and Without Consent, Payment or Restriction (including without the consent or approval of the Residential Board Members and without the express consent or approval of the Residential and Storage Unit Owners, who automatically and irrevocably shall be deemed to have given their consent or approval), to Amend (i.e., add, modify, change and/or repeal) provisions of the Declaration or By-Laws concerning: the governance (including the election, appointment, designation, removal or replacement of the Commercial Board Member), Operation, use, sale, transfer, rental, granting of licenses and easements, mortgage or other Disposition of only the Retail Unit and the Association's Commercial Properties (if any). The Retail Unit Owner will pay the fees of its attorney and all governmental recording charges in connection with such Amendments to the Condominium Documents.

The Declaration, By-Laws and Rules and Regulations may not be amended to adversely affect the special rights, powers, easements, licenses, privileges, exemptions, indemnities, remedies,

protections or other benefits of the Retail Unit Owner without obtaining the prior written Discretionary Approval or Consent of the Retail Unit Owner in each instance.

H-7.15. Building Walls. The portions of the Building Walls enclosing or bordering the Residential Space are a part of the Residential Common Elements and the Costs and Expenses to Maintain, Repair and otherwise Alter such Building Walls shall be part of the Residential Common Expenses allocated, assessed and apportioned to only all Residential and Storage Unit Owners Pro Rata to their respective Common Interests. All Work to be undertaken affecting such portions of the Building Walls shall be determined by the Condominium Board, but shall be performed in a commercially reasonable manner and in accordance with good construction practices, and otherwise in a manner that shall not unreasonably interfere with the use, occupancy or operation of the Owner or tenant(s) of the Retail Unit or the business conducted therein.

H-7.16. Sidewalks. The portions of the sidewalk(s) adjacent to the Retail Units (including its entrance and Storefronts) shall be for the preferential and priority use and benefit of the Owner of the Retail Unit and those tenants, operators and licensees of the Retail Unit so authorized in writing by the Retail Unit Owner. All Sidewalk Obligations shall be performed and paid by the Condominium Board as a General Common Expense, which shall be allocated and assessed to all Unit Owners and apportioned among them Pro Rata to their respective Common Interests. The Sidewalk Obligations shall be performed by the Board in a commercially reasonable manner and in accordance with good construction practices, and otherwise in a manner that shall not unnecessarily prevent or unreasonably and materially interrupt or interfere with the use, occupancy or operation of the Retail Unit or the business of the Owner, tenant(s), licensees or operator of the Retail Unit, or the preferential and priority use of the sidewalk(s) by the Retail Unit Owner and such Owner's Permitted Tenants/Occupants/Invitees. The Condominium Board shall not store trash containers or other objects on the Immediately Adjacent Sidewalks abutting the Storefronts or entrance to the Retail Unit or otherwise obstruct or impede access to the Retail Unit's storefronts or entrance or use said Immediately Adjacent Sidewalks to the Retail Unit in a manner that interferes with the use, occupancy or operation of the Retail Unit or the business conducted therein. However, all Signs, objects, structures, extensions or enclosures erected or installed on, in or under said adjacent portions of a sidewalk by the Owner or a tenant, licensee or operator of the Retail Unit shall be Maintained and Repaired by, and at the sole Cost and Expense of, the Retail Unit Owner (unless so performed by a tenant, licensee or operator of the Retail Unit). In addition, all Repairs to said adjacent portions of a sidewalk necessitated by such erections or installations, or the Maintenance, Repair or Alteration thereof, shall be performed by, and at the sole Cost and Expense of, the Retail Unit Owner (unless so performed by a tenant, licensee or operator of the Retail Unit).

H-7.17. Building Services, Amenities and Facilities. The Condominium Board shall provide to the Retail Unit, whether occupied or vacant, all Building services, amenities and facilities required to be provided to the Retail Unit under this Plan, the Declaration or By-Laws. No fee, charge, imposition, or Cost or Expense shall be charged to any tenant, licensee, operator, occupant or invitee of the Retail Unit for said Building services, amenities and facilities, but this shall not excuse the Retail Unit Owner from its obligation to pay Common Charges and Special Assessments (if any) imposed on the Retail Unit in accordance with this Plan and the Condominium Documents.

H-7.18. Building Violations. The Condominium Board shall diligently and in good faith correct and cause to be removed of record all violations noted or issued with respect to conditions in the Common Elements.

H-7.19. Lease of Retail Unit. Any lease, license or operating agreement entered into for all or a portion of the Retail Unit after the recording of the Declaration and establishment of condominium ownership of the Property shall provide that the lease, license or operating agreement is subject and subordinate to the Condominium Documents and shall be so subject and subordinate whether or not such instrument expressly so provides. If a tenant, licensee, operator or occupant of the Retail Unit shall violate any of the provisions of the Condominium Documents, the sole right and remedy of the Condominium Board shall be to enjoin the continuation of such violation by appropriate Lawsuit, but in no event shall the Owner of the Retail Unit be liable, directly or indirectly, for any damages, Costs or Expenses based thereon.

END OF SECTION H

SECTION I. CHANGES IN PRICES AND UNITS

I-1. Changes in Offering Prices. The offering prices set forth in SCHEDULE A (in Section E above) may be changed by Sponsor from time to time, in Sponsor's sole and absolute discretion, in accordance with the following. Sponsor must change the offering prices by a duly filed Amendment to the Plan when the change in price is an across the board increase or decrease affecting one or more lines of Units or Unit models, or is to be advertised, or is a price increase for an individual Purchaser. In all other cases, individual offering prices may be decreased by Sponsor without filing an Amendment to the Plan. The Condominium Board, Unit Owners and Purchasers shall not have the right to approve the offering prices or any changes in offering prices, whether before or after the First Closing of a Residential Unit. No change in offering price will affect the Purchase Price stated in a fully executed and delivered Purchase and Sale Agreement.

I-2. Offering Prices and Price-Related Terms are Negotiable. Offering prices and other price related terms are negotiable on an individual basis, except Sponsor may not change the trust fund and escrow provisions of the Purchase and Sale Agreement or any other provisions in violation of Article 23-A of the General Business Law or Part 20 of the regulations issued by the Department of Law. In addition, Sponsor may not modify a Purchase and Sale Agreement to waive Sponsor's obligations or representations in the Plan or to reduce or abridge any rights Purchasers may have under said Article 23-A.

The following is a sample of negotiable price-related terms, in addition to the Purchase Price: the amount of the contract Deposit; the right to cancel the Purchase and Sale Agreement and recover the Deposit if a Purchaser is unable to obtain financing or close by a specified date; the Closing Date and the minimum period required to fix a new Closing Date following an adjournment; free upgraded appliances, fixtures or equipment; free alterations, additions or other improvements to the Unit; waiver of Closing costs and/or penalties for Closing late; longer time periods to pay or perform obligations under the Purchase and Sale Agreement; elimination of "time of the essence" provisions; Sponsor financing (which must be disclosed in the Plan or an Amendment); paying Purchaser's lender to buy down the interest rate; Purchase Price or Common Charge rebates or a buy-back (which, if offered, must be secured by a letter of credit or other security); Sponsor paying or guaranteeing Common Charges and/or real estate taxes for a given period; allowances or credits against the Purchase Price for decorations, rent paid under an interim lease for the Unit or otherwise; rent abatements or reductions under an interim lease for the Unit; consent to harboring pets, or combining two (2) Units, or incorporating a portion of an adjacent hallway in the Unit, or installing a whirlpool bathtub or other appliances or fixtures; and giving a Purchaser the benefit of any more favorable terms offered or given to another Purchaser.

Prospective Purchasers are not limited to this list and may negotiate for any other price-related terms. Sponsor is not required, however, to sell any Unit at a price or on other terms more favorable than those stated in this Plan or an Amendment to the Plan.

I-3. Impact of Changes on Other Purchasers. No changes in prices or price-related terms will change or otherwise affect the Purchase Price or price-related terms under Purchase and Sale Agreements with other Purchasers. Purchasers will not benefit from a more favorable price or price-related terms offered or given to other Purchasers or prospective Purchasers and will not be

excused from Purchaser's obligation to timely consummate the Closing of Title, without a Purchase Price abatement, set-off or adjustment, and without recourse against Sponsor or the Selling Agent. As a result, a Purchaser may pay more or less than another Purchaser for a comparable Unit.

I-4. Changes in Units. In order to meet the possible demand for Units of different sizes and/or configurations, or to meet particular requirements of Purchasers or prospective Purchasers, or for any other reason, Sponsor reserves the unfettered and unconditional right from time to time, both before and after the First Closing of a Residential Unit, Freely and Without Consent, Payment or Restriction, other than the restrictions set forth in subsections I-5 and I-6 below, to make the following changes to Units, including Residential Units for which no Purchase and Sale Agreement is in effect or whose Purchasers have consented in writing to the changes (collectively, "**Unit Changes**" and individually, "**Unit Change**"):

(a) to subdivide the Unit ("**Unit Subdivision**") and establish new boundary walls separating the Units established on such Unit Subdivision;

(b) to combine all or portions of two (2) or more Units ("**Unit Combination**") and to incorporate walls, floors, ceilings or other portions of the Common Elements (where entire Units are combined into one (1) Unit) or to establish new boundary walls, floors and/or ceiling or other portions of the Common Elements (where portions of Units are combined);

(c) to raze, move and relocate the boundary walls, floors and/or ceilings of the Unit to incorporate a portion of the Common Elements, including: an adjacent hallway or space between the Unit and a neighboring Unit or walls, floors, ceilings, unimproved air space or other portions of the Common Elements ("**Unit Expansion**");

(d) to Alter the Unit ("**Unit Alteration**"), including to change the number of rooms and bathrooms and the layout and configuration of the Unit; and

(e) to change the description ("**Description Change**") of portions of the Unit and the affected Common Elements involved in a Unit Change so that such applicable portions of the Common Elements become part of the Unit and/or portions of the Unit become Common Elements.

I-5. Compliance with Part 20. All Unit Changes shall comply with Part 20, Section 20.3(k), which requires that:

(a) no change will be made in the size or number of Units and/or their respective percentages of Common Interest, and no material change will be made in the size or quality of Common Elements, except by Amendment to the Plan and, when applicable, to the Declaration;

(b) unless an affected Purchaser consents, no material change will be made in Unit size, layout, or percentage of Common Interest if a Purchase and Sale Agreement has been executed and delivered to Sponsor for that Unit and the Purchaser is not in default; and

(c) no material change will be made in the size and no material adverse change will be made in the quality of Common Elements unless all then existing Purchasers consent in writing thereto.

I-6. Terms of Unit Changes. All Unit Changes must comply with the following terms and requirements:

(a) each Unit Change to an Unsold Residential or Storage Unit or to the Retail Unit may be made Freely and Without Consent, Payment or Restriction (i.e., (a-1) without the approval or consent of the Condominium Board or other Unit Owners, but subject to compliance with Part 20, Section 20.3(k) as set forth in the preceding subsection I-5); (a-2) without entering into any agreement or complying with any regulations, rules or other requirements of the Condominium Board for Alterations or changes to Units, but subject to compliance with applicable Laws and Work Requirements (see clause (c) below); (a-3) without paying any kind of fee or other charge of the Condominium Board or its Managing Agent, attorneys, architect, engineer or other professional; and (a-4) without the plans and specifications of the proposed Unit Change being submitted to, or reviewed by, the Condominium Board or an architect, engineer or other professional chosen by the Condominium Board), other than those requirements expressly stated herein;

(b) a Unit Change incorporating or otherwise affecting the Common Elements shall be reflected in an Amendment to the Declaration and/or Floor Plans, if and to the extent required by the Condominium Act;

(c) each Unit Change shall be performed in compliance with all applicable Laws (including obtaining all work permits required by Law) and the other applicable Work Requirements set forth in the Declaration, including that: (c-1) the Work be performed in a manner that does not impair or threaten the Structural Components or structural integrity of the Building or the life, health or safety of Unit Owners, and is not an unreasonable annoyance or nuisance to Unit Owners; (c-2) Sponsor shall assume full responsibility for the Work, including the performance, Maintenance and Repair of the Equipment and Installations involved in the Work, the failure of the proper and efficient performance, function, capacity and utility of any Equipment and Installations affected by the Work, the waterproofing of any portion of the Building structure directly or indirectly affected by the Work, and plumbing leaks and damage to another Unit or the Common Elements caused by the Work; and (c-3) Sponsor shall not permanently diminish or adversely affect the proper and efficient performance, function, capacity and utility of another Owner's Unit or the Common Elements serving another Unit (see "Section 15.2 Work Requirements" of the Declaration for full discussion);

(d) a Unit Change shall not: (d-1) prevent legal access by another Unit Owner to the public stairs, the elevator, the lobby, the Building entrance or the street; or (d-2) unreasonably impair or interfere with any Equipment or Installations serving another Unit;

(e) any public or common areas of the Common Elements incorporated in a Unit (other than boundary walls, floors and ceilings) shall remain part of the Common Elements, but its use will be completely limited or restricted to that Unit only or (at the option of Sponsor in

the case of its Unsold Units, or with the Reasonable Approval of the Condominium Board in the case of Sold Residential Units only) shall become part of such Unit;

(f) the Condominium Documents shall be amended to subdivide a Unit or to combine a Unit with all or part of another Unit or (if required by the Condominium Act) to effectuate a Unit Expansion;

(g) the Owner of a Unit involved in a Unit Subdivision, Unit Combination or Description Change or (if required by the Condominium Act) a Unit Expansion or Unit Alteration, at the sole Cost and Expense of such Owner, shall prepare and duly sign and acknowledge the required Amendment to the Declaration and (if required by the Condominium Act) an architect selected by such Owner shall prepare, certify and duly sign and seal the required Amendment to the Condominium's Floor Plans;

(h) these Amendments to the Condominium Documents may be made: (h-1) in the case of an Owner of an Unsold Residential or Storage Unit, or the Retail Unit (including Sponsor or its designee), without approval or consent of the Condominium Board and without the express approval or consent of other Unit Owners, who automatically and irrevocably shall be deemed to have given their approval or consent, and without the execution thereof by the members or officers of the Condominium Board; or (h-2) in the case of a Sold Residential Unit Owner (other than an Authorized First Sold Residential Unit Owner), subject to obtaining the Reasonable Approval of the Condominium Board and the execution thereof by the members or officers of the Condominium Board;

(i) in the case of a Unit Subdivision: (i-1) the applicable Unit Owner shall apportion the Common Interest of the original Unit among the Units ("**New Units**") established on the Unit Subdivision in accordance with the Condominium Act (subject to obtaining the Reasonable Approval of the Condominium Board in the case of a Sold Residential or Storage Unit, but not an Unsold Residential or Storage Unit, or the Retail Unit, as to which no consent or approval of the Board or other Unit Owners shall be required); and (i-2) the total of the Common Interests of the New Units must equal exactly the Common Interest of the original Unit being subdivided;

(j) in the case of Unit Combination: (j-1) where entire Units are combined into a single Unit, the Common Interest of the resulting combined Unit shall equal exactly the total of the Common Interests of all Units involved in such Unit Combination; or (j-2) where a portion of a Unit is combined with another Unit: (j-2.1) the Common Interest of the original Unit being subdivided shall be apportioned by its Owner between the remaining portion of such Unit and the resulting combined Unit in accordance with the Condominium Act (subject to obtaining the Reasonable Approval of the Condominium Board in the case of a Sold Unit, but not an Unsold Residential or Storage Unit, or the Retail Unit, as to which no consent or approval of the Board or other Unit Owners shall be required); and (j-2.2) the total of the Common Interests of the remaining portion of such Unit and resulting combined Unit shall equal exactly the total of the Common Interests of the original Units involved in such Unit Combination; and

(k) in each case, the required amendment to the Declaration shall reflect a Unit Subdivision or a Unit Combination or a Description Change or (if required by the Condominium Act) a Unit Expansion or Unit Alteration and the resulting changes in Common Interests (if and when required by the Condominium Act).

I-7. Rights of Owners of Unsold Units and Retail Unit. The respective Owners of Unsold Residential and Storage Units, and the Retail Unit, shall each have all of the same Sponsor's Rights and Sponsor's Obligations with respect to such Owner's Unit as Sponsor has with respect to Units owned by Sponsor under this Plan (including the right to make all Unit Changes in accordance with this Section I), the Declaration and By-Laws, but subject to all of the same restrictions and limitations imposed on Sponsor, including compliance the Part 20, Section 20.3(k) (see subsection I-5 above) and the Terms of Unit Changes (see subsection I-6 above).

END OF SECTION I

SECTION J. INTERIM LEASES

J-1. Sponsor's Exclusive Option to Rent to Purchaser. Sponsor has the exclusive option to enter into a lease or other occupancy agreement with the Purchaser of the Unit for the interim period prior to the Closing of Title under the Purchase and Sale Agreement (collectively, "**Interim Lease**"), provided (in the case of a Residential Unit) a temporary or permanent Certificate of Occupancy of the Building has been issued authorizing such Unit for use as a dwelling unit when occupancy is to begin. Unless Sponsor elects to so lease the Unit, Purchaser will not have the right to rent, use, occupy, decorate, Alter or store belongings or other personal property in the Unit prior to the Closing. If no Interim Lease is offered to Purchaser when Purchaser signs and delivers the Purchase and Sale Agreement, Purchaser will not have the right, nor be obligated, to rent the Unit and Sponsor will not lease or rent the Unit to anyone else while Purchaser's Purchase and Sale Agreement remains in effect.

J-2. No Rent Laws Applicable to Interim Lease. No laws regulating rent or continued occupancy are applicable to the Residential Units or an Interim Lease. As a result, if an Interim Lease for a Unit is signed, the rent or fee for "use and occupancy" (hereafter collectively, "**use and occupancy fee**") will not be subject to any rent limitations or laws regulating rents and shall be a "free-market", unregulated use and occupancy fee as determined by Sponsor, in its sole and absolute judgment.

J-3. Cross-Default Provision. The Interim Lease will be on Sponsor's standard form and will provide that a default under the Purchase and Sale Agreement shall automatically be a default under the Interim Lease and the Purchaser, as tenant or occupant under the Interim Lease ("**Interim Occupant-Purchaser**"), shall have only the single grace period stated in the Purchase and Sale Agreement to cure the default under both instruments. As a result, if the default under the Purchase and Sale Agreement is not timely remedied within the applicable cure period and the Purchase and Sale Agreement is cancelled, the Interim Lease shall simultaneously be cancelled. See subsection J-4 below for further discussion.

The Purchase and Sale Agreement (Document 1 in Part II of the Plan) contains a similar cross-default provision and the single grace period stated in the Interim Lease to cure the default under both the Interim Lease and the Purchase and Sale Agreement. Pursuant to this provision, a default under the Interim Lease is a default under the Purchase and Sale Agreement, *but Sponsor may not cancel the Purchase and Sale Agreement based on a default under the Interim Lease unless Sponsor obtains an order of eviction or other judgment or order of possession of the Unit from a court of competent jurisdiction or the Interim Occupant-Purchaser vacates the Unit.* Effective on the date such order of eviction is issued or the Unit is vacated (as applicable), the Purchase and Sale Agreement will be cancelled and Sponsor shall be entitled to receive and retain the Interim Occupant-Purchaser's Deposit and any earned interest thereon (and certain other amounts, if applicable, as discussed in Section K, subsection K-5(a) below) without giving the Interim Occupant-Purchaser any further grace period to cure the default under the Purchase and Sale Agreement.

J-4. 30 Days to Vacate. If the Purchase and Sale Agreement is cancelled based on an uncured default or Sponsor's election to abandon or withdraw the Plan, or the exercise of a right of rescission under the Purchase and Sale Agreement or the Plan or an Amendment, the Interim

Occupant-Purchaser shall have only 30 calendar days from cancellation or rescission of the Purchase and Sale Agreement within which to vacate and surrender vacant possession of the Unit to Sponsor, free of all occupants, furniture, furnishings, household items and personal belongings, broom clean, and in the same condition as existed at the start of the Interim Lease (reasonable wear and tear excepted). Pending such surrender of vacant possession, the Interim Occupant-Purchaser shall pay Sponsor for use and occupancy a sum equal to the use and occupancy fee stated in the Interim Lease, appropriately prorated for the period beginning with the date of cancellation of the Interim Lease and ending on the date of surrender of vacant possession. Upon surrender of vacant possession in accordance with the foregoing, any unapplied security deposited under the Interim Lease will be returned to the Interim Occupant-Purchaser together with any interest earned thereon. Sponsor will have the right to deduct and retain from such security deposit, any unpaid use and occupancy fee and any Costs and Expenses incurred to repair any damage to the Unit (including its contents) and the Common Elements resulting from the acts, omissions or negligence of the Interim Occupant-Purchaser, or his or her family, agents or contractors, and to restore them to their former condition.

SPECIAL RISK: The 30 calendar day period to surrender vacant possession is a "TIME OF THE ESSENCE", or deadline, period. If the Interim Occupant-Purchaser fails to timely surrender vacant possession before the 30 calendar day period expires, the Interim Occupant-Purchaser shall also be liable for all Costs and Expenses incurred by Sponsor for the delay and to recover vacant possession, including: (a) reasonable legal fees and disbursements, court costs and litigation expenses; (b) carrying costs of the Unit (i.e., a sum equal to the projected or actual Common Charges and real estate taxes for the Unit (as applicable), plus the Unit's allocable share (based on Common Interest) of the debt service on any mortgage on the Unit or Property (as applicable), less rent or use and occupancy for the Unit actually collected by Sponsor; and (c) per diem interest on the Unit's Purchase Price at the rate of 10% per annum, prorated for the period beginning with the last day of said 30 calendar day period and ending on the date Sponsor recovers vacant possession of the Unit, to reimburse Sponsor for loss of potential earnings on the value of the Unit (as represented by the Unit's Purchase Price). Sponsor will also have the right to deduct and retain these Costs and Expenses from said security deposit (if any) given under the Interim Lease and (in the case of a rescission of the Purchase and Sale Agreement by the Interim Occupant-Purchaser) the Deposit monies otherwise to be returned to the Interim Occupant-Purchaser.

END OF SECTION J

SECTION K. PROCEDURE TO PURCHASE

This section describes the procedure to purchase a Unit and the essential terms of the Purchase and Sale Agreement. The documents indicated are reproduced in Part II of the Plan.

K-1. Procedure to Purchase. To purchase a Unit, the purchase procedure outlined below is to be followed.

K-1.1. Purchase Documents. The purchase documents to be completed, signed, notarized (where indicated) and returned by Purchaser to Sponsor's attorneys are as follows:

(a) Purchase and Sale Agreement: Purchaser is to complete information on the first page, sign and return four (4) originals of the Purchase and Sale Agreement on the form reproduced as DOCUMENT 1;

(b) Purchase Application: If requested, Purchaser is to complete, sign and return one (1) Purchase Application on the form reproduced as DOCUMENT 1A; and

(c) IRS Form W-8BEN or W-9: If Purchaser is not subject to back-up withholding rules, Purchaser is to complete, sign and deliver one (1) Internal Revenue Service ("**IRS**") Form W-8 "Certificate of Foreign Status Beneficial Owner" (if Purchaser is a non-resident alien or foreign entity) or Form W-9 "Request for Taxpayer Identification Number and Certification" (if Purchaser is a United States citizen or resident alien).

The Selling Agent or Sponsor's attorney will provide copies of these documents to prospective Purchasers for execution and will be available to assist prospective Purchasers and to answer questions as to completing these documents.

NOTE: The Unit Deed and Closing documents must match exactly the name or names of Purchaser as signed on the Purchase and Sale Agreement. If legal ownership of a Unit is to be in the name of two (2) individuals (e.g., husband and wife), both must sign the Purchase and Sale Agreement, unless the Purchaser is permitted to assign or transfer the Purchase and Sale Agreement. This Plan limits and restricts Purchaser's right to assign or transfer the Purchase and Sale Agreement (see subsection K-18 below for discussion).

K-1.2. Deposit.

SPECIAL RISK: Purchaser is to pay a sum equal to 10% of the Purchase Price ("**Initial Deposit**") when signing and delivering the Purchase and Sale Agreement. SPECIAL RISK: Purchaser is to pay an additional sum equal to 15% of the Purchase Price ("**Additional Deposit**") 15 calendar days after Purchaser either is given written notice declaring the Plan effective or is served with the Effectiveness Amendment (as applicable). If, however, the Plan is already declared effective when Purchaser signs the Purchase and Sale Agreement, the Additional Deposit is payable 15 calendar days after the fully signed Purchase and Sale Agreement is returned to Purchaser, but in no event later than the Closing Date under the Agreement. See SPECIAL RISK Section A, subsection A-4.1 above. The Initial Deposit and Additional Deposit are collectively called the "**Deposit**".

K-1.3. Balance of Purchase Price. The balance of the Purchase Price ("**Balance**") is to be paid after the Filing of the Effectiveness Amendment and at Closing of Title under the Purchase and Sale Agreement.

K-1.4. Instruments. The Initial Deposit and Additional Deposit are to be paid by good personal check of Purchaser (non-party checks are prohibited) and the Balance must be paid by certified personal check of Purchaser, or official cashier's or bank check (see paragraph 10 of the Purchase and Sale Agreement for additional details). All checks for the Deposit and Balance must be drawn on (and payable by) a member bank of the New York Clearing House Association, unendorsed and made payable to the direct order of the following party:

(a) for the Deposit: "*Seyfarth Shaw LLP as Escrow Agent for 515 West 23rd Street Plan*"; and

(b) for the Balance: "*23 Highline LLC*" or such other payee(s) as Sponsor may specify on prior notice to Purchaser.

K-1.5. Where and When Delivered. The Purchase and Sale Agreement, the other purchase documents listed in subsection K-1.1 above, and the check for the Deposit, are to be delivered or sent together to Sponsor's attorney, Seyfarth Shaw LLP, at 620 Eighth Avenue, New York, NY 10018, Attn: Alan L. Kazlow, Esq. (or such other attorney or legal assistant as may be directed).

K-1.6. Special Work Payment. If any special work ordered by a Purchaser is itemized in the Purchase and Sale Agreement or a rider or modification thereto, any payment by said Purchaser for such special work shall be paid to Sponsor or (if paid to Sponsor's attorneys) released by Sponsor's attorneys and paid to Sponsor for application to the special work, unless otherwise agreed in writing by Sponsor and said Purchaser. SPECIAL RISK: If the Purchase and Sale Agreement is cancelled following Purchaser's exercise of a right to rescind or cancel and the Deposit is returned to Purchaser, the special work payment will be refunded to Purchaser if, and only to the extent, such payment exceeds the actual Costs and Expenses paid or incurred to perform said special work and to restore the Unit to its condition existing before undertaking the special work (see Section A, subsection A-5 above).

K-2. Statutory Requirement. Sponsor shall comply with the escrow and trust fund requirements of GBL Sections 352-e(2-b) and 352-h, Lien Law Section 71-a(3), and Part 20 of the Attorney General's regulations, and all funds paid by Purchasers shall be handled in accordance with these statutes and regulations.

K-3. Escrow; Trust Fund. The following requirements apply to this offering:

K-3.1. The Account. All Deposits, downpayments, or advances made by Purchasers on account of the Purchase Price prior to Closing of each individual transaction, whether received before or after the date of consummation of the First Closing of a Residential Unit under the Plan, must be placed within five (5) business days after the Purchase and Sale Agreement is signed by all necessary parties, in an attorney's segregated special escrow account in a bank doing business in the State of New York which account is covered by federal bank deposit insurance. SPECIAL RISK: Deposits in excess of $100,000 will not be federally insured in excess of $100,000 (see Section A, subsection A-3). Purchaser assumes the risk of any losses resulting from failure of

the Depository, and will not have any recourse against Sponsor, Selling Agent or escrow agent based thereon. An attorney designated by Sponsor shall open and maintain such account in his or her own name, or in the name of a firm of attorneys of which he or she is a member, or in the name of the attorney or firm of attorneys by whom he or she is employed, separate from such attorney's personal accounts or from any accounts in which assets belonging to the firm are deposited, and separate from any accounts maintained in the capacity of executor, guardian, trustee or receiver. A master escrow account with a sub-account for each Purchaser shall be maintained under this Plan. The name of the master escrow account is "Seyfarth Shaw LLP Master Escrow Account." The master escrow account is maintained at Valley National Bank ("**Depository**"), at its branch at 275 Madison Avenue, New York, NY 10016. The master escrow account number is [redacted] Funds from this account may be released only by signature of the attorney who is named as escrow agent (see subsection K-3.3 below). Neither Sponsor nor any principal of Sponsor is a signatory on the account. Funds must be placed in an interest-bearing account, with all interest credited to the Purchaser, unless the Purchase and Sale Agreement is cancelled based on an uncured default of Purchaser and the First Closing of a Residential Unit under the Plan is consummated. The account is not an Interest-on-Lawyer-Account ("**IOLA**") pursuant to Judiciary Law Section 497. The interest rate to be earned will be the standard published escrow rate of interest by the Depository from time to time. The published rate was 1.53% on April 12, 2007. These rates will fluctuate from time to time in accordance with the Depository's prevailing rate for attorney escrow accounts, as to which no representation or assurance is made nor guarantee given. Interest will begin to accrue when Purchaser's checks for the Deposit is deposited and collected by the Depository. If, however, the Deposit check is not accompanied by IRS Form W-8BEN (Certificate of Foreign Status of Owner Beneficial Owner) or W-9 (Request for Taxpayers Identification Number) as applicable, the Initial Deposit check will be depzosited in an IOLA account of escrow agent pending receipt of the requisite IRS Form. No interest will be credited or paid to Purchaser while the Deposit is in the IOLA account (interest on an IOLA account is paid to the State of New York). No fees of any kind may be deducted from the account principal or any interest earned thereon. Sponsor shall bear any administrative cost for maintenance of the account.

K-3.2. Payments. All funds received from Purchasers on account of the Purchase Price, whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be made payable to the direct order of Seyfarth Shaw LLP as escrow agent, as set forth more fully in subsection K-1.4 above.

K-3.3. The Escrow Agent. The partners of escrow agent who are authorized signatories for withdrawal of funds from the escrow account are attorneys admitted to practice in the State of New York. The escrow agent is independent of Sponsor, although the escrow agent is entitled to, and will, receive compensation from Sponsor for acting as such and may receive, or previously been paid, compensation from Sponsor or Sponsor's principals for legal services rendered. The said partners of escrow agent under this Plan who are attorneys admitted or practicing in the State of New York must comply with the Appellate Division rules for the preservation of client funds of the Judicial Department having jurisdiction over each attorney. No principal of Sponsor is a member of, or employed by, the escrow agent. Only an attorney acting as escrow agent shall be a signatory on the escrow account and only such attorney shall be authorized to release funds. The name, address and telephone number of the escrow agent under this Plan are as follows: Seyfarth Shaw LLP, 620 Eighth Avenue, New York, New York 10018,

telephone number (212) 218-5500. The only attorneys who are signatories on the account are John Napoli, Esq., Lori Almon, Esq., Stephen G. Epstein, Esq., Barry H. Mandel, Esq., Nicholas J. Kaiser, Esq. and Dennis H. Greenstein, Esq., all of whom are partners of escrow agent.

K-3.4. Escrow Agreement. The escrow agent and Sponsor have entered into an escrow agreement for the holding and disposition of funds deposited by Purchasers on account of the Purchase Price (see DOCUMENT 1D in Part II). The agreement is not the model form of the Department of Law, but complies with all material terms of such model form. The escrow agreement includes: (a) disclosures set forth in this subsection K-2 and this subsection K-3; (b) an indemnity by Sponsor in favor of escrow agent for payment by Sponsor of all "Claims and Expenses" (as defined in the escrow agreement) arising out of escrow agent's duties or services, other than those based on escrow agent's gross negligence or willful misconduct; (c) a provision releasing and discharging escrow agent's obligations by Sponsor upon payment of the escrowed funds and interest earned thereon in accordance with Part 20 of the Attorney General's regulations; (d) the right of escrow agent to represent Sponsor in any Lawsuit, whether or not related to the escrowed funds or a Purchase and Sale Agreement, and irrespective of escrow agent being in possession of the escrowed funds; and (e) a provision for Sponsor to compensate escrow agent for acting in such capacity. See DOCUMENT 1D for these and other important provisions of this escrow agreement.

K-3.5. Notification to Purchaser. Within ten (10) business days after "tender" of the Deposit submitted with the Purchase and Sale Agreement, the escrow agent shall notify the Purchaser that such funds have been deposited in the bank indicated in this Plan, and provide the account number, and the initial interest rate. The term "**tender**" means the date delivered by hand or five (5) calendar days after being sent by mail, properly addressed, postage prepaid. If the Purchaser does not receive notice of such deposit within fifteen (15) business days after tender of the Deposit, he or she may cancel the purchase and rescind within ninety (90) calendar days after tender of the Deposit, or may apply to the Attorney General for relief. The 90 days to cancel is a "TIME OF THE ESSENCE" or deadline period after which Purchaser may not cancel based on lack of timely notice of deposit in the escrow account. Rescission will not be afforded where proof satisfactory to the Attorney General is submitted establishing that the escrowed funds were timely deposited in accordance with Part 20 of the Attorney General's regulations and requisite notice was timely mailed to the Purchaser.

K-3.6. Escrow Revisions. Before funds are transferred to a new escrow account, or if the escrow agent is replaced, the Plan must be amended to provide the same full disclosure with respect to the new account, the escrow agent and the escrow agreement as was originally provided. A bond, letter of credit or other security shall not be substituted for the escrow account.

K-3.7. Release of Funds. The requirements and procedures for the release of the escrowed funds, include the following:

(a) Under no circumstances shall Sponsor apply for release of the escrowed funds of a defaulting Purchaser until after consummation of the First Closing of a Residential Unit under this Plan. Consummation of the Plan does not relieve Sponsor of its obligations pursuant to GBL Section 352-h.

(b) The escrow agent shall hold the funds in escrow until otherwise directed in: (b-1) a writing signed by both Sponsor and Purchaser; or (b-2) a determination of the Attorney General; or (b-3) a judgment or order of a court of competent jurisdiction; or (b-4) until released pursuant to paragraph (d) of this subsection.

(c) Sponsor shall not object to the release of the escrowed funds to: (c-1) a Purchaser who timely rescinds in accordance with an offer of rescission contained in the Plan or an Amendment to the Plan; or (c-2) all Purchasers after an Amendment abandoning the Plan is accepted for filing by the Department of Law.

(d) If there is no written agreement between the parties to release the escrowed funds, the escrow agent shall not pay the funds to the Sponsor until the escrow agent has given the Purchaser written notice of not fewer than ten (10) business days. Thereafter, the funds may be paid to the Sponsor unless the Purchaser has already made application to the Department of Law pursuant to the dispute resolution provisions contained in Part 20 of the Attorney General's regulations and has so notified the escrow agent in accordance with such provisions. In all events, escrow agent shall have the right of a stakeholder to deposit the escrowed funds into court pursuant to applicable Law.

K-3.8. Disputes. In the event of a dispute, the following shall apply:

(a) Sponsor shall apply and the Purchaser or the escrow agent holding the Deposits in escrow may apply to the Attorney General for a determination on the disposition of the Deposit and any interest earned thereon (escrow agent may also apply to a court as a stakeholder and submit the Deposit or the disputed portion into court as permitted by Law). Forms to apply to the Attorney General for this purpose will be available from the Department of Law (see DOCUMENT 1E in Part II for sample form). The party making such application shall contemporaneously send to all other parties a copy of such application.

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

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

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

(e) If the application seeking release of funds is denied, the escrow agent shall continue to hold the Deposit and any interest earned thereon until: (e-1) both Sponsor and Purchaser direct payment to a specified party in accordance with a written direction signed by both Sponsor and Purchaser; or (e-2) a judgment or order of a court of competent jurisdiction is served on the escrow agent; or (e-3) escrow agent deposits the disputed amount into court.

(f) In no event shall the escrow agent release funds in dispute, other than a payment of such funds into court, until any 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.

(g) In the event escrow agent is uncertain as to its duties or doubts the genuineness of any document or signature, escrow agent may refrain from taking any action and continue to hold the funds in the escrow account and interest until the uncertainty or genuineness is resolved or deposit them (or the amount in question) in court.

K-3.9. Exhibits to Plan. A copy of the escrow agreement is included in the Exhibits submitted to the Attorney General in connection with this Plan.

K-3.10. Records on File. The escrow agent shall maintain all records concerning the escrow account for seven years after release of the funds. Upon the dissolution of any law firm which was the escrow agent, the former partners or members 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.

K-3.11. Review and Audit. The Department of Law may perform random reviews and audits of any records involving escrow accounts to determine compliance with statute and regulation.

K-3.12. Waiver Void. Any provision of any contract or agreement, whether oral or in writing, by which a Purchaser purports to waive or indemnify any obligation of the escrow agent holding trust funds is absolutely void. The escrow and trust fund provisions of Section 20.3(o) of Part 20 of the Attorney General's regulations shall prevail over any conflicting or inconsistent provision in the Plan or in a Purchase and Sale Agreement.

K-3.13. Trust Obligation of Sponsor. Nothing contained herein shall diminish or impair Sponsor's statutory obligation to each Purchaser pursuant to GBL Section 352-h to hold in trust all Deposits, advances or payments on account of the Purchase Price made in connection with the offer until consummation of the transaction with such Purchaser, except payments (if any) for special work ordered by Purchaser may be paid to Sponsor or (if deposited in the escrow account) withdrawn from the escrow account and paid to Sponsor to be applied for such purposes only. Consummation of the Plan with the First Closing of a Residential Unit does not relieve Sponsor of its obligations pursuant to GBL Section 352-h. Funds from the escrow account remain the property of the Purchaser until consummation of the transaction. Such funds shall not be part of the estate of the Sponsor or the escrow agent upon any bankruptcy, incapacity or death.

K-4. Lien Law Section 71-a(3). The Purchase and Sale Agreement and this Plan must comply with Section 71-a(3) of the Lien Law and any other applicable provisions of Law. Said Section 71-a(3) provides, among other things, for the handling of the Deposit and the interest accumulated thereon as set forth in subsections K-3.1 and K-3.5 above. Such Deposit, together with the interest accumulated thereon, shall remain the property of Purchaser, except as otherwise provided in said statute.

K-5. Special Risks. The following provisions of the Purchase and Sale Agreement pose "SPECIAL RISKS" to Purchaser:

(a) the provisions allowing sums in excess of 10% of the Purchase Price to be retained by Sponsor as liquidated damages, including the 10% Initial Deposit and (if paid) the 15% Additional Deposit, and the recovery from Purchaser of the actual Costs and Expenses incurred by Sponsor: (a-1) to perform any special work ordered by Purchaser and to restore the Unit to the condition existing or originally planned to be constructed before undertaking the special work, if, and only to the extent, any payment given by Purchaser to Sponsor for such special work is insufficient, (a-2) to enforce this liquidated damages provision, and (a-3) to collect amounts owed, including reasonable legal fees and disbursements, court costs and litigation expenses, but Sponsor may not seek specific performance of the Purchase and Sale Agreement; this liquidated damages provision, however, is subject to review by a court or other authority having jurisdiction as to whether the liquidated amount is an unenforceable penalty designed to coerce performance of a Purchaser (see Section A, subsection A-4 and see subsection K-3.8 above for discussion of Attorney General's dispute resolution procedure);

(b) the provision requiring Purchaser to reimburse Sponsor at Closing for certain expenses and losses, if Purchaser fails to Close Title, or is at fault for not Closing Title, on the date set by Sponsor (see Section A, subsection A-14 above, and Section N, subsection N-1.1 below);

(c) the absence of a mortgage financing contingency provision, which prevents Purchaser from canceling the Purchase and Sale Agreement or recovering the Deposit based on Purchasers' inability or failure to obtain mortgage loan financing from an Institutional Lender or other source (see Section A, subsection A-8); and

(d) the "TIME OF THE ESSENCE" provisions (see subsection K-6 below).

K-6. "Time is of the Essence" Provisions. Provisions of the Purchase and Sale Agreement that expressly state "TIME IS OF THE ESSENCE" or similar words are absolute deadlines, which cannot be extended by Purchaser, regardless of inability or other excuse for not meeting the specified deadline. For example: (a) "TIME IS OF THE ESSENCE" for Purchaser to cure a default within a deadline of 30 days after Purchaser is given written notice of the default, which means Purchaser can lose the Deposit if Purchaser does not meet such 30 day deadline (see Section A, subsection A-4); (b) "TIME IS OF THE ESSENCE" for Purchaser to elect to cancel the Purchase and Sale Agreement within a deadline of 90 calendar days after Purchaser tenders the Deposit check if notice by escrow agent of deposit of Purchaser's Deposit check into the escrow account is not received by Purchaser within 15 business days after tender, which means Purchaser cannot cancel based on not timely receiving notice of the deposit if Purchaser fails to meet such 90 day deadline (see subsection K-3.5 above); and (c) "TIME IS OF THE ESSENCE" for Purchaser to rescind the Purchase and Sale Agreement within a deadline of seven (7) calendar days after Purchaser signs and delivers the Purchase and Sale Agreement with the Deposit check if Purchaser is given fewer than three (3) business days to review the Plan and all filed Amendments, which means Purchaser cannot cancel based on being given too few days to review the Plan and filed Amendments if Purchaser fails to meet such seven (7) day deadline (see subsection K-11 below).

K-7. Closing Date. After the Effectiveness Amendment is accepted for filing by the Attorney General, Sponsor will fix dates for Closing of Title to all Units for which Purchase and Sale

Agreements have been executed and are still in effect. Sponsor will give each Purchaser not less than 30 calendar days prior written notice of the date, time and location (in New York City) set by Sponsor for him or her to Close Title. Purchasers may waive this 30 day period and Close sooner on a date and at a time mutually convenient to Purchaser and Sponsor. After the First Closing of a Residential Unit is consummated, Purchasers and Unit Owners will be served with a Plan Amendment disclosing (among other matters) the date of the First Closing of a Residential Unit.

If Purchaser purchases both a Residential Unit and one (1) or more Storage Units, all such Units must close title simultaneously, provided only that a temporary or (at Sponsor's exclusive option) permanent Certificate of Occupancy of the Building is issued authorizing only the Residential Unit for use as a private dwelling (no Storage Unit shall expressly be authorized as such on said Certificate of Occupancy), and regardless of the status of construction of the Storage Unit(s). If the Storage Unit(s) is (are) not completed at title closing, all payments and documents to be paid, executed and delivered at the closing with respect to the Residential Unit and the Storage Unit(s) nevertheless shall be fully paid, executed and delivered without abatement, set-off or credit against the Purchase Price, but the Purchase Price of the Storage Unit shall continue to be held in the escrow account of the escrow agent until completion of construction of the Storage Unit(s) (Sponsor's obligation to complete construction of the Storage Unit(s) shall survive the closing of title).

K-8. Projected Date of First Closing. Sponsor expects the First Closing of a Residential Unit (other than the Superintendent's Unit) to occur on or about January 1, 2009, which corresponds to the projected date the first year of Condominium Operation is to begin in SCHEDULE B (in Section F above). Such projected date is only a target and is not guaranteed. If such date of First Closing of a Residential Unit is delayed by twelve (12) months or more, the Plan will be amended to offer Purchasers the right, for fifteen (15) calendar days, to rescind the Purchase and Sale Agreement and recover the Deposit, together with any earned interest and any Net Refundable Special Work Payment. Such right to rescind shall be the limit of Sponsor's liability and Purchaser's sole recourse against Sponsor (regardless of any losses or damages Purchaser may have sustained or incurred). Sponsor and Selling Agent do not assure, represent or guarantee when the actual date of First Closing of a Residential Unit may occur, which may be earlier or substantially later than such projected date, or when the actual date of Closing of Title will occur under a Purchase and Sale Agreement, which may be held substantially later than the actual date of First Closing of a Residential Unit, depending on the progress of construction, among other things.

K-9. Purchaser's 30 Day Grace Period. Sponsor must make a written demand for payment after default and allow Purchaser 30 calendar days to make the payment before Purchaser's Deposit shall be forfeited. SPECIAL RISK: Such 30 days is a "TIME OF THE ESSENCE" or deadline period. See Section A, subsection A-6 and subsection K-6 above.

K-10. Unit Owner's Power of Attorney. Each Purchaser is required to sign, acknowledge and deliver to Sponsor at Closing of Title for recording, at Purchaser's expense, a Unit Owner's Power of Attorney (on the form reproduced as DOCUMENT 3 in Part II) in favor of the Condominium Board, Sponsor and others. The Unit Owner's Power of Attorney authorizes actions to be taken on behalf of Purchaser summarized in Part I of this Plan and permitted under

the Declaration and By-Laws (see DOCUMENT 3 for full scope). Failure to execute and deliver the Unit Owner's Power of Attorney or pay the recording fee is an event of default under the Purchase and Sale Agreement.

K-11. Period to Review Plan and Amendments. At Sponsor's option, prospective Purchasers will be afforded either: (a) three (3) business days to review the Plan and filed Amendments before executing a Purchase and Sale Agreement; or (b) (if given fewer than three (3) business days) seven (7) calendar days after delivering an executed Purchase and Sale Agreement to rescind the Purchase and Sale Agreement and have the full Deposit refunded promptly. In the latter case, Purchaser must either personally deliver a written notice of rescission to Sponsor or Selling Agent within the seven (7) calendar day period or mail the notice of rescission to Sponsor or Selling Agent at the address set forth on the cover page of the Plan and have the mailing post-marked within the seven (7) calendar day period. SPECIAL RISK: The seven (7) day period to rescind is a "TIME OF THE ESSENCE" or deadline period, which means that unless Purchaser timely rescinds as provided above, Purchaser may not rescind or recover the Deposit based on being given fewer than said seven (7) day period.

K-12. Risk of Loss. The risk of loss to the Unit and its contents from fire or other casualty remains with Sponsor unless and until a Purchaser is given possession of a Unit pursuant to an Interim Lease whose term has begun or legal title to the Unit has passed to Purchaser, at which time (in either such case) the risk of loss shall be assumed by the Purchaser to the extent loss to the Unit is not covered by insurances maintained by Sponsor or (after the First Closing of a Residential Unit) the Condominium Board. Such Purchaser should consider obtaining, at Purchaser's expense, insurance to insure the Unit's contents and Purchaser's personal property against such loss. See Section M, subsection M-2 for additional discussion.

K-13. Purchase and Sale Agreement. A complete copy of the Purchase and Sale Agreement is reproduced as DOCUMENT 1 in Part II of the Plan. Prospective Purchasers are urged to consult an attorney or legal adviser before executing the Purchase and Sale Agreement for a full understanding of Purchaser's rights, obligations and liabilities under the Agreement and this Plan.

K-14. No Mortgage Financing Contingency. Purchaser's obligation to purchase is not contingent on obtaining financing. See SPECIAL RISK Section A, subsection A-8 above.

K-15. Plan Governs. Any conflict between the Plan and the Purchase and Sale Agreement will be resolved according to the terms of the Plan.

K-16. Sponsor's Period to Accept or Reject Purchase and Sale Agreement. Within 20 calendar days after a prospective Purchaser delivers to Sponsor, Selling Agent or Sponsor's attorney an executed Purchase and Sale Agreement together with the required purchase documents and check for the Initial Deposit, Sponsor must either accept or reject the Purchase and Sale Agreement and (if rejected) return the full Initial Deposit previously tendered. If Sponsor fails to sign and return a fully executed Purchase and Sale Agreement to the prospective Purchaser within such 20 day period, the Purchase and Sale Agreement will be deemed rejected and Sponsor will return the full Initial Deposit. Until the Purchase and Sale Agreement is rejected or deemed rejected by Sponsor, Purchaser is irrevocably bound to purchase and may not

revoke or cancel the Purchase and Sale Agreement or recover the Initial Deposit. Sponsor will not be obligated to accept, nor be bound by, the Purchase and Sale Agreement unless and until Sponsor executes and delivers a fully executed Purchase and Sale Agreement to Purchaser. No inference may be drawn that Sponsor has accepted or is bound by a Purchase and Sale Agreement because (a) a prospective Purchaser is given the Plan, the Purchase and Sale Agreement or other documents, or (b) Sponsor, Selling Agent or Sponsor's attorney accepts delivery of a signed Purchase and Sale Agreement and Initial Deposit check, or (c) the Initial Deposit check is deposited (whether or not inadvertent).

K-17. No Waiver or Abrogation of Article 23-A of GBL. The Purchase and Sale Agreement and Plan may not contain, or be modified to contain, a provision waiving Purchaser's rights or abrogating Sponsor's obligations under Article 23-A of the GBL.

K-18. Restriction Against Assignment. Purchaser may not assign the Purchase and Sale Agreement without obtaining Sponsor's prior written Discretionary Approval or Consent. Sponsor may (in its sole and absolute discretion) permit the Agreement to be assigned to allow Purchaser to add, delete or substitute the name of a member of Purchaser's family or to take title in the name of an Entity related to or controlled by Purchaser. If Sponsor consents to an assignment, Sponsor's attorneys must receive at least twenty (20) calendar days prior to the date scheduled by Sponsor for Closing of Title: (a) four (4) originals of an Assignment and Assumption Agreement (on Sponsor's standard form) pursuant to which Purchaser assigns the Purchase and Sale Agreement and Deposit to the new party or parties named as Purchaser, who shall assume all of Purchaser's obligations thereunder; (b) two originals of Internal Revenue Service form W-8 or W-9 (as applicable) for the new Purchaser; and (c) an unendorsed personal check in the sum of $500, made payable to the order of Sponsor's attorneys, Seyfarth Shaw LLP, for services in connection with the assignment. In no event will Purchaser be entitled to delay or postpone Closing of Title to effectuate such name change or assignment.

K-19. Events of Default. Purchaser shall be in default if:

(a) Purchaser fails to pay the Additional Deposit in accordance with subsection K-1.2 above or at Closing: (a-1) Purchaser fails to pay the Balance of the Purchase Price in accordance with subsection K-1.3 above; (a-2) Purchaser fails to pay Purchaser's Closing costs (see subsection N-1.1 below) or Closing apportionments, if in favor of Sponsor (see subsection N-1.4 below); or (a-3) Purchaser fails to properly sign and/or deliver the documents required under the Purchase and Sale Agreement, such as the Unit Owner's Power of Attorney (see subsection K-10 above), the Unit Deed (see DOCUMENT 3 in Part II), the New York State and City transfer tax returns, the New York State equalization and assessment form, the mortgage tax credit affidavit and the smoke detector affidavit (see paragraph 22 of the Purchase and Sale Agreement);

(b) Purchaser's check for the Initial Deposit or the Additional Deposit or any other payment under the Purchase and Sale Agreement is dishonored or fails of collection ("**failed instrument**");

(c) Purchaser becomes a tenant of the Unit under an Interim Lease and a warrant of eviction against Purchaser is issued; or

(d) Purchaser fails to pay or perform any of Purchaser's other obligations or agreements under the Purchase and Sale Agreement.

K-20. Sponsor's Remedies on Purchaser's Default. If Purchaser defaults, Sponsor may not seek specific performance of the Purchase and Sale Agreement and Sponsor's sole remedy shall be to cancel the Purchase and Sale Agreement effective at the end of 30 calendar days from giving Purchaser written notice of the default, unless Purchaser cures the default within such 30 day period. SPECIAL RISK: Such 30 day grace period is a "TIME IS OF THE ESSENCE" or deadline period. This means that if Purchaser fails to timely do so, the Purchase and Sale Agreement shall be canceled and Sponsor shall receive and retain as liquidated damages the Deposit, the interest earned thereon and the other amounts set forth in subsection K-5(a) above. This liquidated damages provision is subject to review by a court or other authority having jurisdiction as to whether the liquidated amount is an unenforceable penalty designed to coerce performance of a Purchaser (see Section A, subsection A-4 and see subsection K-3.8 above for discussion of Attorney General's dispute resolution procedure).

In the event of a failed instrument given in payment of the Initial Deposit, Sponsor has the following choices: (a) to declare the Purchase and Sale Agreement null and void, in which case Sponsor shall cause the failed instrument and any other payment given under the Purchase and Sale Agreement to be returned to Purchaser; or (b) to declare Purchaser to be in default, in which case Purchaser shall have 30 calendar days from giving Purchaser written notice of the default to replace the failed instrument and to reimburse Sponsor for all Costs and Expenses incurred in connection with the failed instrument, including reasonable legal fees and expenses and bank charges. SPECIAL RISK: Such 30 day grace period is a "TIME IS OF THE ESSENCE" or deadline period. If Purchaser fails to timely cure the default, Sponsor may sue on the failed instrument and recover and retain as liquidated damages the amounts set forth above. See paragraph 22.6.c of the Purchase and Sale Agreement for full discussion.

K-21. Purchaser's Remedies on Sponsor's Default or Inability to Perform.

K-21.1. Grace Period. If Sponsor defaults, Purchaser must give Sponsor written notice of the default and allow Sponsor an opportunity to cure the default within a period of 30 days or (if not reasonably curable in 30 days) such reasonably longer period (not to exceed 90 days) from giving the default notice.

K-21.2. Remedies. If Sponsor fails to cure the default within the applicable grace period, Purchaser's sole remedy shall be either: (a) to compel Sponsor to specifically perform or (b) to cancel the Purchase and Sale Agreement and recover Purchaser's Deposit together with any interest earned thereon and any Net Refundable Special Work Payment (if and to the extent applicable). Purchaser shall be deemed to have elected to cancel and recover said sums if Purchaser fails to consummate the Closing of Title on the date or any postponed date set by Sponsor. Sponsor, however, shall not be excused from a willful default for intentionally causing a title objection to frustrate a sale in bad faith, nor from Sponsor's obligation to obtain a release of a mortgage lien on the Unit.

K-21.3. Sponsor's Inability. If Sponsor is unable in good faith to perform Sponsor's obligations or title shall not be in accordance with the Purchase and Sale Agreement, Purchaser's

sole remedy shall be either: (a) to consummate the Closing of Title without delay and accept such title to the Unit as Sponsor is able to convey without abatement in, or set-off against, the Purchase Price and without recourse against Sponsor by reason thereof; or (b) to cancel the Purchase and Sale Agreement and recover the amount of Purchaser's Deposit received by Sponsor together with any interest earned thereon and any Net Refundable Special Work Payment (if and to the extent applicable). Purchaser shall be deemed to have elected to cancel and recover said sums if Purchaser fails to consummate the Closing of Title on the date or any postponed date set by Sponsor.

K-22. Release of Claim. Upon cancellation of the Purchase and Sale Agreement and payment of the funds escrowed with the escrow agent and any earned interest thereon to the proper party, and (if applicable) recovery of any sums due Sponsor, all rights, obligations and liabilities of Purchaser and Sponsor under the Purchase and Sale Agreement, the Plan and Plan Amendments shall end and all Liabilities and Expenses of each party and Sponsor's employees, agents and attorneys, and the escrow agent, shall be released and discharged, except the parties shall remain liable for those indemnities, obligations and liabilities expressly stated to survive cancellation of the Purchase and Sale Agreement.

K-23. Purchaser's Closing Costs and Apportionments. Purchaser's Closing Costs include (among others) the state and city transfer taxes (see SPECIAL RISK Section A, subsection A-14.2 above and Section N, subsection N-1.1 below for details). At Closing, Sponsor and Purchaser shall apportion the Common Charges, real estate taxes and any rent for the Unit (see Section N, subsection N-1.3 below for details).

K-24. Closing Payments and Documents.

K-24.1. Closing Payments. Purchaser's Closing payments consist of the Balance of the Purchase Price, Purchaser's Closing costs and the net closing apportionments, if in favor of Sponsor. If Purchaser is permitted to rent the Unit pursuant to an Interim Lease, any unapplied rent security will be refunded at or within 30 days following the Closing together with any earned interest.

K-24.2. Closing Documents. The principal documents to be signed or delivered at Closing of Title include: (a) a Unit Owner's Power of Attorney to be signed by Purchaser (see DOCUMENT 2 of the Plan); (b) a bargain and sale deed of the Unit with covenant against grantor's acts to be signed by Sponsor and Purchaser (see DOCUMENT 3 in Part II of the Plan); (c) the New York State and City transfer tax returns and the State equalization and assessment form to be signed by Sponsor and Purchaser: (d) a smoke detector affidavit to be signed by Purchaser and Sponsor and a carbon monoxide detector affidavit to be signed by Sponsor; (e) a release of lien and UCC-3 Financing Statement with respect to any mortgage on the Unit (other than any mortgage obtained by Purchaser), which are to be obtained by Sponsor (see Section M, subsection M-7 below); (f) a multiple dwelling affidavit to be signed by Sponsor; (g) a Sponsor's certification of non-foreign status; (h) (if Purchaser is obtaining mortgage financing) a Purchaser's affidavit with respect to the mortgage tax credit; (i) an insurance certificate naming Purchaser as an additional insured party under the Condominium's policy, which is to be obtained by Sponsor; and (j) a statement on the payment status of Common Charges from the

Condominium Board or Managing Agent, which is to be obtained by Sponsor. See paragraph 14 of Purchase and Sale Agreement (DOCUMENT 1 in Part II of the Plan) for full list.

K-24.3. Satisfaction and Discharge. All agreements, obligations and liabilities of Sponsor and Purchaser are considered satisfied, released and discharged at consummation of Closing of Title, except only those that are expressly stated in the Purchase and Sale Agreement, the Plan or Plan Amendments to survive the Closing or are to be paid or performed subsequent to Closing. The foregoing shall not reduce or otherwise abridge any rights of Purchaser under Article 23-A of the General Business Law, or Part 20 of the Attorney General's regulation, or the Plan as amended.

K-25. Possession. Purchaser is not entitled to possess, occupy or in any way use the Unit prior to Closing of Title, unless at the time of purchase, Sponsor elects (at its exclusive option) to give Purchaser an Interim Lease for the Unit (see "Section J. Interim Leases" for discussion). At Closing, Sponsor will deliver possession of the Unit to Purchaser, vacant, broom clean, and free of rights of others to possession.

K-26. State of Title. Purchaser shall accept title to the Unit subject only to the "Permitted Encumbrances" defined and listed in EXHIBIT A to the Purchase and Sale Agreement (see Section M, subsection M-4 below). If Sponsor is required to postpone the date scheduled by Sponsor for Closing of Title to remove an objection to title that existed but was not included in a written notice or title report received from Purchaser or Purchaser's attorney at least ten (10) calendar days before such scheduled Closing Date, Purchaser will be at fault for causing the postponement and will incur the delinquency closing costs set forth in Section N, subsection N-1.1 below.

NOTE: The several title insurers or agent identified in the Purchase and Sale Agreement (see paragraph 16.8 thereof) are most familiar with title to the Property and, therefore, are best able to facilitate the Closing of Title. Purchasers may choose any title insurer or agent preferred by Purchaser or Purchaser's attorney. If, however, Sponsor's attorney is required to prepare or produce documents or instruments to omit a title objection, then at Closing Purchaser shall pay Sponsor's attorneys the sum of $500 for such services, regardless of the title insurer or agent chosen by Purchaser or Purchaser's attorney.

K-27. Personal Property Included in Sale. The sale of a Residential Unit includes only the appliances, Equipment, fixtures and personal property set forth in the Description of Property and Specifications (DOCUMENT 4 in Part II) and summarized in part in Section C, subsection C-1.4 above. Each Residential Unit is being sold unfurnished and with walls and ceilings primed and painted with two light colored finishing coats. Furniture, floor coverings, wall coverings, furnishings and other decorations, finishes and treatments in or about any model or hallway are for display purposes only and are not included in the sale. There will be no modifications or extras unless agreed to in writing by Sponsor. Units used from time to time as sales offices or models (if any) are not being offered and are reserved for future sale. In addition, Sponsor reserves the right to sell a model Unit (if any) with its furnishings. The Plan will be amended to disclose the additional price to purchase the furnishings once Sponsor determines to offer a model Unit for sale.

K-28. Pre-Closing Inspection of the Unit By Purchaser.

K-28.1. Inspection Date. Until Sponsor notifies Purchaser in writing that construction of the Unit is sufficiently completed and ready for inspection, Purchaser and Purchaser's representatives shall not, nor have the right to, inspect or visit the Unit or Building or any portion thereof. At least five (5) calendar days before Closing of Title, Sponsor shall notify Purchaser in writing that construction of the Unit is sufficiently completed and is now ready for inspection. The inspection is to occur on a business day that is at least five (5) calendar days from the giving of such inspection notice, and during business hours, fixed by Sponsor. Sponsor shall endeavor (but shall not be obligated) to fix such date and time as shall be mutually convenient to Sponsor and Purchaser. Purchaser and Purchaser's representatives (if any) are to inspect the Unit on such date and time fixed by Sponsor, accompanied by Sponsor's representative.

K-28.2. Final Inspection Statement. At conclusion of the inspection, Purchaser is to complete, and Purchaser and Sponsor or Sponsor's representative are to sign and deliver to each other, the Final Inspection Statement (on the form annexed as EXHIBIT C to the Purchase and Sale Agreement) containing all items to be corrected and unfinished work, if any (collectively, "**punch list work**"). Sponsor shall be obligated to correct or cause to be corrected any personal property included in the purchase and sale (including kitchen appliances, Unit Equipment and plumbing and electrical fixtures) that are not in working order, provided same are listed on the Final Inspection Statement signed by Sponsor or Sponsor's representative. Sponsor shall not, and shall not be required to, perform any punch list work that is not noted on the Final Inspection Statement signed by Sponsor or Sponsor's representative, other than work to correct any Latent Construction Defects for which timely notice has been given, as provided in this Plan (see Section O, subsection O-2.11 below) and in the Purchase and Sale Agreement. Purchaser shall Close Title and pay the full Purchase Price on the date fixed by Sponsor in accordance with the Purchase and Sale Agreement (all: without delay; without abatement, set-off or credit against the Purchase Price; and without escrowing monies) notwithstanding: (a) Purchaser's failure to arrange or attend the Unit inspection prior to Title Closing or to complete, sign and deliver the Final Inspection Statement; or (b) the existence of required punch list work not performed or completed (which Sponsor shall complete or correct in accordance with Sponsor's obligations under the Purchase and Sale Agreement), provided only that, in the case only of a Residential Unit: (x) the Unit is covered by a temporary or permanent or partial Certificate of Occupancy, as required herein, (y) the Unit contains heat and hot water and an operable kitchen and bathroom, and (z) the Unit is substantially in broom clean condition (other than the areas affected by the punch list work).

K-28.3. Punch List Work. Sponsor shall endeavor in good faith to complete all punch list work within approximately thirty (30) days after title closes or such longer period as may be reasonable in light of the extent of the work involved, but not to exceed ninety (90) days after title closes unless: (a) delayed due to Unavoidable Causes, in which case such incomplete work shall be completed with reasonable diligence after the Unavoidable Causes delaying the completion shall end; or (b) Purchaser refuses or fails to give Sponsor and its Agents, Employees and Contractors reasonable continuous access to the Unit. Sponsor's obligation to perform and complete the required punch list work in accordance with the Purchase and Sale Agreement shall survive Title Closing. SPECIAL RISK: Sponsor shall be excused, released and discharged from its obligation to correct punch list work and Latent Construction Defects if such reasonably

continuous access is prevented and not given within a deadline of thirty (30) calendar days after giving written notice requesting access, "TIME BEING OF THE ESSENCE". See Section A, subsection A-6 above.

K-28.4. Prohibitions. Purchaser's right to inspect does not entitle Purchaser or Purchaser's representatives: (a) to probe, penetrate or disturb the surfaces of the walls, floors or ceilings of the Unit or any portion of the Building; or (b) to make any alterations or changes to the Unit; or (c) to store any furniture or other belongings in the Unit or elsewhere on the Building prior to Closing.

K-29. Prices and Price-Related Terms are Negotiable. The offering price and price-related terms of the Purchase and Sale Agreement are negotiable (see Section I, subsection I-2 for full discussion).

K-30. Broker. Sponsor shall be responsible for, and shall indemnify Purchaser from, all Claims and Liabilities and Expenses with respect to, the commissions if and when earned by the Selling Agent and such other participating broker (if any) that may be specified in the Purchase and Sale Agreement pursuant to a separate agreement with each of them. Apart from said specified participating broker (if any), Purchaser shall be responsible for, and shall indemnify Sponsor from, all Claims and Liabilities and Expenses with respect to, the commission if and when earned by any broker with whom Purchaser dealt or is alleged to have dealt. Each party's indemnity shall survive the Closing of Title to the Unit or the cancellation of the Purchase and Sale Agreement (as applicable).

K-31. Abandonment of Plan. Sponsor has the exclusive right and absolute discretion to abandon the Plan at any time before Sponsor declares the Plan effective or (under certain very limited circumstances) thereafter (see Section L, subsections L-6 and L-7 below for discussion). If Sponsor elects to abandon the Plan, all Purchase and Sale Agreements will automatically be cancelled and the Deposit refunded to Purchasers together with any earned interest and any Net Refundable Special Work Payment (if and to the extent applicable).

K-32. Purchaser's Representations. Each Purchaser will represent in the Purchase and Sale Agreement that: (a) Purchaser is a bona fide Purchaser; (b) Purchaser is not related to the Sponsor, the Selling Agent or the proposed Managing Agent, or to any of their respective principals, by blood, marriage or adoption or as a business associate, an employee, a shareholder or a limited partner; and (c) Purchaser is not purchasing as an accommodation to, or for the account or benefit of, Sponsor or a principal of Sponsor.

K-33. Lawsuits. Any Lawsuits arising out of the Purchase and Sale Agreement shall be governed by the internal Laws of New York, shall be brought in New York County and shall be determined by the judge presiding at the trial without a jury (which the parties waive).

K-34. Purchase and Sale Agreement Is Not a Lien. Neither the Purchase and Sale Agreement nor the Deposit or any payment given for special work is a lien against the Property or the Unit. Purchaser may not record the Purchase and Sale Agreement and will be in default if Purchaser attempts to record it.

K-35. Prohibition Against Advertising. Until Title Closes, Purchaser is prohibited from advertising or publicizing the availability of the Unit for sale or lease. Any violation of this prohibition shall be a material event of default by Purchaser under the Purchase and Sale Agreement.

END OF SECTION K

SECTION L. EFFECTIVE DATE

L-1. Requirement of Effectiveness. Sponsor's offer to sell and obligations are contingent upon the Plan being declared effective by Sponsor and upon compliance with the relevant conditions and time periods described below. Sponsor must conform with the following provisions in determining whether, when and how the Plan will be declared effective. Until the Plan is declared effective or abandoned as provided in this Section L, Purchasers shall be irrevocably bound to purchase and cannot cancel the Purchase and Sale Agreement based on this contingency.

L-2. Procedure to Declare Plan Effective. The Plan may be declared effective by: (a) an Amendment to the Plan; or (b) by notice stating that the Plan is declared effective served on every Purchaser by personal service or by commencement of service by regular mail or registered or certified mail, with or without return receipt requested, in the manner required by Section 20.1(d) of Part 20 of the Attorney General's regulations, and submitting an Amendment to the Department of Law within five (5) days confirming that the Plan was declared effective on a specified date. The Amendment ("**Effectiveness Amendment**") will disclose the names of the Purchasers being counted toward effectiveness, the Residential Units for which Purchase and Sale Agreements are in effect and will otherwise conform to Section 20.5(e) of Part 20. The First Closing of a Residential Unit shall not be fixed until the Plan is declared effective and the Effectiveness Amendment is accepted for filing by the Department of Law.

L-3. Minimum Percentage of Sales. This Plan may not be declared effective unless bona fide Purchasers, including investors, have signed Purchase and Sale Agreements for at least fifteen percent (15%) of the Residential Units offered for sale under this Plan, or two (2) Residential Units (11 Residential Units x 15%, rounded up). The Retail and Storage Units may not be counted toward effectiveness and shall be excluded from the base in calculating the fifteen percent (15%) needed to declare the Plan effective.

L-4. Purchase and Sale Agreements Excluded from Effectiveness. The Plan will not be declared effective based on Purchase and Sale Agreements:

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

(b) if the Purchaser was not afforded the protections required by Section 20.3(o)(15) of said Part 20, which provides for a minimum period of three (3) business days for Purchaser to review the Plan and any Amendments before signing the Purchase and Sale Agreement or (if afforded fewer than three (3) business days) seven (7) calendar days to rescind in writing after delivering an executed Purchase and Sale Agreement (see Section K, subsection K-11 above); or

(c) with any Purchaser who is the Sponsor, the Selling Agent, or the Managing Agent or is a principal of the Sponsor, the Selling Agent, or the Managing Agent or is related to the Sponsor, the Selling Agent or the Managing Agent or to any principal of the Sponsor or the Selling Agent or the Managing Agent by blood, marriage or adoption or as a business associate, an employee, or a shareholder or a limited partner of a privately held company;

except that such a 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 the Purchaser is bona fide.

L-5. Effective When 80% Sold. The Plan must be declared effective when Purchase and Sale Agreements with bona fide Purchasers have been accepted by Sponsor for eighty percent (80%), or 9 Residential Units (11 Residential Units x 80%, rounded up) of the Residential Units offered under the Plan.

L-6. Abandonment Prior to Effectiveness. Sponsor has the exclusive option to abandon this Plan any time before it is declared effective. If Sponsor (in its sole and absolute discretion) elects to abandon the Plan, then within five (5) calendar days after Sponsor receives the letter from the Attorney General accepting the Filing of an Amendment abandoning the Plan, all monies paid by Purchasers toward the Purchase Price shall be refunded to them in full, together with any interest earned thereon and any Net Refundable Special Work Payment (if and to the extent applicable). Sponsor shall promptly following Sponsor's election to abandon the Plan submit for filing an Amendment abandoning the Plan together with form RS-3 as required by Section 20.1(l)(2) of Part 20 of the Attorney General regulations.

L-7. Abandonment After Effectiveness. Sponsor may not abandon the Plan after effectiveness for any reason other than:

(a) a defect in title which cannot be cured without litigation or cannot be cured for less than $259,625 (as reasonably estimated by Sponsor), which is not less than one-half of one percent of the total offering amount in SCHEDULE A (see Section E);

(b) substantial damage or destruction of the Building by fire or other casualty which cannot be cured for less than $259,625 (as reasonably estimated by Sponsor), which is not less than one-half of one percent of said total offering amount; or

(c) the taking of any material portion of the Property by condemnation or eminent domain.

The above stated dollar amount relied upon as a basis for abandonment after effectiveness must exclude any attorney fees or any such title defects or determinations of any authority or regulatory association which exist on the date of presentation of the Plan and are either known to Sponsor or are a matter of public record.

END OF SECTION L

SECTION M. TERMS OF SALE

M-1. Deed. The type of deed given to Purchasers shall be a bargain and sale deed with covenant against grantor's acts. The form of Unit deed is contained in Part II of the Plan as DOCUMENT 3.

M-2. Risk of Loss. Prior to Closing of Title, the risk of loss or damage to a Purchaser's Unit and its contents from casualty or other cause is assumed by Sponsor, unless Purchaser is given possession pursuant to an Interim Lease or other agreement or is at fault for causing the loss or damage, in which case Purchaser shall assume the risk of loss and damage to the extent the loss is not covered by insurance maintained by Sponsor or (after the First Closing of a Residential Unit) the Condominium Board. Sponsor's assumption of the risk does not obligate Sponsor to repair the loss or damage or restore a Purchaser's Unit or its contents. If Sponsor elects to repair, or if the First Closing of a Residential Unit has occurred and the Board is obligated to repair the loss or damage, the Closing of Title will be postponed a reasonable period to permit the repairs to be completed. Purchaser shall not be required to Close Title until the Unit and its contents are in the condition required in the Purchase and Sale Agreement and the Unit has all essential Building services (e.g., heat and utilities) and a reasonable means of access to and from the street. If Sponsor elects not to repair, the Purchase and Sale Agreement will be canceled and the Deposit returned to Purchaser together with any earned interest thereon and any Net Refundable Special Work Payment (if and to the extent applicable).

If Purchaser is given possession under an Interim Lease or is at fault for causing the loss or damage, then Purchaser must consummate the Closing of Title on the date set by Sponsor in accordance with the Purchase and Sale Agreement, without delay, and pay the full Purchase Price without abatement, set-off or credit, and without recourse against Sponsor by reason thereof.

M-3. Certificate of Occupancy. A Closing of Title to a Residential Unit will take place only concurrently with the issuance of a temporary or (at Sponsor's exclusive option) permanent Certificate of Occupancy for the entire Building or the issuance of a partial, temporary or permanent certificate of occupancy for the Residential Unit to be closed. This requirement does not apply to an individual Storage Unit, which will not expressly be authorized as such on the Building's Certificate of Occupancy. The Purchaser of both a Residential Unit and a Storage Unit is to consummate the closing of title to both Units simultaneously after the issuance of said partial, temporary or permanent Certificate of Occupancy for the Residential Unit.

M-4. Title Exceptions. Title to each Unit and its appurtenant interest in the Common Elements and the Association's Properties will be conveyed at the Closing free and clear of all liens, encumbrances and title exceptions other than those described in this Plan (including the Purchase and Sale Agreement contained in Part II as DOCUMENT 1) and the proposed Unit Deed (contained in Part II as DOCUMENT 3). A summary of all leases, mortgages, liens, encumbrances and title exceptions that will affect the Unit and Property after Closing is set forth below. See EXHIBIT A to the Purchase and Sale Agreement (DOCUMENT 1) for full details. Each Unit will be conveyed and purchased (without abatement in the Purchase Price or recourse against Sponsor), subject to the following permitted title exceptions, which shall not be objections to title:

(a) Building restrictions and zoning laws and other regulations, resolutions and ordinances, and any amendments thereto, provided they do not prevent the use of a Unit for the purposes set forth in the Plan.

(b) Any state of facts that an accurate survey or personal inspection of the Land and Building (when erected) would show, provided such state of facts does not render title unmarketable (encroachments of the Building on adjoining property and/or streets, and encroachments of adjoining buildings on the Property shall not render title unmarketable provided Purchaser's title insurer or agent, or any of the title insurers or agent comprising the Title Insurance Company listed in Section B, subsection B-11, will insure, at its regular rate, without additional premium, in a fee title policy that such encroachments may remain for so long as the Building shall stand, and provided further that such state of facts would not prevent the use of Purchaser's Unit for the purpose set forth in this Plan).

(c) Any state of facts an accurate survey of the Unit would disclose, including: (c-1) encroachments by the Unit on adjoining Units and on Common Elements; and (c-2) encroachments by adjoining Units or Common Elements on the Unit, provided Purchaser's title insurer or agent, or any of said title insurers or agent comprising the Title Insurance Company, will insure, at its regular rate, without additional premium, in a fee title policy that any encroachments of a portion of the Unit upon any other Unit or the Common Elements, or vice versa, may remain for so long as the Building shall stand.

(d) The terms, provisions, burdens, covenants, restrictions, conditions, options, duties, limitations, licenses, powers, easements, encroachments and rules and regulations set forth in, or permitted by, the Declaration, the By-Laws (and the Rules and Regulations made thereunder), Purchaser's Unit Owner's Power of Attorney and the Floor Plans, as any of the foregoing might be amended from time to time, provided that the title insurance policy will insure against loss or damage occasioned by the Unit not being part of a condominium validly created pursuant to Article 9-B of the Real Property Law, as amended.

(e) Consents by Seller, the Condominium Board 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 abuts.

(f) Sewer, water, electric, plumbing, heating, gas, telephone, cable and other utility easements and any and all rights of use in favor of any utility company for construction, use, maintenance, repair, removal, relocation and replacement of utility lines, wires, terminal boxes, mains, pipes, cables, conduits, poles, connections and other equipment and facilities on, under and across the Land and Building.

(g) Revocability of licenses for vault space, if any, under the sidewalks and streets and the lien of any unpaid vault tax (which is to be paid as provided in the Condominium's By-Laws).

(h) Encroachments of stoops, areas, cellar steps or doors, trim, copings, retaining walls, bay windows, balconies, sidewalk elevators/hatches, fences, fire escapes, cornices, foundations, footings, chutes, fuel oil lines, drainage and stand pipes, 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.

(i) Leases and service, maintenance, management, employment, concessionaire and license agreements, if any, of other Units or portions of the Common Elements or made with or assumed by the Condominium Board, as disclosed or permitted in the Plan or a Plan Amendment or made after the end of the Sponsor Board Control Period.

(j) The lien of any unpaid Common Charge and real estate taxes, which shall be apportioned at the Closing of Title as set forth in the Purchase and Sale Agreement. The lien for any unpaid water charges and sewer rents are payable by the Condominium Board and included in the Common Charges, and thus are deemed apportioned as part of the Common Charges.

(k) The lien of any unpaid assessment payable in installments, except that: (k-1) Sponsor will pay all such assessments due prior to the Closing Date; and (k-2) Purchaser will pay all assessments due from and after such date. However, the then current installment of an assessment will be appropriately apportioned at Closing. The term "assessments" as used herein includes both a real estate tax assessment and a Condominium Board Special Assessment.

(l) Unpaid fees or charges of any Governmental Authority for inspections, reinspections, examinations, services, permits and licenses, which shall be apportioned between Sponsor and the Condominium Board as provided in this Plan or, if arising after the First Closing of a Residential Unit, shall be payable by the Condominium Board and included in the Common Charges, and thus are deemed apportioned as part of the Common Charges (all such unpaid fees or charges due and payable prior to the First Closing of a Residential Unit shall be paid by Sponsor as provided in this Plan).

(m) Unpaid costs, charges and amounts owed by the Condominium Board after the First Closing of a Residential Unit for work performed by a Governmental Authority, including the New York City Office of Rent and Housing Maintenance, Emergency Services Division, and the New York City Department of Health (all such unpaid costs, charges and amounts owed prior to the First Closing of a Residential Unit shall be paid by Sponsor pursuant to this Plan).

(n) Any encumbrance as to which any of said several title insurers or agent comprising the Title Insurance Company or Purchaser's title insurer or agent would be willing to insure, at Purchaser's expense, at its regular rate and without additional premium, in a fee policy issued by it to Purchaser: (n-1) will not be collected out of, or enforced against, the Unit or its Common Interest if it is a lien; or (n-2) will not prevent the use of the Unit for the purpose set forth in this Plan, whichever is applicable. Any exception that any of said several title insurers or agent comprising the Title Insurance Company has omitted or insured at its regular rates and without additional premium will not be collected out of, or enforced against, another Unit, in a fee title insurance policy for such other Unit, regardless of which title insurer or agent Purchaser uses, will not be a valid objection to title.

(o) the following covenants, restrictions, easements and agreements: (o-1) Zoning Lot Certification made by The Royal Abstract Corporation recorded 09/14/1988 in Reel 1464 page 1048; (o-2) Zoning Lot Certification made by Royal Abstract of New York LLC recorded 08/09/2005 as CRFN 2005000446216; (o-3) Zoning Lot Description and Ownership Statement recorded as CRFN 2005000446217; (o-4) Terms, conditions, and railway easement rights contained in a Quitclaim Deed from CSX Transportation, Inc. to The City of New York recorded on 12/1/2005 in CRFN 2005000664404 (Title Insurance Company policy will insure that same will not prevent the use of the Unit for the purposes set forth in this Plan); (o-5) Terms, conditions and railway easement rights contained in a Quitclaim, Consent and Easement between 23 High Line, LLC, and The City of New York, recorded on 12/1/2005 in CRFN 2005000664424 (Title Insurance Company policy will insure that same will not prevent the use of the Unit for the purposes set forth in this Plan); (o-6) Terms and conditions contained in a Release, Waiver and Covenant Not To Sue Agreement made by and between 23 High Line, LLC, and The City of New York recorded on 12/1/2005 in CRFN 2005000664425 (Title Insurance Company policy will insure that same will not prevent the use of the Unit for the purposes set forth in this Plan); (o-7) Terms and conditions contained in a Release, Waiver and Covenant Not To Sue Agreement made by and between CSX Transportation, Inc., and The City of New York recorded on 12/1/2005 in CRFN 2005000664426 (Title Insurance Company policy will insure that same will not prevent the use of the Unit for the purposes set forth in this Plan); (o-8) Notice of Zoning Lot Restrictions recorded as CRFN 2006000022493; (o-9) Restrictive Declaration Highline Transfer of Development Rights recorded as CRFN 2006000022492 (WITH REGARD THERETO: Waiver, Consent and Subordination made by BRT Realty Trust recorded as CRFN 2006000022495); (o-10) Transfer and Distribution of Floor Area Pursuant to Section 98-33 of Zoning Resolution of the City of New York recorded as CRFN 2006000022491 (WITH REGARD THERETO: Waiver, Consent and Subordination made by BRT Realty Trust recorded as CRFN 2006000022494); (o-11) Declaration of Zoning Lot Development and Easement Restrictions, to be recorded prior to the recording of the Declaration, wherein all unutilized Development Rights of the Property now or hereafter available or acquired are retained by Sponsor as owner of two (2) adjacent parcels within the same zoning lot as the Property and may be feely utilized and transferred without the approval, consent or participation of the Condominium Board or Unit Owners; (o-12) Covenants and Restrictions contained in deeds, restricting height and building materials of dwelling to be erected and against use of premises as or for a manufactory or tenement house and recorded in Liber 349 Page 457 and Liber 663 Page 457 (Title Company Insurance policy will insure that same will not prevent the use of the Unit for residential purposes); (o-13) Covenants, Restrictions, Easements, Terms, Provisions and Conditions of the deed made by Robert W. Blanchette, Richard C. Bond and John H. McArthur as trustees of the Penn Central Transportation Company Debtor, to Consolidated Rail Corporation dated 03/30/1976 and recorded 12/15/1978 in Reel 463 page 1563 and by Despatch Shops Inc. to Consolidated Rail Corporation recorded 12/15/1978 in Reel 463 page 1624 (Title Company Insurance will insure that same will not prevent the use of the Unit for residential purposes); (o-14) Conveyance of interest made by Consolidated Rail Corporation to New York Central Lines LLC dated as of 06/01/1999 and recorded 03/20/2000 in Reel 3067 page 1110 as corrected by Correction Deed dated 08/24/2004 and recorded 01/28/2005 as CRFN 2005000056400; and (o-15) Easements for railroad purposes

to The New York Central Railroad Company recorded 06/10/1932 in Liber 3829 Cp 383 as modified by Modification of Easement recorded 12/05/1958 Liber 5059 Cp 163 (Title Insurance Company will insure that same will not prevent the use of the Unit for residential purposes).

(p) Any declaration or other instrument affecting the Property that the Condominium Board considers necessary or appropriate to comply with any Law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals or any other public or quasi-public Governmental Authority in connection with the demolition, construction, Alteration, Repair, use, occupancy, Operation or restoration of the Building.

(q) Any easements, covenants, declarations, restrictions or agreements, whether of record or unrecorded, affecting the Property or any portion thereof, and the title exceptions set forth in the title report issued by any of said title insurers or agent comprising the Title Insurance Company, provided they do not prevent the use of a Unit for the purpose set forth in the Plan, and excluding: (a) any title exception to be removed in order to insure the valid establishment of the Condominium as provided in this Plan; and (b) the lien of any mortgage or UCC-1 financing statement, which are to be released or terminated, respectively, from the Unit.

(r) Any violations against the Property (other than the Unit) that are the obligation of the Condominium Board after the First Closing of a Residential Unit or another Unit Owner to correct (all such violations existing at the First Closing shall be corrected by Sponsor pursuant to this Plan).

(s) The Certificate of Occupancy or temporary Certificate of Occupancy covering the Building (when issued after completion or substantial completion of construction) or a partial Certificate of Occupancy of the Residential Unit to be conveyed, provided it authorizes use of the subject Residential Unit for the purpose set forth in this Plan.

(t) Leases and rights of tenants and occupants of other Units and portions of the Property other than the subject Unit, as tenants only, and any lease, tenancy and occupancy of Purchaser's Unit by Purchaser, as and if provided in the Purchase and Sale Agreement.

(u) Any lien (including any mortgage lien) or other encumbrance granted, created or obtained by Purchaser.

(v) Easements for ingress and egress for construction, installation, operation and maintenance of municipal service facilities and utilities.

(w) Any easement or right of use required by Sponsor or its designee to obtain a temporary or permanent Certificate of Occupancy of the Building or any part thereof. Any other covenants, restrictions, easements or other encumbrance (other than for the payment of money), provided that they do not prohibit the existence and use of a Unit for the purpose set forth in this Plan.

(x) Any lien, encumbrance or lis pendens either: (x-1) for which the instrument required to remove said encumbrance of record is delivered at or prior to the Closing Date to the proper party or to Purchaser's title insurer or agent together with the required recording or filing fee; or (x-2) as to which Purchaser's title insurer or agent, or any of said title insurers or agent listed in the Purchase and Sale Agreement, will insure that the lien, encumbrance or lis pendens will not be collected out of, or enforced against, the Unit.

(y) Party walls and party wall agreements, if any.

(z) Judgments, bankruptcies or other returns against other persons having names the same as or similar to Sponsor or any of Sponsor's principals, provided Sponsor or any such principals, as the case may be, deliver to Purchaser or Purchaser's title insurer or agent, or any of said several title insurers or agent comprising the Title Insurance Company, an affidavit showing that such judgments, bankruptcies or other returns are not against Sponsor or any such principals, as the case may be.

(aa) Uniform Commercial Code financing statements or conditional bills of sale, provided that: (aa-1) such statements were filed on a date more than five (5) years prior to the Closing Date; (aa-2) Sponsor executes and delivers to Purchaser an affidavit setting forth that the property covered thereby is no longer in the Unit or is fully paid for; or (aa-3) a tenant is the debtor thereunder.

(bb) Service, labor, concessionaire and maintenance agreements with the Condominium Board as disclosed or permitted in the Plan or a Plan Amendment, or made after the end of the Sponsor Board Control Period.

(cc) Standard printed exceptions contained in the form of fee title insurance policy then issued by the title insurance company insuring Purchaser's title to the Unit.

(dd) Franchise taxes and New York City business corporation taxes of any organization in the chain of title, provided that Purchaser's title insurer or agent, or any of said title insurers or agent comprising the Title Insurance Company, would be willing to insure at its regular rate, without additional premium, in a fee policy that such taxes will not be collected out of the Unit.

M-5. Personal Property. All personal property located within the Residential Unit on the date the Purchase and Sale Agreement is signed or is to be installed in the Unit by Sponsor pursuant to this Plan (see Section C, subsection C-1.4 and DOCUMENT 4 in Part II), and all personal property located within the Common Elements on the date the Declaration is filed or is to be installed in the Common Elements pursuant to Sponsor's Building Plans and Specifications (see said DOCUMENT 4 for summary) that is owned by Sponsor, are included in the conveyance.

M-6. Condominium Documents. The Declaration, By-Laws and Floor Plans for the Condominium and such other documents as required by Law, will be recorded or filed by Sponsor, at its expense, prior to the first conveyance of title to a Unit in accordance with the New York Condominium Act. The place of recording or filing is the Register's Office of the borough of Manhattan, in the City, County and State of New York.

M-7. Existing Mortgages. If existing mortgages are not satisfied at or prior to the First Closing of a Residential Unit, then at the time of first conveyance of the Unit, each mortgagee will either: (a) consent to the formation of the Condominium and acknowledge that its lien will be limited to unsold Condominium Units; (b) subordinate the lien of its mortgage to the Declaration of Condominium; or (c) release its lien on the Condominium Unit being conveyed.

END OF SECTION M

SECTION N. UNIT CLOSING COSTS AND APPORTIONMENTS

N-1. Closing Costs and Apportionments.

Purchaser's Closing Costs. The Closing costs, fees and charges to be paid by Purchaser and their estimated amounts based on an assumed Purchase Price of $1,100,000, an assumed mortgage loan of $880,000 (i.e., 80% of the Purchase Price) and rates in effect on April 2, 2007 are as follows (amounts are rounded):

(a) New York State transfer tax (at the rate of 0.4% x the "Adjusted Purchase Price" (defined below), rounded up to the nearest $500, plus a so-called Mansion Tax of 1% of the Adjusted Purchase Price, if the Adjusted Purchase Price is $1,000,000 or more):	$15,682
(b) New York City transfer tax (at the rate of 1% of the Adjusted Purchase Price of $500,000 or less, or at the rate of 1.425% of an Adjusted Purchase Price of more than $500,000):	15,961
(c) estimated governmental recording fees and charges for the Unit Deed (assuming 8 pages plus cover page), Unit Owner's Power of Attorney (assuming 7 pages plus cover page) and Purchaser's mortgage (assuming 20 pages plus cover page) (fees at the rate of $42 per instrument and $5 a page), the New York State equalization and assessment form ($75), the UCC-1 Financing Statement (filing and service fees of $50) and miscellaneous recording, document and title insurer's service fees (estimated at $250)[1]	691 (estimated and approximate)
(d) mortgage recording tax at the rate of 2.05% of the mortgage (if less than $500,000) or 2.175% of the mortgage (if $500,000 or more); minus $30 and minus 0.25% payable by the mortgage lender (before deducting the savings arising from the statutory credit, which is payable to Sponsor):	16,910
(e) municipal charge to record the mortgage tax credit affidavit:	10
(f) premium for simultaneous fee and mortgage title insurance:	4,119
(g) projected mortgage loan fees and costs (based on the following assumptions and estimates): $8,800 for loan commitment fee (at 1% of loan amount); $750 for appraisal; $300 for loan application; $150 for document preparation; $50 for UCC-1 filing fee; $750 for lender's legal fee; and $700 allowance for potential miscellaneous expenses):	11,500 (estimated)
(h) Working Capital Fund Payment (equal to one month's Common Charges):	$2,960 (estimated average)
(i) legal fees to Sponsor's designated attorney[2]:	2,500
(j) allowance for gratuity to closer for title insurer and contingencies:	250

---

[1] Governmental recording fees and charges may vary from time to time. Title insurer's service charges may vary and differ, depending upon the title insurer or agent.

[2] $1,500 for all Units closed simultaneously plus $500 if financed, and potential $500 for services to omit a title objection (see Section K, subsection K-26 above).

Purchaser's actual Closing costs, fees and charges will be based on the applicable governmental and title insurer rates in effect on Purchaser's Closing Date. The foregoing projections are believed to be reasonable, but are not assured or guaranteed. A number of unknown and varying factors (e.g., mortgage financing costs and escrows if Purchaser is obtaining financing) will affect the actual Closing costs, fees and charges, which may vary, perhaps substantially, from the above projections.

The state and city transfer taxes are the statutory obligation of Sponsor as seller (other than the so-called "mansion tax"). Sponsor is transferring this statutory obligation to Purchasers under the Purchase and Sale Agreement. When so doing, the taxing authorities increase the Purchase Price by the amount of the transfer tax ("**Adjusted Purchase Price**") and compute the transfer tax on the Adjusted Purchase Price. The effect is to pay a transfer tax on the transfer tax. Expressed as a formula, the Adjusted Purchase Price equals the sum of (a) the Purchase Price plus (b) the product of the Purchase Price x 0.014 (if the Purchase Price is $500,000 or less) or the Purchase Price x 0.01825 (if the Purchase Price is more than $500,000). The combined rates for the New York State and New York City transfer taxes, excluding the mansion tax, are: 1.400% if the Adjusted Purchase Price is $500,000 or less; or 1.825%, if the Adjusted Purchase Price is above $500,000.

Owner's and mortgage lender's title insurance policy rates as at this writing are as follows:

Amount of Insurance		Owner's Policy*	Loan Policy*
First $35,000 or less		$402	$344
Each additional $1,000 (or fraction thereof)			
From	To		
$35,001	$50,000	$6.67	$5.55
50,001	100,000	5.43	4.54
100,001	500,000	4.36	3.64
500,001	1,000,000	3.98	3.31
1,000,001	5,000,000	3.66	3.05

* A bulk discount rate of 70% of the owner's rate and 70% of the loan rate is applicable to a condominium containing at least 10 units if the base fee title or blanket mortgage covering the condominium was previously insured. A further discount rate for the loan policy is applicable when both fee owner's and loan policies are issued simultaneously. In such case, the rate charged for a loan policy up to the amount of the owner's policy is 30% of the bulk loan rate set forth in the preceding sentence, or a total discount of 79% of the loan rate in the above table

SPECIAL RISK: If Purchaser's Institutional Lender or its attorney refuses to hold the closing at the office of Sponsor's attorney, Purchaser will pay a travel fee to Sponsor's attorney of $350 (if the closing is held in Manhattan) or $500 (if the closing is held elsewhere in New York City). See Section A, subsection A-14.

SPECIAL RISK: If Purchaser is at fault for not Closing Title on the date set by Sponsor in accordance with this Plan and the Purchase and Sale Agreement, Purchaser will pay the following additional "delinquency closing costs" at Closing of Title: (a) Purchaser will pay

Sponsor per diem interest on the Purchase Price at the rate of 12% per annum, prorated for each day's delay from the date set for Closing through the end of the day prior to the actual Closing Date, to compensate Sponsor for loss of potential earnings on the Purchase Price; (b) Purchaser will reimburse Sponsor for the Unit's Common Charges and real estate taxes for the period of such delay, after deducting any rent received and collected from Purchaser if Purchaser is given possession prior to Closing; and (c) Purchaser will pay Sponsor's designated attorney $250 for each default notice, and $250 for each time the Closing is rescheduled through no fault of Sponsor. See Section A, subsection A-14.

N-1.2. Sponsor's Closing Costs. Sponsor's Closing costs, fees and charges shall include all fees and governmental charges to record the Declaration of Condominium and file the tax lot Floor Plans establishing the Condominium regime on the Property and the payments to the lender holding a mortgage on the Property to obtain a release of the mortgage lien from the Unit being conveyed and the related UCC-3 Termination Statement releasing the lien on fixtures in the Unit (Purchaser, however, will pay the governmental fees or charges to record such mortgage-related instruments). Sponsor will also pay all other amounts as required elsewhere in this Plan (see Section O, subsection O-2 below).

N-1.3. Closing Apportionments with Purchasers. At Closing, Purchaser and Sponsor shall apportion as of end of the preceding day: (a) real estate taxes for the Unit for the tax period within which the Closing occurs; (b) Common Charges; and (c) (if Purchaser is given possession prior to Closing) the rent payable for the Unit for the month of Closing (based on the actual number of days in such month). Common Charges will commence at the First Closing of a Residential Unit. Accordingly, Common Charges will not be apportioned for only those Units that Close on the day of the First Closing; however, the Purchasers of such Units may be required to pay at Closing the Common Charges for the Unit (including real estate taxes, if the Unit is not separately assessed and billed) for the remaining days of the month in which the Closing occurs and possibly the following month as well. Until the Units are separately assessed and billed by the taxing authority for real estate taxes, each Unit's "Tax Share" (as defined in Section S, subsection S-1.2 below) of the Property's real estate taxes will be paid to the Condominium Board as part of the Unit's General Common Charges (see Section S, subsection S-1 for full discussion). If title closes before said separate assessment and billing for real estate taxes, the apportionment for real estate taxes will be based on the Unit's "Tax Share" of the Property's real estate taxes or, if paid to the Condominium Board as part of the Unit's General Common Charges, the apportionment of real estate taxes will be based on the amount so paid to the Board (see below for requirement to adjust any overpayment or underpayment of the amount so apportioned).

The net amount resulting from these apportionments will be paid to the proper party at Title Closing. If the payment is to be made to Sponsor, it will be in addition to Purchaser's payments for the Purchase Price and Closing costs.

Installments for any Special Assessments for real estate taxes or for Common Expenses will be paid by the party owning the Unit at the time the installments are payable. However, the then current installment of any Special Assessment for real estate taxes or Common Expenses for the period in which the Closing occurs will be equitably apportioned as of the end of the day preceding the Closing (based on the actual number of days in the installment period) and paid to the appropriate party at Closing.

The "Customs in Respect of Title Closings" recommended by The Real Estate Board of New York, Inc., as amended to date, will apply to all apportionments, except as may otherwise expressly be provided in this subsection N-1.3. Any errors or omissions in computing the apportionments discovered after Closing will be corrected and payment made to the proper party promptly after receipt of a written notice detailing the calculation of the amount owed, provided notice is given within six (6) months following the Closing Date. SPECIAL RISK: The six (6) months period to send such notice is a "TIME OF THE ESSENCE", or deadline, period (see Section A, subsection A-6 above). This provision will survive the Closing of Title.

If at Closing of Title the Unit is not separately assessed and billed for real estate taxes, Purchaser and Sponsor will adjust any overpayment or underpayment of the real estate taxes apportioned at closing when the Unit is so separately assessed and billed by the taxing authority. The adjustment shall be based on difference between a Unit's Tax Share at Closing of Title and the product of: (a) the Property's taxable assessed valuation (excluding any real estate tax benefits); multiplied by (b) the ratio that the Unit's initial separate actual assessed valuation bears to the aggregate initial separate actual assessed valuations of all Units (in each case exclusive of any real estate tax benefits); multiplied by (c) the tax rate applicable to the Unit at Closing of Title.

The amount of the overpayment or underpayment is required to be paid within fifteen (15) calendar days after Purchaser (in the case of an underpayment by Purchaser) or Sponsor (in the case of an overpayment by Purchaser) is sent written notice detailing the calculation of the amount owed, provided such notice is sent within a deadline of 60 calendar days after the Unit is separately assessed and billed for real estate taxes. SPECIAL RISK: The 60 calendar day period to send such notice is a "TIME OF THE ESSENCE", or deadline, period (see said subsection A-6 above). This means that if notice is not sent within such 60 day deadline, no adjustment will be made. The notice must be accompanied by suitable proof of the real estate tax for the Unit (such as a real estate tax bill or title report). If the amount due is not paid within said fifteen (15) calendar day period, then the party owed payment will be reimbursed: (a) per diem interest on the unpaid amount at the rate equal to the lower of sixteen percent (16%) a year or the highest rate allowed by Law to be charged to individuals, computed from the end of the fifteen (15) calendar day period until payment is received (to compensate for loss of potential earnings on the amount past due); and (b) the Costs and Expenses of collection. The obligation to adjust the apportionment for real estate taxes and to pay the appropriate party will survive Closing of Title.

N-1.4. Closing Apportionments with Condominium Board. At the First Closing, Sponsor and the Condominium Board will apportion as of the end of the day immediately preceding the First Closing, all Building expense items customarily apportioned in New York City by a seller and purchaser of a multiple dwelling (apart from real estate taxes), including: (a) all payments and obligations relative to the Building's staff; (b) the cost of fuel (including sales tax), if any; (c) the payments under any assignable service, maintenance and concessionaire agreements; (d) the premiums for transferable insurance policies; (e) the water charges, sewer rents and vault charges (if any) based on the fiscal or calendar year for which assessed; (f) the cost of unused Building supplies on hand, at Sponsor's cost (including sales tax) (the Managing Agent will verify the inventory of such supplies); (g) the charges for electricity and gas for the Common Elements and deposits with utility companies; (h) the fees of any Governmental Authority for inspections, permits and licenses; (i) the management fee; and (j) the fee to the Realty Advisory Board on Labor Relations, Inc. or similar real estate industry group (if any).

The "Customs in Respect to Title Closings" recommended by The Real Estate Board of New York, Inc., as amended to date, will apply to these apportionments, except as may otherwise expressly be provided in this subsection N-1.4. Any error or omission in computing the apportionments discovered after the First Closing of a Residential Unit will be corrected and payment made to the proper party promptly after receipt of a written notice detailing the calculation of the amount owed, provided such notice is sent within six (6) months following the election of an Independent Board Member. SPECIAL RISK: The six (6) month period to send such notice is a "TIME OF THE ESSENCE", or deadline, period (see said subsection A-6 above). This provision will survive the First Closing.

To the extent any of these items are provided in the First Year's Budget or the Condominium Documents to be paid by only all Residential and Storage Units or by all Units, then each applicable group of Units will be required to pay that portion of such item that is fairly and properly attributable to such group of Units in accordance with the First Year's Budget and the Condominium Documents.

If the closing apportionments results in a "net amount" to be paid by the Condominium Board to Sponsor, the Condominium Board will pay such net amount to Sponsor at the First Closing from the Initial Working Capital Fund and (if insufficient) the balance owed shall be paid, without interest, in 12 equal, consecutive monthly installments on the first day of the month, starting the first calendar month after the First Closing of a Residential Unit, or sooner as and when the First Working Capital Payments paid by Purchasers are delivered to the Board, all pursuant to a promissory note to be signed and delivered by the Condominium Board at said First Closing. If the net amount of the closing apportionments is in favor of the Condominium Board: (a) Sponsor's payment of the Initial Working Capital Fund will be credited against the net amount owed and (if insufficient) the deficiency will be paid by Sponsor to the Condominium Board at the First Closing and added to the Working Capital Fund; and (b) an amount equal to such credit that otherwise is to be reimbursed to Sponsor from the first Working Capital Fund contributions of Purchasers of Residential and Storage Units will not be paid to Sponsor and instead will be paid to the Condominium Board.

N-2. Mortgage Tax Credit. A mortgage tax credit is provided in RPL §339-ee and is calculated on the mortgage recording taxes (except for a certain special additional mortgage recording tax) paid on a blanket mortgage whose proceeds were applied (for example) to capital expenditures or expenses or to purchase the Property. The statutory credit applicable to each Unit is prorated in accordance with the Unit's percentage of Common Interest. The statutory credit is not available where the first Unit is sold more than two years after the blanket mortgage is recorded.

Under the Plan and the Purchase and Sale Agreement, Purchaser is required to reimburse Sponsor at Closing of Title an amount equal to any savings on the mortgage recording tax resulting from such mortgage tax credit available to Purchaser with respect to any purchase money mortgage on the Unit obtained by Purchaser at Closing of Title. The net result to Purchaser of such payment (if any) to Sponsor is to eliminate any benefit to Purchaser for the statutory mortgage tax credit and, in effect, for Purchaser to pay overall an amount equal to the mortgage recording tax on Purchaser's mortgage as though there were no such credit. See subsection N-1.1(d) above for illustration of estimated mortgage recording tax.

N-3. Fees of Sponsor's Attorney and Lender's Attorney. SPECIAL RISK: At Closing, Purchaser will pay Sponsor's attorney, Seyfarth Shaw LLP, a fee for all Units that close simultaneously of $2,000 (if Purchaser closes without a mortgage loan) or $2,500 (if Purchaser closes with mortgage financing) for services in connection with the Closing (including preparation of the notice scheduling the date of Closing of Title, calculating the Unit closing apportionments, preparing or obtaining applicable Unit closing documents and arranging and coordinating the attendance at Closing of all applicable parties). See Section A, subsection A-14.1 above. If Purchaser is obtaining financing, lenders will customarily require Purchaser to pay the fee of lender's attorney, which will vary. An estimated fee of $750 is projected to be paid by Purchaser for lender's legal fee in subsection N-1.1(g) above. This is a good faith estimate, but no closing costs are guaranteed by Sponsor or the Selling Agent.

N-4. Real Estate Taxes. Until the Units are separately assessed and billed for real estate taxes, the real estate taxes assessed to the Property shall be included in the General Common Expenses and specially allocated and assessed to the Units in accordance with the percentages and methodology set forth in footnote (6) to SCHEDULE A (in Section E) and Section F, subsection F-3. After the Units are separately assessed and billed for real estate taxes, Unit Owners will be reimbursed for any overpayment of taxes or assessed for an underpayment. See Section S, subsection S-1.3 and Article 9, Section 9.1 of the Declaration for discussion.

END OF SECTION N

SECTION O. RIGHTS AND OBLIGATIONS OF THE SPONSOR

O-1. Rights of Sponsor. This Section O summarizes many of the more important Sponsor's Rights under this Plan and the Condominium Documents and apply to all Units owned by Sponsor or Sponsor's designee at the time in question, including Unsold Units and Units reacquired by Sponsor or Sponsor's designee, whether such reacquisition results from the exercise of a right of rescission or a right to sell back to Sponsor or a mortgage foreclosure or a deed given in lieu of such foreclosure or otherwise. However, such reacquired Units shall not be regarded as Unsold Units for purposes of determining the expiration Sponsor Board Control Period or the Sponsor Veto Control Period.

Sponsor's Rights shall inure to the benefit of each and every Unsold Unit Owner, who will succeed to all of Sponsor's Rights and Sponsor's Obligations with respect to each Unsold Unit owned by Sponsor or Sponsor's designee. All of Sponsor's Rights shall be binding upon, and enforceable by Sponsor and Sponsor's designee against, the Condominium Board and all Unit Owners with respect to each Unsold Unit owned by Sponsor or its designee (as applicable), but subject to the applicable limitations and restrictions applicable to Sponsor's Rights as contained in this Plan. The summary is not intended to be exhaustive and should be read in conjunction with the other Sections of this Plan. All references to Sponsor in this subsection O-1. shall include Sponsor's designee with respect to the Unsold Units owned by such Sponsor's designee, unless otherwise expressly stated

O-1.1. Status of Unsold Unit. An Unsold Unit shall retain its status and character as an Unsold Unit until it is conveyed to a bona fide Purchaser under this Plan.

O-1.2. Sponsor's Right to Change Prices, Units and Common Elements. Sponsor has the unfettered and unconditional right to change the asking prices, the Units and the Common Elements on, and subject only to, the terms and conditions stated in "Section I. Changes in Prices and Units".

O-1.3. Sponsor's Rights to Sell, Lease and Mortgage. Sponsor has the unfettered and unconditional right, Freely and Without Consent, Payment or Restriction: (a) to sell and convey Residential and Storage Units; (b) to lease and rent Unsold Storage Units to Unit Owners and tenants of the Building; and (c) to mortgage Unsold Units with one or more mortgages. Sponsor intends to sell rather than rent all Residential and Storage Units and will endeavor in good faith to sell said Units in a reasonably timely manner, preferably to Purchasers for personal occupancy by themselves or their families, but Sponsor may freely sell to Purchasers for rental investment. SPECIAL RISK: Sponsor, however, reserves the unfettered and unconditional right, Freely and Without Consent, Payment or Restriction (except as herein provided), if market prices decline by 15% or more below the prices set forth in Purchase and Sale Agreements counted or to be counted toward effectiveness, to rent Residential Units, for an initial minimum term of not less than six (6) months, but Sponsor may not use the Building as hotel and accordingly will not rent Residential Units on a daily or weekly basis. If Sponsor elects to rent, Sponsor will resume good faith efforts to sell rather than rent when a lease expires and market prices upturn to prices above said 15% threshold (see SPECIAL RISK Section A, subsection A-11).

With respect to each Unit mortgaged to Sponsor or a Sponsor Related Party ("**Sponsor Mortgagee Unit**"), Sponsor or said Sponsor Related Party (as applicable) or its designee shall have the unfettered and unconditional right, Freely and Without Consent, Payment or Restriction, to acquire a Sponsor Mortgagee Unit following a foreclosure of said mortgage or a deed in lieu thereof given to Sponsor or said Sponsor Related Party or its designee (as applicable), and thereafter to sell, convey, lease, sublease and mortgage (with one (1) or more mortgages) from time to time, such Sponsor Mortgagee Unit.

The unfettered and unconditional right of Sponsor and a Sponsor Related Party, and said designee, to sell, convey, lease and mortgage Unsold Units and Sponsor Mortgagee Units, Freely and Without Consent, Payment or Restriction (except the restrictions expressly noted above), include:

(a) without the consent or approval of the Condominium Board or Unit Owners;

(b) without complying with any kind of condition, requirement or restriction, other than those restrictions expressly noted above, but without offering the Condominium Board the Right of First Refusal (i.e., Match Offer Right) to purchase or lease or sublease the Unit on the same terms offered by a proposed purchaser or tenant or subtenant, respectively, and without complying with any requirements as to the form or content (including the term or other provisions) of a lease, sublease, mortgage or other instrument (except each lease and sublease entered into after recording the Declaration and establishment of condominium ownership of the Property must expressly provide that it is subordinate to the Condominium Documents);

(c) without Sponsor or Purchaser paying any fee, charge, transfer fee or "flip tax", "entrance fee", imposition or expense of the Condominium Board or its Managing Agent or attorneys (however, this will not excuse the payment of any applicable governmental taxes by the party charged by Law, such as the New York City and New York State transfer taxes); and

(d) without the proposed Purchaser, Owner, tenant or subtenant (as applicable) submitting an application, financial or bank statement, copies of income tax returns, references or other documents or attending an interview.

See Section A, subsections A-9, A-10 and A-11 for SPECIAL RISKS associated with these Sponsor's Rights.

The lien in favor of the Condominium Board for unpaid Common Charges or other indebtedness under the By-Laws and the Condominium Act shall be subordinate to, and shall not affect the priority, validity or enforceability of, a prior recorded first mortgage on an Unsold Unit.

Within ten (10) days after written notice of a proposed sale, conveyance, lease or mortgage of an Unsold Unit or a Sponsor Mortgagee Unit is hand delivered or mailed to the Condominium Board or its Managing Agent, the Condominium Board shall duly sign and return to Sponsor or the appropriate Unsold Unit Owner (as applicable), and Sponsor or such Unsold Unit Owner (as applicable) shall receive:

(a) (in the case of a proposed sale or lease) a certificate that the transaction is exempt from the Condominium Board's Right of First Refusal; and

(b) a certificate as to: (b-1) the status of payment of Common Charges, Special Assessments and other payments (if any) for the applicable Unsold Unit or Sponsor Mortgagee Unit, or of any other indebtedness of Sponsor or Unsold Unit Owner (as applicable) to the Condominium Board; (b-2) whether a notice of default under, or violation of, the Condominium Documents by the Sponsor or such Unsold Unit Owner (as applicable) has been given and (if given) whether or not it has been corrected; and (b-3) whether an event is known to have occurred which with notice or the passage of time or both would constitute a default under, or violation of, the Condominium Documents by Sponsor or such Unsold Unit Owner (as applicable).

Each such certificate must be satisfactory in form and content to, and will be prepared by an attorney designated by, Sponsor or such Unsold Unit Owner (as applicable).

O-1.4. Sponsor's Right to Alter Unsold Units. Sponsor has the unfettered and unconditional right to Alter its Unsold Units before and after the First Closing of a Residential Unit ("**Sponsor's Right to Alter**"), and each and every first Owner of a Sold Residential Unit who has been so expressly authorized in writing by Sponsor shall have the right to Alter the Owner's Sold Residential Unit ("**Authorized First Sold Residential Unit Owner**"), Freely and Without Consent, Payment or Restriction, other than the requirement to comply with the applicable Work Requirements set forth in the Declaration. Sponsor's Right to Alter includes the right to make all Unit Changes in accordance with the provisions set forth in Section I, subsections I-5, I-6 and I-7 above.

O-1.5. Sponsor's Right for Use and Occupancy of Unsold Units. Unsold Units shall be exempt from all restrictions and requirements in the Condominium Documents as to use and occupancy of Units, other than the requirement to comply with applicable Laws and the restriction against applicable Prohibited Uses (see SPECIAL RISK Section A, subsection A-1 for changes in use of the Retail Unit). Accordingly, Unsold Residential Units may be used as models and offices for the sale, rental, management, Operation, marketing, advertising and Promotion of Unsold Units and for any other lawful purpose, other than applicable Prohibited Uses. Such permitted uses of Unsold Units (including the Retail Unit) may be noisy, emit odors, involve heavy traffic and cause other effects that need not necessarily be compatible with the primary use of the Building for dwelling purposes. Sponsor reserves the right (but has no present intention) to obtain a new or amended Certificate of Occupancy of the Building or a zoning variance to authorize a different use of any or more Unsold Units. Moreover, Sponsor Units may be occupied by any Person or Persons approved by Sponsor, regardless of any relationship or lack of relationship with Sponsor.

O-1.6. Sponsor's Right to Access and Use Common Elements and Units. Sponsor shall have the unfettered and unconditional right, Freely and Without Consent, Payment or Restriction (other than the requirement to comply with the applicable Work Requirements set forth in the Declaration) to access and use the General Common Elements and Residential Common Elements (including in particular, but not limited to, the Building Walls, the 515 West 23rd Street Public Areas, the residential public halls and corridors, and the elevator), the sidewalks

immediately adjacent to the Property (hereafter sometimes "**Sidewalk Areas**") and (to the extent necessary to meet Sponsor's Obligations) the Units in connection with the following (among others):

(a) the sale, rental, Promotion, Operation, management, use, occupancy or ownership of Unsold Units, including: (a-1) to install, erect, Maintain and Repair furnishings, wall and floor coverings and other Decorations in the public and residential areas, such as the 515 West 23rd Street Public Areas, the public corridors and hallways, and other portions of the Common Elements; (a-2) to station sales and rental staff in the 515 West 23rd Street Public Areas and in any lobby area and all other public portions of the Common Elements; (a-3) to erect, Maintain, Repair and Alter one or more Signs of any size, content, composition, material, design, illumination, character, color and/or appearance deemed appropriate by Sponsor: on the Building Walls, the adjacent Sidewalk Areas; and in or on the 515 West 23rd Street Public Areas, the public corridors, the hallways, and other portions of the Common Elements; (a-4) to provide access to: sales and rental personnel, outside brokers, prospective Purchasers and renters, contractors and their subcontractors and workers, architects, engineers, decorators and other Persons authorized by Sponsor; and (a-5) to install, erect, Maintain, Repair, Alter and otherwise Operate Communications Equipment and Other Installations on Roofs and Roof Structures and in Equipment rooms and non-public portions of the Common Elements and to permit licensees to so do (as provided in Section 11.14 of the Declaration);

(b) the completion of the construction, equipping and outfitting of the Building (including the Units and Common Elements) in accordance with Sponsor's Plans and Specifications, as amended from time to time by Sponsor pursuant to this Plan;

(c) the Alteration and Repair of Unsold Units;

(d) the performance of any Work undertaken by Sponsor in this Plan, a Plan Amendment or a Purchase and Sale Agreement (whether performed before or after the First Closing or the Closing of Title under the applicable Purchase and Sale Agreement);

(e) the performance of any obligations to a tenant or occupant of an Unsold Unit or pursuant to a lease or otherwise; and

(f) the transportation and storage of materials, Equipment and supplies, and the temporary interruption of elevator, water, plumbing, electric and other Building services, in connection with the performance of: (f-1) the construction, Alteration or Repair of Unsold Units; (f-2) the obligations or Work undertaken by Sponsor in this Plan or a Plan Amendment or a Purchase and Sale Agreement; or (f-3) the obligations of Sponsor to tenants or occupants of Unsold Units.

The Condominium Board and Unit Owners may not impose any fees, charges, impositions, restrictions, requirements, work rules or other limitations on, nor prevent or unreasonably impede or interfere with, the foregoing access to, and uses of, the General Common Elements, the Residential Common Elements (including the 515 West 23rd Street Public Areas, the public halls and corridors, and the elevator), the adjacent Sidewalk Areas or the Units by Sponsor or its

Agents, Employees and Contractors, or any Disposition of an Unsold Unit. Nevertheless, such access to, and uses of, the General Common Elements, the Residential Common Elements, the adjacent Sidewalk Areas and the Units must comply with all applicable Laws and may not unreasonably interfere with the quiet enjoyment of a Unit or the permitted use of a Residential Unit set forth in this Plan. In addition, when such access or use ends, Sponsor must Repair all damages caused by Sponsor's access or use and restore the affected General Common Elements, the Residential Common Elements, the adjacent Sidewalk Areas or the Units to as near as reasonable and economically practical to their condition existing immediately prior to such access or use.

O-1.7. Sponsor's Right to Obtain Cooperation of Condominium Board. The Condominium Board shall fully cooperate with Sponsor in connection with the exercise of Sponsor's Rights, including any Disposition of any one (1) or more Unsold Units (i.e., all Residential and Storage Units and the Retail Unit owned by Sponsor at the time in question), Freely and Without Consent, Payment or Restriction, except those out-of-pocket costs set forth below in connection with a Government Document or Litigation Document. In furtherance of such cooperation, within ten (10) calendar days after written request therefore is hand delivered or mailed to the Condominium Board or its Managing Agent, the Condominium Board shall properly complete, sign and return to Sponsor, and Sponsor shall receive, any requested Government Document or Litigation Document. In connection therewith:

(a) Sponsor shall pay or reimburse the Condominium Board for the governmental fees and charges or court costs in connection with a Government Document or Litigation Document, respectively, executed at the request of Sponsor under this subsection;

(b) Sponsor shall have the exclusive right to conduct and make all decisions in connection with the Lawsuit which is the subject of the Litigation Document, including the rights to select the attorney and to negotiate and determine the terms of settlement;

(c) Sponsor shall pay all legal fees and disbursements (other than those of any separate attorney the Condominium Board may retain), court costs and other expenses of such Lawsuit; and

(d) Sponsor shall indemnify the Condominium Board, and its officers, Board Members, employees and agents, and all Unit Owners from and against all Claims resulting from the Condominium Board's execution of a Government Document or Litigation Document, and from and against any authorized Work performed by contractors or other workers engaged by Sponsor pursuant to a Government Document, and from and against any action or inaction taken or omitted at the request of Sponsor in accordance with this subsection.

O-1.8. Sponsor's Right of Board Control and Representation. Sponsor, as Owner of Unsold Residential and Storage Units, shall exclusively appoint and designate three (3) Sponsor Board Members, who will constitute a majority of both all Board Members and the Residential Board Members and thereby have voting control of the entire Condominium Board and the Residential Board Members during only the Sponsor Board Control Period. At all elections held after the end of the Sponsor Board Control Period, for so long as there is at least one Unsold Residential Unit, Sponsor (as Owner of one or more Unsold Residential and Storage Units) shall exclusively

appoint and designate one (1) Sponsor Board Member. When Sponsor's voting control of the Board ends, a majority of the Condominium Board must be Owner-occupants or members of their household who are not related to Sponsor or its principals (whether by blood, marriage or adoption, or as a business associate, an employee, a shareholder or a limited partner), thereby giving Sold Unit Owners voting control of the Board. These provisions are explained more fully in "Section P. Control By The Sponsor". The Retail Unit Owner (including Sponsor while it owns the Retail Unit) also shall exclusively appoint and designate one (1) Commercial Board Member. See also Section Q, subsection Q-5.1 for exclusive right of the Sponsor Board Member(s) and the Commercial Board Member to each appoint and designate officers of the Board (such officers may only act in connection with the Operation and affairs of Unsold Residential and Storage Units and the Retail Unit, respectively). Sponsor Board Members may be removed "with" or "without" cause by only Sponsor. Any vacancy by a Sponsor Board Member (whether resulting from removal, resignation, death, incompetency, incapacity or otherwise) shall be filled by only Sponsor.

O-1.9. Sponsor's Right of Veto Control. Sponsor shall have the right to veto certain actions of the Condominium Board (including decisions made by the Residential Board Members) during only the Sponsor Veto Control Period ("**Sponsor's Right to Veto**"), which will end on the *earlier* of: (a) the date that the Common Interests appurtenant to the Unsold Residential and Storage Units constitute less than 25% of the aggregate Common Interests of all Residential and Storage Units; or (b) the fifth (5th) anniversary of the First Closing of a Residential Unit. Sponsor's Right to Veto applies generally to Board actions to raise Common Charges (including Special Assessments) or to borrow money for non-essential purposes, but Sponsor may not exercise veto control over expenses described in the First Year's Budget (SCHEDULE B in Section F above) or over expenses required: (a) to comply with applicable Laws or regulations; or (b) to remedy a governmental notice or violation; or (c) to remedy a Work order or an insurer of the Building, as explained in Section P, subsection "P-2. Sponsor's Veto Control".

O-1.10. Sponsor's Right For Tenants of Unsold Units To Receive Building Services. The Condominium Board shall provide to each tenant and occupant of an Unsold Unit, and such tenant and occupant shall receive, without discrimination, all of the same Building services, amenities and facilities as are provided to all Sold Unit Owners. No fee, charge, impositions or Cost or Expense (other than regular Common Charges payable by all Unit Owners or all Residential Unit Owners, as applicable) shall be assessed by the Condominium Board against the tenant, occupant or Sponsor for Building services, amenities and facilities if: (a) such applicable Building services, amenities or Facilities are being provided to tenants of Residential Units at the date of First Closing without fee, charge or other imposition; or (b) such assessment is expressly not permitted under this Plan or the Condominium Documents; or (c) Sponsor or Sponsor's tenant or occupant is expressly exempted therefrom under this Plan or the Condominium Documents; or (d) other Unit Owners are not similarly assessed. Building services, amenities and Facilities include the services of the superintendent and other Building staff, all Building Systems serving the Unsold Units (such as heat, electricity, gas, ventilation, elevator, intercom and plumbing), and all amenities (such as the recreational facilities).

The Condominium Board shall diligently and in good faith remove any violation noted or issued against the Building if failure to do so: (a) prevents Sponsor from obtaining a rent increase or a desired amended or new Certificate of Occupancy; or (b) is grounds to reduce or withhold the

rent of a tenant or occupant of an Unsold Unit. The Condominium Board shall also be obligated to Maintain and Operate the Building after the end of the Sponsor Board Control Period in substantially the same or better manner and condition as Maintained and Operated during the Sponsor Board Control Period (subject to Sponsor's Right to Veto during only the Sponsor Veto Control Period).

If a tenant or occupant of an Unsold Unit violates any of the provisions of the Condominium Documents, the sole right and remedy of the Condominium Board shall be to enjoin the continuation of such violation by appropriate Lawsuit, but in no event shall Sponsor be liable for any damages, Costs or Expenses based thereon.

Any permitted fee, charge, imposition or Cost and Expense properly assessed by the Condominium Board against a tenant or occupant of an Unsold Unit in accordance with this Plan and the Condominium Documents shall be the personal responsibility of such tenant or occupant. In no event shall the Condominium Board have any recourse against Sponsor or an Unsold Unit, and Sponsor shall not be liable and no lien against an Unsold Unit shall arise, by reason of non-payment thereof by such tenant or occupant. Nothing herein will excuse Sponsor, as Owner of Unsold Residential and Storage Units, from paying the Residential Common Charges levied against all Residential and Storage Unit Owners to pay the Residential Common Expenses.

O-1.11. Sponsor's Rights of Indemnity and Self-Help. If the Condominium Board violates any of Sponsor's Rights or fails to perform or comply with its obligations under this Plan, an Amendment or the Condominium Documents, including those relating to the Repair, Maintenance, Alteration or restoration (after a casualty or a taking by eminent domain or condemnation of the Building or any portion thereof), then: (a) the Condominium Board shall indemnify Sponsor from any resulting Claims and all Liabilities and Expenses; and (b) Sponsor shall have the right (but not the obligation) and an irrevocable power of attorney ("coupled with an interest") to correct such violation or perform such defaulted obligation in the name, and at the Cost and Expense, of the Condominium Board.

This indemnity and right of self-help shall apply only if: (a) the Board's violation or failure to perform occurs while the Independent Board Members constitute a majority of the Residential Board Members; and (b) (in the case of a violation issued or noted by a Governmental Authority against the Building) Sponsor is not obligated to correct the violation under this Plan.

In addition, before Sponsor undertakes any Work to be paid or reimbursed by the Condominium Board:

(a) Sponsor must first send to any Independent Board Member written notice ("**Self-Help Notice**") of Sponsor's election to do the Work at the Cost and Expense of the Condominium Board; and

(b) the Condominium Board must be given the following period to commence the Work: (b-1) thirty (30) calendar days from sending the Self-Help Notice (if, in Sponsor's reasonable judgment, the Work will cost under $100,000); (b-2) sixty (60) calendar days from sending the Self-Help Notice (if, in Sponsor's reasonable judgment, the Work will cost $100,000 or more); or (b-3) ninety (90) calendar days from receipt of any proceeds of insurance (in the

case of a casualty) or of any award (in the case of a taking by eminent domain or condemnation); and

(c) the Condominium Board must be allowed to complete the Work with reasonable diligence and continuity.

In the event the Condominium Board does not begin the Work within the applicable time period or the Condominium Board does not complete the Work with reasonable diligence and continuity, Sponsor may (but is not obligated) to proceed to do the Work in the name, and at the Cost and Expense, of the Condominium Board. In the event Sponsor elects to do the Work, the Condominium Board will reimburse Sponsor, promptly after written demand is made, for Sponsor's Costs and Expenses. Sponsor's demand must be accompanied by a detailed statement of the Costs and Expenses to be reimbursed and copies of any supporting bills. If full payment is not received by Sponsor within ten (10) business days after sending the demand, the Condominium Board will pay Sponsor per diem interest on the amount owed at the annual rate of sixteen percent (16%) (computed from the first day following the ten (10) business day period through the date payment is received by Sponsor) to reimburse Sponsor for loss of potential earnings thereon. In addition, the Condominium Board will reimburse Sponsor for the Costs and Expenses incurred to collect the amount owed.

O-1.12. Sponsor's Rights To Amend, and to Approve Amendments to, the Condominium Documents. Sponsor shall have the unfettered and unconditional right to amend the Condominium Documents without the consent or approval of the Condominium Board or representatives of Unit mortgage lenders, and without the express consent or approval of other Unit Owners (who automatically and irrevocably shall be deemed to have given their consent or approval), in order to:

(a) reflect Unit Changes to Unsold Units or to a Unit whose Owner has been transferred certain rights in the Declaration;

(b) apportion the Common Interests of the Unsold Units or other Unit affected by such Unit Changes whose Owner has consented thereto; and

(c) conform to objections made by: (c-1) an Institutional Lender in connection with an existing or proposed Unit mortgage; or (c-2) a Governmental Authority having jurisdiction over the Condominium Association or the Property; or (c-3) a title insurance company insuring title to a Unit.

However, such Amendment may not change the Common Interest of a Sold Unit, or require a Sold Unit to be physically modified, nor adversely affect the priority or validity of the lien of any purchase money mortgage or Institutional Lender's mortgage on a Sold Unit, unless the Owner of the affected Sold Unit or said mortgage lender (as may be appropriate) consent in writing to the Amendment.

So long as there is an Unsold Unit, Sponsor's prior written Discretionary Consent is required for any Amendment of any one (1) or more provisions of the Condominium Documents that would with reasonable likelihood: (a) unreasonably interfere with any Disposition of an Unsold Unit; (b) adversely affect any of Sponsor's Rights; (c) impose any fee, charge, imposition or Cost and

Expense against Sponsor or a Purchaser, tenant or occupant of an Unsold Unit not expressly allowed under this Plan; or (d) change the permitted use, occupancy, Common Interest or value of an Unsold Unit.

O-1.13. Sponsor's Right to Grant Easements, Licenses and Leases. For so long as Sponsor owns any Unit, Sponsor shall have the unfettered and unconditional right (subject only to the limitation contained below), on behalf of all Unit Owners, to grant easements, licenses and leases (collectively, "**Easements**" and individually, "**Easement**") to all or any portion of the Property as Sponsor deems necessary or desirable for: (a) the proper Operation and Maintenance of all or any portion of the Building; (b) the general health, safety, security or welfare of Owners or occupants of one (1) or more Units; (c) compliance with applicable Laws or requirements of Governmental Authorities having jurisdiction (including requirements to obtain a temporary or permanent Certificate of Occupancy for the Building, or an extension of said temporary Certificate of Occupancy, or a governmental permit to Operate any Building Equipment); or (d) the erection, installation, Maintenance and Operation of Communications Equipment and Other Installation and other "utility services" (as defined and provided in Section 11.11 of the Declaration).

This Sponsor's Right includes: (a) granting of Easements for: (a-1) telephone, electricity, gas, cable or wireless satellite television or other media, water, storm, sewer, drainage and other utilities; (a-2) a right of way; (a-3) ingress and egress; and (a-4) support or necessity; and (b) relocating Easements.

However, no Easements may be granted that would with reasonable likelihood unreasonably interfere with the use or occupancy of Units for their permitted purposes under this Plan or the Operation of, or business conducted in, the Commercial Unit or any portion thereof. A utility company or other Person who is granted an Easement ("**grantee**"), and such grantee's Agents, Employees and Contractors, shall have and be given reasonable access to, from, through, across and on the Units and Common Elements in connection with Work to be performed in furtherance of the Easement.

O-1.14. Sponsor's Right to Approve Certain Sold Unit Alterations. During only the Sponsor Veto Control Period and until issuance of the permanent Certificate of Occupancy of the Building, no Sold Residential Unit Owner may Alter (including replace, furnish, landscape, paint or otherwise Decorate) the windows or Terrace doors of the Owner's Sold Residential Unit or its appurtenant Terrace (if any), or any other portions or areas of such Unit exposed to public view, without obtaining the prior written Discretionary Consent or Approval of Sponsor in each instance.

O-1.15. Sponsor's Right to Enter into Agreements Binding on Association. Sponsor reserves the unfettered and unconditional right, prior to the First Closing of a Residential Unit, to renew, extend and modify existing employment, service, management, maintenance, utility and telecommunications agreements, leases and licenses (collectively, "**Service Agreements**"), and to enter into new Service Agreements, for the Building on such terms as Sponsor deems desirable. All such Service Agreements will be binding on the Condominium Association, but the Plan will be amended to disclose any Service Agreements that will materially increase the projected Common Charges or are for a term longer than five (5) years, other than utility,

telecommunications and similar Service Agreements that customarily are for terms longer than five (5) years. See Section W, subsection W-3 for discussion.

O-2. Obligations of Sponsor. All of Sponsor's Obligations set forth in this Section O and elsewhere in the Plan (collectively, "**Sponsor's Obligations**") are contingent upon Sponsor declaring the Plan effective, the Effectiveness Amendment being duly filed by the Attorney General and the Plan being consummated with the First Closing of a Residential Unit (see "Section L. Effective Date"). The foregoing shall not excuse Sponsor from Sponsor's obligations to comply with Article 23-A of the General Business Law or Part 20 of the Attorney General's regulations. The Condominium Board shall have the exclusive right to enforce Sponsor's obligations, other than those of Sponsor's Obligations that the Attorney General has the exclusive right to enforce under said Article 23-A and Part 20. The foregoing, however, shall not preclude or prevent a Purchaser from separately enforcing any violation or default by Sponsor under the Purchase and Sale Agreement that involves only Purchaser's Unit.

Sponsor's Obligation to endeavor in good faith to sell rather than rent all Residential Units in a reasonably timely manner, the circumstances limitations under which Sponsor may rent rather than sell, and the conditions under which Sponsor would resume sales are discussed in subsection O-1.3 above.

O-2.1. Sponsor's Obligation to Defend and Indemnify Condominium Board and Unit Owners. Sponsor shall defend (with an attorney selected by Sponsor) and indemnify the Condominium Board and Unit Owners from and against any suits or proceedings arising out of Sponsor's acts or omissions, provided and on condition that any Independent Board Member on behalf of the Condominium Board or the affected Unit Owner ("**Indemnified Party**") shall promptly notify Sponsor in writing of any suit or proceeding for which indemnity is sought, but in no event shall Sponsor receive such notice, together with any complaint or petition (as applicable) as to which Sponsor is not directly served with process therein, later than fifteen (15) calendar days after the complaint or petition (as applicable) in such suit or proceeding is served on or received by any Independent Board Member (on behalf of the Condominium Board) or said affected Unit Owner, respectively. SPECIAL RISK: Said fifteen (15) calendar day period is a deadline or "TIME OF ESSENCE" period (see SPECIAL RISK Section A, subsection A-25 above). Sponsor shall have the exclusive right to control the defense, compromise and settlement of the suit or proceeding. The Indemnified Party shall fully cooperate and make available to Sponsor and Sponsor's attorneys such information, documents and witnesses under the control or in the possession or employ of the Indemnified Party as are reasonably related to the defense of the suit or proceeding. Failure of the Indemnified Party to strictly comply with the foregoing shall release and discharge Sponsor from Sponsor's obligation to defend and indemnify the Indemnified Party.

O-2.2. Survival of Sponsor's Representations and Obligations. All representations under the Plan, all obligations pursuant to the GBL, and such additional obligations under the Plan which are to be performed subsequent to the First Closing of a Residential Unit or under a Purchase and Sale Agreement will survive delivery of the deed.

O-2.3. Sponsor's Obligation for Carrying Costs of Unsold Units. Sponsor agrees to pay all Common Charges, Special Assessments and real estate taxes with respect to its Unsold Units

(see Section R, subsection R-3.4 for the Board's statutory lien on each Unit for unpaid Common Charges and the Board's remedies, including foreclosure of such lien). Sponsor represents that it has the financial resources to meet its obligations with respect to Unsold Units and will fund its financial obligations to the Condominium Association from sales of Unsold Units, the net avails from rentals of Unsold Units (including the Retail Unit, but subject to Sponsor's undertaking to endeavor in good faith to sell rather than rent as provided in subsection O-1.3 above), the unfunded portion of a construction loan, and existing cash reserves and/or payments from Sponsor's members, if and to the extent made available. No bond or other security has been furnished to secure Sponsor's obligations.

O-2.4. No Obligation for Damages to a Unit. If a Purchaser's Unit is damaged from a casualty or other cause occurring before title passes to Purchaser, Sponsor will have the right, but will not be obligated, to repair the damage. If the damage is not repaired by Sponsor or the Condominium Board (if the First Closing of a Residential Unit has occurred and the Board is responsible to repair) and Purchaser is not responsible to repair as provided below, the Purchase and Sale Agreement will be cancelled and the Deposit returned to Purchaser together with any earned interest and any Net Refundable Special Work Payment (if and to the extent applicable). Purchaser shall not have the right to cancel the Purchase and Sale Agreement or recover the Deposit if Sponsor or the Board repairs the damage or if Purchaser is given possession of the Unit prior to Closing of Title pursuant to an Interim Lease, or Purchaser is at fault for causing the loss or damage. See Section M, subsection M-2 for full discussion.

O-2.5. Sponsor's Obligation for Property Insurance. Sponsor shall procure at the expense of the Condominium Board fire and casualty insurance pursuant to an "agreed amount replacement value" policy as reflected in SCHEDULE B (in Section F above). The effect of an agreed amount replacement value policy is to waive any co-insurance claim of the insurer, but does not mean that the Condominium Association would necessarily realize sufficient insurance proceeds to rebuild or restore the Building in the event of a substantial or total destruction. The insurance provided in SCHEDULE B to be maintained by the Condominium Board does not include coverage for: (a) fire or casualty losses to a Unit or its contents, replacements, additions, fixtures; or (b) liability for occurrences within or on a Unit, including a Terrace (if any). Unit Owners should consider the desirability of obtaining such coverages and liability coverage for their undivided interest in the Common Elements at their own cost to the extent the insurance maintained by the Board for incidents in, on or caused by the Common Elements is inadequate or the risk is not insured. See the "Insurance" footnote to SCHEDULE B for all insurance coverages to be obtained.

O-2.6. Sponsor's Obligation on Dissolution or Liquidation. In the event of the dissolution or liquidation of Sponsor or the transfer of ten (10) or more Units or twenty percent (20%) or more of the total number of Units in the Condominium, whichever is less, the principals of Sponsor will provide financially responsible entities or individuals who will assume the status and all of the obligations of Sponsor for those Units under the Plan, applicable Laws or regulations and in the event of dissolution or liquidation, the principals of Sponsor shall guarantee the performance of such obligations.

O-2.7. Construction Financing. Sponsor has received a "pre-commitment" loan letter dated July 25, 2007 from Bank Leumi USA ("**Bank Leumi**"), with an office at 562 Fifth Avenue, New

York, NY, under which Bank Leumi will consider providing a construction loan of $31,000,000 under the terms and conditions outlined in said letter. The letter is not a binding commitment on Bank Leumi. Sponsor anticipates closing the loan on or about September, 2007. The construction loan will provide that the lender will be required to release its lien from a Unit being sold in exchange for a set minimum release price or a minimum payment for the sale.

O-2.8. Sponsor's Construction Obligation. Sponsor is obligated to construct, equip and outfit the Building (including the Units and Common Elements) in accordance with all applicable codes and Sponsor's Plans and Specifications filed with, and approved by, the Department of Buildings of The City of New York, as such Plans and Specifications may be amended from time to time pursuant to this Plan. A report describing some of the more material aspects of the Plans and Specifications, prepared by Sponsor's architect, is contained in Part II of this Plan as DOCUMENT 4. Sponsor has the right: (a) to make Unit Changes in accordance with subsection I-4 above, but subject to compliance with subsections I-5 and I-6 above; and (b) to substitute Equipment or materials (including: HVAC/Mechanical/Utility Building Systems; appliances; cabinets; countertops; wall, floor and ceiling finishes and coverings; and Decorations of the Common Elements); (c) to make modifications of layout and design; and (d) generally, to change all other construction details (all the foregoing are collectively "**Construction Changes**"); provided, however, that Sponsor shall comply with the following requirements ("**Construction Change Requirements**"): (x) Sponsor may not substitute Equipment or materials of lesser quality or design; or (y) Sponsor may not change the size or location of the Building or Units or other improvements or Common Elements if such change affects the percentage of Common Interests, or adversely affects the value of any Unit to which title has closed or for which a Purchase and Sale Agreement has been executed and is in effect unless all affected Unit Owners and Purchasers consent in writing to such change. Sponsor may make immaterial or minor Construction Changes without consent of Unit Owners or Purchasers and without prior notice or Amendment. This Plan, however, will be amended to disclose any material Construction Changes as required by Article 23-A of the General Business Law and Part 20 of the Attorney General's regulations.

O-2.9. Certificate of Occupancy. Prior to the First Closing of a Residential Unit, Sponsor must obtain a temporary or partial or permanent (at Sponsor's exclusive option) Certificate of Occupancy for the Building authorizing the use of the Residential Unit to be closed for dwelling purposes. Prior to the Closing of Title of each Residential Unit, Sponsor must obtain either a permanent Certificate of Occupancy for the Building or (at Sponsor's exclusive option) a temporary or partial Certificate of Occupancy for the Building authorizing the use of the Residential Unit to be closed for the purpose set forth in this Plan. This requirement does not apply to an individual Storage Unit, which will not expressly be authorized as such on the Building's Certificate of Occupancy. Sponsor will endeavor in good faith: (a) to continuously renew or extend the temporary Certificate of Occupancy until the issuance of a permanent Certificate of Occupancy for all Units; and (b) to complete or substantially complete the construction of the Common Elements to the extent sufficient to permit the issuance of a permanent Certificate of Occupancy of the Building within two (2) years after the issuance of the original temporary Certificate of Occupancy. Under the Multiple Dwelling Law ("**MDL**"), a temporary Certificate of Occupancy may only be renewed or extended for a maximum of two (2) years from the date of its original issuance. If a temporary Certificate of Occupancy expires before the issuance of a permanent Certificate of Occupancy, the Building will be in violation of

the MDL, subjecting occupants to potential eviction by the applicable Governmental Authorities having jurisdiction, and subjecting the Board and Unit Owners to potential penalties provided by Law. In practice, however, the Department of Buildings of The City of New York has not sought to evict occupants, unless there is an immediately hazardous condition, and often renewed or extended a temporary Certificate of Occupancy beyond the two (2) year limitation contained in the MDL, provided the customary requirements for granting the renewal or extension are met. Sponsor and Selling Agent do not assure, represent or guarantee that the temporary Certificate of Occupancy will be continuously renewed or extended beyond said two (2) year limit or until a permanent Certificate of Occupancy is issued. Nonetheless, lapse of a temporary or partial certificate of occupancy would likely prevent a Unit Owner from re-selling his or her Unit or closing on a loan secured by a mortgage against the Unit. Sponsor is obligated to obtain the permanent Certificate of Occupancy before the partial or temporary Certificate of Occupancy expires, unless extended.

Since the issuance of the permanent Certificate of Occupancy may be delayed until alterations (if any) undertaken by Unit Owners are completed or substantially completed, Sponsor's prior written Discretionary Approval or Consent must be obtained before any alteration may be performed that requires an alteration application to be filed with, or a work permit to be issued by, the New York City Department of Buildings or other Governmental Authority (see Section 15.2, clauses (k) and (l) of the Declaration for full discussion, including the rights and remedies of Sponsor to avoid delaying the issuance of a permanent Certificate of Occupancy).

O-2.10. Security for Permanent Certificate of Occupancy. Sponsor is required to maintain all Deposits and funds paid on account of the Purchase Price (but not any payments given for special work ordered by Purchasers) in the special escrow account required by General Business Law Section 352-e(2-b) unless Sponsor's engineer, architect or other qualified expert certifies that a lesser amount will be reasonably necessary to complete the work for the Common Elements and the Building services to be provided to all Units needed to obtain a permanent Certificate of Occupancy, in which case the sum exceeding the amount so certified by Sponsor's engineer, architect or other qualified expert may be released from the special escrow account. Alternatively, Sponsor must deposit with an escrow agent an unconditional, irrevocable letter of credit or post a surety bond in the amount so certified, or in an account that, when added to the Deposits being maintained in the special escrow account, will equal not less than the amount so certified. Sponsor may also use as collateral to similarly secure its obligation to obtain a permanent Certificate of Occupancy, the unfunded portion of a construction loan (if any) or other collateral acceptable to the Department of Law and disclosed in an Amendment to this Plan. As the work progresses, Deposits held for Units conveyed to Purchasers may be released to Sponsor from time to time, provided the remaining Deposits maintained in the special escrow account, together with said unfunded construction loan (if any) or other acceptable collateral, shall be not less than the amount then so certified to be reasonably necessary to complete all remaining work for the Common Elements and the Building services to be provided to all Units in order to obtain a permanent Certificate of Occupancy.

O-2.11. Sponsor's Obligation for Construction Defects.

O-2.11.1. Building Construction Standard. The quality of the workmanship and materials to reconstruct and renovate the Building (including the Units and Common Elements) will meet or

exceed any relevant specific standards required by any applicable building code or, if no such standard is required, the workmanship and materials will meet or exceed the standards of locally accepted building practices for newly constructed buildings located in the locale of the Property and containing building Facilities and amenities comparable to this Building ("**Building Construction Standard**").

O-2.11.2. Definitions. The term "**Construction Defect**" means a defect in construction caused by substantially improper workmanship or material that substantially varies from Sponsor's Plans and Specifications for the Building (as modified by Construction Changes, if any, made in accordance with Construction Change Requirements) or a defect in design which renders a portion of the Building (including the Common Elements and Units, and the Equipment in each) unsafe or inoperable.

The term "**Defect Notice**" means a written notice of a Construction Defect.

The term "**Latent Construction Defect**" means a Construction Defect that is not a Patent Construction Defect (e.g., a defect that may be ascertainable during only the heating or cooling season).

The term "**Minor Construction Defect**" means any of the following:

(a) all Construction Changes made in accordance with Construction Change Requirements;

(b) all minor variations from: Sponsor's Plans and Specifications, the floor plans of a Unit or a description of the construction of the Building (including the Units and Common Elements) set forth in this Plan;

(c) all variations necessitated by site conditions, or construction, job or governmental requirements, provided all Construction Change Requirements are met to the extent applicable;

(d) all Construction Defects covered by assignable, unexpired warranties or other undertakings (however denoted) from manufacturers, contractors, suppliers or others that are assigned to, or benefit (without assignment), a Unit Owner or the Condominium Board;

(e) any condition caused by normal use, wear, tear, deterioration, settlement or shifting, or aging or seasonal variations; and

(f) all minor conditions or defects involving color, alignment, fit, noise, drafts, cracks, chips, scratches, breaks, warpage or other imperfections.

The term "**Patent Construction Defect**" means a Construction Defect that is visible or readily ascertainable at the time of inspection (without intrusive examination behind walls, floors or ceilings).

O-2.11.3. Sponsor's Obligation to Correct Construction Defects. Sponsor's only obligations and liability for Construction Defects are as follows:

(a) (in the case of a Residential or Storage Unit) to repair, replace or otherwise correct in the manner determined by Sponsor (in its reasonable judgment) the Patent Construction Defects in a Purchaser's Residential or Storage Unit that are listed in Purchaser's Final Inspection Statement (to be completed by Purchaser, and to be signed by Purchaser and Sponsor or Sponsor's representative and received by Sponsor or its representative, before Title Closing) and to repair, replace or otherwise correct in the manner determined by Sponsor (in its reasonable judgment) the Latent Construction Defects (if any) in Purchaser's Unit that are listed in a reasonably detailed Defect Notice signed by Purchaser and received by Sponsor within a deadline of three (3) months following the date Purchaser Closes Title to the Unit, except only in the case only of a Latent Construction Defect in a Unit that is not reasonably ascertainable within such three (3) month deadline period, Sponsor must receive the Defect Notice within an extended deadline of three (3) months after the end of a reasonable period of discovery thereof or three (3) months from when and if sooner discovered, but in no event shall Sponsor receive the Defect Notice later than one (1) year after the closing of title to the Unit; and

(b) (in the case of the Common Elements) to repair, replace or otherwise correct in the manner determined by Sponsor (in its reasonable judgment) those Construction Defects (both Patent and Latent) in the Common Elements that are listed in a reasonably detailed Defect Notice signed by any Independent Board Member and received by Sponsor within a deadline of three (3) months after the later to occur of: (b-1) the first Board election at which the Independent Board Members constitute a majority of the Condominium Board; or (b-2) completion of construction of the affected portion of the Common Elements; or (b-3) Title Closing with a bona fide Purchaser of an Unsold Unit in which such affected portion of the Common Elements is located, except only in the case only of a Latent Construction Defect in the Common Elements that is not reasonably ascertainable within the foregoing applicable three (3)-month deadline period, Sponsor must receive the Defect Notice within an extended deadline of three (3) months after the end of a reasonable period of discovery thereof or three (3) months from when and if sooner discovered, but in no event shall Sponsor receive the Defect Notice later than one (1) year from the date of issuance of a permanent Certificate of Occupancy of the Building or the date the Independent Board Members comprise a majority of the Condominium Board, whichever is later.

All Defect Notices are to be sent by certified mail (return receipt requested) to both: Sponsor, 23 Highline LLC, at 460 Park Avenue, Floor 22, New York, New York 10023; and simultaneously to Sponsor's attorney, Seyfarth Shaw LLP, at 620 Eighth Avenue, New York, New York 10018, Attn: Alan L. Kazlow, Esq.

SPECIAL RISK: All time periods stated above are "TIME OF THE ESSENCE", or deadline, periods. As a result, Sponsor shall have no obligation or liability for the following: (a) Patent Construction Defects in a Purchaser's Unit that are not listed in a Purchaser's Final Inspection Statement signed and received by Sponsor or Sponsor's representative before Title Closing; or (b) Latent Construction Defects in a Purchaser's Unit or Patent and Latent Construction Defects in the Common Elements for which said written Defect Notice is not timely and properly signed

and sent to, and received by, Sponsor within the applicable three (3) months or one (1) year deadline period set forth above. See SPECIAL RISK Section A, subsection A-25 above.

Minor Construction Defects, whether affecting a Unit and/or the Common Elements or existing at the time of Title Closing to a Unit or arising thereafter: (a) shall not be repaired, replaced or otherwise corrected by Sponsor; (b) shall not be the basis of any Claims against, or Costs and Expenses recoverable from, Sponsor, a Sponsor Related Party or Sponsor's employees, agents or attorneys; and (c) shall not excuse a Purchaser from Purchaser's obligations under the Purchase and Sale Agreement to pay the full Purchase Price, without abatement, set-off or credit and without recourse of any kind against Sponsor, Sponsor's Related Parties, or Sponsor's Agents, Employees or Contractors, or Sponsor's attorneys (it being intended and agreed that the Units shall be sold and conveyed, and purchased and acquired by Purchasers, subject thereto).

O-2.11.4. Remedy. If Sponsor defaults in Sponsor's Obligations to correct a Construction Defect, the sole right and remedy of a Purchaser (if the Construction Defect pertains to Purchaser's Residential or Storage Unit) or the Condominium Board (if the Construction Defect pertains to the Common Elements) is for specific performance to compel Sponsor to repair, replace or otherwise correct such Construction Defect and in no event will Sponsor, a Sponsor Related Party, or Sponsor's Agents, Employees and Contractors, or Sponsor's attorneys be liable for any losses or damages resulting therefrom. The foregoing, however, shall not limit liability for losses or damages based on common law fraud or arising under Article 23-A of the General Business Law or Section 63 of the Executive Law.

The Condominium Board or (during only the Sponsor Board Control Period) the Independent Board Members shall have the exclusive right to enforce Sponsor's Obligations to correct Construction Defects in the Common Elements, or Sponsor's failure to complete the construction of the Building in accordance with Sponsor's Plans and Specifications as amended from time to time pursuant to this Plan, or Sponsor's failure to obtain a permanent Certificate of Occupancy in accordance with the requirements of this Plan.

Sponsor shall be regarded as having satisfied Sponsor's Obligations to repair, replace or otherwise correct Construction Defects if the corrective work is done in accordance with the Building Construction Standard as determined in the sole judgment of Sponsor's architect, engineer or contractor (who shall not be a principal of Sponsor). SPECIAL RISK: Sponsor shall be excused, released and discharged from Sponsor's Obligations for Construction Defects in a Unit or the Common Elements if reasonably continuous access thereto by Sponsor and Sponsor's Agents, Employees and Contractors is prevented and is not given within a deadline of thirty (30) calendar days after written notice thereof is mailed by certified mail (return receipt requested) or hand delivered, respectively, to the Purchaser of such Unit or an Independent Board Member ("TIME BEING OF THE ESSENCE"). See Section A, subsection A-26 above.

Except for Sponsor's Obligations to correct Construction Defects in the Common Elements set forth above, Sponsor does not warrant the workmanship or materials of construction of the Common Elements or Units.

O-2.11.5. No Housing Merchant Implied Warranty. Article 36-B of the General Business Law ("**GBL**") entitled "Warranties on Sale of New Homes" does not apply to newly constructed or rehabilitated condominium units in buildings taller than five (5) stories and, therefore, does not apply to the Residential Units.

O-2.12. Assignment of Warranties. Any transferable and unexpired warranties of manufacturers, contractors or material suppliers: (a) with respect to appliances or Equipment installed in a Residential Unit, will be assigned by Sponsor to the Purchaser of such Unit at Title Closing; or (b) with respect to appliances or Equipment installed in, and part of, the Common Elements, will be assigned by Sponsor to the Condominium Board at the First Closing of a Residential Unit or (if installed thereafter) with reasonable promptness after installation. Such assignments by Sponsor to a Purchaser and the Condominium Board will be made (and will so expressly state are being made) without any kind whatsoever of guaranty, warranty or representation by, or recourse against, Sponsor, and subject to all faults, defects, risks, damages, conditions and need for repairs or corrections.

O-2.13. Sponsor's Obligation to Pay for Work and to Remove Mechanics' Liens. Sponsor agrees to pay for the authorized and proper Work involved in the construction of the Building that Sponsor is obligated to complete under this Plan, the establishment of the Condominium and the sale of the Units and will cause mechanics' liens with respect to such construction to be promptly discharged or bonded. Alternatively, at Sponsor's option, Sponsor may cause a Purchaser's title insurer to affirmatively insure Purchaser and Purchaser's mortgage lender (if any), without additional premium, that any such mechanics' liens shall not be collected from, or enforced against, Purchaser's Unit and its appurtenant Common Interest.

O-2.14. Sponsor's Obligation to Deliver "As Built" Plan to Condominium Board. With reasonable promptness after issuance of the permanent Certificate of Occupancy for the Building, Sponsor will deliver to the Condominium Board or its Managing Agent a set of "as built" plans used for the major components of the Building's Systems.

O-2.15. No Bond or Security for Sponsor's Obligations. Except as provided in subsection O-2.10 above, no bond or other security has been, nor will be, furnished to secure Sponsor's Obligations, including Sponsor's Obligations to complete the construction of the Building (see SPECIAL RISK Section A, subsection A-22 above).

O-2.16. Sponsor's Obligation to Repair Damages. Sponsor has a right of access to the Common Elements and Units to complete the construction, equipping and outfitting of the Building (including the Common Elements and Units), but Sponsor may not unreasonably interfere with the quiet enjoyment of a Unit or the permitted use of a Residential Unit set forth in this Plan and when such access or use ends Sponsor must Repair (in the manner determined by Sponsor in its reasonable judgment) all damages caused by Sponsor's access to or use of the Common Elements or Units so as to restore the affected Common Elements or Units (as applicable) to as near as reasonable and economically practical to their condition existing immediately prior to such access or use (see subsection O-1.6 above for full discussion).

O-2.17. Sponsor's Working Capital Fund Obligation. Sponsor will advance the Initial Working Capital Fund in accordance with "Section V. Working Capital Fund".

O-2.18. Sponsor's Obligation for Offering and Sales Expenses. Sponsor will pay all expenses in connection with the preparation, filing and distribution of this Plan and all Amendments promulgated by Sponsor, and the offering for sale of Sponsor's Unsold Units. These expenses include: (a) the filing fees of the Department of Law; (b) fees and disbursements of Sponsor's attorneys, architect, engineer and other professionals; (c) printing costs; (d) commissions earned by the Selling Agent and any participating broker Sponsor may engage; and (e) all Title Closing expenses to be paid by Sponsor under the Purchase and Sale Agreement (if any).

O-2.19. Sponsor's Obligation for Establishing the Condominium. Prior to the First Closing of a Residential Unit, Sponsor will pay all expenses to prepare, record and file the Condominium Documents with the appropriate Governmental Authorities. See Section M, subsection M-6 above.

O-2.20. Sponsor's Obligation for First Closing. Sponsor will fulfill all obligations to be paid or performed by Sponsor at or prior to the First Closing of a Residential Unit as set forth in this Plan, including the following: (a) obtaining, at the expense of the Condominium Association, the insurance coverages set forth in SCHEDULE B (in Section F); (b) establishing the Condominium (see subsection O-2.19 above); (c) obtaining the consent and limitation of lien, or subordination of lien, or release of lien from holders of existing mortgages not satisfied at the First Closing, as provided in Section M, subsection M-7 above; (d) advancing the Initial Working Capital Fund; (e) apportioning Building expenses with the Condominium Board and (if in favor of the Board) paying the net amount owing to the Condominium Board (see Section N, subsection N-1.4 above); and (f) assigning to the Condominium Board on behalf of Unit Owners (without guaranty, warranty or representation; without recourse against Sponsor; and subject to all faults, risks, damages, conditions and need for repairs, unless otherwise expressly provided in the Plan) the following: (f-1) all personal property and Equipment comprising the Common Elements; (f-2) all service, maintenance and employment agreements for the Building ("**Building Agreements**") in accordance with SCHEDULE B - - First Year's Budget in Section F (the Condominium Board shall sign and deliver to Sponsor an agreement (prepared by Sponsor's attorney and in substance satisfactory to Sponsor) assuming all Building Agreements and indemnifying Sponsor from all Claims and Liabilities and Expenses arising under them for events accruing on or after the First Closing of a Residential Unit); and (f-3) any warranties, guaranties or bonds of third parties relating to the Common Elements that are transferable and have not yet expired.

O-2.21. Sponsor's Obligation on Documents for Inspection and Delivery to Condominium Board. Sponsor will comply with the requirements of "Section Z. Documents on File". These include: (a) the requirement for six (6) years from the First Closing to make available for public inspection (without charge) and copying (at a reasonable charge) the Plan, Plan Amendments filed by Sponsor and certain other documents and exhibits referred to in the Plan or filed with the Department of Law; and (b) the requirement to deliver to the Condominium Board a copy of the recorded Declaration (and By-Laws) establishing the Condominium.

O-2.22. Sponsor's Obligation for Violations. Sponsor, at its sole Cost and Expense, will be obligated to correct within a reasonable period of time after the First Closing of a Residential Unit (subject to delays due to Unavoidable Causes) any violation noted or issued against the Property that are outstanding at the First Closing, other than: (a) violations caused by acts or omissions of tenants in their own Units, unless Sponsor is otherwise required to correct the conditions causing such violations under the lease with the applicable tenant; and (b) violations to be remedied by a tenant or licensee of the Retail Unit. At the First Closing of a Residential Unit, Sponsor will escrow with Seyfarth Shaw LLP an irrevocable and unconditional letter of credit, or cash, or equivalent security, to secure the foregoing obligation. The amount escrowed will be sufficient to correct such violations as estimated by an independent architect or engineer selected by Sponsor. The escrowed monies or security will be released to Sponsor or reduced (as applicable) as the corrective work progresses, provided that the balance left in escrow is sufficient to complete the remaining work as estimated by said architect or engineer. Any interest on the sums escrowed will not be part of the escrowed funds and will belong and be paid to Sponsor when earned and collected.

O-2.23. Sponsor's Obligation for Official Inspection Certificates, Permits and Reports. Sponsor, at its sole Cost and Expense, will be obligated to obtain any required official inspection certificate or permit for the Building's Equipment, and to update those thereof that expire at or prior to the First Closing of a Residential Unit, including (to the extent applicable) those with respect to air resources, oil storage, elevator, sprinkler system, boiler and fire protection. Sponsor will further be obligated to pay and perform all Work required to obtain such new or updated official inspection certificates and permits. The Condominium Board will be solely responsible to pay and perform these obligations with respect to official inspection certificates and permits that expire subsequent to the First Closing of a Residential Unit.

END OF SECTION O

SECTION P. CONTROL BY THE SPONSOR

P-1. Sponsor's Voting Control.

P-1.1. Voting Control Period. Sponsor, as Owner of Unsold Residential and Storage Units, shall have "voting control" (defined below) of the Condominium Board for five (5) years from the First Closing of a Residential Unit or whenever the Unsold Residential and Storage Units constitute less than 50% in number and Common Interest of all Residential and Storage Units, whichever is sooner (i.e., the Sponsor Board Control Period). The term "**voting control**" means Sponsor's exclusive right during only the Sponsor Board Control Period, as Owner of Unsold Residential and Storage Units: (a) to appoint and designate three (3) Sponsor Board Members, who will constitute a majority of both the four (4) Residential Board Members and all five (5) Board Members; and (b) to both nominate and vote for the Independent Board Member. At all Board elections held after the end of the Sponsor Board Control Period, Sponsor will no longer have the right to nominate candidates to serve as the Independent Board Members (who will then constitute a majority of the Board Members) and thus Sponsor cannot exercise voting control of the Condominium Board, although Sponsor shall continue to have the right, for so long as Sponsor owns at least one (1) Unsold Residential Unit, to vote for all Independent Board Members and to exclusively appoint and designate one (1) Sponsor Board Member. In order to assure, however, that Owner-occupants will have voting control of the Board when Sponsor's voting control ends, the By-Laws require a majority of the Condominium Board to be Owner-occupants or members of their household who have no relationship to Sponsor or its principals (whether by blood, marriage or adoption, or as a business associate, an employee, a shareholder or a limited partner) at all Board elections held after the end of the Sponsor Board Control Period. Sponsor also shall have the exclusive right to appoint and designate the two (2) Commercial Board Members while Sponsor owns the Retail Unit. See Section Q, subsection Q-1 for discussion of number, composition and election of the Board Members.

Sponsor will cause the Condominium Board to call a special meeting of Unit Owners to be held within approximately 30 calendar days after the expiration of the Sponsor Board Control Period. At such meeting, two (2) additional Independent Board Members (i.e., individuals who are unrelated to Sponsor and Sponsor's principals) will be elected to replace two (2) Sponsor Board Members (who will resign effective at the date of such election), except a new five (5)-member Condominium Board will be elected if this is the first meeting of Unit Owners (see subsection Q.1.5 below). At such time, the Independent Board Members will constitute a majority of both the Residential Board Members and all Board Members. See Section Q, subsection Q-1.2 for requirement of a majority of the Board Members to be Owner-occupants or members of their household who are not related to Sponsor or its principals at all Board elections held after the end of the Sponsor Board Control Period.

P-1.2. Consequences of Sponsor's Voting Control. As a result of Sponsor's voting control of the entire Board and the Residential Board Members during only the Sponsor Board Control Period, Sponsor will be able to control the decisions to be made by the Condominium Board or the Residential Board Members, including those concerning:

(a) the Building's Operations and services, which are, nonetheless, to be Maintained and provided in accordance with the Building's Maintenance Standard and the level of standards, quality and requirements of Sponsor in accordance with, and as stated in, this Plan;

(b) the amount of the Common Charges (including the Residential Common Charges and General Common Charges), which are, nonetheless, to be in an amount sufficient to provide the level of Building services, amenities and Facilities in accordance with, and as stated in, this Plan; and

(c) the expenditures of the Working Capital Fund (which may be used for Operating or working capital and to defray increases in Common Charges payable by Residential and Storage Unit Owners, but may not be used to reduce Common Charges below the projected Common Charges in SCHEDULE B, the First Year's Budget), as explained in "Section V. Working Capital Fund".

P-2. Sponsor Veto Control.

P-2.1. Veto Control. During only the Sponsor Veto Control Period (defined in subsection P-2.3 below), the Condominium Board (including the Residential Board Members) and the Residential and Storage Unit Owners (as to any vote or action by them) must obtain Sponsor's prior written Discretionary Approval or Consent to do any of the following (collectively, "**Sponsor Veto Control**"):

(a) to raise General Common Charges or Residential Common Charges or levy a Special Assessment for any of the following purposes:

(a-1) to make an Alteration to the General Common Elements, the Residential Common Elements, the Association's General Properties or the Association's Residential Properties (the latter includes any Residential or Storage Unit owned, leased or otherwise held or Operated by the Board, or its nominee or designee);

(a-2) to create a reserve fund for Repairs, Alterations, unanticipated expenses and/or contingencies which, in the aggregate, exceed five percent (5%) of the projected annual General Common Expenses or five percent (5%) of the projected annual Residential Common Expenses (as applicable) for any Budget Year of Condominium Operation;

(a-3) to increase, decrease, eliminate or otherwise change the number, type, classification or working hours of the Building's service staff from those set forth in the First Year's Budget (SCHEDULE B in Section F above);

(a-4) to increase, decrease or eliminate Building services by (for example) entering into contracts for new or additional services or maintenance work not included in said First Year's Budget, or failing to provide for any service or maintenance contract set forth in said First Year's Budget or otherwise; or

(a-5) to increase, decrease, eliminate or otherwise change the amounts or types of insurance coverage from those set forth in said First Year's Budget; or

(b) to borrow money on behalf of the Condominium Association.

See subsection P-2.2 below for limitations on Sponsor's veto control.

Sponsor, however, will give its Discretionary Approval or Consent if the Costs and Expenses (as determined by Sponsor, in its sole and absolute judgment) of the proposed action requiring Sponsor's Discretionary Approval or Consent, when added to all other budgeted General Common Expenses or Residential Common Expenses (as applicable), will not increase the General Common Charges or Residential Common Charges (as applicable), inclusive of any Special Assessments of the Condominium Board, for any Budget Year of the Condominium, by more than five percent (5%) above the General Common Charges or Residential Common Charges (as applicable) for the immediately preceding Budget Year of the Condominium.

Sponsor will have the exclusive right to exercise veto control during only the Sponsor Veto Control Period while Sponsor owns one (1) or more Unsold Residential Units. If Sponsor no longer owns any Unsold Residential Units, each successor Unsold Residential Unit Owner (if any) will have the same right of veto control as Sponsor during only the Sponsor Veto Control Period.

P-2.2. Limitations on Veto Control. Sponsor may not exercise veto control over expenses described in the First Year's Budget (SCHEDULE B in Section F) or over expenses required: (a) to comply with applicable Laws or regulations; (b) to remedy a governmental notice or violation; or (c) to remedy a Work order by an insurer of the Building.

P-2.3. Veto Control Period. The Sponsor Veto Control Period will end on the *earlier* of: (a) the date that the Common Interests appurtenant to the Unsold Residential and Storage Units constitute less than 25% of the aggregate Common Interests of all Residential and Storage Units; or (b) the fifth (5th) anniversary of the First Closing of a Residential Unit under this Plan.

END OF SECTION P

SECTION Q. BOARD OF MANAGERS

The affairs of the Condominium will be governed and administered by the Condominium Board. This Section discusses the number, composition, eligibility, elections, term, indemnity, compensation and removal of Board Members and officers, the voting rights of Unit Owners, the requirements to amend the Declaration and By-Laws, the requirements for Board meetings, and the requirements for quorum and decisions of the Board and Unit Owners. The powers and duties vested in the Condominium Board in the Declaration, the By-Laws and the Condominium Act are discussed in "Section R. Rights and Obligations of the Unit Owners and the Board of Managers".

Q-1. Condominium Board; Elections; Term; Unit Owner's Meetings.

Q-1.1. Number and Composition. Initially, the Condominium Board will consist of one (1) Board Member, who will be appointed and designated exclusively by Sponsor and will conduct all business and affairs of the Condominium Association until the first meeting of Unit Owners is held to elect a five (5)-member Condominium Board, which will consist of four (4) Residential Board Members and one (1) Commercial Board Member. The four (4) Residential Board Members will consist of three (3) Sponsor Board Members and one (1) Independent Board Member during only the Sponsor Board Control Period. At all elections held after the end of the Sponsor Board Control Period, the Independent Board Members will comprise a majority of both the four (4) Residential Board Members and all five (5) Board Members. For so long as there is at least one (1) Unsold Residential or Storage Unit, the Residential Board Members will comprise three (3) Independent Board Members and one (1) Sponsor Board Member who will be appointed and designated exclusively by Sponsor, as Owner of one or more Unsold Residential and Storage Units. Sponsor will cause the Board to call a special meeting of Unit Owners to be held within approximately sixty (60) calendar days after the end of the Sponsor Board Control Period to elect two (2) additional Independent Board Members who will replace two (2) Sponsor Board Members (see Section P, subsection P-1.1 above). The Retail Unit Owner (including Sponsor while it owns the Retail Unit) shall exclusively appoint and designate one (1) Commercial Board Member.

Q-1.2. Eligibility. Each Independent Board Member must be either a Sold Residential Unit Owner (including a Sponsor Related Party who acquires a Sold Residential Unit for the bona fide use and occupancy of such Sponsor Related Party or the Sponsor Related Party's family) or any of the following (each, a "**Sold Residential Unit Owner Affiliate**"): (a) a Sold Residential Unit mortgage lender; (b) an officer, director, shareholder, partner, member, principal, employee, trustee, executor, administrator or beneficiary of a corporation, partnership, company, trust, estate or other Entity that owns a Sold Residential Unit or is a Sold Residential Unit mortgage lender; (c) an individual designated by a sovereign government, consulate or other governmental instrumentality that owns a Sold Residential Unit; (d) a permitted non-paying occupant of a Sold Residential Unit; or (e) an adult member of the immediate family of a Sold Residential Unit Owner or any of the foregoing.

In addition, in order to assure that Owner-occupants will have voting control of the Board when Sponsor's voting control ends, the By-Laws contain a residency requirement pursuant to which a

majority of the Condominium Board must be Owner-occupants or members of their household who have no relationship to Sponsor or its principals (whether by blood, marriage or adoption, or as a business associate, an employee, a shareholder or a limited partner) at all Board elections held after the end of the Sponsor Board Control Period (see Article 2, Section 2.6.6 of the By-Laws and Section A, subsection A-11 above).

There is no eligibility requirement for a Sponsor Board Member or a Commercial Board Member, each of whom may be anyone at least 18 years old, regardless of relationship or lack of relationship to Sponsor or the Retail Unit Owner, respectively. Sponsor, as Owner of Unsold Residential and Storage Units and the Retail Unit, may appoint and designate the same individual to serve as both a Sponsor Board Member and a Commercial Board Member.

Q-1.3. Board Elections. During only the Sponsor Board Control Period, the Independent Board Member will be *nominated* and *voted* by all Sold and Unsold Residential and Storage Unit Owners, including Sponsor as Owner of Unsold Residential and Storage Units. At all Board elections held after the end of the Sponsor Board Control Period, the Independent Board Members will be *nominated* by only Sold Residential and Storage Unit Owners, but all Sold and Unsold Residential and Storage Unit Owners can *vote* (without restriction or limitation) for the Independent Board Members. Sponsor may choose not to nominate or vote for the Independent Board Member at a meeting of Unit Owners to elect new Board Members without waiving or otherwise prejudicing Sponsor's right to nominate or vote for the Independent Board Member at future elections of the Board Members.

Sponsor, as Owner of an Unsold Residential or Storage Unit, shall always have the right to *vote* (without restriction or limitation) for the Independent Board Members, but may not *nominate* any candidates to serve as Independent Board Members at all elections held after the end of the Sponsor Board Control Period. Since Sponsor cannot nominate candidates for the election of Independent Board Members at all elections held after the end of the Sponsor Board Control Period, Sponsor will lose voting control of the Residential Board Members and the entire Condominium Board at such time. Sponsor may choose not to nominate (during the Sponsor Board Control Period) or vote for the Independent Board Members at a meeting of Unit Owners to elect new Board Members without waiving or otherwise prejudicing Sponsor's right to nominate or vote for the Independent Board Members at future elections of the Board Members.

The Sponsor Board Member(s) shall be appointed and designated exclusively by Sponsor as Owner of one or more Unsold Residential and Storage Units. The Owner of the Retail Unit (including Sponsor while it owns such Unit) shall exclusively appoint and designate one (1) Commercial Board Member, but shall not participate in the election or removal of the Residential Board Members.

Q-1.4. Term. All Board Members elected at and after the first meeting of Unit Owners following the First Closing of a Residential Unit will serve for a term of one (1) year. There is no limit on the number of terms, successive or otherwise, a Board Member may serve.

Q-1.5. First Meeting of Unit Owners. Sponsor will cause the Condominium Board to call the first meeting of Unit Owners to be held no later than approximately sixty (60) calendar days after the first anniversary of the First Closing of a Residential Unit. If prior thereto, the number and

Common Interest of the Sold Residential and Storage Units constitute more than 50% of the number and Common Interest of all Residential and Storage Units, such first meeting will be called to be held within approximately thirty (30) calendar days after such 50% threshold is exceeded (see subsection P-1.1 above). At such first meeting, the Unit Owners will elect a new seven (7)-member Condominium Board.

Q-1.6. Annual Meetings. Each annual meeting of Unit Owners is to be called to be held within approximately thirty (30) calendar days of the anniversary of the previous annual meeting of Unit Owners, unless changed by the Condominium Board to be held within approximately sixty (60) calendar days after the issuance of the Condominium Association's annual financial statements for the previous 12 months of operation for financial reporting purposes.

Q-1.7. Special Meetings. Under the By-Laws (see Section 4.2), the President shall call a special meeting of the Unit Owners or only the Residential and Storage Unit Owners (as applicable) whenever so directed by a duly adopted resolution of the Condominium Board or Residential Board Members, as applicable, or upon receipt by the Secretary of a petition calling for such a meeting signed by any two (2) Board Members or by the Owners of not less than twenty-five (25%) percent of the Common Interest of all Units or all Residential and Storage Units (as applicable). Within ten (10) business days after receipt of such resolution or petition (as applicable), the President shall call such special meeting to be held within the next twenty (20) business days, unless the purpose of a meeting (whether regular or special) is to consider an amendment to the Declaration or the By-Laws or to remove a Board Member, in which case the following shall apply. Notice of such meeting shall be given to all Unit Owners or all Residential and Storage Unit Owners (as applicable) at least thirty (30) calendar days prior to the date fixed for such meeting, which notice shall be accompanied by a copy of the text of said proposed amendment or the basis of removal of the Board Member (as applicable). The President shall call such meeting to be held not sooner than thirty-one (31) calendar days nor later than sixty (60) calendar days following receipt by the Secretary of a Board resolution or a petition signed by the requisite percentage of Unit Owners or Residential and Storage Unit Owners (as applicable). If the President fails to so timely call such special meeting, then any Board Member who voted for such resolution or any Unit Owner who signed such petition (as applicable) may so call such meeting by a notice of meeting in accordance with the requirements of Section 4.4 of the By-Laws, except that such notice need not be given by the Secretary. No business shall be transacted at such special meeting except business reasonably related to purposes stated in the notice of special meeting or said petition.

Q-2. Initial Board Member and Officers. The initial Board Member and officers of the Condominium, who will be appointed and designated exclusively by Sponsor, will be a principal of Sponsor or will have an employment, business or family relationship to Sponsor or Sponsor's principal and will serve at the will of Sponsor. Sponsor's current intention is to designate the following persons as the initial Board Member and officers of the Condominium:

Alf Naman*	Residential and Commercial Board Members / President, Secreta`ry and Treasurer

* Principal of Sponsor.

Sponsor reserves the right to appoint and designate different or additional individuals to serve as the initial Board Member and/or officers of the Condominium Board and to remove them and substitute other individuals without prior notice or Amendment. Any other individual so appointed and designated or substituted by Sponsor will likely have an employment, business or family relationship to Sponsor or a principal of Sponsor.

The initial Condominium Board Member (and any substitute or additional Board Member appointed and designated by Sponsor) will conduct all affairs of the Condominium until the five (5)-member Condominium Board is duly elected and (as to the Sponsor Board Members and Commercial Board Member) appointed and designated, at the first meeting of Unit Owners. Only Unit Owners (that is, Purchasers who Close Title and Sponsor, as Owner of the Unsold Residential and Storage Units and the Retail Unit) shall be entitled to attend and vote at the meeting.

Q-3. Indemnification and No Personal Liability. The Unit Owners on whose behalf the Condominium Board Members and officers have acted will jointly indemnify such Board Members and officers from and against all Claims and Liabilities and Expenses arising from their acts or omissions in their capacity as Board Members and officers. However, a Board Member or officer will not be indemnified for Claims or Liabilities and Expenses arising from the bad faith, self-dealing, gross negligence or willful misconduct of such Board Member or officer. The liability of each such Unit Owner under said indemnity is non-recourse (i.e., without personal liability) and limited to the interest of the Owner in his or her Unit. All amounts payable under this indemnity (including legal fees and expenses) are to be paid in advance as part of the Common Expenses and directly from the Common Charges paid by the applicable Unit Owners.

A Board Member or officer will not be liable to the Unit Owners for errors of judgment, negligence or otherwise, but will be liable for any bad faith or self-dealing action or inaction or for gross negligence or willful misconduct. A Board Member (including a Sponsor Board Member and a Commercial Board Member) or officer will not be regarded as having acted in bad faith or having committed willful misconduct because of any contract or transaction entered into by the Condominium Board and such Board Member or officer or a person related to, or affiliated with, such Board Member or officer (including Sponsor) if such contract or transaction is: (a) disclosed in this Plan or an Amendment; or (b) approved by a majority of non-interested Board Members and is at competitive or lower rates for goods sold or services rendered in the same county as the Property.

Each contract or other document executed by the Condominium Board will provide (if obtainable and not prohibited by Law) that: (a) only the Unit Owners on whose behalf the Condominium Board is acting will have liability thereunder; (b) the liability of each such Unit Owner will be in the proportion that the Common Interest of the Owner's Unit bears to the total Common Interests of all Units whose Owners are liable; (c) the liability will be non-recourse and limited to the Owner's interest in the Unit and its appurtenant Common Interest; and (d) no Board Member or officer will be liable thereunder except as a Unit Owner in accordance with the foregoing.

No Board Member or officer will be liable for interruption of any Building services or for any injury, loss or damage to person or property occurring in or on the Common Elements, the

Association's Properties or a Unit and caused by the elements, a Unit Owner or any other Person, or resulting from water leaks, theft or otherwise.

Q-4. Compensation. No Board Member or officer will be paid any compensation by the Condominium Association for serving as a Board Member or officer, or on any committee of the Condominium Association.

Q-5. Election and Removal of Officers; Removal of Board Members.

Q-5.1. Officers.

Election: The officers of the Condominium Association shall consist of the following: (a) the President, Vice President, Secretary and Treasurer elected by vote of a majority of those Board Members attending a duly constituted Board meeting at which a quorum is present; (b) a co-Vice President and an Assistant Secretary appointed or designated exclusively by the Sponsor Board Member(s); and (c) a co-Vice President and an Assistant Secretary appointed and designated exclusively by the Commercial Board Member. Additional and other officers and assistant officers may also be elected by the Residential Board Members, the Sponsor Board Member(s) and the Commercial Board Member, respectively.

The officers will be elected or (as to the exclusive right of the Sponsor Board Member(s) and Commercial Board Member) appointed and designated annually at the organizational meeting of each new Condominium Board. The President must be a Board Member. There are no qualifications to be met by the other officers who need not be Board Members. No officer is required to be a Unit Owner or have any interest in a Unit.

Generally, each of the officers will have all of the same powers and duties of the equivalent officer of a stock corporation organized under the Business Corporation Law of the State of New York. However, the officers appointed and designated exclusively by the Sponsor Board Member(s) or the Commercial Board Member may act only in connection with the Operation and affairs of the Unsold Residential and Storage Units or the Retail Unit (including the Association's Commercial Properties, if any), respectively.

Removal: An officer may be removed at any time "with" or "without" cause by an affirmative vote of a majority of those Board Members who attend a duly constituted Board meeting at which a quorum is present, except an officer appointed and designated exclusively by the Sponsor Board Member(s) or the Commercial Board Member may be removed "with" or "without" cause by only the Sponsor Board Member(s) or the Commercial Board Member, whoever elected such officer.

Resignation: Each officer may resign at any time by giving written notice to the Condominium Board (or to a Sponsor Board Member or the Commercial Board Member (as applicable) in the case of the officers appointed and designated exclusively by such Board Members). The President will be regarded as having resigned whenever such officer ceases to be a Board Member.

Vacancy: Any vacancy in an office will be filled by vote of a majority of the Board Members in attendance at a regular or special meeting of the Board called for such purpose (in the case only

of an officer elected by the Residential Board Members) or filled exclusively by the Sponsor Board Member(s) or the Commercial Board Member (as applicable) with respect to a vacancy of an officer appointed and designated exclusively by such Board Member(s).

Q-5.2. Board Members. All references to Unit Owners or Residential and Storage Unit Owners in this subsection shall exclude from the count of the base number of Unit Owners and Common Interests for quorum and voting purposes: (a) those Units (if any) owned by the Condominium Board or its nominee or designee, who shall have no voting rights with respect to any Unit each of them may own; and (b) those Unit(s) and Common Interest(s) owned by the Independent Board Member, Sponsor Board Member or Commercial Board Member, or a Related Party to such Board Member, to be removed, who shall not have the right to vote on the issue of such Board Member's removal.

Removal: An Independent Board Member may be removed "with" or "without" cause only by a vote of a majority in number and Common Interest of Sold and Unsold Residential and Storage Unit Owners cast at a duly constituted meeting of Unit Owners at which a quorum is present. A Sponsor Board Member or Commercial Board Member may be removed "with" or "without" cause by only Sponsor or the Owner of the Unsold Residential Unit(s) or Retail Unit who exclusively appointed and designated such Board Member to be removed.

Resignation: A Board Member may resign at any time by giving written notice to: (a) the Residential Board Members (in the case of a resignation by an Independent Board Member); or (b) the Sponsor or appropriate Unsold Residential Unit Owner (in the case of a resignation by a Sponsor Board Member); or (c) the Retail Unit Owner (in the case of a resignation by the Commercial Board Member).

Vacancy: A vacancy on the Condominium Board, whether resulting from removal, resignation, death, incompetency, incapacity or otherwise, will be filled as follows: (a) (in the case of a vacancy of an Independent Board Member) during the Sponsor Board Control Period, a majority of the remaining Residential Board Members will elect a new Independent Board Member or, after the end of the Sponsor Board Control Period, a majority of the remaining Independent Board Members will elect a new Independent Board Member, in each case at a special Board Meeting called for such purpose; (b) (in the case of a vacancy of a Sponsor Board Member) Sponsor or other appropriate Unsold Residential Unit Owner who originally appointed and designated the vacating Sponsor Board Member shall have the exclusive right to appoint and designate a new Sponsor Board Member to fill such vacancy; or (c) (in the case of a vacancy of the Commercial Board Member) the Retail Unit Owner (i.e., Sponsor for so long as it owns the Retail Unit) shall have the exclusive right to appoint and designate the new Commercial Board Member to fill such vacancy. However, in the case of a removal of an Independent Board Member by the Owners of the Sold and Unsold Residential and Storage Units, such Owners will have the right to pre-empt the Residential Board Members and elect the replacement at the same meeting the removal is voted upon or at a subsequent special or annual meeting of these Unit Owners called for such purpose.

The person elected (in the case of an Independent Board Member) or appointed and designated (in the case of a Sponsor Board Member or Commercial Board Member) to fill the vacancy will

serve as a member of the Condominium Board for the remainder of the term of the Board Member being replaced.

Q-6. Computation of Votes. Each Unit Owner will have one (1) vote for each 0.0001% of Common Interest. For example, if the Unit Owner's Common Interest is 8.2525%, he or she will have a total of 82,525 votes. When voting for the election of Board Members, each candidate for whom a Unit Owner votes will receive the total number of votes that such Unit Owner is entitled to cast, or 82,525 votes per candidate in the preceding example. Unit Owners may not cumulate, split or otherwise transfer votes from one candidate to another.

The election of the Independent Board Member(s) will be determined by "plurality" of the votes cast by the Owners of the Sold and Unsold Residential and Storage Units (including Sponsor as Owner of Unsold Residential and Storage Units) at a duly constituted meeting of Unit Owners at which a quorum is present. Thus, the candidates receiving the highest number of votes at the meeting will be elected to serve as the Independent Board Member(s) even though one (1) or more of them may receive less than a majority of the votes cast. The Sponsor Board Member(s) and the Commercial Board Member shall be appointed and designated in a writing delivered either at the meeting of Unit Owners or in advance of the meeting to the Managing Agent or any officer of the Condominium Board.

SPECIAL RISK: No Sold Unit Owner may nominate or vote for the election of Board Members during the period the Condominium Board has perfected a lien against such Owner's Unit for unpaid Common Charges or Special Assessments. However, such Owner will resume these rights upon satisfying such indebtedness or discharging the lien by bond or otherwise. In addition, if such Unit Owner is a Board Member, his or her Board membership will automatically be suspended upon perfection of the lien and unless the lien is satisfied or discharged, will automatically cease thirty (30) calendar days thereafter. See SPECIAL RISK, Section A, subsection A-15.

Q-7. Amendments to Declaration or By-Laws.

Q-7.1. Requirements. Subject to the following clauses (d) through (g) and the restrictions in subsection Q-7.2 below, the requirements to amend the Declaration or By-Laws are as follows (all references to Unit Owners in this subsection shall exclude from the count of the base number of Unit Owners and Common Interests for quorum and voting purposes those Units (if any) owned by the Condominium Board or its nominee or designee, who shall have no voting rights with respect to any Unit each of them may own):

(a) in the case of an Amendment affecting only the General Common Elements, the Association's General Properties, the General Common Expenses, the General Common Charges, or all or a portion of both the Residential Space and the Retail Unit: the Amendment may be made by the Condominium Board: (a-1.1) if approved and adopted by a majority of those Board Members attending a duly constituted Board meeting at which a quorum is present; and (a-1.2) if approved or consented to by vote or in writing by at least two-thirds (2/3rds) or (in specified cases) 95% in number and Common Interest of all Unit Owners;

(b) in the case of an Amendment affecting only all or a portion of the Residential Space or the Association's Residential Properties: the Amendment may be made by the Residential Board Members on behalf of the Condominium Board: (b-1) if approved and adopted by a majority of those Residential Board Members attending a duly constituted meeting of the Residential Board Members at which a quorum is present (but without the approval or consent of the Commercial Board Member); and (b-2) if approved or consented to by vote or in writing by at least two-thirds (2/3rds) in number and Common Interest of the Owners of all Sold and Unsold Residential and Storage Units (and without the express approval or consent of the Retail Unit Owner, who automatically and irrevocably shall be deemed to have approved and consented to such Amendment);

(c) in the case of an Amendment affecting only the Retail Unit (including a Unit Change to the Retail Unit): the Amendment may be made alone by the following: the Amendment may be made alone by the Owner of the Retail Unit or (at the option of the Retail Unit Owner) the Commercial Board Member, in each case without the approval or consent of the Residential Board Members and without the express approval or consent of other Unit Owners, who automatically and irrevocably shall be deemed to have approved and consented to such Amendment;

(d) in the case of an Amendment affecting only one (1) or more Unsold Units (including any Residential or Storage Unit owned by Sponsor at the time in question) or a Unit Change to an Unsold Unit: the Amendment may be made alone by Sponsor or the Owner or Owners of such Unsold Units, as applicable, without the approval or consent of the Condominium Board and without the express approval or consent of other Unit Owners, who automatically and irrevocably shall be deemed to have approved and consented to such Amendment;

(e) in the case of an Amendment to reflect changes required by either an Institutional Lender holding, or having issued a written commitment for, a Unit mortgage, a Governmental Authority having jurisdiction over the Property or the Condominium Association, or a title insurer of a Unit: the Amendment may be made alone by Sponsor so long as Sponsor owns a Unit, without the approval or consent of the Condominium Board and without the express approval or consent of other Unit Owners, who automatically and irrevocably shall be deemed to have approved and consented to such Amendment, or may be made by the Condominium Board (subject to obtaining the prior written Discretionary Approval or Consent of Sponsor during only the Sponsor Veto Control Period and until issuance of the permanent Certificate of Occupancy, but without obtaining the express approval or consent of other Unit Owners, who automatically and irrevocably shall be deemed to have approved and consented to such Amendment);

(f) in the case of an Amendment to reflect only the permitted subdivision of a Sold Residential Unit and the proper apportionment of the Common Interest of the Sold Residential Unit being subdivided, or the permitted combination of a Sold Unit with all or part of one or more other Sold Units and the proper apportionment of the Common Interests of the Sold Units involved in such combination: the Amendment may be made by the Owner of the Sold Unit being subdivided or by the Owner or Owners of the Sold Units involved in the combination, as applicable, subject to obtaining the prior written Reasonable Approval or Consent of the Residential Board Members (except no Board approval or consent shall be

required in the case of an Authorized First Sold Residential Unit Owner who is authorized in writing by Sponsor or an Unsold Residential Unit Owner (as applicable) to make such Unit Change), but without obtaining the express approval or consent of other Unit Owners, who automatically and irrevocably shall be deemed to have approved and consented to such Amendment; and

(g) in the case of an Amendment affecting a Unit's Common Interest, size or configuration: the prior written Discretionary Approval or Consent of the Owner of the affected Unit must be obtained for such Amendment.

Q-7.2. Restrictions. No Amendment to the Condominium Documents may be made that would with reasonable likelihood affect the priority or validity of the lien of a purchase money mortgage or a mortgage held by an Institutional Lender on a Unit without obtaining the prior written Discretionary Approval or Consent of the Owner of such Unit and such Owner's mortgage lender.

No Amendment to the Condominium Documents may be made that would with reasonable likelihood: (a) unreasonably interfere with a potential, proposed or pending sale, lease, mortgage or other Disposition of a Sponsor Unit, an Unsold Unit or the Retail Unit without obtaining the prior written Discretionary Approval or Consent of the Owner of the affected Unit; (b) abridge, modify, suspend, eliminate or otherwise affect any of Sponsor's/Commercial Owner's Rights (i.e., any right, power, easement, license, privilege, indemnity, exemption, remedy or other benefit of Sponsor, an Unsold Unit Owner or the Retail Unit Owner under this Plan, a Plan Amendment or the Condominium Documents) without obtaining the prior written Discretionary Approval or Consent of such affected Owner; (c) impose any charge, fee or other imposition against or on Sponsor, an Unsold Unit Owner, the Retail Unit Owner, or a tenant or occupant of an Unsold Unit or the Retail Unit, not expressly allowed under this Plan without obtaining the prior written Discretionary Approval or Consent of the Owner of the affected Unit; (d) change or restrict the permitted use or occupancy of a Sponsor Unit, an Unsold Unit or the Retail Unit; or (e) adversely affect the value, marketing, Promotion or other Disposition of a Sponsor Unit, an Unsold Unit or the Retail Unit.

Q-7.3. Filing with Condominium Association. A conformed copy of an Amendment to the Condominium Documents shall be filed promptly with the Secretary or an Assistant Secretary of the Condominium Association or the Condominium Association's Managing Agent by the applicable Party recording the Amendment and shall be made available by the Condominium Board at the Property or the office of the Managing Agent for inspection (without charge) and copying (at a reasonable charge) by all: Unit Owners; Unit mortgage lenders; authorized tenants of Units; authorized prospective Unit purchasers, mortgage lenders and tenants; and authorized representatives of each of the foregoing.

Q-8. Board Meetings.

Q-8.1. Regular Meetings. The Condominium Board is to hold at least four (4) regular meetings each Budget Year, but a majority of the Board Members may determine to meet more often. The date, time and place of each regular meeting will be fixed by a majority of the Board Members.

Q-8.2. Special Meetings. The President of the Condominium Association may call a special meeting of the Condominium Board, but must call a special meeting on the written request of two (2) or more Board Members. Written notice of a special meeting is to be given to each Board Member at least two (2) business days (in the case of notice sent by hand, telecopier or telegram) or five (5) business days (in the case of a notice sent by mail) prior to the meeting. A Board Member may waive this notice requirement and will be considered to have waived the notice by attending the meeting.

Q-8.3. Separate Meetings. The Residential Board Members and the Commercial Board Member may hold separate meetings, without notice to the other, for the discussion and transaction only of such business that is to be decided solely by such Residential Board Members or Commercial Board Member, respectively, and does not involve the General Common Elements, the Association's General Properties, the General Common Expenses or the General Common Charges, or all or a portion of both the Residential Space and the Retail Unit.

Q-9. Quorum. The quorum requirements to transact business are as follows:

(a) attendance (in person or by telephone) of a majority of all Board Members will be required for any business relating solely to one or more of the following: (a-1) the General Common Elements; (a-2) the Association's General Properties; (a-3) the General Common Expenses; (a-4) the General Common Charges; or (a-5) all or a portion of both the Residential Space and the Retail Unit;

(b) attendance (in person or by telephone) of a majority of only the Residential Board Members will be required for any business relating solely to one (1) or more of the following: (b-1) the Residential Common Expenses; (b-2) the Residential Common Charges; (b-3) all or a portion of the Residential Space; or (b-4) the Association's Residential Properties; or

(c) attendance of only the Sponsor Board Member(s) or Commercial Board Member will be required for any business relating solely to all or a portion of only an Unsold Unit or the Retail Unit, respectively.

In the case of attendance by telephone, all Board Members attending the meeting (whether in person or by telephone) shall be in voice communication of each other.

Q-10. Requirements for Board Decisions. A majority of those Residential and Commercial Board Members attending a duly constituted Board meeting at which a quorum is present will decide all matters relating solely to one (1) or more of the following: (a) the General Common Elements; (b) the Association's General Properties; (c) the General Common Expenses; (d) the General Common Charges; or (e) all or a portion of both the Residential Space and the Retail Unit.

A majority of those Residential Board Members attending a duly constituted meeting of the Residential Board Members at which a quorum is present will decide all matters relating solely to one (1) or more of the following: (a) the Residential Common Expenses; (b) the Residential Common Charges; (c) all or a portion of the Residential Space; or (d) the Association's Residential Properties.

The Sponsor Board Member(s) and the Commercial Board Member will decide any business relating solely to the Unsold Units or all or a portion of the Retail Unit, respectively.

Each Board Member shall have only one (1) vote on any matter to be voted by such Board Member.

The decisions and transactions of the Condominium Board, the Residential Board Members (as to decisions and transactions authorized in the Condominium Documents to be made or transacted by them on behalf or in the name of the Condominium Board) and the Commercial Board Member (as to the decisions and transactions authorized in the Condominium Documents to be made or transacted by such Board Member on behalf or in the name of the Condominium Board) shall have the equivalent status of the decisions and transactions of a cooperative housing corporation as to which the so-called "business judgment rule" articulated in Levandusky v. One Fifth Ave Corp. (75 NY2d 530 [1990]) ("**Levandusky**") shall apply, except said "business judgment rule" shall not apply to any decisions or transactions affecting, directly or indirectly, the Sponsor or other Owner of an Unsold Unit, the Retail Unit Owner, the Sponsor's/Commercial Owner's Rights, an Unsold Unit or the Retail Unit. Instead, the decisions and transactions of the Condominium Board or the Residential Board Members (as applicable) that affect, directly or indirectly, the Sponsor or other Owner of an Unsold Unit, the Retail Unit Owner, the Sponsor's/Commercial Owner's Rights, an Unsold Unit or the Retail Unit shall be subject to scrutiny and determined solely on the merits by a court, arbitration panel or other forum having jurisdiction, without any deference, weight or favorable assumption being given to the Condominium Board or the Residential Board Members (as applicable).

Q-11. Requirements for Unit Owners' Decisions. At any meeting of Unit Owners or only Residential and Storage Unit Owners (as applicable) at which a quorum is present, the vote of a majority in number and Common Interest of those Unit Owners, or those Residential and Storage Unit Owners (as applicable), attending the meeting (in person or by proxy) will constitute the decision of the Unit Owners or the Residential and Storage Unit Owners, respectively, unless a different number and/or percentage is required by the Declaration or By-Laws or the Condominium Act. The Condominium Board and its nominee or designee shall have no voting rights with respect to any Units owned by each of them and such Parties and Units shall be excluded from the base number of Owners, Units and Common Interests for quorum and voting purposes in determining any matter to be voted upon by Unit Owners.

END OF SECTION Q

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

R-1. Sale or Lease of Units by Unit Owners. This subsection summarizes the material rights and obligations of Unit Owners and the Condominium Board with respect to the sale or lease of Units by Unit Owners under the By-Laws (see Article 16, Sections 16.1 to 16.12 for all applicable rights and obligations).

R-1.1. Rights and Restrictions on Sale or Lease. Each Unit Owner has the right to sell his or her Unit at any price or to lease the Unit at any rent, but must comply with certain restrictions under the By-Laws, including the following:

(a) a Sold Unit Owner must give the Condominium Board written notice (by certified or registered mail, return receipt requested) of the proposed sale or lease accompanied by a fully executed original of the sale or lease agreement (see subsection R-1.2 below for Board's Right of First Refusal);

(b) a Sold Unit Owner may not consummate the transaction unless he or she is current in the payment of Common Charges and Special Assessments (if any), and all unpaid liens on the Unit (other than a Permitted Mortgage) are satisfied or bonded;

(c) the sale or conveyance of a Storage Unit may be made to only another Residential Unit Owner or to the purchaser of the seller's Residential Unit and, conversely, the sale of seller's Residential Unit must include the Storage Unit, unless the Storage Unit is sold and conveyed to another Residential Unit Owner at or prior to consummating the sale of the Residential Unit (see SPECIAL RISK Section A, subsection A-16 above);

(d) a Sold Unit Owner must pay the Condominium Board for the reasonable fees and expenses incurred on the transaction, including those of the Board's Managing Agent and/or attorney, unless the transaction is exempt from the Board's Right of First Refusal (see Section W, subsection W-1.3 below for the fees payable by a Sold Unit Owner to the Managing Agent, which are conclusively deemed to be reasonable);

(e) apart from such fees and expenses, the Condominium Board may collect a security deposit from an Owner or tenant of a Sold Residential Unit when moving into or out of the Building, which is to be applied by the Board to pay for any damage to the Common Elements caused by such move and any unapplied amount will be refunded after the move is completed (the amount of the security deposit will be set by the Condominium Board and may change from time to time, but may not exceed $5,000 without obtaining the prior written Discretionary Approval or Consent of Sponsor during only the Sponsor Veto Control Period; see Section 12.8 of the Declaration for discussion);

(f) at the Closing of Title on a resale, the purchaser (at his or her expense) must duly sign and record a Unit Owner's Power of Attorney in favor of the Condominium Board, the Sponsor, the Retail Unit Owner and other persons on the form contained in Part II of this Plan as DOCUMENT 2 (or, if there are no longer any Unsold Residential and Storage Units, on the form then approved for use by the Condominium Board and the Retail Unit Owner);

(g) the sale or lease agreement for a Sold Unit must contain a certain provision subjecting the agreement to the Board's Right of First Refusal;

(h) each lease entered into after the establishment of the Condominium must contain certain provisions subordinating the lease: (h-1) to the Condominium Documents; and (h-2) (with respect only to a lease of a Sold Unit, but not an Unsold Unit or the Retail Unit) to the powers of the Board to terminate the lease and evict the tenant for violating the Condominium Documents or following a foreclosure of the Condominium Board's lien on the Unit for unpaid Common Charges; and

(i) the lease of a Sold Residential Unit cannot be for a term of less than one (1) year, cannot be extended or amended and cannot be assigned or sublet by the tenant, without obtaining the prior written Discretionary Approval or Consent of the Board in each instance (see SPECIAL RISK Section A, subsection A-18 above).

Unsold Units and Retail Unit. The restrictions in the preceding clauses (a), (b), (c), (d), (e), (g), (h-2) and (i) do not apply to the Sponsor, the Unsold Unit Owners or the Retail Unit Owner, who may sell and lease their respective Units Freely and Without Consent, Payment or Restriction, other than: (a) the commitment to endeavor in good faith sell rather than rent Unsold Residential Units and Sponsor's reservation, if market prices fall by more than 15% below the purchase prices in Purchase and Sale Agreements counted or to be counted toward effectiveness, to rent Unsold Residential Units for an initial minimum term of not less than six (6) months (see SPECIAL RISK Section A, subsection A-11 above for full discussion); and (b) the restrictions in the preceding clauses (f) *[recording of the Unit Owner's Power of Attorney by purchaser]* and (h-1) *[subordinating the lease to Condominium Documents]*.

Rent Laws Inapplicable. The terms of the lease of a Sold Unit, including the rent, will not be subject to any existing state or local law regulating rent or rights of tenants for continued occupancy.

R-1.2. Right of First Refusal. The Condominium Board has a Right of First Refusal (or Match Offer Right) to purchase or lease a Sold Residential or Storage Unit on the same terms set forth in a fully executed agreement to purchase or lease such Unit, unless the proposed sale or lease is exempt from the Right of First Refusal (see paragraph (i) below). The material terms of the Board's Right of First Refusal are as follows:

(a) Notice Period. Within 20 business days after the Condominium Board receives the fully executed purchase or lease agreement together with such documents required by the Board relating to the housing, credit, net worth, income taxes and employment history of the purchaser or tenant, the Condominium Board is to notify the Sold Unit Owner in writing whether or not it intends to exercise the Right of First Refusal. The Board may not elect to purchase or lease a Unit without obtaining the prior approval of a majority in Common Interest of those Residential and Storage Unit Owners attending a duly constituted meeting called for such purpose at which quorum is present. If the Board declines to exercise its Right of First Refusal or fails to send notice of its election to purchase or lease within said 20 business day period, the Sold Unit Owner shall have 90 calendar days thereafter to

consummate the transaction, failing which the Condominium Board will again have the Right of First Refusal to purchase or lease the Unit.

(b) Closing Period. If the Condominium Board elects to purchase or lease a Sold Unit pursuant to its Right of First Refusal, the Board will have 60 business days after giving notice of its election within which to consummate the transaction. The Condominium Board may (at its option) purchase or lease in its own name or in the name of its nominee or designee, corporate or otherwise.

(c) Funds to Acquire. The Board may obtain funds to purchase a Sold Unit (including the expenses of Closing Title) from the following sources, or any combination of them: (c-1) a loan secured by a mortgage on only the Unit, provided the prior written Discretionary Approval or Consent is obtained from Sponsor (during only the Sponsor Veto Control Period); and/or (c-2) a Special Assessment imposed on only the Residential and Storage Unit Owners. The Retail Unit Owner shall not be allocated or assessed any portion of the amounts required to purchase or Close Title to such Unit.

(d) Funds to Maintain and Operate. The funds to Maintain, Repair, Alter, and otherwise Operate and make any Disposition of a Unit purchased or leased by the Condominium Board (or its nominee or designee) shall be derived from rents realized from any tenant to whom such Unit is leased or subleased, if any. If no such rents are realized or are insufficient, such funds or any deficit shall be derived and paid from the Residential Common Charges assessed to only all Residential and Storage Unit Owners Pro Rata to their respective Common Interests. The Retail Unit Owner shall not be allocated or assessed any amounts to Maintain, Repair, Alter or otherwise Operate or make any Disposition of such Unit.

(e) Permissible Uses. A Residential Unit purchased or leased by the Condominium Board, or its nominee or designee, may be used only for dwelling purposes and incidental home occupations allowed by Law, which is the same use applicable to Sold Residential Units. A Storage Unit purchased or leased by the Condominium Board, or its nominee or designee, may be used only for storage of non-flammable personal belongings and effects of the Owner, tenant or occupant of a Residential Unit owned or leased by the Board or its nominee or designee, or by an Owner, tenant or occupant of another Residential Unit.

(f) Resale or Leasing of Unit Held by Board. The Residential Board Members shall make all decisions on behalf of the Condominium Board as to the resale or leasing of a Unit purchased by the Board (or its nominee or designee) or the subleasing of a Unit leased by the Board (or its nominee or designee), as well as all decisions concerning the use, occupancy, Operation and mortgaging of such Unit while owned or leased by the Board (or its nominee or designee); subject, however, to compliance with the same restrictions on use and occupancy applicable to Sold Residential and Storage Units (see subsection R-7 below) and the requirement to obtain the Discretionary Approval or Consent of Sponsor as to borrowing set forth in subsection R-1.2(c) above. The Condominium Board and its nominee or designee shall have no voting rights with respect to any Units owned by each of them and such Parties and Units shall be excluded in the base number of Owners, Units, and Common Interests for quorum and voting purposes.

(g) Proceeds on Disposition. All rents and any other revenues derived from a Unit while owned or leased by the Condominium Board (or its nominee or designee), after paying the Costs and Expenses to own or lease and Operate such Unit, and all proceeds realized on the resale of a Unit owned by the Board (or its nominee or designee) shall be applied to defray the Residential Common Expenses and the portion of the General Common Expenses payable by Residential and Storage Unit Owners.

(h) No Discrimination. The Condominium Board may not discriminate against any person on the basis of race, creed, color, national origin, sex, sexual orientation, age, disability, marital status or other ground prohibited by Law, whether in connection with the exercise of the Board's Right of Refusal, the leasing or subleasing of any Unit purchased or leased, the resale of any Unit purchased, or otherwise.

(i) Exempt Transactions. The following sales, transfers, conveyances and leases are exempt from the Condominium Board's Right of First Refusal:

(i-1) a sale, transfer, conveyance or lease of a Sold Residential Unit or a Sold Residential Unit and Sold Storage Unit from its Owner to a member of such Owner's immediate family or to a trust for the benefit of such Owner or a member of such Owner's immediate family;

(i-2) a sale, transfer, conveyance or lease of a Sold Residential Unit or a Sold Residential Unit and Sold Storage Unit from its Owner to any Entity in which such Owner owns more than 50% of the legal and beneficial interests or (if the Owner is a corporation, partnership, limited liability company, trust or other Entity) a sale, transfer, conveyance or lease from such Owner to any individual or other Entity who owns more than 50% of all legal and beneficial interests in said Entity;

(i-3) a transfer, conveyance or lease of a Sold Residential Unit or a Sold Residential Unit and Sold Storage Unit from its Owner to any Person who acquires title or leases the Unit as a gift or as an heir or distributee under the Owner's will or by intestacy;

(i-4) (if an Owner is declared judicially incompetent) a transfer or lease from such Owner to the Owner's legal guardian or representative;

(i-5) a sale, transfer or conveyance of any Unit, or a lease (including any sublease) of all or part of any Unit, to Sponsor or an Unsold Unit Owner or any such transaction from Sponsor or an Unsold Unit Owner to any Person;

(i-6) a sale, transfer or conveyance of any Unsold Unit or the Retail Unit, or a lease (including any sublease) of all or part of any Unsold Unit or the Retail Unit, to any Person;

(i-7) a sale, transfer, conveyance of any Unit or a lease (including any sublease) of any Unit to the Condominium Board (or its nominee or designee) or from the Condominium Board (or its nominee or designee) to any Person;

(i-8) a sale, transfer or conveyance of any Unit from an officer or other Person conducting a mortgage or other lien foreclosure sale to any Person; and

(i-9) a transfer or conveyance of any Unit by deed in lieu of foreclosure to a Permitted Mortgagee or a nominee or designee of a Permitted Mortgagee or a sale, transfer or conveyance from such Permitted Mortgagee or its nominee or designee to any Person.

R-2. Mortgaging of Units by Unit Owners. Each Unit Owner shall have the right to mortgage his or her Unit with one or more mortgages held by any lender or lenders, subject to compliance with the following restrictions and requirements:

(a) an Owner of both a Residential Unit and Storage Unit must subject both Units to the mortgage in order to prevent any severance of such combined ownership;

(b) the mortgage must cover both the Unit and its appurtenant Common Interest;

(c) the Unit Owner shall give the Condominium Board written notice of the name and address of the mortgage lender and (if requested by the Board) a conformed copy of the executed note and mortgage (failure to do so shall not affect the validity or enforceability of the mortgage, but the mortgage lender shall not have certain protections and benefits with respect to (for example) the right to receive a copy of a default notice for non-payment of Common Charges or the right to cure such default);

(d) the Unit Owner shall give the Condominium Board written notice when a mortgage is satisfied and (if requested by the Board) a conformed copy of the executed satisfaction of mortgage instrument; and

(e) no Sold Unit Owner shall give a mortgage on his or her Unit unless and until all unpaid Common Charges and Special Assessments (if any) are paid and all unpaid liens on the Unit are satisfied or bonded, other than the mortgage liens made in compliance with the By-Laws.

This last restriction in clause (e) shall not affect the validity or enforceability of a mortgage, but to the extent not prohibited by the Condominium Act or other applicable Law shall affect the priority of its lien, which shall be subject and subordinate to all then existing unpaid Common Charges and Special Assessments previously assessed against the Unit.

R-3. Common Charges and Special Assessments. The Common Charges and Special Assessments shall be determined by the Condominium Board, and allocated, apportioned and assessed to the Unit Owners or to only the Residential and Storage Unit Owners or the Retail Unit Owner in accordance with the following provisions (see Article 9 of the Declaration and Article 8 of the By-Laws for full discussion of these provisions).

R-3.1. Procedure and Allocation.

R-3.1.1. Procedure. At least ten (10) calendar days before the start of each Budget Year of the Condominium Association, the Condominium Board is to prepare, adopt and distribute to all Unit Owners a Budget of Condominium Operation for the ensuing Budget Year. The Budget

must comply with the Special Allocation and Apportionment Rule and Section 339-m of the Condominium Act, and the procedures, guidelines and requirements set forth in this Plan (see Section B, subsection B-5.3, Section F, subsections F-3 and F-4, and Section H, subsections H-7.1, H-7.2 and H-7.3) and the Condominium Documents (see Article 9 and EXHIBIT F of the Declaration and Article 8 of the By-Laws). The Budget comprising the Residential Common Expenses shall be determined on behalf of the Condominium Board solely by a majority of those Residential Board Members attending a duly constituted meeting of Residential Board Members at which a quorum is present.

R-3.1.2. Allocation. In accordance with the Special Allocation and Apportionment Rule and said Section 339-m:

(a) the projected Residential Common Expenses shall be allocated by the Condominium Board to only the Residential and Storage Unit Owners, and apportioned and assessed among them Pro Rata to their respective Common Interests, based on: (a-1) their special or exclusive use or availability or exclusive control of the Residential Common Elements and the Association's Residential Properties; (a-2) providing services specially or exclusively to them; and (a-3) generally conducting affairs affecting or benefiting only or primarily the Residential Space and the Association's Residential Properties;

(b) the projected General Common Expenses shall be allocated by the Condominium Board to all Unit Owners and generally apportioned and assessed among them Pro Rata to their respective Common Interests unless the amount of a projected General Common Expense item fairly and properly attributable to the Retail Unit or the Residential and Storage Units would otherwise, in which case such fair and proper apportionment shall be used (see Section F, subsection F-3 for Specially Apportioned General Common Expenses); and

(c) the projected Commercial Common Expenses shall be allocated by the Commercial Board Member on behalf of the Condominium Board to only the Retail Unit Owner.

R-3.1.3. Payment of Common Expenses. The amount allocated, apportioned and assessed to the applicable Units constitute their Common Charges, which will be payable monthly in advance on the first day of each month, unless otherwise determined by the Board. The Condominium Board has the right to levy Special Assessments to pay Common Expenses, which will be payable in a lump sum or in such periodic installments, with or without interest, as shall be determined in the sole discretion of the Condominium Board.

R-3.1.4. Failure to Adopt Budget. The failure of the Condominium Board to adopt a Budget for a new Budget Year will not be regarded as a waiver of Common Charges nor excuse Unit Owners from their obligation to continue to pay Common Charges and Special Assessments (if any) based on the last adopted Budget pending the adoption of the new Budget.

R-3.1.5. Revised Budget. The Condominium Board may revise a Budget one or more times during any Budget Year, but may not retroactively increase the amount of Common Charges previously billed. The Board, however, may include a deficiency for a prior period (whether in the same Budget Year or a previous Budget Year) in the Common Expenses for the then current Budget Year.

R-3.1.6. Budget Surplus. If the budgeted General Common Charges exceed the actual General Common Expenses or the budgeted Residential Common Charges exceed the actual Residential Common Expenses in any completed Budget Year, the Condominium Board will determine whether to apply the surplus to defray the projected General Common Expenses or projected Residential Common Expenses (whichever the surplus relates to) of the next succeeding Budget Year or to distribute all or a portion of the surplus to those Unit Owners who paid the surplus and are still Unit Owners, and apportioning such distribution among them Pro Rata to the General Common Charges or Residential Common Charges (as applicable) assessed to such Unit Owners for such completed Budget Year. Such determination shall be made by: (a) (in the case of surplus of General Common Charges over General Common Expenses) the Condominium Board; or (b) (in the case of a surplus of Residential Common Charges over Residential Common Expenses) the Residential Board Members. If the Condominium Board or Residential Board Members (as applicable) fail to make such determination within four (4) months after the end of such completed Budget Year in which the surplus was generated, the entire surplus shall be applied to defray the projected General Common Expenses or the projected Residential Common Expenses (as applicable) of the next succeeding Budget Year.

R-3.2. Reserves for Capital Expenditures and Contingencies. The Condominium Board may include in a Budget a reserve for capital expenditures to make Repairs, Alterations, improvements and other contingencies. During only the Sponsor Veto Control Period, the Board must obtain the consent of Sponsor to any reserves in excess of five percent (5%) of the projected annual General Common Expenses, or five percent (5%) of the projected annual Residential Common Expenses, under the terms and conditions explained in Section P, subsection "P-2. Sponsor Veto Control". In addition, any budgeted reserves must be appropriately categorized as Residential Common Expenses or General Common Expenses and appropriately identified for application to the Residential Common Elements (or the Association's Residential Properties, if any) or General Common Elements (or the Association's General Properties, if any). The Retail Unit Owner will pay its fair and proper share of reserves that relates solely to the General Common Elements (or the Association's General Properties, if any) or the General Common Expenses, but will not pay for any reserves that pertain to the Residential Common Expenses (or the Association's Residential Properties, if any) or the Residential Common Elements.

R-3.3. Liability for Common Charges and Special Assessments. Each Unit Owner shall be personally liable for payment of Common Charges and Additional Common Charges (including Special Assessments) levied against his or her Unit. Such personal liability shall terminate with respect to only future Common Charges and future Additional Common Charges upon: (a) the consummation of a sale or transfer of the Unit in accordance with the provisions of the By-Laws; (b) the acquisition of the Unit by a purchaser at a mortgage or lien foreclosure sale, or by deed given in lieu thereof; or (c) the conveyance of the Unit to the Condominium Board (or its nominee or designee), without consideration, and free and clear of all mortgages, liens, encumbrances, leases and occupancies. None of the foregoing transactions shall terminate an Owner's personal liability for unpaid Common Charges or unpaid Additional Common Charges (e.g., Special Assessments). No Unit Owner will be exempt from such personal liability by waiving the Use and Enjoyment of the Common Elements or by not using or abandoning his or her Unit.

R-3.4. Board's Lien and Remedies Under RPL §§339-z and 339-aa.

R-3.4.1. RPL §339-z. Pursuant to RPL §339-z:

(a) the Condominium Board, on behalf of Unit Owners, shall have a lien on each Unit for unpaid Common Charges and unpaid Additional Common Charges (e.g., Special Assessments), together with interest thereon (see subsection U-3.4.5 below); and

(b) the Board's lien shall be prior to all other liens, except only: (b-1) liens for real estate taxes; and (b-2) a lien for a prior recorded first mortgage.

R-3.4.2. RPL §339-aa. Pursuant to RPL §339-aa:

(a) the lien under RPL §339-z shall be effective from and after the filing of a verified notice of lien in the Register's Office of the County, City and State of New York, and will remain effective for six (6) years or until all unpaid sums with interest thereon have been paid in full, whichever occurs first;

(b) the Condominium Board shall have the right to foreclose the lien by suit brought in the name of the Board (or its nominee or designee), acting on behalf of the applicable Unit Owners, in like manner as a mortgage of real property;

(c) in such foreclosure suit, the delinquent Unit Owner shall be required to pay a reasonable rental for the Unit for any period prior to the sale pursuant to judgment of foreclosure and sale;

(d) the Condominium Board, acting on behalf of the applicable Unit Owners, shall have the power in its name, or in the name of its nominee or designee, to bid on the Unit at foreclosure sale, and to acquire and hold, lease, mortgage (subject to obtaining the requisite Discretionary Approval or Consent of Sponsor as provided in such section R-1.2(c) above) the Unit, but not to cast the votes appertaining to the Unit; and

(e) the Condominium Board may also bring suit to recover a monetary judgment for unpaid Common Charges and unpaid Additional Common Charges without foreclosing or waiving the lien, and may pursue both the lien foreclosure and monetary judgment suits at the same time.

See subsection R-3.4.4 for obligation of Sponsor during the Sponsor Board Control Period to cause the Condominium Board to file said lien on any Unsold Unit for which Sponsor is more than thirty (30) days in arrears of Common Charges or Additional Common Charges.

R-3.4.3. Residential Common Expenses. If the Owner of a Residential Unit or Storage Unit is delinquent in payment of Common Charges or Special Assessments, all of the foregoing actions by the Condominium Board shall be on behalf and for the account of only all Residential and Storage Unit Owners. Accordingly, all amounts, Costs and Expenses incurred by the Board in any such suit to foreclose the lien and/or recover a money judgment, and (if acquired) incurred by the Board or its nominee or designee in connection with the ownership, Operation and Disposition of the Unit, shall be included in the Residential Common Expenses, which shall be charged to only all Residential and Storage Unit Owners Pro Rata to their respective Common

Interests. The Retail Unit Owner shall not be allocated or assessed any portion of said amounts, or said Costs or Expenses. Similarly, all revenue derived from the ownership, Operation and Disposition of such Unit shall be applied to defray the Residential Common Expenses or as otherwise determined by the Condominium Board for the benefit of only the Residential and Storage Unit Owners.

R-3.4.4. Actions after 30 Days. Pursuant to the By-Laws, the Condominium Board is required to take prompt action to collect any Common Charges or Special Assessments that remain unpaid for more than 30 calendar days. During the Sponsor Board Control Period, Sponsor will cause the Condominium Board to file the lien under RPL §339-aa on any Unsold Unit for which Sponsor is more than thirty (30) days in arrears of Common Charges or Special Assessments.

R-3.4.5. 10 Day Grace Period; Delinquency Payments. Common Charges shall be due and payable on the first day of each month, unless otherwise specified by the Condominium Board. If Common Charges are not paid within the first 10 calendar days of a month, then the delinquent Sold Unit Owner shall pay on demand the following:

(a) per diem interest on the unpaid amount at the rate of 16% per annum, but not to exceed the highest legal rate, computed from the due date until full payment is received;

(b) a late charge in an amount set by the Condominium Board, but not to exceed $0.05 on each overdue dollar; and

(c) all Costs and Expenses incurred by the Board to collect all amounts owed and to enforce and foreclose its lien and/or recover a money judgment.

The foregoing shall not apply to Unsold Units or the Retail Unit.

R-4. Repairs. The obligation to Repair and Maintain the Units, the Residential Common Elements (and the Association's Residential Properties, if any), the Association's Commercial Properties (if any) and the General Common Elements (and the Association's General Properties, if any), the allocation of responsibility among the Unit Owners and the Condominium Board, the requirements and restrictions as to furnishings and painting of Units and to grant access to Units are summarized below and set forth in detail in Articles 10, 12 and 14 of the Declaration and Articles 5, 12 and 13 of the By-Laws.

R-4.1.1. Repairs to Units. Each Unit Owner shall be obligated, at his or her expense, to Repair (excluding washing and cleaning of the exterior side of Unit windows, Terrace doors and windows, and the Retail Unit's Storefronts, Storefront Windows and entrance, and excluding further structural or extraordinary Repairs expressly stated to be performed by the Condominium Board under the Condominium Documents) and Maintain his or her Unit (including it Equipment and Installations (see Section B, subsection B-5.1 for summary of included items), in accordance and compliance with the Building's Maintenance Standard, which requires the Owner: (a) to Maintain and Repair the Unit and its appurtenant Terrace (if any) in good and proper working order in accordance with good construction practices, free of water leaks and undue air penetration, and otherwise in clean and sanitary condition; (b) to Maintain and Repair the indoor side of the Unit's windows and the glass door and partition separating the Unit from its Terrace (if any), a Unit's entrance and appurtenant Terrace (if any) and other areas of a Unit

exposed to public view in clean, neat and good appearance and first-class condition in accordance with the high quality, character and dignity of the Building, good construction practices and applicable Laws; and (c) to Maintain and Repair a Unit's Terrace in accordance with good construction practices and to keep its drains free and clear of snow, ice, water accumulation and debris.

R-4.1.2. Repairs to Residential Common Elements and Association's Residential Properties. The Residential Board Members, acting on behalf and for the account of only the Residential and Storage Unit Owners, shall be obligated to Repair and Maintain the Residential Common Elements, whether within, bordering or adjacent to Units or elsewhere in or on the Building or Property (see Section B, subsection B-5.2.1.2 for summary of included items), and the Association's Residential Properties (if any) in accordance and compliance with the Building's Maintenance Standard, which requires the Board: (a) to Maintain and Repair the Equipment, Systems and Installations forming part of the Residential Common Elements (whether within, bordering or adjacent to a Unit, or elsewhere) or the Association's Residential Properties (if any) in good and proper working order in accordance with good construction practices and to keep free of water leaks and undue air penetration between the Building Walls and Unit window frames and skylight frames (but excluding Unit windows and said Terrace glass door and partition (if any) and skylight glass panes), and otherwise in clean and sanitary condition; (b) to Maintain and Repair all areas comprising the Residential Common Elements or the Association's Residential Properties (if any) exposed to public view in clean, neat and good appearance, and first-class condition, in accordance with the high quality, character and dignity of the Building, good construction practices and applicable Laws; and (c) to Maintain and Repair all outdoor areas comprising the Residential Common Elements (e.g., Roofs, but not the Terraces thereon, and their drainage Systems) in accordance with good construction practices and to keep free and clear of snow, ice, water accumulation and debris. All Costs and Expenses to Repair and Maintain the Residential Common Elements shall be included in the Residential Common Expenses, which shall be charged to only the Residential and Storage Unit Owners Pro Rata to their respective Common Interests in accordance with the Special Allocation and Apportionment Rule and Section 339-m of the Condominium Act (see Section F, subsection F-3 and SCHEDULE B).

R-4.1.3. Repairs to Association's Commercial Properties. The Commercial Board Members, acting on behalf and for the account of only the Retail Unit Owner, shall be obligated to Repair and Maintain the Association's Commercial Properties (if any) in accordance and compliance with the Building's Maintenance Standard, which requires the Board: (a) to Maintain and Repair the Equipment, Systems and Installations forming part of the Association's Commercial Properties (if any) in good and proper working order in accordance with good construction practices and to keep free of water leaks, undue air penetration, and otherwise in clean and sanitary condition; (b) to Maintain and Repair all areas comprising the Association's Commercial Properties (if any) exposed to public view in clean, neat and good appearance, and first-class condition, in accordance with the high quality, character and dignity of the Building, good construction practices and applicable Laws; and (c) to Maintain and Repair all outdoor areas comprising the Association's Commercial Properties (if any) in accordance with good construction practices and to keep free and clear of snow, ice, water accumulation and debris. All Costs and Expenses to Repair and Maintain the Association's Commercial Properties (if any)

shall be included in the Commercial Common Expenses, which shall be charged to only the Retail Unit.

R-4.1.4. Repairs to General Common Elements, Association's General Properties and Sidewalks. The Condominium Board, acting on behalf and for the account of all Unit Owners, shall be obligated to Repair and Maintain the General Common Elements, whether within, bordering or adjacent to Units or elsewhere in or on the Building or Property (see Section B, subsection B-5.2.1.1 for summary of included items), the Association's General Properties (if any) and the sidewalks immediately adjacent to the Property in accordance with the Building's Maintenance Standard (see preceding subsection R-4.1.2 for such standard). All Costs and Expenses to Repair and Maintain the General Common Elements, the Association's General Properties (if any) and said adjacent sidewalks shall be included in the General Common Expenses, which shall be allocated to all Units and generally apportioned and assessed among them Pro Rata to their respective Common Interests unless the amount fairly and properly attributable to the Residential and Storage Units or the Retail Unit would otherwise require, in which case such fair and proper apportionment and assessment shall be used in accordance with said Special Allocation and Apportionment Rule and Section 339-m.

R-4.1.5. Repairs to Sidewalks. All Sidewalk Cleaning Obligations and Sidewalk Repair Obligations shall be performed by or on behalf of the Condominium Board as part of the General Common Expenses and charged to all Unit Owners Pro Rata to their respective Common Interests (see Section B, subsection B-5.9, and Section H, subsection H-7.16 for further discussion).

R-4.2. Furnishings and Painting of Units. Under the Declaration and By-Laws, each Sold Residential Unit Owner, at his or her expense, is to comply with the following restrictions and requirements:

(a) at least 80% of the indoor floor areas of the Sold Residential Unit (other than the kitchen, pantry (if any), bathrooms, powder room (if any) and closets) must be covered with carpeting, rugs or equally effective noise reducing material Reasonably Approved in writing by the Condominium Board, unless the Board waives this requirement in writing, in its sole and absolute discretion [CAVEAT: though this requirement is intended to reduce or reasonably minimize the transmission of noise between floors, it will not make a Unit soundproof against noise transmitted between floors or from an adjacent hallway or carried through common shafts or ducts];

(b) the Sold Residential Unit's windows, the Terrace glass door and partition (if any), the public side of the entrance door to the Sold Unit, or other portions of the Unit (including any Terrace) exposed to public view, shall not be painted (or otherwise Decorated) without first obtaining the prior written Discretionary Approvals or Consents of both the Condominium Board and (during only the Sponsor Veto Control Period and until issuance of the permanent Certificate of Occupancy) Sponsor;

(c) the indoor side of Unit windows and the indoor side of said Terrace glass door and partition (if any) are to be washed and cleaned by the Sold Residential Unit Owner in accordance with applicable Laws;

(d) all window blinds, shades, curtains and treatments are to be light colored or have light colored backings facing outdoors in accordance with the Condominium's rules and regulations, as such rules and regulations may change from time to time by the Condominium Board (any such changes shall be subject to the Discretionary Approval or Consent of Sponsor during only the Sponsor Veto Control Period); and

(e) the Unit's windows and said Terrace glass door and partition separating a Unit from its Terrace, if any (including hardware and saddles) of a Sold Residential Unit may not be replaced or Altered without Obtaining the prior written Discretionary Approvals or Consents of both the Condominium Board and (during only the Sponsor Veto Control Period and until issuance of the permanent Certificate of Occupancy of the Building) Sponsor.

See Article 10, Section 10.13 of the Declaration and Article 5, Section 5.1 of the By-Laws. The foregoing restrictions and requirements are not applicable to Unsold Residential Units or the Retail Unit, which may be furnished, painted, Decorated and Altered Freely and Without Consent, Payment or Restriction, except all Units must comply with the requirement to wash and clean windows in accordance with the applicable Work Requirements contained in Section 15.2 of the Declaration and applicable Laws.

R-4.3. Acts or Omissions. Pursuant to the By-Laws, any Repair or Maintenance to the Common Elements necessitated by the acts, omissions, negligence, misuse, abuse or neglect of an Owner, tenant, or occupant of a Unit, or such Party's Agents, Employees and Contractors, shall be Repaired by the Condominium Board at the expense of such Unit Owner (all amounts expended by the Board for the Repair shall be charged to the Unit as Additional Common Charges). Such Unit Owner's liability, however, shall be reduced by the amount of any insurance proceeds received and collected by the Condominium Board in connection therewith. See Article 5, Section 5.4 of the By-Laws.

R-4.4. Access to Units. Each Unit Owner must grant access to his or her Unit by the Condominium Board and its Agents, Employees and Contractors for the following purposes:

(a) to conduct inspections and read meters;

(b) to Maintain, Repair, Alter and otherwise Operate Equipment and Installations comprising the Common Elements and to provide services to the Unit Owners; and

(c) to perform Work necessary: (c-1) to fulfill obligations under the Condominium Documents or applicable Law; (c-2) to prevent damage to another Unit or the Common Elements; (c-3) to remedy violations or conditions that constitute violations; (c-4) to remedy an uncured default by the Unit Owner under the Condominium Documents; or (c-5) to remedy a condition endangering another Unit or the Common Elements or to avoid the suspension of any necessary services.

Access is to be granted on giving the Unit Owner advance written notice of not less than three (3) business days (if served by mail) or two (2) business days (if served by hand delivery), except in an emergency access may be immediate without advance notice. In the case of access to remedy an uncured default or a condition endangering another Unit or the Common Elements or involving a necessary service, if not an emergency, the Unit Owner shall be afforded an

opportunity to perform the corrective Work within 10 calendar days from giving of notice thereof (or if not capable of being performed with due diligence and continuity within such 10 day period) such longer period as required to perform the corrective Work with due diligence and continuity (but not longer than 90 calendar days). See Article 12, subsection 12.1 of the Declaration.

R-5. Additions, Alterations and Improvements. The rights and obligations of Unit Owners and the Condominium Board with respect to additions, Alterations and improvements, the requirements for consents and for the Work, and applicable aesthetic controls are summarized below.

R-5.1.1. Rights and Obligations of Unit Owners. Each Unit Owner shall have the right to make additions, Alterations and improvements to his or her Unit and its appliances, Equipment and Installations, but must obtain the prior written approvals or consents of the Condominium Board and (where indicated) Sponsor for certain Work and comply with certain requirements summarized in subsection R-5.2 below and set forth more fully in the Declaration (see Article 14, Section 14.3 and Article 15, Section 15.2) and the By-Laws (see Article 5, Section 5.2).

R-5.1.2. Rights and Obligations of Condominium Board. The Condominium Board shall have the right to make all necessary or desirable additions, Alterations and improvements (collectively, "**Board Alterations**") to the Equipment, Systems and Installations comprising the Common Elements or the Association's Properties (if any), but must perform all Work in accordance with the applicable Work Requirements contained in Article 15, Section 15.2 of the Declaration and obtain the following approvals or consents before undertaking certain Board Alterations as provided in the Declaration (see Article 14, Section 14.5.2): (a) all Board Alterations to be paid from an increase in Common Charges or a Special Assessment or loan cannot be undertaken during only the Sponsor Veto Control Period without obtaining the prior written Discretionary Approval or Consent of Sponsor; and (b) all Board Alterations that will affect the use, occupancy or Operation of the Retail Unit or the business of the Owner or a tenant, licensee or operator of the Retail Unit, or any Building service to be provided to the Retail Unit shall not be undertaken without obtaining the prior written Discretionary Approval or Consent of the Owner(s) of the applicable Retail Unit.

The Costs and Expenses of Board Alterations to: (a) the Residential Common Elements and the Association's Residential Properties (if any) shall be included in the Residential Common Expenses and charged to only all Residential and Storage Unit Owners Pro Rata to their respective Common Interests; (b) the Association's Commercial Properties (if any) shall be included in the Commercial Common Expenses and charged to only the Retail Unit Owner; or (c) the General Common Elements and the Association's General Properties (if any) shall be included in the General Common Expenses and charged to only those Unit Owners who are obligated to Maintain and Repair such General Common Elements or Association's General Properties, and apportioned and assessed among them Pro Rata to their respective Common Interests or other appropriate basis that reflects the amount fairly and properly attributable to such Unit Owners, as applicable.

R-5.2. Consents and Requirements for Unit Additions, Alterations and Improvements.

R-5.2.1. Work Not Requiring Consent. No consent or approval of the Condominium Board or other Unit Owners shall be required with respect to the following Work by a Unit Owner:

(a) furnishing, painting or otherwise Decorating the indoor portions of a Sold Residential Unit that do not involve the Unit's windows, or the public side of the door to the Unit's Terrace (if any);

(b) any additions, Alterations or improvements to the Unit and its appliances, Equipment and Installations (collectively, "**Unit Alterations**") made by an Authorized First Sold Residential Unit Owner that are approved or consented to in writing by Sponsor (see Section O, subsection O-1.4 above); and

(c) all Unit Alterations to Unsold Units and the Retail Unit, whether structural or non-structural, extraordinary or ordinary, or otherwise.

R-5.2.2. Consents and Requirements.

Consents. All other Unit Alterations to Sold Residential Units cannot be performed without first obtaining all required approvals, permits and work orders of Governmental Authorities having jurisdiction, and the following approvals or consents:

(a) Unit Alterations or Decorations affecting the Structural Components of the Building or a Sold Residential Unit's windows or said Terrace glass door or windows, the public side of a Sold Unit's Terrace (if any) or other portion of a Sold Unit exposed to public view will require the prior written Discretionary Approvals or Consents of both the Condominium Board and (during only the Sponsor Veto Control Period and until issuance of the permanent Certificate of Occupancy of the Building) Sponsor; and

(b) Unit Alterations affecting the HVAC/Mechanical/Utility Building Systems will require the prior written Reasonable Approval or Consent of the Condominium Board and (during only the Sponsor Board Control Period and until issuance of said permanent Certificate of Occupancy) the Discretionary Approval or Consent of Sponsor.

No approvals or consents of the Board or Unit Owners are required for Unit Alterations or Decorations to Unsold Units or the Retail Unit.

Requirements. If such approvals or consents are obtained, the Sold Residential Unit Owner must comply with the following requirements as provided in the By-Laws (see Article 5, Section 5.2.4):

(a) before commencing any Work, the Unit Owner, if requested, must sign and deliver to the Condominium Board an alteration agreement (on the standard form for the Building adopted by the Condominium Board and in substance satisfactory to the Board) setting forth the terms and conditions of the Work, which typically include the following: (a-1) Work rules; (a-2) insurance requirements; (a-3) an indemnity in favor of the Board, its agents and

employees, and Unit Owners against Claims and Liabilities and Expenses arising from the Work; (a-4) a security deposit; (a-5) submission of plans and specifications of the Work prepared by a registered architect and/or licensed engineer for approval of the Board's architect and/or engineer; (a-6) a period within which the Work must be completed or substantially completed; (a-7) rights and remedies of the Board to (among others) suspend the Work and perform corrective Work at the Unit Owner's expense if the Unit Owner violates the alteration agreement; and (a-8) payment of all governmental fees and the costs, expenses and charges of the Board, including any attorney, architect, engineer or other consultant engaged by the Board, and the Managing Agent, whose fee for Unit Alterations set forth in Section W, subsection W-1.3 below shall be deemed reasonable; and

(b) the Unit Alterations must be performed by duly licensed contractors (if and to the extent required by Law) in accordance with the terms and conditions of the alteration agreement, the plans and specifications for the Work, the requirements of Law and all Governmental Authorities having jurisdiction, and the applicable Work Requirements set forth in Article 15, Section 15.2 of the Declaration.

The foregoing requirements are not applicable to Unit Alterations to Unsold Units or the Retail Unit, which may be made Freely and Without Consent, Payment or Restriction, other than the requirements to comply with applicable Laws and the applicable Work Requirements contained in said Section 15.2 of the Declaration.

R-5.3. Aesthetic Controls and Architectural Requirements. Pursuant to the general powers of the Condominium Board, all determinations as to aesthetics and architectural requirements for the portions of Sold Residential Units and the Common Elements exposed to public view shall be made by the Condominium Board in order to preserve the architectural integrity and appearance of the Building and to maintain the value of all Units. For similar reasons, Sponsor has also reserved the right, during only the Sponsor Veto Control Period and until issuance of the permanent Certificate of Occupancy of the Building, to require all Repairs, Alterations and Decorations affecting the portions of the Sold Residential Units exposed to public view to be subject to the Discretionary Approval or Consent of Sponsor. See subsection R-4.2(b), (d) and (e) above for aesthetic controls and architectural requirements applicable to Sold Residential Units that are subject to the Discretionary Approvals or Consents of the Condominium Board and (during only the Sponsor Veto Control Period and until issuance of the permanent Certificate of Occupancy of the Building) Sponsor.

R-6. Insurance. The insurance coverage to be provided by the Condominium Board, the insurance coverage each Unit Owner will be responsible to obtain (if desired), the insurance coverage to be obtained under the Plan and the allocation of insurance proceeds are summarized below and set forth in detail in Article 6 of the By-Laws.

R-6.1. Insurance Coverage Provided by Condominium Board. Pursuant to the By-Laws (see Article 6), the Condominium Board is required to obtain the following insurance coverages:

(a) "all risk" fire and casualty insurance coverage insuring the Common Elements (including the Party Walls, Base Floors and Base Ceilings enclosing Units) and the Association's Properties (e.g., any Unit owned or leased by the Board or its nominee or

designee), and covering the interests of the Condominium Association, the Condominium Board, the Unit Owners and their mortgage lenders, as their respective interests may appear, in an amount sufficient to waive co-insurance or based upon an "agreed amount" replacement cost; containing (to the extent obtainable) waivers of subrogation, any defense based on co-insurance or other insurance, invalidity based on acts of an insured party and pro rata reduction of liability; containing a New York standard mortgagee provision in favor of mortgagees of Units, but subject to the loss payment provisions in favor of the Condominium Board; and requiring at least 10 calendar days' prior written notice to the Condominium Board of cancellation or expiration of the policy;

(b) liability insurance coverage insuring against liability for personal injury or property damage in or upon the Common Elements, the Association's Properties (e.g., any Unit owned or leased by the Board or its nominee or designee), the sidewalks immediately adjacent to the Property, naming as co-insureds the Condominium Board, its members, officers, agents and employees, and all Unit Owners, as their respective interests may appear, and in such amounts and umbrella coverage as shall be determined in the discretion of the Condominium Board, but not less than the liability coverage provided in the First Year's Budget (SCHEDULE B in Section F above) without obtaining the prior written Discretionary Approval or Consent of Sponsor during only the Sponsor Veto Control Period;

(c) boiler and machinery insurance on Equipment constituting part of the Common Elements or the Association's Properties; and

(d) worker's compensation insurance, New York disability benefits insurance and employer's liability coverage covering the Condominium Association's employee(s).

No coverage will be obtained by the Condominium Board to insure against: (a) loss or damage to the contents of Units (e.g., furniture, furnishings, cabinets, appliances, Decorations, household items or personal belongings); or (b) liability for personal injury or property damage for occurrences in or upon the Unit (including any Terrace). Each Unit Owner should consider the desirability of obtaining these insurance coverages and liability coverage for the Unit's undivided interest in the Common Elements at his or her expense to the extent the insurance maintained by the Board for incidents in, on or caused by the Common Elements is inadequate or the risk is not insured.

R-6.2. Other Available Coverages. The Condominium Board may also obtain such other insurance coverages as the Board shall determine from time to time, including: (a) directors and officers liability insurance; (b) business interruption insurance; (c) elevator collision insurance; (d) water damage legal liability insurance; (e) combination crime insurance; and (f) non-owned and hired automobile liability insurance.

At or prior to the First Closing of a Residential Unit, Sponsor shall obtain, at the expense of the Condominium Board, the insurance coverages set forth in the First Year's Budget (SCHEDULE B in Section F above). See SCHEDULE B for details of the coverages, deductible amounts and estimated premiums. In subsequent years of Condominium Operation, the Condominium Board shall make all determinations concerning insurance to be obtained (including coverages, insured

amounts and amounts deductible), subject to compliance with the By-Laws and Sponsor's veto control during only the Sponsor Veto Control Period.

R-6.3. Insurance Proceeds. If less than three-fourths of the Building is destroyed or damaged, the Condominium Board shall promptly arrange to repair and restore the affected Common Elements, and any affected Association's Properties, but not the appliances, fixtures (electric, plumbing or otherwise) or cabinets, or the other Equipment, contents or Decorations of Units not owned by the Board or its nominee or designee, which are the sole responsibility of Unit Owners to Repair and restore at their expense.

If three-fourths or more of the Building (including the Units, the Base Floors, the Building Walls, the Roofs and other Common Elements) is destroyed or substantially damaged (i.e., so as to require reconstruction) and 75% or more in number of all Unit Owners (excluding the Units owned by the Board or its nominee or designee for quorum and voting purposes) do not duly and promptly resolve to proceed with the repair or restoration, then the Property or so much thereof as shall remain shall be subject to an action for partition at the suit of any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale and the net proceeds of insurance shall be considered as one fund and shall be divided among all Unit Owners Pro Rata to their respective Common Interests; provided, however, that no payment shall be made to a Unit Owner until there has first been paid out of his or her share of such fund all liens on his or her Unit. The failure of 75% or more in number of all Unit Owners to promptly resolve to proceed with the repair or restoration shall not result in the termination of condominium ownership of the Property, which may only terminate upon authorization of 95% in number and Common Interest of all Unit Owners to withdraw the Property from the Condominium Act (see section R-12) below). Unless said withdrawal from the Condominium Act is so authorized, in any action for partition, each Unit Owner shall have the right to retain fee title ownership of his or her Unit in exchange for said Owner's share of the net proceeds of the partition sale. An Owner who exercises such right, shall be responsible, at his or her sole Cost and Expense, to repair and restore the Unit and all Common Elements serving and providing a means of ingress to and egress from such Unit, but shall be paid the Owner's Pro Rata share (based on Common Interest) of said net insurance proceeds. If two (2) or more Unit Owners similarly elect to repair and restore their Units, the Condominium Board will make all determinations with respect to the repair and restoration of said Common Elements, except the Commercial Board Member, or the Retail Unit Owner (at its option) in lieu of the Commercial Board Member, will make all such determinations with respect to those Common Elements serving exclusively or primarily the Retail Unit. See Article 7 of the By-Laws for discussion.

If the Building is to be repaired or restored, the net proceeds of insurance shall be paid to the Condominium Board or (at the option of the Board if such proceeds exceed $1,000,000) to an Insurance Trustee appointed by the Condominium Board and applied for such purpose. The Board shall allocate the net insurance proceeds to the affected General Common Elements, Residential Common Elements and Association's Properties Pro Rata to the costs to repair or restore them. If the net proceeds of insurance shall be insufficient, the Condominium Board may obtain funds to pay the deficit from a Special Assessment levied against those Unit Owners who are obligated to pay for the costs to Maintain and Repair such areas and elements. The share of each such Unit Owner in the deficit will be in the same proportion as his or her share of the cost of Maintenance and Repairs. For example, if the net insurance proceeds are insufficient to

Repair or restore the Residential Common Elements, the Condominium Board may obtain funds to pay the deficit from a Special Assessment levied against only all Residential and Storage Unit Owners Pro Rata to their respective Common Interests.

R-7. Restrictions on Occupancy and Use. The restrictions on occupancy and use of Units are summarized below and set forth in the Declaration (see Article 10, Section 10.13) and the By-Laws (see Article 11, Section 11.3).

R-7.1. Limitation on Pets. No Sold Residential Unit may be used: (a) to breed animals or pets for commercial purposes; or (b) to harbor dangerous or poisonous reptiles, insects or animals, or more than a total of four (4) domestic dogs and cats. A permitted pet whose behavior is a nuisance to occupants of other Units or is the cause of an unsanitary condition or an offensive odor to occupants of other Units shall be removed unless such behavior or condition is corrected within 15 calendar days after giving written notice thereof. The foregoing restrictions do not apply to Unsold Residential Units or the Retail Unit.

R-7.2. Aesthetic Controls. Sold Residential Units must comply with the following aesthetic requirements: (a) no glass surfaces of a window or Terrace glass door or window may be painted, colored or otherwise covered; (b) all window shades, blinds, curtains and other treatments must be light colored or have light colored backings facing the outdoors in conformity with the rules and regulations annexed to the By-Laws, and Amendments thereto duly adopted by resolution of the Condominium Board from time to time (said Amendments shall be subject to obtaining the prior written Discretionary Approval or Consent of Sponsor during only the Sponsor Veto Control Period and until issuance of the permanent Certificate of Occupancy of the Building); (c) no windows or Terrace glass door or windows (if any), or door to a Unit's entrance (including hardware and saddles), may be replaced or otherwise Altered without obtaining the prior written Discretionary Approvals or Consents of both the Condominium Board and (during only the Sponsor Veto Control Period and until issuance of the permanent Certificate of Occupancy of the Building) Sponsor; (d) no radio antennae, satellite dishes or other communication devices may be installed on, or projected from, a window, Terrace, Building Wall or Roof (other than a Roof area dedicated by the Board, the Sponsor or the Retail Unit Owner for such purpose, if any) or other area visible from the street; (e) no "For Sale", "For Rent" or other Signs may be installed on or otherwise displayed from windows, Terrace glass door or windows (if any), Terraces or other areas visible from the street; and (f) no Terrace shall be enclosed, Altered, partitioned, fenced, landscaped, furnished, painted or otherwise Decorated with any planter, structure, object or otherwise without obtaining the prior written Discretionary Approvals or Consents of both the Condominium Board and (during only the Sponsor Veto Control Period and until issuance of the permanent Certificate of Occupancy of the Building) Sponsor in each instance. The foregoing restrictions are not applicable to Unsold Residential Units or the Retail Unit and are subject to applicable Law (if any) expressly prohibiting any such restrictions. See Section 10.13 of the Declaration.

R-7.3. Business or Professional Use. Sold Residential Units are to be used only for dwelling and incidental home occupation purposes permitted by Law, and for no other purpose. Sold Storage Units are to be used only as accessory storage of noncombustible materials or materials that do not burn rapidly, and for no other purpose. These limitations are more restrictive than

those applicable to Sponsor's Unsold Residential and Storage Units, which may be used for all lawful purposes (other than Prohibited Uses), including as models and offices for the sale, Promotion, rental, Operation and management of Unsold Residential and Storage Units.

R-7.4. Occupancy Restrictions. In order to provide for the congenial occupancy of the Property and to protect the value of Units, occupancy of Sold Residential Units shall be limited to the following in accordance with Section 13.3.2 of the By-Laws:

(a) if owned or leased by one or more individuals: occupancy of the Sold Residential Unit shall be limited to such individual(s) and his or her (or their) immediate family, domestic employees and temporary non-paying guests; and

(b) if owned or leased by a corporation, partnership, limited liability company, trust, consulate, sovereign government, or other Entity: occupancy of the Sold Residential Unit shall be limited to an individual who is an officer, director, shareholder, member, partner, fiduciary, trust grantor or beneficiary, principal or employee designated by such Entity, and said designee's immediate family, domestic employees and temporary non-paying guests.

The immediate family, domestic employees and guests will be permitted to occupy the Unit even though the Owner or permitted tenant or subtenant (as applicable) is absent. No transient occupancy (other than a temporary non-paying guest) shall be accommodated in a Sold Residential Unit at any time. The Condominium Board, however, may, in its sole discretion, permit Sold Residential Units to be occupied by other Persons. The foregoing restrictions on occupancy do not apply to Unsold Residential Units or the Retail Unit, which may be occupied by anyone, regardless of relationship or lack of relationship with the respective Owners of such Units.

R-7.5. Restrictions on Illegal or Offensive Uses. No Unit or no Sold Residential or Storage Unit (as applicable) may be used for any Prohibited Uses, namely: (a) no Unit may be used for: (a-1) any use that impairs or threatens the structural integrity of the Building or the life, health or safety of Owners, tenants or occupants of Units; (a-2) any use that violates applicable Laws; or (a-3) any use that results in the cancellation or a notice of cancellation of insurance maintained by the Condominium Board; and (b) no Sold Residential or Sold Storage Unit may be used for any use that is an unreasonable nuisance to other Unit Owners or an unreasonable interference with the peaceful possession or proper use of other Units or the Common Elements for their intended or permitted purposes as stated in this Plan and the Condominium Documents.

No barbecuing shall be allowed in a Residential Unit or on its appurtenant Terrace. In addition, to safeguard against noise disturbances: (a) at least 80% of a Sold Residential Unit's floors (excluding kitchen, pantry (if any), bathrooms, powder room (if any) and closets) shall be carpeted or otherwise covered with an equally effective noise reducing material [CAVEAT: though this requirement is intended to reduce or reasonably minimize the transmission of noise between floors, it will not make a Unit soundproof against noise transmitted between floors or from an adjacent hallway or carried through common shafts or ducts]; (b) loud playing of musical instruments, sound systems, radios, television sets or other devices which disturb or annoy other occupants of the Building shall not be permitted between midnight and the following 8:00 a.m. and in no event shall singing or practicing musical instruments be allowed in Sold

Residential Units before 9:00 a.m. or after 10:00 p.m.; or (c) Repairs and Alterations in Sold Residential Units shall be performed on such days and during such hours as shall be determined by the Condominium Board (all of the foregoing restrictions are not applicable to Unsold Residential Units or the Retail Unit). See Section H, subsections H-1 and H-3 for existing uses and permitted changes in use of the Retail Unit.

R-7.6. Limitations on Guest Privileges. Only temporary non-paying guests of the Owner or a permitted tenant or subtenant of a Sold Residential Unit may occupy the Unit overnight. The Condominium Board may adopt rules and regulations governing the duration of occupancy by guests, notice requirements and security measures.

R-7.7. Limitations in Utilization of Common Elements. The Common Elements are to be Used and Enjoyed in common by all Unit Owners (as to the General Common Elements) or all Residential and Storage Unit Owners (as to the Residential Common Elements) and their respective Permitted Tenants/Occupants/Invitees for all purposes for which they are reasonably intended, suited and capable. The Condominium Board shall have the right to determine, and to amend the Rules and Regulations governing, the use of the Common Elements, provided such uses shall be in accordance and compliance with, and subject and subordinate to the rights and easements provided in, the Declaration and By-Laws. See Section O, subsection O-1.6 for summary of rights and easements of Sponsor to use the Common Elements. See also Section H, subsections H-7.6 and H-7.9 for summary of rights and easements of the Retail Unit Owner to use the Common Elements. For applicable provisions, see Articles 10, 11 and 12 of the Declaration and Article 11 of the By-Laws.

R-7.8. Limitations in Certificate of Occupancy and Zoning Law. The temporary or partial Certificate of Occupancy to be issued as and when Units are completed, and the permanent Certificate of Occupancy to be issued upon completion of all Units and Common Elements, will limit the use of Residential Units to one-family dwellings and incidental home occupations allowed by Law, the use of Storage Units to accessory storage and the use of the Retail Unit to retail uses. The foregoing uses are permitted by the current zoning for the Property, which is zoned C-6-2A and C-6-3A and Special West Chelsea District and permits respective uses of the Units contained in this Plan as of right. Ownership of a Storage Unit is restricted to Sponsor or a Residential Unit Owner (see SPECIAL RISK Section A, subsection A-16 above). The Retail Unit is not restricted to any particular uses and may be used for any lawful purpose other than Prohibited Uses (see SPECIAL RISK Section A, subsection A-1).

R-8. Remedies. The remedies available to the Condominium Board, Sponsor (as Owner of an Unsold Unit) and the Retail Unit Owner in the event of a violation of the Declaration or By Laws for other than non-payment of Common Charges or Special Assessments are contained in Article 17 of the By-Laws and include the following:

(a) Self-Help: if a Unit Owner fails to cure a violation within 30 calendar days (or 90 calendar days in certain cases) after being given written notice of the violation, the Condominium Board or (in its absence and during only the Sponsor Veto Control Period and until issuance of the permanent Certificate of Occupancy of the Building) Sponsor shall have the right (but will not be obligated) to remedy the violation for the account and at the expense of the Unit Owner, who will also be liable for all Costs and Expenses of collection thereof

(all amounts owed to the Board shall constitute Additional Common Charges payable by such Unit Owner); provided, however, in an emergency, the foregoing remedy of self-help may be exercised immediately, without prior notice and without allowing the Unit Owner a cure period; and

(b) Abatement and Enjoinment: the Condominium Board or (in its absence and during only the Sponsor Veto Control Period and until issuance of the permanent Certificate of Occupancy of the Building) Sponsor may bring suit to abate, enjoin or remedy the continuance or repetition of any violation by a Unit Owner and to recover from a Unit Owner all Costs and Expenses incurred in connection with such violation and such suit, together with the Costs and Expenses of collection thereof.

R-9. Arbitration. Apart from certain matters expressly stated may not be submitted to arbitration, any other matter required or permitted by the Condominium Documents to be determined by arbitration will be submitted to three (3) arbitrators (in the case of claims aggregating in excess of $100,000) or a single arbitrator (in all other cases) in New York City in accordance with the then existing commercial arbitration rules of the American Arbitration Association (or any successor organization). The decision of a majority of the arbitrators or the arbitrator (as applicable) will be binding on the disputants and may be entered into any court having jurisdiction.

The fees, Costs and Expenses of the arbitrator(s) will be paid equally by the disputants, unless otherwise determined by the arbitrator(s). Each disputant will pay the fees, Costs and Expenses of the disputant's attorney and witnesses. All amounts paid by the Condominium Board in an arbitration will constitute either a General Common Expense (if the dispute involves the General Common Elements, the Association's General Properties, or all or a portion of both the Residential Space and the Retail Unit, or the General Common Expenses), or a Residential Common Expense (if the dispute involves only the Residential Space, the Association's Residential Properties or the Residential Common Expenses), or a Commercial Common Expense (if the dispute involves only the Association's Commercial Properties, if any, or the Commercial Common Expenses).

R-10. Rules and Regulations. Unit Owners will be required to comply with the Rules and Regulations attached to the By-Laws (see Addendum to DOCUMENT 7 in Part II of this Plan), as they may be amended from time to time, subject and subordinate to Sponsor's/Commercial Owner's Rights, by a majority of the following Board Members attending a duly constituted Board meeting at which a quorum is present: (a) in the case of the Residential Space only: a majority of those Residential Board Members attending the meeting; or (b) in the case of the General Common Elements: a majority of those Residential and Commercial Board Members attending the meeting. The Rules and Regulations, including Amendments thereto, may be overruled by vote of a majority in number and Common Interest of those affected Unit Owners attending a duly constituted meeting of Unit Owners at which a quorum is present. Unit Owners will be given a copy of any Amendment to the Rules and Regulations at least thirty (30) calendar days before it becomes effective.

The Rules and Regulations and any Amendments to them are subordinate to Sponsor's/Commercial Owner's Rights under this Plan, a Plan Amendment and the

Condominium Documents. Accordingly, any Rules and Regulations, as they may be amended, which violates the superior rights of Sponsor, Unsold Unit Owners or the Retail Unit Owner will not be enforceable against them.

R-11. Successors and Assigns. The powers and duties of a Unit Owner under the Condominium Documents will pass to the Unit Owner's successors and assigns and (in the case of Sponsor Units, including Unsold Units) Sponsor's designees. However, the Sponsor's Rights (i.e., the rights, powers, easements, licenses, indemnities, privileges, exemptions, remedies, protections and other benefits) reserved exclusively for Sponsor and Sponsor's designee may only be exercised by Sponsor or an Unsold Unit Owner, or a "Designee" or "Involuntary Transferee" of either, or a "Successor in Interest" of any of the foregoing (as said quoted terms are defined in Article 28 of the Declaration). In addition, subject to compliance with the Declaration, a Permitted First Mortgagee or a purchaser at a foreclosure sale of a Permitted First Mortgage or of the Condominium Board's lien under the Condominium Act will not be responsible for any unpaid Common Charges (including unpaid installments of any Special Assessments) of the delinquent predecessor Unit Owner. Rather, such Permitted First Mortgagee or purchaser at a foreclosure sale will be responsible only for the obligations that accrue from and after becoming the Owner of the Unit (including Common Charges, installments for Special Assessments and any other amounts that become due and payable from and thereafter).

R-12. Termination of Condominium. The Condominium shall continue until the occurrence of any of the following events ("**Condominium Termination Events**"):

(a) a taking by condemnation or eminent domain of the entire Property; or

(b) a withdrawal of the Property from the Condominium Act authorized by Unit Owners owning more than 95% in number and Common Interest of all Units, in writing or by vote cast by written ballot at a meeting of Unit Owners at which a quorum is present, duly called for such purpose; provided, however, that a vote of a Unit Owner in favor of withdrawal shall not be effective or counted without the prior written consent of the holder of a "Registered Mortgage" (as defined in Section 16.13 of the By-Laws) on such Owner's Unit, if any and if such mortgage so provides (see Section 19.1 of Declaration for details), and provided further that Sponsor or its designee (as applicable), as Owner of Unsold Residential and Storage Units, will not vote its interests appurtenant to any Unsold Residential and Storage Units for such withdrawal unless more than said 95% in number and Common Interest of all other Unit Owners have voted in favor of such withdrawal, at which time Sponsor or its designee (as applicable) may choose to vote either in favor of, or against, withdrawal from condominium ownership, as it sees fit.

The Condominium Board and its nominee or designee shall have no voting rights with respect to any Units owned by each of them and such Parties and Units shall be excluded from the base number of Owners, Units and Common Interests for quorum and voting purposes in determining whether such 95% threshold is met.

In the event the entire Property is taken pursuant to said clause (a) above, then the award of the taking authority shall be apportioned among all Unit Owners Pro Rata to the respective then existing fair market values of the Units and their respective appurtenant undivided interest in the

Common Elements as provided more fully in Article 19 of the By-Laws. In the event of withdrawal of the Property from the Condominium Act, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common. The net proceeds of sale resulting from such action for partition shall be divided among all Unit Owners Pro Rata to their respective Common Interests; provided, however, that no payment shall be made to a Unit Owner until there has first been paid out of its share of such funds, such amounts as may be necessary to discharge all unpaid liens on the Owner's Unit in the order of the priority of such liens.

R-13. Incurring Debt. The Condominium Board may not borrow any sum during the Sponsor Veto Control Period without first obtaining Sponsor's prior written Discretionary Approval or Consent therefor. Thereafter, the Condominium Board may incur debt without the approval or consent of Sponsor or other Unit Owners. Any debt incurred by the Board in accordance with this Plan and the By-Laws may be secured by the Board as follows: (a) the Board may assign the rights in and to future income and Common Charges; (b) the Board may create a security interest, mortgage or other encumbrance on funds or other real or personal property held by the Board, (c) the Board may agree the Common Charges received and to be received by the Board shall constitute trust funds for the purpose of paying the debt; and (d) the Board may agree to increase Common Charges at lender's direction to the extent necessary to pay any amount when due under the debt instruments, all as provided more fully in Real Property Law Section 339-jj.

R-14. Real Property Law Section 339-kk. Under Real Property Law Section 339-kk ("**Section 339-kk**"), if a non-occupying Owner (including Sponsor) rents the Owner's Residential Unit to a rental tenant and then fails to make payments due for Common Charges, Special Assessments or late fees (collectively, "**Condominium Charges**") for such Unit within sixty (60) days after the expiration of any grace period of the earliest due date, the Condominium Board shall provide written notice to the tenant and the non-occupying Owner ("**delinquent Owner**" or "**such Owner**") providing that, commencing immediately and until such time as all payments for Common Charges, Special Assessments or late fees are made current, all rental payments due subsequent to the issuance of such notice are to be made payable to the Condominium Board at the address listed on the notice. Under this Plan, the notice is also to include a detailed statement of each of the unpaid Condominium Charges, setting forth the amount owed, when the amount was due and the nature of the unpaid Condominium Charge (that is, Common Charges, Special Assessments and/or late fee, as applicable).

Where a majority of the Condominium Board has been elected by and from among the Unit Owners who are in occupancy, the Board may elect not to require that rental payments be made payable to the Condominium Board. At such time as payments for Condominium Charges from the delinquent Owner are once again current, notice of such fact shall be given within three (3) business days to the rental tenant and the delinquent Owner. Thereafter, all rental payments shall be made payable to such Owner or a designated agent. A delinquent Owner who disputes the Condominium Board's claim to rental payments pursuant to Section 339-kk shall be entitled to present facts supporting such Owner's position at the next scheduled meeting of the Board, which must be held within thirty (30) calendar days of the date that the Condominium Board receives notice that such Owner seeks to dispute the claim. Nothing in Section 339-kk shall limit any rights of Unit Owners or of the Condominium Board existing under any other Law or agreement.

Payment by a rental tenant to the Condominium Board made in connection with Section 339-kk shall relieve that rental tenant from the obligation to pay rent to the delinquent Owner and shall be an absolute defense in any non-payment proceeding commenced by such delinquent Owner against the tenant for rent.

It is noted that if a delinquent Owner owns two (2) or more Residential Units occupied by rental tenants, the Condominium Board may collect the rent from only the rental tenant of each Unit whose Condominium Charges are in arrears for sixty (60) days or more. The Condominium Board shall apply the rent collected from the rental tenant to reduce the unpaid Condominium Charges of the Unit occupied by such rental tenant.

Furthermore, under this Plan, the Condominium Board will be required to send the delinquent Owner, not less often than once a month, a detailed written accounting of the amount received and collected from the rental tenant. If a rental tenant's rent check is dishonored or returned uncollected, the Condominium Board shall also be required to send the delinquent Owner the dishonored or uncollected check promptly after receipt.

To the extent not prohibited by Section 339-kk: (a) the delinquent Owner shall continue to have the exclusive right to enforce the rental tenant's lease (if any) and tenancy obligations and to assert all rights and remedies available to such Owner as landlord, and the Condominium Board shall be absolved of all responsibility and liability with respect thereto; and (b) the rights granted to the Condominium Board under this statute are subordinate to the rights of a holder of any mortgage lien or other security interest in a Residential Unit owned by a non-occupying Owner.

Section 339-kk does not address certain issues, including the following: (a) the priority of rights between the Condominium Board and a holder of a mortgage secured by the Unit of a delinquent Owner or the assignee of a collateral assignment of rents given by such Owner to collect rents from such Owner's tenant; (b) the remedies of the Condominium Board if the tenant fails or refuses to make rental payments to the Board after giving the required notice under Section 339-kk; and (c) the remedies of a delinquent Owner if such Owner disputes the Condominium Board's claim to rental payments and thereafter the Board fails, refuses or delays in scheduling the required meeting at which the delinquent Owner is entitled to present facts supporting such Owner's position or said meeting is held but the Board rejects such Owner's position. Sponsor makes no representation with respect to the foregoing issues or the income tax consequences while the rental payments from such Owner's tenant are being collected by the Condominium Board, or otherwise. Prospective Purchasers are advised to consult their own attorneys or advisers with respect to Section 339-kk and its impact on them.

END OF SECTION R

SECTION S. REAL ESTATE TAXES

S-1. Separate Assessment of Units. Each Unit will be assigned a separate tax lot upon the recording and filing of the Condominium Documents at the Register's Office for Manhattan. After the Units are separately assessed and billed for real estate taxes, each Unit will be taxed as a separate tax lot for real estate tax purposes and the Unit Owner will not be responsible for the payment of, nor will his or her Unit be subjected to, any lien arising from the non-payment of taxes on other Units.

S-1.1. Delay in Separate Assessments. Generally, the Units will not be separately assessed and billed for real estate taxes by the taxing authority for a period of approximately six (6) months following the recording and filing of the Condominium Documents. Until then, real estate taxes will continue to be assessed to the entire Property, which shall be included in the General Common Expenses and specially allocated and apportioned among the Units by the Condominium Board pursuant to the Special Allocation and Apportionment Rule and RPL Section 399-m as explained below.

S-1.2. Procedure to Pay Real Estate Taxes to Board. While the real estate taxes are assessed to the entire Property, each Unit Owner will pay his or her share of such taxes ("**Tax Share**") to the Condominium Board as part of the Unit's General Common Charges, which shall be allocated and apportioned among the Units in the same manner used to determine the estimated amount of real estates of each Unit in SCHEDULE A of Offering Prices (see Section E above). In accordance therewith, the Property's real estate taxes will be allocated 89.66% to all Residential Units, 0.19% to all Storage Units and 10.15% to the Retail Unit, and then apportioned among the Residential and Storage Units Pro Rata to their respective Common Interests (see subsection S-2 below for discussion).

S-1.3. Adjustments. After the Units are separately assessed and billed for real estate taxes, each Unit Owner whose Unit was not separately billed for real estate taxes at Title Closing will adjust with the Condominium Board any overpayment or underpayment in the real estate taxes payable to the Condominium Board during the interim period before the Unit is separately assessed and billed for real estate taxes ("**Interim Tax Period**"). The adjustment shall be based on the difference between the Tax Share of the Unit at the time of Title Closing and the product of:

(a) the taxable assessed valuation of the Property at Title Closing;

multiplied by

(b) the ratio that the initial actual separate assessed valuation of the Unit bears to the aggregate initial actual separate assessed valuations of all Units;

multiplied by

(c) the tax rate applicable to the Unit during said Interim Tax Period.

Once the Units are separately assessed and billed for real estate taxes, the Condominium Board and each Unit Owner will have the right to adjust any overpayment or underpayment of such real estate taxes based on the formula described above. Written notice setting forth a calculation of the amount due must be sent within a deadline of sixty (60) calendar days after the Unit is separately assessed and billed for real estate taxes. Such sixty (60) calendar day period is a

"TIME OF THE ESSENCE", or deadline, period. If notice is not timely sent, no adjustment will be made. Any underpayment owing to the Condominium Board will be regarded as Common Charges and, if not paid, will entitle the Condominium Board to all the rights and remedies in the case of non-payment of Common Charges. Any overpayment to the Condominium Board will be credited against (that is, reduce) the next due payments of Common Charges or (at the sole option of the Condominium Board) refunded to the Unit Owner.

See Section N, subsection N-1.3 above for similar adjustment to be made between Sponsor and Purchaser with respect to the real estate taxes apportioned at Closing of Title.

S-2. Present and Projected Real Estate Taxes.

Present Real Estate Taxes. Real estate taxes are set by the Department of Finance of The City of New York ("**Department of Finance**"). The assessed valuation ("**A.V.**") and other real estate tax information for the Property (*pre-completion of construction*) for the current 7/1/07 to 6/30/08 fiscal tax year are as follows:

Tax Year	Actual A.V.[1]	Transitional A.V.[1]	Tax Rate[2]	Real Estate Taxes[3]
2007/2008	$79,200	$78,340	10.059%	$7,880

(1) The amount shown is for vacant land, as the previous existing building had been demolished. Real estate taxes are based on the lower of the actual or transitional assessed valuation.

(2) This is the class 4 tax rate per $100 of A.V. (expressed as a percentage) applicable to the Property utilized by the New York City Department of Finance for the 7/1/07 to 6/30/08 period.

(3) Rounded.

CAVEAT: The assessments for the 2007/2008 fiscal tax year does not reflect the higher assessment to be applicable upon completion of construction (see subsection S-2.4 below) and is being provided for informational purposes only.

S-2.1. Method to Determine Assessment. Real estate taxes are set by the Department of Finance based on its determination of a property's fair market value. Jerome Haims Realty, Inc. ("**Haims**") explains in its opinion letter (reproduced in subsection S-8 below) the various methods that might be utilized by the property division of said Department of Finance to assess a property to determine its fair market value. See subsection S-4.1 below for restrictions or limitations on assessments of condominium units under state laws.

S-2.2. Projected Real Estate Taxes in SCHEDULE A:

The first year of Condominium operation is projected to begin January 1, 2009 and to end December 31, 2009, which straddles the last six (6) months of the July 1, 2008 to June 30, 2009 fiscal tax year (when only a *pre-completion of construction* assessment is anticipated to be in effect and the first six (6) months of the July 1, 2009 to June 30, 2010 fiscal tax year (when a *post completion of construction* is targeted to be in effect based on the present construction schedule). The projected real estate taxes in SCHEDULE A (in Section E above) is based on the projected *post completion of construction* real estate taxes for said **July 1, 2009** to **June 30, 2010** fiscal tax year.

The projected real estate taxes for the Property *post-completion of construction* of the Units and the Building, with and without Section 421-a benefits, are contained in the following subsection S-3.

SPECIAL RISK: For purposes only of presenting an estimate of each Unit's real estate taxes in SCHEDULE A, the Property's projected assessed valuation allocated to all Residential Units and all Storage Units, as estimated by Haims, has been apportioned to each Residential Unit and Storage Unit Pro Rata to its Common Interest. The method that may be used by the taxing authority to apportion the Property's assessed valuation among the Units is uncertain. The taxing authority, for example, may use Common Interests or the initial offering prices of Units in SCHEDULE A, or actual sales prices of Units (which are a truer indicator of value, but not necessarily the method used by the taxing authority), or square footage or overall size (see SPECIAL RISK Section A, subsection A-13). See footnote (6) to SCHEDULE A for discussion. Accordingly, the tax assessment for each Unit may be allocated by the taxing authority on a basis that differs from the allocation of Common Interests.

SPONSOR, SELLING AGENT AND HAIMS DO NOT REPRESENT, ASSURE OR GUARANTEE THE ACTUAL ASSESSED VALUATION, TAX RATE, REAL ESTATE TAXES OR PORTION OF THE PROPERTY'S ASSESSED VALUATION TO BE APPORTIONED TO EACH UNIT BY THE TAXING AUTHORITY, WHICH WILL LIKELY VARY, PERHAPS SUBSTANTIALLY, FROM THE ESTIMATES IN THIS PLAN AND HAIM'S OPINION.

S-3. Projected Assessed Valuation After Completion of Construction. Based on the current construction schedule, the Residential and Storage Units are not expected to have been sufficiently completed to reflect their full *post-completion of construction* assessment until the **July 1, 2009** to **June 30, 2010** tax year, which is after the start the projected first year of Condominium operation. The projected *post-completion of construction* assessed valuations, tax rates (expressed as a percentage) and real estate taxes *(without Section 421-a benefits)* of the Residential and Storage Units for the **July 1, 2009** to **June 30, 2010** fiscal tax year, as estimated by Haims in its opinion letter (reproduced at subsection S-8 below), are as follows (amounts are rounded):

Without §421-a Benefits:

	Projection for All Residential Units	Projection for All Storage Units	Projection for Retail Unit
Estimated *Post-Completion* **7/1/09** to **6/30/10** Taxable A.V.:	$2,985,000	$6,210	$338,000
Estimated **7/1/09** to **6/30/10** Tax Rate:	12.31%	12.31%	10.26%
Estimated *Post-Completion* **7/1/09** to **6/30/10** Real Estate Taxes *without* §421-a benefits:	**$367,000** ($2,985,000x 12.31%)	**$765** ($6,210x 12.31%)	**$17,170** ($338,000 x 10.26%)

The projected real estate taxes for the **July 1, 2009** to **June 30, 2010** fiscal tax year *with Section 421-a benefits* are based on the estimates of Haims and Kramer Levin Naftalis & Frankel LLP ("**Kramer Levin**") set forth below of the following items: (a) the total Prior Assessed Valuation of the Property (i.e., the prior taxable assessed value of the land and any improvements thereon for the tax year preceding commencement of construction); (b) the projected allocation by the taxing authority of the total Prior Assessed Valuation to all Residential Units, all Storage Units and the Retail Unit (expressed as a percentage); and (c) the 2009/2010 tax rates applicable to the Residential, Storage and Retail Units (expressed as a percentage):

With Section 421-a Benefits:

Estimated Total Prior Assessed Valuation of entire Property: $116,106

	Projection for All Residential Units	Projection for All Storage Units	Projection for Retail Unit
Estimated Allocation of Total Prior Assessed Valuation:	89.66%	0.19%	10.15%
Estimated 2009/2010 Tax Rate:	12.31%	12.31%	10.26%
Estimated **2009/2010** Real Estate Taxes:	**$36,383** ($166,106 x 89.66% x 12.31%)	**$77** ($166,106 x 0.19% x 12.31%)	**$3,443** ($166,106 x 10.15% x 10.26%)

See SPECIAL RISK in the preceding subsection S-2 for discussion of the method used in this Plan to apportion the Property's assessed valuation to each Residential and Storage Unit Pro Rata to its Common Interest, although the method used by the taxing authority is uncertain as the taxing authority, for example, may instead apportion the taxes based on its initial offering price in SCHEDULE A, or actual sales price (which is truer indicator of value, but not necessarily the method used by the taxing authority) or square footage or overall size.

S-4. Changes in Assessed Valuation. A property's actual assessed valuation may change from year-to-year based on: (a) improvements to the property, which would increase its actual assessed valuation and be taxable in full in the year the actual assessed valuation is increased; or (b) an increase or decrease in market value of the property, which would correspondingly increase or decrease its actual assessed valuation. An increase in market value will be phased in over five (5) years in equal annual increments of twenty percent (20%). A property's transitional assessed valuation reflects the then current phased-in assessed valuation. A property's "taxable" assessed valuation on which real estate taxes are determined is the lower of its actual or transitional assessed valuation.

Anticipated Changes in Property's Assessment. At the date of this Plan, the projected changes in the assessed valuation and tax rates which will affect the Units are reflected in SCHEDULE A and footnote 6 thereto (see Section E above). See also discussion in the preceding Section S-3.

S-4.1. RPL §339-y and RPL §581. The conversion of the Property to condominium ownership and the sale of Units under this Plan is not expected to have a material effect on the Property's

assessment based on the impact of two statutes. They are: (a) RPL §339-y(1)(b), which prohibits the aggregate of the assessment of condominium units plus their common interests from exceeding the total valuation of the property were it assessed as a single parcel; and (b) Real Property Tax Law §581, which requires a property owned on a condominium basis to be assessed no higher than it would have been had it not been owned on a condominium basis. The intended effect of these laws is to prevent the total assessments of all units and their common interests in a property that is owned as a condominium from exceeding the total valuation of the property had it instead been operated as a rental. Since laws are subject to varying interpretations, Sponsor and Selling Agent cannot, and do not, represent, assure or guarantee how these laws will be applied to the assessed valuations of the Units.

S-5. Tax Certiorari Proceedings. Sponsor reserves the right to seek to reduce the Property's real estate taxes for all fiscal tax years that begin prior to the First Closing of a Residential Unit.

Any refund, reduction or savings in real estate taxes for a tax year preceding the Closing of Title to a Unit will be paid and belong entirely to Sponsor. Any refund, reduction or savings in real estate taxes for the tax year in which the Closing of Title to a Unit is consummated, after deducting the Costs and Expenses attributable to obtaining such refund, reduction or savings, will be apportioned between the Purchaser of such Unit and Sponsor in accordance with the respective portions of the tax year that each owns the Unit. The Costs and Expenses of the application and (if applicable) proceeding to reduce taxes will not be charged to a Purchaser unless the tax year at issue relates to such Purchaser's period of ownership and the Purchaser's taxes are refunded, reduced or otherwise saved. In such case, the amount charged will be based on the amount reasonably determined by Sponsor to be fairly attributable to Purchaser's Unit, but may not exceed the amount of the Purchaser's refund or the amount in taxes not paid based on a reduction or savings in real estate taxes (as applicable).

If Sponsor's application and (if applicable) the proceeding to reduce real estate taxes results in a refund, reduction and/or savings in an Owner's real estate taxes for a tax year subsequent to the tax year Title Closes, such Owner will reimburse Sponsor for his or her Pro Rata share of the Costs and Expenses incurred to obtain such favorable result, as reasonably determined by Sponsor. However, in no event will the amount to be reimbursed exceed the amount of the refund or the amount not paid by reason of such reduction or savings. The Unit Owner is to reimburse Sponsor within ten (10) calendar days after Sponsor sends said Owner a written demand for payment, which will include a detailed statement of all Costs and Expenses incurred and the basis for their apportionment to the Owner.

S-6. By-Law Provision on Review of Assessment. Under the By-Laws (see Article 2, subsection 2.4.2(w)), the Condominium Board is authorized to act as agent for Unit Owners to seek reductions in the tax assessments with the taxing authority. The Board's authority includes applying for administrative and judicial review of the tax assessment and negotiating and settling with the taxing authority. A Unit Owner may revoke the Board's agency by written notice, which must be received before the Board commences any litigation on behalf of the Unit Owner. Sponsor and Selling Agent cannot, and do not, represent, assure or guarantee that the Condominium Board will exercise this authority or the outcome of any tax assessment reduction application or proceeding brought by the Condominium Board.

S-7. Real Estate Tax Benefits.

S-7.1. RPTL Section 421-a Benefits. Sponsor will apply to The City of New York for, and use its best reasonable efforts to obtain, partial real estate tax exemption under Section 421-a of the Real Property Tax Law and related provisions of the New York City Administrative Code and the regulations of the New York City Department of Housing Preservation ("**HPD**"), herein collectively called the "**Section 421-a Program**". To this end, Sponsor will file all applications and timely comply with all procedures required to properly process and maintain said tax benefits.

Sponsor will keep all records required by HPD and will make them available to HPD whenever requested to do so. HPD routinely conducts audits, which can result in the reduction or revocation of benefits if proper documentation is not provided.

From and after the election of the Independent Board Members, Sponsor will make all tax benefit documents available to the Condominium Board for inspection (without charge) and copying (at a reasonable charge) for the life of said tax benefits.

In the opinion of Kramer Levin, the Residential, Storage and Retail Units will be eligible for the partial real property tax exemption benefits under the Section 421-a Program, assuming the accuracy of certain representations made by the Sponsor and that various requirements of the Section 421-a Program are timely met. The following summary is based, in part, on pertinent portions of such opinion (see Section S, subsection S-8 for the full text of said opinion).

Under the Section 421-a Program, the increase in a property's assessed valuation resulting from construction of a new multiple dwelling over the prior taxable assessed valuation of the land and any improvements thereon for the tax year preceding commencement of construction of the new building (i.e., the "Prior Assessed Valuation") will be exempt or partially exempt from taxation during the construction period (but not more than three (3) years) and continuing thereafter for the ten (10) fiscal tax year period following "completion of construction". The term "**completion of construction**" means the issuance of a temporary or permanent Certificate of Occupancy for all residential apartments in the new multiple dwelling, as determined on January 5th (the so-called "taxable status date") of the year preceding the fiscal tax year (which begins on July 1st and ends the following June 30th). Thus, if the Building's temporary Certificate of Occupancy for all Residential Units or permanent Certificate of Occupancy is in effect after January 5, 2009 and on or prior to January 5, 2010, as presently targeted, the said ten (10) year post-construction exemption period would be in effect during fiscal tax years 2010/2011 through 2019/2020. In the event said temporary Certificate of Occupancy for all Residential Units or permanent Certificate of Occupancy is in effect on or prior to January 5, 2009, the said ten (10)-year post-construction exemption would be in effect instead during fiscal tax years 2009/2010 through 2018/2019.

For the period ending two (2) years following completion of construction, 100% of said increase in assessed valuation over the Prior Assessed Valuation allocable to all Units would be exempt from taxation. Thereafter, the amount of such increase in assessed valuation exempt from taxation applicable to all Units will decrease by 20% every two (2) years ("**Non-Exempt Amount**"), starting with the third fiscal tax year following completion of construction. The

exemption will end and full taxes will be payable starting with the eleventh fiscal tax year following completion of construction. Throughout the construction period and such ten (10) year period, the Property and Units will be assessed: (a) a minimum tax (or so-called "**Mini Tax**"); plus (b) real estate taxes on the Non-Exempt Amount of said increase in assessed valuation resulting from construction of the new Building) as such Non-Exempt Amount increases by 20% every two years as aforesaid); plus (c) assessments for local improvements (if any). The Mini Tax is calculated on the Prior Assessed Valuation of the Land and any improvements thereon for the fiscal tax year preceding commencement of construction allocable to a Unit, multiplied by the tax rate applicable to said Unit then in effect for each tax year that the Section 421-a Program is in effect.

The following schedule summarizes the foregoing, starting with the projected first year following completion of construction and issuance of a temporary Certificate of Occupancy for all Residental Units or a permanent Certificate of Occupany for the Building:

Projected Tax Years of Section 421-a Tax Program(1)	Percentage of Increase in Assessment Exempt from Taxes (2)
July 1, 2010 to June 30, 2012	100%
July 1, 2012 to June 30, 2014	80%
July 1, 2014 to June 30, 2016	60%
July 1, 2016 to June 30, 2018	40%
July 1, 2018 to June 30, 2020	20%
July 1, 2020 to June 30, 2021	0%

(1) Assumes temporary Certificate of Occupancy for all Residential Units or permanent Certificate of Occupancyfor the Building is in effect on January 5, 2010 and after January 5, 2009.

(2) Throughout the 10 year period of July 1, 2010 to June 30, 2020, the Units will be assessed the Mini Tax. Starting with the July 1, 2012 to June 30, 2013 tax year, the Units will be assessed the Mini Tax plus the Non-Exempt Amount.

CAVEAT: If the temporary Certificate of Occupancy for all Residential Units or the permanent Certificate of Occupancy is in effect on January 5, 2009 and after January 5, 2008, then said ten (10) year post-construction exemption would be in effect instead during fiscal tax years 2009/2010 through 2018/2019.

To the extent the commercial, community facility and accessory use space in a newly constructed building exceeds 12% of the aggregate floor area of the building, the percentage of exemption will correspondingly be reduced. The commercial, community facility and accessory use space is not expected to exceed said 12% threshold. As a result, no reduction will be applicable to the Residential and Storage Units.

The projected real estate taxes *with* Section 421-a Program benefits set forth in SCHEDULE A-1 (in Section E above) represent the projected Mini Tax applicable to the Residential and Storage Units.

CAVEAT: If the Section 421-a Program partial tax exemption benefits are not in effect when a Purchaser closes title or are never granted, then the real estate taxes payable by Residential and Storage Unit Owners would increase substantially as noted in SCHEDULE A-1 in the column "Projected *Post-Completion* Real Estate Taxes w/o 421-a Benefits".

If and when the Section 421-a partial tax exemption benefits are in effect and the Units are separately assessed and billed, the real estate taxes payable by Residential and Storage Unit Owners will be based on the Mini Tax described above for the first two fiscal tax years following completion of construction. For each year thereafter during said ten (10) year post-completion partial tax exemption period, the real estate taxes will increase in accordance with any increase in the then applicable assessed valuation of the Property, the Non-Exempt Amount of such assessed valuation under the Section 421-a Program, the then applicable tax rate, plus the Mini Tax.

Sponsor, Selling Agent and Kramer Levin do not represent, assure or guarantee whether the Property will qualify for the Section 421-a Program partial tax exemption benefits or (if it qualifies) the amount of such benefits or the amount of the Mini Tax, or when said benefits will begin and end. The real estate taxes for future years will change in accordance with the tax rate, the Property's assessed value and (if Section 421-a Program benefits are granted) the percentage of the assessed value then exempt from taxation.

S-7.2. RPTL Section 425 (STAR) Exemption. Real Property Tax Law ("**RPTL**") Section 425 (school tax relief (STAR) exemption) provides a partial exemption from the school tax portion of a property's assessed valuation.

CAVEAT: The STAR benefits are not available to buildings which have Section 421-a benefits. Since it is anticipated that the Building will receive Section 421-a benefits, no Unit Owners may take advantage of this program until after the Section 421-a benefits expire. *The following discussion is for informational purposes only.*

The STAR exemption amounts to $1,550 for an eligible condominium unit located within The City of New York for tax year 2007/2008, assuming the unit owner is less than 65 years of age. An enhanced benefit is available to senior citizens who have attained the age of 65 as of December 31, 2006, and who have a combined household income within a prescribed limit. The benefit is only available to units which serve as the primary residence of one or more of the owners thereof. A qualified unit owner must file an application with the local assessor on or before the applicable tax status date (i.e., January 5th immediately preceding the fiscal tax year starting July 1st).

S-7.3. RPTL Section 467-a Tax Abatement. Since its enactment in 1996, RPTL Section 467-a has provided partial tax abatement to owners of residential cooperative and condominium units.

CAVEAT: This partial tax abatement benefit also is not available to buildings which have Section 421-a benefits. Accordingly, no Unit Owners may take advantage of this program until after the Section 421-a benefits expire. In addition, the statute contains a "sunset" provision, which presently provides for benefits through June 30, 2008. On such date, the statute and benefits will expire, unless extended by the New York State legislature and signed by the Governor. Sponsor, Selling Agent and Kramer Levin do not represent, assure or guarantee that the statute will be extended or, if it is, that the benefits will be the same. *The following discussion of current benefits under the statute is for informational purposes only.*

The statute currently provides a partial tax abatement to owners of residential condominium units to the extent of 17½ percent of the net property taxes due on eligible dwelling units with an average assessed valuation greater than $15,000[1], after deduction of any abatement received pursuant to RPTL Section 489 ("J-51" benefits).[2] In order to qualify for these benefits for a tax year, the following requirements must be met: (a) eligible units must be used primarily for residential purposes, and may not be owned by a sponsor or any unit owner who owns more than three dwelling units in the condominium as of the tax status date (i.e., January 5th immediately preceding the fiscal tax year starting July 1st); and (2) the board of managers of the condominium must file a complete application, for the entire premises, with the Commissioner of Finance by February 15th immediately preceding such fiscal tax year. The burden of proof is on the applicant to show that the requirements for granting an abatement have been met.

S-8. Haims and Kramer Levin Opinions. The opinion of Haims on the estimated *pre-completion of construction* and *post-completion of construction* assessed valuations of the Property, the projected allocation of such estimated valuations to the Residential, Storage and Retail Units, the estimated tax rates applicable to the Residential, Storage and Retail Units for the 2008/2009 and 2009/2010 fiscal tax years, and the opinion of Kramer Levin on the Section 421-a partial tax exemption benefits start on the next page.

END OF TEXT ON THIS PAGE

---

[1] Eligible dwelling units in a property whose average unit assessed value is less than or equal to $15,000 shall receive a partial abatement of the real property taxes to the extent of 25% of the net property taxes during tax year 2005/2006. The average assessed valuation per unit at the subject premises will exceed $15,000 per Unit.

[2] The Property will not receive J-51 abatement and/or exemption benefits based on Sponsor's construction of the Building.

I.

EXECUTIVE SUMMARY OF ASSESSED VALUE ANALYSIS 515 WEST 23RD STREET NEW YORK, NEW YORK

BLOCK 695, LOT 27

PROJECTED ASSESSED VALUES, FOR THE 2008/2009 AND 2009/2010 TAX YEARS

ANALYSIS PREPARED AS OF JULY 2007

Prepared for

23 Highline LLC
c/o Alf Naman Real Estate Advisors Ltd.
460 Park Avenue, 22nd Floor
New York, New York 10022

Prepared by

JEROME HAIMS REALTY, INC.
630 Third Avenue, 22nd Floor
New York, New York 10017

TABLE OF CONTENTS

	Page No.
Title Page	i.
Table of Contents	ii.
Letter of Transmittal	1
Neighborhood Description	3
Residential Market	4
Property Description	5
Analysis and Methodology	7
Underlying Assumptions and Limiting and Qualifying Conditions	13
Certification	15
Unit Area Schedule	16
Qualifications	17

JEROME HAIMS REALTY, INC.
REAL ESTATE APPRAISERS & CONSULTANTS
630 THIRD AVENUE, NEW YORK, NY 10017
212-687-0154, FAX 212-986-4017

July 23, 2007

23 Highline LLC
c/o Alf Naman Real Estate Advisors Ltd.
460 Park Avenue, 22nd Floor
New York, New York 10022

Re: Executive Summary of
Assessed Value Analysis
515 West 23rd Street
New York, New York

Block 695, Lot 27
Tax Years 2008 - 2009 and 2009 - 2010

Dear Mr. Naman:

Pursuant to your request, we have conducted an examination and analysis of the above-referenced property, including the proposed residential/retail development on the site. Our opinion of the anticipated real property taxes, reflecting the total of the land and the improvements to be built on the site, is provided in this executive summary appraisal.

The property is located on the north side of West 23rd Street, immediately adjacent to the "Hi-Line", between Tenth and Eleventh Avenues, in the Chelsea area of Manhattan. The Hi-Line is an abandoned, elevated railroad right-of-way that will be converted to a public park.

Our conclusions of the 2009/2010 assessed value, including the percentage allowances for each use within the property, are as follows:

Projected Percentage of Assessed Value:		
Residential Component:	$2,985,000	89.66%
Retail Component:	$ 338,000	10.15%
Storage Component:	$ 6,210	.19%
Total:	$3,329,210	100.00%

Additional details of our conclusions of assessed value will be found in the attached report.

We are pleased to provide you with this executive summary analysis. Please call us with any questions relative to the discussion and conclusions set forth in this report.

Very truly yours,

JEROME HAIMS REALTY, INC.

Sheldon Gottlieb, MAI
Senior Vice President
and Chief Appraiser
New York State Certified
General Real Estate Appraiser
Certificate No. 46000000579

HM

JEROME HAIMS REALTY, INC.

NEIGHBORHOOD DESCRIPTION

The subject property is located within the westerly part of the Chelsea neighborhood, in the westerly area of the midtown south section of Manhattan. The Chelsea area generally extends from the Hudson River on the west to Sixth Avenue on the east, and from West 14th Street on the south, to West 28th Street on the north.

The area has experienced intense gentrification during the last two decades and has witnessed new, high-rise residential towers replacing older industrial buildings and parking lots, in addition to the conversion of loft buildings to residential apartment use. The success of the Chelsea Piers on the Hudson River has helped to continue the gentrification in the subject area. The conversion of the old, abandoned elevated railroad right-of-way (the Hi-Line, adjacent to the subject) into a modern, mile-long park will further strengthen the residential character of the area.

RESIDENTIAL MARKET

Growth in the local and national economy has had a positive impact on the New York City residential rental market over the past five years. New York City, particularly Manhattan, remains one of the most expensive real estate markets in the nation. Rental rates continue to climb in response to the growing demand created by corporate relocations, low unemployment rates, a shortage of new residential rentals and an improving sales market for condominium and cooperative units which diminishes the supply of available rental units. These and other factors give New York City one of the lowest vacancy rates in the country.

Market Rent

According to the Real Estate Group, one of the City's largest residential real estate brokers, rental rates for apartments in doorman buildings similar to that proposed for the subject continue to increase. Overall rental rates increased 12.0% in the 12-month period through July 2007.

In Chelsea, studio apartment rentals in doorman buildings increased from an average of $2,361 per month in January to $2,384 per month in July 2007. One-bedroom units in doorman buildings increased to more than $4,000 per month in May, but then declined to the January rate in July. The average rent for two-bedroom apartments actually posted a decline, from $6,427 per month in January to $6,273 per month in July 2007.

PROPERTY DESCRIPTION

The site is located on the north side of West 23rd Street, west of Tenth Avenue and immediately adjoining the westerly side of the Hi-Line (a new "park in the sky", created from the abandoned, elevated railroad right-of-way, known as the Hi-Line). The plot appears to be 40 feet wide, although the original parcel was 75 feet wide and included the area of the railroad right-of-way. For practical purposes, the plot is now 40' x 98' 9" deep, with an area of 3,950 square feet.

You have provided us with property data and a schedule of the various apartment and commercial units which indicates that the subject site is to be developed with a 14-story condominium apartment building, with retail/commercial/gallery uses on the first floor and storage units in the cellar. There will be no garage on premises. At this time, the plans call for a 14-story tower, with residential units from the 2nd through the 14th floors (the Residential Units). There will be a total of 11 apartments, all full floor units, except a duplex on floors 2/3 and floors 13/14 (the penthouse units). Apartments will vary from two-bedroom to three-bedroom units, with a four-bedroom duplex on floors 13/14. Sellable apartment areas will range from 1,869 square feet to 2,622 square feet. The penthouse unit on 13/14 will be 3,586 square feet in area (excluding an outdoor terrace of 1,237 square feet).

The retail/gallery space (the Retail Unit) will have an area of 2,421 square feet.

The schedule indicates that there will be six storage units in the cellar (the Storage Units).

The total gross area of the building, excluding the cellar, terraces and roof areas, but including all common elements, as per information supplied by the architect, is approximately 35,637 square feet (38,810 square feet, including cellar). The total "rentable" (net saleable) residential area is 27,139 square feet, including the two duplex units, but excluding outdoor terraces and residential common elements. For purposes of this analysis, we have adopted a gross residential area of 31,915± square feet.

The commercial space, located on the first floor, will be completely separated from the residential areas. That will constitute a single Retail Unit for Assessed Value purposes.

The six Storage Units will include five units, with areas from 27 square feet to 42 square feet, plus one unit at 56 square feet. The six sellable units will have a combined area of 208± square feet.

ANALYSIS AND METHODOLOGY

Our analysis involves an estimate of the reasonable anticipated Assessed Value for the residential component (the Residential Units), the retail component (the Retail Unit) and the Storage Units. This includes an examination of the Assessed Value, as based on the methodologies typically employed by the New York City Real Property Assessment Bureau. These methodologies include the following:

a. An income capitalization analysis of each component, when applicable, to determine the Assessed Value on the basis of the so-called equalization rate, applied to the full value;

b. A review, comparison and analysis of the Assessed Value found at each of several other recent apartment projects in the subject area and in similar areas. Those properties include the following:

No.	Address	Year Built	Story Height	No. Units	Avg. AV/ Sq.Ft.
1.	173-176 Perry St.	2001	16	28	$136.35
2.	505 Greenwich St.	2003	14	103	$134.67
3.	445 W 19th St.	1987	10	71	$92.95
4.	344 W 23rd St.	1983	10	44	$80.50
5.	532 W 22nd Av.	1999	5	12	$75.86
6.	420 W 23rd St.	1984	12	47	$93.95
7.	555 W 23rd St. (North Tower)	2005	14	336	$117.14
8.	555 W 23rd St. (South Tower)	2005	14	336	$121.87
				Average:	$106.66

Details of comparison properties, including photographs, amenities, floor plans and apartment sizes within each of the above-noted projects are retained in our files and are available immediately, upon request of the attorney general's office.

We have reviewed the preliminary apartment plans and layouts, as part of our analysis. We have also reviewed and compared apartment rentals at similar luxury apartment projects in the subject area. We note that the Assessed Value analysis is based on the assumption that, for purposes of ad valorem taxation, the subject must be considered as a rental apartment building, rather than valued based on the sales prices of the condominium units, in accordance with the applicable provisions of the New York State Real Property Tax Law.

Our opinion of the assessed value, as stipulated in this executive summary appraisal, is subject to modification, pursuant to our receipt of additional and/or updated data, such as modified floor plans, cost estimates, etc., and to our continuing review, analysis and refinement of that data.

Data employed in this executive summary analysis, including apartment floor plans, apartment distribution and floor area analysis (per floor and per apartment), comparable apartment rentals, comparable Assessed Values of condominium apartments at similar luxury apartment buildings in the Chelsea vicinity, income and expense analyses for the completed Residential and Retail components of the property, etc., are all available in our files at this time, if required by your office or by other pertinent jurisdictions, including the Office of the Attorney General of the New York State Department of Law.

Projected Completion Schedule

We have been informed that the project is scheduled to be partially completed at the start of the first year of condominium operation, which is projected to coincide with the 2008/2009 tax year. Substantial completion of construction for issuance of a TCO is projected to be immediately prior to January 5, 2009, or as of the 2009/2010 tax year. We note that, although the tentative assessed values for the 2009/2010 tax year must be published and available for taxpayer review by January 2009, the tax bills for 2009/2010 period are as of July 2009 through June 2010.

We have been informed that construction will commence in August or September 2007. Based on the projected construction schedule, we estimate that the property will receive a progress or partial assessment equal to approximately 50% of its full post-completion of construction assessed valuation, for the 2008/2009 tax year. The entire project is scheduled to be completed for the 2009/2010 tax year. The full post-completion of construction assessed valuation is estimated for that tax year.

Projected Assessed Values

Based on our analyses, we have arrived at the following opinion for the 2009/2010 post-completion or construction Assessed Value of the several components:

ESTIMATED POST-COMPLETION ASSESSED VALUE: - 2009/2010 Tax Year
Residential Component:

Rentable Area: 27,140 sq.ft.

2009/10 Estimated Aggregate
Residential Assessed Value: @ $110 per sq.ft. = $2,985,400
Estimated Aggregate Post-Completion Assessed Value: $2,985,000 (Rd)

ESTIMATED AND ROUNDED POST-COMPLETION REAL ESTATE TAXES: -
Residential Component: 2009/2010 Tax Year

The real estate taxes are estimated for the 2009/10 tax year. At this time, the 2007/08 tax rate is only available.
Class II Rate: .11928 ($11.928/$100) (2007/2008)

We note that the Class II tax rate has increased at a rate of approximately 1.6% per year, over the last 18 years, although the rate actually declined by 6.35% (from $12.737/$100) between 2006/07 and 2007/08.. We have trended the rate on that basis.
The estimated rate, 2009/10, is: .1231
Real Estate Taxes: $2,985,000 (Estimated A/V) x .1231(Est.) = $367,454
Estimated Real Estate Taxes: $367,000 (Rd)

The estimated and rounded real estate tax amount indicates a unit of $13.52 per square foot of rentable (sellable) area for the 2009/2010 tax year. Note that our estimate of the 2008/2009 tax rate, for the pre-completion of construction, is .1212. The assessed value for 2008/2009 is estimated at $2,985,000 x 50%, or $1,492,500 (excluding any §421-a benefits that might apply).

Projected Assessed Values

Based on our analyses, we have arrived at the following opinion for the 2009/2010 post-completion or construction Assessed Value of the several components:

ESTIMATED POST-COMPLETION ASSESSED VALUE: - 2009/2010 Tax Year
Residential Component:

Rentable Area: 27,140 sq.ft.

2009/10 Estimated Aggregate
Residential Assessed Value: @ $110 per sq.ft. = $2,985,400
Estimated Aggregate Post-Completion Assessed Value: $2,985,000 (Rd)

ESTIMATED AND ROUNDED POST-COMPLETION REAL ESTATE TAXES: -
Residential Component: 2009/2010 Tax Year

The real estate taxes are estimated for the 2009/10 tax year. At this time, the 2007/08 tax rate is only available.
Class II Rate: .11928 ($11.928/$100) (2007/2008)

We note that the Class II tax rate has increased at a rate of approximately 1.6% per year, over the last 18 years, although the rate actually declined by 6.35% (from $12.737/$100) between 2006/07 and 2007/08.. We have trended the rate on that basis.
The estimated rate, 2009/10, is: .1231
Real Estate Taxes: $2,985,000 (Estimated A/V) x .1231(Est.) = $367,454
Estimated Real Estate Taxes: $367,000 (Rd)

The estimated and rounded real estate tax amount indicates a unit of $13.52 per square foot of rentable (sellable) area for the 2009/2010 tax year. Note that our estimate of the 2008/2009 tax rate, for the pre-completion of construction, is .1212. The assessed value for 2008/2009 is estimated at $2,985,000 x 50%, or $1,492,500 (excluding any §421-a benefits that might apply).

We cannot assign specific assessed values to specific apartments. Our estimates provide a reasonable indication of the probable assessed value, on a building wide basis, with the understanding that lower floor units will be assessed proportionately lower and higher floor units somewhat more than the average.

Retail Unit:

The retail component will involve a total rentable area of 2,421 square feet of space on the first floor. We have examined the potential rental rates applicable to the space, as well as the potential costs of operating the retail unit. We anticipate that the lease of that space will be primarily on a net basis, although the owner will be responsible for insurance, major repairs, etc.

Retail: Estimated Post-Completion of Construction Assessed Value:

Based on our analyses, we estimate that the retail component will have an assessed value of $338,000 (rounded), or approximately $140 (rounded) per square foot.

Retail: Estimated Post-Completion of Construction Real Estate Taxes: 2009/2010

The current Class IV (commercial) tax rate is .10059. We estimate that this will grow at a rate of 1% per year, to reflect an estimated rate of .1026 as of 2009/2010. At the projected tax rate of .1026, the retail component post-completion of construction taxes would be estimated at $34,680 (rounded), or $14.32 per square foot, for the 2009/2010 tax year.

We estimate that for the pre-completion of construction 2008/2009 tax year, the retail component will be assessed at an estimated 50% of the full amount estimated as of the 2009/2010 tax year, or $169,000. We estimate that the tax rate for the 2008/2009 tax year will be at .10160. Based on these estimates, we estimate that the 2008/2009 taxes for the retail component, if assessed separately, would be: $17,170.

Storage Units
The storage units will involve a total of six sellable units, with a combined area of 208± square feet.

Storage: Estimated Post-Completion of Construction Assessed Valuation
Based on our review of comparable assessed values, we estimate that the storage units will have a post-completion of construction assessed value of $6,210, or approximately an estimated $30 per square foot.

Storage Units: Estimated Post-Completion of Construction Real Estate Taxes: 2009/2010
We have applied the same tax rate as for the residential unit. At an estimated 2009/2010 rate of .1231, the storage unit post-completion of construction taxes (without any §421-a benefit that might apply) would be an estimated $765 for the 2009/2010 tax year, or approximately $3.70 per square foot.

We estimate that for the pre-completion of construction 2008/2009 tax year, the storage component will be assessed at an estimated 50% of the post-completion of construction assessed value, or an estimated assessed value of $3,105 ($6,210 x 50%).

The overall assessed value amounts, as estimated above, will be apportioned by the Plan among each class of units, until each unit is separately assessed. We estimate that the aggregate, overall property assessed value will be approximately the combined value of the several classes of units, as provided above. The combined assessed value would be approximately an estimated $3,329,210, as of the 2009/2010 tax year.

Estimated Assessed Value and Real Estate Taxes:

Entire Property: 2008/2009 tax year.

We believe that, for the period prior to full completion of construction, the entire property may be assessed as a single unit. The estimated Class II tax rate for 2008/2009 will apply. If the property is assessed as a single unit for the 2008/2009 tax year, then the combined, estimated assessed value for the entire property, prior to completion of construction, is: $1,664,605 (i.e., $3,329,210 x 50%); (Rd) $1,665,000. The 2008/2009 Class II tax rate was estimated at .1212. The real estate taxes of the entire property for 2008/2009 are estimated at $201,798.

Apportioned Percentage of Assessed Value: 2009/2010:

We believe that the basis for the apportionment of the assessed value, among the classes of units, should be at the ratios estimated for each class of units, as if separately assessed. The ratios are shown as follows:

Projected Percentage of Assessed Value:		
Residential Component:	$2,985,000	89.66%
Retail Component:	$ 338,000	10.15%
Storage Component:	$ 6,210	.19%
Total:	$3,329,210	100.00%

Estimated Assessed Value and Real Estate Taxes:

Entire Property: 2008/2009 tax year.

We believe that, for the period prior to full completion of construction, the entire property may be assessed as a single unit. The estimated Class II tax rate for 2008/2009 will apply. If the property is assessed as a single unit for the 2008/2009 tax year, then the combined, estimated assessed value for the entire property, prior to completion of construction, is: $1,664,605 (i.e., $3,329,210 x 50%); (Rd) $1,665,000. The 2008/2009 Class II tax rate was estimated at .1212. The real estate taxes of the entire property for 2008/2009 are estimated at $201,798.

Apportioned Percentage of Assessed Value: 2009/2010:

We believe that the basis for the apportionment of the assessed value, among the classes of units, should be at the ratios estimated for each class of units, as if separately assessed. The ratios are shown as follows:

Projected Percentage of Assessed Value:		
Residential Component:	$2,985,000	89.66%
Retail Component:	$ 338,000	10.15%
Storage Component:	$ 6,210	.19%
Total:	$3,329,210	100.00%

UNDERLYING ASSUMPTIONS AND LIMITING AND QUALIFYING CONDITIONS

This appraisal is subject to the following Underlying Assumptions and Qualifying and Limiting Conditions:

1. The appraisal covers the property as described in this report, and the areas and dimensions as shown herein are assumed to be correct.

2. The appraiser has made no survey of the property and assumes no responsibility in connection with such matters. Any sketch or identified survey of the property included in this report is only for the purpose of assisting the reader to visualize the property.

3. Responsible ownership and competent management are assumed.

4. No responsibility is assumed for matters involving legal or title consideration.

5. This report has been prepared in accordance with the requirements of the Appraisal Institute.

6. The information identified in this report as being furnished by others is believed to be reliable, but no responsibility for its accuracy is assumed.

7. That the present zoning will remain in force, unless otherwise adjusted in the zoning section of this report.

8. That the appraisal report will not be utilized in any present or proposed, public or private syndication of any of the interests in the property unless prior written agreement has been obtained from the signatories to this report. We have consented to the use in a public offering of the units.

9. The Bylaws and Regulations of the Appraisal Institute requires each member and candidate to control the use and distribution of each appraisal report signed by such member or candidate. Therefore, except as hereinafter provided, the party for whom this appraisal report was prepared may distribute copies of this appraisal report, in its entirety, to such third parties as may be selected by the party for whom this appraisal report was prepared; however, selected portions of this appraisal report shall not be given to third parties without the prior written consent of the signatories of this appraisal report. Further, neither all nor any part of this appraisal report shall be disseminated to the general public by the use of advertising media, public relations media, news media, sales media or other media for public communication without the prior written consent of the signatories of this appraisal report. The report may be included within a public offering plan.

10. The appraiser is authorized by the client to disclose all or any portion of this appraisal report and the related appraisal data to appropriate representatives of the Appraisal Institute if such disclosure is required to enable the appraisers to comply with the Bylaws and Regulations of the Institute now or hereafter in effect.

11. The appraiser is not required to give testimony or attendance in court by reason of this appraisal unless arrangements have been previously made therefore.

12. Unless stated otherwise, the appraiser has not learned of any asbestos, hazardous waste or toxic material in existence at the subject property. In any event, the appraisers are not qualified to detect such substances and urge that a qualified expert be employed for this procedure. The appraisal and indicated value, therefore, do not consider any costs to cure that may arise from hazardous material contained at the property, unless separately noted herein.

13. Unless stated otherwise in the appraisal, the appraiser has not considered compliance with the requirements of the Americans With Disabilities Act of 1990 (ADA) in the estimate of value in this appraisal. The appraisers are not qualified to determine such compliance and recommend a qualified expert be employed for this procedure. Failure to comply with the requirements of the ADA, including the costs to cure any non-complying items, can negatively affect the value estimated herein.

14. All applicable and reasonable methods have been employed in this analysis. However, no warranty should be implied that the conclusions expressed herein will concur with the future actions, practices, methodology and final assessed valuation to be set forth by the New York City Department of Finance.

CERTIFICATION

I certify that, to the best of our knowledge and belief,

- The statements of fact contained in this appraisal report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or the use, of this report.
- My analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, I, Sheldon Gottlieb have completed the requirements of the continuing education program of the Appraisal Institute.
- I have made a personal inspection of the property that is the subject of this report.
- In the preparation of this appraisal report others assisted in the gathering of the information, comparable sales, inspection of property, etc. However, no one other than the undersigned prepared the analyses, opinions, and conclusions concerning the value of the real estate set forth in this appraisal report.

Sheldon Gottlieb, MAI
Certified New York State
General Real Estate Appraiser
Certificate No. 4600000057

FLOOR	UNIT #	Square Footage						
		Residential Unit RU	Residential Common Element RCE	General Common Element GCE	Residential Storage Unit SU	Retail Unit	Notes	Total Gross Area For Each Level (includes all exterior spaces and roofs)
Cellar			665 s.f.	2,262 s.f.	208 s.f.		6 Residential Storage Units @ Storage #1 = 28 s.f. Storage #2 = 28 s.f. Storage #3 = 42 s.f. Storage #4 = 27 s.f. Storage #5 = 27 s.f. Storage #6 = 56 s.f. (These are net s.f.'s)	3,173 s.f.
First Floor			1,221 s.f.	92 s.f.		2,421 s.f.	972 s.f of RCE is Lobby	3,767 s.f.
Second Floor	Unit 3 Lower Level Outdoor terrace	494 s.f. 797 s.f.	1,565 s.f.	716 s.f. Roof above first floor retail.		124 s.f. Area over retail unit reserved for skylights	1208 s.f. of RCE is Recreation space.	3,767 s.f.
Third Floor	Unit 3 Upper Level	1,552 s.f.	556 s.f.				Unit 3 Total 2,843 s.f.	1,812 s.f.
Fourth Floor	Unit 4	1,869 s.f.	540 s.f.					2,133 s.f.
Fifth Floor	Unit 5	2,104 s.f.	538 s.f.					2,368 s.f.
Sixth Floor	Unit 6	2,297 s.f.	530 s.f.					2,561 s.f.
Seventh Floor	Unit 7	2,511 s.f.	514 s.f.					2,774 s.f.
Eighth Floor	Unit 8	2,511 s.f.	509 s.f.					2,774 s.f.
Ninth Floor	Unit 9	2,511 s.f.	509 s.f.					2,774 s.f.
Tenth Floor	Unit 10	2,511 s.f.	518 s.f.					2,776 s.f.
Eleventh Floor	Unit 11	2,571 s.f.	507 s.f.					2,834 s.f.
Twelfth Floor	Unit 12	2,622 s.f.	504 s.f.					2,886 s.f.
Penthouse Lower Level	Penthouse Lower Level	2,561 s.f.	575 s.f.					2,888 s.f.
Penthouse Upper Level	Penthouse Upper Level Outdoor terrace	1,025 s.f. 1,237 s.f.	949 s.f.				Penthouse Unit Total 4,823 s.f.	2,813 s.f.
Roof			1327 s.f.					1327 s.f.
Bulkhead			498 s.f.					498 s.f.

SHELDON GOTTLIEB, MAI

PROFESSIONAL BACKGROUND: Senior Vice President and Chief Appraiser, Jerome Haims Realty, Inc.

PROFESSIONAL AFFILIATIONS:
Member of the Appraisal Institute with the MAI designation
Former President – Greater New York Chapter No. 3 of the Appraisal Institute (now merged with the New York Metropolitan Chapter)
Real Estate Board of New York – Broker C Member
Currently serving as a member of the Appraisal Education Committee
American Arbitration Association
Former Member - National Real Estate Valuation Council Real Estate Arbitration Panel
Urban Land Institute – Associate Member
Rho Epsilon Real Estate Fraternity

EDUCATIONAL BACKGROUND: Graduate of City College of New York, Bernard M. Baruch School of Business and Public Administration, specializing in Real Estate and Economics

Successfully completed numerous courses, seminars and lectures on real estate valuation and advanced appraisal topics.

LECTURER: Qualified and approved by the State of New York as an instructor for all courses required for New York State General Appraisal Certification. Qualified as and presently an approved Instructor for the Appraisal Institute. Guest lecturer at the New York University School of Continuing Education on capitalization and discounted cash flow analysis. Presented numerous real estate valuation and investment analysis lectures at the Real Estate Division of the New School for Social Research. Presented real estate brokerage and appraisal courses at the Eastern School of Real Estate.

CERTIFIED: State of New York Certified Real Estate General Appraiser, Certificate No. 46000000579.

State of New Jersey Certified Real Estate General Appraiser, No. 42RG00178500.

Presently certified with the Appraisal Institute under its program of periodic recertification.

SHELDON GOTTLIEB, MAI (cont'd.)

EXPERIENCE: Real estate appraiser providing appraisal service to various firms, governmental agencies and private individuals. The scope of these appraisals has covered all phases of valuation including: mortgage loans, certiorari, condemnation, urban renewal, estates and others. They have included hundreds of apartment houses (including rental, condominium and cooperative), all types of retail (including department stores, regional and strip malls, and "big boxes"), office buildings, industrial properties, shopping centers, subdivisions, etc, in the New York City metropolitan area as well as other parts of the Northeast.

Specialized experience includes numerous appraisals of nursing homes, hotels and motels, churches and synagogues, golf courses and marinas, large truck terminals, gasoline stations, movie theatres, large utility properties (i.e. natural gas distribution and processing facilities), railroads and railroad rights of way.

Licensed Real Estate Broker

COURT TESTIMONY: Have represented clients and have been qualified to testify as a real estate valuation expert in the United States District Court, United States Bankruptcy Court, New York State Supreme Court, New York State Court of Claims, New York City Civil Court and Landlords and Tenant Court, as well as before the New York City Tax Commission and New York City Board of Standards and Appeals on complex assessment, zoning and planning issues.

REAL ESTATE APPRAISER FOR AGENCIES OF NEW YORK CITY

Department of General Services
Law Department - Corporation Counsel
Division of Real Property
Economic Development Corporation
Housing Preservation and Development
Housing Authority
Comptroller's Office - Pension Fund
Public Development Corporation
Department of Ports and Terminals
School Construction Authority
Department of Citywide Administrative Services
Primary Care Development Corporation
Lower Manhattan Development Corporation

REAL ESTATE APPRAISER FOR AGENCIES OF NEW YORK STATE

Power Authority
Department of Parks and Recreation
Department of Transportation
State University of New York
City University of New York
Empire State Development Corporation
(formerly known as Urban Development Corporation)
Queens West Development Corporation
Department of Environmental Conservation
Facilities Development Corporation
Metropolitan Transportation Authority
County of Nassau, Bureau of Real Estate
Dormitory Authority
Department of Law
The Port Authority of New York and New Jersey
Housing Finance Agency

REAL ESTATE APPRAISER FOR AGENCIES OF FEDERAL GOVERNMENT

National Park Service
General Services Administration
Housing and Urban Development
Federal Home Loan Bank Board
Federal Deposit Insurance Corporation
Federal Savings Loan Insurance Corporation
Department of Justice
Department of the Navy
Postal Service
Federal National Mortgage Association
Federal Asset Disposition Association
Resolution Trust Corporation
Internal Revenue Service

PARTIAL LIST OF CLIENTS

National Cold Storage Company, Inc.
H.R.H. Development Corporation
Swingline, Inc.
Plaza Realty Investors
Jack Kent Cooke (JKC Realty, Inc.)
Integrated Resources, Inc.
Helmsley Enterprises, Inc.
Coronet Capital Company
Metromedia, Inc.
Western Electric
Transamerica Insurance Group
Manhattan East Hotels and Apartments
Battery Park City Authority
Equitable Life Assurance Society of the U.S.
Kurzman Karelsen & Frank, LLP
Ditchik & Ditchik, LLP
Weil, Gotshal & Manges
Raymond, Parish & Pine
De Forest and Duer
CBS, Inc.
Loeb and Loeb
Columbia Presbyterian Medical Center
Cullen & Dykman
Podell Schwartz Schechter & Banfield LLP
Kaufman Astoria Studios, Inc.
Kalikow Realty & Construction Corporation
The Zeckendorf Company
Shea & Gould
Continental Assurance Company
The ADCO Group
Kaufman Management Company
Brown, Raysman & Millstein
The Stillman Group
Grand Metropolitan, Inc.
Cohen Brothers Realty Corporation
Goodstein Development Corporation
Colonial Funding Corporation
Lord Day & Lord, Barrett Smith
Krass & Lund
New York Life Insurance Company
The Travelers Companies - Travelers Realty Investment Company
Fink Baking Corporation
Kelley Drye & Warren
Simpson Thacher & Bartlett
Jewish Board of Family and Children's Services
John P. Engel & Associates
Asher Dann
EURAM Management, Inc.

PARTIAL LIST OF CLIENTS (cont'd):

Columbia University
Richards & O'Neil
Sonneschein, Sherman & Deutsch
American Broadcasting Companies, Inc.
International Business Machines Corporation
Fairway Operating Corporation
Penn Central Transportation Corporation
Federal Home Loan Mortgage Corporation
New York University
S. J. Landau Corporation
United Nations Development Corporation
Robinson, Silverman, Pearce, Aronsohn & Berman
Battle Fowler
Madison Equities
New School for Social Research
Milstein Properties Corporation
Northcorp Realty Advisors, Inc.
The Trump Organization
Rosenman & Colin
Merrill Lynch & Company
Herzfeld & Rubin
Jeffrey Management Corporation
Goldman & Stein
Skidmore, Owings & Merrill
Kinney Systems, Inc.
Kraus Enterprises, Inc.
Phipps Houses
John Hancock Mutual Life Insurance Company
Arlen Realty & Development Corporation
P & J Joint Venture
Peter Kimmelman Asset Management Company
Chatwal Hotels & Restaurants, Inc.
J. W. Mays, Inc.
Gerosa, Incorporated
Time Equities, Inc.
The Durst Organization
National Railroad Passenger Corporation (Amtrak)
Gandin, Schotsky & Rappaport
Young & Rubicam Inc.
Maryland Casualty Company
United Nations, Secretary-General for General Services
Herrick, Feinstein
Meringoff Properties
HRO International Ltd.
Prudential Insurance Company of America
Nelson Equities, Inc.
International Bank Note Company
Pottish Freyberg Marcus & Velazquez

PARTIAL LIST OF CLIENTS (cont'd):

Dreyer & Traub
Harry Otterman
Inter-Continental Hotels, Inc.
Ben Heller
Mark Stuart Goldberg & Associates
Kirkpatrick & Lockhart
Loews Corporation
Takashimaya Fifth Avenue Corporation
New York Telephone Company
Consolidated Edison Company of New York, Inc.
American Telephone & Telegraph Company
Greenfield Eisenberg Stein & Senior
Property Resources Corporation
Columbia Presbyterian Hospital of New York
Mark Perlbinder
Newmark & Company Real Estate Inc.
Carol Management Company
Philip A. MacTaggart (Western Management Corporation)
Crescent Equities, Inc.
Kiska Developers, Inc.
The Ford Foundation
Patterson, Belknap, Webb & Tyler
Kew Management Corporation
Boston Properties
Paul Weiss Rifkind Wharton & Garrison
World-Wide Holdings Corporation
The DeMatteis Organization
White & Case
Solomon R. Guggenheim Museum
Minskoff Equities, Inc.
Wagner, Davis & Gold
Scala and Scala
Stroock & Stroock & Lavan
Richard E. Talmadge
Spengler Carlson Gubar Brodsky & Frischling
Conrail
DiLorenzo Associates
Sive Paget & Riesel
MDFC Loan Corporation
Jonathan Woodner Company
Walter & Samuels
Mitsubishi Estate Company, Inc.
Dewey Ballantine
The Macklowe Organization
Schulte Roth & Zabel
New York Plaza Building Company
Equitable Real Estate Management, Inc.

PARTIAL LIST OF CLIENTS (cont'd):

Credit Suisse First Boston
(Formerly Known as First Boston Corporation)
CIGNA Real Estate Investors
Consolidated Asset Recovery Corporation
Rudin Management Company, Inc.
Squadron, Ellenoff, Plesent & Sheinfeld, LLP
Milbank, Tweed, Hadley & McCloy
Goldberg Weprin & Ustin
Greenthal/Harlan Realty Services Company
CRT Asset Management, Inc.
J. E. Robert Company of New England
Rodman Management
O'Melveny & Myers
Brown & Wood
Ford Land Service Corporation
Morrison, Cohen, Singer & Weinstein
Beatie and Osborn LLP
Home Holdings, Inc.
Sterling Forest Corporation
Phillips, Nizer, Benjamin, Krim & Ballon
Millennium Partners
Emmet, Marvin & Martin
Gibson, Dunn & Crutcher
Winthrop, Stimson, Putnam & Roberts
Brandt, Steinberg & Lewis LLP
Williams Real Estate Company
P.E.F. Israel Endowment Fund
Rosenthal Appraisal Company
David Tarlow & Company
Danziger & Markhoff, LLP
Rapaport Brothers, P.C.
Kalkines, Arky, Zall & Bernstein, LLP
Greiner-Maltz Company, Inc.
Leahy, Nyberg, Curto & D'Apice
Skadden, Arps, Slate, Meagher & Flom LLP
Goldstein, Goldstein, Rikon & Gottlieb, P.C.
Sloyer-Forman, Inc.
Emmes Asset Management Corporation
Ford Models, Inc.
South Cove III Associates
Bachner, Tally, Polevoy & Misher
Boulanger, Hicks & Churchill
Vornado Realty Trust
L & L Wings, Inc.
Queens West Development Corporation
Downtown Realty Management
Alan Fox, Esq.

PARTIAL LIST OF CLIENTS (cont'd):

Alliance for Downtown New York
Atlan Management Corporation
Stafford Toner & Schwartz
Nathan Halegua
UNITE
Blank Rome LLP
Alice Alexiou
Paramount Group, Inc.
Parker Chapin Flattau & Klimpl
Royal Charter Properties
Friedman Management Company
Pavia & Harcourt
Romarco Realty Corporation
New York City Builders Group
Greenberg, Traurig
Garfield Development Corporation
Crocco & Demaio
Manhattan Eye, Ear and Throat Hospital
Reboul, MacMurray, Hewitt, Maynard & Kristol
Baldwin & Haspel, LLC
Sutton Hill Associates
Theodore W. Kheel
Ronald McDonald House of New York
Children's Oncology Society of New York
Graubard Mollen & Miller
Carter, Ledyard & Milburn
'21' Club Inc.
The Feil Organization
Steinberg & Pokoik Management Corporation
Shapiro & Shapiro
Jonathan Marks, PC
Bernard Spitzer, P.E.
Empire Management
Brill & Meisel
Goldfarb & Fleece
Rosen & Reade, LLP
Trammel Crow Corporate Services, Inc.
Richard S. Wolkoff, Esq.
Kramer, Levin, Naftalis & Frankel LLP
Rockefeller Center Management Corporation
The Shubert Organization
Kaye, Scholer, Fierman, Hays & Handler, LLP
Koeppel Management Company LLC
Koeppel Tener Real Estate Services, Inc.
Proskauer Rose LLP
Metropolitan Life Insurance Company
L. B. Management Company & Affiliates

PARTIAL LIST OF CLIENTS (cont'd):

Sabin, Bermant & Gould, LLP
Nixon Peabody LLP
Association of the Bar of New York
Willow Funding LP
LCOR Incorporated
Jankoff & Gabe, P.C.
Lampf, Lipkind, Prupis & Petigrow
Jerald Rosenbloom, Esq.
International Union AFL-CIO, CLC
S. Rudy Gatto and Associates Development Corporation
Becker Ross Stone DeStefano & Klein
Clarendon Management Corporation
First Sterling Corporation
Intercontinental Hotels and Resorts
J. P. Morgan & Company, Inc.
Johnson, Matte & Hobgood LLP
Maidman & Mittelman, LLP
Mercedes–Benz USA, Inc.
Mount Sinai Medical Center
Ness, Motley, Loadholt, Richardson & Poole
New York Medical College
Bryan Cave Robinson Silverman
Robinson Silverman Pearce Aronsohn & Berman
Rosenbloom, Hofflich & Feuer, LLP
Sheraton Manhattan Hotel
The Rockefeller Group
Two Trees Management Company
U. S. Attorney's Office
U. S. Generating Company
UBS, AG
Walker, Malloy & Company, Inc.
YMCA of Greater New York
Wofsey Rosen Kweskin & Kuriansky LLP
Arnold S. Penner
Dorsey & Whitney, LLP
Edward Isaacs & Company
Irwin, Lewin, Cohn & Lewin, P.C.
Kronish Lieb Weiner & Hellman, LLP
Manhattan East Suite Hotels
Midwood Management Corporation
Orient-Express Hotels, Inc.
Ponte Equities Incorporated
Risk Entreprise Management Limited
Rockrose Construction, LLC
Shatz Meier Franzino & Scher, LLP
Wien Malkin, LLP
Hamilton, Rabinovitz & Alschuler, Inc.
Forest City Ratner Companies

PARTIAL LIST OF CLIENTS (cont'd):

C. Lawrence Paine, LLC
Jenkens & Gilchrist Parker Chapin, LLP
PSEG Services Corporation
The Jack Parker Corporation, Inc.
St. Thomas P.E. Church
Stadtmauer Bailkin, LLP
115-87 Owners Corporation
Group Health Incorporated
Solomon, Zauderer, Ellenhorn, Frischer & Sharp
Washington Square Partners
Finkel Goldstein Berzow Rosenbloom & Nash, LLP
Friedman & Gotbaum, LLP
The Moinian Group
Zomba Recording Corporation
Saint Mary's Episcopal Center, Inc.
Arent Fox Kintner Plotkin & Kahn, PLLC
Robert S. Katz, Esq.
New Jersey Transit
White & Case
Manatt Phelps & Phillips
Wank Adams Slavin Associates
Silverstein Properties
New York College of Podiatric Medicine
Fifth Avenue Hotel Suites, LLC
Strock & Strock & Leven, LLP
Club Quarters
Phillips Nizer
Proskauer Rose, LLP
Pontegadea Florida, Inc.
Akin Gump Strauss Hauer & Feld
Balber Pickard Battisoni
Rollinson Law Firm
Robert Cronheim
The Consolidated Edison Company of New York, Inc.
The Related Companies
Coach, Inc.
Banif Mortgage
Forbes, Inc.
The Doe Fund
Kaye Scholer, LLP
Herrick Feinstein, LLP
Janvey, Gordon, Herlands, Randolph & Cox
Thelen Reid & Priest, LLP
Bryan Cave, LLP
Helmsley Spear, Inc.
Goldberg Weprin & Ustin
Alterman & Boop, LLP

PARTIAL LIST OF CLIENTS (cont'd):

Wachtel & Masyr
Hutner Klarish, LLP
THE Tunnel Partnership
Amerimar Enterprises, Inc.
Smith, Buss & Jacobs, LLP
Blesso Properties
Rinzler & Rinzler
Alfa Development Management, LLC
BLDG Management Company, Inc.
Dominion Management Company
Jeffries Morris, Inc.
Mann Realty Associates
Samson Management, LLC
Starwood Hotels & Resorts
Coalition for the Homeless
International Brotherhood of Teamsters, Local 810
Laboratory Institute of Merchandising
Marcus Rosenberg & Diamond, LLP
Montclare & Wachtler
New York City Terminal Market
Orient Express Hotels, Inc.
The Salzhauer Company
The Abramson Law Group
Troutmann Sanders, LLP
United American Land
Extell Development Company
Rockrose Development Corporation
Helen Hayes Theater
Sylvan Corporation, N.A.
Vanlan Corporation, N.A.
Club Quarters
Aby Kalimian
DLA Piper US, LLP
Stein Riso Mantel, LLP
Cynthia Broan Gallery
Goelet, LLC
City Center Real Estate, Inc.
Ralph Zirinsky Realty Company
Schwartz & Blumert, LLP
Stellar Management
The City University of New York
Norris McLaughlin & Marcus, PA
Ultimate Realty New York, LLC
Scheichet & Davis, PC
Mitchell Silberberg & Knupp, LLP
Fish & Richardson, PC
York Resources, LLC

PARTIAL LIST OF CLIENTS (cont'd):

Metro Loft Management, LLC
Why Partners, LLP
Koch Family Limited Partnership
Dechert, LLP
Citi Urban Management Corporation
Law Office of Peter D. Hoffman, PC
The American Numismatic Society
The Colley Group
Law Office of Herbert H. Chaves, Esq.
DMJM Harris, Inc.
Alston & Bird, LLP
Marcus Attorneys
Garson Brothers Development Corporation
Starr & Company
Bally Total Fitness
Target Corporation
Cambridge Systematics, Inc.
Quinlan Development Corporation
Samsung Texas Construction, Inc.
United Management
Perlbinder Realty Corporation
Wasserman Grubin & Rogers, LLP
Atco Properties & Management, Inc.
Holland & Knight, LLP
Himmel Meringoff Properties
Goldberg, Rimberg & Friedlander, PLLC
Maimonides Medical Center
Smith, Buss & Jacobs, LLP
Brack Capital Real Estate-USA
The Riese Organization
Denham Wolf Real Estate Services, Inc.
Buckingham Hotel
Plaxall
Katten Muchin Rosemann, LLP
Sony BMG

REAL ESTATE APPRAISER FOR FINANCIAL INSTITUTIONS

Sumitomo Trust & Banking Company, Ltd.
The Dai Ichi Kangyo Bank
Dollar Dry Dock Savings Bank
Chase Manhattan Bank, N.A.
CorEast Savings Bank
Yasuda Trust and Banking Company, Ltd.
Mitsui Trust & Banking Company
Bankers Trust Company
Bank of Montreal
Nissho Iwai American Corporation
Thrift Associations Service Corporation
Long Term Credit Bank
Beacon Federal Savings & Loan
Manufacturers Hanover Trust Company
Bayside Federal Savings & Loan
National Westminster Bank, USA
Washington Federal Savings & Loan
Hudson Valley Federal Savings & Loan
Morsemere Federal Savings & Loan
Barclays Bank International Ltd.
Flushing Federal Savings & Loan
Southeast Banks Trust
Deutsche Bank, A.G.
Mitsubishi Trust Banking, Corporation
Cresmont Federal Savings & Loan
Bank of New York
Bank Leumi
Saitama Bank
United States Trust Company
DG Bank (Switzerland) Ltd.
Shawmut Bank Connecticut, N.A.
Amsterdam Rotterdam Bank, N.V.
East New York Savings Bank
Citicorp North America, Inc.
City & Suburban Federal Savings Bank
Greater New York Savings Bank
Crossland Savings
Riggs National Bank of Washington, D.C.
Astoria Federal Savings Bank
Bank of America
Wells Fargo Bank
Suncoast Savings and Loan Association
Sterling National Bank & Trust Company of New York
Caisse Nationale de Credit Agricole
Republic National Bank of New York
Northern Trust Bank
First Republic Bank
CHB America Bank
New Bank
Nara Bank
Riverbank America
Bank of Yokohama
Taiyo Kobe Bank
Chuo Trust & Banking
Hokkaido Takushoku Bank
Daiwa Bank
Citibank
Toyo Trust & Banking Company
Morgan Guaranty Trust
Bank of Tokyo, Ltd.
Lincoln Savings Bank
Mitsubishi Bank, Ltd.
Long Island Savings Bank
Nippon Credit Bank Ltd.
Tokai Bank Ltd.
Hokuriku Bank
Kumagai Gumi of New York
Swiss Bank Corporation
Chiba Bank
American Savings Bank
Irving Trust Company
Hachijuni Bank
Chemical Bank
Goldome
Hyakujushi Bank
European American Bank
Bowery Savings Bank
Kyowa Bank
UNI Bank
LBS - New York
G.E. Capital
East River Savings Bank
Continental Bank
Emigrant Funding Corporation
Connecticut National Bank
The Asahi Bank
The Ramapo Bank
Marine Midland Bank
NationsBank
Bayerische Vereinsbank
Banco Bilbao Vizcaya, SA
Guaranty Bank & Trust Company
Fleet Bank
Federal Reserve Bank of New York
Heartland Bank
Apple Bank
First Bank of Beverly Hills
Morgan Stanley
First Republic Bank
People's Bank

August 9, 2007

23 Highline LLC
c/o Alf Naman Real Estate
460 Park Avenue – 22nd Floor
New York, New York 10022

Re: 515-17 West 23rd Street, Manhattan
Block 695, Lot 27
(the "Subject Premises")

To Whom It May Concern:

You have requested (1) our opinion as to whether the new predominantly residential building that will be constructed on the Subject Premises (the "New Building") will be eligible for a partial exemption from real property taxes pursuant to Section 421-a of the Real Property Tax Law ("Section 421-a") and (2) our projection of the real estate taxes that will be payable on the Subject Premises during fiscal years 2008/09 and 2009/10 in the event that the Subject Premises is granted a Section 421-a tax exemption. In that connection, we have reviewed (i) a floor area schedule for the New Building, dated May 30, 2006 (the "Floor Area Schedule"); (ii) New York City Department of Buildings certificate of occupancy No. 95951, dated March 30, 1990 (the "Certificate of Occupancy"); (iii) New York City Department of Finance ("DOF") Final Assessment Roll 2005-2006 for Tax Lot 27 within Manhattan Block 695 (the "2005-2006 Assessment Roll"); (iv) a DOF record of assessed valuation for the Subject Premises (the "Assessment History"); and (v) an Assessed Value Analysis of the Subject Premises prepared by Jerome Haims Realty, Inc., dated July 23, 2007 (the "Haims Analysis").

The Subject Premises is located on the north side of West 23rd Street, between 10th Avenue and 11th Avenue. The records of DOF indicate that the Subject Premises was previously part of a tax lot that, in addition to the Subject Premises, was comprised of the present Tax Lots 28 and 43 within Block 695 and had a lot area of approximately 12,343 square feet. According to DOF records, this tax lot, which was formerly designated as Tax Lot 27 ("Former Lot 27"), was subdivided into the present Tax Lots 27, 28 and 43 in 2005.

According to the Certificate of Occupancy, Former Tax Lot 27, including the Subject Premises, was previously improved with a one-story commercial building. We understand that this building (the "Former Commercial Building") contained less than 10,000 square feet of floor area and was recently demolished. The Floor Area Schedule indicates that the New Building, which we understand will be located entirely on the Subject Premises, will be a 14-story predominantly residential building containing 11 dwelling units (the "Residential Units") and retail space (the "Retail Unit") on the ground floor . We understand that the New Building will also contain six storage units (the "Storage Units") in the cellar. We further understand that the Residential, Retail and Storage Units will be under condominium ownership and that it is projected that the New Building will begin operating as a condominium on January 1, 2009.

Section 421-a provides for a partial exemption from real property taxes for buildings operated in whole or part as multiple dwellings that satisfy each of the eligibility requirements contained in Section 421-a and in the Section 421-a Rules (the "421-a Rules") that have been promulgated by the New York City Department of Housing Preservation and Development ("HPD"), the agency that administers the Section 421-a program in New York City.

Section 6-02(b) of the 421-a Rules states that only "new multiple dwellings" upon which construction is commenced before December 31, 2007 are eligible for a Section 421-a tax exemption. Section 6-01(c) of the 421-a Rules defines "commencement of construction" as "the date upon which excavation and construction of initial footings and foundations commences in good faith" or the date upon which a building or alteration permit for the construction of the new multiple dwelling has been issued by the New York City Department of Buildings, whichever occurs later.

Section 6-02(f) of the 421-a Rules states that, in order for a new multiple dwelling to be eligible for Section 421-a benefits, the tax lot on which it is located must have been "vacant, predominantly vacant, underutilized, or improved with a non-conforming use on the operative date," as such terms are defined in the 421-a Rules. The "operative date" is defined under the 421-a Rules as 36 months prior to the commencement of construction of the multiple dwelling. Under Section 6-02(f) of the 421-a Rules, where construction of the new multiple dwelling began on or after October 30, 2002 on a tax lot located in Manhattan on or south of 110th Street, the abovementioned underutilization requirement is satisfied if, on the applicable operative date, the tax lot was improved with one or more non-residential buildings, each of which contained (1) no more than the permissible floor area ratio ("FAR") for non-residential buildings in the applicable zoning district and (2) an FAR which was 50 percent or less of the maximum FAR for residential buildings in such district.

Section 6-02(d) of the 421-a Rules establishes the duration of a Section 421-a tax exemption. Sections 6-02(d)(1) of the Rules provides that, if a new multiple dwelling is located within the Geographic Exclusion Area of Manhattan, as described in Section 11-245 of the New York City Administrative Code (the "Geographic Exclusion Area"), it may receive a tax exemption while the building is under construction and for a 10-year period following completion of construction if affordable dwelling units are created in accordance with the requirements of Section 6-08 of the Rules. The developer of the new multiple dwelling may

meet the abovementioned affordable housing requirement by purchasing Section 421-a negotiable certificates ("421-a Certificates"), which are issued by HPD to the developer of the affordable housing. Generally, one 421-a Certificate is required for each dwelling unit in the new multiple dwelling. However, Section 6-08(b)(6) of the 421-a Rules provides that, if the average size of the dwelling units in the new multiple dwelling exceeds 1,200 square feet, the number of 421-a Certificates that must be acquired for each dwelling unit increases and equals the ratio between the average square footage of the dwelling units and 1,200 square feet.

With regard to the construction period exemption, Section 6-06(c) of the 421-a Rules provides that, while the building is under construction, or for a period of three years, whichever is less, so much of the building's assessed value as is eligible for the Section 421-a exemption shall be exempt from real property taxes upon any increase in assessed valuation over the "prior assessed valuation." Section 6-06(a) of the 421-a Rules defines the "prior assessed valuation" (the "Prior Assessed Valuation") as the taxable assessed value of the land receiving the Section 421-a benefits and any improvements thereon during the tax year preceding the commencement of construction of the new multiple dwelling. Under Section 6-06(a), a qualifying multiple dwelling is eligible for the construction period exemption beginning in the New York City fiscal year, which runs from July 1 through June 30, immediately following the first taxable status date, which is January 5 of each year, subsequent to the commencement of construction.

With respect to the Section 421-a 10 year post-construction tax exemption, Section 6-06(d) of the 421-a Rules provides that, after the first taxable status date immediately following the completion of construction of the new multiple dwelling, so much of the building's assessed value as is eligible for the Section 421-a exemption shall be exempt from real property taxes upon any increase in assessed valuation over the Prior Assessed Valuation in accordance with a declining exemption schedule. Under this schedule, 100 percent of the building's eligible increase in assessed value over the Prior Assessed Valuation shall be exempt during the first and second years of the 10 year exemption period, 80 percent shall be exempt during the third and fourth years, 60 percent shall be exempt during the fifth and sixth years, 40 percent shall be exempt during the seventh and eighth years, and 20 percent shall be exempt during the ninth and tenth years. "Completion of construction" is defined under Section 6-01(c) of the 421-a Rules as the date upon which either a temporary certificate of occupancy ("TCO") is issued for all residential areas in the new multiple dwelling or a permanent certificate of occupancy ("PCO") is issued for the entire building.

Under Section 6-06(b) of the 421-a Rules, if the "floor area of commercial, community facilities, and accessory use space" in a building exceeds 12 percent of the building's "aggregate floor area," as such terms are defined in the 421-a Rules, the amount of the building's assessed value that will be eligible for a Section 421-a tax exemption will be reduced by the same percentage by which such commercial, community facility or accessory floor area exceeds the 12 percent limit. Section 6-06(b) goes on to provide that, if the building contains separately assessed residential and commercial tax lots, any reduction in the amount of the building's assessed value that is eligible for the exemption shall be applied entirely to the non-residential tax lots before any portion of such reduction may be applied to the residential tax lots.

With regard to the Section 421-a site eligibility requirements, we understand that construction of the New Building is scheduled to commence, as "commencement of construction" is defined under the 421-a Rules, in August or September 2007.[i] Under these circumstances, the applicable operative date (the "Operative Date") will fall in August or September 2004.

According to the Certificate of Occupancy, Former Lot 27, of which the Subject Premises was a part, was previously improved with the Former Commercial Building, which was a non-residential building. The 2005-2006 Assessment Roll indicates that the Former Commercial Building was located on the Subject Premises on the Operative Date. According to the New York City Zoning Resolution (the "Zoning Resolution"), on the Operative Date, Former Lot 27 was located partly in an M1-5/R8A zoning district and partly in an M1-5/R9A zoning district and was also located within Special Mixed Use District-3. Under the relevant provisions of the Zoning Resolution, on the Operative Date, the portion of Former Lot 27 that was located in an M1-5/R8A zoning district was subject to a maximum commercial FAR of 5.0, a maximum community facility FAR of 6.5 and a maximum residential FAR of 6.02. The portion of Former Lot 27 that was located in an M1-5/R9A zoning district was subject to a maximum commercial FAR of 5.0, a maximum community facility FAR of 7.5 and a maximum residential FAR of 7.52.

Assuming that the one-story Former Commercial Building contained less than 10,000 square feet of floor area, it would have had an FAR of less than 1.0. Therefore, on the Operative Date, Former Lot 27 was improved with a non-residential building with an FAR that (1) did not exceed the maximum permissible FAR for a non-residential building and (2) was less than 50 percent of the maximum permissible FAR for a residential building. Under these circumstances, Former Lot 27, including the Subject Premises, satisfies the applicable Section 421-a underutilization test.

The Subject Premises is located in the Geographic Exclusion Area. Therefore, in order for the New Building to receive a 10-year Section 421-a tax exemption, the requisite number of 421-a Certificates must be acquired.

As previously noted, we understand that construction of the New Building is scheduled to commence, as "commencement of construction" is defined under the 421-a Rules, in August or September 2007. Although it is projected that the New Building will begin operation as a condominium on January 1, 2009 on the basis of a TCO that covers a portion of its residential units, we are advised that the New Building is projected to receive a TCO that covers all its residential units or a PCO, which represents the "completion of construction," as such term

---

[i] Pursuant to New York City Local Law 58 of 2006, various changes to New York City's Section 421-a program will take effect December 28, 2007. In addition, the State Legislature recently adopted a bill (A.4408-A) which, if approved by the Governor, will make further changes to New York City's Section 421-a program. Most of these changes will not affect buildings upon which construction has commenced prior to July 1, 2008. Assuming that construction of the New Building commences in August or September 2007, the statements and opinions set forth herein will not be affected by these legislative enactments.

is defined under the 421-a Rules, in or about February 2009. Under these circumstances, if a Section 421-a tax exemption is granted for the Subject Premises, the construction period exemption will be in effect during fiscal years 2008/09 and 2009/10 and the 10-year post-construction exemption will be in effect during fiscal years 2010/11 through 2019/20. In the event that such TCO for all residential units or PCO is issued on or prior to January 5, 2009, then the 10-year post-construction exemption will be in effect during fiscal years 2009/10 through 2018/19.

We understand that the New Building will contain at least 36,000 square feet of aggregate floor area. We further understand that the floor area of commercial, community facilities, and accessory use space in the New Building will consist of retail and tenant recreation space and will not exceed 4,000 square feet. Under these circumstances, the floor area of commercial, community facilities, and accessory use space in the New Building will not exceed 12 percent of the New Building's aggregate floor area and, consequently, the Section 421-a exemption for the New Building will cover 100 percent of the taxable assessed value of the Subject Premises in excess of the applicable Prior Assessed Value during fiscal years 2008/09 through 2011/12. Thereafter, the percentage of the Subject Premises' taxable assessed value in excess of the Prior Assessed Value that is exempt from taxes will decline in accordance with the schedule set forth in Section 6-06(d) of the 421-a Rules.

As previously discussed, the applicable Prior Assessed Value is the taxable assessed value of a tax lot for the tax year preceding the commencement of construction. Assuming that construction of the New Building will commence, as "commencement of construction" is defined under the 421-a Rules, in August or September 2007, which falls within fiscal year 2007/08, the applicable Prior Assessed Value in this case will be the taxable assessed value of the Subject Premises in fiscal year 2006/07. According to the Assessment History, the taxable assessed value of the Subject Premises in fiscal year 2006/07 was $166,106.

The Haims Analysis contains the following estimates of assessments and taxes on the Subject Premises absent the grant of any Section 421-a benefits, upon which we have relied:

1) The Haims Analysis estimates that, for fiscal years 2008/09 and 2009/10, of the total taxable assessed value of the Subject Premises, DOF will allocate 89.66 percent to the Residential Units, 10.15 percent to the Retail Unit and .19 percent to the Storage Units.

2) The Haims Analysis estimates that, for fiscal year 2008/09, the New Building's Residential and Storage Units will be subject to a real estate tax rate of $12.12 per $100 of taxable assessed value and its Retail Unit will be subject to a real estate tax rate of $10.16 per $100 of taxable assessed value.

3) The Haims Analysis estimates that, for fiscal year 2009/10, the New Building's Residential and Storage Units will be subject to a real estate tax rate of $12.31 per $100 of taxable assessed value and its Retail Unit will be subject to a real estate tax rate of $10.26 per $100 of taxable assessed value.

Based solely on the Floor Area Schedule, the Certificate of Occupancy and the 2005-2006 Assessment Roll, and assuming (1) that construction of the New Building will commence, as "commencement of construction" is defined under the 421-a Rules, within fiscal year 2007/08, (2) that the requisite number of 421-a Certificates are acquired for the New Building, and (3) that all other applicable requirements set forth in the 421-a Rules are satisfied, we are of the opinion that the Subject Premises, including the Residential, Retail and Storage Units, will be eligible to receive a Section 421-a partial tax exemption covering the period of construction of the New Building, up to a maximum of three years, and a 10 year post-construction period.

Based solely on the Assessment History and the Haims Analysis, and assuming (1) that a Section 421-a tax exemption will be granted for the Subject Premises, (2) that construction of the New Building will commence, as "commencement of construction" is defined under the 421-a Rules, within fiscal year 2007/08, (3) that the floor area of commercial, community facilities, and accessory use space in the New Building will not exceed 12 percent of the New Building's aggregate floor area, and (4) that, in fiscal years 2008/09 and 2009/10, DOF will allocate the applicable Prior Assessed Value to the Residential, Retail and Storage Units in the same proportions as the Haims Analysis estimates that the total taxable assessed value of the Subject Premises will be allocated to these units, we project that, in fiscal years 2008/09 and 2009/10, the real estate taxes on the Subject Premises with Section 421-a partial tax exemption benefits will be as follows:

Units	2008/09 Taxes	2009/10 Taxes	Total Taxes
Residential Units	$166,106[ii] x .8966[iii] x .1212[iv] = $18,050	$166,106 x .8966 x .1231[v] = $18,333	$36,383
Storage Units	$166,106 x .0019[vi] x .1212 = $38	$166,106 x .0019 x .1231 = $39	$77
Retail Unit	$166,106 x .1015[vii] x .1016[viii] = $1,713	$166,106 x .1015 x .1026[ix] = $1,730	$3,443

This opinion is not a guarantee and is not binding on HPD or DOF. The opinions and projections expressed herein are based on our interpretation of the New York City Real Property Tax Law, the Administrative Code of the City of New York, the 421-a Rules and all

---

[ii] Total Prior Assessed Value.

[iii] Percentage of Prior Assessed Value allocated to Residential Units.

[iv] Estimated 2008/09 residential/storage tax rate.

[v] Estimated 2009/10 residential/storage tax rate.

[vi] Percentage of Prior Assessed Value allocated to Storage Units.

[vii] Percentage of Prior Assessed Value allocated to Retail Unit.

[viii] Estimated 2008/09 commercial tax rate.

[ix] Estimated 2009/10 commercial tax rate.

other applicable provisions of law in effect as of the date hereof. We undertake no obligation to update, modify or supplement this opinion in the event of any change in such provisions of law or in the event of any contrary interpretation of such provisions of law by a court of competent jurisdiction after the date hereof. We have not investigated and we offer no opinion as to the accuracy or validity of the Haims Analysis.

This opinion is given solely for the benefit of 23 Highline LLC and purchasers of units under the condominium offering plan for the Subject Premises and may not be relied upon by any other person or entity, including subsequent owners of such units, without our prior written consent.

Very truly yours,

Kramer Levin Naftalis & Frankel LLP

KL3 2524888 8

END OF SECTION S

SECTION T. OPINIONS OF COUNSEL

T-1. Opinion on Tax Deductions to Unit Owners. In the opinion of Seyfarth Shaw LLP ("**Seyfarth**"), Sponsor's attorney, individual Residential Unit Owners who itemize deductions and are residents of the State of New York will be entitled to deduct from federal, New York State and New York City income taxes: (a) the real estate taxes assessed against his or her Residential Unit; and (b) interest paid on loans secured by the Residential Units of up to $1,000,000 (in the case of a loan obtained to finance the purchase or to improve the Residential Unit) or up to $100,000 (for a home equity loan), provided he or she occupies the Residential Unit as a qualified residence (that is, a principal residence or other residence personally used by him or her for a specified period each year).

These income tax deductions are subject to various limitations and qualifications which are explained more fully in the tax opinion. The opinion does not address the tax consequences of owning a Residential Unit in a trade or business, or for investment or production of income, or ownership of a Residential Unit by a foreign person. See subsection T-6 below for the text of the opinion.

T-2. Tax Status of Condominium. Seyfarth Shaw also advised in said opinion letter that if the Condominium Board qualifies as a "homeowners association" under Section 528 of the Internal Revenue Code ("**Code**"), which appears to be the case (see below), the Condominium may elect to be treated as a tax exempt organization and exclude from its taxable income the Common Charges payable by Residential Unit Owners. To qualify as a homeowners association, certain requirements of the Code and the Treasury Regulations must be met. These include a requirement that at least 85% of the total square footage of all Units within the Condominium must be used by individuals for residential purposes. Units used for purposes that are auxiliary to residential use (such as laundry areas and Storage Units) will be considered used for residential purposes under the applicable Treasury Regulations. The square footage of the Residential Units are projected to equal or exceed said 85% minimum. Accordingly, it appears that the Condominium Board will qualify as a homeowners association (see Seyfarth Shaw LLP's opinion in Section T-6 below for discussion).

Income derived from Common Charges received from the Retail Unit in excess of offsetting expenses incurred in connection therewith and income derived from interest or investments will be taxable. Seyfarth has not rendered an opinion on the tax treatment of contributions to the Working Capital Fund, nor on the income tax status of the Condominium Board, which is uncertain. See the tax opinion in subsection T-6 below for full discussion of the foregoing.

A small allowance for corporate and franchise taxes is included in the First Year's Budget (see Notes to SCHEDULE B).

T-3. Caveat. A prospective Purchaser is advised to read the tax opinion, preferably with the assistance of his or her attorney, accountant or tax adviser, for a complete understanding of the tax consequences of owning a Residential Unit under this Plan.

T-4. Disclaimer. THE TAX OPINION OF SEYFARTH SHAW LLP SET FORTH BELOW IS BASED ON EXISTING LAW, REGULATIONS AND RULINGS APPLIED TO THE FACTS

AND DOCUMENTS REFERRED TO IN THE OPINION, BUT IS NOT A REPRESENTATION, ASSURANCE OR GUARANTEE BY SEYFARTH SHAW LLP THAT RESIDENTIAL UNIT OWNERS WILL BE ENTITLED TO THE INCOME TAX DEDUCTIONS OR OTHER TAX BENEFITS REFERRED TO IN THE TAX OPINION. NO ASSURANCE CAN BE GIVEN THAT THE TAX LAWS OR THE REGULATIONS OR RULINGS ISSUED THEREUNDER, OR ANY JUDICIAL INTERPRETATION THEREOF, UPON WHICH SEYFARTH SHAW LLP BASES ITS OPINION WILL NOT CHANGE. IN NO EVENT WILL THE SPONSOR, SEYFARTH, THE SELLING AGENT OR ANY OTHER PERSON BE LIABLE IF THERE ARE CHANGES IN THE FACTS ON WHICH COUNSEL RELIED IN ISSUING ITS OPINION, OR IF THERE ARE CHANGES IN THE APPLICABLE STATUTES, REGULATIONS, RULINGS OR DECISIONAL LAW ON WHICH COUNSEL RELIED WHICH CAUSE THE CONDOMINIUM TO CEASE MEETING THE REQUIREMENTS OF CODE SECTION 528, AS AMENDED, OR NEW YORK STATE OR CITY TAX LAW, AS AMENDED, AND UNIT OWNERS NOT TO BE ENTITLED TO INCOME TAX DEDUCTIONS (OR WHICH CAUSE UNIT OWNERS NOT TO BE OR TO CEASE TO BE ENTITLED TO SAID INCOME TAX DEDUCTIONS).

MOREOVER, THE SPONSOR, SEYFARTH SHAW LLP AND THE SELLING AGENT CANNOT, AND DO NOT, MAKE ANY REPRESENTATION, ASSURANCE OR GUARANTEE WITH RESPECT TO: THE TAX STATUS OF THE CONDOMINIUM; THE TAX TREATMENT OF THE COMMON CHARGES, THE WORKING CAPITAL FUND CONTRIBUTIONS OR OTHER RECEIPTS OF THE CONDOMINIUM; THE TAX CONSEQUENCES OF THIS PLAN; OR THE TAX CONSEQUENCES OF OWNERSHIP OF ANY RESIDENTIAL OR STORAGE UNITS OFFERED UNDER THE PLAN. NO ONE HAS BEEN AUTHORIZED TO MAKE ANY STATEMENTS OTHER THAN THOSE CONTAINED HEREIN.

T-5. RPL Section 339-i Opinion. The opinion of Seyfarth Shaw LLP as to assigning the percentage of Common Interest to each Unit in compliance with RPL Section 339-i is set forth in subsection T-7 below.

END OF TEXT ON THIS PAGE

T-6. Opinion on Income Tax Deductions to Residential Unit Owners and Tax Status of the Condominium.

SEYFARTH SHAW LLP
1270 Avenue of the Americas,
Suite 2500
New York, New York 10020-1801
(212) 218-5500

April 12, 2007

23 Highline LLC
c/o Alf Naman Real Estate Advisory LLC
460 Park Avenue, Floor 22
New York, New York 10022

Re: High Line 23 Condominium
515 West 23rd Street (a/k/a 515 and 517 West 23rd Street), New York, New York 10011

Gentlemen:

You have requested our opinions concerning:

(a) the deductibility, for federal, New York State and New York City income tax purposes, of mortgage interest and real estate taxes paid by individual New York State residents who purchase residential units ("**Residential Units**") at High Line 23 Condominium ("**Condominium**") pursuant to a Condominium Offering Plan (the "**Plan**") relating to the same; and

(b) the income tax treatment to the Condominium Board[1] of the assessments ("**Common Charges**") payable by the Unit Owners to meet the Common Expenses of the Condominium.

The Plan provides for the establishment of condominium ownership of the land and the building to be or being constructed thereon, as well as the appurtenances thereto, to be known as 515 West 23rd Street (a/k/a 515 and 517 West 23rd Street), New York, New York 10011 (such land, building and appurtenances are collectively called the "**Property**"). The Condominium will be comprised of the Residential Units, Storage Units, one (1) Retail Unit and commonly owned areas, equipment and facilities (collectively, the "**Common Elements**"). Except where otherwise indicated, the terms defined in the Plan that are used in this opinion letter without express definition will have the same meanings given to them in the Plan.

[1] For purposes of this opinion, the term "Condominium Board" shall include the Association of Unit Owners for whom the Condominium Board acts.

In connection with rendering this opinion letter, we have reviewed only the Plan (including the Documents in Part II thereof), relevant sections of the Internal Revenue Code of 1986, as amended (the "**Code**"), the New York State Tax Law, the New York City Administrative Code, the regulations promulgated thereunder and such other material as we have deemed relevant. The opinions expressed herein are based upon the assumptions that:

(a) the Plan becomes effective and is consummated in accordance with its terms;

(b) condominium ownership of the Property, including the Residential Units, is established in compliance with all applicable laws;

(c) the legal consequences of the Plan are as described therein; and

(d) the statements and information contained in the Plan and your statements as to certain matters referred to herein are true, accurate and complete in all respects.

We have not investigated or verified the truth, accuracy or completeness of such statements and information or the calculation of the square footages of the Residential, Storage and Retail Units (which is germane to the discussion in Part II below of the income tax status of the Condominium Board and its qualification as a "homeowners association").

This opinion letter addresses only the tax consequences that would result from the ownership of a Residential Unit for personal use as a "qualified residence" (defined below) by an individual taxpayer who is a New York State resident. We do not address the tax consequences of the ownership of: (a) the Retail or Storage Units by any person or entity; or (b) the Residential Units by corporations or other entities, or by individuals who are not New York State residents or who do not use their Residential Units as a "qualified residence".

I. Deductibility of Real Estate Taxes and Mortgage Interest

A. Real Estate Taxes

In general, Section 164(a) of the Code and the Treasury regulations thereunder allow for the deduction for the taxable year within which paid or accrued (according to the method of accounting used in computing taxable income) of "[s]tate and local, and foreign, real property taxes". In general, these regulations define "**real property taxes**" as taxes imposed on interests in real property and levied for the general public welfare, but does not include taxes assessed against local benefits of a kind tending to increase the value of the property assessed (e.g., assessments paid for local benefits such as street, sidewalks, and other like improvements, imposed because of and measured by some benefit inuring directly to the property against which the assessment is levied are not deductible as taxes). Taxes on real property paid or accrued by a taxpayer are also not deductible to the extent that Section 164(d) of the Code ("Apportionment of taxes on real property between seller and purchaser") and the Treasury regulations thereunder require that such taxes be treated as imposed on another taxpayer.

The Internal Revenue Service has ruled that an individual who had purchased and occupied "an apartment in a so-called 'condominium apartment project'" whereby the individual "received the legal title in fee simple to a one-family unit in a multi-unit structure coupled with ownership of

an undivided interest in the land and all other parts of the structure held in common with the other owners of the individual units" could deduct, under Section 164 of the Internal Revenue Code of 1954, the taxes assessed on his interest in the property which he paid each year provided he itemized his deductions in filing his Federal income tax returns. Rev. Rul. 64-31, 1964-1 (Part I) C.B. 300. However, such deduction is subject to the overall limitation on itemized deductions set forth in Section 68 of the Code, and Section 56(b)(1)(A)(ii) of the Code prohibits individuals from deducting, for federal alternative minimum tax ("**AMT**") purposes, real estate taxes that constitute "itemized deductions".

Also, in general, real estate taxes that are deductible as "itemized deductions" for federal income tax purposes are also deductible as "itemized deductions" for both New York State and New York City income tax purposes, although an individual's New York State and New York City "itemized deductions" may be subject to an overall percentage reduction of up to fifty percent (50%) (depending on the taxpayer's filing status and New York adjusted gross income).

In accordance with the Plan and the Condominium Declaration and By-Laws, each Residential Unit and its undivided interest in the Common Elements will be owned in fee simple. Under New York law, each Residential Unit (including its undivided percentage interest in the Common Elements) will be taxed as a separate parcel for real estate tax purposes and will be separately assessed and billed for real estate taxes by the local tax authority.

Based on the foregoing, it is our opinion that each individual Owner of a Residential Unit who itemizes deductions in the filing of his or her federal income tax returns will be entitled, under current law, to deduct as an "itemized deduction" for federal, New York State and New York City income tax purposes the real estate taxes assessed against the individual's Residential Unit and paid by the individual to the local tax authority (and which do not otherwise constitute taxes either: (x) assessed against local benefits of a kind tending to increase the value of the property assessed; or (y) which are required to be treated as being imposed on another taxpayer). However, as "itemized deductions" for individual Owners, these real estate taxes will be subject to the overall limitation on itemized deductions set forth in Section 68 of the Code, and will not be deductible for AMT purposes. These real estate taxes will also be deductible by individual Owners as "itemized deductions" for both New York State and New York City income tax purposes, although an individual Owner's New York State and New York City "itemized deductions" may be subject to an overall percentage reduction of up to fifty percent (50%) (depending on the taxpayer's filing status and New York adjusted gross income).

PROSPECTIVE INDIVIDUAL PURCHASERS OF RESIDENTIAL UNITS ARE URGED TO CONSULT WITH THEIR OWN TAX ADVISERS REGARDING THE: (A) APPLICABILITY AND IMPACT OF SUCH OVERALL LIMITATION ON, AND POTENTIAL PERCENTAGE REDUCTION OF, ITEMIZED DEDUCTIONS FOR FEDERAL, NEW YORK STATE AND NEW YORK CITY INCOME TAX PURPOSES; (B) NON-DEDUCTIBILITY OF REAL ESTATE TAXES FOR AMT PURPOSES; AND (C) APPLICABILITY AND IMPACT, IF ANY, OF THE NEW YORK STATE AND NEW YORK CITY MINIMUM TAX AS REGARD TO THE DEDUCTIBILITY OF REAL ESTATE TAXES IN RESPECT OF THEIR OWNERSHIP OF RESIDENTIAL UNITS.

Under the Plan and the Condominium Declaration and By-Laws, until such time as each Residential Unit is separately assessed and billed for New York City real estate taxes, such real estate taxes will be included in the Common Expenses to be paid by the Condominium Board and collected from all Owners by allocating the Property's real estate taxes to the Residential and Storage Units and the Retail Unit based on an expert's opinion of their estimated values relative to each other (in the case of apportionment between all Residential and Storage Units and the Retail Unit), as explained more fully in the Plan. The real estate taxes for all Residential Units will then be further apportioned among the Residential Units in proportion to their respective Common Interests in SCHEDULE A of Offering Prices and Related Information contained in the Plan.

If the Condominium Board were to be viewed, for federal income tax purposes, merely as a collection agent for the Owners during the period ("**Preliminary Period**") prior to separate assessment and billing of real estate taxes, then it would seem that the individual Owners should nonetheless be able to deduct the real estate taxes paid by them during this period, except that for Owners who are cash basis taxpayers, these taxes would be deductible for the taxable year in which payment of these taxes is actually made by the Condominium Board to the proper taxing authorities (and not, if different, the taxable year that the Owner remitted the funds earmarked for the payment of these taxes to the Condominium Board). (Cf. Hradeskv v. Commissioner, 65 T.C. 87 (1975), aff'd per curiam 540 F.2d 821 (5th Cir. 1976); Rev. Rul. 78-103, 1978-1 C.B. 58.) However, we express no opinion on this point or, otherwise, whether and/or to what extent the Condominium Board may be viewed merely as a collection agent for the Owners during the Preliminary Period.

Moreover, a portion of an Owner's claimed deduction for real estate taxes in respect of his or her Unit might be disallowed to the extent that the amount of otherwise deductible real estate taxes ultimately assessed against the Owner's Unit is less than the amount of real estate taxes previously paid in respect of such Unit. (Cf. Cramer v. Commissioner, 55 T.C. 1125 (1971), acq. 1971-2 C.B. 2; Treasury Regulations Section 1.164-1(a)). In the event that the amount of real estate taxes ultimately assessed by the taxing authority against an Owner's Unit differs from the real estate taxes apportioned to such Unit for the Preliminary Period, then the Owner may be required to report either an upward or downward adjustment to his or her previously-determined federal, New York State and/or New York City taxable income (which, in turn, could give rise to either an increase or decrease in the Owner's previously-determined federal, New York State and/or New York City income tax liabilities).

B. Mortgage Interest

In general, Section 163(h)(1) of the Code prohibits non-corporate taxpayers from deducting "personal interest" paid or accrued during the taxable year. For this purpose, Section 163(h)(2) of the Code defines "**personal interest**" as any interest allowable as a deduction under Chapter 1 of the Code other than, as relevant, "qualified residence interest".

In general, Section 163(h)(3)(A) defines "**qualified residence interest**" to mean any interest which is paid or accrued during the taxable year on (i) acquisition indebtedness with respect to any qualified residence of the taxpayer; or (ii) "home equity indebtedness" with respect to any

qualified residence of the taxpayer. The determination of whether any property is a qualified residence of the taxpayer is made as of the time the interest is accrued.

Section 163(h)(3)(B) of the Code defines "**acquisition indebtedness**" to mean any indebtedness which: (I) is incurred in acquiring, constructing, or substantially improving any qualified residence of the taxpayer; and (II) is secured by such residence. "Acquisition indebtedness" also includes any indebtedness secured by such residence resulting from the refinancing of such indebtedness, but only to the extent the amount of the indebtedness resulting from such refinancing does not exceed the amount of the refinanced indebtedness. Also, the aggregate amount treated as acquisition indebtedness for any period may not exceed $1,000,000 ($500,000 in the case of a married individual filing a separate return).

Section 163(h)(3)(C) of the Code defines "**home equity indebtedness**" to mean any indebtedness (other than acquisition indebtedness) secured by a qualified residence to the extent the aggregate amount of such indebtedness does not exceed (I) the fair market value of such qualified residence, reduced by (II) the amount of acquisition indebtedness with respect to such residence. Also, the aggregate amount treated as home equity indebtedness for any period may not exceed $100,000 ($50,000 in the case of a married individual filing a separate return).

Finally, Section 163(h)(4)(A) defines "**qualified residence**" to mean: (I) the principal residence (within the meaning of Section 121 of the Code) of the taxpayer, and (II) 1 other residence of the taxpayer which is selected by the taxpayer for purposes of the "qualified residence interest" deduction for the taxable year and which is used by the taxpayer as a residence (within the meaning of Section 280A(d)(1) of the Code – that is, a residence that is rented out at any time during the taxpayer year but which is used by the taxpayer for "personal purposes" for more than the greater of: (x) 14 days; or (y) 10% of the number of days during such year for which such residence is rented at fair rental; however, such residence may nonetheless be treated as being used as a residence for this purpose even if not rented out at any time during the taxable year). Married individuals not filing joint returns are treated as one taxpayer and each spouse is entitled to take into account 1 residence on his or her tax return unless both spouses consent in writing to one of them taking into account the principal residence and 1 other residence.

In general, whether property is used by a taxpayer as his or her residence depends upon all the facts and circumstances, as is also the case in determining which of multiple properties that the taxpayer uses as residences constitutes the taxpayer's "principal residence". Ordinarily, the property that the taxpayer uses a majority of the time during the year will be considered the taxpayer's principal residence; however, other factors may also be relevant in making the "principal residence" determination (e.g., taxpayer's place of employment; the principal place of abode of taxpayer's family members; address listed on taxpayer's federal and state tax returns, driver's license, automobile registration, and voter registration card; taxpayer's mailing address for bills and correspondence; location of the taxpayer's banks; location of religious organizations and recreational clubs with which the taxpayer is affiliated). (Treas. Reg. § 1.121-1(b)).

A "principal residence" may include (among other things) a condominium. (S. Rept. No. 99-313 (PL 99-514) p. 806; see also Rev. Rul. 64-31, referred to above).

Under the Plan and Condominium Declaration and By-Laws, each Owner may mortgage the Owner's Residential Unit and become individually liable for the payment of the principal and any finance charges or interest on such mortgage indebtedness. Accordingly, it is our opinion that each individual Owner of a Residential Unit who itemizes deductions in the filing of his or her Federal income tax returns and who uses such Unit as a "qualified residence" will be entitled, under current law, to deduct as an "itemized deduction" for federal, New York State and New York City income tax purposes the interest paid or accrued by him or her on the portion of any indebtedness that: (i) is incurred to acquire, construct or substantially improve the Residential Unit; (ii) is secured by said Unit; and (iii) together with any other indebtedness that is treated as "acquisition indebtedness", does not exceed $1,000,000 ($500,000, in the case where such individual Owner is married and files a separate return). We are also of the opinion that each individual Owner of a Residential Unit who itemizes deductions in the filing of his or her Federal income tax returns and who uses such Unit as a "qualified residence" will be entitled, under current law, to deduct as an "itemized deduction" for federal, New York State and New York City income tax purposes the interest paid or accrued by him or her on the portion of any other indebtedness – i.e., non-"acquisition indebtedness"— that: (I) is secured by said Unit; (II) together with the amount of "acquisition indebtedness" with respect to such Unit, does not exceed the Unit's fair market value; and (III) together with any other indebtedness that is treated as "home equity indebtedness", does not exceed $100,000 ($50,000, in the case where such individual Owner is married and files a separate return).

However, as in the case of the "real estate tax" deductions discussed above, these "interest deductions" will be subject to the overall limitation on itemized deductions set forth in Section 68 of the Code and an individual taxpayer's New York State and New York City "itemized deductions" may be subject to an overall percentage reduction of up to fifty percent (50%) (depending on the taxpayer's filing status and New York adjusted gross income). Also, interest otherwise qualifying as deductible "qualified residence interest" will be deductible (albeit as "qualified housing interest") for AMT purposes, but only if paid or accrued by an individual Owner during the taxable year on indebtedness incurred by him or her to acquire, construct or substantially improve the Residential Unit if the Unit constitutes either his or her principal residence at the time the interest accrues or is otherwise a "qualified residence"; however, interest on "home equity indebtedness" is not deductible for AMT purposes.

SINCE THE RULES REGARDING THE DEDUCTIBILITY OF MORTGAGE INTEREST (INCLUDING FOR AMT PURPOSES) ARE COMPLEX, INDIVIDUAL PROSPECTIVE PURCHASERS OF RESIDENTIAL UNITS ARE URGED TO CONSULT WITH THEIR OWN TAX ADVISERS REGARDING THE: (A) APPLICATION OF THESE RULES TO THEM AND TO THEIR PARTICULAR SITUATIONS; (B) POTENTIAL LIMITATIONS ON THE DEDUCTIBILITY OF POINTS AND PREPAID INTEREST, IF ANY, ON THEIR MORTGAGE LOANS; (C) OVERALL LIMITATION ON, AND POTENTIAL PERCENTAGE REDUCTION OF, ITEMIZED DEDUCTIONS FOR FEDERAL, NEW YORK STATE AND NEW YORK CITY INCOME TAX PURPOSES; AND (D) APPLICABILITY AND IMPACT, IF ANY, OF THE NEW YORK STATE AND NEW YORK CITY MINIMUM TAX AS REGARD TO THE DEDUCTIBILITY OF MORTGAGE INTEREST IN RESPECT OF THEIR OWNERSHIP OF RESIDENTIAL UNITS.

II. Income Tax Status of the Condominium Board

Under the Plan, the Condominium Board will, from time to time, assess Common Charges against the Unit Owners in order to pay the costs and expenses of operating, repairing and maintaining the Common Elements. The Common Charges will be assessed against the Unit Owners in proportion to their respective undivided percentage interests in the Common Elements or in proportion to the amount fairly attributable to them based on their Usage of the Common Elements or services provided specially to them.

If the Condominium Board were to qualify as a "homeowners association" for purposes of Section 528 of the Code, which appears to be the case (as explained below), the Condominium Board would be able to elect to be treated as a tax exempt organization and exclude from its taxable income the Common Charges payable by the Residential Unit Owners. If the Condominium Board did, in fact, make the election, the Condominium Board would not be taxed on its "exempt function income" (defined below), but would be taxed on all of its other income.

Section 528(d)(3) of the Code provides that the term "exempt function income" means (as relevant) any amount received as membership dues, fees or assessments from owners of condominium housing units in the case of a condominium management association. Treasury Regulations Section 1.528-9(a) provides that, for purposes of Section 528 of the Code, "exempt function income" consists solely of income that is attributable to membership dues, fees or assessments of owners of residential units in their capacity as owner-members, rather than in some other capacity (such as customers for service). Furthermore, income attributable to dues, fees or assessments will not be considered "exempt function income" unless each member's liability for payment arises solely from membership in the association.

Section 528(c)(1) of the Code generally provides that the term "homeowners association" means an organization, including an organization that qualifies as a "condominium management association", if:

(A) such organization is organized and operated to provide for the acquisition, construction, management, maintenance and care of association property;

(B) sixty percent (60%) or more of the gross income of such organization for the taxable year consists solely of amounts received as membership dues, fees, or assessments from: (i) owners of residential units in the case of a condominium management association; (ii) owners of residences or residential lots in the case of a residential real estate management association; or (iii) owners of timeshare rights to use, or timeshare ownership interests in, association property in the case of a timeshare association;

(C) ninety (90%) percent or more of the expenditures of the organization for the taxable year are expenditures for the acquisition, construction, management, maintenance and care of association property, and, in the case of a timeshare association, for activities provided to or on behalf of members of the association;

(D) no part of the net earnings of such organization inures (other than by acquiring, constructing, or providing management, maintenance and care of association property, and other than by a rebate of excess membership dues, fees, or assessments) to the benefit of any private shareholder or individual; and

(E) such organization properly elects to have Code Section 528 apply for the taxable year.

Section 528(c)(2) of the Code provides that the term "**condominium management association**" means any organization meeting the requirements of clause (A) above with respect to a condominium project if "substantially all of the units in the same project are used by individuals for residences". Treasury Regulations Section 1.528-4(b) provides that "substantially all of the units of the condominium project" will be considered as used by individuals for residences if at least eighty-five percent (85%) of the total square footage of all units within the project is used by individuals for residential purposes. Units which are used for purposes auxiliary to residential use (such as laundry areas, swimming pools, tennis courts, storage rooms and areas used by maintenance personnel) will be considered used for residential purposes pursuant to Treasury Regulations Section 1.528-4(b). Treasury Regulations Section 1.528-4(d) provides that a unit will not be considered 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 so occupies such unit, or building, for less than thirty (30) days.

You have stated to us that the square footage of the Residential Units will equal or exceed 85% of the total square footage of all Units in the Condominium. It would therefore appear that the Condominium Board would meet the requirements of the 85% test described above.

If, however, the Condominium Board fails to qualify as a "homeowners association" for the purpose of Section 528 of the Code (including by failing to make the requisite election to be so treated), it is impossible to predict its income tax reporting status. It is possible that the Condominium Board could be viewed as an agent or a conduit for the Unit Owners, and if so viewed for federal, New York State and New York City income tax purposes, each Unit Owner would be required to report, for federal, New York State and New York City income tax purposes, the Owner's proportionate share of the Board's income, deductions and credits. Alternatively, the Condominium Board may be viewed as an independent entity, rather than a mere conduit and, if so viewed for federal, New York State and New York City income tax purposes, the Condominium Board would constitute either an association taxable as a corporation or a partnership (or perhaps even some type of trust) for federal, New York State and New York City income tax purposes.

Accordingly, we render no opinion as to the income tax reporting status of the Condominium Board or the tax treatment of its income, expenses and expenditures. If the Condominium Board were to elect (assuming that such an election were available to it) to be treated as, or were to otherwise constitute, a corporation (with the Unit Owners as its shareholders) for federal income tax purposes (and, in which case, the Condominium Board would also presumably constitute a taxable corporation for New York State and New York City income tax purposes), then the Condominium Board would be subject to federal, New York State and New York City income tax on its taxable income. Moreover, in determining its taxable income, it is not clear whether assessments paid by Unit Owners to the Condominium Board would constitute taxable income or nontaxable capital contributions for the Condominium Board or whether the Condominium

Board's deductions attributable to furnishing services to Unit Owners may be limited to amounts received from such Owners; also, certain "earnings and profits" expended for the benefit of Unit Owners, and possibly rebates (if any) to Unit Owners of excess membership dues, fees or assessments, may be treated as dividends to them.

If, instead, the Condominium Board were to elect (assuming that such an election were available to it) to be treated as, or were to otherwise constitute, a partnership (with the Unit Owners as its partners) for federal income tax purposes, then the Condominium Board would in general not be subject to an entity-level tax on its income; however, each Unit Owner would be required to report his or her allocable share of the Condominium Board's items of income, gains, losses, deductions and credits on his or her own tax returns (and pay any income taxes that may be due in respect of such allocations regardless of whether the Condominium Board makes distributions to the Unit Owners). If, instead, the Condominium Board were to constitute a "trust" for federal, New York State and New York City income tax purposes, then the Condominium Board and the Unit Owners would be subject to yet a different set of income tax rules for said purposes.

III. General

We do not render any opinion with respect to any matter other than as specifically set forth in this opinion letter. We express no opinion concerning:

(a) any federal, New York State or New York City income tax consequences not explicitly discussed in this opinion letter, including, without limitation, the New York City earnings tax on non-residents;

(b) any aspects of the Plan other than those consequences and aspects explicitly discussed in this opinion letter; or

(c) the tax status and consequences under the Plan with respect to the laws of any other local or foreign jurisdiction.

Further, except as explicitly provided, this opinion letter does not address:

(a) the tax consequences that may result with respect to any Residential Unit held in connection with a trade or business, or any Unit held for purposes of investment or for the production of income;

(b) the tax consequences that may result to a Residential Unit Owner who is not an individual or a New York State resident by reason of Owner's status as such or who does not use such Unit as a "qualified residence"; or

(c) the tax consequences that may result from the purchase of a Storage Unit or the Retail Unit.

This opinion letter also does not discuss the tax consequences that may arise if Units or Common Elements are acquired and/or leased by the Condominium Board, or the issue of whether a Residential Unit Owner may be deemed to be a resident of the United States, New York State, or New York City as a result of the ownership of a Residential Unit and the attendant income, estate or other tax consequences, or the issue of the tax consequences of the contributions to the Condominium's Working Capital Fund. We advise, therefore, that each individual

contemplating the purchase of a Unit consult with the his or her own tax adviser concerning all such tax matters, as well as with respect to the matters discussed in this opinion letter.

This opinion letter is not a guarantee and is not binding upon the Internal Revenue Service, the New York State Department of Taxation and Finance and/or the New York City Department of Finance. Rather, it is based solely upon our opinion of the application of the relevant legal authorities (including, without limitation, the applicable federal, New York State and New York City tax laws and regulations, as well as the administrative and judicial rulings and decisions thereunder) existing as of the date hereof to the facts and documents referred to above.

Such facts, documents and/or legal authorities may change, and thereby affect the opinions stated above in whole or in part (and, possibly, retroactively). We undertake no obligation to update, modify or supplement this opinion letter to reflect any fact or document that may hereafter come to our attention, or to reflect any change in any applicable legal authority that may hereafter occur (nor do we undertake, or have, any obligation to notify you of any such fact, document or change), although we have advised Sponsor that it is obligated to cause a revised opinion letter to be rendered, and published in an amendment to the Plan, under such circumstances. Moreover, in no event will the undersigned, Sponsor, the Condominium Board, the Selling Agent (if any), the Managing Agent, or any other person or entity be liable if, at any time, it is held that, due to any such change in facts, documents and/or legal authorities, the individual Residential Unit Owners are not entitled to the income tax deductions described above and/or the tax treatment of the income of the Condominium Board is not as set forth above.

This opinion is based upon and limited to the knowledge of factual matters of only those attorneys in our office who have actually worked on the legal matters referenced herein, without investigation, and in reliance upon information and documentation supplied by you and delivered to us. We are furnishing this letter to you solely for the personal benefit of you and Purchasers under the Plan. This letter may not be relied on by any other person (including, but not limited to, subsequent owners of Units) and is not to be used, circulated, quoted or otherwise referred to for any other purpose (other than inclusion in the Plan and to the references to our name in the Plan in connection therewith) without our prior written consent.

Very truly yours,

Seyfarth Shaw LLP

Seyfarth Shaw LLP

PLEASE BE ADVISED THAT ANY TAX INFORMATION OR WRITTEN TAX ADVICE CONTAINED HEREIN IS NOT INTENDED TO BE USED, AND CANNOT BE USED, BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING TAX PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER. (THE FOREGOING LEGEND HAS BEEN AFFIXED PURSUANT TO U.S. TREASURY REGULATIONS GOVERNING TAX PRACTICE.)

T-7. Opinion Regarding Compliance with Real Property Law Section 339-i.

SEYFARTH SHAW LLP

1270 Avenue of the Americas,
Suite 2500
New York, New York
(212) 218-5500

April 12, 2007

23 Highland LLC
c/o Alf Naman Real Estate Advisory LLC
460 Park Avenue, Floor 22
New York, New York 10022

Re: Compliance with Real Property Law Section 339-i(1)(iv)

Gentlemen:

The definitions of the terms contained in the Condominium Offering Plan ("**Plan**") for High Line 23 Condominium located at 515 West 23rd Street (a/k/a 515 and 517 West 23rd Street), New York, New York, will apply when such terms are used herein without express definition.

You have requested our opinion on whether the method used to determine the undivided percentage interest of each Unit in the Common Elements in the above referenced matter complies with Real Property Law Section 339-i(1)(iv) ("**Section 339-i(1)(iv)**"). In connection with this opinion, we have reviewed the Plan and assumed the statements and information contained therein are correct and accurate.

The Plan states that the Common Interest of each Unit is based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit, as provided in Section 339-i(1)(iv).

Included in the Plan is an opinion (the "**Platinum Opinion**") of Platinum Properties Of New York Ltd. ("**Platinum**"), whose principal reports she is an experienced real estate broker. Platinum states that in the Platinum Opinion, the Common Interest of each Unit set forth in the Plan appears to be based on both factors of relative value to other Units in the Condominium (such as floor space and location in the Building), as well as the uniqueness of the Unit, the availability of the Common Elements for exclusive use (such as the Residential Common Elements, which are limited or restricted completely or primarily to the use in common of the Residential and Storage Units to the exclusion or substantial exclusion of the Retail Unit) or for shared use (such as the General Common Elements, which are for the use in common of all Units) and the overall dimensions of a particular Unit.

The Platinum Opinion correctly recites Section 339-i(1)(iv) and appears to be based on the method stated in Section 339-i(1)(iv) for determining Common Interests. However, we have not reviewed or verified any calculations of floor space and do not express any opinion as to the relative value of a Unit to other Units; the uniqueness of a Unit; the availability of Common Elements for exclusive or shared use; the overall dimensions of a particular Unit; the weight to be given to each factor in determining the Common Interest of a Unit; or the accuracy of the Platinum Opinion. Moreover, we have assumed, without independent verification or inquiry by us, that the reporting by the principal of Platinum that she is an experienced real estate broker (with the implication that Platinum is qualified to render the Platinum Opinion) is accurate and objectively warranted, and that we are expressing no opinion and making no judgment as to the accuracy of this reporting or, otherwise, the experience level or qualifications of the Platinum broker and other personnel involved in the preparation and issuance of the Platinum Opinion.

This opinion is confined to the matters addressed herein with respect to Section 339-i(1)(iv) and is not intended, nor should be construed, as an opinion on other aspects of the Plan, such as the valid creation of a condominium, which is to be determined by a title insurance company. Further, this opinion is based upon our review of applicable statutory law and judicial precedent, if any, existing as of the date hereof, and we express no opinion as to the effect of any law that is hereafter enacted or any court case that is hereafter decided. We assume no obligation to update or supplement this opinion to reflect, or to notify you as to, any changes in statutory law or judicial precedent, or any changes in fact or circumstances, that may hereafter come to our attention pertaining to the subject matter hereof, although we have advised Sponsor that it is obligated to cause a revised opinion letter to be rendered and published in an amendment to the Plan under such circumstances.

We are furnishing this letter to you solely for the personal benefit of you and purchasers under the Plan. This letter may not be relied on by any other person (including, but not limited to, subsequent owners of Units) and is not to be used, circulated, quoted or otherwise referred to for any other purpose (other than inclusion in the Plan and to the references to our name in the Plan in connection therewith) without our prior written consent. We are members of the Bar of the State of New York and this opinion is limited to matters of New York State law.

Very truly yours,

Seyfarth Shaw LLP

Seyfarth Shaw LLP

END OF SECTION T

SECTION U. RESERVE FUND

U-1. No Reserve Fund. Since the Building is being newly constructed, equipped and outfitted with new Building Systems, no reserve fund is being established under this Plan, nor is a reserve fund required by any Law.

U-2. Budget Reserves for Contingencies and Capital Items. Under the Declaration, a Budget adopted by the Condominium Board may include a reserve for Repairs, Alterations, unanticipated expenses and contingencies, but all such reserve amounts may not exceed, in the aggregate, five percent (5%) of the projected annual General Common Expenses or Residential Common Expenses for the then current Budget Year without obtaining the prior written Discretionary Approval or Consent of Sponsor (during only the Sponsor Veto Control Period) (see Section 9.7 of the Declaration and subsection P-2.1 above). In addition, no Budget may include a Contingency Reserve which, when added to all amounts not spent in a Contingency Reserve for one (1) or more prior Budgets, shall exceed five percent (5%) of the projected General Common Expenses in such Budget without obtaining the prior written Discretionary Approval or Consent of the Retail Unit Owner (see Section H, subsection H-7.2 for full discussion).

U-3. Sources to Finance Capital Items. The potential means and options available to the Condominium Board to finance any needed or desired capital expenditures, such as renewal or replacement of Building components or Systems or to remedy major Building defects, will be:

(a) any reserves established by the Condominium Board for such purpose [NOTE: no reserves are provided in the First Year's Budget];

(b) a loan from a bank or other lender, subject to obtaining Sponsor's prior written Discretionary Approval or Consent during only the Sponsor Veto Control Period; and

(c) a Special Assessment levied on all applicable Unit Owners.

The ability of the Condominium Board to borrow monies on a secured or unsecured basis will depend upon a number of factors, including then existing economic conditions, the policies of the proposed lender (including an "Owner-occupancy" quota that may be required), the creditworthiness of the Condominium Association and the physical condition of the Property. Neither Sponsor or Selling Agent represents, assures or guarantees that the Condominium Board will be able to obtain a secured or unsecured loan at any time.

To the extent all other sources mentioned above in clauses (a) and (b) are insufficient or unavailable to pay for a needed or desired capital item, the Condominium Board will be required to increase the Common Charges or levy a Special Assessment on the applicable Unit Owners. If a Unit Owner wishes to obtain a loan to pay a Special Assessment, such Owner's ability to arrange a loan will depend on the requirements of the lender, including the lender being satisfied with, among other things: (a) said Owner's income and credit; (b) the appraised value of his or her Unit; (c) the number of Residential Units that are occupied by their Owners; and (d) the physical condition of the Owner's Unit and the Building.

END OF SECTION U

SECTION V. WORKING CAPITAL FUND

V-1. Amount of Working Capital Fund. The Condominium Association is to be provided with a fund for operating and working capital ("**Working Capital Fund**"). The Working Capital Fund is ultimately to be in the projected "**Total Amount**" of approximately $33,495 (rounded), which equals one (1) month's projected Residential Common Charges of all Residential and Storage Units as set forth in the Offering Price Schedule (SCHEDULE A in Section E). If the Plan is amended prior to the First Closing to increase or decrease the projected Common Charges of Residential and Storage Units, the Total Amount of the Working Capital Fund will correspondingly increase or decrease.

V-2. Funding of Total Amount of Working Capital Fund. At Closing of Title, each Purchaser of a Residential or Storage Unit (other than the Condominium Board or its nominee or designee as Purchaser of the Superintendent's Unit) is to make a payment to the Condominium's Working Capital Fund ("**Working Capital Payment**") in an amount equal to one (1) month's projected Common Charges for each Unit being purchased, as shown in the Offering Price Schedule (SCHEDULE A in Section E), as such projection may change prior to the First Closing of a Residential Unit in an Amendment to this Plan. At the First Closing of a Residential Unit, Sponsor will make a *reimbursable advance* payment to the Condominium's Working Capital Fund of $17,000 ("**Initial Working Capital Fund**"). Sponsor is to be fully reimbursed for such advance of the Initial Working Capital Fund from the first Working Capital Payments received from bona fide Purchasers of Residential and Storage Units. The Working Capital Payment from each Purchaser will be made directly to the order of Sponsor at Title Closing until Sponsor is fully reimbursed for payment of the Initial Working Capital Fund. Thereafter, all subsequent Working Capital Payments from Purchasers will be made payable directly to the Condominium Board or Managing Agent, as directed, and given to Sponsor at Title Closing for forwarding to the Managing Agent.

Accordingly, the Total Amount of the Working Capital Fund will be fully funded only when and if title to all Residential and Storage Units are conveyed to bona fide Purchasers under this Plan. Sponsor and Selling Agent cannot, and do not, represent, assure or guarantee when or whether the Total Amount will be paid into the Working Capital Fund, which will depend entirely on the time taken to sell and convey all Residential and Storage Units under this Plan.

The Working Capital Payment is to be made only by a bona fide Purchaser under this Plan, but not by anyone to whom Purchaser resells or conveys the Unit, or who succeeds to Purchaser's interest in the Unit after closing of title. If a Purchaser purchases both a Residential and Storage Unit, or more than one Residential Unit or Storage Unit, he or she will make a Working Capital Payment equal to one (1) month's projected Common Charges for each such Unit.

No Working Capital Payment will be made by a Sponsor designee as Owner of an Unsold Residential Unit, but a bona fide Purchaser to whom a Sponsor designee sells such Unsold Unit will be required to make said Working Capital Payment. The Purchaser of the Retail Unit will not make a Working Capital Payment.

V-3. Use of Working Capital Fund. The Initial Working Capital Fund will be used as follows:

(a) to pay to the extent sufficient the net amount (if any) owed Sponsor for that portion of the Building expenses to be apportioned at the First Closing which are fairly and properly attributable to the Residential and Storage Units (as explained in Section N, subsection N-1.4 above); and

(b) the balance (if any) will be used for all appropriate purposes for the benefit of only the Residential and Storage Unit Owners as will be determined by the Residential Board Members (including the Sponsor Board Members) on behalf of the Condominium Board.

Sponsor anticipates that the Initial Working Capital Fund will be sufficient to pay the net amount of apportionments of Building expenses, if in favor of Sponsor. If the net amount of the closing apportionments is in favor of Sponsor and exceeds the Initial Working Capital Fund, the excess will be repaid, without interest, in 12 equal, consecutive monthly installments on the first day of each month, starting the month immediately following the First Closing of a Residential Unit.

The Working Capital Fund (including the Initial Working Capital Fund to the extent sufficient) may be used for operating or working capital and to defray increases in the Common Charges, but may not be used to reduce the projected Common Charges in the First Year's Budget (SCHEDULE B in Section F above) while the Sponsor Board Members constitute a majority of the Residential Board Members. The Condominium Board will usually require operating or working capital to overcome normal cash shortages in operations. The cash shortages may occur from unevenness in the collection of Common Charges or in the payment of budgeted expenses (such as higher heating costs during the fall and winter months), or both. The Working Capital Fund may also be used to make needed Repairs and/or Alterations, from time-to-time.

Sponsor will control the permitted expenditures from the Working Capital Fund while the number of Sponsor Board Members constitute a majority of the Residential Board Members. As a result, all or part of the Working Capital Fund may be spent during the period Sponsor has voting control over the Residential Board Members.

V-4. Sources to Finance Capital Items. For potential means and options available to the Condominium Board to finance any needed or desired capital expenditures, such as renewal or replacement of Building components or Systems or to remedy major Building defects, see Section U, subsection U-3 above.

V-5. Adequacy of Working Capital Fund. The amount of the Working Capital Fund is based strictly upon the amount of the projected Common Charges of the Residential and Storage Units in the First Year's Budget (SCHEDULE B), as such projection may be revised prior to the First Closing of a Residential Unit (see subsection V-1 above for details). Accordingly, the Working Capital Fund is not intended, and should not be relied upon, as being adequate to make potential future needed or desired Repairs or Alterations.

Sponsor and Selling Agent cannot, and do not, represent, assure or guarantee that the Initial Working Capital Fund and any supplemental Working Capital Payments from Purchasers will be adequate for operating or working capital purposes at any time. If additional monies are required

for operating or working capital, the Board may increase the Common Charges (including levying a Special Assessment on the applicable Unit Owners).

Neither the Department of Law nor any other government agency has passed upon the adequacy of the Working Capital Fund.

END OF SECTION V

SECTION W. MANAGEMENT AGREEMENT, CONTRACTS AND LEASES

W-1. Management Agreement. The important terms of the proposed Management Agreement are summarized below.

W-1.1. The Managing Agent. At or prior to the First Closing of a Residential Unit, the Condominium Board will enter into a management agreement with Alf Naman Real Estate Advisors Ltd., ("**Managing Agent**" or "**Agent**"), having an office at 460 Park Avenue, Floor 22, New York, New York 10022. Alf Naman, a principal of Sponsor, is also the principal of the Managing Agent (see Section X, subsection X-4 below).

W-1.2. Term of Management Agreement. The management agreement will be for an initial term expiring at the end of twelve (12) full calendar months after the First Closing of a Residential Unit. At the end of the initial term, the management agreement will be extended automatically from year to year unless the Condominium Board or Agent elect not to extend the term by giving written notice of its election not to extend the term at least ninety (90) days prior to an annual extension.

W-1.3. Fees and Other Compensation. The Managing Agent will receive an annual management fee of $15,000, payable in advance in equal, consecutive monthly installments. In the event the term is extended, the annual fee from and after the expiration of said twelve (12) month period shall be negotiable. In the opinion of Platinum Properties Of New York Ltd., the management fee is in accordance with a market rate fee to manage the Property (see DOCUMENT 9 in Part II of this Plan).

The Managing Agent will also receive the following Unit service fees from an Owner of a Sold Residential or Storage Unit:

(a) $600.00 on the sale or conveyance of a Sold Unit that is subject to (and not exempt from) the Board's Right of First Refusal under the By-Laws (when a Sold Residential Unit and a Sold Storage Unit are sold or conveyed together, the fee shall be limited to $600);

(b) $400.00 on the leasing or renting of a Sold Unit that is subject to (and not exempt from) said Right of First Refusal (when a Sold Residential Unit and a Sold Storage Unit are leased together, the fee shall be limited to $400);

(c) $500.00 for Unit Alterations to a Sold Unit, other than Unit Alterations approved or consented to by Sponsor or other Unsold Unit Owner at or prior to Title Closing; and

(d) $250.00 on a mortgage financing or refinancing, or an appraisal, of a Sold Unit, if any Board action is requested in connection therewith.

No Purchaser will be required to pay any fee to the Managing Agent to purchase a Unit from Sponsor or to finance the Unit at Closing or for any Unit Alterations approved by Sponsor at or prior to Closing of Title. No such Unit service fees will be paid by the Owners (including Sponsor) of Unsold Units or the Retail Unit.

In addition, the Condominium Board will collect a security deposit from an Owner or tenant of a Sold Residential Unit when moving into or out of the Building. The security deposit is to be

applied by the Board to pay for any damage to the Common Elements caused by such move. Any unapplied amount will be refunded after the move is completed. The security deposit will initially be set at $5,000, but may change from time to time by the Condominium Board, but may not be increased without obtaining the prior written Discretionary Approval or Consent of Sponsor during only the Sponsor Veto Control Period. See Section 12.8 of the Declaration for discussion.

The Managing Agent may also receive commissions for placing insurance maintained by the Condominium Board and for renting space (if any) in the Residential Common Elements (if authorized and retained for such purpose by the Condominium Board). If the Condominium Board engages the Managing Agent to supervise major or capital Repairs or Alterations to the Common Elements or to arrange a loan for the Condominium Board, the Managing Agent will be separately compensated in an amount to be negotiated at that time.

W-1.4. Major Duties and Services. The major duties and services to be performed by the Managing Agent will include the following:

(a) hire, pay, supervise and discharge the Building staff (the Condominium Board will have the right to approve the number and fitness of the employees);

(b) cause the Common Elements to be maintained in the condition satisfactory to the Condominium Board, including cleaning and ordinary repairs and alterations; however, the Condominium Board must approve any expenditure of over $2,500.00 for any one (1) item, other than emergency repairs;

(c) cause any orders or violations issued by a Governmental Authority or fire underwriters body to be complied with and corrected; however, the Condominium Board must approve any expenditure of over $2,500.00 for any one (1) order or violation, except in the case of a "civil/criminal sanctions order or violation" (as defined in the management agreement);

(d) contract for necessary services to maintain and operate the Building (such as elevator and exterminator services); however, the Condominium Board must approve any contract costing more than $2,500.00 a year or lasting longer than one (1) year;

(e) obtain and maintain insurance for fire, property damage, liability and such other coverage, and in such amounts, as the Condominium Board approves;

(f) if requested, ascertain and report to the Condominium Board and Unit Owners on the tentative assessed valuations of the Units and cooperate in the preparation of any application or lawsuit to correct the assessed valuations;

(g) audit and pay bills for services, work and supplies to maintain and operate the Building, including water and sewer bills;

(h) purchase all supplies necessary to properly maintain and operate the Building; however, the Condominium Board must approve any single supply costing more than $2,500.00 except if needed to make an emergency repair or to correct a civil/criminal sanctions order or violation;

(i) (in the case of a proposed sale or lease of a Residential or Storage Unit that is subject to the Condominium Board's Right of First Refusal under the By-Laws) obtain credit reports on the prospective purchaser or tenant (as applicable) and implement the procedures (including notifications) in the By-Laws to exercise or waive such Right of First Refusal;

(j) bill and collect the Common Charges and, if authorized by the Condominium Board, engage an attorney approved and selected by the Condominium Board to bring a lawsuit against a delinquent Unit Owner for unpaid Common Charges, including foreclosing the Board's lien under the By-Laws and the Condominium Act;

(k) maintain payroll records, and file all necessary forms for unemployment insurance, withholding and social security taxes and other forms relating to the Condominium Board's employees;

(l) render monthly statements of collections and disbursements;

(m) maintain accurate books of the Condominium Board (including checkbooks, minute books, payroll, records of cash billings and collections and orderly files of documents, correspondence, insurance policies, Unit mortgages, etc.);

(n) prepare and submit to the Condominium Board by December 1st of each year, a budget of projected income and expenses for the ensuing year and notify Unit Owners of the annual charges, assessments and any other sums set by the Condominium Board;

(o) arrange an annual audit by the Condominium Board's certified public accountant and distribute the accountant's certified financial statement to the Unit Owners;

(p) prepare and send notices of meetings of the Condominium Board and Unit Owners, arrange the place of each meeting, and attend and keep the minutes of each meeting; and

(q) send to a Permitted Mortgagee a copy of a default notice sent to the Owner of the mortgaged Unit.

W-1.5. Reimbursement for Expenses and Indemnities. The Condominium Board will reimburse the Managing Agent for certain expenses properly incurred to perform the duties and services required by the agreement or authorized by the Condominium Board. The Condominium Board will indemnify the Managing Agent from Claims and Liabilities and Expenses based on: (a) injury to any person or property (unless caused by Agent's gross negligence or willful misconduct or willful violation of the agreement); and (b) Agent's acts properly performed pursuant to the agreement or authorized in writing by the Condominium Board.

The Managing Agent will indemnify the Condominium Board and Unit Owners from Claims and Liabilities and Expenses resulting from Agent's gross negligence, willful misconduct or willful violation of the agreement. Apart from such indemnity, the insurance to be obtained by the Condominium Board as part of the General Common Expenses will include fidelity coverage insuring the Board and Unit Owners against loss occasioned by the dishonest acts of the Managing Agent or its employees (see applicable footnote to SCHEDULE B in Section F for details).

W-1.6. Assignment. The management agreement is not assignable by the Managing Agent.

W-1.7. Cancellation for Cause. The Condominium Board or Agent may cancel the agreement for cause after giving notice of the default and an opportunity for sixty (60) calendar days from giving the default notice to cure the default and thereby void the cancellation notice. However, the Condominium Board will have only thirty (30) calendar days to cure a default based upon a substantial shortage of cash needed to properly maintain the Building.

W-2. Other Contracts and Leases. In addition to the management agreement, upon commencement of Condominium operation, the Condominium Board will be bound by arms-length contracts, licenses and leases with independent providers of Building services having no affiliation with Sponsor or its principals, which are disclosed in, or authorized by, the First Year's Budget (SCHEDULE B in Section F) or elsewhere in this Plan.

W-3. Sponsor's Limited Right to Bind Condominium Board. Sponsor reserves the right to enter into other arms-length contracts, licenses and leases with independent, unrelated service providers prior to the First Closing of a Residential Unit that will be binding on the Condominium Board, but will amend the Plan to disclose them if they will materially increase the Common Charges or are for longer than five (5) years, other than service contracts, licenses and leases that customarily are for longer terms (such as a cable television contract or license). Sponsor also reserves the right, without amending the Plan, to enter into agreements for "utility services" (as defined in Section 11.11 of the Declaration) that will be binding on the Condominium Board, including licenses and leases for the erection, installation, maintenance and operation of Communications Equipment and Other Installations. Such licenses and leases are typically for initial terms of between 10 to 20 years, depending on the telecommunication or other utility provider. Any Work required in connection with the initial construction and installation of the utility services will be performed by, and at the sole Cost and Expense of, Sponsor or the utility provider (as applicable). The Board will be required to Maintain and Repair the portions of the Building in which the Communications Equipment and Other Installations are located as part of the Residential Common Expenses or General Common Expenses(as appropriate).

END OF SECTION W

SECTION X. IDENTITY OF PARTIES

X-1. Sponsor. Sponsor is 23 Highline LLC ("**23HL**"), having an office at c/o Alf Naman Real Estate Advisors, LLC, 460 Park Avenue, Floor 22, New York, New York 10022. Sponsor is a limited liability company organized under the Laws of the State of New York on February 23, 2005. The managing member of 23HL is Alf Naman Real Estate Advisors, LLC, a New York limited liability company. The only principal of Sponsor who is actively involved in the planning or consummation of this offering is Alf Naman (the sole member of Alf Naman Real Estate Advisors Ltd), having the same office address as Sponsor.

Experience. Sponsor was recently organized for the purpose of owning and developing the Property, and sponsoring the sale of the Units being offered under this Plan. The principals of Sponsor have been actively engaged in the ownership and management of real estate in Manhattan and elsewhere for over 25 years.

Alf Naman is a licensed real estate broker and has substantial experience in real property development, ownership and management, for more than 25 years.

X-1.1. Background. There are no prior bankruptcies, convictions, injunctions and judgments against the Sponsor, the principal of the Sponsor, any individuals who own or control a 10% or more equity interest in Sponsor ("**major equity owners**") and/or entities in which principal of the Sponsor or such major equity owners were principals, that may be material to this Plan or to an offering of securities generally and that occurred within the fifteen (15) years prior to the submission of the proposed condominium offering plan for the Property to the Attorney General, except Alf Naman, the principal of Sponsor, was relieved of liability for debts in 1999 following the filing of a petition under Chapter 7 of the federal bankruptcy code.

X-2. Other Cooperative and Condominium Offerings. Sponsor has not previously offered for sale any other properties as cooperatives, condominiums, planned unit development homes of timeshares (collectively, "**cooperative interest in realty**"). The principals of Sponsor have not been involved in the offerings of cooperative interests in realty that were first offered within the past five (5) years.

Sponsor and Sponsor's principal do not own, directly or indirectly, unsold units or shares constituting 10% or more of all units or shares of other condominiums, cooperatives or other cooperative interests in realty.

X-3. Sponsor's Attorneys and Real Estate Tax Appraiser. Seyfarth Shaw LLP ("**Seyfarth**") with offices at 620 Eighth Avenue, New York, New York, 10018 represents Sponsor on this Plan. Seyfarth has not passed upon the legal opinions of other attorneys appearing in this Plan, nor passed upon or independently investigated the business or financial terms of this offering, the physical condition of the Building or the projections contained in this Plan. This Plan was prepared by Alan L. Kazlow, counsel to said firm.

Seyfarth has rendered opinions on the income tax status of the Condominium Board, the availability of income tax deductions to qualified Unit Owners and compliance with §339-i of the Condominium Act set forth in Section T above.

Jerome Haims Realty, Inc., with office at 630 Third Avenue, New York, New York 10017, was retained by Sponsor to render the opinion on the projected real estate taxes of the Units, and Kramer Levin Naftalis & Frankel, LLP., with offices at 1177 Avenue of the Americas, New York, NY 10036 was retained by Sponsor to render an opinion on the eligibility of Residential and Storage Units for partial real estate tax exemption benefits under RPTL Section 421-a (see Section S, subsection S-8 above).

No attorney has been engaged to represent the Condominium Association or the Condominium Board. Accordingly, the proposed Management Agreement between Alf Naman Real Estate Advisors Ltd. and the Condominium Board (see Section W, subsection W-1 above) is not the result of an "arms-length" negotiation.

X-4. Managing Agent. The proposed Managing Agent of the Condominium is Alf Naman Real Estate Advisors Ltd. ("**ANREA**"), having an office at 460 Park Avenue, Floor 22, New York, NY 10022.

X-4.1. Experience. ANREA or its principal has been in the business of managing residential properties for over 20 years. Residential buildings in Manhattan that ANREA have managed include 779 Park Avenue and 36 East 64th Street.

X-4.2. Background. The Managing Agent and its existing principals have no prior felony convictions. During the past fifteen (15) years, there were no prior convictions, injunctions or judgments against the Managing Agent or its existing principals that may be material to this Plan of to an offering of securities generally.

X-5. Selling Agent. The Selling Agents engaged by Sponsor to offer and sell the Residential and Storage Units is Brown Harris Stevens Residential Sales LLC ("**BHS**"), having an office at 2 Fifth Avenue, New York, New York 10011, and Alf Naman Real Estate Advisors Ltd., 460 Park Avenue, Floor 22, New York, New York 10022.

X-5.1. Experience. Brown Harris Stevens Residential Sales LLC, a real estate company whose roots date back to 1873, has acted as sales agent under condominium offering plans for the following Manhattan properties: 65 West 13th Street; 300 West 14th Street; 169 Hudson Street; 181 East 90th Street; and 2112 Broadway.

Currently, Alf Naman Real Estate Advisors Ltd. is actively managing the marketing, sales and leasing of the luxury residential development planned at 245 Tenth Avenue, New York, NY.

X-6. Architect and Other Construction Professionals. Sponsor has engaged the following architect and other construction professionals in connection with the construction of the Building: Neil M. Denari Architects ("**NMDSA**"), whose office is at 12615 Washington Boulevard, Los Angeles, CA 90066, is the executive architect and has prepared the report contained in DOCUMENT 4 of Part II on the Description of the Property and Specifications; Gruzen Samton Architects LLP ("**Gruzen**"), whose office is at 320 West 13th Street, New York, NY 10014, is the architect of record; Ambrosino, DePinto & Schmieder Consulting Engineers, PC ("**ADS**") whose office is at 275 7th Avenue, New York, NY 10001, is the mechanical and electrical engineer; Desimone Consulting Engineers, PLC, ("**Desimone**"), whose office is at 18

West 18th Street, New York, NY 10011, is the structural engineer; and Bovis Lend Lease LMB, Inc ("**Bovis**") is the construction manager.

X-6.1. Experience. NMDA was founded in 1988 and designs at all scales for a variety of clients and conditions. Gruzen was founded in 1936 and has designed and constructed buildings of virtually every type. ADS has been in the engineering business since 1979. Desimone has been in the engineering business since 1969. Bovis has been in the construction management business for 120 years.

X-7. Real Estate Brokerage Expert. Sponsor has engaged Platinum Properties Of New York Ltd. ("**Platinum**"), having an office at c/o Michael Becher & Associates, Inc. 805 Third Avenue, 19th Floor, New York, NY 10022, to certify the adequacy of the First Year's Budget (SCHEDULE B in Section F), the adequacy of the Common Charges of the Retail Unit to meet the anticipated operating expenses fairly and properly attributable to the Retail Unit for the first year of Condominium operation, and the allocation of the Common Interests as meeting the requirements of §339-i of the Condominium Act. Platinum is a licensed real estate management firm who or whose principal has been engaged in the sale and management of residential properties in New York, including cooperatives and condominiums, for more than 25 years, including in association with other real estate firms in New York City. Platinum has performed similar services in connection with the conversion of numerous other buildings to cooperative or condominium ownership, including the following Manhattan properties: 1600 Broadway; Bridge Tower Plaza (61st Street and First Avenue); 130 West 30th Street Condominium; The Heywood Building, 263 Ninth Avenue; Cathedral Tower Condominium, 514 West 110th Street; 1628 Second Avenue; Charles Street Condominium, 95 Charles Street; and Manhattan Tower Condominium, 203 West 90th Street.

X-8. Relationship to Sponsor or Sponsor's Principals: Sponsor and Sponsor's principals are not related to the Selling Agent, the proposed Managing Agent, the architect, the engineers, Platinum, or any person or firm who will provide services to the Condominium Association or the Property subsequent to commencement of Condominium operation, except Alf Naman, a principal of Sponsor, is also the principal of Alf Naman Real Estate Advisors Ltd., the co-Selling Agent and the proposed Managing Agent.

END OF SECTION X

SECTION Y. REPORTS TO UNIT OWNERS

Y-1. Annual Financial Statements, Meetings and Budgets. The Condominium Board is obligated to give all Unit Owners annually the following:

(a) the Board is to give all Unit Owners, within four (4) months after the end of each financial year adopted by the Condominium Board, a financial statement of the Condominium Association, including an annual report of receipts and expenditures, prepared by an independent certified public accountant or public accountant; such statement will be certified by the accountant while the Sponsor Board Members constitute a majority of the Residential Board Members;

(b) the Board is to give all Unit Owners, not less than ten (10) calendar days advance written notice of the annual meeting of Unit Owners for the election of members of the Condominium Board; such annual meeting is to be held within approximately thirty (30) calendar days of the anniversary of each previous annual meeting, unless changed by the Condominium Board to be held within approximately 60 calendar days after the issuance of the Condominium Association's annual financial statements for the previous 12 months of operation for financial reporting purposes; and

(c) the Board is to give all Unit Owners, at least ten (10) calendar days before the start of each Budget Year, a copy of the annual Budget of Condominium Operation adopted by the Condominium Board, which shall set forth those Budget items that are part of the Residential Common Expenses or General Common Expenses in accordance and compliance with this Plan (see Section F), the Declaration (see Article 9) and the By-Laws (see Articles 8 and 9); while the Sponsor Board Members constitute a majority of the Residential Board Members, each such Budget will be accompanied by a certification of adequacy from an independent expert experienced in residential management in accordance with Part 20 of the Department of Law's regulations.

END OF SECTION Y

SECTION Z. DOCUMENTS ON FILE

Z-1. Plan, Amendments and Condominium Documents. For six (6) years from the date of First Closing of a Residential Unit, Sponsor shall keep copies of this Plan, all Plan Amendments, all documents referred to in this Plan and all Exhibits submitted to the Department of Law in connection with the Filing of this Plan on file and available to prospective Purchasers, Purchasers and Unit Owners for inspection without charge and copying at a reasonable charge at Sponsor's office at c/o Alf Naman Real Estate Advisors Ltd., 460 Park Avenue, Floor 22, New York, New York 10022.

At the First Closing of a Residential Unit, Sponsor shall deliver to the Condominium Board, a copy of the Condominium Documents that are filed and recorded with the appropriate recording office to establish the Condominium.

END OF SECTION Z

SECTION AA. GENERAL

AA-1. Litigation. There are no pending lawsuits, administrative proceedings or other proceedings the outcome of which may materially affect this offering, the Property, Sponsor's capacity to perform all of Sponsor's obligations under this Plan, the Condominium Association or the operation of the Condominium.

AA-2. No Prior Cooperative or Condominium Offering of Property. The Property has not, to the knowledge of Sponsor, been the subject of any prior cooperative or condominium offerings. In addition, as of the date of first presentation of this Plan, no preliminary binding agreements have been entered into, and no money has been collected from, prospective Purchasers by Sponsor for the sale of Units in the Building. Prior to the filing of this Plan, Sponsor conducted a market test of the Units pursuant to Cooperative Policy Statement No. 1 issued by the Attorney General. All of the Units offered pursuant to this Plan are vacant and in the course of construction at the date of this Plan.

AA-3. Compliance with Civil Rights Laws. Sponsor and its agents, including the Selling Agent, will not discriminate against any person on any basis prohibited by civil rights Laws in connection with the offering for sale, the sale, the financing or the leasing of Units under this Plan. These Laws prohibit discrimination based on (among other things) sex, sexual orientation, age, race, creed, color, national origin, ancestry, disability or marital status.

AA-4. Amendments. Sponsor reserves the right to file Amendments to this Plan, including Amendments that may be materially adverse to Purchasers. If there is a material Amendment that adversely affects Purchasers, Sponsor must grant Purchasers a right of rescission and a reasonable time that is not less than 15 days after the date of presentation of such Amendment to exercise the right to rescind. Sponsor must return the Deposit to Purchasers who rescind together with the interest earned thereon and any Net Refundable Special Work Payment (if and to the extent applicable). If an Interim Tenant-Purchaser elects to rescind, his or her Interim Lease will automatically be cancelled and the Deposit will be refunded conditional upon the surrender of vacant possession of the Unit (see Section J, subsection J-4 for discussion and the 30 calendar day deadline, or "TIME OF THE ESSENCE" period, from cancellation within which the Interim Tenant-Purchaser must surrender vacant possession of the Unit before becoming liable for Sponsor's Costs and Expenses (including losses) for removal and recovering possession.

AA-5. Use or Enjoyment of Property. The Use or Enjoyment of the Property are not affected by any reciprocal covenants or easements with owners of properties adjacent to the Property or any known impending adjacent high rise construction, except as follows. The two sites adjacent to both sides of the Property will be developed. A 12-story building is to be erected at 519 West 23rd Street and a one-story building is planned at 511 West 23rd Street. No Unit windows will be facing the building at 519 West 23rd Street and no Retail Unit windows will be facing the building at 511 West 23rd Street. Accordingly, no views or "light and air" of Units will be affected by the development on the neighboring sites. See Section BB below for discussion of Development Rights transferred to an Adjacent Lot.

The Property is not located in a historic district governed by the Landmark Law.

AA-6. Contents of Plan. The Plan does not knowingly omit a material fact or knowingly contain an untrue statement of a material fact. Any statement, representation or information that is not expressly contained in this Plan or an Amendment is not authorized and should not be relied upon. This Plan may not be modified orally and no provision may be waived orally.

The projections in the First Year's Budget (see SCHEDULE B in Section F) and the projected Common Charges in the Offering Price Schedule (SCHEDULE A in Section E) are made in reliance upon the expertise of Platinum Properties Of New York Ltd., which certified as to the adequacy of the First Year's Budget, SCHEDULE B (see DOCUMENT 8C in Part II), and the adequacy of the Common Charges of the Retail Unit to meet the anticipated operating expenses fairly and properly attributable to the Retail Unit for the first year of Condominium operation (see DOCUMENT 8D in Part II).

The projected real estate taxes without and with Section 421-a benefits in SCHEDULE A (in Section E above) are based on the estimates of Jerome Haims Realty Inc., and the projected real estate taxes with Section 421-a benefits in said SCHEDULE A, are based on the estimates of Kramer Levin Naftalis & Frankel LLP, and are included in this Plan in reliance upon the expertise of such firms (see Section S, subsection S-8 for opinions).

The report on the Description of Property and Specifications (see DOCUMENT 4) has been included in this Plan in reliance upon the expertise of Neil M. Denari Architects, Inc., who certified its accuracy in DOCUMENT 8B in Part II.

The statements in this Plan on the availability of income tax deductions to qualified Residential Unit Owners have been made in reliance upon the expertise of Seyfarth Shaw LLP, whose tax opinion is set forth in Section T, subsection T-6.

END OF SECTION AA

SECTION BB. RESERVATION OF AIR AND DEVELOPMENT RIGHTS

The Property and an Adjacent Lot owned by Sponsor are in the same zoning lot. SPECIAL RISK: Pursuant to a certain Declaration of Zoning Lot Development and Easement Restrictions to be recorded prior to recording the Condominium Declaration, Sponsor, as owner of said Adjacent Lot, will own and hold all of the unused development rights and "floor area" (as such quoted term is defined in the Zoning Resolution of The City of New York) of the zoning lot not utilized in connection with the erection of the Building and Units, whether now available, subsequently acquired or that in the future may become available to said zoning lot under said Zoning Resolution (collectively, "**Development Rights**"). Sponsor and all subsequent owners of said Adjacent Lot, and their respective successors and assigns, shall have the unfettered and unconditional right to freely and exclusively utilize all of said unutilized Development Rights, without the approval or consent of the Condominium Board or Unit Owners and without participation by them in the proceeds realized on any use, assignment or transfer of the unutilized Development Rights. In no event, however, may the unutilized Development Rights be used to expand the planned overall size of the Building to add more floors or additional Units. The Condominium Board and Unit Owners will have no right, title or interest in the Development Rights and will not be regarded as a "party-in-interest" as defined in the Zoning Resolution. If requested, the Condominium Board shall be required to execute in recordable form and deliver to Sponsor or the then owner of said Adjacent Lot, without fee, charge, Cost or Expense of any kind, a confirmatory declaration to the foregoing effect and such other instruments as may be required or requested to effectuate the foregoing. Certain of the unutilized Development Rights have been transferred to a parcel at the northeast corner of 19th Street and Eleventh Avenue, where a new 21-story building is under development. This parcel is not adjacent to the Property. The currently remaining unutilized Development Rights (i.e., not used in connection with the erection of the Building and the Units) are estimated at approximately 7,690 square feet. No closure or reduction in size of Unit windows will be required by reason of the use of such unutilized Development Rights, though views and "light and air" may be adversely affected and Unit Owners may experience noise, disruption, dust and other inconveniences associated with nearby construction as aforesaid. In addition, in the event the Building is totally or substantially destroyed and the Unit Owners elect to restore, the ability to re-build to full size may depend upon the zoning for the Property at that time. In the event the zoning is changed and the amount of floor area permitted for the Property under the new zoning is reduced, the Building and all Units possibly may not be re-built to their respective full sizes. See SPECIAL RISKS Section A, subsection A-28 above for discussion.

END OF SECTION BB

SECTION CC. SPONSOR'S STATEMENT OF SPECIFICATIONS

CC-1. Report On Description of Property and Specifications. Sponsor adopts the report on the Description of Property and Specifications set forth as DOCUMENT 4 in Part II of this Plan and represents that Sponsor has no knowledge of any material defects or need for major repairs to the Property except as set forth in such report, or included in the First Year's Budget or customarily corrected by routine maintenance. The report was prepared by Gruzen Samton Architects LLP and is included in this Plan in reliance upon the expertise of such professional.

CC-2. New Construction. Sponsor has undertaken to newly construct the Building with 11 modernized, fully equipped and outfitted Residential Units, 6 Storage Units and 1 Retail Unit in accordance with Sponsor's Plans and Specifications. A summary of the new construction, including the Units, the common areas and the Building Systems, is contained in DOCUMENT 4 in Part II and referred to in Section C, subsection C-1 above. The projected timetable for completion of construction is contained in subsection C-3 above.

CC-3. Certificate of Occupancy. Upon completion of construction, a Certificate of Occupancy of the Building is to be issued authorizing the number of Residential Units for the proposed uses set forth in this Plan as part of Sponsor's Obligations. Prior to the Closing of Title to a Residential Unit, Sponsor must obtain either a permanent Certificate of Occupancy or (at Sponsor's exclusive option) a temporary or partial Certificate of Occupancy of the Building authorizing the use of such Unit for the purpose stated in this Plan. This requirement does not apply to an individual Storage Unit, which will not expressly be authorized as such on the Building's Certificate of Occupancy. See Section O, subsection O-2.9 for discussion.

CC-4. Official Inspection Reports. Official inspection reports reflecting upon the condition of the Property (such as notices of building code violations as at the date of search) and reports required by local law are noted in the report on the Description of Property and Specifications (DOCUMENT 4 in Part II). See Section O, subsections O-2.22 and O-2.23, respectively, for Sponsor's Obligations to correct violations noted or issued that are outstanding at the First Closing of a Residential Unit and to update official inspection certificates and permits for Building Equipment that expire at or prior to the First Closing of a Residential Unit.

END OF SECTION CC

END OF PART I

PART II

Document		Page
1.	PURCHASE AND SALE AGREEMENT	DOC 1-1
1A.	PURCHASE APPLICATION	DOC 1A-1
1B.	FORM W-9 REQUEST FOR TAXPAYER IDENTIFICATION NUMBER	DOC 1B-1
1C.	FORM W-8 CERTIFICATE OF FOREIGN STATUS	DOC 1C-1
1D.	ESCROW AGREEMENT	DOC 1D-1
1E.	DISPUTE RESOLUTION APPLICATION	DOC 1E-1
2.	UNIT OWNER'S POWER OF ATTORNEY	DOC 2-1
3.	FORM OF UNIT DEED	DOC 3-1
4.	DESCRIPTION OF PROPERTY AND SPECIFICATIONS	DOC 4-1
5.	FLOOR PLANS	DOC 5-1
6.	DECLARATION OF CONDOMINIUM	DOC 6-1
7.	CONDOMINIUM BY-LAWS	DOC 7-1
8.	CERTIFICATIONS:	
	A. SPONSOR AND SPONSOR'S PRINCIPAL	DOC 8A-1
	B. SPONSOR'S ARCHITECT	DOC 8B-1
	C. SPONSOR'S EXPERT CONCERNING ADEQUACY OF BUDGET	DOC 8C-1
	D. SPONSOR'S EXPERT CONCERNING ADEQUACY OF COMMON CHARGES PAYABLE BY THE RETAIL UNIT OWNER	DOC 8D-1
9.	OPINION ON MARKET RATE MANAGEMENT FEE	DOC 9-1

[Please sign 4 originals and return to:
Seyfarth Shaw LLP
620 Eighth Avenue
New York, NY 10018
Attn: Alan L. Kazlow, Esq.]

DOCUMENT 1

PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement ("**Agreement**") is dated and made as of _____, 200__, between the following "**parties**": 23 Highline LLC (the "**Seller**" or "**Sponsor**"), having an address for notices at c/o Alf Naman Real Estate Advisors Ltd., 460 Park Avenue, Floor 22, New York, NY 10022, and the party signing below as "**Purchaser**".

1. **Agreement to Purchase and Sell**

1.1 Purchaser agrees to purchase from Seller, and Seller agrees to sell to Purchaser, for the Purchase Price stated in paragraph 2.1 and on the terms and conditions set forth in this Agreement, the following Unit or Units of the proposed High Line 23 Condominium ("**Condominium**") together with its or their respective appurtenant Common Interest(s) in the Common Elements (said Unit or Units and appurtenant Common Interest(s) are hereinafter collectively called the "**Unit**"), as such Unit is to be designated in the Declaration establishing the Condominium on the land and the "**Building**" and other improvements to be erected thereon (collectively, "**Property**") known by the street address for Residential Units of 515 West 23rd Street, New York, New York 10011:

	Number	Common Interest
Residential Unit:	_____	_____%
Storage Unit:	_____	_____%

2. **Purchase Price**

2.1 The "**Purchase Price**" of the Unit is $_____, which Purchaser agrees to pay to Seller as follows:

$_____* ("**Initial Deposit**") on signing this Agreement;

$_____ ("**Additional Deposit**") as provided in paragraph 10.1; and

$_____ ("**Balance**") at closing of title.

* Includes any sum previously given on receipt of the Offering Plan and Amendments for the Property.

3. **Date of Receipt of Offering Plan**

3.1 Purchaser acknowledges receipt of the Offering Plan for the Property and the _____ Amendments thereto on _____ __, ____.

PURCHASER MUST BE AFFORDED THREE (3) FULL BUSINESS DAYS TO REVIEW THE OFFERING PLAN AND AMENDMENTS BEFORE SIGNING THIS AGREEMENT.

4. **Information on Purchaser**

4.1 Purchaser's address for notices and personal information for this transaction are:

Street: _____ Apt. No._____

City: _____ State: ____ Zip Code: _____

Phone #: Daytime _____; Evening _____

Social Security/Federal EID No.: _____

Social Security/Federal EID No.: _____

5. **Purchaser's Attorney**

5.1 The attorney representing Purchaser on this transaction is:

Individual Attorney: _____

Firm Name: _____

Address: _____

_____

Phone #: (____) _____

Fax #: (____) _____

6. **Identity of Participating Broker**

6.1 The only brokers and salespersons that Purchaser has dealt with on this transaction are the Selling Agent, NRT New York, Inc. d/b/a The Corcoran Group and Alf Naman Real Estate Advisors Ltd., and:

Participating Broker: _____ *

Salesperson: _____ *

* [If inapplicable, state "None".]

7. **Terms and Conditions of Purchase and Sale**

7.1 The terms and conditions of this Agreement are continued in paragraphs 8 through 32, which start on the next page entitled "*Terms and Conditions of Purchase and Sale Agreement*", the Exhibits to this Agreement and any riders hereto signed by Seller and Purchaser, all of which form a part of this Agreement.

Attestation: Seller and Purchaser agree that the provisions of this Agreement are legal and valid, binding on each of them and fully enforceable in accordance with its terms.

SELLER:

23 Highline LLC

By: Alf Naman Real Estate Advisors Ltd., Managing Member

By:

Signature: _____

Name _____

Title: _____

Date Accepted: _____

©2007 Alan L. Kazlow, Esq.
Seyfarth Shaw LLP
All rights reserved.

PURCHASER:

Signature: _____ *

Print Name: _____

Signature: _____ *

Print Name: _____

Signed by Purchaser on _____ __, ____

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

TERMS AND CONDITIONS OF PURCHASE AND SALE AGREEMENT

TABLE OF CONTENTS

Caption		Page
1.	Agreement to Purchase and Sell	1
2.	Purchase Price	1
3.	Date of Receipt of Offering Plan	1
4.	Information on Purchaser	1
5.	Purchaser's Attorney	1
6.	Identity of Participating Broker	1
7.	Terms and Conditions of Purchase and Sale	1
8.	Definitions	2
9.	Incorporation in Agreement	4
10.	Procedure to Purchase	4
11.	Closing Date, Time and Place	4
12.	Purchaser's Closing Costs	5
13.	Closing and Post Closing Apportionments	7
14.	Closing Payments and Documents	8
15.	Possession	10
16.	State of Title	11
17.	Personal Property Included in Sale	13
18.	Seller's Construction Obligations	13
19.	Purchaser's Changes and Extras	15
20.	Pre-Closing Inspection by Purchaser	15
21.	Risk of Loss	17
22.	Purchaser's Events of Default; Seller's Remedies	18
23.	Purchaser's Remedies on Seller's Default or Inability to Perform	20
24.	Claims Released On Cancellation and Disbursement of Purchase Monies	20
25.	Escrow Provisions	21
26.	Effectiveness Amendment Requirement	24
27.	Plan and Amendments Govern	24
28.	Purchaser's Time to Review Plan and Amendments	25
29.	Seller's Acceptance or Rejection of Agreement	25
30.	Broker	26
31.	Notices	26
32.	Standard Terms	27

EXHIBIT A Permitted Encumbrances
EXHIBIT B: Final Inspection Statement

8. Definitions

8.1 The words frequently used in this Agreement (whether uppercase or lowercase) are defined below. The words and terms defined in the Offering Plan that are used in this Agreement without express definition shall have their respective meanings given to them in the Offering Plan.

"Additional Deposit": The amount set forth in paragraph 2.1.

"Agreement": This Purchase and Sale Agreement.

"Amendment": An Amendment to the Offering Plan accepted for filing by the Attorney General.

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

"Balance": The amount set forth in paragraph 2.1.

"Building": The building being or to be constructed on the land and to be known by the residential street address of 515 West 23rd Street (a/k/a 515 and 517 West 23rd Street), New York, New York.

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

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

"calendar days" or **"days"**: Any day of the year.

"Claim": Any kind of claim, right, cause for Lawsuit or Lawsuit.

"Closing Date", "closing", "closing of title", "title closing" and words of similar import: The date upon which, among other things, Seller delivers the "Deed" (defined below) for the Unit to Purchaser and Purchaser pays the Balance of the Purchase Price to Seller.

"Condominium": High Line 23 Condominium.

"Cost and Expense" or **"Cost or Expense"**: Any kind of: loss, damage, penalty, fine, liability, judgment, award, cost, expense and amount (including reasonable legal fees and disbursements, court costs and all other litigation expenses, together with per diem interest thereon at the rate equal to the lower of 16% a year or the maximum legal rate, computed from the date paid to the date each item of Cost and Expense is reimbursed) paid, payable or incurred in connection with any Claims or to perform, observe, enforce, uphold, protect, defend, maintain or collect sums payable under a right, remedy, obligation, requirement, agreement or indemnity given in or pursuant to this Agreement.

"damages": All kinds of damages, whether actual, consequential, incidental, special, indirect or otherwise.

"Deed": The deed described in paragraph 14.1.h. conveying the Unit to Purchaser.

"Department of Law": The Department of Law of the State of New York, which is administered by the Attorney General.

"Deposit": Initial Deposit and the Additional Deposit.

"Depository": Valley National Bank, having an office at 275 Madison Avenue, New York, New York 10016.

"First Closing" or **"First Unit Closing"**: The first closing and conveyance of a Residential Unit under the Plan.

"Force Majeure": Events or circumstances beyond the control of a party, such as those listed in paragraph 11.3.

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

"Initial Deposit": The amount set forth in paragraph 2.1.

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

"Institutional Lender": A bank, saving bank, savings and loan association, trust company, credit union of which Purchaser is a member, licensed mortgage banker, insurance company or governmental entity duly authorized to make a loan secured by a first mortgage on the Unit.

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

"land": The parcel of land situated in Section 3, Block 695, Lot 27 of the tax map of the County of New York.

"law": Every applicable law and ordinance of federal, state, city or other governmental authority and each and every regulation, code, rule, order, directive, permit and requirement of all governmental or quasi-governmental authorities having jurisdiction over the Property or the Unit.

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

"Liabilities and Expenses": All liabilities, judgments, awards, losses, damages, penalties, fines and Cost and Expenses.

"Loan Commitment Letter": A written offer to make a loan to Purchaser, with or without recourse, whether or not conditional upon any factor, secured by a first mortgage on the Unit.

"Net Purchase Monies": The Deposit, any interest earned thereon, and any Net Refundable Special Work Payment (if and to the extent applicable).

"Net Refundable Special Work Payment": The amount (if any) by which the Special Work Payment exceeds the actual Costs and Expenses incurred or paid to perform the Special Work and to restore the Unit to its condition existing before undertaking the Special Work.

"Offering Plan" or **"Plan"**: The Condominium Offering Plan for 515 West 23rd Street (a/k/a 515 and 517 West 23rd Street), New York, New York 10011 and all Amendments to such Offering Plan filed prior to the date upon which Purchaser signs this Agreement. The Plan includes the documents reproduced in Part II thereof.

"party": Seller and Purchaser are each a party to this Agreement.

"Plans and Specifications": Seller's plans and specifications for the construction, equipping and outfitting of the Building and the Units of the Condominium and any amendments thereto which, to the extent required by law, have been or will be filed with the New York City Department of Buildings and which may, from time to time, hereafter be amended in accordance with the provisions of the Plan.

"Property": The land and the Building to be erected thereon, which are to be submitted to condominium ownership pursuant to Article 9-B of the Real Property Law.

"Purchase Price". The amount set forth in paragraph 2.1, which Purchaser is to pay to Seller for the sale and conveyance of the Unit pursuant to this Agreement.

"Purchase Monies": The Deposit, any interest earned thereon and any Special Work Payment.

"Scheduled Closing Date": The date to be fixed by Sponsor pursuant to paragraph 11.1 to close title to the Unit.

"Selling Agent": Brown Harris Stevens Residential Sales LLC and Alf Naman Real Estate Advisors Ltd.

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

"Special Work": Any alterations, or upgraded appliances, equipment or cabinets, or other work ordered by Purchaser and itemized in a rider or modification to this Agreement.

"Special Work Payment": Any sum paid by Purchaser for Special Work.

"Title Exception": As defined in paragraph 16.2.

"Title Insurance Company": any of the following: First American Title Insurance Company of New York; Counsel Abstract, Inc. as agent for Ticor Title Insurance Company or Chicago Title Insurance Company; or Commonwealth Land Title Insurance Company.

"Unit": The Unit or Units and its or their respective Common Interest(s) identified in paragraph 1.1.

9. **Incorporation in Agreement**

9.1 These "Terms and Conditions of Purchase and Sale Agreement" form a part of the Agreement and are additional provisions governing Seller's agreement to sell, and Purchaser's agreement to purchase, the Unit.

10. **Procedure to Purchase**

10.1 Purchaser is herewith paying the Initial Deposit in the amount specified in paragraph 2.1 (which equals 10% of the Purchase Price). Purchaser shall pay the Additional Deposit in the amount specified in paragraph 2.1 (which equals 15% of the Purchase Price) fifteen (15) calendar days after Purchaser either is given written notice declaring the Plan effective or is served with the Effectiveness Amendment (as applicable). If, however, the Plan is already declared effective when Purchaser signs this Agreement, the Additional Deposit is payable 15 calendar days after a fully signed original hereof is returned to Purchaser, but in no event later than the Closing Date.

10.2 The Initial Deposit and Additional Deposit shall be paid by Purchaser's good personal collectible check or (at Seller's exclusive option) Purchaser's certified check or official cashier's or bank check. Seller acknowledges receiving a check for the Initial Deposit, but Seller's agreements and obligations under this Agreement are conditional upon the collection of the check. Purchaser shall pay the Balance of the Purchase Price at closing of title in the amount specified in paragraph 2.1 by Purchaser's good certified personal check or official cashier's or bank check. At Seller's option, Purchaser shall pay said Balance in "immediately available funds" (that is, by electronic wire transfer to a bank account designated by Seller). Any payment made by wire transfer shall not be deemed to have been made until confirmed as received by Seller's bank and credited to Seller's account.

10.3 All checks for the Initial Deposit and Additional Deposit and the Balance of the Purchase Price in the amounts specified in paragraph 2.1 must be drawn on (and payable by) a member bank of the New York Clearing House Association, or a local bank or other Institutional Lender acceptable to Seller (in its sole discretion), and must be unendorsed and made payable to the direct order of the following payee:

a. in the case of the Initial Deposit and Additional Deposit, "*Seyfarth Shaw LLP as Escrow Agent for 515 West 23rd Street Plan*"; and

b. in the case of the Balance, "*23 Highline LLC*", or to such other payee(s) as Seller may specify on not less than two (2) business days' prior oral notice or three (3) business days' prior written notice to Purchaser or Purchaser's attorney (if any).

Purchaser shall not use a third party check (other than that of an Institutional Lender), including a corporate check (unless Purchaser is the corporation), to pay either the Deposit or the Balance.

10.4 Simultaneously with Purchaser's execution and delivery of this Agreement, Purchaser shall complete, sign and deliver to Seller the Purchase Application on the form provided by Seller and, if Purchaser is subject to backup withholding rules, Internal Revenue Service ("**IRS**") form W-8 "Certificate of Foreign Status" (if Purchaser is a non-resident alien or foreign entity) or IRS form W-9 "Request for Taxpayer Identification Number (if Purchaser is a United States citizen or resident alien).

11. **Closing Date, Time and Place**

11.1 After the Plan is declared effective, the date and time for closing of title to the Unit will be fixed by Seller on not less than 30 calendar days prior written notice to Purchaser. Seller shall not send such notice before the Effectiveness Amendment is sent to Purchaser. The closing of title shall take place at the offices of Seyfarth Shaw LLP, 620 Eighth Avenue, New York, New York 10018.

11.2 Seller has the right to postpone the closing one or more times to remove a title objection or satisfy a closing prerequisite under the Plan or for any other good faith reason. In the event Seller postpones the closing or Purchaser fails to close on the Scheduled Closing Date fixed by Seller in accordance with paragraph 11.1 (or any postponed dated fixed by Seller in accordance with this paragraph 11.2) and Seller elects not to cancel this Agreement pursuant to paragraph 22, Seller will fix a new date and time for closing. Purchaser will be given written or oral notice of a postponement by Seller and at least 10 calendar days' prior written notice of the new date and time for closing fixed by Seller. In the event Seller postpones the closing, Purchaser will pay the full amount of Purchaser's closing payments contained in paragraph 14.1 on the postponed date of closing, including the Balance of the Purchase Price, without abatement, set-off or credit or provision for escrowing monies, and without recourse of any kind against Seller.

11.3 Under the Plan, the "First Closing" (as defined in the Plan) is targeted to occur on July 1, 2008, but may actually occur earlier or later. Purchaser understands that completion of the Unit and/or Building may be delayed due to events beyond Seller's control (i.e., "Force Majeure"), such as inclement weather; fire; explosion; power failure; labor strikes, lockouts, stoppages or other disputes affecting Seller or Seller's contractors or subcontractors; shortages or late delivery of materials or supplies affecting Seller or Seller's contractors, subcontractors or suppliers; and delays in issuing permits or licenses or conducting inspections by, or other actions or inactions of, governmental authorities having jurisdiction). Accordingly:

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

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

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

d. Purchaser will not be excused from paying the full Purchase Price, without abatement, set-off or credit, and without recourse of any kind against Seller, in the event the First Closing occurs substantially later than said targeted closing date or the closing of title to the subject Unit is substantially after the First Closing or is postponed; provided, however, if the First Closing is not held before June 30, 2009 or such later date as may be set forth in an Amendment to the Plan served on Purchaser before Purchaser signs and delivers this Agreement, Purchaser will be offered the option (if Purchaser is not then in default hereunder beyond the applicable grace period and the Plan has been declared effective) to rescind this Agreement and recover the Net Purchase Monies as Purchaser's sole right and remedy; and

e. in no event shall Seller be liable to Purchaser for Purchaser's actual, compensatory, consequential, incidental, special, indirect or other damages or losses due to any delay in completing construction of the Unit or the construction, equipping and outfitting of the Building or in closing title to the Unit.

11.4 If the Unit comprises both a Residential Unit and one (1) or more Storage Units, all such Units shall close title simultaneously, provided only that a temporary, partial or (at Sponsor's exclusive option) permanent Certificate of Occupancy of the Building shall be issued authorizing only the Residential Unit which is the subject of this Agreement for use as a private dwelling (no Storage Unit shall expressly be authorized as such on said Certificate of Occupancy as provided in paragraph 14.1.q below), and regardless of the status of construction of the Storage Unit(s) which is (are) the subject of this Agreement. If the Storage Unit(s) is (are) not completed at title closing, all payments and documents to be paid, executed and delivered at the closing with respect to the Residential Unit and the Storage Unit(s) nevertheless shall be fully paid, executed and delivered without abatement, set-off or credit against the Purchase Price or provision for escrowing monies, but Sponsor's obligation to complete construction of the Storage Unit(s) shall survive the closing of title.

12. Purchaser's Closing Costs

12.1 At title closing, Purchaser shall pay the following "mandatory" closing costs, which are in addition to (but not part of) the Purchase Price:

a. Purchaser shall pay the New York City Real Property Transfer Tax and the New York State Real Estate Transfer Tax applicable to this purchase and sale, together with the fee of an

ACRIS service provider (if any) to prepare such transfer tax returns, the then governmental fees and charges, and the title company's service charge to record and file these transfer tax returns together with the New York State equalization and assessment form, the mortgage lien release and UCC-3 Termination Statement under paragraph 14.1.i, the Deed and the Unit Owner's Power of Attorney;

b. Purchaser shall pay a sum equal to one (1) month's projected Common Charges for the Unit (i.e., each Residential Unit and Storage Unit comprising the "Unit") as set forth in the Plan in SCHEDULE A – Offering Prices and Related Information, as such projected Common Charge may be revised in an Amendment prior to the First Closing (such payment represents Purchaser's contribution to the Condominium's Working Capital Fund and shall be made payable and delivered to Seller until the amounts paid by purchasers under the Plan who close title fully reimburse Seller for its "advance" payment to the Working Capital Fund as set forth in the Plan and, thereafter, will be made payable to High Line 23 Condominium or as otherwise directed by the Condominium Board and delivered to Seller at title closing for forwarding to the Board or its Managing Agent); and

c. Purchaser shall pay Seller's attorneys, Seyfarth Shaw LLP (or any other attorney designated in writing by Seller) the following sum: (a) (if Purchaser closes title without mortgage financing) such payment shall equal $2,000.00; or (b) (if Purchaser closes title with mortgage financing) such payment shall equal $2,500.00 (such payment to cover the cost of Unit closing legal services in connection with this purchase and sale).

12.2 At title closing, Purchaser shall also pay the following "elective" closing costs:

a. if Purchaser elects to obtain a mortgage loan:

(a-1) Purchaser shall pay the mortgage recording tax, the governmental fee and charges to record the mortgage and a service charge to the title company to record the mortgage;

(a-2) Purchaser shall pay Seller an amount equal to all of Purchaser's savings in the mortgage recording tax to which Purchaser is entitled, whether such savings results from an assignment of an existing mortgage on the Unit or is pursuant to Real Property Law Section 339-ee or otherwise;

(a-3) if Purchaser's Institutional Lender or its attorney refuses to close at the offices of Seller's designated attorneys, Seyfarth Shaw LLP (or any other attorney designated in writing by Seller) as set forth in paragraph 11.1, and requires the closing to be held elsewhere in The City of New York, Purchaser shall also pay Seyfarth Shaw LLP (or other attorney designated by Seller) a travel fee of $350 (if the closing is held in Manhattan) or $500 (if the closing is held elsewhere in New York City) [NOTE: Seller and Seller's attorneys are not required to attend the closing outside of New York City];

(a-4) Purchaser shall pay the premium for mortgage title insurance (if required by Purchaser's mortgage lender); and

(a-5) Purchaser shall pay all escrows (such as for Common Charges and real estate taxes), private mortgage insurance fee (if any) and other mortgage closing costs and expenses required by Purchaser's mortgage lender (if any);

b. if Purchaser elects to order title insurance:

(b-1) Purchaser shall pay the premium of Purchaser's title insurer or agent for the policy together with all charges and costs of title searches and any escrow for real estate taxes relative to Purchaser's period of ownership of the Unit; and

(b-2) if any services are performed to omit one or more Title Exceptions, Purchaser shall pay Seller's attorney, Seyfarth Shaw LLP (or any other attorney designated in writing by Seller) the sum of $500 for legal services in clearing title with Purchaser's title insurer or agent as provided in paragraph 16.8;

c. if Purchaser elects to retain an attorney, Purchaser shall pay the fees and other charges of Purchaser's attorney; and

d. if Purchaser has dealt with any broker other than the Selling Agent and the Participating Broker (if any) identified in paragraph 6.1, Purchaser shall pay the fee or commission earned by such broker.

12.3 At title closing, Purchaser shall also pay the following "delinquent closing costs" if Purchaser fails for any reason whatsoever not due to the fault of Seller to close on the Scheduled Closing Date to be fixed by Seller in accordance with paragraph 11.1 or if the Scheduled Closing Date so fixed by Seller is postponed because Purchaser or Purchaser's attorney fails to timely notify Seller or Seller's attorneys of a title objection as provided in paragraph 16.4:

a. Purchaser shall reimburse Seller per diem interest for lost opportunity of earnings on the Purchase Price at the annual rate of 12% of the Purchase Price, prorated for each day's delay, starting on the originally Scheduled Closing Date fixed by Seller pursuant to paragraph 11.1 through the end of the day prior to the actual date title closes (or expressed as a formula: Purchase Price x 12% ÷ 365 x number of days delayed);

b. Purchaser shall also reimburse Seller for the Unit's Common Charges and real estate taxes for the period of such delay; and

c. Purchaser shall pay Seller's designated attorneys, Seyfarth Shaw LLP (or any other attorneys designed in writing by Seller), the amount of $250.00 for each default notice sent to Purchaser (for the costs to send such notice) and a further sum of $250.00 for each time the closing is rescheduled (for the costs to fix a new Closing Date and time, to coordinate the attendance of all persons, to redate the closing documents and to recalculate the closing apportionments).

12.4 Purchaser shall pay Purchaser's closing costs under this paragraph 12 based on the applicable governmental and title company rates in effect at closing.

12.5 All sums payable to Seller and said attorneys designed by Seller (i.e., Seyfarth Shaw LLP or other attorney designated by Seller, as applicable) under paragraph 12.3 shall be:

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

b. drawn on and payable by a member bank of the New York Clearing House Association or a local bank or other Institutional Lender acceptable to Seller, in its sole discretion; and

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

12.6 The New York City and the New York State transfer taxes payable by Purchaser under paragraph 12.1.a shall be paid by Purchaser's unendorsed certified check or unendorsed official cashier's or bank check made payable directly to the appropriate taxing authority or to Purchaser's title insurer or agent for forwarding to such taxing authority.

12.7 Purchaser shall pay any additional tax or tax deficiency in such New York City and State transfer taxes payable by Purchaser under paragraph 12.1.a. Similarly, if Purchaser obtains a mortgage loan, Purchaser shall pay any additional tax or tax deficiency in the mortgage recording tax payable by Purchaser under paragraph 12.2.a. Purchaser shall also pay any interest and penalties assessed by a taxing authority in connection with any of these additional tax or tax deficiency payments.

12.8 Purchaser shall indemnify Seller (with attorneys selected by Seller) from and against any and all Costs and Expenses resulting from Purchaser's agreements in paragraphs 12.1 and 12.7.

12.9 Purchaser's obligations under paragraph 12.1.a (to pay the New York City State transfer taxes), paragraph 12.2.d (to pay the commission earned by Purchaser's broker, other than the Selling Agent and Participating Broker identified in paragraph 6.1, if any), paragraph 12.7 (to pay all additional taxes, tax deficiencies, interest and penalties) and paragraph 12.8 (to indemnify Seller from any breach of Purchaser's obligations in paragraph 12.7) shall survive the closing.

13. Closing and Post Closing Apportionments

13.1 At closing, Seller and Purchaser shall apportion the following items with respect to the Unit as of 11:59 p.m. of the preceding day:

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

b. the monthly Common Charge and the then current installment of any Condominium special assessment for the period in which title closes.

All such apportionments shall be based on the actual number of days of the billing period in question for said items. If title closes before the Unit is separately assessed and billed for real estate taxes, then real estate taxes shall be apportioned as provided in the Plan and after the Unit is so separately assessed and billed, Seller and Purchaser shall have the right, for a deadline of only 60 calendar days after the Unit is so separately assessed and billed ("*TIME BEING OF THE ESSENCE*"), to adjust post closing any overpayment or underpayment of real estate taxes apportioned at closing as set forth in the Plan (see Section N, subsection N-1.3). If title closes after the Unit is separately assessed and billed but before the bill for real estate taxes is issued covering the period in which the closing occurs, then such real estate taxes shall be apportioned on the basis of the last issued real estate tax bill with respect to the Unit for the preceding fiscal tax year.

13.2 The net amount resulting from the apportionments in paragraph 13.1 shall be paid to the proper party at closing (and, if owed by Purchaser, shall be in addition to the Purchase Price).

13.3 Installments for any real estate tax assessment or for any Condominium special assessment due after the closing are not a defect in, or objection to, title and shall be paid by Purchaser without abatement, set-off or credit against the Purchase Price and without recourse of any kind against Seller. However, the then current installment for any special real estate tax assessment or any Condominium special assessment shall be apportioned at closing in accordance with paragraph 13.1.

13.4 All conventional practices recommended by The Real Estate Board of New York, Inc. in its "Customs in Respect to Title Closings" shall be followed for closing apportionments unless inconsistent with the express provisions of this paragraph 13.

13.5 Any errors or omissions in computing apportionments at closing shall be corrected, and payment made to the proper party, promptly after receipt of a written notice containing a calculation of the amount owed, provided such notice is sent within a deadline of six (6) months after the Closing Date ("*TIME BEING OF THE ESSENCE*").

13.6 If Purchaser receives subsequent to closing a refund, savings or abatement in the Unit's real estate taxes for the fiscal tax year in which the closing is held, Purchaser shall be obligated as follows:

a. first, Purchaser shall pay the Costs and Expenses to obtain the refund, savings or abatement (including reimbursing Seller for any of these Costs and Expenses paid by Seller), but under no circumstance shall Purchaser's payment exceed the amount of the refund, savings or abatement; and

b. second, Purchaser shall appropriately apportion the balance between Seller and Purchaser in accordance with the respective portions of the tax year that each owns the Unit.

13.7 The utility service account in Seller's name with respect to the Unit for electricity shall be terminated as of the day of closing. Purchaser shall be responsible to arrange obtaining electric service for the Unit from after the closing, including paying any deposit required by the utility provider. In the event Seller shall be billed by the utility provider for any electric service consumed by Purchaser from and after the closing, Purchaser shall pay or (at Seller's option) reimburse Seller, and Seller shall receive within five (5) business days after notice thereof is given to Purchaser accompanied by a copy of the bill from the utility provider, the amount so billed applicable to Purchaser's consumption.

13.8 If an amount owed after closing is not received by the applicable party within 10 days after giving a reasonably detailed notice thereof, then the party owed such payment shall be reimbursed by the delinquent party:

a. per diem interest on the amount owed at a rate equal to 12% a year, prorated for each day's delay following the end of said 10 day period to the end of the day prior to the date full payment of the amount owed is received by the applicable party (such payment is to compensate for lost opportunity of earnings on the amount owed), or expressed as a formula: amount owed x 12% ÷ 365 x number of days overdue; and

b. all Costs and Expenses of collection together with per diem interest thereon at the rate of 12% a year, computed from the date each item of Costs and Expenses is paid through the date payment thereof is received by Sponsor.

13.9 The respective obligations of Seller and Purchaser under paragraphs 13.1, 13.5, 13.6, 13.7 and 13.8 shall survive the closing.

14. Closing Payments and Documents

14.1 At closing:

a. Purchaser shall pay Seller the Balance of the Purchase Price in the amount stated in paragraph 2.1 and in the manner described in paragraphs 10.2 and 10.3;

b. Purchaser shall pay Purchaser's closing costs as set forth in paragraph 12;

c. the net closing apportionments shall be paid to the appropriate party in accordance with paragraph 13;

d. Seller and Purchaser shall sign in recordable form (in duplicate) and deliver the then current forms for the New York City and New York State transfer tax returns, the New York State equalization and assessment form applicable to this transaction and the New York City Smoke Detecting (Alarm) Device Affidavit;

e. Purchaser shall deliver the required checks in the proper amounts and to the proper payees, or to Purchaser's title insurer or agent for payment of, such New York City and New York State transfer taxes and for the fee of an ACRIS service provider to prepare said transfer tax returns;

f. if Purchaser is obtaining mortgage financing:

(f-1) Purchaser shall pay, sign and deliver all amounts, instruments and documents as required by Purchaser's mortgage lender in order to close the mortgage loan simultaneously with the closing of title hereunder; and

(f-2) Purchaser shall sign and deliver an appropriate affidavit for exemption from, abatement of and/or credit against the mortgage recording tax as a result of an assignment of an existing mortgage or the mortgage tax credit under Real Property Law Section 339-ee or otherwise (the foregoing notwithstanding, Seller may, at Seller's option, sign in recordable form and deliver said affidavit; however, regardless of who signs the affidavit, Purchaser shall pay Seller the amount of Purchaser's available savings in the mortgage recording tax as provided in paragraph 12.2(a)(a-2);

g. Purchaser shall sign in recordable form (in triplicate) and deliver the Unit Owner's Power of Attorney substantially in the form reproduced in Part II of the Plan;

h. Seller and Purchaser shall sign in recordable form, and Seller shall deliver, Seller's standard Bargain and Sale Deed (**"Deed"**) with covenant against grantor's acts, in proper statutory form for recording and containing the covenant required by Section 13, subdivision 5 of the Lien Law, whereby Seller transfers legal ownership (fee simple title) of the Unit to Purchaser (such Deed to be substantially in the form set forth in Part II of the Plan);

i. Seller shall deliver a mortgage lien release and UCC-3 Termination Statement or other appropriate instrument (signed in recordable form) discharging the Unit and its contents from any mortgage lien and security interest in the "Personal Property" (defined in paragraph 17.1), other than the lien of any mortgage loan Purchaser obtains (Purchaser shall pay all governmental fees and charges, and title company service charge, to record and file such instruments);

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

k. Seller shall deliver to Purchaser a certification of non-foreign status signed by Seller as required by the applicable provisions of the federal income tax code and regulations;

l. Seller shall sign and deliver to Purchaser's title insurer or agent (as applicable) such title affidavit and other evidence as said title insurer or agent (as applicable) may reasonably require in order to omit from its title insurance policy all exceptions for judgments, bankruptcies or other returns against Seller and persons or entities whose names are the same as, or are similar to, Seller's name; and Purchaser shall likewise sign and deliver such title affidavit and other evidence as said title insurer or agent may reasonably require to omit from its fee or mortgage title insurance policy all such exceptions with respect to Purchaser;

m. Purchaser shall deliver to Purchaser's title insurer or agent (as applicable) certified or non-certified checks of Purchaser (as directed), in such amounts and to such payees, as said title insurer or agent may require in connection with any escrow to be held and applied by the title insurer or agent for payment of the next due real estate taxes with respect to the Unit (if and

as required by Purchaser's title insurer or agent);

n. Seller shall deliver to Purchaser, to the extent in Seller's possession, all applicable unexpired and transferable warranties or undertakings of contractors, suppliers and manufacturers relative to the Personal Property included in this purchase and sale;

o. Seller shall deliver to Purchaser a statement by the Condominium Board or its Managing Agent as to the status of payment of Common Charges and any special assessments for the Unit (such statement will be sufficient for apportioning these items under paragraphs 13.1 and 13.3);

p. Seller shall deliver to Purchaser a certificate from the Condominium Board's insurer of the Property showing Purchaser and (if Purchaser is obtaining a mortgage loan) Purchaser's mortgage lender as additional insured parties under the Board's master policy;

q. Seller shall deliver a copy of a temporary or partial or (at Seller's exclusive option) permanent Certificate of Occupancy authorizing the use of the Residential Unit which is the subject of this Agreement as a private dwelling, it being understood and agreed that this requirement shall not apply to a Storage Unit, which will not expressly be authorized as such on the Certificate of Occupancy;

r. Seller shall deliver to Purchaser all keys to the Unit and any mailbox or (at Seller's option) such keys shall be given to Building's superintendent or managing agent for delivery to Purchaser; and

s. (in the case of a Residential Unit) Seller shall execute and deliver to Purchaser an affidavit that an operative carbon monoxide detection device has been installed in the Unit as required by the Executive Law.

14.2 The following documents and checks described in paragraph 14.1 shall be delivered to Purchaser's title insurer or agent, as applicable (or, if none, to Seller's attorney) for recording or submission to the New York City Register's Office of the County of New York: the New York City and State transfer tax returns and checks, the New York State equalization and assessment form, the New York City Smoke Detector Affidavit, the Deed, the mortgage lien release and the UCC-3 Termination Statement (if applicable), the Unit Owner's Power of Attorney and the multiple dwelling affidavit. After being recorded, the Deed and the mortgage lien release and said UCC-3 (if any) shall be returned to Purchaser and one of the three originals of the Unit Owner's Power of Attorney shall be returned to Seller and the other two originals to the Board.

14.3 Seller's covenant in the Deed is for Purchaser's personal benefit and shall not inure to the benefit of Purchaser's successors or subrogees (including Purchaser's title insurer or agent, as applicable). Purchaser must first look to Purchaser's title insurer or agent (as applicable) before seeking recourse against Seller for recovery on any Claim based upon a breach of such covenant. Purchaser agrees that Seller's liability will be limited to any loss or damage not covered by title insurance. In the event that Purchaser elects not to purchase title insurance, then Seller's liability shall be limited to any loss or damage that would not have been covered by the title insurance that was available to Purchaser at the closing. The terms of any title policy or marked-up title binder of any title insurance company authorized to do business in New York State issued in connection with any other unit of the Condominium shall be conclusive evidence of the title insurance coverage that was available to Purchaser. This provision shall survive the closing.

14.4 Purchaser's payment of the Balance of the Purchase Price and acceptance of the Deed shall constitute Purchaser's recognition and agreement that Seller has satisfactorily performed those obligations stated in this Agreement, the Plan and any Amendments thereto to be performed by Seller to and through closing. This, however, shall not excuse Seller from performing those obligations (if any) expressly stated in this Agreement, the Plan or Amendments to be performed subsequent to the closing, nor reduce or otherwise abridge any of Purchaser's rights under Article 23-A of the General Business Law, the Plan or Part 20 of the regulations issued by the Department of Law.

14.5 The exact name used by Purchaser for signing on the first page of this Agreement shall be used in the closing documents described in this paragraph 14 (including in the City and State transfer tax returns, the State equalization and assessment form, the Unit Owner's Power of Attorney and the Deed).

15. Possession

15.1 At closing, Seller shall deliver possession of the Unit to Purchaser vacant and free of all leases, occupants and rights of others to possession. Seller shall not enter into a lease or other occupancy

agreement for the Unit with a third person unless this Agreement is canceled or terminated.

15.2 Prior to closing of title, Purchaser shall not be entitled to, and (unless Seller agrees to give Purchaser an Interim Lease, which Seller is not obligated to give) Purchaser shall not, lease or occupy the Unit, or store Purchaser's household furniture, furnishings, belongings or other items in the Unit, or paint or otherwise decorate, or make any improvements or additions to the Unit or any portion thereof. Any violation of this provision shall be a material default of Purchaser's obligations entitling Seller to cancel this Agreement and receive and retain as liquidated damages the Deposit paid by Purchaser hereunder and other amounts specified in paragraph 22.

16. **State of Title**

16.1 Seller shall convey, and Purchaser shall accept, title to the Unit subject only to:

a. the encumbrances ("**Permitted Encumbrances**") listed in EXHIBIT A to this Agreement; and

b. such other matters as: (b-1) either (at Seller's option) any of the title insurers and agent comprising the Title Insurance Company or Purchaser's title insurer or agent (as applicable) shall be willing, without additional cost to Purchaser beyond its regular rates, to omit as exceptions to coverage or to except with insurance against collection out of, or enforcement against, the Unit; and (b-2) shall be accepted by the Institutional Lender (if any) which has issued a Loan Commitment Letter to, and accepted by, Purchaser, except that if such acceptance by Purchaser's Institutional Lender is unreasonably withheld, delayed or conditioned, such acceptance shall be deemed to have been given.

The Deed shall be considered to be subject to the Permitted Encumbrances, even though they are not repeated or referred to in the Deed.

16.2 Any lien, encumbrance, charge or title condition not included in the Permitted Encumbrances (collectively, "**Title Exception**") shall not be considered an objection to title, and Seller shall not be obligated to cause Purchaser's title insurer to omit it from Purchaser's title insurance policy, if:

a. at or prior to the closing, the instrument required to remove it "of record" together with the requisite recording or filing fees, has been delivered to either (at Seller's option): (a-1) any of the title insurers and agent comprising the Title Insurance Company for recording in the proper office, and a copy of said instrument is delivered at closing to the representative of Purchaser's title insurer or agent, or Purchaser's attorney (or, if none, to such other person as Purchaser shall direct); or (a-2) Purchaser's title insurer or agent; or

b. either (at Seller's option) any of the title insurers and agent comprising the Title Insurance Company or Purchaser's title insurer or agent (as applicable) is willing to insure Purchaser (at Purchaser's expense, but at its regular rate and without additional premium) against collection or enforcement of the Title Exception out of the Unit and is willing to insure the mortgage lien of Purchaser's Institutional Lender (if any) free and clear of any such Title Exception (it being agreed that Seller shall have the right, in lieu of payment and discharge of such Title Exception, to make such deposits and/or to give such assurances and/or to pay such special or additional premiums as the Title Insurance Company or (at Seller's option) Purchaser's title insurer or agent (as applicable) may require in order to so insure); or

c. (in the case of a condition in the Unit that is a violation noted or issued by a governmental authority having jurisdiction) an architect or engineer designated by Seller certifies in writing to Purchaser that the condition causing the violation has been corrected and Seller undertakes in writing to Purchaser and Purchaser's title insurer or agent (as applicable) and Institutional Lender (if any) to use reasonable diligence and efforts to cause the violation to be removed of record (such agreement shall survive the closing), without escrowing any monies, provided only that such undertaking shall be reasonably acceptable to Purchaser's Institutional Lender (if any).

16.3 Any unpaid taxes and assessments, together with the interest and penalties thereon to a date not less than two (2) calendar days following the date of closing, and any other liens and encumbrances that Seller is obligated to pay and discharge or that are against corporations, estates or other persons in the chain of title, together with the cost of recording or filing any instruments necessary to discharge such liens and encumbrances of record, may be paid out of the proceeds of the monies payable at the closing if Seller delivers to Purchaser at the closing official bills for such taxes, assessments, interest and penalties and

instruments in recordable form sufficient to discharge any such other liens and encumbrances of record. Upon request made on not less than two (2) business days' prior oral notice or three (3) business days' prior written notice before the closing, Purchaser shall provide at the closing separate checks for the foregoing payable to the order of the holder of any such lien, charge or encumbrance and otherwise complying with paragraph 10.3.

16.4 At least ten (10) calendar days prior to the Closing Date, Seller's attorneys, Seyfarth Shaw LLP, 620 Eighth Avenue, New York, New York 10018, Attn: Alan L. Kazlow, Esq., or any other attorney designated by Seller in a notice to Purchaser, will receive from Purchaser or Purchaser's attorney written notice of any and all title objections. If Purchaser elects to obtain title insurance, then a copy of the title report and every continuation thereof issued by Purchaser's title insurer or agent (as applicable) will suffice in lieu of such notice. In such event, the title report also must be received by Seller's attorneys at least ten (10) calendar days prior to the Scheduled Closing Date and each continuation must be sent directly to said Seller's attorneys by Purchaser's title insurer or agent (as applicable), or sent to said Seller's attorneys within two (2) business days after being received by Purchaser or Purchaser's attorney.

16.5 If Seller is required to postpone the closing to remove a title objection, Purchaser shall be at fault for such postponement if Purchaser fails to timely comply with paragraph 16.4 and the objectionable title condition existed at the time Purchaser is required to send the title objection notice. However, Purchaser shall not be at fault if Purchaser or Purchaser's attorney timely sends Seller's designated attorneys a title report and every continuation in accordance with paragraph 16.4 and the objectionable title condition arises after such title report and any continuation are issued.

16.6 In the event Purchaser is at fault for the postponement of the closing, Purchaser shall pay Seller and (if applicable) Seyfarth Shaw LLP (or other applicable attorney designated by Seller), at closing the delinquent closing costs stated and/or calculated as provided in paragraph 12.3.

16.7 Purchaser is not required to obtain title insurance. If Purchaser elects to insure Purchaser's title to the Unit, Purchaser shall pay the title insurance premium. Purchaser has the right to obtain title insurance from any of the title insurers and agent comprising the Title Insurance Company or from any other title insurer or agent Purchaser prefers. However, if Purchaser chooses to order title insurance from another title insurer or through its agent and such other title insurer or agent raises one or more Title Exceptions that would be omitted by any of the title insurers and agent comprising the Title Insurance Company as provided in paragraph 16.2, then Purchaser either (at Purchaser's option) shall take subject to such Title Exceptions (without abatement, set-off or credit against the Purchase Price, or escrowing any monies, and without recourse of any kind against Seller) or may procure title insurance from any of the title insurers and agent comprising the Title Insurance Company (and thereby have title to the Unit insured free of such Title Exceptions).

16.8 If Purchaser's fee or mortgage title insurer or its agent requires documents and/or instruments to be prepared or produced or other work to be performed by Seller's attorneys in order to omit one or more Title Exceptions or to insure against their collection out of or enforcement against the Unit, then at closing Purchaser shall reimburse Seller's designated attorneys (i.e., Seyfarth Shaw LLP, or other attorney designated by Seller, as applicable) the sum of $500 for the services of Seller's attorneys to prepare or produce such documents and/or instruments and perform such other work, together with any title service charges in connection therewith, regardless of which title insurer or agent Purchaser chooses to insure title.

NOTE: Because the title insurers and agent comprising the Title Insurance Company are already familiar with title to the Unit, any title issues might be more easily resolved by obtaining title insurance from such title insurers (i.e., First American Title Insurance Company of New York, Attention: Gail Heiner or Jeffrey Mitzner, telephone no. (212) 922-9700, Title No. NY-3008-143256NYNY; Counsel Abstract, Inc., as agent for Ticor Title Insurance Company or Chicago Title Insurance Company, Attention: Philip Narotzky, telephone no. (212) 355-2460, Title No. TAB 06-00253M; and Commonwealth Land Title Insurance Company, Attention Douglas Forsythe, telephone no. (212) 949-0100, Title No. NY061162.

16.9 Notwithstanding any contrary provisions in this Agreement, express or implied, or any contrary rule of law or custom, if Seller shall be unable to convey the Unit in accordance with this Agreement (provided that Seller shall release, discharge or otherwise cure at or prior to closing any matter intentionally created by Seller in bad faith after the date hereof and any existing mortgage, unless this purchase and sale is subject to it) and if Purchaser elects not to complete this transaction without abatement, set-off or credit against the Purchase Price

and without recourse of any kind against Seller, the sole obligation and liability of Seller shall be to pay Purchaser the Net Purchase Monies, together with the reasonable costs of the examination of title to, and departmental violation searches in respect of, this Agreement actually paid by Purchaser (the latter costs of title examination and searches are collectively, "**Title Search Costs**"), and upon making such payment, this Agreement shall be deemed cancelled and of no further force or effect, and neither party shall have any further rights against, or obligations or liabilities to, the other party by reason of this Agreement, other than those indemnities, obligations and liabilities expressly stated to survive the cancellation of this Agreement. However, nothing contained in this paragraph 16.9 shall be construed to relieve Seller from Purchaser's remedy for specific performance under paragraph 23.3 due to a willful default.

17. Personal Property Included in Sale

17.1 This purchase and sale includes the kitchen and bathroom sinks, cabinets, appliances (including cooktop, oven, dishwasher, clothes washer and dryer and refrigerator), fixtures (including toilet, shower and/or tub and lighting) and other hardware (collectively, "**Personal Property**") as and to the extent set forth in the Plan (see the Plan for all items and their manufacturers and model numbers where applicable). The Personal Property will be new and the appliances and plumbing fixtures will be in working order at closing.

17.2 Seller shall have the right and discretion to make substitutions of equal or better quality, design and function for any Personal Property without Purchaser's approval or consent, and without abatement, set-off or credit against the Purchase Price or recourse of any kind against Seller.

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

17.4 Apart from the Personal Property, the Unit shall be purchased by Purchaser without furnishings or decorations. Purchaser acknowledges and agrees that:

a. furniture, floor coverings, wall coverings, furnishings and other decorations, finishes and treatments in or about any model and not expressly set forth in the Plan as part of the Unit are for display purposes only and are not included in this purchase and sale; and

b. there will be no modifications or extras unless agreed to in writing by Seller.

18. Seller's Construction Obligations

18.1 Seller will newly construct and complete the Unit and the Building substantially in accordance with Seller's "Plans and Specifications" (as defined in paragraph 8.1) as such Plans and Specifications may be amended from time to time in accordance with the "**Construction Change Requirements**" set forth and defined in subsection O-2.8 of Part I of the Plan. The quality of construction will meet or exceed any relevant specific standards required by any applicable building code and, if no such standard is required, the workmanship and materials will meet or exceed the standard of locally accepted building practices for newly constructed buildings located in the locale of the Property and containing building Facilities and amenities comparable to this Building ("**Building Construction Standard**").

18.2 Purchaser shall accept title to the Unit without abatement, set-off or credit against the Purchase Price and without recourse of any kind against Seller subject to:

a. the Plans and Specifications and all amendments thereto made in accordance with the Construction Change Requirements;

b. any minor or insubstantial variations or discrepancies from the Plans and Specifications, whether caused by site conditions, construction or job requirements, customary construction allowances and variations or otherwise, provided (however) that all such variations shall comply with all applicable Laws;

c. any minor or insubstantial variations or discrepancies between any floor plan of the Unit and the actual overall size (i.e., floor area) of the Unit or the actual size of any of the Unit's rooms, bathrooms, closets and other areas, after completion of construction; and

d. any substitutions of Personal Property made in accordance with paragraph 17.2.

18.3 Purchaser understands and agrees as follows:

a. any floor plan of the Unit in the Plan or a brochure or elsewhere are based on construction drawings and are only approximations within

reasonable tolerances of its configuration, fenestration and dimensions (collectively, **"Unit Layout"**);

b. in accordance with customary practice, the overall size or square footage of a Residential Unit shown on any floor plan and in the Plan includes the width of all walls enclosing the Unit and thus exceed the Unit's usable floor area;

c. the actual Unit Layout may differ from any floor plan or drawing due to changes: (c-1) required by the New York City Department of Buildings or other governmental authorities having jurisdiction; or (c-2) necessitated by site or other construction conditions; or (c-3) resulting from normal construction allowances and variations; and

d. the actual overall size and Unit Layout as constructed will govern and supersede any minor or immaterial variation or discrepancy in the overall size or Unit Layout set forth on any floor plan of the Unit or any Unit information contained in the Plan.

18.4 The issuance of a permanent Certificate of Occupancy of the Building authorizing the use of the subject Residential Unit for the purpose set forth in the Plan shall be presumptive evidence that Seller constructed, equipped and outfitted the Unit and the Building in accordance with applicable Law, the Plan and the Plans and Specifications (as each of same may be amended). However, this does not excuse Seller from Seller's obligation to correct any **"Construction Defects"** in the Unit or the Common Elements, as defined and provided in the Plan and summarized in paragraph 18.5.

18.5 In accordance with the Plan, Seller's only obligations and liability for Construction Defects shall be as follows:

a. (in the case of a Unit) Seller shall correct any **"Patent Construction Defects"** (as defined in subsection 0-2.11.2 of Part I of the Plan) in the Unit that are listed in Purchaser's Final Inspection Statement signed by Purchaser and Seller and to correct any **"Latent Construction Defects"** (as defined in such subsection 0-2.11.2) in the Unit that are listed in a written notice (**"Defect Notice"**) signed by Purchaser and received by Seller within a deadline of three (3) calendar months following the date Purchaser closes title to the Unit, except in the case only of a Latent Construction Defect that is not reasonably ascertainable within said three (3) month period, Seller must receive the Defect Notice within an extended deadline of three (3) calendar months after the end of a reasonable period of discovery thereof or three (3) calendar months from when and if sooner discovered, but in no event shall Seller receive the Defect Notice later than a deadline of one (1) year after the closing of title to the Unit; and

b. (in the case of Common Elements) Seller shall correct those Patent Construction Defects and Latent Construction Defects in the Common Elements that are listed in a reasonably detailed written Defect Notice signed by any Independent Board Member and received by Seller within a deadline of three (3) calendar months after the later to occur of:

(b-1) the first Board election at which the Independent Board Members constitute a majority of the Condominium Board; or

(b-2) completion of construction of the affected portion of the Common Elements; or

(b-3) Title Closing with a bona fide Purchaser of an Unsold Unit in which such affected portion of the Common Elements is located,

except in the case only of a Latent Construction Defect in the Common Elements that is not reasonably ascertainable within the foregoing applicable three (3)-month deadline period, Sponsor must receive the Defect Notice within an extended deadline of three (3) months after the end of a reasonable period of discovery thereof or three (3) months from when and if sooner discovered, but in no event shall Sponsor receive the Defect Notice later than a deadline of one (1) year from the date of issuance of a permanent Certificate of Occupancy of the Building or the date the Independent Board Members comprise a majority of the Condominium Board, whichever is later.

18.6 As a result, Seller shall have no obligation or liability for:

a. Patent Construction Defects in the Unit that are not listed in Purchaser's Final Inspection Statement signed by both Purchaser and Seller or Seller's representative and received by Seller prior to title closing; or

b. Latent Construction Defects in the Unit, or Patent and Latent Construction Defects in the

Common Elements, for which a written Defect Notice is not received by Seller within the applicable three (3) months or one (1) year (as applicable) deadline time period set forth above.

18.7 Seller shall be regarded as having satisfied Seller's obligation to correct Construction Defects in the Unit or the Common Elements if the corrective work is done in accordance with the Building Construction Standard as determined in the sole judgment of Seller's architect, engineer or contractor (who shall not be a principal of Seller).

18.8 Seller shall be excused, released and discharged from its obligations for Construction Defects in the Unit or the Common Elements if reasonable access thereto by Seller and any of the Agents, Employees and Contractors engaged by or on behalf of Seller to perform the corrective work is prevented and is not given within a deadline of thirty (30) calendar days after written notice is mailed or hand delivered to: (a) (in the case of the Unit) Purchaser, or (b) (in the case of the Common Elements) any Independent Board Member.

18.9 In accordance with the Plan, the following are not Construction Defects and shall not be corrected by Seller nor excuse Purchaser from Purchaser's obligations under this Agreement to pay the full Purchase Price (without abatement, set-off or credit and without recourse of any kind against Seller):

a. all **"Construction Changes"** (defined in subsection O-2.8 of Part I of the Plan) made in accordance with Construction Change Requirements;

b. all insubstantial variations from the Plans and Specifications, the floor plan of the Unit or a description of the Building (including the Units and Common Elements) set forth in the Plan;

c. all variations necessitated by site conditions, or job or governmental requirements, provided all Construction Change Requirements are met to the extent applicable;

d. all Construction Defects covered by assignable unexpired warranties or other undertakings (however denoted) from manufacturers, contractors, material suppliers or others which are assigned to, or benefit (without assignment), a Unit Owner or the Condominium Board;

e. any condition caused by normal use, wear, tear, deterioration, settlement or shifting, or aging or seasonal variations; and

f. all insubstantial conditions or defects involving color, alignment, fit, noise, drafts, cracks, chips, scratches, breaks, warpage or other imperfections.

18.10 *"TIME IS OF THE ESSENCE"* as to all deadline time periods stated above in this paragraph 18.

18.11 Seller's obligations and liability for construction defects in the: (a) Unit shall be enforceable by only Purchaser and not subsequent owners of the Unit; and (b) the Common Elements shall be enforceable only by the Condominium Board.

19. Purchaser's Changes and Extras

19.1 After this Agreement is fully executed and given to each party, Seller shall not be obligated to make any changes to the Plans and Specifications applicable to the Unit or provide any extras or upgrades that hereafter might be requested by Purchaser. Seller's refusal to make such changes or provide such extras or upgrades shall not excuse Purchaser from Purchaser's obligation to close title timely and without abatement, set-off or credit against the Purchase Price and without recourse of any kind against Seller.

19.2 All such changes, extras and upgrades requested by Purchaser and agreed to be made by Seller (collectively, **"Special Work"**) shall not be binding on either party unless and until the terms thereof, including the additional amount to be paid and when same is payable by Purchaser (**"Special Work Payment"**) are set forth in writing signed and exchanged by Seller and Purchaser as part of this Agreement.

19.3 If Seller exercises good faith and the Special Work is not completed prior to closing, or the Special Work directly or indirectly delays completion of other construction items prior to the closing, then the closing of the title shall not be delayed by reason thereof and such non-completed work shall be included in Seller's punch list work on the "Final Inspection Statement" set forth in paragraph 20.2, provided only that the required Certificate of Occupancy of the Unit is issued and the condition of the Unit is reasonably acceptable to Purchaser's Institutional Lender (if any).

20. Pre-Closing Inspection by Purchaser

The provisions of this paragraph 20 are applicable to only a Residential Unit

20.1 Until Seller notifies Purchaser in writing that construction of the Unit is sufficiently completed and ready for inspection, Purchaser and

Purchaser's representatives (including architect, engineer, contractor, decorator and appraiser) shall not, nor have the right, to inspect or visit the Unit or Building or any portion thereof.

20.2 Before title closing, Purchaser and Purchaser's representatives will be allowed to inspect the Unit, accompanied by Seller or Seller's representative. The inspection is to occur on a date and at a time fixed by Seller in a written notice to Purchaser advising that construction of the Unit is sufficiently completed and ready for inspection. The inspection is to occur on a business day that falls not less than five (5) calendar days from the giving of such inspection notice, and during business hours. Seller will endeavor (but shall not be obligated) to fix such date and time as shall be mutually convenient to Seller and Purchaser. At conclusion of the inspection, Purchaser shall complete, and Purchaser and Seller or Seller's representative are to sign and deliver to each other, the Final Inspection Statement (on the form annexed as EXHIBIT B to this Agreement) containing all items to be corrected and unfinished work, if any (collectively, **"punch list work"**).

20.3 Seller shall be obligated to correct or cause to be corrected any Personal Property (including kitchen appliances, Unit Equipment and plumbing and electrical fixtures) that are not in working order, provided same are listed on the Final Inspection Statement, signed by both Purchaser and Seller or Seller's representative. Seller shall not, and shall not be required to, perform any punch list work that is not noted on the Final Inspection Statement signed by Purchaser and Seller or Seller's representative. Purchaser shall close title and pay the full Purchase Price on the date fixed by Seller in accordance with this Agreement (all: without delay; without abatement, set-off or credit against the Purchase Price; and without escrowing monies) notwithstanding:

a. Purchaser's failure to arrange or attend the Unit inspection prior to title closing or to complete, sign and deliver the Final Inspection Statement; or

b. the failure of Purchaser and Seller or Seller's representative to agree upon the punch list work (such disagreement shall not excuse Seller to complete or correct any Patent Construction Defects listed on the Final Inspection Statement signed by Purchaser and delivered to Seller or Seller's representative at the time of inspection or at closing of title); or

c. the existence of required punch list work not performed or completed (which Seller shall complete or correct in accordance with Seller's obligations under this Agreement), provided only that the Residential Unit which is the subject of this Agreement: (c-1) is covered by a temporary, permanent or (at Seller's exclusive option) partial Certificate of Occupancy for the use set forth in the Plan, as required herein; and (c-2) contains an operable kitchen, bathroom and heating system.

20.4 Seller shall endeavor in good faith to complete all punch list work within approximately thirty (30) days after the Closing Date or such longer period as may be reasonable in light of the extent of the work involved, but not to exceed ninety (90) days after title closing unless:

a. delayed due to Force Majeure (i.e., events or circumstances which may be beyond Seller's control), in which case such incomplete work shall be completed with reasonable diligence after the Force Majeure event or circumstance causing the delay ceases; or

b. Purchaser refuses or fails to give Seller and its Agents, Employees and Contractors reasonably continuous access to the Unit (Seller shall be excused, released and discharged from its obligation to correct punch list work and Latent Construction Defects if such reasonably continuous access is prevented and is not given within a deadline of 30 calendar days after giving written notice requesting access, "*TIME BEING OF THE ESSENCE*").

Seller's obligation to perform and complete the required punch list work in accordance with this Agreement shall survive title closing.

20.5 If Seller fails to complete the punch list work within the applicable time period set forth in paragraph 20.4, Purchaser's sole right and remedy shall be either:

a. to compel Seller to so do in a Lawsuit for specific performance; or

b. to perform or cause to be performed the incomplete work and recover from Seller the reasonable costs of such work actually incurred and paid to unrelated third parties, provided and on condition that:

(b-1) Purchaser shall give Seller not less than seven (7) business days' prior written notice of Purchaser's intention

to do the work and recover such reasonable costs from Seller;

(b-2) Seller fails to give Purchaser, before the lapse of such seven (7) business days period, notice that Seller will complete the work; or (if Seller timely gives such notice) Seller fails to complete the work within a reasonable period after receiving such notice from Purchaser; and

(b-3) Purchaser shall submit to Seller a reasonably detailed explanation of the costs for which reimbursement is sought together with copies of reasonably detailed bills from said third parties who performed the work or provided materials.

In no event shall Seller be liable for any loss, damage or other Cost and Expense incurred by reason of Seller's failure or default. The provisions of this paragraph 20.5 shall survive the closing of title.

20.6 Purchaser's right to inspect does NOT entitle Purchaser or Purchaser's representatives to do the following (and Purchaser and Purchaser's representatives shall NOT so do): (a) probe, penetrate or disturb the surfaces of the walls, floors or ceilings of the Unit or any portion of the Building; or (b) make any alterations or changes to the Unit; or (c) store any furniture or other belongings in the Unit or elsewhere on the Building prior to closing.

21. **Risk of Loss**

21.1 The risk of damage or destruction ("**Loss**") to the Unit and Personal Property during the course of construction and until the closing is assumed by Seller on the following terms, unless the Loss originates in the Unit after Purchaser is given possession or the Loss is caused by Purchaser or Purchaser's representatives (in either which case the provisions of paragraph 21.5 shall apply).

21.2 If Seller assumes the risk of Loss, Seller shall have the exclusive right to elect either: (a) to repair or restore the Loss; or (b) to cancel this Agreement and refund the Net Purchase Monies to Purchaser, unless the First Closing of a Residential Unit has occurred and the Condominium Board is obligated to repair or restore the Loss. Seller will give Purchaser notice ("**Loss Notice**") of the Loss and of Seller's election or the Board's obligation (as applicable) within 30 calendar days after the Loss occurs.

21.3 If Seller elects to repair or restore the Loss or if the Condominium Board is obligated to do so, such repair or restoration is to be completed by the later to occur of the date fixed by Seller for closing in accordance with paragraph 11.1 or 90 calendar days from the date the Loss occurs ("**Restoration Period**"). The closing shall not occur until the Unit and Personal Property are in the condition required for closing as provided in paragraph 18.

21.4 If Seller fails to give the Loss Notice within the 30 calendar day period specified in paragraph 21.2 or if the repair or restoration is not completed within the Restoration Period in accordance with paragraph 21.3, Purchaser's sole right and remedy will be to cancel this Agreement on notice to Seller given within a deadline of seven (7) calendar days thereafter ("*TIME BEING OF THE ESSENCE*"), failing which Purchaser shall lose such right to cancel and shall remain bound by this Agreement. If Purchaser timely elects to cancel, the Net Purchase Monies will be refunded to Purchaser with reasonable promptness.

21.5 If the Loss occurs after Purchaser is given possession of the Unit under an Interim Lease or otherwise and emanates within the Unit, or the Loss is caused by Purchaser or a representative of Purchaser (including an architect, engineer, contractor, decorator or agent, or an employee of any of the foregoing), Purchaser shall assume the risk of Loss to the extent the loss is not covered by insurance maintained by Sponsor or (if the First Closing of a Residential Unit has occurred) the Condominium Board, and the following shall apply:

a. Purchaser shall be obligated: (a-1) to accept title to the Unit at closing subject to such Loss; and (a-2) to pay the full Purchase Price without abatement, set-off or credit and without recourse of any kind against Seller;

b. Purchaser shall not be entitled to postpone the closing by reason of such Loss and may not commence work to restore the Loss until after title closes (unless Purchaser is in possession under an Interim Lease or otherwise); and

c. if Purchaser fails to comply with this paragraph 21.5, such failure shall constitute a material default by Purchaser entitling Seller to cancel this Agreement and receive and retain the Deposit and other amounts specified in paragraph 22 as liquidated damages.

22. **Purchaser's Events of Default; Seller's Remedies**

22.1 Purchaser shall be in default upon the occurrence of any of the following "**Events of Default**" (individually, "**Event of Default**" or "**default**"):

a. Purchaser's failure to timely and properly pay the full amount of the Additional Deposit or the Balance of the Purchase Price, as provided in paragraphs 2.1, 10.1, 10.2 and 10.3;

b. Purchaser's failure to pay any of Purchaser's closing costs as required in paragraph 12;

c. Purchaser's failure to pay the net closing apportionments, if in favor of Seller, as required in paragraph 13;

d. Purchaser's failure to deliver any of the closing documents (properly completed and signed in recordable form, where required) in accordance with paragraph 14.1;

e. the dishonor or failure of collection of Purchaser's check or instrument ("**failed instrument**") in payment of the Deposit or any other sum paid by Purchaser under this Agreement;

f. Purchaser's failure to pay, perform or observe any of Purchaser's other obligations in this Agreement or any other Purchase and Sale Agreement between Seller and Purchaser for another unit of the Condominium, or any of Purchaser's representations in this Agreement or such other Purchase and Sale Agreement shall not be truthful or correct in all respects (the parties intend and agree that a default by Purchaser under this Agreement or such other Purchase and Sale Agreement shall be a default under both of said Agreements and Purchaser shall have only one grace period (if any) to cure the default as set forth in the applicable Purchase and Sale Agreement under which Purchaser is initially in default);

g. Purchaser advertises or publicizes in any media (including newspaper, magazine, television, radio, Internet or other print, broadcast, electronic or other form of public communication) the availability of the Unit for sale or lease prior to the Closing of Title; or

h. if Purchaser is given an Interim Lease for the Unit and defaults in making any payment or in observing or performing any obligation thereunder, such default shall become a default under this Agreement if a final judgment or order is issued granting Seller possession of the Unit by a court of competent jurisdiction or Purchaser vacates or abandons the Unit (in such case, Purchaser shall have only the single grace period stated in the Interim Lease to cure such default).

22.2 Upon the occurrence of an Event of Default (other than a default in paying the Deposit under paragraph 22.1.e), Seller shall have the right (in Seller's sole discretion):

a. to cancel this Agreement and receive and retain as liquidated damages, the Net Purchase Monies paid by Purchaser hereunder, and recover from Purchaser the following Costs and Expenses, if and to the extent applicable and not covered by any Special Work Payment given by Purchaser to Seller: (a-1) the Costs and Expenses of all Special Work together with the Costs and Expenses of removing any Special Work in order to complete the Unit in accordance with Seller's original Plans and Specifications for the standard Unit; and (a-2) the Costs and Expenses to enforce this provision and collect the foregoing amounts (which includes per diem interest thereon at the rate stated and computed in paragraph 8.1); provided, however, there will be no limit on Seller's remedies for a breach of Purchaser's representation in paragraph 30 ("Broker"); or

b. (in the case of a default NOT involving the payment of the Balance of the Purchase Price) to proceed with the closing without prejudicing or impairing Seller's right to recover from Purchaser all amounts Purchaser is obligated to pay hereunder together with Costs and Expenses to which Seller is entitled by reason of Purchaser's default, together with Seller's Costs and Expenses of collection thereof (which includes per diem interest thereon at the rate stated and computed in paragraph 8.1); provided, however, if Purchaser fails or refuses to close title, this provision shall NOT permit Seller to compel Purchaser to specifically perform Purchaser's obligation to pay the Balance of the Purchase Price.

22.3 Seller will send Purchaser written notice of the remedy seller selects. If Seller selects the remedy in paragraph 22.2.a *[to cancel and retain the net purchase monies and recover said other costs and expenses, if applicable]*, Purchaser will have a deadline of thirty (30) calendar days from giving of Seller's cancellation notice to cure the specified

default, except Purchaser shall not be afforded any additional cure period for a default under paragraph 22.1.f, g or h. *"TIME IS OF THE ESSENCE"* for Purchaser to cure the default within such thirty (30) calendar day deadline period. This means that if Purchaser fails to timely do so, Purchaser will lose the Net Purchase Monies and (if applicable) said Costs and Expenses with respect to Special Work and of enforcement, collection and interest set forth in paragraph 22.2.a (which is the limit on the amount Seller may recover and will be regarded as full settlement of all potential Costs and Expenses occasioned by Purchaser's default). Purchaser agrees that Seller's actual damages would be impossible to ascertain and that Seller's retention of the Net Purchase Monies and (if applicable) said Costs and Expenses with respect to Special Work and of enforcement, collection and interest would be fair and reasonable compensation to Seller under the circumstances. In the event of such cancellation, any remaining Net Refundable Special Work Payment, after being applied to pay Sponsor the foregoing amounts, shall be returned to Purchaser.

22.4 If Seller selects the remedy in subparagraph 22.2.b [*to proceed with the closing without prejudice to Seller's rights to recover lawful amounts from Purchaser due to Purchaser's default*], Purchaser shall also be obligated to reimburse Seller for Seller's Costs and Expenses of collection thereof (which includes per diem interest thereon at the rate stated and computed in paragraph 8.1).

22.5 In case of Purchaser's default to pay the Deposit under paragraph 22.1.e, Seller shall have the following exclusive option:

a. to regard this Agreement as null and void, and of no force or effect, in which case Seller shall cause the failed instrument to be returned to Purchaser together with: (a-1) any sums that may have been collected under a separate instrument (if any) given in payment of the Deposit; and (a-2) any Net Refundable Special Work Payment (if and to the extent applicable); upon such refund being made, Seller and Purchaser shall have no further obligation or liability to each other under this Agreement or the Plan and Seller shall be free to sell the Unit without accountability to Purchaser; or

b. to regard the failed instrument as an Event of Default, in which case this Agreement shall remain in force and effect and Purchaser shall have a deadline of thirty (30) calendar days from the giving of notice to Purchaser of Seller's election to cancel this Agreement within which: (b-1) Purchaser must replace the failed instrument with Purchaser's good certified check or a cashier's or official bank check, unendorsed, drawn on and payable by a member bank of New York Clearing House Association (or an Institutional Lender maintaining banking facilities in New York City), made payable directly to Escrowee, in the amount of the failed instrument; and (b-2) Purchaser must reimburse Seller for all Costs and Expenses incurred in connection with such failed instrument (including bank charges and reasonable attorneys' fees and disbursements).

22.6 *"TIME IS OF THE ESSENCE"* for Purchaser to cure such default under paragraph 22.5.b within said thirty (30) calendar day deadline period, failing which:

a. this Agreement shall be canceled and of no further force or effect;

b. Escrowee shall immediately deliver the failed instrument to Seller together with any sums collected under any other instrument given in payment of the Deposit or for Special Work; and

c. Seller shall have the right to sue on and collect the failed instrument and to recover and retain as liquidated damages all sums received from Escrowee and all sums as may be recovered and collected on such failed instrument, but not more than a sum equal to the aggregate of 10% of the Purchase Price, plus the Costs and Expenses actually paid or incurred for any Special Work and to restore the Unit to its condition existing before undertaking the Special Work, plus the Costs and Expenses of collection thereof (which includes per diem interest thereon at the rate stated and computed in paragraph 8.1).

Purchaser agrees that Seller's actual damages would be impossible to ascertain and that Seller's retention and recovery of the foregoing sums under clause "c" above would be fair and reasonable under the circumstances.

22.7 The provisions of paragraphs 22.2 through 22.6 shall survive the closing or the cancellation or termination of this Agreement (as applicable).

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

23.1 If Seller defaults in paying, performing or complying with any of Seller's agreements, obligations, representations or conditions in this Agreement, whether at or prior to closing, Purchaser shall give Seller written notice of the default.

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

23.3 If Seller fails to cure the default within the grace period, Purchaser's only legal and equitable rights and remedies shall be to require Seller to specifically perform Seller's obligations (other than those Seller is unable in good faith to perform and subject to paragraph 23.5) or to cancel this Agreement and recover the Net Purchase Monies paid by Purchaser and (if canceled pursuant to paragraph 16.9) Purchaser's Title Search Costs (if any).

23.4 In the event Purchaser elects to cancel, the Net Purchase Monies paid by Purchase and (if canceled pursuant to paragraph 16.9) Purchaser's Title Search Costs (if any) will be refunded to Purchaser within thirty (30) calendar days after Seller and Escrowee receive Purchaser's cancellation notice. Purchaser shall in no event have recourse of any kind against Seller for any loss, damage or other Cost and Expense incurred by Purchaser beyond recovery of said Net Purchase Monies and (if applicable) Title Search Costs by reason of Seller's uncured default or good faith inability to perform. Upon the payment of the said Net Purchase Monies and (if applicable) Title Search Costs, the parties shall have no further liability or obligation to each other under this Agreement, except that the parties shall remain liable for those indemnities, obligations and liabilities expressly stated to survive the cancellation or termination of this Agreement.

23.5 Nothing contained herein will excuse Seller from a willful default for intentionally causing a Title Exception to frustrate this sale in bad faith, nor excuse Seller from obtaining a release of lien from any mortgage on the Unit (other than a mortgage Purchaser obtains to purchase the Unit).

23.6 If at closing Seller shall be unable in good faith to perform Seller's obligations or satisfy any condition applicable to Seller in accordance with this Agreement or title to the Unit shall not be in accordance with this Agreement, Purchaser's sole right and remedy shall be either (at Purchaser's option):

a. to fully pay, perform and comply with Purchaser's agreements and obligations under this Agreement and to accept such title to the Unit as Seller is able to convey, without abatement, set-off or credit against the Purchase Price or provision for escrowing monies and without recourse of any kind against Seller; or

b. to cancel this Agreement and recover said Net Purchase Monies and (if canceled pursuant to paragraph 16.9) Purchaser's Title Search Costs (if any), which is the limit on the amount Purchaser may recover, regardless of any loss, damage or other Cost and Expense Purchaser may have incurred (except the parties shall remain liable for those indemnities, obligations and liabilities expressly stated to survive the cancellation or termination of this Agreement).

23.7 Purchaser shall elect either such right and remedy in the preceding paragraph 23.6 in writing given within a deadline of five (5) business days after Seller gives Purchaser notice of such inability, but in no event later than the scheduled Closing Date fixed by seller in accordance with this agreement. if Purchaser fails to timely make such election ("*TIME BEING OF THE ESSENCE*"), then Purchaser shall be deemed to conclusively have elected to proceed with closing as provided in paragraph 23.6.a.

23.8 Seller shall be excused from performing Seller's agreements and obligations during any period when Seller is prevented from performing them due to Force Majeure. Seller's time to perform such agreements and obligations shall be extended for a period equal in length to the period during which Seller's performance is excused, but this shall not extend the 90 day period set forth in paragraph 22.2 or any other similar outside period or date expressly provided in this Agreement within which Seller must perform.

24. **Claims Released On Cancellation and Disbursement of Purchase Monies**

24.1 Upon cancellation of this Agreement and payment of the Purchase Monies to the proper party pursuant to the provision of this Agreement and (if applicable) the payment to Seller for the Costs and Expenses in respect of Special Work and of enforcement, collection and interest, or the payment to Purchaser of Purchaser's Title Search Costs and any net Refundable Special Work Payment (if applicable),

the rights, obligations and liabilities of the parties under this Agreement, the Plan and Amendments shall end and be void, and all Claims for any other Costs and Expenses each party may have the right to assert hereunder against the other party and such other party's heirs, distributees, successors, assigns, employees, agents and attorneys, shall be released and discharged, except that the parties shall remain liable for, and shall not be released or discharged from, those indemnities, obligations and liabilities expressly stated to survive the cancellation or termination of this Agreement.

25. **Escrow Provisions**

25.1 Seller agrees to comply with the escrow and trust fund provisions of General Business Law Sections 352-e(2-b) and 352-h and Lien Law Section 71-a(3) of the State of New York and Part 20 of the regulations issued by the Attorney General, and all funds paid by Purchaser will be handled in accordance with said statute and regulations. Any purported waiver of the escrow and trust fund provisions of the Attorney General's regulations is void. The escrow and trust fund provisions of the Attorney General's regulations shall prevail over any conflicting or inconsistent provisions in the Plan, as amended, or this Agreement. Pursuant to such Section 71-a(3) of the Lien Law: **YOU, AS THE PURCHASER OF THIS RESIDENCE, MAY REQUIRE THE RECIPIENT OR CONTRACTOR TO DEPOSIT THE INITIAL ADVANCE MADE BY YOU IN AN ESCROW ACCOUNT. IN LIEU OF SUCH DEPOSIT, THE RECIPIENT OR CONTRACTOR MAY POST A BOND OR CONTRACT OF INDEMNITY WITH YOU GUARANTEEING THE RETURN OF SUCH ADVANCE.**

NO PURCHASE MONIES MAY BE WITHDRAWN FROM THE ESCROW ACCOUNT WITHOUT FIRST AMENDING THE PLAN TO DISCLOSE SUCH WITHDRAWAL AND USE OF A BOND, CONTRACT OF INDEMNITY OR OTHER SECURITY ACCEPTABLE TO THE NEW YORK DEPARTMENT OF LAW.

25.2 All Purchase Monies paid by Purchaser prior to closing on account of the Purchase Price (other than any Special Work Payment) will be deposited into a segregated subaccount of an attorney's master escrow account (**"escrow account"**) of Seyfarth Shaw LLP (**"Escrowee"**), maintained at Valley National Bank (**"Depository"**), at its office located at 275 Madison Avenue, New York, New York 10016. Any Special Work Payment will not be held in escrow and shall be paid or delivered to Seller and applied by Seller to pay for such Special Work.

25.3 The escrow account number is [redacted] and the name of the escrow account is "Seyfarth Shaw LLP Master Escrow Account".

25.4 Certain partners of Escrowee are the sole signatories authorized to withdraw monies from the escrow account as disclosed in the Plan.

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

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

25.7 All amounts received from Purchaser prior to closing on account of the Purchase Price (other than any Special Work Payment), whether in the form of checks, drafts, money orders, wire transfers or other instruments that identify the payor, shall be deposited into a separate subaccount of the escrow account of Escrowee at the Depository. All instruments to be deposited into the escrow account shall be made payable to the Escrowee as provided in paragraph 10.3.a. Any instrument payable other than as required in paragraph 10.3.a, and which cannot be deposited into the escrow account, shall be returned to Purchaser promptly, but in no event more than five (5) business days following receipt of such instrument by the Escrowee. In the event of such return, the instrument shall be regarded not to have been delivered to Escrowee in violation of the provisions of this Agreement. The foregoing does not apply to an instrument that is dishonored or fails of collection. The Escrowee is authorized to deliver to Seller the dishonored or uncollected instrument and Seller will have the choice of remedies set forth in paragraph 22.5 (which includes suing on such dishonored or uncollected instrument or (at Seller's option) canceling this Agreement and returning the instrument to Purchaser without affording Purchaser a grace period to cure such default).

25.8 Purchaser shall sign and deliver to Sponsor's attorneys, Seyfarth Shaw LLP, 620 Eighth Avenue, New York, New York 10018. Attn: Alan L. Kazlow, Esq. (or as otherwise directed in writing by said attorney) this Agreement together with the

Purchase Application (if requested) and appropriate IRS form W-8 or W-9 (if and as applicable) as set forth in paragraph 10.1 and the check for the Initial Deposit. Within five (5) business days after this Agreement is fully signed by Seller and Purchaser, the check for the Initial Deposit will be deposited into said sub-account of the escrow account. In the event Seller does not sign this Agreement within ten (10) business days after this Agreement and the check for the Initial Deposit are received by Seller or Seller's attorney as provided in this paragraph 25.8, then the Initial Deposit check will be deposited in said sub-account of the escrow account without prejudice to Seller's right to reject this Agreement as provided in paragraph 29.4.

25.9 After Escrowee receives the check for the Initial Deposit and IRS form W-8 or W-9 (if and as applicable), Escrowee is to send Purchaser by ordinary mail written notice ("**Deposit Notice**") of the deposit of the Initial Deposit check for collection in said sub-account of the escrow account at the Depository. The Deposit Notice will also state the individual account number for the Initial Deposit and the interest rate in effect on or about the date of deposit. If the requisite form IRS W-8 or W-9 does not accompany the check for the Initial Deposit, then such check shall be deposited in an IOLA account of Escrowee at the Depository pending receipt thereof (no interest will be paid to Purchaser while the Initial Deposit is in the IOLA account).

25.10 The Deposit Notice is to be sent to Purchaser within ten (10) business days after Purchaser "tenders" (defined below) the Initial Deposit check with this Agreement. The term "**tenders**" means the date delivered by hand or five (5) calendar days after being sent by mail. If the Initial Deposit check is received by Seller or Seller's Selling Agent, it will be delivered promptly to Escrowee in order that the Deposit Notice may timely be sent to Purchaser.

25.11 If Purchaser does not receive the Deposit Notice within fifteen (15) business days after Purchaser tenders the Initial Deposit check in accordance with paragraph 25.8, Purchaser's sole remedy will be either (at Purchaser's option):

a. to cancel this Agreement and recover the Net Purchase Monies paid by Purchaser; or

b. to apply to the Attorney General for relief.

Purchaser must elect to cancel in writing sent to Seller within deadline of ninety (90) calendar days after Purchaser tenders the Initial Deposit check, but in no event later than the closing. Purchaser will be regarded as having conclusively waived Purchaser's right to cancel in the event Purchaser does not send the cancellation notice in such deadline period (*"TIME BEING OF THE ESSENCE"*). Purchaser understands and agrees that Purchaser will not have the right to cancel this Agreement or recover Purchaser's Net Purchase Monies where proof satisfactory to the Attorney General is submitted establishing that the Initial Deposit check was timely deposited and the Deposit Notice was timely mailed to Purchaser in accordance with the Attorney General's regulations.

25.12 Escrowee will hold and disburse the monies deposited into the escrow account and collected by the Depository ("**Escrow Fund**") in accordance with these escrow provisions and those in the Escrow Agreement ("**Escrow Agreement**") between Seller and Escrowee (a copy of such Escrow Agreement is set forth in Part II of the Plan) as well as the applicable regulations of the Attorney General pertaining to the release of escrowed funds. The Escrow Fund is regarded as Purchaser's property until disbursed in accordance with the escrow provisions of this Agreement and the Escrow Agreement and the escrow and trust fund regulations of the Attorney General. The Escrow Fund is not regarded as Seller's or Escrowee's property and shall not be part of the estate of Seller or Escrowee upon any death, dissolution, bankruptcy or incapacity.

25.13 At closing, Escrowee is hereby authorized and directed to pay the Escrow Fund to Seller and to instruct the Depository to pay the interest to Purchaser. Purchaser will allow 30 days to receive the interest.

25.14 If Purchaser timely elects to rescind or cancel this Agreement in accordance with a right (if any) given Purchaser under this Agreement or the Plan or an Amendment to the Plan to rescind or cancel, Escrowee will release the Escrow Fund and any interest to Purchaser, and Seller will not object to such release.

25.15 If the closing does not occur and Seller demands that the Escrow Fund and any interest be paid to Seller based upon Purchaser's uncured default or otherwise, the following will apply:

a. Escrowee will give Purchaser not fewer than ten (10) business days' written notice of Seller's demand for payment of the Escrow Fund and interest;

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

(b-1) Escrowee receives written notice from Purchaser stating either that Purchaser objects to the release of the Escrow Fund and interest to Seller and the basis for Purchaser's objection or that Purchaser has made application (**"Dispute Resolution Application"** or **"Application"**) to the Attorney General pursuant to the dispute resolution provisions contained in the Attorney General's regulations; or (b-2) Escrowee is served with a judgment or order (**"Restraining Order"**) of a court of competent jurisdiction restraining Escrowee from making such payment;

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

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

e. if the Attorney General grants the Dispute Resolution Application or the Restraining Order is not vacated (as applicable), Escrowee will pay the Escrow Fund and any earned interest in accordance with: (e-1) (in the case of a Dispute Resolution Application) a determination of the Attorney General served on Escrowee; or (e-2) (in the case of a Restraining Order) a judgment or order of a court of competent jurisdiction served on Escrowee.

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

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

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

c. instead of applying to the Attorney General: (c-1) Purchaser may initiate a Lawsuit to resolve the dispute; or (c-2) the Escrowee will have the right of a stakeholder either to continue to hold the Escrow Fund and any interest or to deposit same or the disputed portion into court as permitted by law;

d. pending the determination of the Attorney General to grant or deny the Application, Seller, Purchaser and the Escrowee will abide by any interim directive issued by the Attorney General;

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

f. if the Application is denied, Escrowee will either deposit the Escrow Fund and any interest or the disputed amount (as applicable) into court as permitted by law or continue to hold and disburse same in accordance with: (f-1) a written direction signed by both Seller and Purchaser; or (f-2) a judgment or order of a court of competent jurisdiction served on Escrowee;

g. in no event will Escrowee release the Escrow Fund and interest in dispute unless paid into court or until the dispute is finally resolved either by written agreement signed by Seller and Purchaser, or a final, non-appealable determination of the Attorney General or a final, non-appealable judgment or order of a court of competent jurisdiction;

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

i. in all events, the Escrowee will have the right of a stakeholder either to continue to hold the Escrow Fund and any interest or to deposit same or the disputed portion into court as permitted by law.

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

25.18 Seller and Seller's agents, including Seller's Selling Agent, shall immediately deliver to Escrowee all deposits and payments received from Purchaser by Seller or Seller's Selling Agent prior to closing on account of the Purchase Price (other than any Special Work Payment as aforesaid).

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

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

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

25.22 Escrowee, Seller and Seller's Selling Agent will not be liable for the amount collected on checks given in payment of the Deposit or any other Purchase Monies, or for the amount of interest earned or collected on the Escrow Fund, or for any losses resulting from the failure of the Depository. The Escrow Fund will be maintained in an account insured by the Federal Deposit Insurance Corporation for the maximum amount insured by applicable federal law.

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

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

25.25 Upon the deposit of the Initial Deposit check into Escrowee's escrow account at the Depository, Escrowee is considered to have accepted and agreed to be bound by, and may rely upon and is to benefit from, these escrow provisions notwithstanding that Escrowee is not signing this Agreement.

25.26 Purchaser understands and agrees that:

a. Seller is required by the Attorney General's regulations to deposit the Initial Deposit check within the ten (10) business days period stated in paragraph 25.8; and

b. such deposit of the Initial Deposit check shall not constitute, nor be construed to constitute, Seller's acceptance of this Agreement nor prejudice Seller's right to reject this Agreement.

26. Effectiveness Amendment Requirement

26.1 In accordance with the Plan, Seller's obligations under this Agreement are contingent upon Seller declaring the Plan effective and the Effectiveness Amendment being accepted for filing by the Attorney General. Seller may declare the Plan effective only in accordance with the terms contained in the Plan (see "Section L. Effective Date" in Part I of the Plan).

26.2 Seller has the exclusive right and discretion to declare the Plan effective or to abandon the Plan at any time before declaring it effective. In addition, if Seller declares the Plan effective, Seller may thereafter and before the First Closing abandon the Plan under the limited circumstances explained in the Plan (see "Section L. Effective Date").

26.3 If Seller elects to abandon the Plan, this Agreement will be considered to have been cancelled automatically and Purchaser's Net Purchase Monies will be refunded to Purchaser. Upon making such refund, neither party shall have any obligation or liability to the other for any Claims or Costs or Expenses based on this Agreement or the Plan or any Amendments, except the parties shall not be released from those indemnities, liabilities and obligations expressly stated to survive a termination or cancellation of this Agreement.

26.4 Unless and until the Plan is abandoned by Seller or deemed abandoned, Purchaser shall remain irrevocably bound to fully pay and perform all of Purchaser's agreements and obligations as provided in this Agreement, and Purchaser may not cancel this Agreement based on this contingency.

27. Plan and Amendments Govern

27.1 The Plan and Amendments to the Plan (whether filed before or after the date of this Agreement, but before closing) form a part of this Agreement. The parties are bound by the provisions of the Plan and all such Amendments. If the provisions of this Agreement are inconsistent or conflict with the Plan or Amendments, such inconsistency or conflict shall be resolved according to the terms of the Plan and Amendments, which are paramount and shall govern.

27.2 Seller has the right to file Amendments to the Plan without Purchaser's consent. The Amendments may change, among other things, the projected Common Charges and projected real estate taxes to be paid by Purchaser, or any of the other provisions of the Plan or this Agreement (except that after Purchaser signs and returns this Agreement, Seller may not change the Purchase Price, or the payment provisions in paragraph 2.1 or the escrow provisions in paragraph 25). The Plan and all Amendments to the Plan filed prior to closing, including all material adverse changes:

a. shall be binding on Purchaser; and

b. shall not excuse Purchaser from paying the full amount of all closing payments under paragraph 14.1, including the Balance of the Purchase Price, without abatement, set-off or credit against the Purchase Price or provision for escrowing monies and without recourse of any kind against Seller (except as otherwise provided in paragraph 27.3).

27.3 In the case only of a material adverse Amendment affecting Purchaser as provided in Section 20.5(a)(5) of Part 20 of the regulations issued by the Attorney General, the Amendment will afford Purchaser the right to rescind this Agreement and recover the Net Purchase Monies.

28. Purchaser's Time to Review Plan and Amendments

28.1 At Seller's option:

a. Purchaser will be given at least three (3) business days to review the Plan and any Amendments before Purchaser signs and delivers this Agreement and the check for the Initial Deposit; or

b. (if, and only if, Purchaser is given less than three (3) business days for such review) Purchaser will have a deadline of seven (7) calendar days after Purchaser signs and delivers this Agreement and the check for the Initial Deposit to rescind this Agreement and recover Purchaser's Net Purchase Monies.

In the latter case, Purchaser must elect to rescind in a written notice sent to Seller within the mentioned seven (7) calendar day deadline period ("*TIME BEING OF THE ESSENCE*"). If Purchaser fails to timely do so, Purchaser will no longer have the right to rescind under this paragraph 28.1 and will be fully bound to purchase the Unit.

29. Seller's Acceptance or Rejection of Agreement

29.1 Seller is not bound by this Agreement until Seller or Seller's duly authorized agent signs and returns a duplicate original of this Agreement to Purchaser or Purchaser's attorney (if any). No inference shall be drawn that Seller accepted this Agreement or is bound by its provisions based on:

a. the submission of the Plan, Purchase Application or this Agreement to Purchaser;

b. the delivery to Seller or Seller's Selling Agent or attorney of this Agreement signed by Purchaser and Purchaser's check for the Deposit; or

c. the deposit of Purchaser's Initial Deposit check for collection (whether or not inadvertent).

29.2 Until Seller rejects or is deemed to have rejected this Agreement as provided in paragraph 29.3, Purchaser is irrevocably bound by its provisions and will not be entitled or permitted to recover Purchaser's Initial Deposit or any Special Work Payment.

29.3 Seller will be deemed to have rejected this Agreement unless Seller hand delivers or mails (by ordinary or certified mail, with or without return receipt requested) to Purchaser or Purchaser's attorney (if any), within twenty (20) calendar days after Seller or Seller's Selling Agent or attorney receives this Agreement signed by Purchaser together with Purchaser's check for the Initial Deposit, the Purchase Application (if requested) and IRS form W-8 or W-9 (if and as applicable), a duplicate original of this Agreement signed by Seller or Seller's duly authorized agent. In the event Seller rejects or is deemed to have rejected this Agreement, Purchaser's Initial Deposit and any Special Work Payment will be promptly refunded to Purchaser, without interest. Upon making such refund, neither party shall have any obligation or liability to the other party based on this Agreement or the Plan or any Amendments.

29.4 Purchaser understands that Seller is required by regulation of the Attorney General to deposit Purchaser's Initial Deposit check within the ten (10) business days period stated in paragraph 25.8, which period may expire before the lapse of the twenty (20) calendar days Seller has to accept or reject this Agreement in accordance with paragraph 29.3. *Purchaser agrees that such deposit of the Initial Deposit check will NOT be regarded as Seller's acceptance of this Agreement nor prejudice or impair*

Seller's right to reject this Agreement as provided in paragraph 29.1 and paragraph 25.8.

30. **Broker**

30.1 Purchaser represents to Seller that Purchaser has not dealt with any broker or finder, whether licensed or unlicensed, in connection with this purchase and sale other than the Selling Agent and its salesperson and the Participating Broker (if any) and its salesperson identified in paragraph 6.1.

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

30.3 Each party agrees to indemnify the other party (with attorneys selected by Seller) from and against any and all Liabilities and Expenses arising from:

a. (in the case of Purchaser) Purchaser's representation in paragraph 30.1; or

b. (in the case of Seller) Seller's agreement in paragraph 30.2.

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

Seller shall have the exclusive right to control the defense, compromise and settlement (including choosing the attorney) of any Claim or Lawsuit for which indemnity is sought by Seller under this paragraph 30.3. Purchaser, at Purchaser's sole Cost and Expense, shall have the right to participate and be represented by separate counsel in the defense, compromise and settlement of said Claim or Lawsuit.

31. **Notices**

31.1 Unless otherwise expressly provided elsewhere in this Agreement, any notice (other than a Deposit Notice in paragraph 25.9), request, consent, election, demand or other communication (collectively, "**notice**") to be given or made by the parties or Escrowee under this Agreement must be in writing and either:

a. delivered by hand, telecopier (with electronic confirmation of transmission followed by sending the original notice by any other method permitted herein the next business day) or priority overnight delivery by Federal Express, United Parcel Service or other nationally recognized courier; or

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

31.2 Each notice to be given:

a. to Purchaser, will be addressed to Purchaser at Purchaser's address set forth on the first page of this Agreement (or addressed to Purchaser at the Unit, if given after the closing);

b. to Seller, will be addressed to Seller at Seller's address set forth on the first page of this Agreement (fax no. (212) 751-4538); or

c. to Escrowee, will be addressed to:

Seyfarth Shaw LLP
620 Eighth Avenue
New York, New York 10018
Attention: Alan L. Kazlow, Esq.
Fax No. (212) 218-5526

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

a. (in case of a notice to Purchaser) to Purchaser's attorney (if any) identified in paragraph 5.1; or

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

Seyfarth Shaw LLP
620 Eighth Avenue
New York, New York 10018
Attention: Alan L. Kazlow, Esq.
Fax No. (212) 218-5526

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

31.5 Unless otherwise expressly provided elsewhere in this Agreement, each notice shall be effective only if and when given or sent as provided in paragraphs 31.1 to 31.3. Any specified period of time following the giving or sending of a notice shall begin on the day delivered by hand or sent by telecopier or (if such day is not a business day or is received after 5:30 p.m.) on the following business day, or the next business day after being sent by overnight courier, or the second business day following the date of mailing in New York State or the third business day after mailing from outside of New York State. However, a notice to Escrowee, or a notice of a change of address or person or new person pursuant to paragraph 31.4,

shall not be considered effective until actually received.

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

31.7 Failure to accept a notice is deemed receipt of it and does not affect the effectiveness, validity or enforceability of the notice, nor excuse or justify delaying the performance of an obligation.

32. **Standard Terms**

32.1 Authorization of Attorneys: Seyfarth Shaw LLP is authorized by Seller, and Purchaser's attorney (if any) identified in paragraph 5.1 is authorized by Purchaser, to sign any notice or extend any time period in this Agreement. The officers, partners, counsel, associate attorneys and legal assistants so authorized by said attorneys of a party are similarly authorized to act for such party.

32.2 Merger: All prior and contemporaneous "statements" (defined below) made to each party with regard to this transaction, as well as all prior and contemporaneous statements made between each party and Escrowee with regard to the escrow provisions of paragraph 25, are merged in this Agreement and have no effect unless they are expressly contained or incorporated by reference in this Agreement. The term **"statements"** includes representations, promises, understandings, discussions, negotiations, agreements, estimates, valuations, projections and opinions, whether written or oral, as well as a broker's set-up, terms sheet, floor plans, drawings and data of any kind.

32.3 Entire Agreement: This Agreement, together the Plan and Amendments to the Plan accepted for filing by the Attorney General prior to closing, constitute the entire understanding and agreement of the parties. Any statements not contained in a written rider attached to this Agreement and signed by the parties is not part of this Agreement and not binding on, or enforceable by or against, the parties.

32.4 Changes and Waivers: A provision of this Agreement will be considered to have been changed or waived only if the change or waiver is expressly made in writing signed by the party to be charged or (if applicable) by Escrowee, unless such provision is expressly provided to have been waived or deemed waived if not exercised, satisfied or performed within a specified period. The failure to insist on strict performance of any provision will not mean that the provision has been waived or that the right to insist thereafter on strict performance of that or any other provision has been waived.

32.5 Parties to Cooperate: Each party will reasonably cooperate with the other party, and each party is to obtain, execute and/or deliver (as applicable) such documents as are in the possession or control of such party and are reasonably necessary in order to close title or to effectuate or confirm any provision of this Agreement. These documents include: (a) the federal tax forms to report the closing and Purchaser's receipt of interest on the Escrow Fund; and (b) documents Purchaser's title insurer (if any) might reasonably require to show that: (b-1) delivery of the Deed has been properly authorized by Seller's organization; and (b-2) any judgments, bankruptcies or other title issues against names the same as or similar to Seller or Purchaser are not against Seller or Purchaser, respectively. This, however, does not obligate either party to give an indemnity, to escrow monies or to make representations not contained in this Agreement. The provisions of this paragraph 32.5 shall survive the closing.

32.6 Governing Law; Venue for Lawsuits: The internal laws of the State of New York will govern this Agreement and the interpretation and enforcement of its provisions, without regard to legal principles of conflict of laws. Any Lawsuit arising out of this Agreement or the Plan or Amendments thereto: (a) must be brought in the Supreme Court of the State of New York or (if such court lacks jurisdiction) a court of competent jurisdiction; (b) must be brought in the county in which the Unit or Seller is located; and (c) may be commenced by serving the summons and/or complaint by certified or registered mail (return receipt requested), postage prepaid, deposited in an official depository maintained by the U.S. Postal Service, and sent to the party at the party's address referred to in paragraph 31.2 or any other address of which the party has given notice in accordance with paragraph 31.4. The provisions of this paragraph 32.6 shall survive the closing or (if the closing does not occur) the cancellation or termination of this Agreement.

32.7 Waiver of Jury Trial: Each party waives the right to a trial by jury in any Lawsuit arising from this Agreement or the Plan or Amendments, other than a Lawsuit in which a jury trial cannot legally be waived. Any Claim for which a jury trial cannot legally be waived shall not be asserted as a counterclaim or joined with any Lawsuit in which a jury trial is waived, unless the failure to

assert it would prevent the Claim from being made later. The provisions of this paragraph 32.7 shall survive the closing or (if the closing does not occur) the cancellation or termination of this Agreement.

32.8 Co-Purchasers: If Purchaser is more than one person, then each is jointly obligated with the other, and each is solely, fully and personally obligated, to pay and perform Purchaser's obligations under this Agreement. In addition, any notice given to or by one co-Purchaser, and any provision changed or waived by one co-Purchaser, will be sufficient to bind all co-Purchasers.

32.9 Assignment Prohibited: Purchaser may not assign this Agreement or Purchaser's rights hereunder. Any purported assignment hereof by Purchaser in violation of this provision shall be null and void, as well as an Event of Default under paragraph 22.1. If Seller, in its sole and absolute discretion, permits Purchaser to assign this Agreement, then the provisions of Section K, subsection K-18 of Part I of the Plan shall apply and govern.

32.10 Successors: The heirs, distributees, executors, administrators and personal and legal representatives of each party, and Seller's successors and assignees, will succeed to such party's rights and will be fully responsible to pay and perform all of such party's obligations under this Agreement.

32.11 No Lien: Neither this Agreement nor the Purchase Monies are a lien against the Unit or the Property. Purchaser shall not record this Agreement or a memorandum hereof and any attempted recordation of same shall be null and void and a material default hereunder.

32.12 Subordination: This Agreement and all of Purchaser's rights under it are subordinate to the liens of all mortgages, and renewals, extensions and modifications thereof, and to all advances, fundings and payments thereunder, whether made before or after Purchaser signs this Agreement. No further legal document is required to be signed by Purchaser to effectuate this subordination. However, if requested, Purchaser shall promptly sign in recordable form and return to Seller a document prepared by Seller's attorney which confirms this subordination.

32.13 Invalid Provisions Severed: The invalidity or unenforceability of any provision of this Agreement shall not affect the validity of the other provisions, which shall be enforced to the fullest extent permitted by law.

32.14 Indemnities Generally: The indemnities given by one party (**"Indemnifying Party"**) to the other (**"Indemnified Party"**) in this Agreement, or in any document delivered pursuant to this Agreement, shall include and be deemed to include and to inure to the benefit of, the Indemnified Party's past, present and future shareholders, officers and directors or partners or members (as applicable) and principals, and the employees, agents and attorneys of each of the foregoing. Promptly after being notified of a Claim or served in a Lawsuit for which indemnity is sought, the Indemnified Party shall give notice thereof to the Indemnifying Party. Unless otherwise provided in the indemnity, the Indemnifying Party, at such Indemnifying Party's sole Cost and Expense, shall be entitled: (a) to control the defense, compromise and settlement of such Claim or Lawsuit; and (b) to choose the attorneys, who shall be reasonably satisfactory to the Indemnified Party. The Indemnified Party shall cooperate fully and make available to the Indemnifying Party such information and documents under the control or in the possession of the Indemnified Party as are reasonably related to the defense of the Claim or Lawsuit. The Indemnified Party shall have the right, but not the obligation, at such Indemnified Party's sole Cost and Expense, to participate and be represented by separate counsel (chosen by the Indemnified Party) in the defense, compromise and settlement of the Claim or Lawsuit.

32.15 Satisfaction and Discharge: All agreements, obligations and liabilities of the parties are considered satisfied and discharged at closing or upon the effective date of cancellation or termination hereof in accordance with the terms of this Agreement (as applicable), except only those agreements and obligations which are expressly stated in this Agreement or the Plan or Amendments to survive the closing or to be paid or performed subsequent to closing or to survive said cancellation or termination (as applicable). All such agreements and obligations which are expressly stated to be paid or performed subsequent to closing shall survive the closing, whether or not expressly stated to so survive.

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

32.17 Purchaser's Representations: Purchaser represents that: (a) Purchaser is a bona fide purchaser; (b) Purchaser is not related to Seller, the Selling Agent or the proposed Managing Agent identified in the Plan, or to any of their respective principals, by blood, marriage or adoption, or as a business associate, an employee, a shareholder or a limited partner; and (c) Purchaser is not purchasing as an accommodation to, or for the account or benefit of, Seller or a principal of Seller. If Purchaser is or includes an individual, Purchaser further represents that Purchaser is at least 18 years old. If Purchaser is or includes a corporation, partnership, limited liability company, trust or other entity, Purchaser further represents that Purchaser is authorized to do business in the State of New York. Purchaser agrees that Seller may rely upon the foregoing representations, which shall survive the closing of title or the cancellation or termination hereof (as applicable).

32.18 No Financing Contingency: SPECIAL RISK: This Agreement is NOT contingent upon Purchaser obtaining financing (secured or unsecured) to pay the Purchase Price set forth in paragraph 2.1, or any portion thereof. If Purchaser desires financing, Purchaser assumes and accepts full and sole risk to obtain and close the loan simultaneously with the closing of title under this Agreement. Under no circumstance shall Purchaser have the right to cancel this Agreement, or to delay title closing, or to be relieved or excused from paying the Purchase Price (without abatement, set-off or credit, and without recourse of any kind against Seller) in the event: (a) Purchaser is unable to arrange financing; or (b) Purchaser receives a Loan Commitment Letter, but before the closing of title the interest rate or other terms unfavorably change, or such commitment expires and is not extended or renewed or is extended or renewed on less favorable terms, or is terminated because of: an adverse change in Purchaser's financial condition, or an appraisal of the Unit is not satisfactory to the lender, or any other condition or factor is not met.

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

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

32.21 References: All references in this Agreement to a paragraph, subparagraph, clause, Exhibit or Schedule, refer to the paragraphs, subparagraphs and clauses of this Agreement and to an Exhibit or Schedule attached to this Agreement. Similarly, the words "hereof", "herein", "above", "below" and similar terms mean this Agreement. An Exhibit or Schedule (if any) attached to this Agreement is part of this Agreement.

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

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

32.24 Business Day: A business day is any day of the year that is not a Saturday, Sunday or legal holiday of the State of New York. All references in this Agreement to "days" shall mean "calendar days" (i.e., any day of the year), unless expressly stated to be "business days". Any date or period specified in this Agreement which does not fall on a business day shall be extended to the following first business day.

32.25 Credit Check: Purchaser authorizes Seller and its agents and employees to check Purchaser's credit and judgment history and to obtain reports on Purchaser's credit and judgment history from credit agencies, bureaus and companies. Upon written request from Purchaser, Seller will inform Purchaser of the name and address of each agency, bureau or company furnishing said report.

32.26 Counterparts: This Agreement may be executed in separate counterparts by each party, with no counterpart being executed by both parties. Each counterpart so executed by one party and delivered to the other party shall be deemed to be an original. At such time as both parties receive a counterpart of this Agreement signed by the other party, all counterparts so separately executed by each party and delivered to the other party together shall constitute but one and the same instrument, which may be sufficiently evidenced by one signed counterpart. Each counterpart shall be binding upon the signatory of such counterpart even though it is not signed by both parties to this Agreement.

END OF TERMS AND CONDITIONS OF PURCHASE AND SALE AGREEMENT
The Exhibits to this Purchase and Sale Agreement start on the following page.

EXHIBIT A

PERMITTED ENCUMBRANCES

The Unit will be conveyed and sold, and will be purchased and acquired by Purchaser (without abatement in the Purchase Price or recourse of any kind against Seller), subject to the following Permitted Encumbrances, which shall not be objections to title:

1. Building restrictions and zoning laws and other regulations, resolutions and ordinances and any amendments thereto now or hereafter adopted by any governmental or quasi-governmental authority having jurisdiction, provided they do not prevent the use of the subject Unit for the purpose set forth in the Plan.

2. Any state of facts that an accurate survey or personal inspection of the land and Building (after being constructed) would show, including encroachments of the Building on adjoining properties and/or streets, provided that any of the title insurers and agent comprising the Title Insurance Company or Purchaser's title insurer or agent (as applicable) will insure at its regular rate, without additional premium, in a fee title policy issued to Purchaser that any such encroachments may remain for so long as the Building shall stand, and provided further that such state of facts would not prevent the use of the subject Unit for the purpose set forth in the Plan.

3. Any state of facts that an accurate survey or personal inspection of the subject Unit (when erected) would disclose, including: (a) encroachments by the Unit on adjoining Units and/or on Common Elements; and (b) encroachments by adjoining Units or Common Elements on the Unit, provided that any of the title insurers and agent comprising the Title Insurance Company or Purchaser's title insurer or agent (as applicable) will insure at its regular rate, without additional premium, in a fee title policy issued by it to Purchaser, that any encroachments of a portion of the subject Unit upon any other unit or the Common Elements may remain for so long as the Building shall stand.

4. The terms, burdens, covenants, restrictions, conditions, duties, limitations, licenses, powers, easements, encroachments and rules and regulations set forth in, or permitted by, the Declaration, the By-Laws (and the Rules and Regulations made thereunder), the Unit Owner's Power of Attorney from Purchaser to the Condominium Board and Sponsor (i.e., Seller), and the Floor Plans, as any of them might be amended from time to time, provided that any of the title insurers and agent comprising the Title Insurance Company or Purchaser's title insurer or agent (as applicable) will insure at its regular rate, without additional premium, in a fee title policy issued to Purchaser, against loss or damage occasioned by reason of the Unit not being part of a condominium validly established pursuant to Article 9-B of the Real Property Law, as amended.

5. Consents by the Seller, the Condominium Board 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 abuts.

6. Sewer, water, electric, plumbing, heating, gas, telephone, cable and other utility easements and any and all rights of use in favor of any utility company for construction, use, maintenance, repair, removal, relocation and replacement of utility lines, wires, terminal boxes, mains, pipes, cables, conduits, poles, connections and other equipment and facilities on, under and across the land and Building.

7. Revocability of licenses for vault space, if any, under the sidewalks and streets and the lien of any unpaid vault tax (if any).

8. Encroachments of stoops, areas, cellar steps or doors, trim, coping, retaining walls, bay windows, balconies, sidewalk elevators/hatches, fences, fire escapes, cornices, foundations, footings, chutes, fuel oil lines, drainage and stand pipes, 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.

9. Leases and service, maintenance, employment, concessionaire and license agreements, if any, of other units of the Condominium or portions of the Common Elements as described or permitted in the Plan or a Plan Amendment or made after the end of the Sponsor Board Control Period.

10. The lien of any unpaid Common Charge and real estate taxes, which shall be apportioned at the closing of title as set forth in this Purchase and Sale Agreement. The lien for any unpaid water charges and sewer rents are payable by the Condominium Board and included in Common Charges, and thus are deemed apportioned as part of the Common Charges.

11. The lien of any unpaid "assessment" (defined below) payable in installments, except that: (a) Seller will pay all such assessments due prior to the Closing Date; and (b) Purchaser will pay all assessments due from and after such date. However, the then current installment of an assessment will be apportioned at closing in accordance with this Purchase and Sale Agreement. The term "assessment" as used herein includes both a real estate tax assessment and a Condominium Board Special Assessment.

12. Unpaid fees or charges of any Governmental Authority for inspections, reinspections, examinations, services, permits and licenses, which shall be apportioned between Sponsor and the Condominium Board as provided in the Plan or, if arising after the First Closing of a Residential Unit, shall be payable by the Condominium Board and included in the Common Charges, and thus are deemed apportioned as part of the Common Charges.

13. Unpaid costs, charges and amounts owed by the Condominium Board after the First Closing of a Residential Unit for work performed by a Governmental Authority, including the New York City Office of Rent and Housing Maintenance, Emergency Services Division, and the New York City Department of Health (all such unpaid costs, charges and amounts owed prior to said First Closing shall be paid by Seller pursuant to the Plan).

14. Any encumbrance as to which any of the title insurers and agent comprising the Title Insurance Company or the title insurer or agent (as applicable) that insures Purchaser's title to the Unit would be willing to insure, at Purchaser's expense, at its regular rate and without additional premium, in a fee policy issued by it to Purchaser: (a) will not be collected out of, or enforced against, the Unit or its Common Interest if it is a lien; or (b) will not prevent the use of the Unit for the purpose set forth in the Plan, whichever is applicable. Any exception that any of said title insurers and agent comprising the Title Insurance Company has omitted or insured at its regular rates and without additional premium will not be collected out of, or enforced against, a unit, in a fee title insurance policy for other units of the Condominium, regardless of which title insurance company or agent Purchaser uses, will not be a valid objection to title.

15. the following covenants, restrictions, easements and agreements:

(a) Zoning Lot Certification made by The Royal Abstract Corporation recorded 09/14/1988 in Reel 1464 page 1048;

(b) Zoning Lot Certification made by Royal Abstract of New York LLC recorded 08/09/2005 as CRFN 2005000446216;

(c) Zoning Lot Description and Ownership Statement recorded as CRFN 2005000446217;

(d) Terms, conditions, and railway easement rights contained in a Quitclaim Deed from CSX Transportation, Inc. to The City of New York recorded on 12/1/2005 in CRFN 2005000664404 (Title Insurance Company policy will insure that same will not prevent the use of the Unit for the purposes set forth in this Plan);

(e) Terms, conditions and railway easement rights contained in a Quitclaim, Consent and Easement between 23 High Line, LLC, and The City of New York, recorded on 12/1/2005 in CRFN 2005000664424 (Title Insurance Company policy will insure that same will not prevent the use of the Unit for the purposes set forth in this Plan);

(f) Terms and conditions contained in a Release, Waiver and Covenant Not To Sue Agreement made by and between 23 High Line, LLC, and The City of New York recorded on 12/1/2005 in CRFN 2005000664425 (Title Insurance Company policy will insure that same will not prevent the use of the Unit for the purposes set forth in this Plan);

(g) Terms and conditions contained in a Release, Waiver and Covenant Not To Sue Agreement made by and between CSX Transportation, Inc., and The City of New York recorded on 12/1/2005 in CRFN 2005000664426 (Title Insurance Company policy will insure that same will not prevent the use of the Unit for the purposes set forth in this Plan);

(h) Notice of Zoning Lot Restrictions recorded as CRFN 2006000022493;

(i) Restrictive Declaration Highline Transfer of Development Rights recorded as CRFN 2006000022492 (WITH REGARD THERETO: Waiver, Consent and Subordination made by BRT Realty Trust recorded as CRFN 2006000022495);

(j) Transfer and Distribution of Floor Area Pursuant to Section 98-33 of Zoning Resolution of the City of New York recorded as CRFN 2006000022491 (WITH REGARD THERETO: Waiver, Consent and Subordination made by BRT Realty Trust recorded as CRFN 2006000022494);

(k) Declaration of Zoning Lot Development and Easement Restrictions, to be recorded prior to recording the Declaration, wherein all unutilized Development Rights of the Property now or hereafter available or acquired are retained by Seller as owner of certain adjacent parcels within the same zoning lot as the Property and may be freely utilized or

transferred without the approval, consent or participation of the Condominium Board or Unit Owners;

(l) Covenants and Restrictions contained in deeds, restricting height and building materials of dwelling to be erected and against use of premises as or for a manufactory or tenement house and recorded in Liber 349 Page 457 and Liber 663 Page 457 (Title Company Insurance policy will insure that same will not prevent the use of the Unit for residential purposes);

(m) Covenants, Restrictions, Easements, Terms, Provisions and Conditions of the deed made by Robert W. Blanchette, Richard C. Bond and John H. McArthur as trustees of the Penn Central Transportation Company Debtor, to Consolidated Rail Corporation dated 03/30/1976 and recorded 12/15/1978 in Reel 463 page 1563 and by Despatch Shops Inc. to Consolidated Rail Corporation recorded 12/15/1978 in Reel 463 page 1624 (Title Company Insurance will insure that same will not prevent the use of the Unit for residential purposes);

(n) Conveyance of interest made by Consolidated Rail Corporation to New York Central Lines LLC dated as of 06/01/1999 and recorded 03/20/2000 in Reel 3067 page 1110 as corrected by Correction Deed dated 08/24/2004 and recorded 01/28/2005 as CRFN 2005000056400; and

(o) Easements for railroad purposes to The New York Central Railroad Company recorded 06/10/1932 in Liber 3829 Cp 383 as modified by Modification of Easement recorded 12/05/1958 Liber 5059 Cp 163 (Title Insurance Company will insure that same will not prevent the use of the Unit for residential purposes).

16. Any declaration or other instrument affecting the Property that the Condominium Board considers necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standard and Appeals, or any other public or quasi-public Governmental Authority, applicable to the demolition, construction, alteration, repair, use, occupancy, operation or restoration of the Building.

17. Any easements, covenants, declaration, restrictions or agreements, whether of record or unrecorded, affecting the Property or any portion thereof, and the title exceptions set forth in the title report issued by any of the title insurers or agent comprising the Title Insurance Company for the Property, provided they do not prevent the use of the Unit for the purpose set forth in the Plan, and excluding: (a) any title exception to be removed in order to insure the valid establishment of the Condominium as provided in the Plan; and (b) the lien of any mortgage or UCC-1 financing statement, which are to be released or terminated, respectively, from the Unit.

18. Any violations against the Property (other than the Unit) that are the obligation of the Condominium Board or the owner of another unit to correct (all such violations existing at the First Closing of a Residential Unit shall be corrected by Seller pursuant to the Plan.).

19. A Certificate of Occupancy or temporary Certificate of Occupancy covering the Building (when issued after completion or substantial completion of construction of the Building) or a temporary or partial Certificate of Occupancy of the Residential Unit to be conveyed, provided it authorizes use of the Residential Unit (but not a Storage Unit) for the purpose set forth in the Plan.

20. Leases and rights of tenants and occupants of other units and portions of the Property other than the subject Unit, as tenants only, and any lease, tenancy or occupancy of this Unit by Purchaser as and if provided in the Purchase and Sale Agreement.

21. Any lien (including any mortgage lien) or other encumbrance granted, created or obtained by the Purchaser.

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

23. Any easement or right of use required by Sponsor (i.e., Seller) or its designee to obtain a temporary or permanent Certificate of Occupancy for the Building or any part thereof. Any other covenants, restrictions, easements or other encumbrance (other than for payment of money), provided that they do not prohibit the existence and use of the Unit for the purpose set forth in the Plan.

24. Service, labor, concessionaire and maintenance agreements with the Condominium Board as disclosed or permitted in the Plan or a Plan Amendment, or made after the end of the Sponsor Board Control Period.

25. Any lien, encumbrance or lis pendens either: (a) for which the instrument required to remove said encumbrance of record is delivered at or prior to the Closing Date to the proper party or to Purchaser's title insurer or agent (as applicable) together with the required recording or filing fee; or (b) as to which

Purchaser's title insurer or agent (as applicable) or any of the title insurers and agent comprising the Title Insurance Company will insure that the lien, encumbrance or lis pendens will not be collected out of, or enforced against, the Unit.

26. Party walls and party wall agreements, if any.

27. Judgments, bankruptcies or other returns against other persons having names the same as or similar to Sponsor (i.e., Seller) or any of its principals, provided Sponsor or any such principals, as the case may be, deliver to Purchaser or Purchaser's title insurer or agent (as applicable), or any of the title insurers and agent comprising the Title Insurance Company, an affidavit showing that such judgments, bankruptcies or other returns are not against Sponsor or any such principals, as the case may be.

28. Uniform Commercial Code financing statements or conditional bills of sale, provided that: (a) such statements were filed on a date more than five years prior to the Closing Date; (b) Sponsor executes and delivers to Purchaser an affidavit setting forth that the property covered thereby is no longer in the Unit or is fully paid for; or (c) a tenant is the debtor thereunder.

29. Standard printed exceptions contained in the form of fee title insurance policy then issued by the title insurer or agent (as applicable) insuring Purchaser's title to the Unit, including the following: (a) defects and encumbrances arising or becoming a lien after the Closing Date; (b) consequences of the exercise and enforcement or attempted enforcement of any governmental, war or police powers over the Unit or the Property; (c) any laws, regulations or ordinances (including, but not limited to zoning, building, and environmental protection) as to the use, occupancy, subdivision or improvement of the Unit or the Property, adopted or imposed by any governmental body, or the effect of any noncompliance with or any violation thereof; (d) judgments against the insured or estates, interests, defects, objections, liens or encumbrances created, suffered, assumed or agreed to, by or with the privity of Purchaser; (e) title to any property beyond the lines of the Unit or the Property, or title to areas within or rights to easements in any abutting streets, roads, avenues, lanes, ways or waterways, or the right to maintain therein vaults, tunnels, ramps or any other structure or improvement, other than the ordinary rights of access and egress belonging to abutting owners; and (f) title to any personal property, whether the same be attached to or used in connection with the Unit or the Property or otherwise.

30. Franchise taxes and New York City business corporation taxes of any organization in the chain of title, provided that Purchaser's title insurer or agent (as applicable), or any of the title insurers and agent comprising the Title Insurance Company, would be willing to insure at its regular rate, without additional premium, in a fee policy issued by it to Purchaser, that such taxes will not be collected out of the Unit.

END OF EXHIBIT A
PERMITTED ENCUMBRANCES

EXHIBIT B

FINAL INSPECTION STATEMENT

Date: _____, _____

23 Highline LLC
c/o Alf Naman Real Estate Advisors Ltd.
460 Park Avenue, Floor 22
New York, NY 10022

Re: Residential Unit _____ ("**Unit**")
High Line 23 Condominium
515 West 23rd Street
New York, New York 10011

Gentlemen:

This is to confirm that based on my/our personal inspection of the above referenced Unit, I/we have found the Unit, its floors, walls, doors, fixtures, appliances, equipment, hardware and all other items listed below, to be in good and satisfactory working order and condition, free of chips, marks, scratches, breaks, defects or other imperfections, except for those matters (if any) expressly noted and detailed below under "Exceptions" requiring repair, adjustment or correction:

Item		**Exceptions (or Accepted if not otherwise noted)**	**Purchaser's Initials**
1.	Unit Interior:	_____	_____
	(a) Walls:	_____	_____
	(b) Floors:	_____	_____
	(c) Ceilings:	_____	_____
	(d) Windows (glass, sash, pane, sill, etc.):	_____	_____
	(e) Doors:	_____	_____
	(f) Electrical fixtures:	_____	_____
	(g) Painted surfaces:	_____	_____
	(h) Countertops:	_____	_____
	(i) Cabinets:	_____	_____
	(j) Refrigerator/Freezer:	_____	_____
	(k) Cooktop:	_____	_____
	(l) Oven:	_____	_____
	(m) Microwave Oven:	_____	_____
	(n) Clothes washer/dryer:	_____	_____
	(o) Kitchen sink:	_____	_____
	(p) Bathroom sink(s):	_____	_____
	(q) Water closet(s):	_____	_____
	(r) Bathtub/shower(s):	_____	_____
	(s) Hardware (doorknob, faucets, locks, etc.):	_____	_____

		_____	_____
	(t) Intercom:	_____	_____
	(u) Other:	_____	_____
2.	General Operating Condition:	_____	_____
	(a) All Doors:	_____	_____
	(b) All Windows:	_____	_____
	(c) All Plumbing (including Hot Water):	_____	_____
	(d) All Hardware:	_____	_____
	(e) All Cabinets:	_____	_____
	(f) Other:	_____	_____
		_____	_____

I/We understand that to prevent pilferage, certain items (such as a shower head and toilet seat), if now absent, will be installed just prior to the date I/we move in.

I/We will sign and deliver to you a separate statement signifying my/our satisfaction with each item excepted above (if any), immediately upon completion of its repair, adjustment or correction.

I/We understand and agree that you shall not be obligated to make any repairs, adjustments or corrections to the Unit or any portion thereof or its fixtures, appliances, equipment, etc., contained therein, from and after the date of closing of title under the Purchase and Sale Agreement for the Unit, except as to those items (if any) expressly excepted above (and your obligation regarding each such excepted item (if any) shall cease upon completion of its repair, adjustment or correction), and except further to the extent required under the Plan to correct any "Latent Construction Defects" (as provided in the Plan and undersigned's Purchase and Sale Agreement) as to which I/we give you timely written notice in accordance with the Plan and said Purchase and Sale Agreement.

I/We am/are required to, and shall, pay the full amount of the Purchase Price set forth in said Purchase and Sale Agreement (without reduction, set-off or credit and without escrowing any monies) and accept title to the Unit on the closing date, notwithstanding the existence of any Exceptions listed above. I/We understand and agree that you will not be bound hereby unless you or your authorized representative sign and deliver this Final Inspection Statement to me/us.

Very truly yours,

Purchaser:

Signature: _____

Name: _____

Signature: _____

Name: _____

Agreed To:
23 Highline LLC
By: Alf Naman Real Estate Advisors Ltd.,
Managing Member

By: _____

Signature: _____

Name: _____

Title: _____

DOCUMENT 1A

PURCHASE APPLICATION

Information on Applicant:

My Full Name: _____
First Middle Initial Last

My Residence Address: Street: _____

Apt.: _____

City: _____

State: _____

Zip Code: _____

My Residence Telephone No.: Area Code: _____

Number: _____

Number of Years at this Residence: _____

My Social Security Number: _____

Number of My Dependents: _____

My Current Landlord: Name: _____

Address: _____

_____

Zip Code: _____

My Employer: Name: _____

Address: _____

_____

Zip Code: _____

Telephone No.: Area Code: _____

Number: _____

My Current Position: _____

My Number of Years with Employer: _____

My Current Wages: $_____ per year

My Other Income*: Amount: $_____

*[You need not reveal alimony, child support or separate maintenance income, if you do not wish it considered in evaluating this application.]

My Current Assets:

(a) Bank Accounts:

Bank: Name:_____ Bank: Name:_____

Address:_____ Address:_____

_____ _____

Zip Code:_____ _____

Account Number:_____ Zip Code:____

Account Balance: $_____ as of _____, 200__ Account Balance: $_____ as of _____, 200__

(b) Securities (Stocks, Bonds, etc.):

Total Market Value: $_____ as of _____, 200__

(c) Real Estate:

Description: Home ( ) Market Value: $_____ as of _____, 200__

Other:_____

Total Market Value: $_____ as of _____, 200__

(d) Other Assets:

Description: _____

Total Market Value: $ _____as of _____, 200__

(e) My Life Insurance: Amount: $_____

or

None [ ]

My Liabilities:

(a) My unsecured bank loans:

Loan 1 Loan 2

Balance Owed: $_____ as of ____, 200_

Lender:

Name:_____

Address:_____

_____

_____

Zip Code:_____

Loan Number:_____

Monthly Payment: $_____

Maturity Date:_____

Balance Owed: $_____ as of ____, 200_

Lender:

Name:_____

Address:_____

_____

_____

Zip Code:_____

Loan Number:_____

Monthly Payment: $_____

Maturity Date:_____

(b) My Secured Bank Loans/Mortgages:

First Secured Loan/Mortgage

Balance Owed: $_____ as of _____, 200__

Lender:

Name:_____

Address:_____

_____

_____

Zip Code:_____

Loan Number:_____

Monthly Payment: $_____

Maturity Date:_____

Second Secured Loan/Mortgage

Balance Owed: $_____ as of_____, 200__

Lender:

Name:_____

Address:_____

_____

_____

Zip Code:_____

Loan Number:_____

Monthly Payment: $_____

Maturity Date:_____

(c) My Credit Card/Charge Account/Other Loans:

Total balance owed $_____ as of _____, 200__

Creditor:	Creditor:
Name:_____	Name:_____
Address:_____	Address:_____
_____	_____
_____	_____
Zip Code:_____	Zip Code:_____
My Account Number:_____	My Account Number:_____
Minimum Monthly Payment:_____	Minimum Monthly Payment:_____
Maturity Date:_____	Maturity Date:_____

(d) Judgments/Lawsuits Against Me:

Judgments: Total Amount: $_____

None [ ]

Lawsuits: Summarized on attachment [ ]

None [ ]

(I) (We) certify that the foregoing information is true and correct.

(I) (We) authorize 23 HIGHLINE LLC and/or its authorized agent to check (my) (our) credit history and to obtain reports from credit agencies, bureaus and companies as to (my) (our) credit and judgment history. This Application shall remain the property of 23 HIGHLINE LLC.

Applicant: Signature: _____

Print Name: _____

Co-Applicant: Signature: _____

Print Name: _____

Date:_____, 200__

All Applicants Please Note:

ALL SELF EMPLOYED applicants must, if requested, submit a signed copy of their federal income tax return and a copy of their latest annual business financial statements.

If 23 HIGHLINE LLC or its authorized agent obtains a Credit Report for your purchase application, or any updates, renewals or extensions of any credit granted to you, upon written request, 23 HIGHLINE LLC will give you the name and address of the agency furnishing the report.

Form **W-9**
(Rev. January 2003)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give form to the requester. Do not send to the IRS.

Print or type See Specific Instructions on page 2.

Name

Business name, if different from above

Check appropriate box: ☐ Individual/ Sole proprietor ☐ Corporation ☐ Partnership ☐ Other ▶ .....

☐ Exempt from backup withholding

Address (number, street, and apt. or suite no.)

Requester's name and address (optional)

City, state, and ZIP code

List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see How to get a TIN on page 3.

Note: *If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.*

Social security number
___ ___ ___ - ___ ___ - ___ ___ ___ ___

or

Employer identification number
___ ___ - ___ ___ ___ ___ ___ ___ ___

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. person (including a U.S. resident alien).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (See the instructions on page 4.)

Sign Here Signature of U.S. person ▶ Date ▶

Purpose of Form

A person who is required to file an information return with the IRS, must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

U.S. person. Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee.

Note: *If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.*

Foreign person. If you are a foreign person, use the appropriate Form W-8 (see **Pub. 515,** Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the recipient has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Form **W-8BEN**
(Rev. February 2006)
Department of the Treasury
Internal Revenue Service

Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding

▶ Section references are to the Internal Revenue Code. ▶ See separate instructions.
▶ Give this form to the withholding agent or payer. Do not send to the IRS.

OMB No. 1545-1621

Do not use this form for: **Instead, use Form:**

- A U.S. citizen or other U.S. person, including a resident alien individual W-9
- A person claiming that income is effectively connected with the conduct of a trade or business in the United States W-8ECI
- A foreign partnership, a foreign simple trust, or a foreign grantor trust (see instructions for exceptions) . . . . . W-8ECI or W-8IMY
- A foreign government, international organization, foreign central bank of issue, foreign tax-exempt organization, foreign private foundation, or government of a U.S. possession that received effectively connected income or that is claiming the applicability of section(s) 115(2), 501(c), 892, 895, or 1443(b) (see instructions) . . . . . W-8ECI or W-8EXP

Note: *These entities should use Form W-8BEN if they are claiming treaty benefits or are providing the form only to claim they are a foreign person exempt from backup withholding.*

- A person acting as an intermediary W-8IMY

Note: *See instructions for additional exceptions.*

Part I Identification of Beneficial Owner (See instructions.)

1 Name of individual or organization that is the beneficial owner

2 Country of incorporation or organization

3 Type of beneficial owner: ☐ Individual ☐ Corporation ☐ Disregarded entity ☐ Partnership ☐ Simple trust ☐ Grantor trust ☐ Complex trust ☐ Estate ☐ Government ☐ International organization ☐ Central bank of issue ☐ Tax-exempt organization ☐ Private foundation

4 Permanent residence address (street, apt. or suite no., or rural route). **Do not use a P.O. box or in-care-of address.**

City or town, state or province. Include postal code where appropriate.

Country (do not abbreviate)

5 Mailing address (if different from above)

City or town, state or province. Include postal code where appropriate.

Country (do not abbreviate)

6 U.S. taxpayer identification number, if required (see instructions) ☐ SSN or ITIN ☐ EIN

7 Foreign tax identifying number, if any (optional)

8 Reference number(s) (see instructions)

Part II Claim of Tax Treaty Benefits (if applicable)

9 **I certify that (check all that apply):**

a ☐ The beneficial owner is a resident of .....within the meaning of the income tax treaty between the United States and that country.

b ☐ If required, the U.S. taxpayer identification number is stated on line 6 (see instructions).

c ☐ The beneficial owner is not an individual, derives the item (or items) of income for which the treaty benefits are claimed, and, if applicable, meets the requirements of the treaty provision dealing with limitation on benefits (see instructions).

d ☐ The beneficial owner is not an individual, is claiming treaty benefits for dividends received from a foreign corporation or interest from a U.S. trade or business of a foreign corporation, and meets qualified resident status (see instructions).

e ☐ The beneficial owner is related to the person obligated to pay the income within the meaning of section 267(b) or 707(b), and will file Form 8833 if the amount subject to withholding received during a calendar year exceeds, in the aggregate, $500,000.

10 **Special rates and conditions** (if applicable—see instructions): The beneficial owner is claiming the provisions of Article .....of the treaty identified on line 9a above to claim a .....% rate of withholding on (specify type of income): ..... .
Explain the reasons the beneficial owner meets the terms of the treaty article: .....

Part III Notional Principal Contracts

11 ☐ I have provided or will provide a statement that identifies those notional principal contracts from which the income is **not** effectively connected with the conduct of a trade or business in the United States. I agree to update this statement as required.

Part IV Certification

Under penalties of perjury, I declare that I have examined the information on this form and to the best of my knowledge and belief it is true, correct, and complete. I further certify under penalties of perjury that:

1 I am the beneficial owner (or am authorized to sign for the beneficial owner) of all the income to which this form relates,
2 The beneficial owner is not a U.S. person,
3 The income to which this form relates is (a) not effectively connected with the conduct of a trade or business in the United States, (b) effectively connected but is not subject to tax under an income tax treaty, or (c) the partner's share of a partnership's effectively connected income, **and**
4 For broker transactions or barter exchanges, the beneficial owner is an exempt foreign person as defined in the instructions.

Furthermore, I authorize this form to be provided to any withholding agent that has control, receipt, or custody of the income of which I am the beneficial owner or any withholding agent that can disburse or make payments of the income of which I am the beneficial owner.

Sign Here ▶ ..... Signature of beneficial owner (or individual authorized to sign for beneficial owner) ..... Date (MM-DD-YYYY) ..... Capacity in which acting

For Paperwork Reduction Act Notice, see separate instructions. Cat. No. 25047Z Form **W-8BEN** (Rev. 2-2006)

Document 1D

Pre-Closing

ESCROW AGREEMENT

AGREEMENT made as of October 30, 2006, between: 23 Highline LLC ("**SPONSOR**"), having an office address at c/o Alf Naman Real Estate Advisors Ltd., 460 Park Avenue, Floor 22, New York, New York 10022; and Seyfarth Shaw LLP ("**ESCROW AGENT**"), having offices at 1270 Avenue of the Americas, New York, New York 10020.

STATEMENT OF FACTS

A. SPONSOR is the sponsor of an offering plan ("**Offering Plan**") to convert to condominium ownership the land and building being erected thereon and known by the street address of 515 West 23rd Street, New York, New York 10011.

B. ESCROW AGENT is authorized to act as escrow agent hereunder in accordance with General Business Law ("**GBL**") Section 352-e(2-b) and the Attorney General's regulations promulgated thereunder.

C. SPONSOR desires that ESCROW AGENT act as escrow agent for purchase money deposits and payments by purchasers ("**purchasers**") under the Offering Plan pursuant to the terms of this Agreement.

NOW, THEREFORE, in consideration of the covenants and conditions contained herein and other good and valuable consideration, the parties hereby agree as follows:

1. ESTABLISHMENT OF THE ESCROW ACCOUNT.

1.1 SPONSOR and ESCROW AGENT hereby establish an escrow account with ESCROW AGENT for the purpose of holding purchase money deposits or payments made by purchasers. The escrow account has been opened with Valley National Bank ("**Depository**") at its branch office located at 275 Madison Avenue, New York, New York 10016. The master escrow account number is [redacted]

1.2 The name of the account is "Seyfarth Shaw LLP Master Escrow Account".

1.3 Certain partners of ESCROW AGENT are the sole signatories on behalf of ESCROW AGENT for withdrawal of monies from the escrow account.

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

1.5 The escrow account is not an IOLA established pursuant to Judiciary Law Section 497.

2. DEPOSITS INTO THE ESCROW ACCOUNT.

2.1 All purchase money funds received from prospective purchasers prior to closing, (other than any "**Special Work Payments**", as defined in the Purchase and Sale Agreement)

©2006 Alan L. Kazlow, Esq.
Seyfarth Shaw LLP
All rights reserved.

whether in the form of checks, drafts, money orders, wire transfers or other instruments which identify the payor, shall be deposited in a segregated subaccount of the master escrow account. All instruments to be deposited into the escrow subaccount shall be made payable to, or endorsed by the purchaser to the order of, "*Seyfarth Shaw LLP as Escrow Agent for 515 West 23rd Street Plan*". Any instrument payable or endorsed other than as required hereby, and which cannot be deposited into such escrow account, shall be returned to the prospective purchaser promptly, but in no event more than five business days following receipt of such instrument by ESCROW AGENT. In the event of such return, the instrument shall be deemed not to have been delivered to ESCROW AGENT pursuant to the terms of this Agreement.

2.2 In the event a purchaser's instrument is dishonored or is returned uncollected, ESCROW AGENT will with reasonable promptness after receipt deliver the dishonored or uncollected instrument to SPONSOR, if so requested by SPONSOR.

2.3 At the time the contract deposit check is delivered to ESCROW AGENT, such check will be accompanied by the purchaser's Purchase and Sale Agreement and Internal Revenue Service form W-8 "Certificate of Foreign Status" (for a non-resident alien or a foreign entity) or W-9 "Request for Taxpayer Identification Number and Certification" (for a United States citizen or resident alien), as applicable.

2.4 After ESCROW AGENT receives a check for purchaser's contract deposit, ESCROW AGENT shall send purchaser by ordinary mail written notice ("**Deposit Notice**") of the deposit of the contract deposit check for collection in the escrow account. The Deposit Notice will also state the individual account number for purchaser's escrowed funds and the interest rate in effect on or about the date of deposit. A copy of the Deposit Notice will be sent simultaneously to SPONSOR.

2.5 The Deposit Notice is to be sent to each purchaser within ten (10) business days after purchaser "tenders" the contract deposit check with the Purchase and Sale Agreement. The term **"tenders"** means the date delivered by hand or five (5) days after being sent by mail. Each purchaser's contract deposit check will be delivered to ESCROW AGENT promptly after receipt by SPONSOR or SPONSOR'S selling agent (if any) in order that the Deposit Notice may timely be sent to purchaser.

2.6 If a purchaser does not receive the Deposit Notice within fifteen (15) business days after purchaser tenders the contract deposit check, the Purchase and Sale Agreement will provide that:

(a) purchaser's sole remedy will be either (at purchaser's option): (i) to cancel the Purchase and Sale Agreement and recover the purchase monies with any earned interest; or (ii) to apply to the Attorney General for relief;

(b) if purchaser elects to cancel, purchaser must do so in writing sent to SPONSOR (as provided in the purchase and sale agreement) within ninety (90) days after purchaser tenders the contract deposit check, but in no event later than the date purchaser closes title;

(c) purchaser will be regarded as having conclusively waived purchaser's right to cancel in the event purchaser does not send the cancellation notice in such period (time being of the essence); and

(d) purchaser will not have the right to cancel the Purchase and Sale Agreement or recover the purchase monies and any interest where proof satisfactory to the Attorney General is submitted establishing that the contract deposit check was timely deposited and the Deposit Notice was timely mailed to purchaser in accordance with the Attorney General's regulations.

3. RELEASE OF FUNDS.

3.1 ESCROW AGENT shall not release the escrowed funds of a defaulting purchaser until after consummation of the Offering Plan as defined in the Attorney General's regulations. Consummation of the Offering Plan shall not relieve SPONSOR of its fiduciary obligations pursuant to GBL Section 352-h.

3.2 ESCROW AGENT shall continue to hold the escrowed funds of a purchaser in escrow until they are:

(a) paid to SPONSOR at closing with purchaser pursuant to the terms of the Purchase and Sale Agreement (ESCROW AGENT shall instruct the Depository to pay the interest to purchaser); or

(b) paid pursuant to a determination of the Attorney General; or

(c) paid pursuant to a judgment or order of a court of competent jurisdiction; or

(d) released pursuant to paragraph 3.3 or paragraph 3.4 and the regulations of the Attorney General pertaining to release of escrowed funds.

3.3 SPONSOR shall not object to the release of the escrowed funds to a purchaser who timely rescinds in accordance with an offer of rescission contained in the Offering Plan or an amendment to the Offering Plan or timely cancels in accordance with a right of cancellation in the Purchase and Sale Agreement.

3.4 If a closing under a Purchase and Sale Agreement with a purchaser does not occur and SPONSOR demands that a purchaser's escrowed funds and any interest be paid to SPONSOR based upon such purchaser's uncured default or otherwise, the following will apply:

(a) ESCROW AGENT will give purchaser not fewer than ten (10) business days' written notice of SPONSOR'S demand for payment of the escrowed funds and any interest;

(b) at the expiration of such ten (10) business days, ESCROW AGENT will pay the escrowed funds and any interest to SPONSOR unless prior to making the payment: (i) ESCROW AGENT receives written notice from purchaser that

purchaser objects to the release of the escrow funds and interest to Sponsor and stating the basis of such objection or that purchaser has made application ("**Dispute Resolution Application**" or "**Application**") to the Attorney General pursuant to the dispute resolution provisions contained in the Attorney General's regulations; or (ii) ESCROW AGENT is served with a judgment or order ("**Restraining Order**") of a court of competent jurisdiction restraining ESCROW AGENT from making such payment;

(c) ESCROW AGENT will continue to hold the escrowed funds and interest for as long as required by any interim directive issued by the Attorney General or a Restraining Order (whichever is applicable);

(d) if the Attorney General denies the Dispute Resolution Application or the Restraining Order is vacated (as applicable), ESCROW AGENT will pay the escrowed funds and any interest to SPONSOR; and

(e) if the Attorney General grants the Dispute Resolution Application or the Restraining Order is not vacated (as applicable), ESCROW AGENT will pay the escrowed funds and any interest in accordance with: (i) (in the case of a Dispute Resolution Application) a final, non-appealable determination of the Attorney General served on ESCROW AGENT; or (ii) (in the case of a Restraining Order) a final, non-appealable judgment or order of a court of competent jurisdiction served on ESCROW AGENT.

3.5 In the event of a dispute by SPONSOR, or purchaser or ESCROW AGENT, the following will apply:

(a) SPONSOR must, and purchaser or ESCROW AGENT may, submit a Dispute Resolution Application (on the form required by the Attorney General's regulations) to the Attorney General for a determination on the disposition of a purchaser's escrowed funds and any interest;

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

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

(d) instead of applying to the Attorney General: (i) a purchaser may initiate a lawsuit to resolve the dispute; or (ii) the ESCROW AGENT will have the right of a stakeholder either to continue to hold the escrowed funds and interest or to deposit them or the disputed portion into court as permitted by law;

(e) pending the determination of the Attorney General to grant or deny the Application, SPONSOR, purchaser and ESCROW AGENT will abide by any interim directive issued by the Attorney General;

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

(g) if the Application is denied, ESCROW AGENT will either deposit the escrowed funds and interest (or the disputed amount) into court as permitted by law or continue to hold and disburse them in accordance with: (i) a written direction signed by both SPONSOR and purchaser; or (ii) a final, non-appealable judgment or order of a court of competent jurisdiction served on ESCROW AGENT;

(h) in no event will ESCROW AGENT release the escrowed funds or interest in dispute unless paid into court or until the dispute is finally resolved either by written agreement signed by SPONSOR and purchaser, or a final, non-appealable determination of the Attorney General or a non-appealable judgment or order of a court of competent jurisdiction; and

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

3.6 The provisions of this paragraph 3 will be contained in each Purchase and Sale Agreement.

4. RECORD KEEPING.

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

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

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

5. GENERAL OBLIGATIONS OF ESCROW AGENT.

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

5.2 A fiduciary relationship shall exist between ESCROW AGENT and purchasers, and ESCROW AGENT acknowledges its fiduciary obligations.

5.3 Upon payment of the escrowed funds and interest in accordance with the Attorney General's regulations, ESCROW AGENT is released and discharged by SPONSOR of ESCROW AGENT'S obligations under this Agreement and from all "Claims and Expenses" (as defined in paragraph 9) arising out of or concerning ESCROW AGENT'S duties or services under this Agreement.

6. RESPONSIBILITIES OF SPONSOR.

6.1 SPONSOR agrees that SPONSOR and its agents, including any selling agents, shall immediately deliver to ESCROW AGENT all purchase money deposits and payments received from each purchaser by them prior to closing of such purchaser's individual transaction (other than any Payments).

6.2 SPONSOR agrees that it shall not interfere with ESCROW AGENT'S performance of its fiduciary duties and compliance with the Attorney General's regulations.

7. TERMINATION OF AGREEMENT.

7.1 This Agreement shall remain in effect unless and until it is cancelled by either:

(a) written notice given by SPONSOR to ESCROW AGENT of cancellation of designation of ESCROW AGENT to act in said capacity, which cancellation shall take effect only upon the filing of an amendment with the Department of Law providing for a successor escrow agent; or

(b) the resignation of ESCROW AGENT upon giving notice to SPONSOR of ESCROW AGENT'S desire to so resign, which resignation shall take effect only upon the filing of an amendment with the Department of Law providing for a successor escrow agent; or

(c) all units offered pursuant to the Offering Plan have been sold and all sales transactions have been consummated.

7.2 Upon termination of the duties of ESCROW AGENT as described in paragraph 7.1 above, ESCROW AGENT shall deliver to the new escrow agent any and all funds held by Escrow Agent in escrow hereunder and any and all contracts or documents maintained by ESCROW AGENT relating to the escrow account.

8. FAILURE OF DEPOSITORY.

8.1 ESCROW AGENT and SPONSOR will not be liable for the amount of interest earned or collected on the funds in the escrow account or for any losses resulting from the failure of the Depository. The escrowed funds will be maintained in an account insured by the Federal Deposit Insurance Corporation for the maximum amount insured by applicable federal law.

9. SPONSOR'S INDEMNITY.

9.1 SPONSOR will defend (by attorneys of ESCROW AGENT), indemnify and hold harmless ESCROW AGENT against and from all "Claims and Expenses" of whatsoever nature arising out of or concerning ESCROW AGENT'S duties or services under this Agreement, other than those based on ESCROW AGENT'S gross negligence or willful misconduct. This indemnity includes (without limitation) "Claims and Expenses" based on ESCROW AGENT'S good faith error in judgment or good faith action or inaction or mistake of fact or law. "**Claims and Expenses**" include (without limitation) claims, lawsuits, judgments, losses, damages, liabilities, penalties, costs and expenses, including reasonable legal fees either paid to retain attorneys or representing the fair value of legal services rendered by ESCROW AGENT to itself, disbursements, court costs and other litigation expenses. This provision shall survive the termination of this Agreement.

10. REPRESENTATION OF SPONSOR IN LAWSUIT.

10.1 ESCROW AGENT may represent SPONSOR in any lawsuit, whether or not related to the escrowed funds or a Purchase and Sale Agreement with a purchaser and irrespective of ESCROW AGENT being in possession of the escrowed funds.

11. SUCCESSORS AND ASSIGNS.

11.1 This Agreement shall be binding upon, and shall inure to the benefit of and be enforceable by, SPONSOR and ESCROW AGENT and their respective successors and assigns.

12. GOVERNING LAW.

12.1 This Agreement shall be construed in accordance with and governed by the laws of the State of New York, without regard to legal principles of conflict of laws.

13. ESCROW AGENT'S COMPENSATION.

13.1 SPONSOR shall compensate ESCROW AGENT for acting in such capacity.

13.2 SPONSOR agrees that ESCROW AGENT'S compensation shall not be paid from escrowed principal nor from any interest accruing thereon and that compensation to ESCROW AGENT shall not be deducted from escrowed funds by any financial institution under any circumstance.

14. SEVERABILITY.

14.1 If any provision of this Agreement or the application thereof to any person or circumstance is determined to be invalid or unenforceable, the remaining provisions of this Agreement or the application of such provision to other persons or the other circumstances shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

15. ENTIRE AGREEMENT.

15.1 This Agreement, read together with GBL Section 352-e(2-b) and the Attorney General's regulations, constitute the entire agreement between the parties with respect to the subject matter hereof.

16. CHANGES AND WAIVERS.

16.1 The provisions of this Agreement may be changed or waived only in writing signed by the party to be charged, except the escrow and trust fund requirements of the Attorney General's regulations may not be changed or waived.

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

17. NOTICES.

17.1 Any notice, request, consent, election, demand or other communication (collectively called "**notice**") to be given or made under this Agreement shall be in writing and delivered by hand or sent by telecopier, overnight delivery by Federal Express or other recognized carrier, or by certified or registered mail (return receipt requested), postage prepaid, deposited in an official mail depository maintained by the United States Postal Service.

17.2 Each notice is to be sent to the parties at their respective addresses stated on page 1 of this Agreement. A notice to a purchaser shall be sent to purchaser's address for notices in the Purchase and Sale agreement.

17.3 Each party may give notice to the other of a change in address or person to whom future notices are to be sent.

17.4 Unless otherwise provided in this Agreement, each notice will be considered effective only if and when given or sent as provided in paragraphs 17.1 and 17.2 above. Any specified period of time following the giving or sending of a notice shall begin on the day delivered by hand or sent by telecopier (unless it is not a business day or is received after business hours, in either such case the period shall begin on the next ensuing business day), or the first business day after being sent by overnight delivery, or the second business day after being mailed. However, a notice of a change of address or person will not be deemed effective until actually received.

17.5 Failure to accept a notice is deemed receipt of it and does not affect the effectiveness, validity or enforceability of the notice or excuse or justify delaying the performance of an obligation.

SIGNATURE PAGE FOLLOWS

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

ESCROW AGENT:

Seyfarth Shaw LLP

Signature: _____
Name: Alan L. Kazlow
Title: Counsel

SPONSOR:

23 Highline LLC
By: Alf Naman Real Estate Advisors Ltd.,
Managing Member

By: _____
Alf Naman, as President

ETF-1

APPLICATION TO THE ATTORNEY GENERAL FOR A DETERMINATION ON THE DISPOSITION OF DOWNPAYMENTS

[Send this application to the reviewing attorney assigned to the subject plan.]

Re: _____
Address of Building or Name of Project

File Number: _____

Application is made to the Attorney General to consider and determine the disposition of down payments held pursuant to GBL Sections 352-e(2-b) and 352-h. The following information is submitted in support of this application:

1. **Name of Applicant** _____

2. **Address of Applicant** _____

3. **Name, Address, and Telephone Number of Applicant's Attorney (if any)** _____

_____

4. **This is an application for**
   - [ ] **return of downpayment.**
   - [ ] **forfeiture of downpayment.**
   - [ ] **other:** _____

5. **The project is**
   - [ ] **a conversion of occupied premises.**
   - [ ] **newly constructed or rehabilitated.**
   - [ ] **vacant (as is).**

6. **The project is structured as**
   - [ ] **a cooperative.**
   - [ ] **a condominium.**
   - [ ] **a homeowners association.**
   - [ ] **a timeshare.**
   - [ ] **other:** _____

2/6/92

7. **Name and Address of Sponsor:** _____

_____

8. **Name and Address of Escrow Agent:** _____

_____

9. **If downpayments are maintained in an escrow account:**

   (a) **Name of account** _____

   (b) **Name and address of bank** _____

   (c) **Account number (if known)** _____

   (d) **Initial interest rate (if known)** _____

10. **If downpayments have been secured by bonds:**

   (a) **Name and address of bond issuer or surety:** _____

   _____

   (b) **Copy of bond included in this application. (DO NOT SEND ORIGINAL BOND). If not included, explain:**

   _____

   _____

11. **If downpayments have been secured by a letter of credit:**

   (a) **Name and address of bank which issued the letter of credit:** _____

   _____

   (b) **Date of expiration of the letter of credit, if known:**

   _____

12. **Plan information:**

   (a) **Date of filing of plan:** _____

(b) Plan

[ ] has been declared effective. Approximate date: _____

[ ] has not been declared effective.

(c) If effective, the plan

[ ] has closed or the first unit has closed. Approximate date: _____

[ ] has not closed.

[ ] don't know.

(d) Downpayments are secured by

[ ] escrow account.

[ ] bonds.

[ ] letter of credit.

13. Contract information:

(a) Copy of contract and of all riders or modification letters are attached. (DO NOT SEND ORIGINALS.)

(b) Date on which subscription or purchase agreement was signed: _____

(c) Date(s) of downpayment(s): _____

(d) Total amount of downpayment(s): _____

(e) Names and addresses of subscribers or purchasers affected by this application:

_____

_____

_____

_____

14. State the basis for your claim. Please be as specific as possible. You may add additional sheets. Attach copies of any relevant documents.

_____

_____

_____

15. I am contemporaneously sending a copy of this application to the following persons:

Note: You are required to mail a copy of this Application to all other affected parties.

In filing this application, I understand that the Attorney General is not my private attorney, but represents the public in enforcing laws designed to protect the public from unlawful business practices. I also understand that if I have any questions concerning my legal rights or responsibilities I may contact a private attorney. The above application is true and accurate to the best of my knowledge. False statements made herein are punishable as a Class A Misdemeanor under Section 175.30 and/or Section 210.45 of the Penal Law.

Signature: _____ Date: _____

Name (Printed): _____

Telephone: (Home) _____ (Business) _____

Mailing Address: _____

_____

2/6/92

[Residential] [Storage]* Unit _____
Tax Lot: _____

DOCUMENT 2

EXHIBIT E TO DECLARATION OF CONDOMINIUM ESTABLISHING HIGH LINE 23 CONDOMINIUM

UNIT OWNER'S POWER OF ATTORNEY

[To be Executed in Triplicate]

This Unit Owner's Power of Attorney is being made as of _____ ___, _____, by _____ (hereinafter (collectively)* called "**Principal**"), having an (office)* (residence)* address at _____, as owner of the unit designated in the Declaration as [Residential] [Storage]* Unit _____ ("**Unit**") of High Line 23 Condominium, located at 515 West 23rd Street (a/k/a 515 and 517 West 23rd Street), New York, NY, and also designated as Tax Lot ___ in Section 3, Block 695 on the Tax Map, in favor of the individuals who from time to time comprise the Board of Managers of said Condominium, in their capacity as Board Members, 23 Highline LLC, the Retail Unit Owner, each Authorized First Sold Residential Unit Owner and each Sold and Unsold Unit Owner, and each Successor of each such Attorney-in-Fact, as provided in Sections 3 and 7 below.

* *Delete where inapplicable.*

TERMS: The terms of this Unit Owner's Power of Attorney are set forth in Sections 1 through 10, which start on the page immediately following the Acknowledgment entitled "Terms of Unit Owner's Power of Attorney".

TABLE OF CONTENTS

Section	Caption	Page
Section 1.	Definitions	3
Section 2.	Unit Owned by Principal	3
Section 3.	Authorization, Appointment and Designation of Agents and Attorneys-in-Fact	3
Section 4.	Power of Substitution	5
Section 5.	Unaffected by Disability or Incompetence	5
Section 6.	Examples of Certain Actions Authorized under Limited Power of Attorney	6
Section 7.	Successor Attorney-In-Fact and Board Members	6
Section 8.	Table of Contents and Headings	6
Section 9.	References	6
Section 10.	Grammar	6

AFFIRMATION AND ATTESTATION: Principal affirms, attests and covenants that this instrument is legal and valid, has been duly authorized by all requisite organizational action, is being duly executed by a duly authorized signatory, and is binding upon and fully enforceable against Principal in accordance with its terms, and may be so relied upon each "Attorney-in-Fact" (as defined and identified in this instrument).

PRINCIPAL:

Signature: _____ _____
[Name of Principal]

Name: _____ By: _____
[Name of Principal's General Partner or Manager/Member]

Signature: _____ _____
[Print Name of Signatory]

Name: _____ _____
[Title of Signatory]

© 2006 Alan L. Kazlow, Esq.
Seyfarth Shaw LLP
All rights reserved.

ACKNOWLEDGMENT

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

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

_____
Notary Public

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

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

_____
Notary Public

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

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

_____
Notary Public

TERMS OF UNIT OWNER'S POWER OF ATTORNEY

Section 1. **Definitions**

1.1 The following terms are frequently used in this instrument and will have the respective meanings given to them:

"**Building**": The building known by the street address for the Residential Units of 515 West 23rd Street (a/k/a 515 and 517 West 23rd Street), New York, New York 10011.

"**By-Laws**": The By-Laws of the Condominium set forth as EXHIBIT D to, and recorded together with, the Declaration, as such By-Laws or a provision thereof may be amended from time-to-time in accordance with its provisions.

"**Condominium**": The condominium which is the subject of the Declaration, known as High Line 23 Condominium, and established on the Property by the filing and recording of the Declaration, the By-Laws and the Floor Plans of the Condominium.

"**Declarant**" or "**Sponsor**": 23 Highline LLC. All references herein to "Sponsor" also shall include an Unsold Unit Owner, whether or not so expressly stated.

"**Declaration**": The instrument entitled "Declaration of Condominium Establishing a Plan for Condominium Ownership of the Premises known as and by the street number for the Residential Units of 515 West 23rd Street (a/k/a 515 and 517 West 23rd Street), New York, New York 10011 and executed by 23 Highline LLC, as Declarant, and recorded in the New York County Office of the Register of the City of New York on _____, 200__ in CRFN #_____, thereby establishing a condominium regime of ownership of the Property under Article 9-B of the Real Property Law of the State of New York, as such Declaration may be amended from time to time in accordance with its provisions by a duly executed and recorded instrument.

"**Land**": The parcel of land on which the Building is located and more particularly described in EXHIBIT A to the Declaration.

"**Property**": The Land and Building and all other improvements on or under the Land.

"**Tax Map**": The Tax Map of the Real Property Assessment Department of The City of New York for the Borough of Manhattan, County of New York, in the State of New York.

"**Unit**" or "**Principal's Unit**": The Unit of the Condominium owned by Principal and more particularly identified in the preamble of this Unit Owner's Power of Attorney.

The words and terms defined in the Declaration (including EXHIBIT C thereof) and the By-Laws that are used herein without express definition shall have the same meanings given to them in said instruments.

Section 2. **Unit Owned by Principal**

2.1 Principal is the owner of record of fee title interest in the Unit of the Condominium. The Unit and its Tax Lot identified in the preamble of this Unit Owner's Power of Attorney correspond to the designation of the Unit in the Declaration and on the Floor Plans of the Condominium ("**Floor Plans**") filed with the Real Property Assessment Department of The City of New York and the designation of the Tax Lot of the Unit in Section 3, Block 695 on the Tax Map of the Borough of Manhattan of said Real Property Assessment Department and on said Floor Plans.

Section 3. **Authorization, Appointment and Designation of Agents and Attorneys-in-Fact**

3.1 Principal hereby confirms all powers of attorney deemed to have been granted and given by Principal under the Declaration and By-Laws and, in furtherance thereof, Principal reaffirms same, including (without limitation) those set forth below.

3.2. With the intention to constitute a durable limited power of attorney, Principal does hereby irrevocably authorize, appoint and designate each of the following (each, an "**Attorney-in-Fact**") as agent and Attorney-in-Fact of Principal, "coupled with an interest" and for valuable consideration, with full power of substitution, to act on behalf and as agent of Principal and in the name, place and stead of the Principal in any way which the Principal could do if personally present, to the full extent that Principal is permitted by law to act through an agent, with respect only to all of those matters, transactions and Dispositions stated in the Declaration or By-Laws that each such Attorney-in-Fact has the authority or power to do or perform on behalf and as agent of Principal, including (but not limited to) the following:

(a) each Unit Owner (including Sponsor and the Retail Unit Owner) and the individuals who shall from time-to-time constitute the members of the Condominium Board (in their capacity as Board Members), severally, as agent and Attorney-in-Fact of Principal, having the right, power and authority to amend the Condominium Documents in accordance with Article 22 of the Declaration and Article 22 of the By-Laws, including an Amendment to reflect a Unit Change of a Unit owned by the applicable Attorney-in-Fact in accordance with Article 13 of the Declaration;

(b) the Sponsor and the individuals who shall from time to time constitute the Condominium Board (in their capacity as Board Members), severally, as agent and Attorney-in-Fact of Principal, having the right, power and authority to grant Utility Easements and Rights and Additional Utility Easements/Rights in accordance with Section 11.11 of the Declaration, or to record a correction Declaration in accordance with Section 21.6 of the Declaration;

(c) the Sponsor, each and every Unsold Unit Owner, the tenants of an Unsold Unit, the Retail Unit Owner and other Persons who are so expressly authorized by Declarant or an Unsold Unit Owner, severally, as agent and Attorney-in-Fact of Principal, having the right, power and authority to erect and install Communications Equipment and Other Installations on, along and in portions of the Common Elements, and to thereafter inspect use, lease, license, Operate, Repair and Alter same thereon and therein, all as set forth in Section 11.14 of the Declaration; and

(d) the individuals who shall from time-to-time constitute the Condominium Board, in their capacity as Board Members and by resolution of a majority of the then existing Board Members or Residential Board Members attending a duly constituted Board meeting at which a quorum is present or by resolution of the Commercial Board Member (as applicable and as provided in the Declaration or By-Laws), as agent and Attorney-in-Fact of Principal, having the right, power and authority to do the following in the name of the Condominium Board or in the name of Condominium Board's nominee or designee, corporate or otherwise (where applicable and provided in the Declaration or By-Laws):

(d-1) the right, power and authority to exercise, perform, give, grant, delegate and withhold the powers, rights, licenses, easements, leases, subleases, concessions, mortgages, deeds, security interests, collateral, Government Documents, Litigation Documents, instruments, approvals, consents, discretions and judgments expressly authorized in the Condominium Documents (as each may be amended from time-to-time) to be exercised, performed, given, granted, delegated and withheld by the Condominium Board on behalf and as agent of all or certain Unit Owners (as applicable), including in particular (but not limited to) the following rights, powers and authority:

(d-1.1) the right, power and authority to acquire or lease in the name of the Condominium Board or its nominee or designee, corporate or otherwise, on behalf of only the Residential and Storage Unit Owners, any Sold Residential Unit and/or Sold Storage Unit, together with its appurtenant Common Interest(s), from any Sold Residential Unit Owner and/or Sold Storage Unit Owner desiring to sell, convey, transfer, assign or lease the same in accordance with the Match Offer Right or Right of First Refusal (as provided in the By-Laws), upon such terms and conditions as shall be approved by the Board, in its sole discretion, but subject to obtaining the approval of a majority in Common Interest of those Residential and Storage Unit Owners attending a duly constituted meeting of such Unit Owners called for such purpose, at which a quorum is present;

Unit Owners called for such purpose, at which a quorum is present;

(d-1.2) the right, power and authority to acquire in the name of the Condominium Board or its nominee or designee, corporate or otherwise, on behalf of Unit Owners, any Unit, together with its appurtenant Common Interest, whose Owner elects to surrender the same pursuant to subsection 8.11 of the By-Laws;

(d-1.3) the right, power and authority to acquire in the name of the Condominium Board or its nominee or designee, corporate or otherwise, on behalf of all or certain Unit Owners (as applicable), any Unit, together with its appurtenant Common Interest, and other real property, whether at a sale following a foreclosure of the lien for unpaid Common Charges pursuant to the By-Laws and Section 339-aa of the Condominium Act, or to so acquire and purchase a Unit and its appurtenant Common Interest by deed given in lieu of such foreclosure, or otherwise, and in any such case upon such terms and conditions as shall be approved by the Board in its sole discretion; and

(d-1.4) (after any such acquisition or leasing pursuant to the preceding clause (d-1.1), (d-1.2) or (d-1.3), as applicable) the right, power and authority to convey, sell, lease, mortgage and otherwise deal with (but not vote the interest appurtenant thereto) any such Unit so acquired or purchased by the Board or its nominee or designee, or to sublease any Unit so leased by the Board or its nominee or designee, without the necessity of further authorization by the said Unit Owners, on such terms as the attorneys-in-fact may determine;

(d-2) the right, power and authority to execute, acknowledge, deliver and, if necessary, record any application, document, declaration or other instrument, or any Amendment thereto, affecting:

(d-2.1) the Condominium Association, the Property, the Common Elements or the Association's Properties, or a portion thereof, that the Condominium Board deems necessary or appropriate or is required to so do under the Declaration or the By-Laws in connection with the following: (a) to comply with any Law (including a zoning resolution or variance, or a requirement of a Governmental Authority, such as the Department of Buildings, the City Planning Commission or the Board of Standards and Appeals); or (b) to permit or facilitate the Use and Enjoyment of all or part of the Common Elements or the Association's Properties or the Units by their respective Owners or Permitted Tenants/Occupants/Invitees of Units in accordance with the Condominium Documents; or

(d-2.2) a Unit (including a Sponsor Unit, an Unsold Unit or the Retail Unit) or (if established) its appurtenant Individual Limited Common Element that the Owner of such Unit requests, if required by the Declaration or the By-Laws or if deemed appropriate by said Attorney-in-Fact in its sole and absolute discretion.

Section 4. **Power of Substitution**

4.1 The power of substitution in the foregoing limited power of attorney in Section 3 includes the full and unqualified authority of each Attorney-in-Fact to delegate any or all of the foregoing powers given or conferred upon such Attorney-in-Fact in Section 3 to any person or persons whom such Attorney-in-Fact shall select.

Section 5. **Unaffected by Disability or Incompetence**

5.1 The limited power of attorney in Section 3 shall be a durable power of attorney and shall not be affected by the subsequent disability or incompetence of the Principal.

Section 6. **Examples of Certain Actions Authorized under Limited Power of Attorney**

6.1 The actions authorized by Principal to be performed by the Condominium Board as Attorney-in-Fact of Principal pursuant to Section 3 include all of the specific powers and duties enumerated in the By-Laws in Section 2.4 thereof.

Section 7. **Successor Attorney-In-Fact and Board Members**

7.1 Principal hereby irrevocably gives to, and confers upon, each of the following ("**Successor Attorney-in-Fact**") all of the powers herein given to, and conferred upon, Sponsor and each Unit Owner (including a Sold or Unsold Unit Owner or the Retail Unit Owners):

(a) a "successor in interest" of Sponsor or such Unit Owner (as applicable), and each and every successive successor in interest thereof;

(b) a "Designee" of Sponsor or an Unsold Unit Owner or the Retail Unit Owner (as applicable) with respect only to those of these powers that are so delegated to such Designee and each and every successive successor in interest thereof; and

(c) an "Involuntary Transferee" of each of the foregoing and a successor in interest of such Involuntary Transferee and each and every successive successor in interest thereof.

The quoted terms in the preceding clauses (a), (b) and (c) are defined in Article 28 of the Declaration.

7.2 The designation and appointment of Declarant or an Unsold Unit Owner or the Retail Unit Owner or a Sold Unit Owner and each Successor Attorney-in-Fact as an Attorney-in-Fact of Principal pursuant to Section 3 and Section 7.1, respectively, shall remain in full force and effect until (but not after) Sponsor or the Person who owns an Unsold Unit or the Retail Unit or a Sold Unit (as applicable) or said Successor Attorney-in-Fact, as applicable, ceases to own any Unit of the Condominium.

7.3 The designation and appointment of the Board Members (in their capacity as Board Members) as Attorney-in-Fact of Principal pursuant to Section 3 shall apply to, inure to the benefit of, and shall be exercisable and enforceable by each and every individual who shall from time to time constitute a member of the Condominium Board, in such individual's capacity as a Board Member.

Section 8. **Table of Contents and Headings**

8.1 The Table of Contents and Section headings in this instrument are for convenience and reference only and do not, and shall not be construed to, affect the meaning or interpretation of any provision of this instrument.

Section 9. **References**

9.1 The words "Section", "paragraph" and "clause" or similar words refer to a Section, paragraph and clause of this instrument, unless otherwise expressly stated. Similarly, the words "hereof", "herein", "above", "below" and similar terms mean this instrument.

Section 10. **Grammar**

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

END OF UNIT OWNER'S POWER OF ATTORNEY

UNIT OWNER'S POWER OF ATTORNEY

FROM

Principal: _____

_____

TO

Attorney-in-Fact: **BOARD OF MANAGERS OF HIGH LINE 23 CONDOMINIUM**

AND

Attorney-in-Fact: **23 HIGHLINE LLC**

AND

Attorney-in-Fact: **THE RETAIL UNIT OWNER, EACH AUTHORIZED FIRST SOLD RESIDENTIAL UNIT OWNER AND EACH SOLD AND UNSOLD UNIT OWNER**

Attorney-in-Fact: **EACH SUCCESSOR OF EACH SUCH ATTORNEY-IN-FACT**

Condominium: **HIGH LINE 23 CONDOMINIUM**

Address of Condominium Property: **515 WEST 23RD STREET (A/K/A 515 AND 517 WEST 23RD STREET) NEW YORK, NEW YORK 10011**

Principal's Unit: **[Residential] [Storage] * Unit No. _____**

County: New York
Section: 3
Block: 695
Lot: _____

* *Delete where inapplicable.*

RECORD AND RETURN TO:

Law Offices of
Seyfarth Shaw LLP
620 Eighth Avenue
New York, New York 10018
Attention: Alan L. Kazlow, Esq.

DOCUMENT 3
CONDOMINIUM UNIT DEED

THIS INDENTURE, made the ____ day of _____, 200_, between:

23 HIGHLINE LLC, a New York limited liability company, having an office at c/o Alf Naman Real Estate Advisors Ltd., 460 Park Avenue, Floor 22, New York, New York 10022 (the "**Grantor**");

and

_____

_____

having an address at _____
(the "**Grantee**").

W I T N E S S E T H:

That the Grantor, in consideration of Ten and 00/100 Dollars ($10.00) and other good and valuable consideration paid by the Grantee, the receipt and sufficiency of which are hereby acknowledged, does hereby grant and release unto the Grantee, the heirs or successors and assigns of the Grantee, forever:

the condominium Unit (the "**Unit**") in the building (the "**Building**") known as High Line 23 Condominium (the "**Condominium**") and by the street number for residential units of 515 West 23rd Street, in the Borough of Manhattan and the City, County and State of New York, said Unit being designated and described as [Residential] [Storage] * Unit No. _____ in that certain declaration dated _____, 200__, made by Grantor pursuant to Article 9-B of the Real Property Law of the State of New York (the "**Condominium Act**") establishing a plan for condominium ownership of the Building and the land (the "**Land**") upon which the Building is situated (which Land is more particularly described in EXHIBIT A annexed hereto and by this reference made a part hereof), which declaration was recorded in the New York County Office of the Register of The City of New York (the "**City Register's Office**") on _____, 200__, CRFN # _____ (such declaration and, if amended, the amendments thereto set forth on EXHIBIT B annexed hereto and by this reference made a part hereof are hereinafter collectively referred to as the "**Declaration**"); this Unit also being designated as Tax Lot _____ in Section 3, Block 695 on the Tax Map of the Real Property Assessment Department of The City of New York for the Borough of Manhattan and County of New York and on the "**Floor Plans**" of the Building, certified by Gruzen Samton Architects LLP, on _____, 200__, and filed with the Real Property Assessment Department of The City of New York on _____, 200_, as Condominium Plan No. ____ and also filed in the City Register's Office on _____, 200__, as Map No. ____;

* Delete where inapplicable.

together with an undivided _____% interest in the Common Elements of the Condominium;

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

together with all right, title and interest, if any, of Grantor in and to all strips and gores adjacent to the Land described in EXHIBIT A hereto, and easements, if any, appurtenant thereto;

together with, and subject to, the rights, power, duties, obligations, easements, licenses, requirements, burdens, encroachments, limitations, restrictions (including those with respect to permitted use, occupancy and Disposition of the Unit) and other provisions set forth in, or permitted by, the Declaration, Floor Plans and the by-laws (including the Rules and Regulations appended thereto) of the Condominium, as each may be duly amended from time to time (said by-laws and, if amended, the amendments thereto set forth on EXHIBIT B hereto are hereinafter collectively called the "**By-Laws**"), all of which shall constitute covenants running with the Land and shall bind any Person having at any time any interest or estate in the Unit, as though recited and stipulated at length herein; and

subject also to all exceptions to title and to such other liens, agreements, covenants, easements, restrictions, declarations, consents and other matters of record or set forth in the Condominium Offering Plan for High Line 23 Condominium as pertain to the Unit, to the Land and/or to the Building (the Land and Building are hereinafter collectively called the "**Property**");

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

The words and terms defined in the Declaration or the By-Laws of the Condominium that are used herein without express definition shall have the same meanings given to them in said instruments.

If any provision of the Declaration or the By-Laws is invalid under, or would cause the Declaration or the By-Laws to be insufficient to submit the Property to, the provisions of the Condominium Act, or otherwise fails to comply with the Condominium Act, or if any provision that is necessary to cause the Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from the Declaration or the By-Laws, the applicable provisions of Article 21 of the Declaration shall control.

Except as otherwise expressly permitted by the Condominium Board or provided in the Declaration or the By-Laws, if the Unit is a Residential Unit, the Unit is intended for use only as a dwelling; or if the Unit is a Storage Unit, the Unit is intended for use only for accessory storage.

The Grantor covenants that the Grantor has not done or suffered anything whereby the Unit has been encumbered in any manner whatever, except as aforesaid. This covenant is for the personal benefit of Grantee only and cannot be assigned to, or enforced or exercised by, and shall not inure to the benefit of, anyone else, including (but not limited to) any insurer of Grantee's title or any successor of Grantee's interest. In the event of any breach of these covenants, Grantee shall first seek recovery against Grantee's title insurance company (if any) and Grantor's liability hereunder shall be limited to the extent only that Grantee's loss or damage is not insured by

Grantee's title insurer. In the event that Grantee shall elect not to purchase title insurance, then the liability of Grantor shall be limited to the extent only that any loss or damage would not have been covered by the title insurance that was available to Grantee as of the date of this conveyance. The terms of any marked-up title binder issued by any title insurer that is a member of the New York Board of Title Underwriters in connection with any unit in the Building shall be conclusive evidence against Grantee of the title insurance coverage that was available to Grantee as of the date of this conveyance.

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

By accepting this deed, the Grantee accepts and ratifies the provisions of the Declaration and the By-Laws (and the Rules and Regulations appended thereto, as same may be duly amended from time to time) and agrees to comply with all the terms and provisions thereof.

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

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

SIGNATURE PAGE FOLLOWS

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

GRANTOR:

23 HIGHLINE LLC
By: Alf Naman Real Estate Advisors Ltd.,
Managing Member
By:

Signature: _____

Name: Alf Naman

Title: President

GRANTEE:

Signature: _____

Name: _____

Signature: _____

Name: _____

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

On the ____ day of _____, 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 whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

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

On the ____ day of _____, 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 whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

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

On the ____ day of _____, 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 whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

EXHIBIT A

TO

CONDOMINIUM UNIT DEED

ALL THAT CERTAIN PLOT, PIECE OR PARCEL OF LAND, SITUATE, LYING AND BEING IN THE BOROUGH OF MANHATTAN AND COUNTY OF NEW YORK, CITY AND STATE OF NEW YORK, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING at a point on the northerly side of West 23rd Street distant 136 feet 6 inches westerly from the corner formed by the intersection of the northerly side of West 23rd Street and the westerly side of 10th Avenue;

RUNNING THENCE westerly along the northerly side of West 23rd Street, 38 feet 6 inches;

THENCE northerly, parallel with 10th Avenue, 98 feet 8 inches to the center line of the block;

THENCE easterly, along said center line of the block 38 feet 6 inches;

THENCE southerly, again parallel with 10th Avenue, 98 feet 8 inches to the northerly side of West 23rd Street, the point or place of BEGINNING.

The premises are known as 515 West 23rd Street (a/k/a 515 and 517 West 23rd Street), New York, New York.

END OF EXHIBIT A

CONDOMINIUM UNIT DEED

GRANTOR: **23 HIGHLINE LLC**

TO

GRANTEE: _____

_____

CONDOMINIUM: **High Line 23 Condominium**

BUILDING: **515 West 23rd Street**
New York, New York 10025

PREMISES: **[Residential] [Storage] ***
Unit No. _____
* Delete where inapplicable.

County: New York
Section: 3
Block: 695
Lot: _____

Record and Return to:

_____

_____

_____

_____

CONDOMINIUM UNIT DEED

GRANTOR: **23 HIGHLINE LLC**

TO

GRANTEE: _____

_____

CONDOMINIUM: **High Line 23 Condominium**

BUILDING: **515 West 23rd Street**
New York, New York 10025

PREMISES: **[Residential] [Storage] ***
Unit No. _____
* Delete where inapplicable.

County: New York
Section: 3
Block: 695
Lot: _____

Record and Return to:

_____

_____

_____

_____

Description of Property and Specifications of Building Condition

The report is based in part on plans prepared by Neil M. Denari Architects dated July 12th, 2007.

(a) Location and use of property:

(1) Address: Retail Unit: 515A West 23rd Street New York NY.
Residential Units: 515 West 23rd Street New York NY.

(2) Block and lot number: Block 695 Lot 27

(3) Zoning: C6-2A & C6-3A & Special West Chelsea District

(4) Permissible use.
Primary Use: Residential
First Floor (Partial): Retail

(b) Status of construction:

(1) Year built: Construction to begin in the Summer of 2007

(2) Class of construction:
The building will be classified as Construction Class 1C (Non-Combustible) and shall be designed to conform with all applicable regulations of the Building Code of the City of New York ("Building Code").

(3) Certificate of Occupancy, type and number:
The Sponsor will file plans with the Department of Buildings for a mixed-use building of 11 Residential Units and 1 Retail Unit. Upon completion of construction the Sponsor shall obtain a New Certificate of Occupancy for eleven (11) Class A dwelling units on the second through Penthouse (14th) floors as well as one (1) Retail Unit. The Sponsor will obtain a temporary or permanent Certificate of Occupancy for the building prior to the first closing of a Residential Unit. A more complete description of each Unit exists in Section V. The Temporary Certificate of Occupancy will be issued upon inspection and approvals. Final Certificate of Occupancy to be issued upon completion of all required work and approvals.

(4) Permits and Certificates: The building will be constructed under a New Building Permit.
Controlled Inspections and responsible Parties will be as follows:

Borings/Test Pits:	Langan Engineering & Environmental Services, PC
Subgrade:	Langan Engineering & Environmental Services, PC
Underpinning:	Special Testing and Consulting, LLC
Shoring:	Special Testing and Consulting, LLC
Fire stop:	Special Testing and Consulting, LLC
HVAC:	ADS Engineers
Curtain / Panel wall:	Not assigned yet

Fireproofing:	Special Testing and Consulting, LLC
Concrete:	Special Testing and Consulting, LLC
Concrete design mix:	Special Testing and Consulting, LLC
Soil compaction:	Special Testing and Consulting, LLC
Struct. steel welding and bolting:	Special Testing and Consulting, LLC
Masonry:	Special Testing and Consulting, LLC
Rebar installation:	Special Testing and Consulting, LLC
Final Inspection:	Not assigned yet

(c) Site: All dimensions in this report are approximate except for the property dimensions.

(1) Size:
The site is rectangular and approximately 38 feet 6 inches by 98 feet 9 inches. The site area is 3,801.875 SF.

(2) Number of buildings and use:
1 Building, Use Group 2 Residential, 11 Residential Units
plus Use Group 6 Retail, 1 Retail Unit.

(3) Streets owned or maintained by the project:
None. Street is maintained by the City of New York.

(4) Drives, sidewalks and ramps:
(i) Paving (material and condition): New concrete paving at public sidewalk as necessary.
(ii) Curbing (material and condition): Existing, to be replaced as necessary during construction.
(iii) Catch basins, drainage: The new concrete sidewalk will be pitched to drain into an existing cast iron catch basin and into the New York City storm drainage system.
(iv) Street lighting: There is a street light on the south side of 23rd Street directly across from the site. There will be no additional street lights installed.
(v) State whether these items are in conformity with local fire district, town or municipal building codes. All items conform.

(d) Utilities:

(1) Water Supply: Potable water is supplied via New York City's Public Water System and master metered.

(2) Sewer: Sanitary and Storm Sewer discharge from building will connect to the public combined storm/sewer system. The City of New York assesses charges for these connections, and these will be paid collectively.

(3) Natural Gas: Gas service shall be supplied via Consolidated Edison's street gas mains for the production of domestic hot water, heating and cooking. There will be two meters. Service will be collectively metered for the Residential Units cooking and domestic hot water. Heating will be separately metered.

(4) Electricity: The building will have various separate electric meters: One for the Retail Unit, and one for the Common Elements. Each residential unit shall be individually metered by the Utility Company. Electrical consumption in the common areas will be measured by the common meter, and the charges for this usage will be paid for collectively by all residential units (as to the residential common elements) or all units (as to the general common elements). The meters will be located in the main electric service room.

(5) Telephone: Telephone, cable and high-speed internet service will be provided by separate service providers. The residential units will be pre-wired for these services but it will be the unit owners' obligation to purchase telephones and arrange for telephone, cable and internet service for the unit. Telephone, high-speed internet connectivity and cable television will be billed individually by the service provider.

(e) Sub-soil conditions:

(1) The geotechnical report titled *Geotechnical Engineering Study, 511 west 23rd Street, New York, N.Y.* dated January 13, 2006 and prepared by Langan Engineering and Environmental Services, PC provided the criteria for the design of the foundation for the building. A subsurface investigation program in accordance with the NYC Building Code was completed in 2005. The investigation consisted of 6 borings drilled to depths of 45 feet to 79 feet below the existing ground surface. The subsurface profile consists of uncontrolled fill extending about 14 feet below the existing grade, underlain by medium dense, fine to medium grained sand with trace silt, and finally bedrock. Organic silt was encountered in the southern portion of the proposed development site at two of the borings. The thickness of the organic silt material was about 5 feet and extended about 18 feet below the grade. The depth to bedrock ranged from 37 feet to 74 feet below the grade.

The groundwater levels at the site were monitored in three observation wells from June 25 to December 27, 2005. The stabilized water level ranged from 6.7 feet to 10.4 feet below the ground surface. The corresponding groundwater elevations ranged from el -1.9 Manhattan Borough Datum (MBD) to el 1.6 MBD.

The natural sand material of Building Code Class 7-65 and Class 8-65 is suitable to support the building loads. The proposed structure can be supported on a continuous raft bearing on the Class 7-65 and Class 8-65 material. Given the cellar finished floor level of el -3.25 MBD and a 3 feet thick mat foundation, up to 4 feet of over excavation should be expected to penetrate through the uncontrolled fill and the organic silt material. The excavated soil should be replaced with controlled compacted fill.

The site lies within Flood Zone B, between the 100-year and 500-year flood limits according to the Flood Insurance Rate Maps published by the Federal Emergency Management Agency. The 100-year flood level is el 7.25 MBD (el 10.0 USGS), which is about the sidewalk grade fronting the West 24th Street. The first floor elevation will be at 1 foot above the 100-year flood level or at el 8.25 MBD. The cellar finished floor level will be 11.5 feet below the first floor level or at el -3.25 MBD. The cellar slab and below grade walls will be fully waterproofed to the ground surface.

(f) Landscaping and enclosures.

(1) Grass cover (type, location): None proposed
(2) Plantings (type, location): Planter provided on terrace of Unit 3
(3) Trees (location): None proposed
(4) Fencing (type, location): None proposed
(5) Gates (type, location): None proposed
(6) Garden walls (type, location): None proposed
(7) Retaining walls (type, location): None proposed
(8) Display pools and fountains (location, materials): None proposed

(g) Building size:

(1) Total height (approximate total feet from ground level to highest part of roof); The building will consists of one below-grade cellar level and fourteen floors above grade (total of 15 floors). It will be 169'-6" from the top of the Screen wall on the Penthouse to the average curb level at the street.
(2) Crawl spaces: None
(3) Number of sub-cellars and cellars: One
(4) Number of floors (actual including penthouses): 14 plus cellar, 15 total.
(5) Equipment rooms:
Cellar Level
Data Room
Electrical Room
Mechanical Rooms
Fire Pump Room
Trash Compactor Room
Roof Level
Cooling Tower
Electrical Room
Elevator Mechanical Room
(6) Parapet.
Parapets will be provided to minimum 3'-6" above the finished roof. A Screen Wall will be provided above the Penthouse Roof.

Elevation	Floor Designation
Residential Floors:	
+11'-7"	2nd (Duplex & Common Space)
+21'-7"	3rd Floor
+31'-7"	4th Floor
+42'-7"	5th Floor
+53'-7"	6th Floor
+64'-7"	7th Floor
+75'-7"	8th Floor
+86'-7"	9th Floor
+97'-7"	10th Floor
+108'-7"	11th Floor
+119'-7"	12th Floor

+131'-2"	13th Floor
+145'-0"	14th Floor

Mechanical Floors

-11'-7"	Cellar

Lobby/ Commercial floor

+0'-0"	1st

(h) Structural system:

The foundation consists of a 3 foot thick full lot mat slab which supports the gravity loads as well as resists the hydrostatic uplift pressure.
The superstructure of the building is comprised of a system of wide-flange and pipe columns that support a topped metal deck concrete floor system. The lateral system for the structure is a combination of steel plate shear walls at the core as well as a perimeter steel pipe braced frame.

(1) Exterior of building:
(I) Walls: Building is new; therefore, Local Law 11 will not apply at the time of Construction. Curtain Wall - System 1 will be a fully multi panelized Steel system. This system is used on the South and North facade and the Southern part of the East facade. System 2 is a rain screen made of stamped stainless steel ~~or aluminum~~ panels with outboard insulation. The overall R-value of the exterior wall assembly will be at least R-13.
(ii) Windows: Operable windows are integral to the Curtain wall (System 1) and are located on the South and North. In addition there are smaller windows on the East facade (System 2).

(2) Parapets and copings:
The parapet at the Penthouse level will consist of the vertical aluminum extensions of the curtain wall assembly. All other parapets will consist of aluminium panels.

(3) Chimneys and caps:
(i.) A refuse chute of heavy gauge steel will be located on every residential floor. It will terminate above the roof per the requirements of the New York City Building Code.
(ii.) The high performance boiler flues will penetrate the roof at the second floor terrace and be enclosed as per the requirements of the New York City Building Code.
(iii.) Residential units 11, 12 and the Penthouse will have wood burning fireplaces and the flues will penetrate the roof in separate stacks and be enclosed as per the requirements of the New York City Building Code.

(4) Balconies and terraces.
A roof terrace will be provided for the Penthouse Unit. The roof terrace will be for the private use of the Penthouse and will be finished with a concrete paver system. A perimeter parapet at height of 3'-6" minimum above finished roof system will be provided.
A roof terrace also will be provided on the second floor for Residential Unit 3. The roof terrace will be for the private use of the second floor Residential Unit and will be finished with a concrete paver system. A perimeter parapet at height of 3'-6" minimum above finished roof system shall be provided.

The door to terrace from Penthouse Unit and second floor Unit will be a thermally broken metal terrace door frame.

No balconies are planned.

(5) Exterior entrances.

The residential lobby will be entered on 23rd Street at grade. The Retail Unit will be entered on 23rd Street at grade. A fire exit door will exist on 23rd Street.

(i) Exterior doors and frames: The residential entry doors and retail entry doors will be balanced glass doors with formed steel frames and laminated safety glass or tempered glass. Doors are to be fitted with concealed shear locks.

The fire exit doors will be 16 gauge hollow metal doors with 14 gauge welded hollow metal frames.

(ii) Exterior stairs: None proposed.

(iii) Railings: None proposed.

(iv) Mail boxes: Mailboxes will be provided within the residential lobby and will be front loaded, U.S. Government approved.

(v) Lighting: Lighting at the residential entry will be recessed and surface mounted, with an emergency circuit as required by the New York City Building Code.

(6) Service entrances.

The service entrance will be located to the east of the main entrance on 23rd Street.

(7) Roof and roof structures.

(a) Material: Roofing will be a fluid applied membrane roof by American Hydrotech, or other manufacturer of roofing of no lesser quality and design. The mechanical rooms will be furnished with a built up roofing system.

(b) Insulation: Roof insulation will be 4" of extruded polystyrene rigid insulation with a minimum compressive strength of 60 psi and an R Value = 20.

(c) Surface finish: On the roof over the Retail Unit there will be pre-cast concrete pavers. On the roof at the second floor and penthouse terrace there will be pre-cast concrete pavers on pedestals.

(d) Bond or guarantee: To be manufacturers standard 20 year warranty.

(e) Flashing materials: Counter flashing material to be stainless steel. Flashing to be polyester reinforced liquid applied membrane flashing.

(ii) Drains:

(a) Roof drains at all levels to be coated cast iron.

(b) unit owner to keep terrace drains free and clear of snow, ice, water accumulation and debris. The Condominium Board has all other responsibility to maintain and repair roof and terrace drainage systems.

(iii) 5 areas within the 2nd floor roof above the retail unit are reserved for potential future skylights. These 5 areas consist of 5 structural openings (approx 18"x 8') with a 6"CMU curb covered by the roofing system.

The retail unit owner, at such owner's sole expense, will be responsible to provide the future skylights, if desired. The future installation of skylights will be conditioned upon not voiding the manufacturer's warrantee for the roof.

(iv) Bulkheads:

(a) Stair and Elevator bulkhead will be aluminum or EIFS clad concrete block.

(v) Metal work at roof levels:

(a) Hatches to roof: One access hatch to the roof of the Retail Unit will be provided.

(vi) Rooftop facilities: individual roof terraces at penthouse and second floor units.

(vii) Plan and Declaration to provide for: (i) an easement on and across the Retail Unit in favor of the condominium board and its Agents, Employees and Contractors in order access such hatch for purposes of inspecting, Maintaining, Repairing and Altering the 2nd floor roof; and (ii) an easement of access on, over and across the 2nd floor roof in favor of the Retail Unit Owner and its Agents, Employees and Contractors in order to install the skylights in the areas specified thereon and thereafter to clean, Maintaining, Repairing and Altering such skylights.

(8) Fire escapes. None

(9) Yard and courts. None provided.

(l0) Interior stairs:
(i) Two Egress stairs in a scissor configuration will serve the residential floors. Stair "A" leads to the cellar level and is connected to an additional stair that leads to the side walk level and out of the building. This additional stair also provides utility access to the cellar. Stair "B" provides egress through the lobby, but also provides access to the cellar from the lobby. One additional interior stair is provided for Unit 3 and the Penthouse Unit.
(ii) Enclosure: The egress stairs will be separated by and enclosed with construction having a two hour fire rating.
(iii) Stair construction: The egress stairs will be pre-cast concrete with integral concrete stringers. The interior stairs at the penthouse and second floor duplex will be pre-cast concrete with integral concrete stringers.
(iv) Guard rails and handrails for the egress stair will be steel pipe. Guard rails and handrails for the interior stairs will be steel pipe and glass.

(11) Interior doors and frames:
(i) Unit entrance and interior doors and frames:
Residential Unit entry doors will be 1-1/2 hour FPSC doors with 16 gauge welded hollow metal frames. Interior doors within the Residential Units will be non-rated solid core wood doors and metal and glass doors.
(ii) Corridor doors and frames: 1-1/2 hour FPSC doors with 16 gauge welded hollow metal frames.
(iii) Roof doors, cellar doors and frames: 1-1/2 hour FPSC doors with 16 gauge welded hollow metal frames.

(12) Elevators. There will be one Elevator. The Specifications are as follows or are to be no less or equal in quality or design:

ELEV. NO.	FLOORS SERVED	SPEED (ft./min)	CAPACITY (LBS/PASS)	MACH. TYPE	DOOR CONFIG.	MANUF./ MODEL NO.
No.1	cellar to 13	350	2500	Overhead	Side Opening	N.A.

(13) Elevator Cabs:
(i) Kind: Regular Overhead Traction Elevator.

(ii) Floor: Terrazzo.
(iii) Walls: Stainless Steel or Acid Etched Glass Panels.
(iv) Ceiling: Stainless Steel Panels.
(v) Lighting; Semi-recessed fixtures.
(vi) Alarm, safety system: none proposed.

(i) Auxiliary facilities:

(1) Laundry rooms. None provided.

(2) Refuse disposal:
(i) Incinerator: None provided.
(ii) Compactor: There will be a new built in trash compactor located in the Cellar. Compactor shall be manufactured by Royal Pak or no less equal in quality or design. The equipment will be a continuous feed extruder/compactor.
(iii) Approvals by authority having jurisdiction: Not applicable.
(iv) Initial storage location: In accordance with all applicable rules and regulations, trash will be stored in the compactor room located in the cellar until it is transferred to the street for pick-up.
(v) Pick-up schedule, and whether public or private provider: Disposal for the Residential units will be provided by the City of New York Department of Sanitation and is collected on scheduled days, weather permitting. The owner of the Retail Unit will be responsible to arrange for private cartage of its trash.

(j) Plumbing and Drainage:

(1) Domestic Water Supply: A six-inch combined service with 4" domestic tap will be provided from the New York City water main on 23rd Street. Domestic service will be provided with water meter and double check valve backflow preventer and feeds a duplex variable speed booster system having a rated capacity of 95 GPM each and providing a minimum pressure at the uppermost floor of 35 psi. Water distribution in the building will be up fed. Branch pressure reducing valves will be provided where pressures exceed 85 psi. Hot water will be produced by duplex gas fired storage tanks in the cellar and will upfeed parallel with cold water to all Residential Units, Common Elements and Retail Unit. Each heater will be constructed of nickel plated steel with insulated jacket, and is sized for 60% of the total load. Capacity of each heater is 250 gallons, 450 gallons per hour at 100 degree rise. PVI Model 560N 250A-PV. Hot water temperature will be maintained with a hot water recirculation system consisting of (1) 1" riser. Each hot water riser will connect to the return riser through a balancing rig consisting of a ball valve, check valve, and balancing valve. Above ground domestic cold water piping 3" and smaller and all hot water piping specifications are to be seamless drawn or extruded copper tubing type "L" hard temper ASTM B-88. Fittings are to be wrought copper or cast bronze, brazing type. Joints shall be made with a brazing alloy (95/5) consisting of copper, silver and phosphorus or Victaulic type.

(2) Fire Protection System:
(i.) Standpipes:
Combined Sprinkler/Standpipe: A six-inch steel combined riser will be located in the

egress stair with a 2-1/2" valved outlet on each floor. Supply will be from a 500 gpm fire pump taking suction from the 6" fire service.

(ii.) Hose racks, hoses and nozzles: Hoses will be in a locked fire hose cabinet located on the first floor level in the Lobby.

(iii.) Sprinklers heads: The building will be fully sprinklered by a hydraulically calculated wet pipe type system designed for light hazard occupancy, including the cellar and all residential and retail areas. The Residential Unit sprinklers will be supplied from connections to the 6" combined riser noted above. All floors will be provided with a floor control assembly including valve with tamper switch, water flow sensor, drain and test connection. Sprinklers will be residential frangible glass type, except in storage areas.

(iv.) Siamese connections: The building will have one 3" x 3" x 6" Siamese connection located on 23rd Street, as required by the New York City Building Code.

(3) Water Storage Tank(s) and enclosures: Not applicable.

(4) Water pressure and how maintained: See item one (1) above.

(5) Sanitary Sewage System:

(i) Sewage piping: Compression joint cast iron piping will be provided for underground piping. Above ground piping will be hubless cast iron.

(ii) Sewage pumps: A duplex cutter type sewage ejector, having a minimum rated capacity of 70 GPM will service the sanitary fixtures and floor drains that are below the house sewer level.

(iii) Sewage disposal: The house sewer will discharge into a sanitary house trap connected to the New York City sewer system.

(6) Permits Required: All applications for permits required for sewer, water and fire service connections as well as the backflow prevention device will be filed with the appropriate agencies of the City of New York.

(7) Storm Drainage System:

(i) Roof drains: Roof drains will be connected to no-hub cast iron piping, which will connect to the house trap which discharges into the NYC sewer system.

(ii) Piping: Upper floors (2-Penthouse) will be hubless cast iron piping. Leaders below the 2nd Floor will be compression joint.

(iii) Elevator sump pump: Elevator pit will be provided with ½ hp pump connected to gravity storm system.

(k) Heating:

The entire building will be served by a central boiler plant located in the cellar. The plant will provide hot water for perimeter radiation and water-source heat pump loop. The plant will consist of two (2) gas-fired boilers, shell and tube heat exchanger and hot water pumps. Hot water pumps will be provided with a variable speed pumping system for energy conservation. In addition to perimeter radiation and the heat pump loop, hot water will also be distributed to miscellaneous cabinet and unit heaters and hot water heating coils. Each Residential Unit on floors 2 through Penthouse will be heated by perimeter hot water radiation and individual heat pump units. Perimeter radiation will be the primary source of heat and is controlled by self-contained thermostatic control valves. The Retail Unit will be provided with valved & capped hot water & condenser

water outlets for future connection of heating, ventilation and air conditioning equipment by the retail unit owner or its tenant's. The retail unit owner will be responsible for purchase and installation of such systems. The Residential Common Elements will have individual heat pump units. The General Common elements will have individual heat pump units. The heating system has been designed around the following parameters:

Winter Design Conditions:
Outside: 5° F
Inside: 70° F; 35% RH

(i) Plan and Declaration to provide for: (i) an easement on and across the terrace of Unit 3 in favor of the condominium board and its Agents, Employees and Contractors and the Retail Unit Owner in order to access ventilation hatches and other mechanical eqipment for purposes of inspecting, Maintaining and Repairing

(l) Gas Supply:

(1) Type: The building will be provided with gas service for gas cooking, domestic water heating, boilers and make-up air heating.

(2) Meters: Two meters will be provided. One meter is for domestic cooking, and water heating. The other meter is for heating.

(3) Piping: Black iron, schedule 40 with malleable fittings.

(4) Booster: A centrifugal gas booster sized for 150% of the total load will be provided to increase the supply pressure to the mechanical equipment. Capacity will be 5500 cfh at 10" wc, similar to Eclipse Model HBLC ¾ or no less equal in quality and design.

(m) Air Conditioning:

(1) Air conditioning will be provided by a water-source heat pump system. Each Residential Unit on floors 2 through PH will be air-conditioned by independent water-source heat pump units. The Residential Common Elements will be air-conditioned by independent water-source heat pump units. The General Common Elements will be air-conditioned by independent water-source heat pump units. The Retail Unit will be provided with valved & capped hot water & condenser water outlets for future connection by tenant to tenant's HVAC equipment.

The entire system has been designed around the following parameters:
Summer Design Conditions
Outside: 89° F db, 73° F wb
Inside: 75° F db, 50% RH

(2) Condenser water for the water-source heat pump system will be provided by a cooling tower located on the Roof and condenser water pumps to be located in the cellar. Both cooling tower and condenser water pumps will be provided with

variable speed drives for capacity control and energy conservation. Condenser water is also to be distributed to miscellaneous air conditioning units serving equipment rooms.

(3) Individual units covered by the offer: Each Residential Unit on floors 2 through PH will be heated, ventilated and air-conditioned by independent water-source vertical heat pump units. The units will provide a secondary source of heat to supplement the perimeter heating system. Heat pump units will be controlled by programmable thermostats with remote sensors. The heat pump units will be manufactured by Climate Master or no less equal in quality and design. Model numbers, nominal capacities and locations are as shown in the following schedule, or no less equal in quality and design. During the course of design, the heat pump units may be combined or reconfigured to provide equal or more capacity than scheduled.

Residential Unit	Vertical Stack Unit (Model TRM or equal)	High Performance Horizontal Unit (Model TTH or equal)	Unit Total (Tons)
3	1 @ 0.75 Tons 2 @ 2.0 Tons 1 @ 2.5 Tons		7.25 Tons
4	1 @ 0.75 Tons 1 @ 1.5 Tons 1 @ 2.0 Tons 1 @ 2.5 Tons		6.25 Tons
5	1 @ 1.25 Tons 1 @ 1.5 Tons 1 @ 2.0 Tons 1 @ 3.0 Tons		7.75 Tons
6	1 @ 1.25 Tons 1 @ 1.5 Tons 2 @ 3.0 Tons		8.75 Tons
7	1 @ 1.25 Tons 1 @ 1.5 Tons 2 @ 3.0 Tons		8.75 Tons
8	1 @ 1.25 Tons 1 @ 1.5 Tons 2 @ 3.0 Tons		8.75 Tons
9	1 @ 1.25 Tons 1 @ 1.5 Tons 2 @ 3.0 Tons		8.75 Tons
10	1 @ 1.25 Tons 1 @ 1.5 Tons 2 @ 3 Tons		8.75 Tons
11	1 @ 1.25 Tons 1 @ 2.0 Tons 2 @ 3 Tons		9.25 Tons
12	1 @ 1.25 Tons 1 @ 2.0 Tons 2 @ 3 Tons		9.25 Tons
PH	1 @ 1.25 Tons 1 @ 2 Tons 2 @ 3 Tons	1 @ 5 tons	14.25 Tons

Make-up Air for Floors 2 through PH will be heated and air-conditioned by a single gas-fired make-up air unit with cooling coil located on the Roof. Unit will be AAON or equal (315 MBH Heating/ 20 Tons Cooling). The HVAC unit will be controlled by a discharge air thermostat, reset by a remote space mounted temperature sensor.

Ground Floor Lobby will be heated, ventilated and air-conditioned by a single water-source heat pump unit, ClimateMaster Model TTV-064 or no less equal in quality and design (5 Tons cooling / 88 MBH heating). The heat pump unit will be controlled by programmable thermostat with remote space mounted temperature sensor.

Exercise Room, Recreational Area and Library will be heated, ventilated and air conditioned by a vertical package water-source heat pump unit, ClimateMaster Model TTV-038 or no less equal in quality and design (2.7 Tons/ 56.3 MBH heating); and a vertical stack water-source heat pump unit, ClimateMaster Model TRM18 or no less equal in quality and design (1.4 Tons/26.3 MBH heating). The heat pump units will be controlled by programmable thermostat with remote space mounted temperature sensors.

Super's Office will be heated and air conditioned by a horizontal package water-source heat pump unit, ClimateMaster Model GRH-009 or no less equal in quality and design (0.64 Tons/11.5 MBH). The heat pump unit will be controlled by programmable thermostat.

Electrical Room will be heated and air conditioned by a horizontal package water-source heat pump unit, ClimateMaster Model GRH-006 or no less equal in quality and design (0.5 Tons/7.7 MBH). The heat pump unit will be controlled by programmable thermostat.

Elevator machine room and Data room will be heated and air-conditioned by console-type heat pump units located within the space. The units will be controlled by integral thermostat.

(n) Ventilation:

All heating, ventilation and air conditioning systems will be New York City Building Code and New York State Energy Code compliant.

All Residential Unit toilets and kitchen range hoods will be ventilated by independent central exhaust systems consisting of roof mounted exhaust fan and distribution ductwork.

All mechanical equipment rooms and residential storage will be ventilated by a general exhaust system. Make-up air will be provided by a heating and ventilating unit with gas fired furnace.

Trash Compactor Room will be ventilated by a combined exhaust system, including a roof mounted exhaust fan and distribution ductwork.

(o) Electrical System:

(1) Service from main switchgear: A new electric service will be provided by the Consolidated Edison Co. at 120/208 volts, 3 phase, 4 wire. New three (3) phase, four (4) wire Utility Company meters will be installed for each Residential Unit. In addition, one separate utility meter will be provided for all residential common area loads, and one separate utility meter for the Retail Unit.

(2) Service to individual Residential Units:
All electric panels, circuits, feeders, etc. serving the Residential Units are to be new. The new electric service to the Residential Units is adequate for modern usage including air conditioning, dishwasher and laundry equipment. The following schedule indicates Residential Unit fuse size in amperes and the quantity of circuits for each Residential Unit.

Residential Unit	Residential Unit Fuse Size Not Less Than (Amperes)	Residential Unit Quantity of Active Circuits Not Less Than
3	175	30
4	150	26
5	150	28
6	175	28
7	175	32
8	175	32
9	175	32
10	175	32
11	175	32
12	175	32
PH	250	36

(3) Unit service:
The equipment will be rated to comply with New York City Code and will take into account all equipment to be provided in Residential Units, such as washing machines, clothes dryers, dishwashers, microwaves, etc.

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

(1) Telephone services will enter the building from 23rd Street and be fed to a telephone room located on the cellar level. It will then be distributed throughout the building through risers and sleeves. Each residential unit will receive telephone services to a closet within the unit.
(2) Intercommunication between the Residential Units, the lobby desk and the front door will be through the building's telephone base intercom system utilizing the individual unit owner's phone.
(3) Closed circuit television cameras will monitor the main entrance, the lobby and the entrance to the elevator and separate monitors will be provided at the lobby desk and

each Residential Unit entry.

(4) The building will be pre-wired for cable TV and high speed internet systems. Each Residential Unit will be provided jacks in the living room, kitchen and bedrooms.

(q) Public area lighting:

(1) Lighting will be provided in the entrance vestibule, public lobby, recreation space, egress stairs and elevator. Lights will be wired to the common house panel.

(2) Emergency lighting will be provided in all public areas as required by the NYC Building Code.

(3) The main residential entrance will be lit by recessed light fixtures.

(r) Garages and parking areas: The building is exempt from NYC requirements for parking; no parking will be provided.

(s) Tennis courts, playgrounds and recreation facilities:

(1) Tennis courts: None

(2) Playgrounds: None

(3) Other recreation facilities: A recreation space will be provided on the second floor which will include a unisex toilet room.

(t) Permits and certificates:
Numerous permit filings shall be obtained by the Sponsor: Department of Transportation Builders Pavement Plan; Department of Environmental Protection – sewer connection plan; Fire Department of NY – permit for fire alarm system removal and new sprinkler system installation; Con Edison – gas and water service connections. Certificates for the following systems, if required, will be obtained by the Sponsor and Contractor prior to the receipt of the Certificate of Occupancy:

(1) Elevator Inspection for modernized and new elevators.

(2) Sprinkler system by sprinkler maintenance company.

(u) Violations. There are no violations since it is a new Building.

(v) Unit information:

A total of 11 Residential Units will be constructed on floors two through the Penthouse level. There will be one Residential Unit per floor, except Residential Units 3 and Penthouse will be duplex units. Residential Units 7, 11, 12 and the Penthouse lower level will have a combined living/dining room. Each bedroom, living room, dining room, study and combined living/dining room is counted as one room. Kitchens are not counted as a room. Each bathroom with a shower and/or tub is one (1) bathroom and is counted as a half bathroom if it does not contain either a shower or a tub.

UNIT NUMBER	BATHROOMS	TOTAL NUMBER OF ROOMS	ESTIMATED INDOOR UNIT SQUARE FOOTAGE	ESTIMATED TERRACE SF
3 Lower Level	.5		494	797
3 Upper Level	2	4	1552	
4	2	4	1869	
5	2	4	2104	
6	3	5	2297	
7	3	4	2511	
8	3	4	2511	
9	3	4	2511	
10	3	4	2511	
11	3	4	2571	
12	3	4	2622	
Penthouse Lower Level	2.5	~~5~~ 4	2561	
Penthouse Upper Level	1	1	1025	1237

COMMERCIAL UNITS: UNIT NUMBER	DESCRIPTION	ESTIMATED SF
RETAIL 1	RETAIL USE ON FLOOR 1	2421 SF

RESIDENTIAL APPLIANCES:
Each Residential Unit will be provided with the following subject to the right of the sponsor to substitute equipment of no lesser quality or design:

Appliance	Manufacturer	Model Name and Number
Hood	Gaggenau	AH 900-791
Oven	Gaggenau or Miele	EB 388 / H 4780 BP
Cooktop/Range	Miele	KM 3474 G
Refrigerator	Viking	36" DFRB 364
Dishwasher	Miele	G858SCVi
Washer	Miele	W1113
Dryer	Miele	T1333C
Waste Disposer	Insinkerator	17
Microwave	Dacor	MMDV30
Wine Cooler (Penthouse only)	Viking	30" DFWB 300

RESIDENTIAL PLUMBING FIXTURES: each residential unit will be provided with the following subject to the right of the sponsor to substitute equipment of no lesser quality or design:
All fixtures will be porcelain white unless otherwise noted:

Type	Manufacturer	Model Name and Number
Toilet	DURAVIT	015609.00
Bathroom Lavatory	DURAVIT	045460 00 00
Bathtub	Zuma	C6030
Shower Drain	Smith	2005-Y02-A06 CP
Kitchen Sink	Franke	PSX-110-30-9/12

CABINET WORK:
Kitchen Cabinetry:
Cabinet door and drawer will be recessed panel design consisting of solid wood frames with wood veneer faced panels within. Cabinet boxes, shelves and drawers will be wood veneer over a medium density fiberboard core. Counter tops will be stone or artificial stone.
Bathroom Vanity:
Vanity construction will be would veneer over a medium density fiberboard core. Counter tops will be marble or artificial stone.

RESIDENTIAL STORAGE:
Storage Units will be enclosed with wire mesh partitions and a pre-hung doorframe. A total of 6 Units will be located in the cellar level. All units have a height of 9" with space for ductwork and plumbing above.
Storage Units # 1 and 2 are designed as 5'-2" by 5'-3"
Storage Units # 3 is designed as 3'-3" by 13'-9"
Storage Units # 4 and 5 are designed as 5'-9" by 4'-10"
Storage Units # 6 is designed as 6'-2" by 9'-3"

(x) Finish schedule : All finishes will be new and planned to consist of the following, subject to the right of the sponsor to substitute material of no lesser quality or design:

Type of Space	**Floor**	**Base**	**Wall**	**Ceiling**
Residential Units				
Entry / Hallway	Engineered Wood	Flush Wood Base	Painted Gypsum Wallboard	Painted Gypsum Wallboard
Living and Dining rooms	Engineered Wood	Flush Wood Base	Painted Gypsum Wallboard	Painted Gypsum Wallboard
Kitchen	Engineered Wood	None	Painted Gypsum Wallboard	Painted Gypsum Wallboard
Bedrooms and Libraries	Engineered Wood	Flush Wood Base	Painted Gypsum Wallboard	Painted Gypsum Wallboard
Bathroom	Stone tile	None	Painted Gypsum Wallboard and fully tiled walls at shower and tub	Painted Gypsum Wallboard
Powder Rooms	Stone tile	None	Painted Gypsum Wallboard and Partially tiled walls	Painted Gypsum Wallboard

Residential Public areas				
Public corridor	N/A	N/A	N/A	N/A
Egress Stairs	Sealed concrete	None	Painted Gypsum Wallboard and Painted Concrete	Painted Concrete
First floor lobby	Terrazzo	~~Granite~~ None	Glass Panels	Painted Gypsum Wallboard
Amenity spaces				
2nd Floor	Engineered Wood	None	Painted Gypsum Wallboard	Painted Gypsum Wallboard
Commercial core and shell	None	none	none	none

The walls of the Residential Units will be primed and finished with two light colored coats of paint except for areas with stone in bathrooms, powder rooms and kitchens.

(y) Safety and warning devices.

(1) Each Residential Unit will be furnished with a 120 volt combination type carbon monoxide sensor and smoke detector with integral alarm horn. In addition, system type smoke detectors are provided for all common and shared mechanical rooms, elevator lobby in cellar and first floor, residential foyers and selected HVAC units as required by Code. A local alarm bell will be provided at the smoke detection and sprinkler alarm control panel. Duct smoke detectors initiate fan shutdown on alarm. Elevator lobby smoke detectors initiate elevator re-call on alarm. The building sprinkler system will be monitored by water flow and tamper switches. Local alarm or trouble condition of the sprinkler system will be annunciated at the smoke detector and sprinkler alarm control panel.

(2) A remote annunciator will be furnished at the main residential entry lobby which also indicates system smoke detection and sprinkler alarm and trouble conditions.

(z) Additional information required. See the attached Unit plans, Site Plan, Floor plate and associated Schedule for additional descriptive information on the Units. The square foot area of the Residential and Retail Units set forth in the attached Unit plans, the Schedules A and A-1 to the Offering Plan and the Schedule B to the Declaration are approximate, within reasonable tolerances and were measured from points behind the walls enclosing such units. As is customary in New York City, these square foot areas exceed the useable floor are of each Residential and Retail Unit. Chase walls, shafts cabinets and the like are not subtracted. Measured vertically, each Unit will consist of the volume from the top of the concrete floor slab located under the finished flooring and sub-flooring below to the underside of the concrete slab ceiling above located above the finished ceiling above. Ceiling heights given are the approximate prevailing height and do not reflect dropped ceilings or coves to accommodate ducts, conduits or equipment or field conditions.

(aa) N/A

(bb) Further development. None. The building will utilize all existing development rights and may not be expanded under the current zoning resolution.

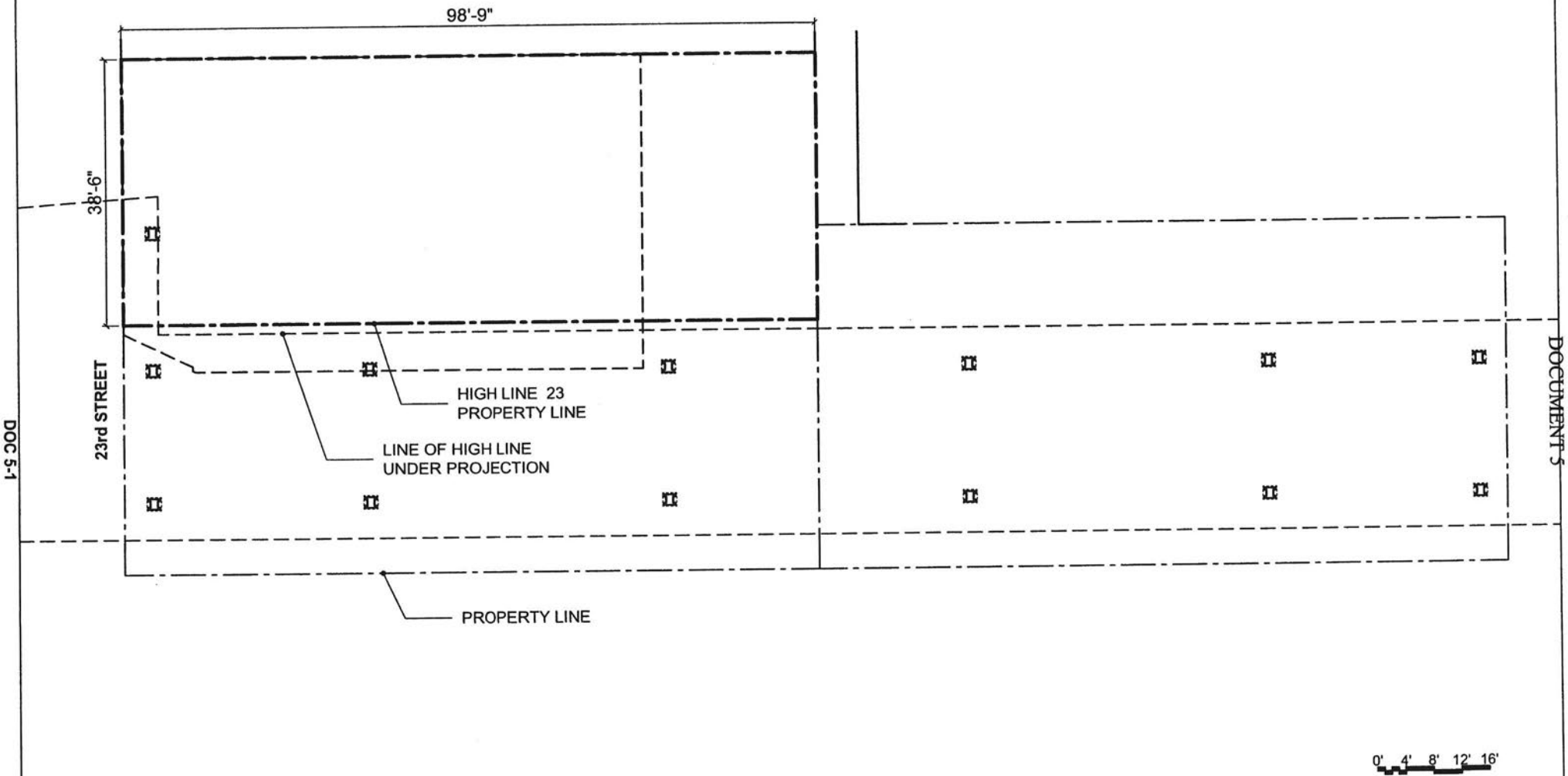
(cc) Asbestos. It is a new Building and contains no Asbestos

(dd) Lead-based paint. It is a new Building and contains no Lead Paint

July 12th, 2007

Neil Denari Architects, Inc.

Neil Denari, AIA



DOC 5-1

DOCUMENT 5

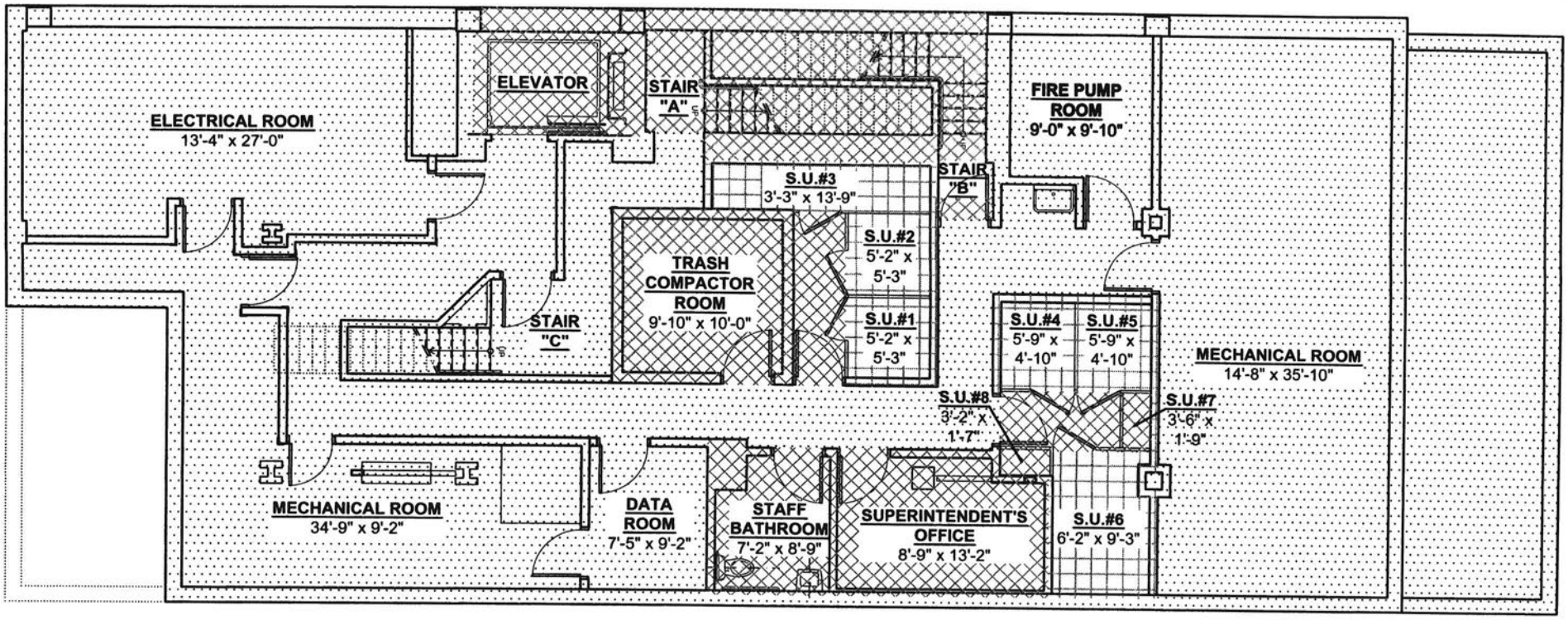
PLOT PLAN

THE UNIT SQUARE FOOTAGE, LAYOUT AND ROOM OR AREA DIMENSIONS ON THIS FLOOR PLAN ARE APPROXIMATE WITHIN REASONABLE TOLERANCES AND BASED ON CONSTRUCTION DRAWINGS. THE UNIT WHEN BUILT WILL BE SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. THE SQUARE FOOTAGE EXCEEDS THE USABLE FLOOR AREA. ROOM AND AREA DIMENSIONS ARE MEASURED FROM THE EXPOSED SURFACES OF THE ENCLOSING WALLS. CHASE WALLS, SHAFTS, CABINETS AND THE LIKE ARE NOT SUBTRACTED. A MINOR OR IMMATERIAL INACCURACY IN THE ACTUAL SQUARE FOOTAGE (I.E., OVERALL FLOOR AREA) OR THE ACTUAL SIZE OF INDIVIDUAL ROOMS OR AREAS OF A UNIT WHEN BUILT FROM THAT SHOWN ON THIS FLOOR PLAN SHALL NOT EXCUSE A PURCHASER FROM COMPLETING THE PURCHASE OF A UNIT WITHOUT ABATEMENT IN PRICE OR RECOURSE AGAINST SPONSOR. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES TO A UNIT IN ACCORDANCE WITH THE OFFERING PLAN.

MAGNETIC NORTH

July 12, 2007

HIGHLINE 23 CONDOMINIUM



DOC 5-2

LEGEND

STORAGE UNIT (S.U.)

RESIDENTIAL UNIT

RESIDENTIAL COMMON ELEMENTS

RETAIL UNIT

GENERAL COMMON ELEMENTS

0' 4' 8' 12' 16'

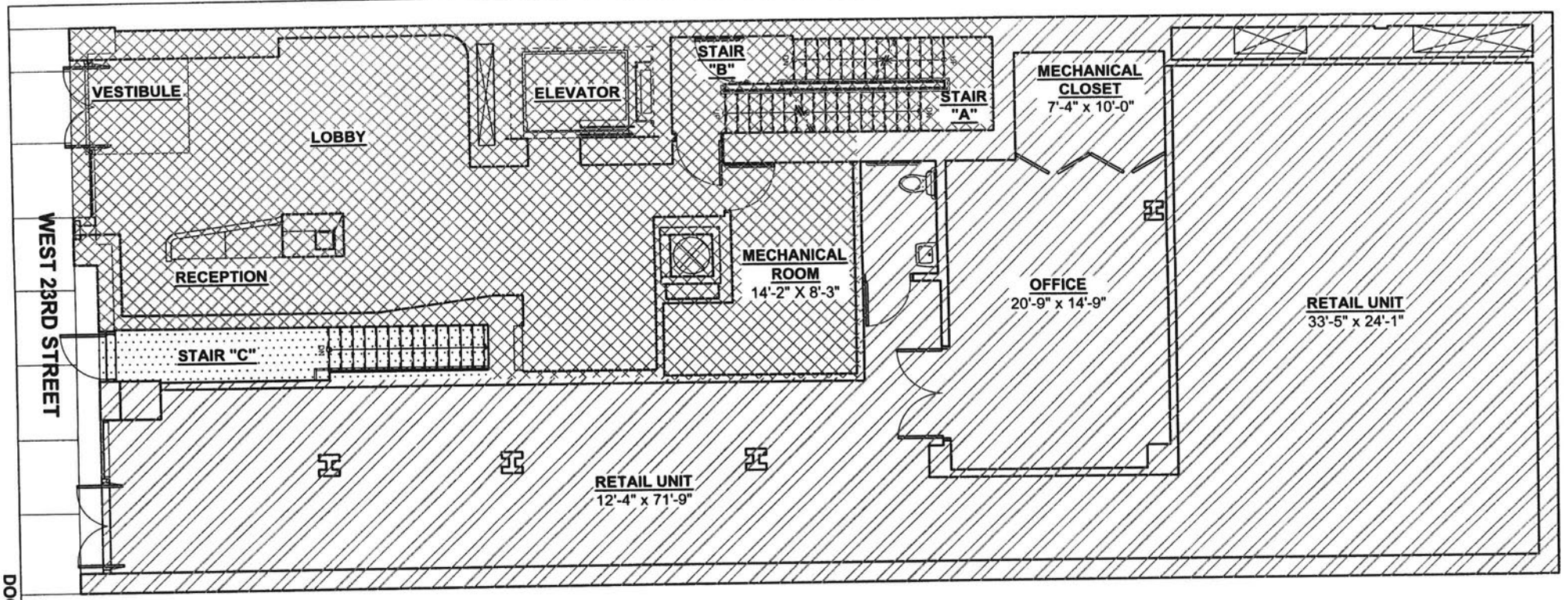
CELLAR

THE UNIT SQUARE FOOTAGE, LAYOUT AND ROOM OR AREA DIMENSIONS ON THIS FLOOR PLAN ARE APPROXIMATE WITHIN REASONABLE TOLERANCES AND BASED ON CONSTRUCTION DRAWINGS. THE UNIT WHEN BUILT WILL BE SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. THE SQUARE FOOTAGE EXCEEDS THE USABLE FLOOR AREA. ROOM AND AREA DIMENSIONS ARE MEASURED FROM THE EXPOSED SURFACES OF THE ENCLOSING WALLS. CHASE WALLS, SHAFTS, CABINETS AND THE LIKE ARE NOT SUBTRACTED. A MINOR OR IMMATERIAL INACCURACY IN THE ACTUAL SQUARE FOOTAGE (I.E., OVERALL FLOOR AREA) OR THE ACTUAL SIZE OF INDIVIDUAL ROOMS OR AREAS OF A UNIT WHEN BUILT FROM THAT SHOWN ON THIS FLOOR PLAN SHALL NOT EXCUSE A PURCHASER FROM COMPLETING THE PURCHASE OF A UNIT WITHOUT ABATEMENT IN PRICE OR RECOURSE AGAINST SPONSOR. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES TO A UNIT IN ACCORDANCE WITH THE OFFERING PLAN.

PLAN NORTH

HIGHLINE 23 CONDOMINIUM

July 12, 2007



DOC 5-3

LEGEND

STORAGE UNIT (S.U.)

RESIDENTIAL UNIT

RESIDENTIAL COMMON ELEMENTS

RETAIL UNIT

GENERAL COMMON ELEMENTS

RETAIL UNIT:

2,421 SQ.FT.

LOBBY

972 SQ. FT

0' 4' 8' 12' 16'

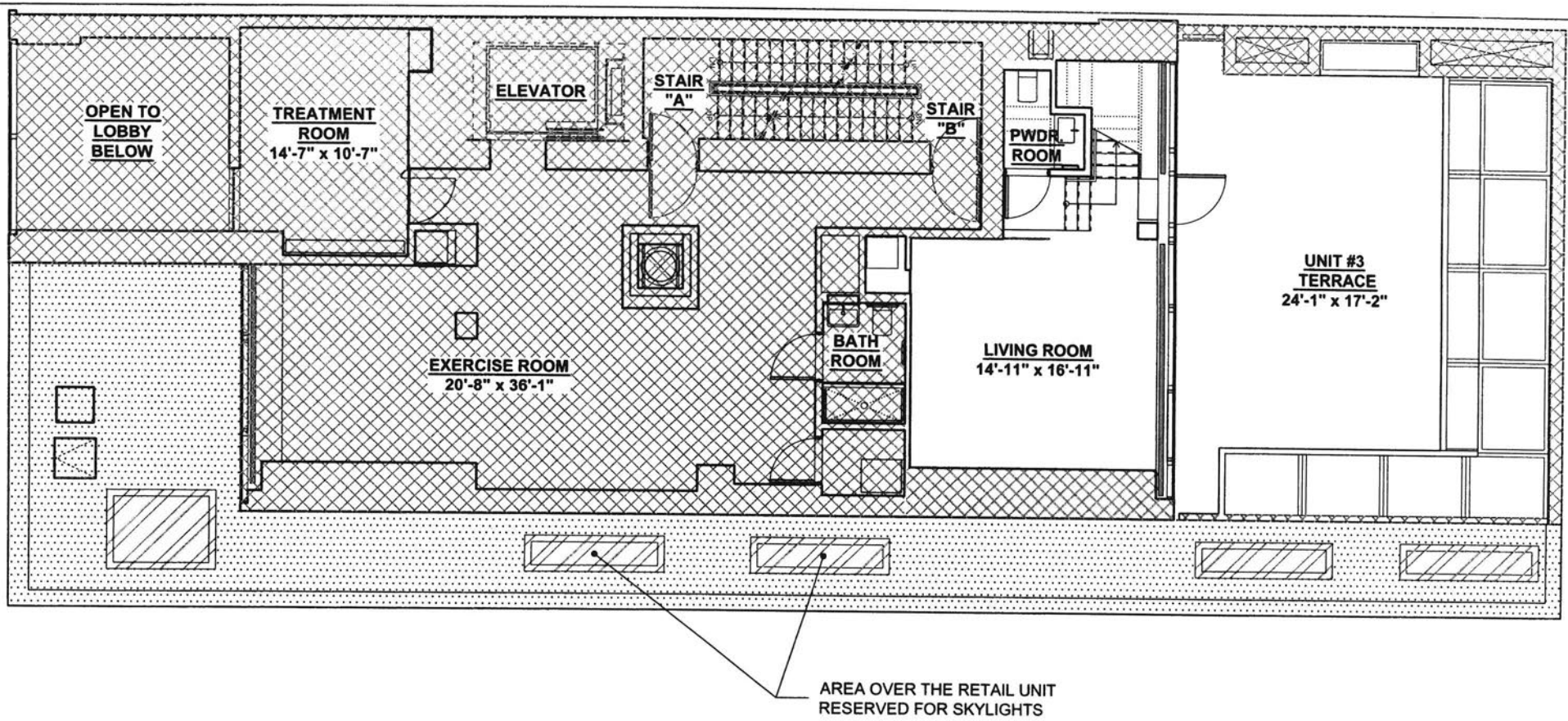
1ST FLOOR PLAN/ RETAIL

THE UNIT SQUARE FOOTAGE, LAYOUT AND ROOM OR AREA DIMENSIONS ON THIS FLOOR PLAN ARE APPROXIMATE WITHIN REASONABLE TOLERANCES AND BASED ON CONSTRUCTION DRAWINGS. THE UNIT WHEN BUILT WILL BE SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. THE SQUARE FOOTAGE EXCEEDS THE USABLE FLOOR AREA. ROOM AND AREA DIMENSIONS ARE MEASURED FROM THE EXPOSED SURFACES OF THE ENCLOSING WALLS. CHASE WALLS, SHAFTS, CABINETS AND THE LIKE ARE NOT SUBTRACTED. A MINOR OR IMMATERIAL INACCURACY IN THE ACTUAL SQUARE FOOTAGE (I.E., OVERALL FLOOR AREA) OR THE ACTUAL SIZE OF INDIVIDUAL ROOMS OR AREAS OF A UNIT WHEN BUILT FROM THAT SHOWN ON THIS FLOOR PLAN SHALL NOT EXCUSE A PURCHASER FROM COMPLETING THE PURCHASE OF A UNIT WITHOUT ABATEMENT IN PRICE OR RECOURSE AGAINST SPONSOR. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES TO A UNIT IN ACCORDANCE WITH THE OFFERING PLAN.

PLAN NORTH

July 12, 2007

HIGHLINE 23 CONDOMINIUM



DOC 5-4

LEGEND

- STORAGE UNIT (S.U.)
- RESIDENTIAL UNIT
- RESIDENTIAL COMMON ELEMENTS
- RETAIL UNIT
- GENERAL COMMON ELEMENTS

RECREATION SPACE

1,208 SQ.FT.

0' 4' 8' 12' 16'

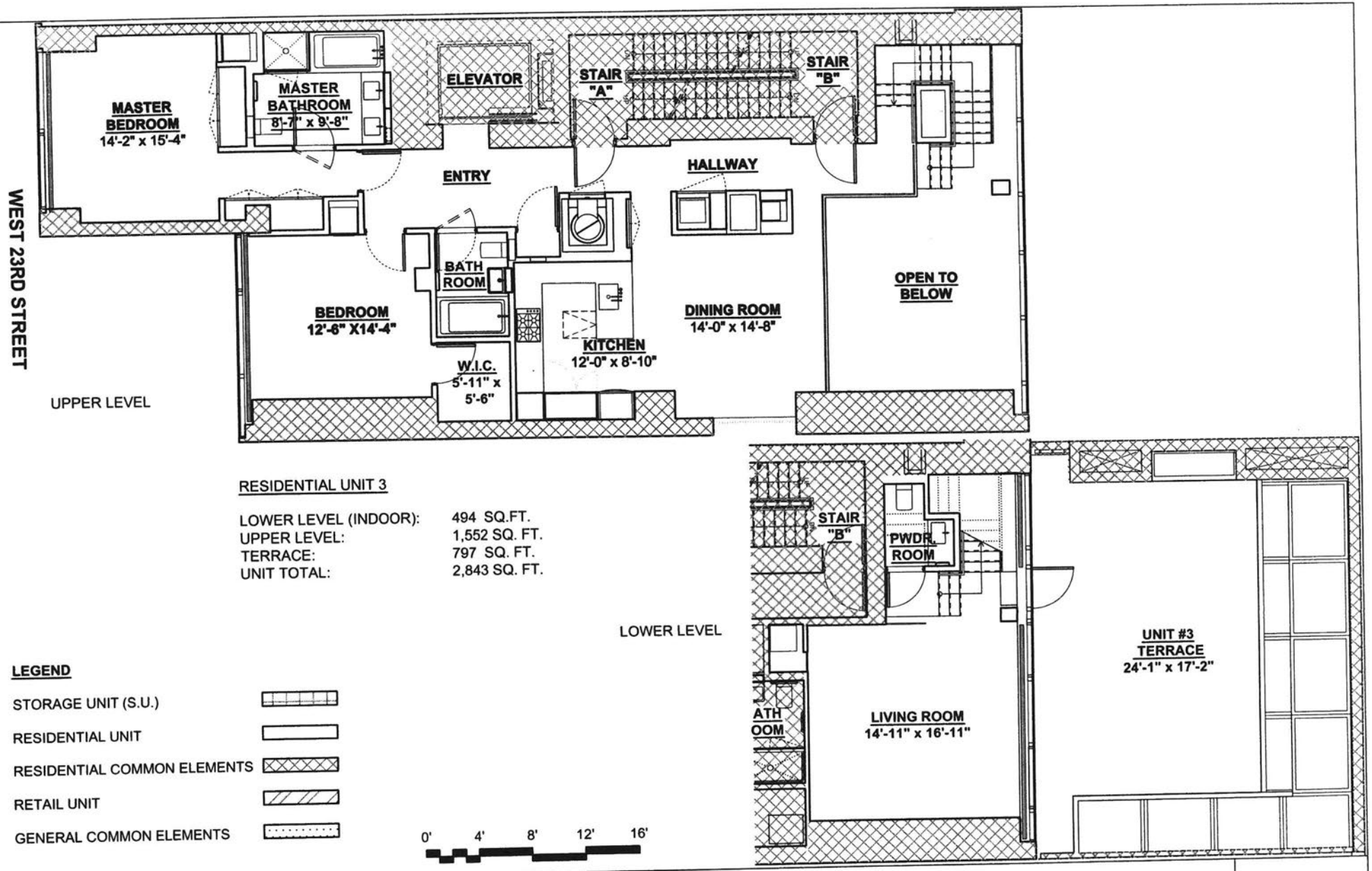
2ND FLOOR: COMMON SPACE/ RESIDENTIAL UNIT:3

THE UNIT SQUARE FOOTAGE, LAYOUT AND ROOM OR AREA DIMENSIONS ON THIS FLOOR PLAN ARE APPROXIMATE WITHIN REASONABLE TOLERANCES AND BASED ON CONSTRUCTION DRAWINGS. THE UNIT WHEN BUILT WILL BE SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. THE SQUARE FOOTAGE EXCEEDS THE USABLE FLOOR AREA. ROOM AND AREA DIMENSIONS ARE MEASURED FROM THE EXPOSED SURFACES OF THE ENCLOSING WALLS. CHASE WALLS, SHAFTS, CABINETS AND THE LIKE ARE NOT SUBTRACTED. A MINOR OR IMMATERIAL INACCURACY IN THE ACTUAL SQUARE FOOTAGE (I.E., OVERALL FLOOR AREA) OR THE ACTUAL SIZE OF INDIVIDUAL ROOMS OR AREAS OF A UNIT WHEN BUILT FROM THAT SHOWN ON THIS FLOOR PLAN SHALL NOT EXCUSE A PURCHASER FROM COMPLETING THE PURCHASE OF A UNIT WITHOUT ABATEMENT IN PRICE OR RECOURSE AGAINST SPONSOR. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES TO A UNIT IN ACCORDANCE WITH THE OFFERING PLAN.

PLAN NORTH

July 12, 2007

HIGHLINE 23 CONDOMINIUM



RESIDENTIAL UNIT 3

LOWER LEVEL (INDOOR):	494 SQ.FT.
UPPER LEVEL:	1,552 SQ. FT.
TERRACE:	797 SQ. FT.
UNIT TOTAL:	2,843 SQ. FT.

DOC 5-5

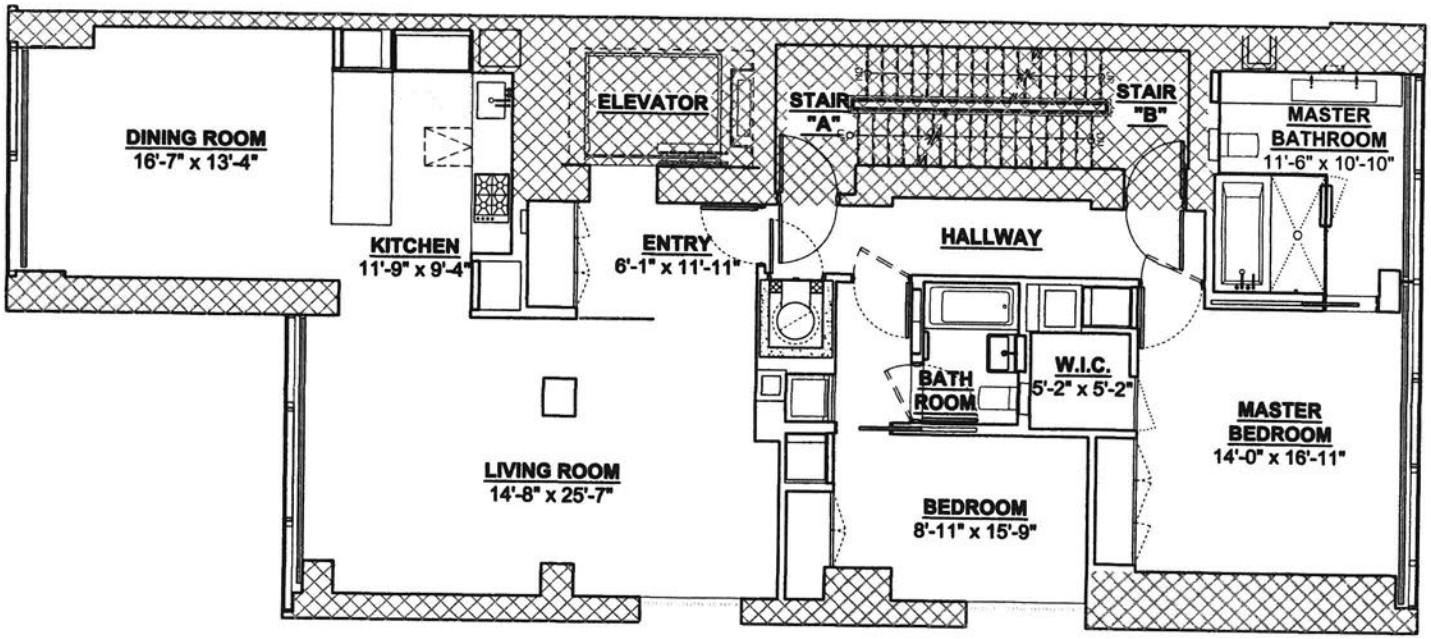
3RD FLOOR: RESIDENTIAL UNIT:3

THE UNIT SQUARE FOOTAGE, LAYOUT AND ROOM OR AREA DIMENSIONS ON THIS FLOOR PLAN ARE APPROXIMATE WITHIN REASONABLE TOLERANCES AND BASED ON CONSTRUCTION DRAWINGS. THE UNIT WHEN BUILT WILL BE SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. THE SQUARE FOOTAGE EXCEEDS THE USABLE FLOOR AREA. ROOM AND AREA DIMENSIONS ARE MEASURED FROM THE EXPOSED SURFACES OF THE ENCLOSING WALLS. CHASE WALLS, SHAFTS, CABINETS AND THE LIKE ARE NOT SUBTRACTED. A MINOR OR IMMATERIAL INACCURACY IN THE ACTUAL SQUARE FOOTAGE (I.E., OVERALL FLOOR AREA) OR THE ACTUAL SIZE OF INDIVIDUAL ROOMS OR AREAS OF A UNIT WHEN BUILT FROM THAT SHOWN ON THIS FLOOR PLAN SHALL NOT EXCUSE A PURCHASER FROM COMPLETING THE PURCHASE OF A UNIT WITHOUT ABATEMENT IN PRICE OR RECOURSE AGAINST SPONSOR. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES TO A UNIT IN ACCORDANCE WITH THE OFFERING PLAN.

PLAN NORTH

July 12, 2007

HIGHLINE 23 CONDOMINIUM



DOC 5-6

RESIDENTIAL UNIT 4

1,869 SQ.FT.

LEGEND

STORAGE UNIT (S.U.)

RESIDENTIAL UNIT

RESIDENTIAL COMMON ELEMENTS

RETAIL UNIT

GENERAL COMMON ELEMENTS

0' 4' 8' 12' 16'

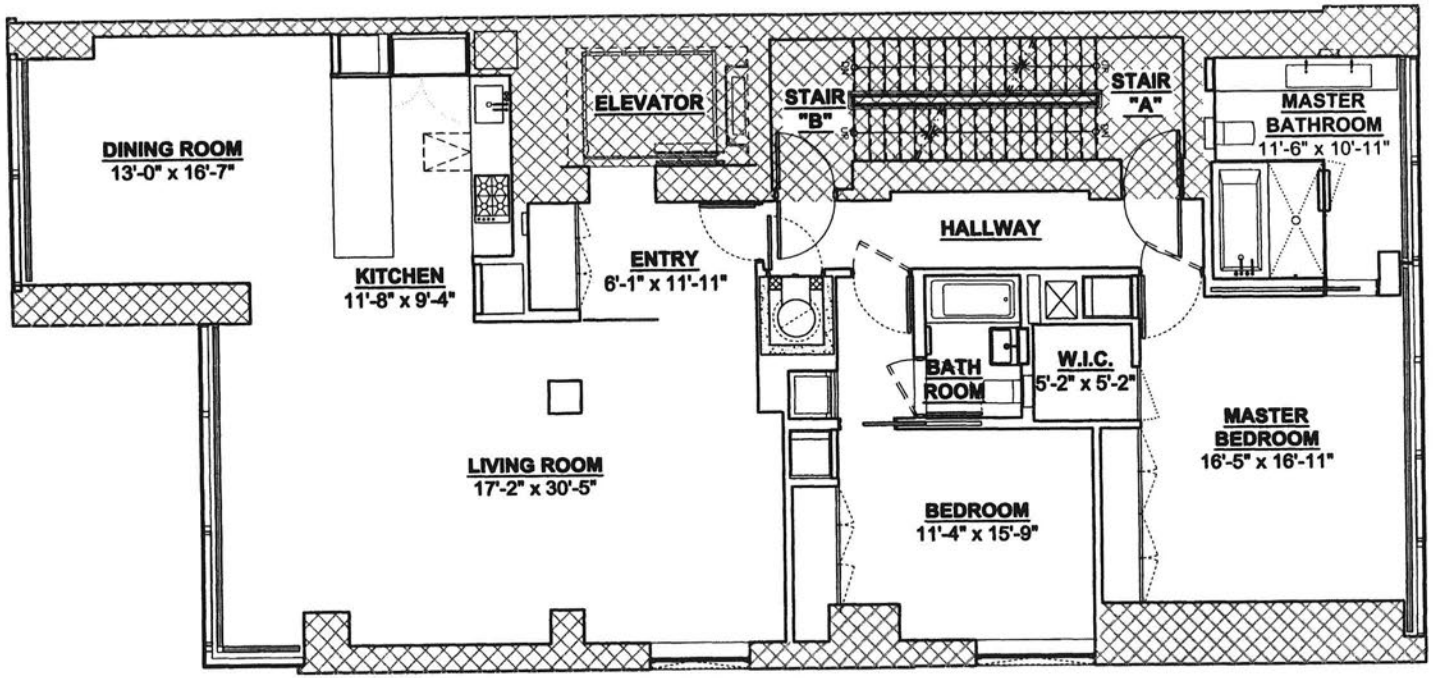
4TH FLOOR: RESIDENTIAL UNIT:4

THE UNIT SQUARE FOOTAGE, LAYOUT AND ROOM OR AREA DIMENSIONS ON THIS FLOOR PLAN ARE APPROXIMATE WITHIN REASONABLE TOLERANCES AND BASED ON CONSTRUCTION DRAWINGS. THE UNIT WHEN BUILT WILL BE SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. THE SQUARE FOOTAGE EXCEEDS THE USABLE FLOOR AREA. ROOM AND AREA DIMENSIONS ARE MEASURED FROM THE EXPOSED SURFACES OF THE ENCLOSING WALLS. CHASE WALLS, SHAFTS, CABINETS AND THE LIKE ARE NOT SUBTRACTED. A MINOR OR IMMATERIAL INACCURACY IN THE ACTUAL SQUARE FOOTAGE (I.E., OVERALL FLOOR AREA) OR THE ACTUAL SIZE OF INDIVIDUAL ROOMS OR AREAS OF A UNIT WHEN BUILT FROM THAT SHOWN ON THIS FLOOR PLAN SHALL NOT EXCUSE A PURCHASER FROM COMPLETING THE PURCHASE OF A UNIT WITHOUT ABATEMENT IN PRICE OR RECOURSE AGAINST SPONSOR. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES TO A UNIT IN ACCORDANCE WITH THE OFFERING PLAN.

PLAN NORTH

HIGHLINE 23 CONDOMINIUM

July 12, 2007



DOC 5-7

RESIDENTIAL UNIT 5

2,104 SQ.FT.

LEGEND

STORAGE UNIT (S.U.)

RESIDENTIAL UNIT

RESIDENTIAL COMMON ELEMENTS

RETAIL UNIT

GENERAL COMMON ELEMENTS

0' 4' 8' 12' 16'

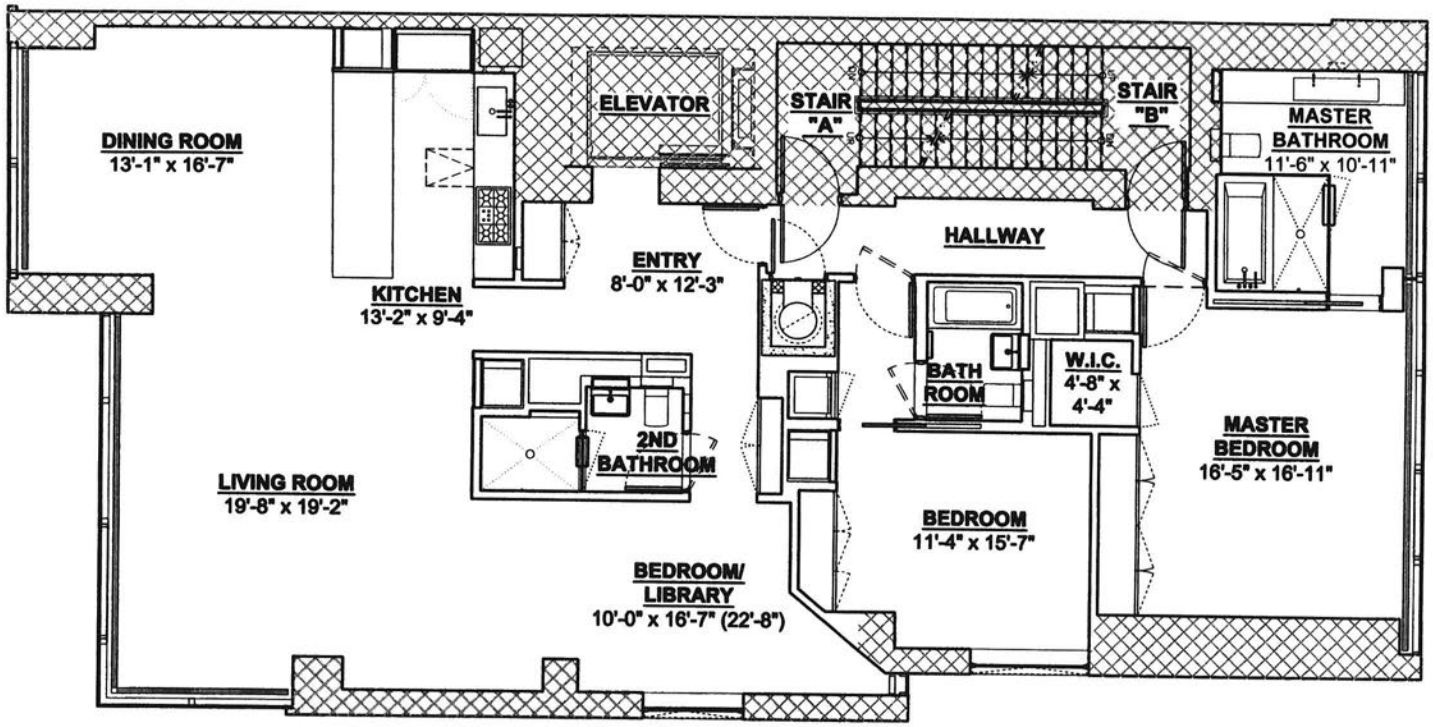
5TH FLOOR: RESIDENTIAL UNIT:5

THE UNIT SQUARE FOOTAGE, LAYOUT AND ROOM OR AREA DIMENSIONS ON THIS FLOOR PLAN ARE APPROXIMATE WITHIN REASONABLE TOLERANCES AND BASED ON CONSTRUCTION DRAWINGS. THE UNIT WHEN BUILT WILL BE SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. THE SQUARE FOOTAGE EXCEEDS THE USABLE FLOOR AREA. ROOM AND AREA DIMENSIONS ARE MEASURED FROM THE EXPOSED SURFACES OF THE ENCLOSING WALLS. CHASE WALLS, SHAFTS, CABINETS AND THE LIKE ARE NOT SUBTRACTED. A MINOR OR IMMATERIAL INACCURACY IN THE ACTUAL SQUARE FOOTAGE (I.E., OVERALL FLOOR AREA) OR THE ACTUAL SIZE OF INDIVIDUAL ROOMS OR AREAS OF A UNIT WHEN BUILT FROM THAT SHOWN ON THIS FLOOR PLAN SHALL NOT EXCUSE A PURCHASER FROM COMPLETING THE PURCHASE OF A UNIT WITHOUT ABATEMENT IN PRICE OR RECOURSE AGAINST SPONSOR. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES TO A UNIT IN ACCORDANCE WITH THE OFFERING PLAN.

PLAN NORTH

July 12, 2007

HIGHLINE 23 CONDOMINIUM



DOC 5-8

RESIDENTIAL UNIT 6
2,297 SQ.FT.

LEGEND

STORAGE UNIT (S.U.)

RESIDENTIAL UNIT

RESIDENTIAL COMMON ELEMENTS

RETAIL UNIT

GENERAL COMMON ELEMENTS

0' 4' 8' 12' 16'

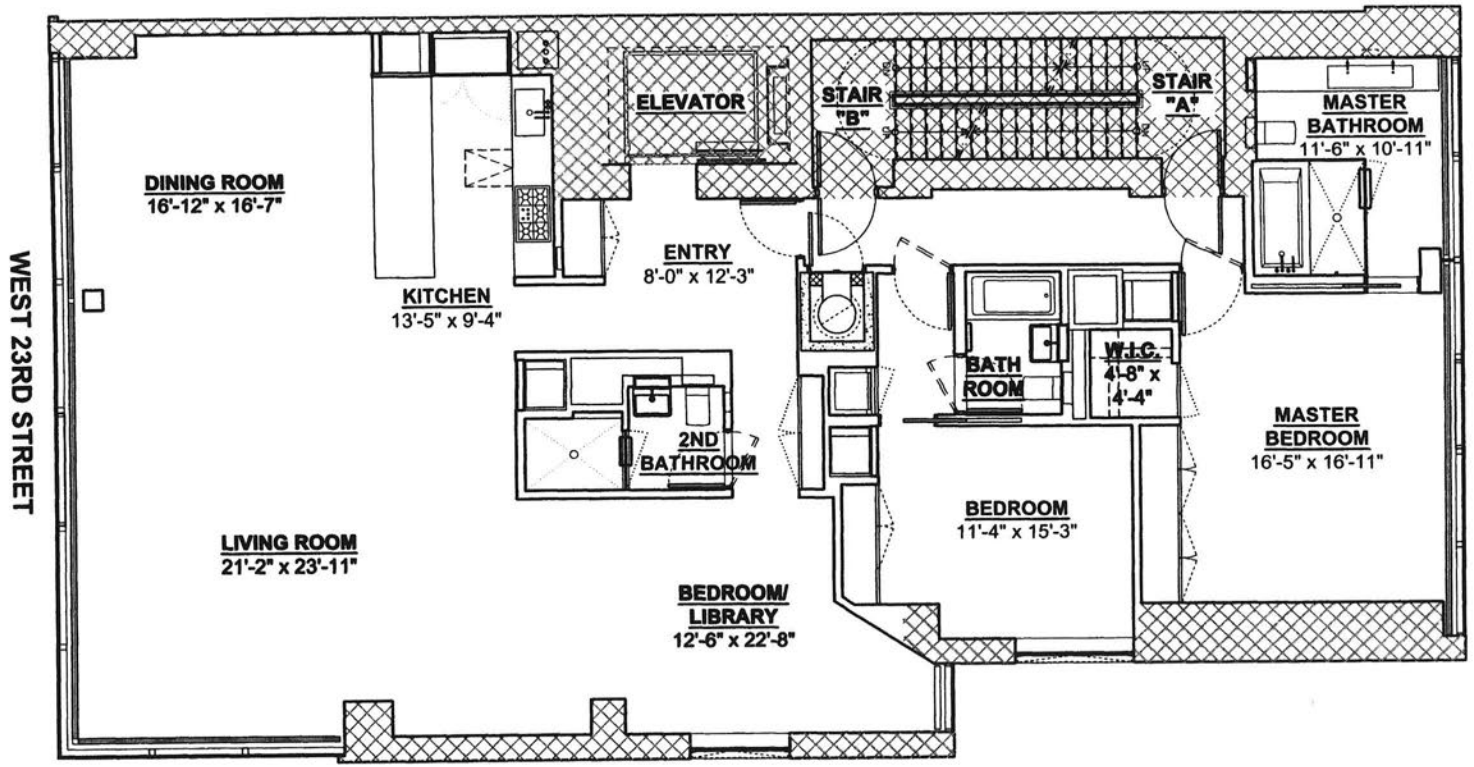
6TH FLOOR: RESIDENTIAL UNIT:6

THE UNIT SQUARE FOOTAGE, LAYOUT AND ROOM OR AREA DIMENSIONS ON THIS FLOOR PLAN ARE APPROXIMATE WITHIN REASONABLE TOLERANCES AND BASED ON CONSTRUCTION DRAWINGS. THE UNIT WHEN BUILT WILL BE SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. THE SQUARE FOOTAGE EXCEEDS THE USABLE FLOOR AREA. ROOM AND AREA DIMENSIONS ARE MEASURED FROM THE EXPOSED SURFACES OF THE ENCLOSING WALLS. CHASE WALLS, SHAFTS, CABINETS AND THE LIKE ARE NOT SUBTRACTED. A MINOR OR IMMATERIAL INACCURACY IN THE ACTUAL SQUARE FOOTAGE (I.E., OVERALL FLOOR AREA) OR THE ACTUAL SIZE OF INDIVIDUAL ROOMS OR AREAS OF A UNIT WHEN BUILT FROM THAT SHOWN ON THIS FLOOR PLAN SHALL NOT EXCUSE A PURCHASER FROM COMPLETING THE PURCHASE OF A UNIT WITHOUT ABATEMENT IN PRICE OR RECOURSE AGAINST SPONSOR. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES TO A UNIT IN ACCORDANCE WITH THE OFFERING PLAN.

PLAN
NORTH

July 12, 2007

HIGHLINE 23 CONDOMINIUM



DOC 5-9

RESIDENTIAL UNIT 7

2,511 SQ.FT.

LEGEND

STORAGE UNIT (S.U.)

RESIDENTIAL UNIT

RESIDENTIAL COMMON ELEMENTS

RETAIL UNIT

GENERAL COMMON ELEMENTS

0' 4' 8' 12' 16'

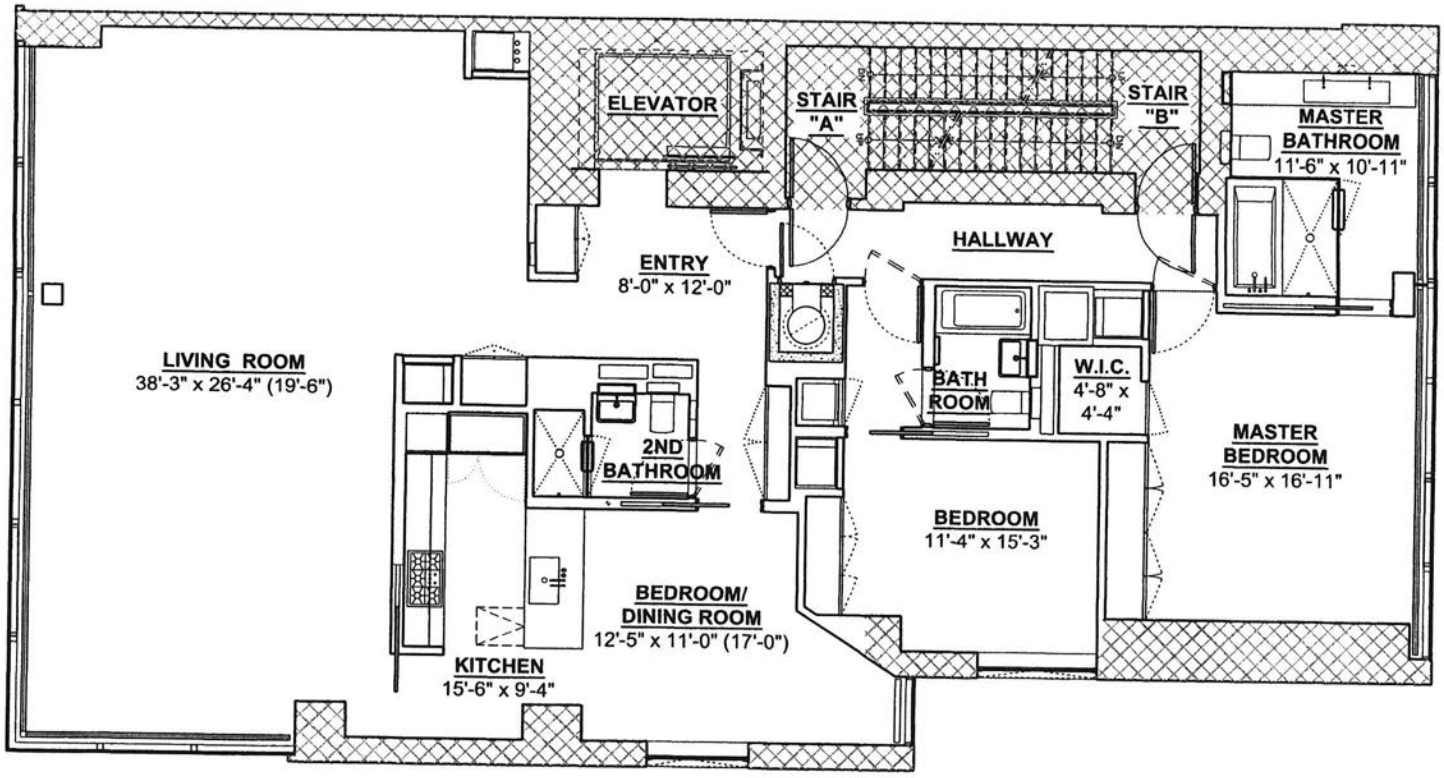
7TH FLOOR: RESIDENTIAL UNIT:7

THE UNIT SQUARE FOOTAGE, LAYOUT AND ROOM OR AREA DIMENSIONS ON THIS FLOOR PLAN ARE APPROXIMATE WITHIN REASONABLE TOLERANCES AND BASED ON CONSTRUCTION DRAWINGS. THE UNIT WHEN BUILT WILL BE SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. THE SQUARE FOOTAGE EXCEEDS THE USABLE FLOOR AREA. ROOM AND AREA DIMENSIONS ARE MEASURED FROM THE EXPOSED SURFACES OF THE ENCLOSING WALLS. CHASE WALLS, SHAFTS, CABINETS AND THE LIKE ARE NOT SUBTRACTED. A MINOR OR IMMATERIAL INACCURACY IN THE ACTUAL SQUARE FOOTAGE (I.E., OVERALL FLOOR AREA) OR THE ACTUAL SIZE OF INDIVIDUAL ROOMS OR AREAS OF A UNIT WHEN BUILT FROM THAT SHOWN ON THIS FLOOR PLAN SHALL NOT EXCUSE A PURCHASER FROM COMPLETING THE PURCHASE OF A UNIT WITHOUT ABATEMENT IN PRICE OR RECOURSE AGAINST SPONSOR. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES TO A UNIT IN ACCORDANCE WITH THE OFFERING PLAN.

PLAN NORTH

July 12, 2007

HIGHLINE 23 CONDOMINIUM



DOC 5-10

LEGEND

- STORAGE UNIT (S.U.)
- RESIDENTIAL UNIT
- RESIDENTIAL COMMON ELEMENTS
- RETAIL UNIT
- GENERAL COMMON ELEMENTS

RESIDENTIAL UNIT 8

2,511 SQ.FT.

0' 4' 8' 12' 16'

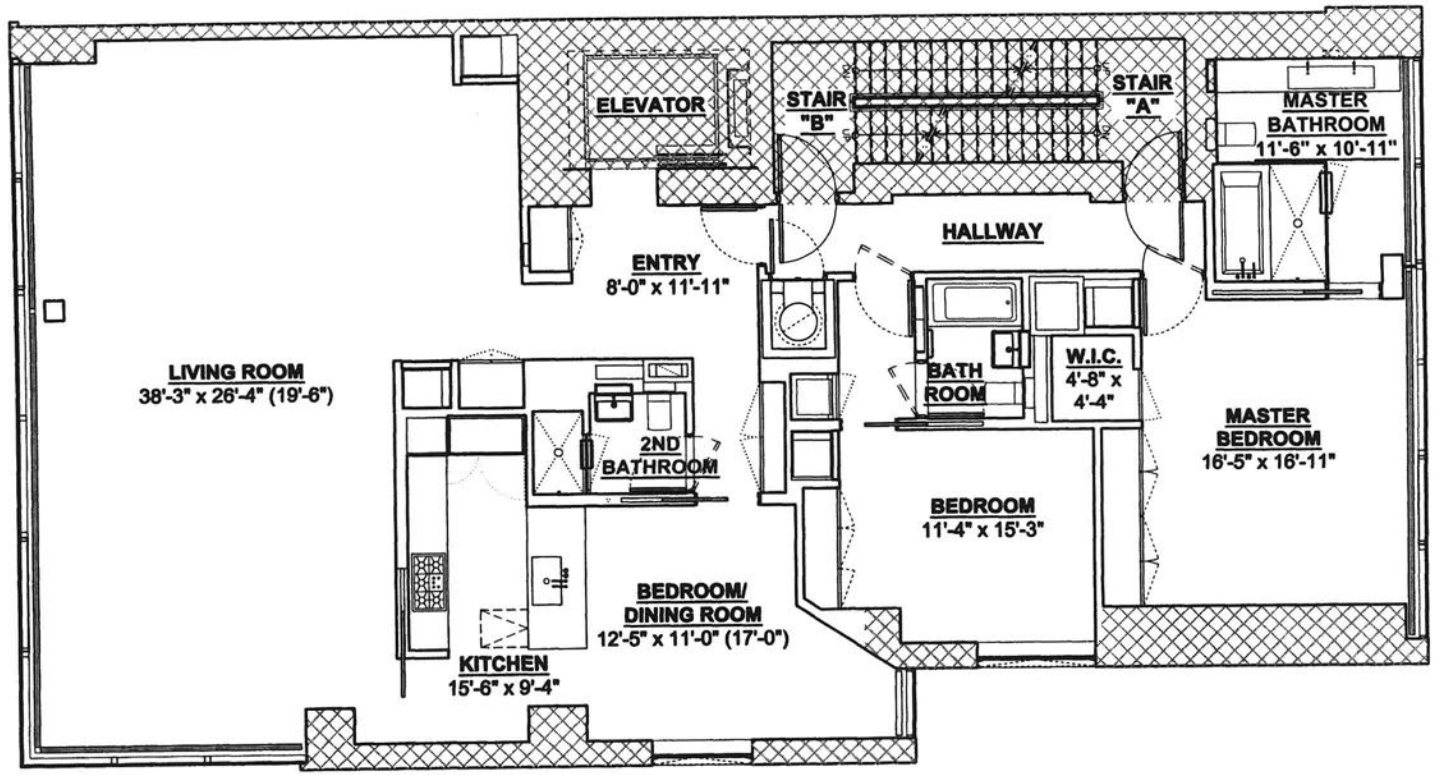
8TH FLOOR: RESIDENTIAL UNIT:8

THE UNIT SQUARE FOOTAGE, LAYOUT AND ROOM OR AREA DIMENSIONS ON THIS FLOOR PLAN ARE APPROXIMATE WITHIN REASONABLE TOLERANCES AND BASED ON CONSTRUCTION DRAWINGS. THE UNIT WHEN BUILT WILL BE SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. THE SQUARE FOOTAGE EXCEEDS THE USABLE FLOOR AREA. ROOM AND AREA DIMENSIONS ARE MEASURED FROM THE EXPOSED SURFACES OF THE ENCLOSING WALLS. CHASE WALLS, SHAFTS, CABINETS AND THE LIKE ARE NOT SUBTRACTED. A MINOR OR IMMATERIAL INACCURACY IN THE ACTUAL SQUARE FOOTAGE (I.E., OVERALL FLOOR AREA) OR THE ACTUAL SIZE OF INDIVIDUAL ROOMS OR AREAS OF A UNIT WHEN BUILT FROM THAT SHOWN ON THIS FLOOR PLAN SHALL NOT EXCUSE A PURCHASER FROM COMPLETING THE PURCHASE OF A UNIT WITHOUT ABATEMENT IN PRICE OR RECOURSE AGAINST SPONSOR. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES TO A UNIT IN ACCORDANCE WITH THE OFFERING PLAN.

PLAN NORTH

July 12, 2007

HIGHLINE 23 CONDOMINIUM



RESIDENTIAL UNIT 9

2,511 SQ.FT.

LEGEND

STORAGE UNIT (S.U.)

RESIDENTIAL UNIT

RESIDENTIAL COMMON ELEMENTS

RETAIL UNIT

GENERAL COMMON ELEMENTS

0' 4' 8' 12' 16'

9TH FLOOR: RESIDENTIAL UNIT:9

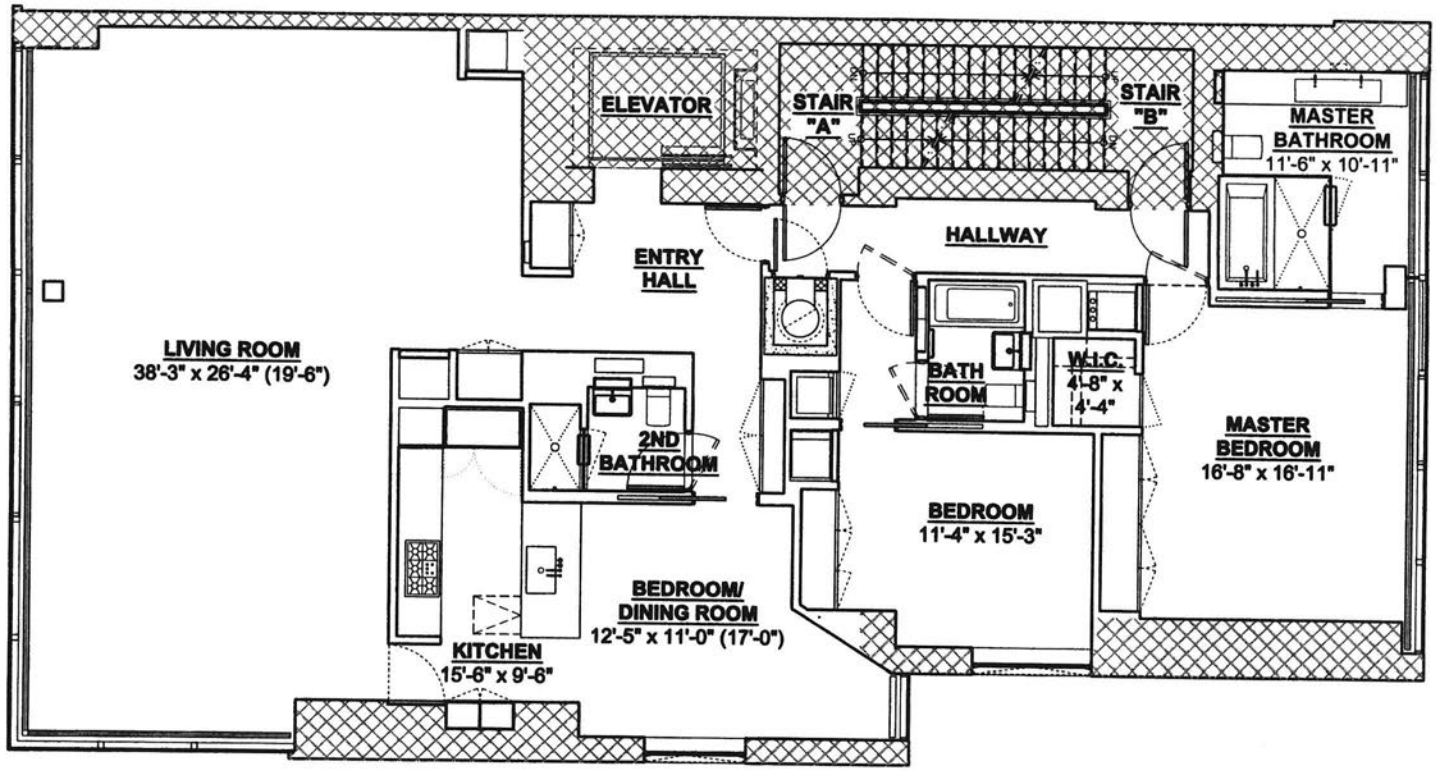
THE UNIT SQUARE FOOTAGE, LAYOUT AND ROOM OR AREA DIMENSIONS ON THIS FLOOR PLAN ARE APPROXIMATE WITHIN REASONABLE TOLERANCES AND BASED ON CONSTRUCTION DRAWINGS. THE UNIT WHEN BUILT WILL BE SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. THE SQUARE FOOTAGE EXCEEDS THE USABLE FLOOR AREA. ROOM AND AREA DIMENSIONS ARE MEASURED FROM THE EXPOSED SURFACES OF THE ENCLOSING WALLS. CHASE WALLS, SHAFTS, CABINETS AND THE LIKE ARE NOT SUBTRACTED. A MINOR OR IMMATERIAL INACCURACY IN THE ACTUAL SQUARE FOOTAGE (I.E., OVERALL FLOOR AREA) OR THE ACTUAL SIZE OF INDIVIDUAL ROOMS OR AREAS OF A UNIT WHEN BUILT FROM THAT SHOWN ON THIS FLOOR PLAN SHALL NOT EXCUSE A PURCHASER FROM COMPLETING THE PURCHASE OF A UNIT WITHOUT ABATEMENT IN PRICE OR RECOURSE AGAINST SPONSOR. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES TO A UNIT IN ACCORDANCE WITH THE OFFERING PLAN.

PLAN NORTH

July 12, 2007

HIGHLINE 23 CONDOMINIUM

DOC 5-11



DOC 5-12

LEGEND

STORAGE UNIT (S.U.)

RESIDENTIAL UNIT

RESIDENTIAL COMMON ELEMENTS

RETAIL UNIT

GENERAL COMMON ELEMENTS

RESIDENTIAL UNIT 10

2,511 SQ.FT.

0' 4' 8' 12' 16'

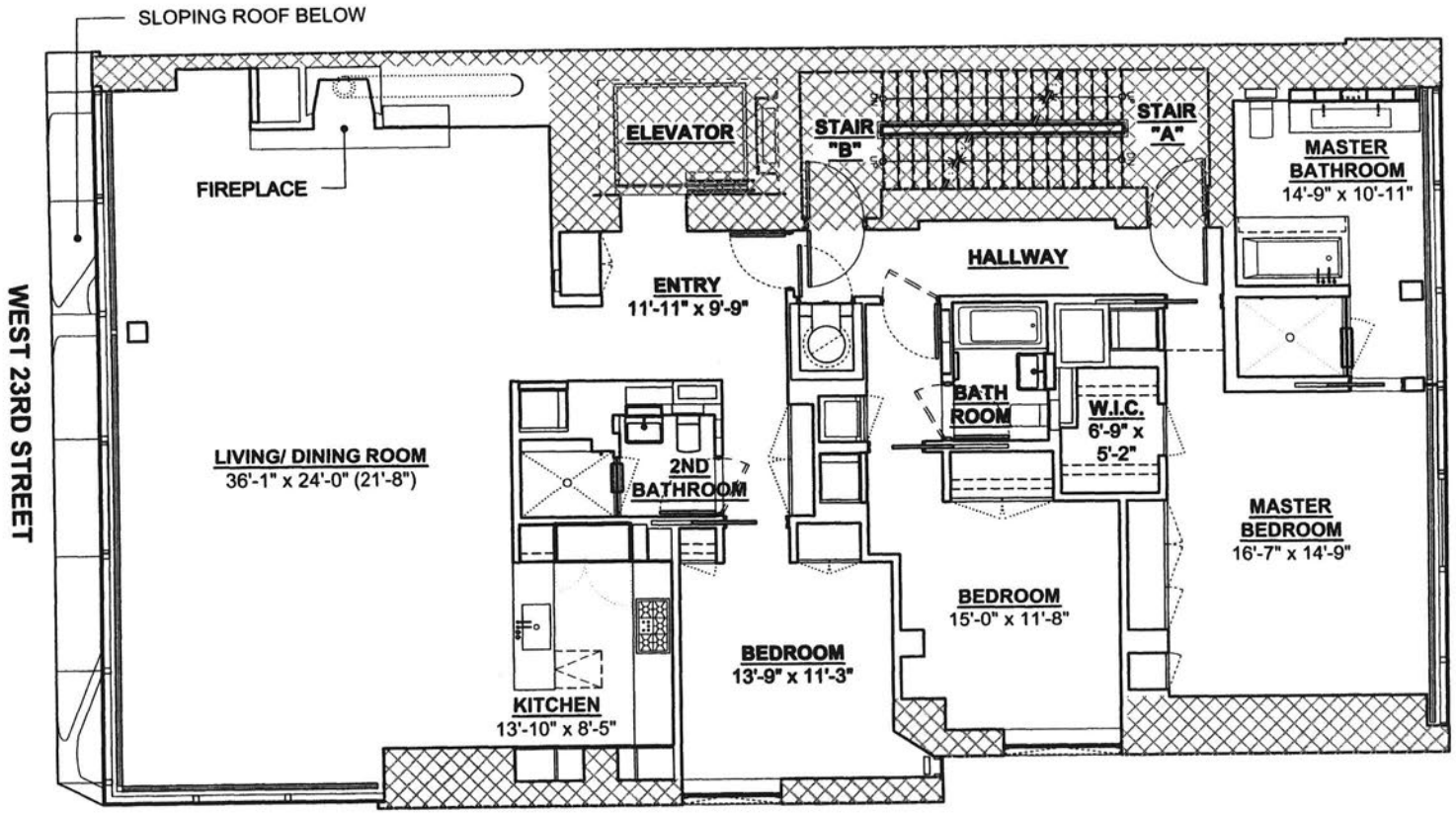
10TH FLOOR: RESIDENTIAL UNIT:10

THE UNIT SQUARE FOOTAGE, LAYOUT AND ROOM OR AREA DIMENSIONS ON THIS FLOOR PLAN ARE APPROXIMATE WITHIN REASONABLE TOLERANCES AND BASED ON CONSTRUCTION DRAWINGS. THE UNIT WHEN BUILT WILL BE SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. THE SQUARE FOOTAGE EXCEEDS THE USABLE FLOOR AREA. ROOM AND AREA DIMENSIONS ARE MEASURED FROM THE EXPOSED SURFACES OF THE ENCLOSING WALLS. CHASE WALLS, SHAFTS, CABINETS AND THE LIKE ARE NOT SUBTRACTED. A MINOR OR IMMATERIAL INACCURACY IN THE ACTUAL SQUARE FOOTAGE (I.E., OVERALL FLOOR AREA) OR THE ACTUAL SIZE OF INDIVIDUAL ROOMS OR AREAS OF A UNIT WHEN BUILT FROM THAT SHOWN ON THIS FLOOR PLAN SHALL NOT EXCUSE A PURCHASER FROM COMPLETING THE PURCHASE OF A UNIT WITHOUT ABATEMENT IN PRICE OR RECOURSE AGAINST SPONSOR. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES TO A UNIT IN ACCORDANCE WITH THE OFFERING PLAN.

PLAN NORTH

HIGHLINE 23 CONDOMINIUM

July 12, 2007



DOC 5-13

LEGEND

STORAGE UNIT (S.U.)

RESIDENTIAL UNIT

RESIDENTIAL COMMON ELEMENTS

RETAIL UNIT

GENERAL COMMON ELEMENTS

RESIDENTIAL UNIT 11

2,571 SQ.FT.

0' 4' 8' 12' 16'

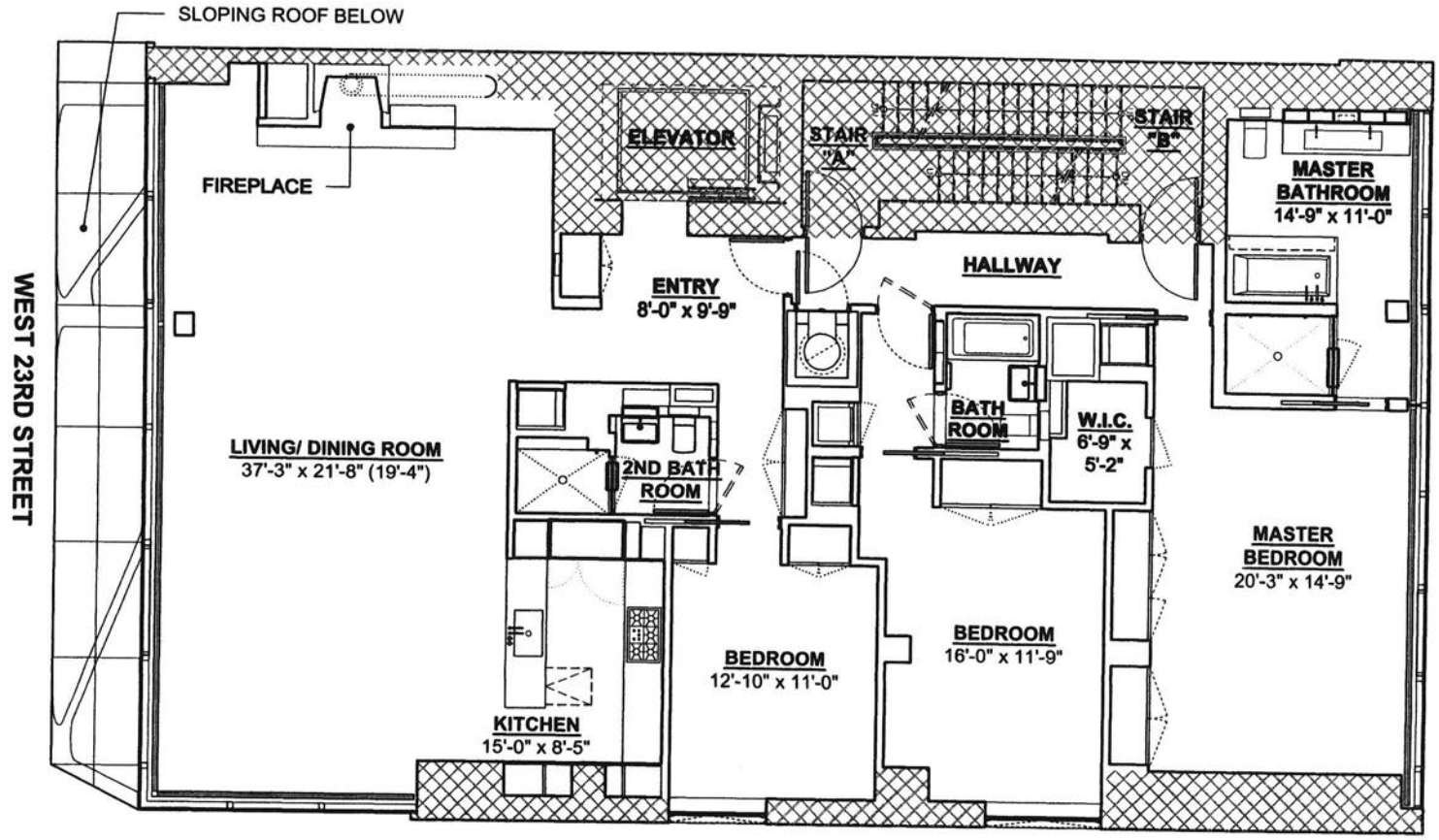
11TH FLOOR: RESIDENTIAL UNIT:11

THE UNIT SQUARE FOOTAGE, LAYOUT AND ROOM OR AREA DIMENSIONS ON THIS FLOOR PLAN ARE APPROXIMATE WITHIN REASONABLE TOLERANCES AND BASED ON CONSTRUCTION DRAWINGS. THE UNIT WHEN BUILT WILL BE SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. THE SQUARE FOOTAGE EXCEEDS THE USABLE FLOOR AREA. ROOM AND AREA DIMENSIONS ARE MEASURED FROM THE EXPOSED SURFACES OF THE ENCLOSING WALLS. CHASE WALLS, SHAFTS, CABINETS AND THE LIKE ARE NOT SUBTRACTED. A MINOR OR IMMATERIAL INACCURACY IN THE ACTUAL SQUARE FOOTAGE (I.E., OVERALL FLOOR AREA) OR THE ACTUAL SIZE OF INDIVIDUAL ROOMS OR AREAS OF A UNIT WHEN BUILT FROM THAT SHOWN ON THIS FLOOR PLAN SHALL NOT EXCUSE A PURCHASER FROM COMPLETING THE PURCHASE OF A UNIT WITHOUT ABATEMENT IN PRICE OR RECOURSE AGAINST SPONSOR. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES TO A UNIT IN ACCORDANCE WITH THE OFFERING PLAN.

PLAN NORTH

July 12, 2007

HIGHLINE 23 CONDOMINIUM



DOC 5-14

LEGEND

STORAGE UNIT (S.U.)

RESIDENTIAL UNIT

RESIDENTIAL COMMON ELEMENTS

RETAIL UNIT

GENERAL COMMON ELEMENTS

RESIDENTIAL UNIT 12

2,622 SQ.FT.

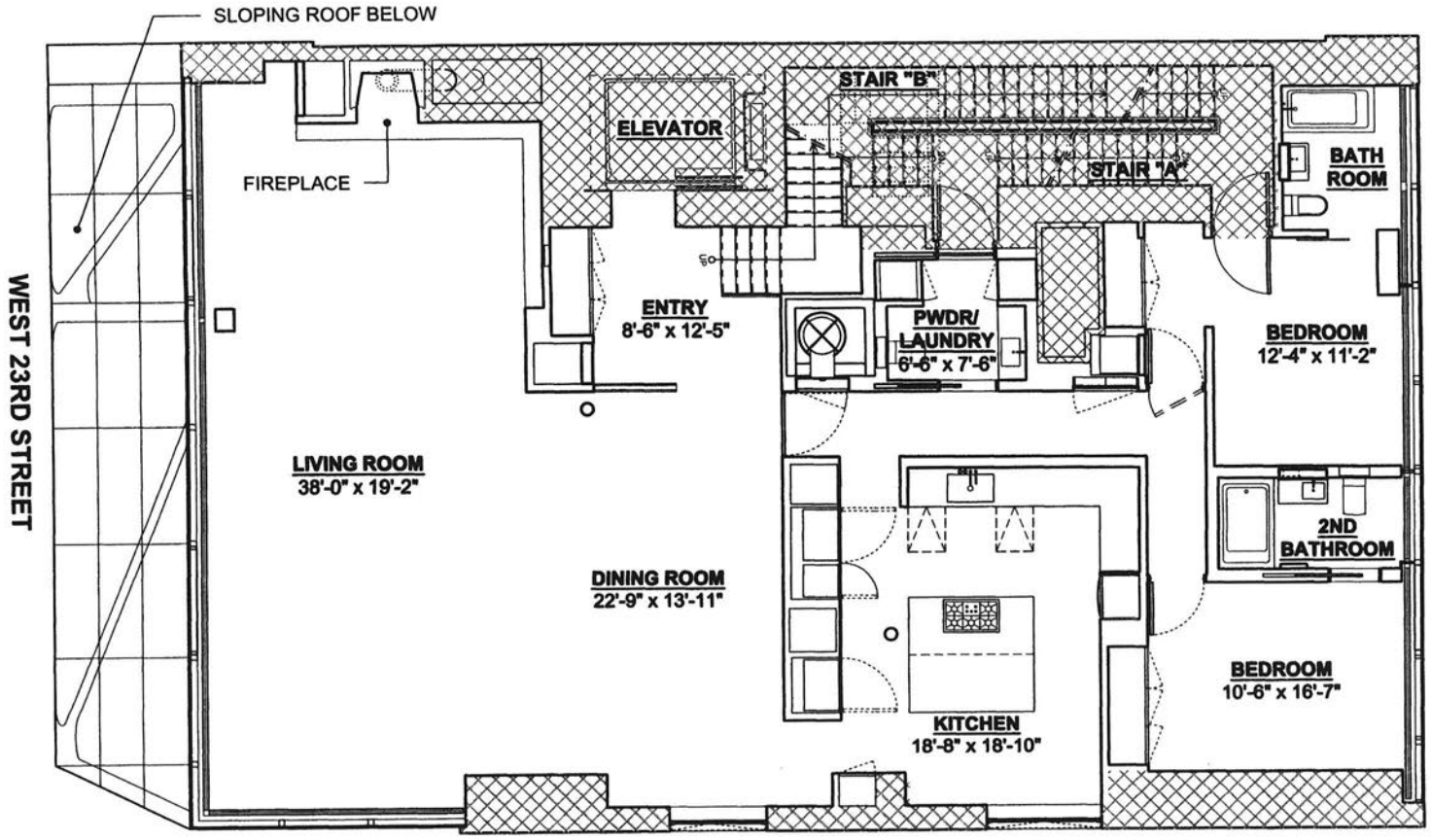
0' 4' 8' 12' 16'

12TH FLOOR: RESIDENTIAL UNIT:12

THE UNIT SQUARE FOOTAGE, LAYOUT AND ROOM OR AREA DIMENSIONS ON THIS FLOOR PLAN ARE APPROXIMATE WITHIN REASONABLE TOLERANCES AND BASED ON CONSTRUCTION DRAWINGS. THE UNIT WHEN BUILT WILL BE SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. THE SQUARE FOOTAGE EXCEEDS THE USABLE FLOOR AREA. ROOM AND AREA DIMENSIONS ARE MEASURED FROM THE EXPOSED SURFACES OF THE ENCLOSING WALLS. CHASE WALLS, SHAFTS, CABINETS AND THE LIKE ARE NOT SUBTRACTED. A MINOR OR IMMATERIAL INACCURACY IN THE ACTUAL SQUARE FOOTAGE (I.E., OVERALL FLOOR AREA) OR THE ACTUAL SIZE OF INDIVIDUAL ROOMS OR AREAS OF A UNIT WHEN BUILT FROM THAT SHOWN ON THIS FLOOR PLAN SHALL NOT EXCUSE A PURCHASER FROM COMPLETING THE PURCHASE OF A UNIT WITHOUT ABATEMENT IN PRICE OR RECOURSE AGAINST SPONSOR. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES TO A UNIT IN ACCORDANCE WITH THE OFFERING PLAN.

PLAN NORTH

HIGHLINE 23 CONDOMINIUM



RESIDENTIAL UNIT PENTHOUSE LOWER LEVEL
2,561 SQ.FT.

LEGEND

- STORAGE UNIT (S.U.)
- RESIDENTIAL UNIT
- RESIDENTIAL COMMON ELEMENTS
- RETAIL UNIT
- GENERAL COMMON ELEMENTS

0' 4' 8' 12' 16'

PENTHOUSE LOWER LEVEL : RESIDENTIAL UNIT:PENTHOUSE LOWER LEVEL

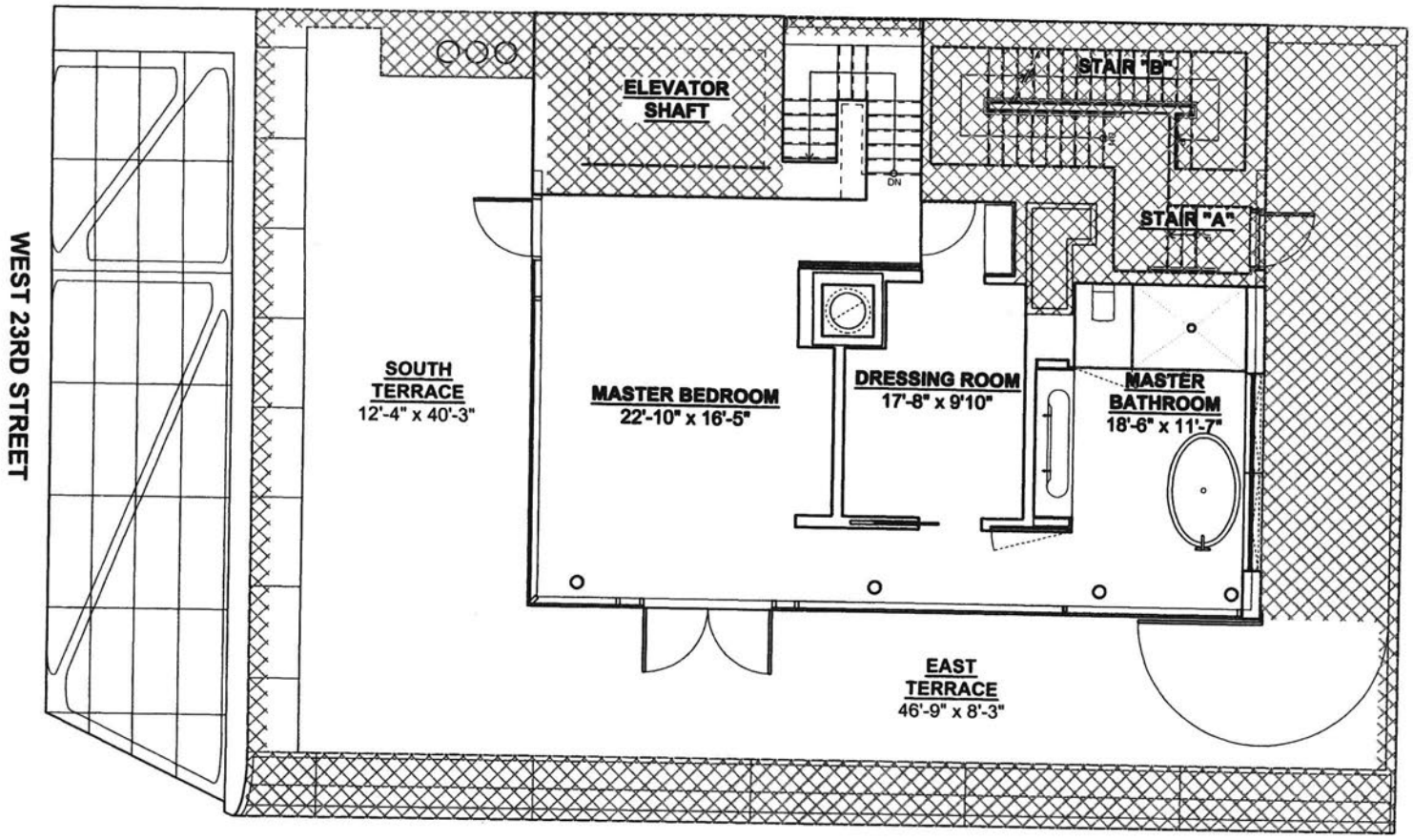
THE UNIT SQUARE FOOTAGE, LAYOUT AND ROOM OR AREA DIMENSIONS ON THIS FLOOR PLAN ARE APPROXIMATE WITHIN REASONABLE TOLERANCES AND BASED ON CONSTRUCTION DRAWINGS. THE UNIT WHEN BUILT WILL BE SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. THE SQUARE FOOTAGE EXCEEDS THE USABLE FLOOR AREA. ROOM AND AREA DIMENSIONS ARE MEASURED FROM THE EXPOSED SURFACES OF THE ENCLOSING WALLS. CHASE WALLS, SHAFTS, CABINETS AND THE LIKE ARE NOT SUBTRACTED. A MINOR OR IMMATERIAL INACCURACY IN THE ACTUAL SQUARE FOOTAGE (I.E., OVERALL FLOOR AREA) OR THE ACTUAL SIZE OF INDIVIDUAL ROOMS OR AREAS OF A UNIT WHEN BUILT FROM THAT SHOWN ON THIS FLOOR PLAN SHALL NOT EXCUSE A PURCHASER FROM COMPLETING THE PURCHASE OF A UNIT WITHOUT ABATEMENT IN PRICE OR RECOURSE AGAINST SPONSOR. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES TO A UNIT IN ACCORDANCE WITH THE OFFERING PLAN.

PLAN NORTH

July 12, 2007

HIGHLINE 23 CONDOMINIUM

DOC 5-15



DOC 5-16

LEGEND

STORAGE UNIT (S.U.)	
RESIDENTIAL UNIT	
RESIDENTIAL COMMON ELEMENTS	
RETAIL UNIT	
GENERAL COMMON ELEMENTS	

RESIDENTIAL UNIT PENTHOUSE UPPER LEVEL

LOWER LEVEL:	2,561 SQ.FT.
UPPER LEVEL (INDOOR):	1,025 SQ.FT.
TERRACE:	1,237 SQ.FT.
UNIT TOTAL:	4,823 SQ.FT.

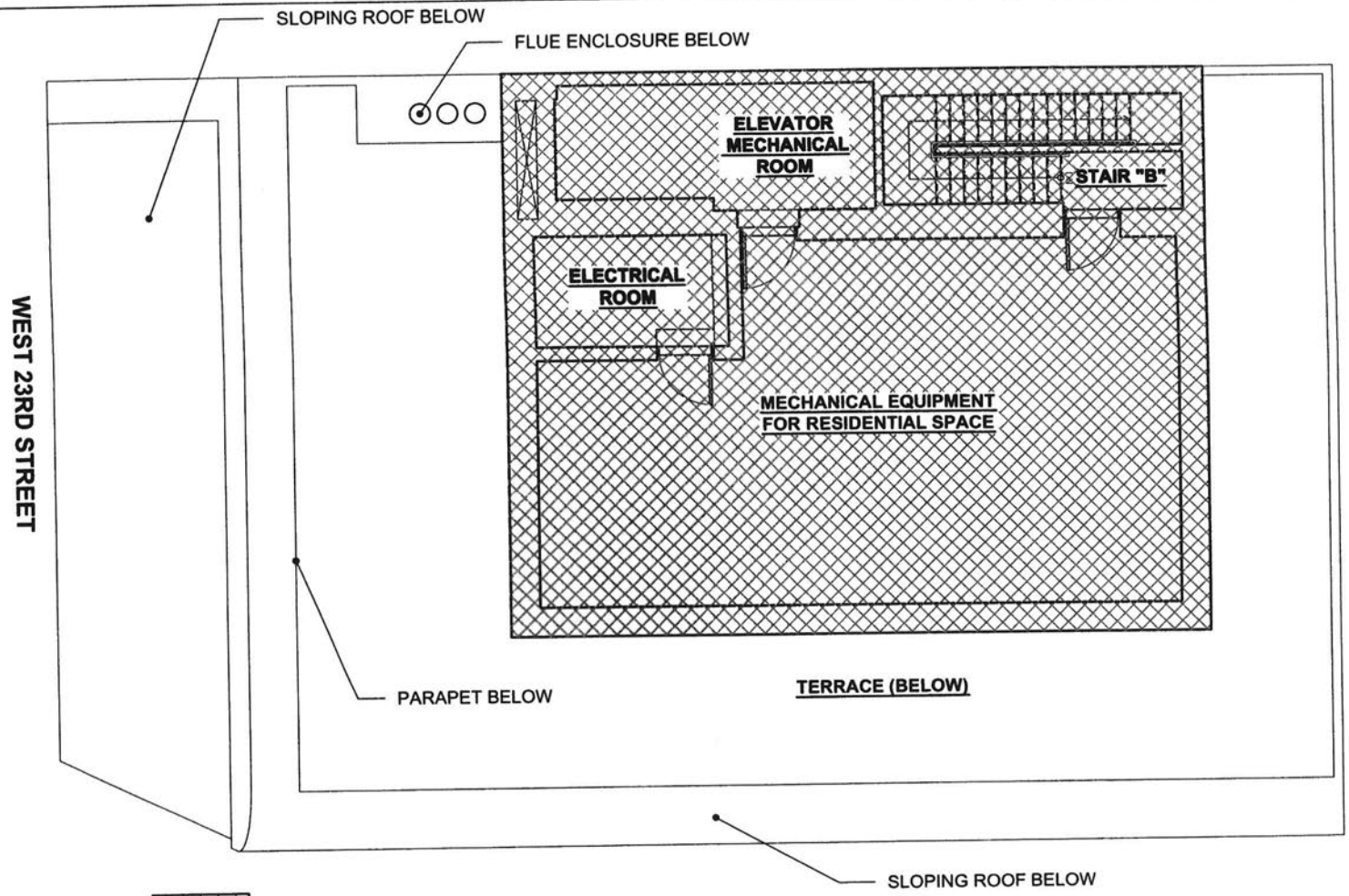
0' 4' 8' 12' 16'

PENTHOUSE UPPER LEVEL : RESIDENTIAL UNIT:PENTHOUSE UPPER LEVEL

THE UNIT SQUARE FOOTAGE, LAYOUT AND ROOM OR AREA DIMENSIONS ON THIS FLOOR PLAN ARE APPROXIMATE WITHIN REASONABLE TOLERANCES AND BASED ON CONSTRUCTION DRAWINGS. THE UNIT WHEN BUILT WILL BE SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. THE SQUARE FOOTAGE EXCEEDS THE USABLE FLOOR AREA. ROOM AND AREA DIMENSIONS ARE MEASURED FROM THE EXPOSED SURFACES OF THE ENCLOSING WALLS. CHASE WALLS, SHAFTS, CABINETS AND THE LIKE ARE NOT SUBTRACTED. A MINOR OR IMMATERIAL INACCURACY IN THE ACTUAL SQUARE FOOTAGE (I.E., OVERALL FLOOR AREA) OR THE ACTUAL SIZE OF INDIVIDUAL ROOMS OR AREAS OF A UNIT WHEN BUILT FROM THAT SHOWN ON THIS FLOOR PLAN SHALL NOT EXCUSE A PURCHASER FROM COMPLETING THE PURCHASE OF A UNIT WITHOUT ABATEMENT IN PRICE OR RECOURSE AGAINST SPONSOR. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES TO A UNIT IN ACCORDANCE WITH THE OFFERING PLAN.

PLAN NORTH

HIGHLINE 23 CONDOMINIUM



DOC 5-17

LEGEND

- STORAGE UNIT (S.U.)
- RESIDENTIAL UNIT
- RESIDENTIAL COMMON ELEMENTS
- RETAIL UNIT
- GENERAL COMMON ELEMENTS

0' 4' 8' 12' 16'

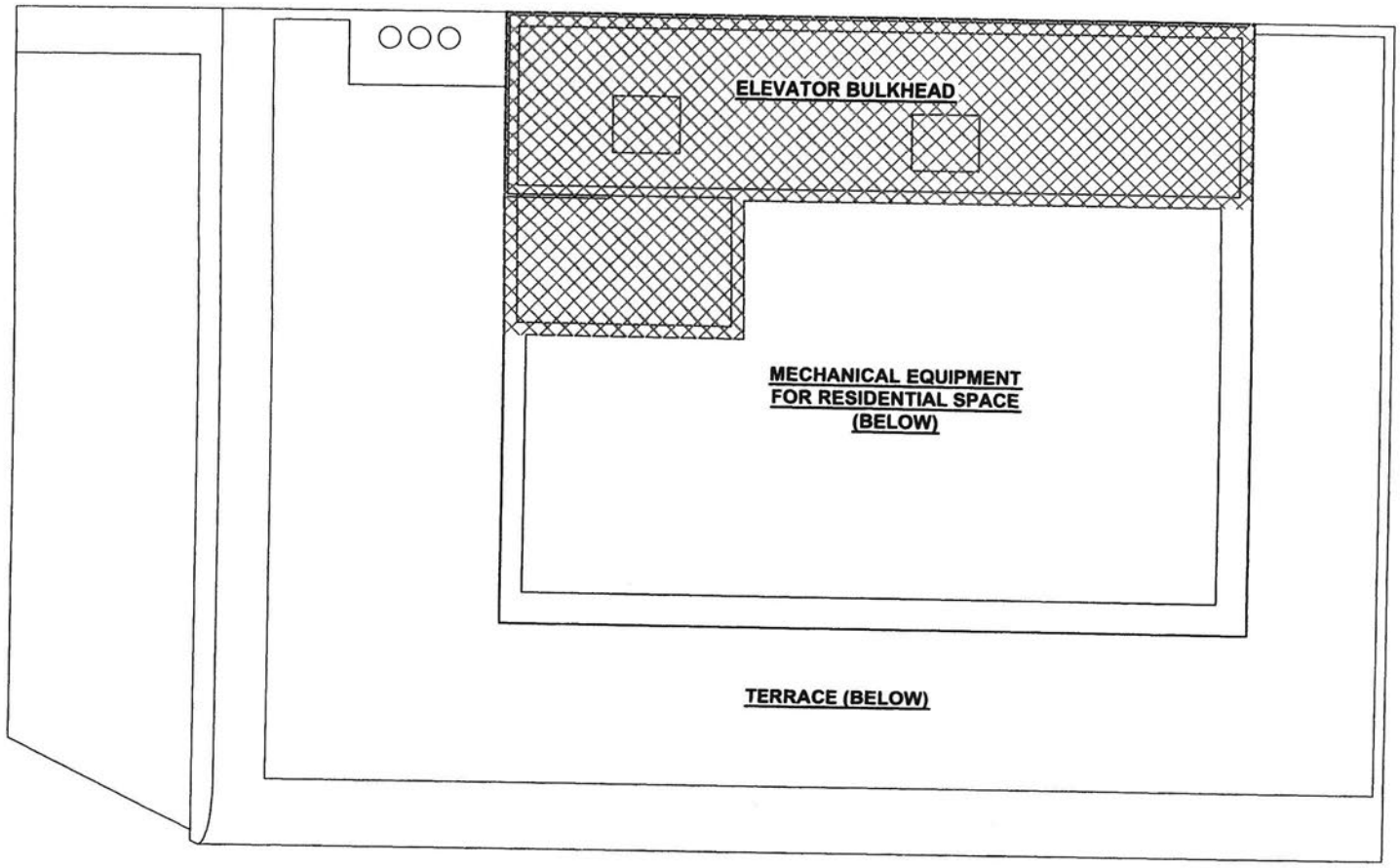
ROOF

THE UNIT SQUARE FOOTAGE, LAYOUT AND ROOM OR AREA DIMENSIONS ON THIS FLOOR PLAN ARE APPROXIMATE WITHIN REASONABLE TOLERANCES AND BASED ON CONSTRUCTION DRAWINGS. THE UNIT WHEN BUILT WILL BE SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. THE SQUARE FOOTAGE EXCEEDS THE USABLE FLOOR AREA. ROOM AND AREA DIMENSIONS ARE MEASURED FROM THE EXPOSED SURFACES OF THE ENCLOSING WALLS. CHASE WALLS, SHAFTS, CABINETS AND THE LIKE ARE NOT SUBTRACTED. A MINOR OR IMMATERIAL INACCURACY IN THE ACTUAL SQUARE FOOTAGE (I.E., OVERALL FLOOR AREA) OR THE ACTUAL SIZE OF INDIVIDUAL ROOMS OR AREAS OF A UNIT WHEN BUILT FROM THAT SHOWN ON THIS FLOOR PLAN SHALL NOT EXCUSE A PURCHASER FROM COMPLETING THE PURCHASE OF A UNIT WITHOUT ABATEMENT IN PRICE OR RECOURSE AGAINST SPONSOR. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES TO A UNIT IN ACCORDANCE WITH THE OFFERING PLAN.

PLAN NORTH

July 12, 2007

HIGHLINE 23 CONDOMINIUM



DOC 5-18

LEGEND

STORAGE UNIT (S.U.)

RESIDENTIAL UNIT

RESIDENTIAL COMMON ELEMENTS

RETAIL UNIT

GENERAL COMMON ELEMENTS

0' 4' 8' 12' 16'

BULKHEAD

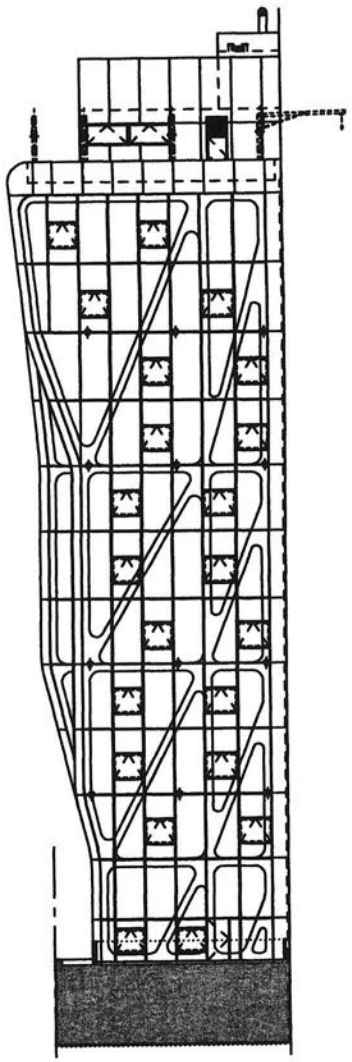
THE UNIT SQUARE FOOTAGE, LAYOUT AND ROOM OR AREA DIMENSIONS ON THIS FLOOR PLAN ARE APPROXIMATE WITHIN REASONABLE TOLERANCES AND BASED ON CONSTRUCTION DRAWINGS. THE UNIT WHEN BUILT WILL BE SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. THE SQUARE FOOTAGE EXCEEDS THE USABLE FLOOR AREA. ROOM AND AREA DIMENSIONS ARE MEASURED FROM THE EXPOSED SURFACES OF THE ENCLOSING WALLS. CHASE WALLS, SHAFTS, CABINETS AND THE LIKE ARE NOT SUBTRACTED. A MINOR OR IMMATERIAL INACCURACY IN THE ACTUAL SQUARE FOOTAGE (I.E., OVERALL FLOOR AREA) OR THE ACTUAL SIZE OF INDIVIDUAL ROOMS OR AREAS OF A UNIT WHEN BUILT FROM THAT SHOWN ON THIS FLOOR PLAN SHALL NOT EXCUSE A PURCHASER FROM COMPLETING THE PURCHASE OF A UNIT WITHOUT ABATEMENT IN PRICE OR RECOURSE AGAINST SPONSOR. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES TO A UNIT IN ACCORDANCE WITH THE OFFERING PLAN.

HIGHLINE 23 CONDOMINIUM

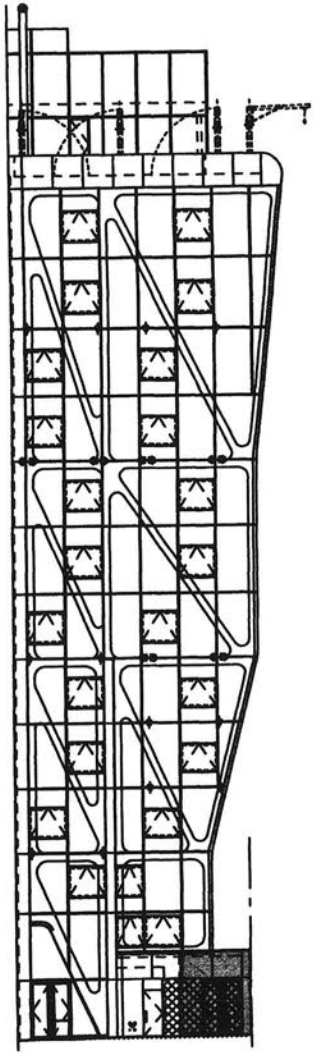
PLAN
NORTH

July 12, 2007

DOC 5-19



NORTH ELEVATION



SOUTH ELEVATION

RETAIL UNIT

COMMERCIAL SIGNAGE EASEMENT AREA

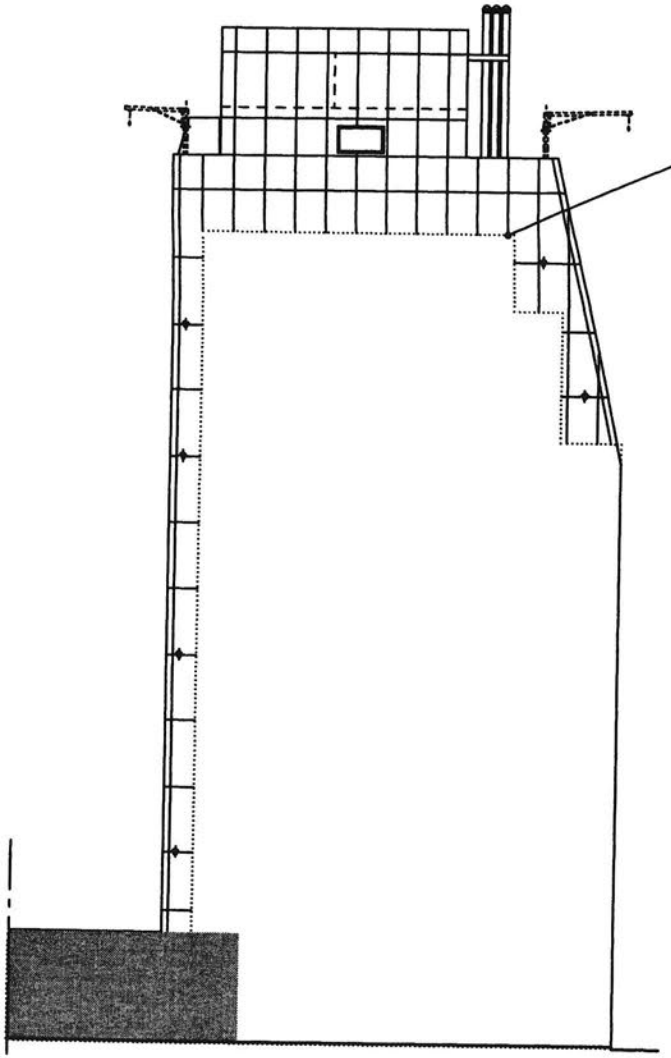
ELEVATIONS

THE UNIT SQUARE FOOTAGE, LAYOUT AND ROOM OR AREA DIMENSIONS ON THIS FLOOR PLAN ARE APPROXIMATE WITHIN REASONABLE TOLERANCES AND BASED ON CONSTRUCTION DRAWINGS. THE UNIT WHEN BUILT WILL BE SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. THE SQUARE FOOTAGE EXCEEDS THE USABLE FLOOR AREA. ROOM AND AREA DIMENSIONS ARE MEASURED FROM THE EXPOSED SURFACES OF THE ENCLOSING WALLS. CHASE WALLS, SHAFTS, CABINETS AND THE LIKE ARE NOT SUBTRACTED. A MINOR OR IMMATERIAL INACCURACY IN THE ACTUAL SQUARE FOOTAGE (I.E., OVERALL FLOOR AREA) OR THE ACTUAL SIZE OF INDIVIDUAL ROOMS OR AREAS OF A UNIT WHEN BUILT FROM THAT SHOWN ON THIS FLOOR PLAN SHALL NOT EXCUSE A PURCHASER FROM COMPLETING THE PURCHASE OF A UNIT WITHOUT ABATEMENT IN PRICE OR RECOURSE AGAINST SPONSOR. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES TO A UNIT IN ACCORDANCE WITH THE OFFERING PLAN.

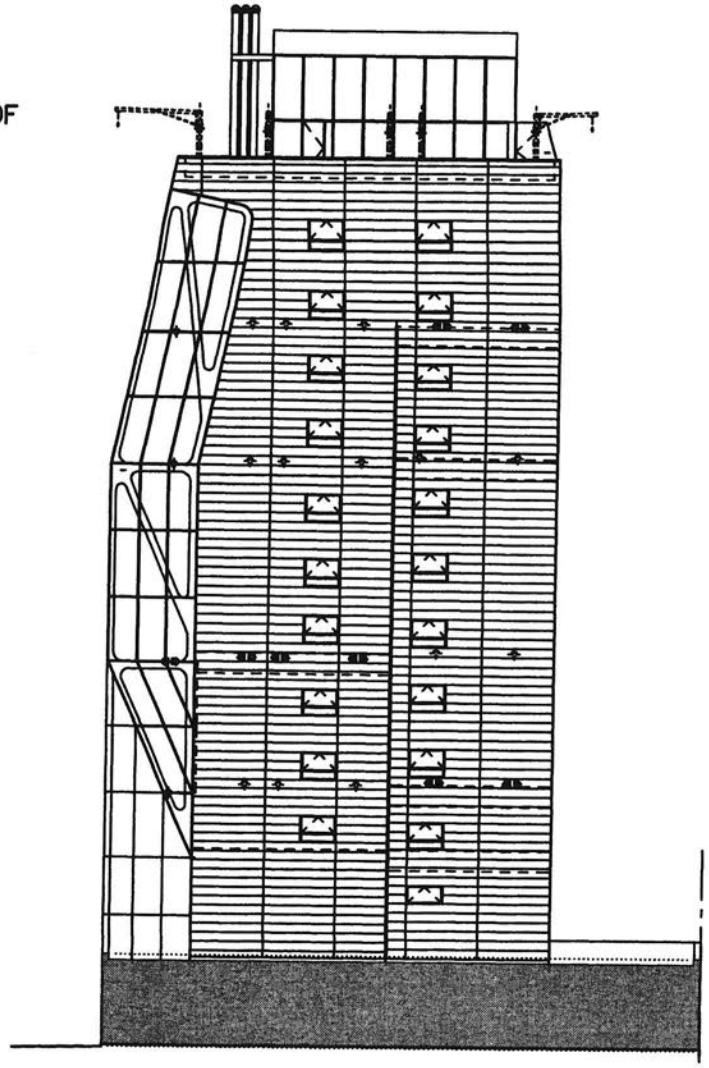
29 JUNE 2007

HIGHLINE 23 CONDOMINIUM

DOC 5-20



WEST ELEVATION



EAST ELEVATION

RETAIL UNIT

COMMERCIAL SIGNAGE
EASEMENT AREA

ELEVATIONS

THE UNIT SQUARE FOOTAGE, LAYOUT AND ROOM OR AREA DIMENSIONS ON THIS FLOOR PLAN ARE APPROXIMATE WITHIN REASONABLE TOLERANCES AND BASED ON CONSTRUCTION DRAWINGS. THE UNIT WHEN BUILT WILL BE SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. THE SQUARE FOOTAGE EXCEEDS THE USABLE FLOOR AREA. ROOM AND AREA DIMENSIONS ARE MEASURED FROM THE EXPOSED SURFACES OF THE ENCLOSING WALLS. CHASE WALLS, SHAFTS, CABINETS AND THE LIKE ARE NOT SUBTRACTED. A MINOR OR IMMATERIAL INACCURACY IN THE ACTUAL SQUARE FOOTAGE (I.E., OVERALL FLOOR AREA) OR THE ACTUAL SIZE OF INDIVIDUAL ROOMS OR AREAS OF A UNIT WHEN BUILT FROM THAT SHOWN ON THIS FLOOR PLAN SHALL NOT EXCUSE A PURCHASER FROM COMPLETING THE PURCHASE OF A UNIT WITHOUT ABATEMENT IN PRICE OR RECOURSE AGAINST SPONSOR. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES TO A UNIT IN ACCORDANCE WITH THE OFFERING PLAN.

DECLARATION OF CONDOMINIUM

Establishing a Plan for Condominium Ownership
of the Premises known as and by the street number

515 West 23rd Street
(a/k/a 515 and 517 West 23rd Street)
New York, New York 10011

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

Name of Condominium:	**High Line 23 Condominium**
Declarant:	**23 Highline LLC**
Declarant's Address:	**c/o Alf Naman Real Estate Advisors Ltd.,** **460 Park Avenue, Floor 22,** **New York, New York 10022**
Date of Declaration:	**_____ ____, 200__**
Location of Land:	**The Land affected by the within instrument lies in Section 3, Block 695 on the Tax Map of the Real Property Assessment Department of The City of New York, Borough of Manhattan, County and State of New York in Lots: F/K/A Lot 27, N/K/A Lots ____ to ____**

RECORD AND RETURN TO
Seyfarth Shaw LLP
620 Eighth Avenue
New York, New York 10018
Attention: Alan L. Kazlow, Esq.

©2007 Alan L. Kazlow, Esq.
Seyfarth Shaw LLP
All rights reserved.

Table of Contents

Page

ARTICLE 1 DEFINITIONS 2
Section 1.1 Glossary 2
Section 1.2 General 2
Section 1.3 Condominium and Condominium Association 2

ARTICLE 2 SUBMISSION OF THE PROPERTY 3
Section 2.1 Submission 3
Section 2.2 Filing 3

ARTICLE 3 NAME OF CONDOMINIUM 3
Section 3.1 Name 3
Section 3.2 Use by Unit Owners and Others 3

ARTICLE 4 THE LAND 3
Section 4.1 Location 3
Section 4.2 Area 3

ARTICLE 5 THE BUILDING 4
Section 5.1 Location 4
Section 5.2 Building and Floors 4
Section 5.3 Units and Common Elements 4
Section 5.4 Construction Materials 4
Section 5.5 Development Rights 4

ARTICLE 6 THE UNITS 5
Section 6.1 Unit Designations 5
Section 6.2 Location 5
Section 6.3 Unit Information 5
Section 6.4 Floor Plans and Diagrams 6
Section 6.5 Borders 6
Section 6.6 Floor Area 6
Section 6.7 Included Areas 6
Section 6.8 Height 6
Section 6.9 Items Included in Unit 6
Section 6.10 Commercial Equipment 8
Section 6.11 Residential Equipment 8
Section 6.12 Attachment to Perimeters 8

ARTICLE 7 THE COMMON ELEMENTS AND ASSOCIATION'S PROPERTIES 9
Section 7.1 Common Elements 9
Section 7.2 Items of General Common Elements 10
Section 7.3 Items of Residential Common Elements 12
Section 7.4 Association's Properties 14
Section 7.5 No Partition 14
Section 7.6 Decision as to the General Common Elements and the Association's General Properties 14

Page

Section 7.7 Decisions as to the Residential Common Elements and the Association's Residential Properties 15
Section 7.8 Business Judgment Rule 15
Section 7.9 Declaration Governs 15
Section 7.10 Intentionally Omitted. 15

ARTICLE 8 THE COMMON INTERESTS 16
Section 8.1 Statutory Method Chosen 16
Section 8.2 Common Interests 16

ARTICLE 9 THE COMMON PROFITS AND COMMON EXPENSES 16
Section 9.1 Special Allocation and Apportionment. 16
Section 9.2 Budget of Condominium Operation 23
Section 9.3 Budget Requirement 23
Section 9.4 Budget Adoption Procedure 23
Section 9.5 Allocation or Apportionment Change 24
Section 9.6 Increase or Decrease in General Common Charges 24
Section 9.7 Budget Reserves 26
Section 9.8 Budget Surplus and Reconciliation. 26
Section 9.9 Prohibition 27
Section 9.10 Special Assessment 27
Section 9.11 Sponsor Veto Control 27
Section 9.12 Real Estate Taxes 29

ARTICLE 10 USES OF COMMON ELEMENTS, SIDEWALKS AND UNITS 29
Section 10.1 General Requirement 29
Section 10.2 General Prohibitions 29
Section 10.3 Common Use of Common Elements 30
Section 10.4 New Installations Affecting Common Elements, Sidewalks and Vault. 30
Section 10.5 New Connections to Common Elements 31
Section 10.6 Residential Common Elements 32
Section 10.7 Commercial Limited Common Elements 32
Section 10.8 Individual Limited Common Elements 33
Section 10.9 Sponsor's Rights to Use Common Elements and Immediately Adjacent Sidewalks 33
Section 10.10 Building's Walls and Immediately Adjacent Sidewalks 34
Section 10.11 Permitted Uses of Building Walls and Immediately Adjacent Sidewalks 35
Section 10.12 Intentionally Omitted. 35
Section 10.13 Permitted Uses and Occupancy of Sold Residential Units 35
Section 10.14 Required Ownership and Use of Sold Storage Units 37
Section 10.15 Permitted Uses of Unsold Units and Retail Unit 37
Section 10.16 Compliance with Laws 38
Section 10.17 Changes in Use of Unsold Units and Retail Unit 38
Section 10.18 Signs 38
Section 10.19 Limited Power of Attorney 39
Section 10.20 Cooperation of Board 39

Page

Section 10.21 Construction of Units and Common Elements 40

ARTICLE 11 EASEMENTS, RIGHTS AND RESTRICTIONS AFFECTING THE COMMON ELEMENTS 40
Section 11.1 General Common Elements 40
Section 11.2 Residential Common Elements 41
Section 11.3 Commercial Limited Common Elements 41
Section 11.4 Mutual Rights 42
Section 11.5 Individual Limited Common Elements 42
Section 11.6 Subordination 42
Section 11.7 Easements Affecting Common Elements for Ingress, Egress, Access and Use 42
Section 11.8 Emergency 43
Section 11.9 Existing Services 43
Section 11.10 Intentionally Omitted. 44
Section 11.11 Utility Easements and Rights 44
Section 11.12 Access by Utility 45
Section 11.13 Requirements for Access By Utility 45
Section 11.14 Communications and Other Installation Easements and Rights. 45
Section 11.15 Intentionally Omitted. 47

ARTICLE 12 EASEMENTS, RIGHTS AND RESTRICTIONS AFFECTING UNITS AND COMMON ELEMENTS 47
Section 12.1 Easements Affecting All Units and Common Elements. 47
Section 12.2 Reciprocal Easement Affecting the Retail Unit 49
Section 12.3 Reciprocal Easement Affecting the General Common Elements and Residential Space 50
Section 12.4 Easements of Support, Necessity, Utilities and Services 51
Section 12.5 Easements Allowing Encroachments 51
Section 12.6 Statutory Easements 51
Section 12.7 Sponsor Easements for Sponsor's Rights and Obligations 52
Section 12.8 Move-In and -Out Easements 53

ARTICLE 13 CHANGES IN UNITS AND COMMON ELEMENTS 53
Section 13.1 Changes 53
Section 13.2 Rights, Restrictions and Requirements 54

ARTICLE 14 MAINTENANCE, REPAIRS, ALTERATIONS AND OTHER WORK TO UNITS, COMMON ELEMENTS, ASSOCIATION'S PROPERTIES AND SIDEWALKS 59
Section 14.1 Duty to Maintain and Repair the Units, Limited Common Elements and Individual Limited Common Elements 59
Section 14.2 Duty to Maintain and Repair the Common Elements and Association's Properties 60
Section 14.3 Maintenance, Repairs, Alterations and Work to Units, Limited Common Elements and Individual Limited Common Elements 60

Page

Section 14.4 Maintenance, Repairs, Alterations and Work as to General Common Elements, Residential Common Elements and Association's Properties 61
Section 14.5 Requisite Approvals for Board Repairs and Alterations. 61
Section 14.6 Base Floors and Ceilings, Roofs and Building Walls 62
Section 14.7 Acts or Omissions 62
Section 14.8 Cooperation 63
Section 14.9 Sidewalks 63
Section 14.10 Intentionally Omitted. 63

ARTICLE 15 WORK REQUIREMENTS 63
Section 15.1 Application 63
Section 15.2 Work Requirements 64
Section 15.3 Procedure to Obtain Approval 73
Section 15.4 30 Days to Approve or to Deny 73
Section 15.5 No Assumption of Liability or Approval of Suitability. 73
Section 15.6 Remedies 74
Section 15.7 Correction of Defects 74

ARTICLE 16 ACQUISITION OF UNITS BY CONDOMINIUM BOARD 75
Section 16.1 Authority for Acquisition 75
Section 16.2 Acquisition By Nominee or Designee of Board 75
Section 16.3 Authority for Dispositions 75
Section 16.4 Included in Association Residential Properties 76
Section 16.5 Allocation of Costs and Expenses 76

ARTICLE 17 POWER OF ATTORNEY FROM EACH UNIT OWNER 76
Section 17.1 Grant of Limited Power of Attorney 76
Section 17.2 Power of Substitution 79
Section 17.3 Durability 79
Section 17.4 Unit Owner's Confirmatory Power of Attorney 79
Section 17.5 Limited Power of Attorney Unimpaired 79

ARTICLE 18 PRIORITY OF LIEN FOR COMMON CHARGES 79
Section 18.1 Liens of Prior Recorded First Mortgage 79
Section 18.2 Liability for Unpaid Common Charges 79

ARTICLE 19 TERMINATION OF CONDOMINIUM 80
Section 19.1 Condominium Termination Events 80
Section 19.2 Partition 80

ARTICLE 20 COOPERATION AND FURTHER ASSURANCES 81
Section 20.1 Covenant to Cooperate 81
Section 20.2 Actions and Documents 81
Section 20.3 Rights and Obligations of Requesting Party 81
Section 20.4 Giving Assurances 82
Section 20.5 Giving Instruments and Documents 82
Section 20.6 Limited Power of Attorney. 82

Page

ARTICLE 21 COVENANTS TO RUN WITH THE LAND; COMPLIANCE WITH CONDOMINIUM ACT 83
Section 21.1 Covenants Run With Land 83
Section 21.2 Binding Effect 83
Section 21.3 Acceptance, Adoption and Ratification 83
Section 21.4 Invalidity and Reformation 83
Section 21.5 Deemed Inclusion of Necessary Provisions 84
Section 21.6 Correction Declaration 84

ARTICLE 22 AMENDMENTS TO DECLARATION 84
Section 22.1 Application to Declaration and By-Laws 84
Section 22.2 Requirements 84
Section 22.3 Illustration 86
Section 22.4 Restrictions 86
Section 22.5 Acknowledgment and Recording 87
Section 22.6 Signatories 87
Section 22.7 Floor Plans 87
Section 22.8 Limited Power of Attorney 87
Section 22.9 Filing of Conformed Copy 88
Section 22.10 Filing with Secretary of State 88

ARTICLE 23 CONSENT OF SPONSOR 88
Section 23.1 Consent of Sponsor 88
Section 23.2 Consent of Unsold Unit Owner 89
Section 23.3 Supremacy of Sponsor 89
Section 23.4 Expiration 89

ARTICLE 24 SERVICE OF PROCESS 89
Section 24.1 Designation of Secretary of State 89
Section 24.2 Person and Address to Whom Process is To Be Sent 89
Section 24.3 Foreign Entity 89

ARTICLE 25 INCORPORATION IN DECLARATION 91
Section 25.1 Incorporation of Exhibits, Floor Plans and Offering Plan 91

ARTICLE 26 CHANGES AND WAIVER 91
Section 26.1 Changes 91
Section 26.2 No Waiver of Consent 91
Section 26.3 Waiver in Writing 91
Section 26.4 No Inference of Waiver 92

ARTICLE 27 SEVERABILITY 92
Section 27.1 Valid and Enforceable 92
Section 27.2 Condominium Act is Paramount 92

ARTICLE 28 SPONSOR'S/COMMERCIAL OWNER'S RIGHTS 92
Section 28.1 Who May Exercise 92
Section 28.2 Other Unit Owners 93

Page

Section 28.3 Covenants with Land Supplemented 93

ARTICLE 29 INDEMNIFICATION 93
Section 29.1 Indemnification Generally 93
Section 29.2 Contribution 93
Section 29.3 Application 94
Section 29.4 Notice of Claims or Lawsuit 94
Section 29.5 Selection of Attorneys and Settlement 94
Section 29.6 Cooperation of Indemnified Party 94
Section 29.7 Participation of Indemnified Party 94
Section 29.8 Allocation of Costs and Expenses 94
Section 29.9 Indemnification of Board Parties. 94

ARTICLE 30 MISCELLANEOUS: USAGES AND GRAMMAR 97
Section 30.1 Table of Contents and Captions 97
Section 30.2 References 97
Section 30.3 Grammar 97
Section 30.4 Notices 97
Section 30.5 Governing Law 98
Section 30.6 Day 98

EXHIBIT A: Description of Land ..... EXH A-1
EXHIBIT B: Description of Units ..... EXH B-1
EXHIBIT C: Glossary ..... EXH C-1
EXHIBIT D: By-Laws of High Line 23 Condominium ..... EXH D-1
EXHIBIT E: Unit Owner's Power of Attorney ..... EXH E-1
EXHIBIT F: Guidelines for Budget of General Operation ..... EXH F-1
EXHIBIT G: Diagrams of Rooms and Areas of Common Elements ..... EXH G-1

DECLARATION
OF
CONDOMINIUM

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

23 Highline LLC, the Declarant and Sponsor, having a business address (and for notices) at c/o Alf Naman Real Estate Advisors Ltd., 460 Park Avenue, Floor 22, New York, New York 10022, does hereby declare, reserve and grant as follows:

ARTICLE 1

DEFINITIONS

Section 1.1 **Glossary.** The words frequently used in this Declaration (whether uppercase or lowercase) are defined in EXHIBIT C: Glossary to this Declaration and apply wherever these words appear in this Declaration or the EXHIBITS to this Declaration (that is, EXHIBIT A: Description of the Land; EXHIBIT B: Description of the Units; EXHIBIT D: By-Laws and Rules and Regulations appended to the By-Laws; EXHIBIT E: Unit Owner's Power of Attorney; EXHIBIT F: Guidelines for Budget of General Operation ("**Budget Guidelines**"); and EXHIBIT G: Diagrams of Rooms and Areas of Common Elements), regardless of whether such words are expressly stated to be defined in said EXHIBIT C, unless the context in which such words are used shall otherwise require. Any elevator numbers, elevator shaft numbers, elevator machine room numbers, shaft numbers, egress or exit stair numbers and other room numbers or designations correspond to those set forth on the Floor Plans.

Section 1.2 **General.** The meanings stated for the words within quotation marks in any provision of this Declaration or the EXHIBITS to this Declaration (including EXHIBIT C: Glossary), whether initial uppercase or lowercase, apply wherever these words appear in this Declaration or such EXHIBITS, unless the context in which they are used shall otherwise require. All references in this Declaration, the By-Laws, and the Rules and Regulations to: (a) Declarant or Sponsor shall mean and include the following with respect to each Unit owned by it: (a-1) an Unsold Unit Owner; (a-2) an Involuntary Transferee of Sponsor or an Unsold Unit Owner; and (a-3) a Successor in Interest to Sponsor, an Unsold Unit Owner or an Involuntary Transferee; or (b) a Unit Owner shall mean the Person who owns a Unit at the time in question, but only while such Person owns the Unit.

Section 1.3 **Condominium and Condominium Association.** The term "**Condominium**" means the Property submitted to the provisions of the Condominium Act (Article 9-B of the Real Property Law of the State of New York). The term "**Condominium Association**" or "**Association**" refers to the unincorporated association of Unit Owners. The membership of the Association at all times shall consist exclusively of all the Unit Owners or, following the withdrawal or termination of the Condominium, all former Unit Owners entitled to share the net proceeds of any partition sale or award in a Taking by a Governmental Authority in condemnation or by eminent domain, as applicable.

ARTICLE 2

SUBMISSION OF THE PROPERTY

Section 2.1 **Submission.** The Land which is the subject of this Declaration is identified on the first (cover) page of this Declaration and is more particularly identified in EXHIBIT A hereto. The Land together with the Building and other improvements erected on and under the Land known as and by the street address 515 West 23rd Street for the Residential and Storage Units (also known as 515 and 517 West 23rd Street), in the Borough of Manhattan, in the City, County and State of New York are hereafter collectively called the **"Property"**. Declarant (i.e., Sponsor) hereby submits the Property to the provisions of Article 9-B of the Real Property Law of the State of New York (a/k/a Condominium Act) and, pursuant thereto, does hereby establish a regime for condominium ownership of the Property as more particularly set forth herein and in the By-Laws. The Property being submitted hereby to condominium ownership also includes all easements, rights and appurtenances belonging thereto, and all other property (real, personal or mixed) used or intended for use in connection with the Land or Building.

Section 2.2 **Filing.** Declarant shall, at its sole Cost and Expense and with reasonable promptness following the recording hereof, file this Declaration with the Department of State of the State of New York in accordance with Section 339-s of the Condominium Act and the rules, regulations or requirements of said Department of State.

ARTICLE 3

NAME OF CONDOMINIUM

Section 3.1 **Name.** The Condominium shall be known as High Line 23 Condominium and shall not be changed or modified without the prior written consent or approval of Sponsor while Sponsor owns any Unsold Unit.

Section 3.2 **Use by Unit Owners and Others.** Declarant hereby reserves for itself as to any Unit owned by Declarant and grants to each Owner of a Unit (including an Unsold Unit and the Retail Unit) and to those tenants and occupants of each such Unit who are so expressly authorized in writing by its Owner (including the Declarant or an Unsold Unit Owner or the Retail Unit Owner), the right, Freely and Without Consent, Payment or Restriction, to use the name of the Condominium in connection with the Use and Enjoyment of their respective Units.

ARTICLE 4

THE LAND

Section 4.1 **Location.** The Land is located in the Borough of Manhattan in the City, County and State of New York and is more particularly described in EXHIBIT A annexed hereto.

Section 4.2 **Area.** The Land is owned by Declarant in fee simple absolute and has an area of approximately 3,851.25 square feet.

ARTICLE 5

THE BUILDING

Section 5.1 **Location.** The Building is located on the Land, which lies in Section 3, Block 695, in Lot F/K/A Lot 27 and N/K/A Lots ____ to ____ on the Tax Map of the Real Property Assessment Department of the City, State and County of New York.

Section 5.2 **Building and Floors.** The Building is located on the Land and contains a total of sixteen (16) construction levels, consisting of a cellar, fourteen (14) construction levels of Units (including both construction levels of the duplex Penthouse Unit) above the cellar, a Roof over the upper level of the Penthouse Unit and a bulkhead enclosing egress stairs and elevator Equipment. Construction levels from ground level will be numbered and referred to in the Condominium Documents, unless the context otherwise requires, as floors 1 (ground or lobby) to 12, Penthouse Lower Level, Penthouse Upper Level, Roof and Bulkhead.

Section 5.3 **Units and Common Elements.** Initially, the Building contains a total of 18 condominium Units and most of the Common Elements. Those Common Elements not in or on the Building include portions of the Land and the improvements thereon, apart from the portions of the air space comprising the Land that are occupied by Common Elements or the Units, which are included in and part of the Common Elements or Units, respectively, and the unutilized "Development Rights", which have been retained by Sponsor as owner of an "Adjacent Lot" to the Land (as said quoted terms are defined in Section 5.5 below).

Section 5.4 **Construction Materials.** The Building construction is classified as non-combustible (construction classification 1C). The principal construction materials of the Building are as follows. The foundation consists of 3 foot thick full lot mat slab. The Building's superstructure is comprised of wide-flange and pipe columns that support a topped hollow-core pre-cast concrete plank floor system. The lateral system for the structure is a combination of steel plate shear walls at the core as well as the perimeter steel pipe braced frame. The Building's curtain wall consists of a fully unitized aluminum system with a horizontal mullion 32" above finished floor and a rain screen made of high strength concrete panels with outboard rigid insulation. Parapets are a vertical extension of the aluminum curtain wall system. A refuse chimney is made of heavy gauge steel. Roof Terraces are made of a wood decking system. The door to a Terrace is a thermally broken aluminum door frame. Entry doors to the Residential Space and the Retail Unit are balanced glass doors with formed steel frames and laminated safety glass. Fire exit doors are 16 gauge hollow metal doors with 14 gauge welded hollow metal frames. Vestibule doors are balanced glass doors with formed steel frames. The Roof material consists of a fluid applied membrane, a 6" extruded polystyrene rigid insulation, with pre-cast concrete pavers on pedestals on the Roof over the Retail Unit. Flashing is polyester reinforced liquid applied membrane. Counter flashing is stainless steel. The egress stair and elevator equipment bulkhead is aluminum clad concrete block. The scissor egress stairs are pre-cast concrete with integral concrete stringers. Guard rails are steel pipe. Residential Unit entry doors, corridor doors and doors to a Roof and cellar are 1-1/2 hour FPSC doors with 16 gauge welded hollow metal frames. Interior doors of Residential Units are non-rated solid core wood doors and metal and glass doors. Water service is via a 6" fire service with 4" domestic tap from the New York City water main. The sprinkler and standpipe are a 6" steel combined riser. Sanitary sewerage is built of joint cast iron piping and hubless cast iron.

Section 5.5 **Development Rights.** Pursuant to a certain Declaration of Zoning Lot Development and Easement Restrictions, dated _____ __, 2006 and recorded in the

Register's Office in CRFN_____, Sponsor, as owner of lot 43 ("**Adjacent Lot**") which is adjacent to the Land and comprises the same zoning lot as the Land, owns and holds all of the unused development rights and "floor area" (as such quoted term is defined in the Zoning Resolution of The City of New York) of said zoning lot now available, subsequently acquired or that in the future may become available to said zoning lot under said Zoning Resolution (collectively, "**Development Rights**"). Sponsor and all subsequent owners of the Adjacent Lot (each, "**Adjacent Lot Owner**"), and their respective successors and assigns, may freely and exclusively utilize all of said unutilized Development Rights, without the approval or consent of the Condominium Board or Unit Owners and without participation by them in the proceeds realized on any use, assignment or transfer of the unutilized Development Rights. In no event, however, shall the unutilized Development Rights be used to expand the overall size of the Building to add more floors or additional Units. The Condominium Board and Unit Owners have no right, title or interest in the Development Rights and are not a "party-in-interest", as defined in said Zoning Resolution. If requested by the Adjacent Lot Owner (including Sponsor as owner of the Adjacent Lot), the Condominium Board, on behalf of itself and all Unit Owners, shall execute, acknowledge in recordable form and deliver to the Adjacent Lot Owner, without fee, charge or Cost or Expense of any kind, and the Adjacent Lot Owner shall receive within ten (10) days after written request therefor is given, a confirmatory declaration to the foregoing effect and such other instruments as may be required or requested by the Adjacent Lot Owner to effectuate the foregoing. Each Unit Owner, by accepting a deed to said Owner's Unit or otherwise succeeding to title to said Unit, authorizes and shall be deemed irrevocably to have authorized the Condominium Board to execute and deliver said confirmatory declaration and other instruments on its behalf. Said confirmatory declaration and other instruments shall be prepared by an attorney chosen by the Adjacent Lot Owner and shall be in substance satisfactory to the Adjacent Lot Owner, in its sole judgment. The Adjacent Lot Owner shall be responsible to pay the fees and expenses of its attorney to prepare said declaration and other instruments together with all governmental fees and charges to record same. The Condominium Board shall be responsible for the fees and expenses of any attorney or advisor it may engage in connection therewith. The provisions of this Section 5.5 shall be covenants running with the said zoning lot, including the Adjacent Lot, and shall inure to the benefit of, and shall be enforceable by, Sponsor and each succeeding Adjacent Lot Owner, and their respective successors and assigns.

ARTICLE 6

THE UNITS

Section 6.1 **Unit Designations.** The 18 Units are designated as follows: 11 Units are designated Residential Units; 6 Units are designated Storage Units; and 1 Unit is designated Retail Unit.

Section 6.2 **Location.** The Residential Units are located on portions of floors 2 through 12 and and Penthouse Lower and Upper Levels. The Storage Units are located on portions of the cellar level. The Retail Unit is located on portions of the ground level floor 1.

Section 6.3 **Unit Information.** EXHIBIT B annexed hereto sets forth the following data with respect to each Unit necessary for its proper identification: (a) its Unit designation; (b) its tax lot number; (c) its approximate location in the Building; (d) its approximate floor area and appurtenant Terrace (if any); (e) (in the case of Residential Units) the number of rooms and baths; (f) its approximate height; (g) the portions of the Common Elements to which the Unit has immediate access; and (h) its appurtenant Common Interest.

Section 6.4 **Floor Plans and Diagrams.** A more precise location of each Unit within the Building is shown on the Floor Plans of the Condominium. The Diagrams of Rooms and Areas of Common Elements (EXHIBIT G hereto) also show the location of Units on each floor.

Section 6.5 **Borders.** The indoor area of each Unit consists of the area bordered by the Building's façade or exterior walls ("**Building Walls**"), the interior boundary walls or partitions separating a Unit from a portion of the Common Elements or separating two (2) Storage Units ("**Party Walls**"), and the structural concrete floors and ceilings (or other construction material) that enclose the Unit (hereafter, "**Base Floors**" and "**Base Ceilings**", respectively). The term "Building Walls" also includes all heads, jambs and exterior sills, if any. The term "Base Floors" also includes any subflooring, but excludes any wood flooring, tiles, carpeting or other flooring material thereover within a Unit, which are part of the Unit. The Building Walls, Party Walls, Base Floors and Base Ceilings are part of the Residential Common Elements and not part of a Unit, except that the portions of the Building Walls that enclose the Retail Unit from the sidewalk to a horizontal plane extending along and immediately below the parapets enclosing the Roof over the Retail Unit, and the half portion of a Party Wall, Base Floor or Base Ceiling that encloses and is nearest to the Retail Unit or a General Common Element, are part of such Retail Unit or General Common Element, respectively. The Storefronts (including Storefront Windows and Unit entrance) of the Retail Unit are also part of the Retail Unit.

Section 6.6 **Floor Area.** The approximate indoor floor area of each Residential and Retail Unit has been measured from the exterior side of the Building Walls or glass windows at the Building line and/or Property line enclosing the Unit, or from the midpoint of a Party Wall separating two (2) Storage Units, or from the public side or egress stair side of the interior Party Walls separating the Unit from public corridors or egress stairs, respectively, or from the mechanical space side of interior Party Walls separating the Unit from an elevator or other mechanical equipment space or any other Common Elements. The approximate floor area of each Storage Unit has been measured from the Unit-side of the boundary walls enclosing such Unit. Columns and mechanical pipes and chases (whether along the perimeter or within the Unit) are not deducted from the square foot area of the Unit.

Section 6.7 **Included Areas.** The floor area occupied by any Common Elements within a Unit (such as Building Walls, vents, chase walls or areas, conduits, shafts, pipes and any Structural Components) have been included in the computation of the floor area of the Unit, which is one of the factors used to determine the Common Interest appurtenant to such Unit, but such Common Elements are not part of the Unit. In addition, the Terrace appurtenant to a specified Residential Unit is part of such Unit and a portion of the approximate floor area of such Terrace (relative to its value and the value of the indoor floor area of said Unit) has been included in the computation of such Unit's floor area and as one of the factors used to determine the Common Interest of such Unit.

Section 6.8 **Height.** Measured vertically, each Unit consists of the volume from the top of the Base Floor (located under the finished flooring and sub-flooring materials) to the underside of the Base Ceiling above (located above the finished ceiling material).

Section 6.9 **Items Included in Unit.** The following items are part of, and for the exclusive use of, each Unit or (where applicable or indicated) only a Residential, Storage or Retail Unit and the property of the Unit Owner, whether existing at the date of recording this Declaration or the date of conveyance of the Unit by Declarant (and replacements thereof), regardless of their location in the Unit or elsewhere on, under or adjacent to the Building:

(a) Entrance: the Unit entrance, including the doors leading to a Common Element or a Terrace or the street (together with their frames, hinges, knobs, locks and saddles), are part of each Residential, Storage and Retail Unit;

(b) Terrace: the Terrace appurtenant to a specified Residential Unit (viz., Units 3 and PH) is part of such Unit; the Terrace is the wood decking, pavers or other construction material on top of a Roof, but does not include the Roof or the Roof Structures supporting, in and enclosing the Terrace, which are part of the Residential Common Elements);

(c) Windows and Interior Sills: all windows (including their frames, glass, panes, latches and mechanisms), the portion of the glass door and curtain wall windows between a Unit and its Terrace, all interior window sills, and all window shades, blinds and all other treatments thereon, are part of each Residential Unit;

(d) Decorations: all Decorations of the interior of a Unit are part of such Unit;

(e) Retail Unit: the Retail Unit includes the following (if and where applicable): all Storefronts (which include Storefront Windows and Unit entrance) of the Retail Unit; the portion of the Building Walls enclosing the Retail Unit from the sidewalk to a horizontal plane extending along and immediately below the parapets enclosing the Roof over the Retail Unit; the areas on said Roof reserved for skylights serving only the Retail Unit, which are to be installed by, and at the sole Cost and Expense of, the Retail Unit Owner (if desired); any and all gates, security alarm and other devices existing now or installed hereafter protecting the Retail Unit's Storefronts and the Retail Unit's street entrance, and any awnings, canopies and Signs existing now or installed hereafter immediately above or abutting the Storefronts or Unit entrance; and the half portion of the Party Walls, Base Floors and Base Ceilings enclosing and nearest to the Retail Unit;

(f) Kitchen: all Unit kitchen Installations, including sink, plumbing fixtures, cabinets and countertops, are part of each Residential and (if applicable) Retail Unit;

(g) Bathrooms: all Unit bathroom Installations, including sink, plumbing fixtures, cabinet, commode and bathtub and/or shower, are part of each Residential and (to the extent applicable) Retail Unit;

(h) Appliances: all Unit appliances, including cooktop, wall oven, microwave oven, dishwasher, clothes washer and dryer, refrigerator/freezer, and individual heating and/or cooling units and related Installations are all part of each Residential and (to the extent applicable) Retail Unit;

(i) Interior Doors and Walls: all doors (including their frames, saddles and hardware) and walls and partitions within a Unit are part of each Residential and Retail Unit;

(j) Finishes and Coverings: all finishes and coverings (if any) of the Unit's walls, Base Floors and Base Ceilings are part of each Residential and Retail Unit, including (if and as applicable): (j-1) (as to walls and Base Ceilings) plaster or compound, paint, wallpaper, wood panels, fabric and other finishes and coverings, as well as baseboards and moldings; and (j-2) (as to Base Floors) carpet, wood, marble, granite, stone, vinyl, ceramic and other tile material and all other floor coverings;

(k) Independent Systems: the following independent or individual Systems are part of each Unit, if and where applicable (whether exposed or concealed behind walls or partitions):

all individual electric, gas, heating, ventilation, air conditioning, hot water, intercom, lighting, sprinkler, plumbing, mechanical and any and all other independent Systems, or the portions of any HVAC/Mechanical/Utility Building Systems that serve only the Unit, whether exposed or concealed behind walls or partitions, or located elsewhere in or on the Building, including (if and as applicable): (k-1) individual electric meter serving only the Unit; (k-2) individual lighting and electrical fixtures, including wires, outlets and panel and circuit breakers and/or fuses and related electrical Installations; (k-3) individual pipes, valves, faucets, spouts and related plumbing fixtures and Installations, (k-4) individual sprinkler heads, distribution pipes and related sprinkler Installations; (k-5) individual ducts, exhaust fans and other related ventilation Installations serving exclusively the Unit; (k-6) individual telephone, cable television and intercom Installations, including all lines, wires, jacks, outlets and related Equipment serving exclusively the Unit; (k-7) individual smoke and carbon monoxide detectors serving exclusively the Unit; (k-8) individual fan coil units and thermostats; and (k-8) the fireplace flues, chimneys and related Equipment and Installations exclusively serving certain Residential Units (i.e., Residential Units 10, 11, 12 and PH) but any meters (including for electric, gas or water), risers, distribution lines, ducts, conduits, pipes or wires, or other Installations, or portions of a System, that serve more than one (1) Unit or any portion of the Common Elements are part of the Common Elements and not part of a Unit;

(l) General: all other Equipment and Installations that now exist or are hereafter installed for the exclusive use, service or benefit of a Unit are included in, and part of, the Unit, unless expressly stated herein to be part of the Common Elements, including: (n-1) Decorations of any kind whatsoever (including furniture, furnishings and household items); and (n-2) business and trade fixtures; and

(m) Land: the portions of the air space comprising the Land occupied by each Unit are part of, and included in, such Unit.

Section 6.10 **Commercial Equipment.** The Equipment and Installations (wherever located) that serve or benefit exclusively the Retail Unit ("**Commercial Equipment**") and none of the Residential or Storage Units or the Common Elements, are part of said Retail Unit and include the components of all Systems internal to the Retail Unit and the portions of all Building-wide Systems that serve exclusively the Retail Unit.

Section 6.11 **Residential Equipment.** The Equipment and Installations (wherever located) that serve or benefit more than one (1) Residential or Storage Unit or the Residential Common Elements, but do not serve or benefit any portion of the Retail Unit or the General Common Elements, are part of the Residential Common Elements and include the components of all Systems that serve exclusively more than one (1) Residential and/or Storage Unit or the Residential Common Elements (all such Equipment and Installations being herein called collectively the "**Residential Equipment**"). The individual Systems, or portions of Building-wide Systems, that serve only one (1) Residential or Storage Unit are part of such Unit.

Section 6.12 **Attachment to Perimeters.** All Equipment and Installations now or hereafter installed in a Unit may be secured to the perimeter Party Walls, Base Floors and Base Ceilings enclosing such Unit, or the Base Floors or Base Ceilings within the Retail Unit, by nails, screws, bolts or other devices, provided: (a) the structural integrity of the Unit or another Unit or the Building is not impaired or compromised; (b) any visible, rentable or commercially useable or habitable space of another Unit is not penetrated; and (c) the applicable Work Requirements

set forth in Section 15.2 below and the requirements of the By-Laws are followed (if and to the extent applicable).

ARTICLE 7

THE COMMON ELEMENTS AND ASSOCIATION'S PROPERTIES

Section 7.1 **Common Elements**. The portions of the Property for the common use, service or benefit of two (2) or more Units are called the "**Common Elements**" and generally consist of the following: (a) the portions of the Land occupied by the Common Elements are part of the Common Elements; and (b) all spaces or areas of the Property, and the Equipment and Installations in, on, above, under or adjacent thereto, which serve or benefit two (2) or more Units or the Common Elements or necessary or convenient to their existence, Maintenance and safety, or normally in common use, unless expressly stated to be part of a Unit. The Unit Owners own, in common, a proportionate undivided interest in the Common Elements in fee simple absolute ("**Common Interest**").

Those Common Elements that are for the use, service and benefit in common by all Units are herein called the **"General Common Elements"** (see Section 3.2 below for a list thereof).

Those Common Elements that are limited or restricted completely or primarily for the exclusive or substantially exclusive use, service and/or benefit in common by only the Residential and Storage Units are herein called the "**Residential Common Elements**" or "**Residential Limited Common Elements**" (see Section 7.3 below for a list thereof).

Those Common Elements that (if established from portions of the Residential Common Elements) are limited or restricted completely are limited or restricted completely or primarily to the use, service and benefit by only two (2) specified Units to the exclusion or substantial exclusion of all other Units are herein called the **"Limited Common Elements"**.

Those Common Elements that (if established from portions of the Retail Unit following its subdivision into two or more Retail Units) will be limited or restricted completely or primarily for the exclusive or substantially exclusive use, service and/or benefit in common by only such Retail Units are herein called the "**Commercial Limited Common Elements**". The Commercial Limited Common Elements also will include any Equipment Installations that serve both Retail Units.

A Common Element that (if established) will be limited or restricted completely or primarily for the exclusive or substantially exclusive use, service and/or benefit by a specified Unit is herein called an "**Individual Limited Common Element**" and, if such Unit is a Residential Unit or the Retail Unit, same is herein called an "**Individual Residential Limited Common Element**" or an "**Individual Commercial Limited Common Element**", respectively.

However, such exclusive or substantially exclusive use of all such Residential Common Elements, Limited Common Elements, Commercial Limited Common Elements or Individual Limited Common Elements, and the common use of the General Common Elements, are subject and subordinate to: (a) compliance with this Declaration and the By-Laws, (b) the exclusive right of the Condominium Board, subject and subordinate to the Sponsor's/Commercial Owner's Rights, to determine the use and Disposition of the Common Elements, including to establish new and additional Rules and Regulations and to amend the

Rules and Regulations from time to time governing the use and Disposition of the Common Elements by the applicable Owners and Permitted Tenants/Occupants/Invitees of Sold Units, but not governing the use and Disposition thereof by Unsold Units or the Retail Unit (the initial Rules and Regulations are attached to, and part of, the By-Laws); and (c) certain restrictions, as well as certain rights and easements reserved to Sponsor and granted to the Condominium Board, Unsold Unit Owners and the Retail Unit Owner, and their respective Permitted Tenants/Occupants/Invitees, and other Persons, all as and to the extent set forth elsewhere in this Declaration, the By-Laws, the Plan and the Condominium Act. These rights and easements in favor of Sponsor and the Retail Unit Owner include in particular (but are not limited to) the following:

(a) a right and easement to use non-public portions of the Residential Common Elements and General Common Elements (including the rooms in the cellar and the mechanical equipment bulkhead on the main Roof housing the Building service equipment, the chase walls, the shafts, the conduits, the ducts, the main Roof and its appurtenant Roof Structures, the egress stairs, and the bulkhead enclosing the elevator equipment and egress stairs) for the following purposes: (a-1) to house Commercial Equipment and related Installations now or hereafter serving the Retail Unit wherever located, including all replacements of existing Commercial Equipment and Installations and additions thereto; and (a-2) to erect and install new Equipment (including Communications Equipment and Other Installations), all as provided more fully in Articles 10 and 11 below; and

(b) a right and easement of access to, from, through, across and on portions of the Residential Common Elements and the General Common Elements (including the 515 West 23rd Street Public Areas, the elevator, the service entrance, the public corridors on the cellar, the egress stairs, the Roofs and other public or common areas) in order to Maintain, Repair, Alter and otherwise Operate said Commercial Equipment and Installations (and all such replacements thereof and additions thereto).

The Sponsor and the Retail Unit Owner may exercise all of the foregoing rights and easements Freely and Without Consent, Payment or Restriction, other than the requirement to comply with the Installation Requirements set forth in Section 10.4 below and the applicable Work Requirements set forth in Section 15.2 below.

Section 7.2 Items of General Common Elements. Subject and subordinate to a Description Change of Units (as provided in Section 13.1 below), the General Common Elements consist of all portions of the Property designated on the Floor Plans and EXHIBIT G to this Declaration as General Common Elements and include the following areas, Equipment, Installations and Systems now existing or hereafter installed (including replacements thereof), whether or not so designated on the Floor Plans or said EXHIBIT G, and regardless of their location in, bordering or adjacent to a Unit:

(a) Land: the General Common Elements include the parcel comprising the Land and the portions of the air space comprising part of the Land occupied by the rooms, areas, Equipment and other improvements comprising the General Common Elements, but exclude the portions of said air space occupied by Units or Residential Common Elements (which are included in, and part of, the Units and Residential Common Elements, respectively), and exclude further the portions of said air space comprising the unutilized Development Rights, which are owned and held exclusively by Sponsor as

owner of the Adjacent Lot pursuant to a certain Declaration of Zoning Lot Development and Easement Restrictions as provided in Section 5.5 above;

(b) Certain Structural Components: the General Common Elements include the following portions of the Building's Structural Components (if and to the extent existing): the foundation, the foundation walls, the footings, the pilings, the structural columns, beams, supports, girders and similar structural members, but exclude those structural members expressly included in the Residential Common Elements;

(c) on the Cellar level: the General Common Elements on the cellar level include the two (2) mechanical rooms, the electrical room, the data room, the fire pump room, the corridor leading to these rooms, the Equipment and Related Installations located in these rooms which serve both the Residential Space and the Retail Unit (e.g., the boiler), and egress stairs "A" and "C";

(d) on Floor 1: the General Common Elements on floor 1 include the landing of egress stair "C" and the corridor and service door entrance leading to egress stair "C";

(e) on Floor 2: the General Common Elements on floor 2 include the portion of the Roof immediately above the Retail Unit, including the pre-cast concrete pavers and pedestals thereon, the membrane, insulation, flashing and counter flashing, but exclude the areas thereon reserved for skylights to serve only, and are part of, the Retail Unit, and exclude further the Roof and related Roof Structures below and enclosing the Terrace appurtenant to Unit 3, which Roof and related Roof Structures are part of the Residential Common Elements;

(f) Equipment, Installations and Systems: generally, the General Common Elements include the portions of all Building Equipment, Installations and Systems serving the General Common Elements or all or a portion of both the Residential Space (i.e., the Residential and Storage Units and the Residential Common Elements) and the Retail Unit, regardless of their location within or bordering a Unit or elsewhere in, on, under or adjoining the Building (e.g., the boiler and related Equipment and Installations referred to in clause (c) above); the main feeder line and house trap of the sewage System, but not the riser or distribution branches; the fire alarm service; the portions of the sprinkler and standpipe Systems serving the General Common Elements or all or a portion of both the Residential Space and the Retail Unit, but exclude distribution or branch piping, sprinkler heads, hoses, racks and other portions thereof that serve exclusively, and are part of, the Residential Common Elements or a Unit (as applicable); the siamese connection; the main feeder lines for water and electricity, but not the risers or distribution branches serving exclusively the Residential Common Elements or a Unit, which are part of the Residential Common Elements or such Unit, respectively; and the lighting and ventilation Systems serving the rooms and areas comprising the General Common Elements);

(g) Walls, Floors and Ceilings: the General Common Elements include: (g-1) the walls enclosing or within the rooms or areas comprising the General Common Elements, but exclude the half portion of a Party Wall that also encloses and is nearest to the Residential Common Elements or the Retail Unit (which half portion is part of the Residential Common Elements or such Retail Unit, respectively); and (g-2) the Base Floors and Base Ceilings enclosing the General Common Elements, but exclude the half portion of a Base Floor or Base Ceiling that also encloses and is nearest to the

Residential Common Elements or the Retail Unit, which half portion is part of the Residential Common Elements or such Retail Unit, respectively);

(h) Shafts, Ducts, Conduits and Chases: the General Common Elements include (if and to the extent applicable) those shafts, ducts, conduits and chases that house Equipment or Installations comprising or serving the General Common Elements or all or a portion of both the Residential Space and the Retail Unit;

(i) Decorations and Systems: generally, the General Common Elements include all Decorations and Systems or portions of Systems (including HVAC/Mechanical/Utility Building Systems), wherever located, if and to the extent same serve exclusively or primarily the rooms, areas, spaces and Equipment comprising the General Common Elements or all or a portion of both the Residential Space and the Retail Unit; and

(j) Omnibus: overall, the General Common Elements include all portions of the Building and its Systems in, under, above or adjacent to the Building or the Land (other than those portions expressly stated to be part of a Unit or the Residential Common Elements) that are either: (j-1) for the common use, service or benefit of all or a portion of both the Residential Space and the Retail Unit; or (j-2) necessary or convenient for the Use and Enjoyment of the Property as a whole or all or a portion of both the Residential Space and the Retail Unit, and are not expressly stated to be part of a Unit or the Residential Common Elements.

Section 7.3 Items of Residential Common Elements. Subject and subordinate to a Description Change of the Residential or Storage Units and Residential Common Elements, the Residential Common Elements consist of all portions of the Property designated on the Floor Plans and EXHIBIT G to this Declaration as Residential Common Elements and include the following areas, Equipment, Installations and Systems now existing or hereafter installed (including replacements thereof), whether or not so designated on the Floor Plans or said EXHIBIT G, and regardless of their location in, bordering or adjacent to a Unit:

(a) Land: the Residential Common Elements include the portions of the Land comprising the air space occupied by the rooms, areas, Equipment and other improvements included in the Residential Common Elements;

(b) Certain Structural Components: the Residential Common Elements include those portions of the Building's Structural Components constituting: the Building Walls and shear walls (if any) enclosing the Residential Space (i.e., excluding the portions of the Building Walls enclosing the Retail Unit, which are part of such Unit); all Roofs and Roof set backs enclosing the Residential Space, including the main Roof, the Roof over Unit PH, the Roof over the egress stairs and elevator equipment bulkhead, the Roof over the rooftop mechanical room, and the Roof set backs below the Terraces, together with their respective related Roof Structures (which include the membrane, insulation, flashing, counterflashing, drainage Systems and supports (if any) for a Terrace, but exclude the wood decking, pavers, or other protective flooring or covering over said Roofs, which constitute the Terrace appurtenant to, and part of, a specified Unit, and exclude further the portion of the Roof over the Retail Unit (which is part of the General Common Elements); and the Party Walls, Base Floors and Base Ceilings enclosing the Residential Space, but not the half portion of these elements that also enclose and are nearest to a General Common Element or the Retail Unit (which nearest half portion is part of the General Common Elements or the Retail Unit, respectively);

(c) on the Cellar level: the Residential Common Elements on the cellar level include the superintendent's room, the corridors immediately adjacent to, and serving only, the Storage Units, the trash compactor room, the staff bathroom, the elevator shaft and pit, all Equipment and related Installations located in these rooms which serve exclusively the Residential Space, and egress stairs "A" and "B";

(d) on Floor 1: the Residential Common Elements on floor 1 include the 515 West 23rd Street residential entrance, the vestibule, the lobby, the concierge desk, the mailbox area and the elevator landing (collectively, "**515 West 23rd Street Public Areas**"), the mechanical room, the elevator shaft, egress stairs "A" and "B", and the exterior Building Walls enclosing the Residential Space, other than specified portions thereof expressly included in the Retail Unit (see Section 6.9(e) above);

(e) on Floor 2: the Residential Common Elements on floor 2 include the residential corridors, the elevator landing and shaft, the exercise room, the treatment room, the bathroom, egress stairs "A" and "B" and their landings, the Roof and Related Roof Structures below and enclosing the Terrace appurtenant to Residential Unit 3, and the exterior Building Walls enclosing such floor, other than the portions thereof enclosing and part of the Retail Unit;

(f) on floors 3 to Penthouse Upper Level: the Residential Common Elements on floors 3 to Penthouse Upper Level include the elevator shaft, egress stairs "A" and "B" and their landings, the exterior Building Walls enclosing such floors and the main Roof and related Roof Structures below and enclosing the Terrace appurtenant to the Penthouse Unit;

(g) on the Roof of the Penthouse Upper Level: the Residential Common Elements on the Roof of the Penthouse Upper Level include the elevator shaft, the elevator mechanical room, the electrical room, the mechanical room, the Equipment and related Installations housed in these rooms and closet which serve only the Residential Space and the bulkheads enclosing said rooms and closet;

(h) on the Bulkhead Level: the Residential Common Elements on the bulkhead level include the entire bulkhead enclosing the elevator equipment and egress stairs;

(i) Equipment, Installations and Systems: generally, the Residential Common Elements include the elevator, the refuse compactor and other Equipment, Installations and Systems, and the portions of all Building-wide Equipment, Installations and Systems serving exclusively or primarily the Residential Space, regardless of their location within or bordering a Unit or elsewhere in, on, under or adjacent the Building, but not those portions of these elements that serve exclusively one (1) Unit (which are part of such Unit);

(j) Party Walls, Base Floors and Base Ceilings: the Residential Common Elements include: (j-1) the Party Walls separating two (2) Storage Units; (j-2) the Party Walls separating a Residential Common Element and a Residential or Storage Unit (but exclude the paint, plaster, wall covering and other Decorations on the Unit side of such Party Walls, which are part of such Unit); (j-3) (in the case of a Party Wall separating a Residential Common Element and the Retail Unit or a General Common Element) the half portion of such Party Wall that is nearest to such Residential Common Element; (j-4) the partitions within rooms and areas comprising part of the Residential Common Elements; (j-5) the Base Floors and Base Ceilings enclosing the Residential Space, but exclude the half

portion of these elements that also enclose and are nearest to the Retail Unit or a General Common Element (which half portion is part of such Retail Unit or General Common Element, as applicable);

(k) Shafts, Ducts, Conduits and Chases: the Residential Common Elements include those shafts, ducts, conduits and chases that house only Equipment or Installations comprising the Residential Common Elements or serving only the Residential Space (and more than one (1) Residential or Storage Unit);

(l) Decorations and Systems: generally, the Residential Common Elements include (if and to the extent applicable) all Decorations and those Systems or portions of Systems (including HVAC/Mechanical/Utility Building Systems), wherever located, serving exclusively or primarily the rooms, areas, spaces and Equipment comprising the Residential Common Elements; and

(m) Omnibus: overall, the Residential Common Elements include all other portions of the Building and its Systems in, under, above or adjacent to the Building or Land (other than those expressly stated herein to be part of a Unit or the General Common Elements) that are either: (m-1) for the exclusive or substantially exclusive Use and Enjoyment of only the Residential Space; or (m-2) necessary or convenient for the Use and Enjoyment of only the Residential Space.

Section 7.4 Association's Properties. All assets owned, leased, licensed or otherwise held from time to time by the Condominium Board on behalf of the Condominium Association, whether real or personal property, chattel real, intangibles or otherwise, constitute, and are herein called, the **"Association's Properties".** Those assets of the Association's Properties that will be owned, leased or held by the Condominium Board on behalf and for the account of only the Residential and Storage Unit Owners (e.g., the Units purchased or leased pursuant to the Board's "Right of First Refusal", the monies collected from payments of the Residential Common Charges and payments to the Working Capital Fund, and any interest or investment income earned on all such monies) are herein called the **"Association's Residential Properties"**. All other assets comprising the Association's Properties will be owned, leased or held by the Condominium Board on behalf and for the account of all Unit Owners (e.g., the monies collected from payments of the General Common Charges and any interest or investment income earned thereon) and are herein called the **"Association's General Properties".** All references herein to the Condominium Board shall include any nominee or designee, incorporated or otherwise, organized by the Board to act on behalf of the Condominium Association. Unless otherwise expressly indicated, the references in this Declaration and the By-Laws to the rights, requirements and obligations with respect to any Disposition of: (a) the Common Elements shall apply to the Association's Properties; (b) the General Common Elements shall apply to the Association's General Properties; or (c) the Residential Common Elements shall apply to the Association's Residential Properties.

Section 7.5 No Partition. The Common Elements and the Association's Properties shall remain undivided and no Unit Owner or any other Person shall bring, or shall have the right to bring, any action for partition or division thereof, except as is expressly permitted pursuant to the terms of Article 19 hereof.

Section 7.6 Decision as to the General Common Elements and the Association's General Properties. Subject and subordinate to the rights and easements reserved to Sponsor and granted to Unsold Unit Owners, the Retail Unit Owner and other

Persons in the Condominium Documents, the Plan and the Condominium Act (which are superior and paramount over those granted to the Condominium Board and Sold Unit Owners), all decisions concerning the Use and Enjoyment of the General Common Elements and the Association's General Properties shall be made by a majority of those Residential and Commercial Board Members attending a duly constituted Board meeting at which a quorum is present. Any dispute under this Section 3.7 shall be resolved by arbitration in accordance with the By-Laws.

Section 7.7 **Decisions as to the Residential Common Elements and the Association's Residential Properties.** Subject and subordinate to the rights and easements reserved to Sponsor and granted to Unsold Unit Owners, the Retail Unit Owner and other Persons in the Condominium Documents, the Plan and the Condominium Act (which are superior and paramount over those granted to the Condominium Board and Sold Unit Owners), all decisions concerning the Use and Enjoyment of the Residential Common Elements and the Association's Residential Properties shall be made by a majority of those Residential Board Members attending a duly constituted meeting of the Residential Board Members at which a quorum is present.

Section 7.8 **Business Judgment Rule.** The decisions and transactions of the Condominium Board, the Residential Board Members (as to decisions and transactions authorized in the Condominium Documents to be made or transacted by them on behalf or in the name of the Condominium Board) and the Commercial Board Member (as to the decisions and transactions authorized in the Condominium Documents to be made or transacted by such Board Member on behalf or in the name of the Condominium Board) shall have the equivalent status of the decisions and transactions of a cooperative housing corporation as to which the so-called "business judgment rule" articulated in Levandusky v. One Fifth Ave Corp. (75 NY2d 530 [1990]) ("**Levandusky**") shall apply, except said "business judgment rule" shall not apply to any decisions or transactions affecting, directly or indirectly, the Sponsor or other Owner of an Unsold Unit, the Retail Unit Owner, the Sponsor's/Commercial Owner's Rights, an Unsold Unit or the Retail Unit. Instead, the decisions and transactions of the Condominium Board or the Residential Board Members (as applicable) that affect, directly or indirectly, the Sponsor or other Owner of an Unsold Unit, the Retail Unit Owner, the Sponsor's/Commercial Owner's Rights, an Unsold Unit or the Retail Unit shall be subject to scrutiny and determined solely on the merits by a court, arbitration panel or other forum having jurisdiction, without any deference, weight or favorable assumption being given to the Condominium Board or the Residential Board Members (as applicable).

Section 7.9 **Declaration Governs.** In the event of any conflict between the description of the Common Elements set forth above and the Floor Plans or EXHIBIT G hereto, the description set forth in this Declaration shall be paramount, govern and prevail, except the Floor Plans and said EXHIBIT G shall be paramount, govern and prevail with respect to any Common Elements shown thereon and omitted from the description set forth herein.

Section 7.10 **Intentionally Omitted.**

ARTICLE 8

THE COMMON INTERESTS

Section 8.1 **Statutory Method Chosen.** The Common Interest of each Unit is based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit, in accordance with 39-i(1)(iv) of the Condominium Act.

Section 8.2 **Common Interests**. The Common Interest of each Unit is set forth on EXHIBIT B hereto and constitutes the proportionate undivided interest of the Owner of such Unit in the Common Elements and the Association's Properties. The Common Interest appurtenant to each Unit cannot be separated from the Unit. Accordingly, the conveyance, mortgage or similar Disposition of the fee title interest in a Unit shall include and (in the absence thereof) shall be deemed to include, the Unit's Common Interest.

ARTICLE 9

THE COMMON PROFITS AND COMMON EXPENSES

Section 9.1 **Special Allocation and Apportionment.**

Section 9.1.1 Definitions. The "**Common Profits**" are the excess of: (a) all receipts of rents, profits and revenues from the Common Elements and the Association's Properties; over (b) the Common Expenses. The "**Common Expenses**" are the Costs and Expenses: (a) to Operate and make any Disposition of the Common Elements and the Association's Properties (including any Unit owned, leased, held or Operated by the Condominium Board or its designee or nominee); (b) to provide services to all or certain Unit Owners; and (c) to conduct the affairs of the Condominium Association or the Residential Space. The Common Expenses consist of the General Common Expenses and the Residential Common Expenses as explained below in this Section 9.1.

Section 9.1.2 Special Allocation and Apportionment Rule. Certain of the Common Profits and Common Expenses shall be specially allocated and apportioned by the Condominium Board, in a manner different from "common profits and expenses" in the Condominium Act, to only all Residential and Storage Unit Owners or to only the Retail Unit Owner (as applicable) based on special or exclusive use or availability or exclusive control of particular Units or Common Elements by particular Unit Owners (collectively, "**Usage**") in accordance with Section 339-m of the Condominium Act (**"Section 339-m"**) and as provided in Section F of Part I of the Plan and the First Year's Budget (SCHEDULE B) contained therein, the Budget Guidelines (attached as EXHIBIT F hereto), this Article 9 and the By-Laws. Such special allocation and apportionment of certain Common Profits and Common Expenses based on Usage is herein called the "**Special Allocation and Apportionment Rule**".

Section 9.1.3 General Common Expenses. Those Common Expenses relating to the following are herein called the "**General Common Expenses**": (a) the Operation and any other Disposition of the General Common Elements or the Association's General Properties; (b) the general services furnished by the Condominium Board to all or a portion of both the Residential Space and the Retail Unit; and (c) the affairs of the entire Property or the whole

Condominium Association, including real estate taxes (until the Units are separately assessed and billed by the taxing authority), the collection of the General Common Charges, and Claims and Lawsuits relating to the non-payment of the General Common Charges, the General Common Expenses, the General Common Elements, the Association's General Properties, or the affairs of the entire Property or the whole Condominium Association (collectively, "**General Legal Matters**"). In accordance with the Special Allocation and Apportionment Rule, the General Common Expenses shall be allocated to all Residential and Storage Unit Owners and the amount thereof allocated to the Retail Unit Owner shall in all cases be limited and restricted strictly to only those portions of the General Common Expenses that are fairly and properly attributable to the Retail Unit Owner based strictly upon (and restricted to the extent only of): (a) those General Common Elements that actually serve or are actually utilized by the Retail Unit Owner; (b) those services that are actually furnished by the Board to the Retail Unit Owner; and (c) those items of General Common Expenses relating to the affairs of the entire Property or the whole Condominium Association that are allocated to all Unit Owners as set forth in Section F of the Plan and the First Year's Budget (SCHEDULE B) contained therein and the Budget Guidelines, namely: insurance, management, legal (excluding "Residential Legal Matters", as defined in Section 9.1.4 below), audit and certain administrative and other miscellaneous General Common Expenses.

The General Common Expenses allocated to all Units are generally apportioned and assessed among them Pro Rata to their respective Common Interests unless the amount of a projected General Common Expense item fairly and properly attributable to the Retail Unit or to the Residential and Storage Units would otherwise require, in which case such fair and proper apportionment shall be used. Pursuant thereto, the General Common Expenses set forth below will be apportioned and assessed to the Retail Unit based strictly on the amount fairly and properly attributable to the Retail Unit as determined in accordance with the following, and shall not be based on the Common Interest of the Retail Unit (these General Common Expenses are herein called collectively the "**Specially Apportioned General Common Expenses**"):

Gas: Gas service is provided to the Residential Units for cooking and fireplaces, to the Residential Space for HVAC and hot water, and to the Retail Unit and General Common Elements for heat. The estimated costs of such gas service to the Residential Units, the Residential Space and the Retail Unit and the General Common Elements shall be specially allocated, apportioned and assessed as follows based on a gas consumption or Usage survey made by a qualified, licensed mechanical or consulting engineer, the then applicable gas rate of the utility provider and the applicable taxes, in accordance with the Special Allocation and Apportionment Rule and Section 339-m: (a) the estimated costs of said gas service to the Residential Units and the Residential Space shall be specially allocated and charged to only all Residential and Storage Unit Owners Pro Rata to their respective Common Interests; (b) the estimated costs of said gas service to the Retail Unit shall be specially allocated and charged to only the Retail Unit Owner; and (c) the estimated costs of said gas service to the General Common Elements shall be charged to all Unit Owners Pro Rata to their respective Common Interests. For the first year of Condominium operation, the estimated costs of gas service shall be based upon the projections of gas consumption or Usage made by Ambrosino DePinto & Schmieder, Consulting Engineers PC ("**Ambrosino**"), which is summarized in Note 7 to SCHEDULE B in Section F of Part I of the Plan (which together with the entire Plan is incorporated in this Declaration pursuant to Article 25 below). Thereafter, the projected consumption of gas by the Residential Units and the Residential Space, the Retail Unit, and the General Common Elements shall continue to be based on the same ratio that their projected consumption of gas bears to the total projected consumption of gas as estimated by Ambrosino and contained in said Note 7 to SCHEDULE B until changed, at the option of the Board or the

Retail Unit Owner, to be based on a new gas consumption or Usage survey made by Ambrosino or other qualified, licensed mechanical or consulting engineer chosen by the Condominium Board (or the Retail Unit Owner if the Board fails to make a choice within 30 calendar days after written notice is given from the Retail Unit Owner to so do).

Electric: Electric service to the Residential Units is billed by the Condominium Board to each Residential Unit based on its separate submeter. Electric service to the Retail Unit for power and lighting, other than air conditioning, is separately metered and paid directly by the Retail Unit Owner to the utility provider as measured by the Unit's individual meter. Electric service for providing power and lighting to the rooms, areas and Equipment comprising the General Common Elements and the Residential Common Elements, and to the Storage Units, iscommonly metered. The estimated costs of electric service to the Residential and Retail Units for air conditioning and to the General Common Elements, the Residential Common Elements and the Storage Units shall be allocated, apportioned and assessed as follows based on an electric consumption or Usage survey made a qualified, licensed electrical or consulting engineer, the then applicable electric rates of the utility provider and the applicable taxes, in accordance with the Special Allocation and Apportionment Rule and Section 339-m: (a) the estimated costs of said electric service to the Residential Units for air conditioning shall be specially allocated and assessed to only all Residential and Storage Unit Owners Pro Rata to their respective Common Interests; (b) the estimated costs of said electric service to the Retail Unit for air conditioning shall be specially allocated and assessed to only the Retail Unit Owner; (c) the estimated costs of electric service to the General Common Elements shall be included in the General Common Expenses and charged to all Unit Owners Pro Rata to their respective Common Interests; and (d) the estimated costs of electric service to the Residential Common Elements and the Storage Units shall be specially allocated to only all Residential and Storage Unit Owners as part of the Residential Common Expenses and apportioned and assessed to them Pro Rata to their respective Common Interests. For the first year of Condominium operation, the projected consumption of electricity by the Residential Units, the Retail Unit, the General Common Elements and the Residential Common Elements and the Storage Units shall be based on the electric consumption or Usage survey made by Ambrosino, which is summarized in Note 6 to said SCHEDULE B (and incorporated herein). Thereafter, the projected consumption of electricity by the Residential Units, the Retail Unit, the General Common Elements and the Residential Common Elements and the Storage Units shall continue to be based on the same ratio that their respective projected consumption of electricity bears to the total projected consumption of electricity as estimated by Ambrosino and contained in said Note 6 to SCHEDULE B until changed, at the option of the Condominium Board or the Retail Unit Owner, to be based on a new electric consumption or Usage survey made by Ambrosino or other qualified, licensed electrical or consulting engineer chosen by the Condominium Board (or the Retail Unit Owner if the Board fails to make a choice within 30 calendar days after written notice is given from the Retail Unit Owner to so do).

Water and Sewer Charges: Water and sewer service is provided primarily to the Residential Space. The Retail Unit, which is or will be outfitted with a sink and water closet, will consume negligible or inconsequential amounts of water. The General Common Elements will consume water in connection with sprinkler testing and potentially in an emergency. For the first twelve (12) months of Condominium operation, no costs for water and sewer services will be allocated or assessed to the Retail Unit for its anticipated negligible or inconsequential water consumption. After the first year of Condominium operation, the Condominium Board may apportion and assess the costs of water and sewer services to the Retail Unit based on a water consumption or Usage survey conducted by a qualified, licensed mechanical or consulting engineer chosen by the Board and the then applicable rates of the taxing authority for water and

sewer services. In the event the Retail Unit is assessed by the Condominium Board for water and sewer services based on said water consumption or Usage survey, the amount assessed to the Retail Unit in subsequent years shall continue to be based on said water consumption or Usage survey until the Retail Unit is metered or sub-metered for water consumption, or the Condominium Board or the Retail Unit Owner elect (from time-to-time) to conduct a new water consumption or Usage survey by a qualified, licensed mechanical or consulting engineer chosen by the Board (or the Retail Unit Owner if the Board fails to make a choice within 30 calendar days after written notice is given by the Retail Unit Owner to so do). The cost said water consumption or Usage survey, whether conducted at the election of the Condominium Board or the Retail Unit Owner, shall be included in the General Common Expenses and charged to all Unit Owners Pro Rata to their respective Common Interests. In the event the Retail Unit is separately metered for water service, then from and after the date such meter becomes operational, the Retail Unit shall no longer be assessed or charged by the Board for water and sewer services. If sub-metered, then from and after the date said sub-meter becomes operational, the costs of water and sewer services to the Retail Unit shall be based on its consumption or Usage as measured by such sub-meter and the then applicable water and sewer rates of the taxing authority.

All other projected costs for water and sewer services as shown in said SCHEDULE B (which is incorporated herein) with respect to: (a) the Residential Space shall be included in the Residential Common Expenses and charged to only all Residential and Storage Unit Owners Pro Rata to their respective Common Interests; or (b) sprinkler testing shall be included in the General Common Expenses and charged to all Unit Owners Pro Rata to their respective Common Interests.

Washing and Cleaning of Glass Curtain Wall Façade and Exterior of Unit Windows and Storefronts and Terrace Windows and Doors: The Condominium Board shall be responsible to wash and clean Building's glass curtain wall façade and the outdoor side of Unit windows, the Retail Unit's Storefronts, and Terrace windows and doors. In accordance with the Special Allocation and Apportionment Rule and Section 339-m, all Costs and Expenses to wash and clean the Building's glass curtain wall façade and said exterior of Unit windows, Storefronts and Terrace windows and doors, shall be apportioned and assessed to all Residential and Storage Units and to the Retail Unit in the proportion that the vertical square footage of the Building's glass curtain wall façade enclosing the Residential Space (including Unit windows and Terrace windows and doors) or the Retail Unit (including its Storefronts), as applicable, bears to the total square footage of all of such surfaces, or approximately 95% to all Residential and Storage Units and 5% to the Retail Unit. The amount charged to all Residential and Storage Units shall be apportioned and assessed among them Pro Rata to their respective Common Interests.

Insurance: If the Property's insurance premium is increased due solely to the use of the Retail Unit for other than dwelling purposes, the amount of such increase in the insurance premium shall be specially allocated, apportioned and assessed exclusively to the Retail Unit, after deducting the savings (if any) in the total insurance premium realized by the Condominium Association being included under a master policy obtained by Sponsor, a Sponsor Related Party, a Commercial Owner or the Managing Agent (as applicable). Similarly, any increase in the insurance premium due solely to the uses of the Residential Space for other than dwelling purposes (e.g., the second floor recreation room) shall be specially allocated and assessed to only the Residential and Storage Units and apportioned among them Pro Rata to their respective Common Interests. In addition, the Retail Unit Owner shall have the exclusive right to limit the amount of its allocable share of the Property's insurance premium to strictly reflect the amount fairly and properly attributable to it based on the following: (a) in the case of fire and

casualty coverage: the premium therefor allocated to the Retail Unit (at the exclusive option of the Owner of the Retail Unit) shall be in the ratio that the sum of the square footage of the Retail Unit, plus its allocable share of the square footage of only those portions of the General Common Elements that actually serve or are actually utilized by the Retail Unit (such allocable share to be based on the Common Interest of the Retail Unit) bears to the total square footage of all areas (i.e., Common Elements and Units) being insured; and (b) in the case of liability coverage: the premium therefor allocated to the Retail Unit (at the exclusive option of the Owner of the Retail Unit) shall equal the product of its Common Interest multiplied by a fraction whose numerator is the square footage of only those General Common Elements that actually serve or are actually utilized by the Retail Unit, and whose denominator is the total square footage of all Common Elements being insured.

Management Fee: Since most of the management services will be devoted to the Residential Space and the Residential and Storage Unit Owners, the management fee shall be specially allocated to the Residential Common Expenses for each Budget Year approximately in the proportion that all other projected Residential Common Expenses bear to all other projected Common Expenses (i.e., both General and Residential Common Expenses) for such Budget Year, excluding the Budget items for audit and contingencies. The remaining balance of the management fee shall be allocated to the projected General Common Expenses for such Budget Year, which shall be allocated, apportioned and assessed to all Unit Owners Pro Rata to their respective Common Interests. Alternatively, at the exclusive option of the Retail Unit Owner, the management fee shall be allocated and apportioned to the Residential and Storage Units and to the Retail Unit in accordance with the methodology set forth in the First Year's Budget (i.e., said SCHEDULE B in Section F, which is incorporated herein). For the first year of Condominium operation, the method used in SCHEDULE B shall be followed.

Legal: The legal fees and disbursements, court costs and other litigation expenses (collectively, "**Legal Expenses**") included in the General Common Expenses shall be limited and restricted strictly to only those legal services rendered in connection with the Operation of the General Common Elements, the Association's General Properties or the affairs of the entire Property or the whole Condominium Association (e.g., collection of the General Common Charges and Claims and Lawsuits relating to the General Common Charges, the General Common Expenses, the General Common Elements or the Association's General Properties). Legal Expenses, however, incurred by the Condominium Board for legal services rendered in connection with the Operation or affairs of only the Residential Space or the Association's Residential Properties (e.g., collection of the Residential Common Charges and Claims and Lawsuits relating to only the Residential Common Charges, the Residential Common Expenses, the Residential Space, the Association's Residential Properties or Sponsor's obligations or undertakings under the Plan, a Plan Amendment or a Purchase and Sale Agreement) shall be specially allocated, apportioned and assessed to only the Residential and Storage Unit Owners Pro Rata to their respective Common Interests. After the end of each Budget Year, the Condominium Board and the Retail Unit Owner shall reconcile any underpayment or overpayment by the Retail Unit Owner of the legal fees and disbursements actually incurred for the Budget Year then ended and those included in the Budget for such Budget Year (as set forth in Section 9.8.2 below).

Audit: Since the services required to audit the Residential Common Expenses will be substantially greater than the audit services for the General Common Expenses, the accounting fees and disbursements incurred by the Condominium Board for preparing the Condominium Association's audited financial statements and its federal, state and city income, franchise and unincorporated business income tax returns will be specially allocated to the Residential

Common Expenses approximately in the proportion that all other projected Residential Common Expenses bear to all other projected Common Expenses (i.e., both General and Residential Common Expenses) for such Budget Year, excluding the Budget items for management fee and contingencies. The remaining balance of the audit fees and disbursements shall be allocated to the projected General Common Expenses for such Budget Year, which shall be allocated, apportioned and assessed to all Unit Owners Pro Rata to their respective Common Interests. Alternatively, at the exclusive option of the Retail Unit Owner, the audit fee shall be allocated and apportioned to the Residential and Storage Units and to the Retail Unit in accordance with the methodology set forth in the First Year's Budget (i.e., said SCHEDULE B of Section F, which is incorporated herein). For the first year of Condominium operation, the method used in SCHEDULE B shall be followed.

Contingencies: The Budget item for contingencies is to provide a fund for unanticipated contingencies, including an allowance for a possible increase in one (1) or more budgeted expense items and to add one (1) or more new expense items. The amount provided in each Budget for contingencies shall be a percentage of the total amount of all budgeted expenses, other than contingencies, allocated to all Residential and Storage Units and to the Retail Unit. The percentage to be used in each Budget shall be determined by the Condominium Board for each Budget Year, but cannot exceed 5%, excluding funds (if any) segregated for capital or major Repairs or Alterations, without obtaining the prior written Discretionary Approvals or Consents of both Sponsor (during only the Sponsor Veto Control Period) and, with respect to a contingency reserve as part of the General Common Expenses, the Retail Unit Owner (as set forth more fully in Section 9.7 below).

Real Estate Taxes: Until the Units are separately assessed and billed for real estate taxes, the real estate taxes assessed to the Property shall be included in the General Common Expenses and specially allocated and assessed 89.29% to all Residential Units (and apportioned among them Pro Rata to their respective Common Interests), 0.23% to all Storage Units (and apportioned among them Pro Rata to their respective Common Interests), and 10.48% to the Retail Unit, which is in accordance with the projected apportionment of real estate taxes contained in the Plan (see Section S, subsection S-8 of Part I of the Plan). The amounts so allocated apportioned and assessed to the respective Units shall be subject to adjustment for any overpayment or underpayment of real estate taxes as provided in "Section S. Real Estate Taxes" of said Part I of the Plan (see also subsection 9.1.7 of the By Laws).

Any dispute with respect to the Specially Apportioned General Common Expenses shall be resolved by arbitration in New York City pursuant to Article 19 of the By-Laws.

The Residential and Storage Units shall always be regarded as one (1) group of Units when allocating, apportioning and assessing the General Common Expenses and Residential Common Expenses. Accordingly, the General Common Expenses attributable to the Residential Space shall always be allocated to all Residential and Storage Units and apportioned and assessed to them Pro Rata to their respective Common Interests.

Section 9.1.4 Residential Common Expenses. Those Common Expenses relating to the following are herein called the "**Residential Common Expenses**": (a) the Operation and any other Disposition of the Residential Common Elements or the Association's Residential Properties; (b) the services furnished by the Board specially or exclusively to the Residential and Storage Unit Owners; and (c) the affairs affecting only the Residential and Storage Unit Owners or the Residential Space or the Association's Residential Properties, including the following "**Residential Legal Matters**": the collection of the Residential Common Charges and Claims

and Lawsuits relating to the Residential Common Expenses, the Residential Common Elements, the Association's Residential Properties and Sponsor's obligations or undertakings under the Plan, a Plan Amendment or a Purchase and Sale Agreement. In accordance and compliance with said Section 339-m and the Special Allocation and Apportionment Rule, the Residential Common Expenses shall be specially allocated to only all Residential and Storage Unit Owners and apportioned and assessed among them Pro Rata to their respective Common Interests based upon their special or exclusive Usage of (i.e., special or exclusive use or availability or exclusive control over) the Residential Common Elements and the Association's Residential Properties and the Costs and Expenses of providing services and conducting affairs specially or exclusively to or for the Residential and Storage Unit Owners. The Residential and Storage Units shall always be regarded as one (1) group of Units for the purpose of allocating, apportioning and assessing the Residential Common Expenses, which shall always be allocated to all Residential and Storage Units and apportioned and assessed to them Pro Rata to their respective Common Interests. The Retail Unit Owner shall not pay or be assessed for the Residential Common Expenses.

Section 9.1.5 Common Charges; and Additional Common Charges.

Common Charges: Each Unit Owner shall be charged monthly (or in such other periodic payments as the Board may determine), and shall be personally liable for, the Owner's proportionate share of the Condominium's expenses (the amounts charged are called "**Common Charges**") in accordance with the New York Condominium Act, Real Property Law ("**RPL**") Sections 339-i and 339-m. Those Common Charges that are to be applied to pay the General Common Expenses are herein called the "**General Common Charges**" and are assessed to all Unit Owners or (in certain cases) to only all Residential and Storage Unit Owners or to only the Retail Unit Owner (as appropriate). Those Common Charges that are to be applied to pay the Residential Common Expenses are herein called the "**Residential Common Charges**" and are assessed to only all Residential and Storage Unit Owners. The Common Charges assessed to the Residential and Storage Unit Owners consist of the General Common Charges to pay their allocable portion of the General Common Expenses and the Residential Common Charges to pay the Residential Common Expenses.

Additional Common Charges: Each Unit Owner also shall be charged, and shall be personally liable for, amounts assessed by the Condominium Board for certain Condominium expenses and individual delinquencies (these amounts are called "**Additional Common Charges**"). The Additional Common Charges are payable in addition to the monthly Common Charges and consist of assessments ("**Special Assessments**") payable in one or more installments at such time or times as the Condominium Board shall determine to pay certain Common Expenses. The Additional Common Charges also include the amounts levied against a particular Unit Owner in connection with: (a) a default in paying the Common Charges, Special Assessments or other sums authorized under the Declaration or By Laws (including the Rules and Regulations); or (b) a default, breach or violation of any obligation, requirement or other provision of said Condominium Documents. In the event of non-payment of Additional Common Charges, the Condominium Board shall have all of the same rights and remedies as are available hereunder and under the By-Laws and the Condominium Act for non-payment of Common Charges, including the lien provided in RPL §339-z and the remedies provided in RPL §339-aa.

Section 9.1.6 Apportioning Common Expenses. All references in this Article 9 or elsewhere in this Declaration and the By-Laws to apportioning and assessing: (a) the General Common Expenses to all Units Pro Rata to their respective Common Interests (or words of

similar import) shall mean in the ratio that the Common Interest appurtenant to each Unit bears to the total 100% Common Interests appurtenant to all Units; or (b) the Residential Common Expenses to only all Residential and Storage Units (or words of similar import) shall mean in the ratio that the Common Interest appurtenant to each Residential and Storage Unit bears to the total 91.9865% Common Interests appurtenant to all Residential and Storage Units. For example, the Pro Rata portion of the Residential Common Expenses apportioned to Residential Unit 7 equals 8.8101%, rounded (i.e., 8.1041% Common Interest of Unit 7 ÷ total 91.9865% Common Interests of all Residential and Storage Units).

Section 9.2 **Budget of Condominium Operation**. The Budget of Condominium Operation for each Budget Year shall consist of the projected General Common Expenses (the Budget items relating thereto are hereafter called the "**Budget of General Operation**") and the projected Residential Common Expenses (the Budget items relating thereto are hereafter called the "**Budget of Residential Operation**").

Section 9.3 **Budget Requirement.** In so allocating and apportioning the Common Profits and Common Expenses and adopting a Budget of General Operation and Budget of Residential Operation each Budget Year, the principles, rules, requirements and procedures set forth in this Article 9, Section F of Part I of the Plan, the First Year's Budget of Condominium Operation (SCHEDULE B) contained therein and the Budget Guidelines (EXHIBIT F hereto) shall govern, apply and strictly be observed.

Section 9.4 **Budget Adoption Procedure.** Before the start of each Budget Year, the Condominium Board shall prepare, adopt and distribute to all Unit Owners a Budget of Condominium Operation in accordance with the following procedure and requirements:

(a) any Board Member, the Retail Unit Owner or Sponsor (while Sponsor owns any Unsold Residential Unit) may propose a Budget of General Operation for the next ensuing Budget Year by giving to all Board Members, the Retail Unit Owner and Sponsor (while Sponsor owns any Unsold Residential Unit) a copy of the proposed Budget of General Operation; and any Residential Board Member (including a Sponsor Board Member or an Independent Board Member) or Sponsor (while Sponsor owns any Unsold Residential Unit) may propose a Budget of Residential Operation for the next ensuing Budget Year by giving to all Residential Board Members and Sponsor (while Sponsor owns any Unsold Residential Unit) a copy of the proposed Budget of Residential Operation;

(b) all determinations with respect to: (b-1) the projected General Common Expenses and their allocation and apportionment to all or certain Unit Owners for a Budget Year, and the adoption of such Budget, shall be made by majority of those Residential and Commercial Board Members attending a duly constituted Board meeting at which a quorum is present, but subject to strict compliance with the Special Allocation and Apportionment Rule; and (b-2) the projected Residential Common Expenses and their allocation and apportionment to the Residential and Storage Unit Owners in a Budget of Residential Operation for a Budget Year, and the adoption of such Budget, shall be made by only majority of those Residential Board Members attending a duly constituted meeting of Residential Board Members at which a quorum is present;

(c) if a Budget of Condominium Operation is not timely adopted before the start of a Budget Year, the last duly adopted Budget shall remain in effect;

(d) any failure to agree or dispute (collectively, "dispute") as to the adoption of a proposed Budget of General Operation or a proposed Budget of Residential Operation shall be resolved by arbitration pursuant to the By-Laws;

(e) pending the final (non-appealable) resolution of the dispute, the last duly adopted Budget of General Operation or Budget of Residential Operation (as applicable) shall remain in effect; however, if the final resolution upholds an increase in General Common Charges or Residential Common Charges (as applicable), then such increase shall be retroactive to the date it would have commenced had there been no dispute;

(f) a Unit Owner may elect to pay all or part of a disputed proposed increase in General Common Charges or Residential Common Charges (as applicable), without prejudice to the right of such Unit Owner to contest (by arbitration) the proposed Budget;

(g) each Unit Owner shall be given a copy of the Budget of Condominium Operation adopted by the Board at least (10) calendar days before the start of the Budget Year to which it pertains (however, failure to timely receive such Budget shall not excuse a Unit Owner from the obligation to timely pay the full amount of Common Charges set forth in such Budget) and, in the case of a Budget that increases the General Common Charges, the Retail Unit Owner shall receive a copy of such newly adopted Budget of General Operation at least thirty (30) calendar days before the start of such increase in General Common Charges (however, failure to timely receive such Budget shall not excuse the Retail Unit Owner from the obligation to timely pay the full amount of such increase in Common Charges);

(h) the foregoing procedure and requirements shall apply to adopt a revision to a previously adopted Budget, except that any increase in General Common Charges or Residential Common Charges in such revised Budget shall not be applied retroactively and shall not be made for an expired Budget Year (however, this shall not prohibit an increase in General Common Charges or Residential Common Charges or a Special Assessment to pay a deficit for a prior period); and

(i) all approvals, decisions and actions (including approval of a proposed Budget or a proposed revised Budget and instituting or defending an arbitration of a dispute or an appeal) may be made and taken by Sponsor (while it owns any Unsold Residential Unit) in place of the Sponsor Board Member(s) or by the Owner of the Retail Unit in place of the Commercial Board Member appointed by such Retail Unit Owner.

Section 9.5 **Allocation or Apportionment Change.** In the event of a change in the allocation ("**Allocation Change**") or in the apportionment ("**Apportionment Change**") in the projected General Common Expenses for a Budget Year resulting from a new or different use, service or benefit (other than an inconsequential or negligible change), the affected item(s) of projected Common Expense(s) shall be appropriately allocated or apportioned (as applicable) to all Residential and Storage Units or to the Retail Unit (as applicable) to reflect such change in use, service or benefit that is fairly and properly attributable to all Residential and Storage Units or to the Retail Unit (as applicable).

Section 9.6 **Increase or Decrease in General Common Charges.** To increase or decrease the General Common Charges of all Residential and Storage Units or the Retail Unit, as applicable (collectively, "**Affected Unit(s)**") based on an Allocation Change or an

Apportionment Change (hereinafter collectively, "**Allocation/Apportionment Change**"), the following procedure and requirements shall apply:

(a) any Board Member, the Retail Unit Owner or Sponsor (while it owns any Unsold Residential Unit) may propose an Allocation/Apportionment Change in the projected General Common Expenses for a Budget Year;

(b) the Party who is proposing the Allocation/Apportionment Change ("**Proponent**") shall give to all Board Members, the Retail Unit Owner and Sponsor (while Sponsor owns any Unsold Residential Unit) a written opinion ("**Expert Opinion**") of a qualified expert selected and paid for by the Proponent setting forth: (b-1) a detailed explanation justifying the Allocation/Apportionment Change; (b-2) an express statement that, in the opinion of the expert, the proposed amount of increase or decrease (as applicable) in General Common Charges of the Affected Unit(s) reflects the amount of the Allocation/Apportionment Change that is fairly and properly attributable to the Affected Unit(s), together with a reasonably detailed explanation justifying such opinion; and (b-3) a statement of the qualifications of the expert;

(c) the majority of those Residential and Commercial Board Members attending a duly constituted Board meeting at which a quorum is present is necessary to increase or decrease (as applicable) the General Common Charges of the Affected Unit(s) based on an Allocation/Apportionment Change, but subject to strict compliance with the Special Allocation and Apportionment Rule;

(d) any dispute as to such proposed increase or decrease (as applicable) shall be resolved by arbitration pursuant to the By-laws;

(e) pending the final (non-appealable) resolution of the dispute, the last duly adopted Budget of General Operation shall remain in effect and the proposed increase or decrease (as applicable) in General Common Charges shall be suspended; however, if the final resolution upholds the increase or decrease (as applicable) in General Common Charges, then such increase or decrease (as applicable) shall be retroactive to the date it would have commenced had there been no dispute;

(f) the Owner(s) of the Affected Unit(s) may elect to pay all or part of a disputed proposed increase in General Common Charges without prejudice to the right of such Owner(s) to contest (by arbitration) the proposed Allocation/Apportionment Change;

(g) before a proposed increase is implemented, the Owner(s) of the Affected Unit(s) shall receive not less than ten (10) calendar days' (or not less than 30 calendar days' if such Owner is the Retail Unit Owner) prior written notice from the Board or an officer of the Board of the amount and implementation date of such increase;

(h) an increase or decrease in General Common Charges of the Affected Unit(s) based on an Allocation/Apportionment Change: (h-1) shall not be made more often than once each Budget Year; (h-2) shall not be applied retroactively; and (h-3) shall not be made for an expired Budget Year; and

(i) all approvals, decisions and actions (including approval of a proposed increase or decrease in General Common Charges based on an Allocation/Apportionment Change and instituting or defending an arbitration of a dispute or an appeal) may be made and

taken by Sponsor in lieu of the Sponsor Board Member(s) or by the Retail Unit Owner in lieu of the Commercial Board Member appointed by such Retail Unit Owner.

Section 9.7 **Budget Reserves.** The Budget of Condominium Operation may include a reserve for unanticipated General or Residential Common Expenses or an allowance for an increase in one or more items of General or Residential Common Expenses or from potential new or additional General or Residential Common Expenses, or other contingencies (collectively, "**Contingency Reserve**"), but the Contingency Reserve in any Budget Year, when added to all amounts unspent in a Contingency Reserve with respect thereto for one or more prior Budget Years (excluding funds, if any, held in a separate segregated bank or investment account for application exclusively to make capital or major Repairs or Alterations), shall not exceed five percent (5%) of the projected annual General Common Expenses or the projected annual Residential Common Expenses (as applicable) for such Budget Year without obtaining the prior written Discretionary Approvals or Consents of both Sponsor (during only the Sponsor Veto Control Period) and (with respect to the Contingency Reserve as part of the projected General Common Expenses) the Retail Unit Owner. Sponsor (as Owner of an Unsold Residential Unit), however, will give its consent if the proposed Contingency Reserve, when added to all other budgeted General Common Expenses or budgeted Residential Common Expenses (as applicable), will not increase the General Common Charges or Residential Common Charges (as applicable), inclusive of any Special Assessments of the Condominium Board, for such Budget Year by more than five percent (5%) above the General Common Charges or Residential Common Charges (as applicable) for the immediately preceding Budget Year of the Condominium Association.

Section 9.8 **Budget Surplus and Reconciliation.**

Section 9.8.1 Budget Surplus. If, in any completed Budget Year, the General Common Charges shall exceed the actual General Common Expenses or the Residential Common Charges shall exceed the actual Residential Common Expenses, the Condominium Board shall determine how to apply the surplus. The Condominium Board shall have the choice of applying the surplus to defray the projected General Common Expenses or projected Residential Common Expenses (as applicable) of the next immediately succeeding Budget Year and/or distributing all or a portion of the surplus to all then existing Unit Owners who paid the surplus and apportioning such distribution among them Pro Rata to the General Common Charges or Residential Common Charges (as applicable) assessed to such Unit Owners for said completed Budget Year, or any combination of the foregoing. Such determination shall be made by the following: (a) in the case of a surplus in General Common Charges: a majority of those Residential and Commercial Board Members attending a duly constituted Board meeting at which a quorum is present shall make such determination; or (b) in the case of a surplus in Residential Common Charges: a majority of only those Residential Board Members attending a duly constituted meeting of Residential Board Members at which a quorum is present shall make such determination. In the event the applicable Board Members fail to make such determination within four (4) months after the end of such Budget Year, the surplus shall be applied to defray the projected General Common Expenses or the projected Residential Common Expenses (as applicable) of the next immediately succeeding Budget Year.

Section 9.8.2 Budget Reconciliation. Within three (3) months after the end of each Budget Year, the Condominium Board will cause to be prepared and shall submit to the Retail Unit Owner a statement of revenues and expenses for the completed Budget Year prepared on the basis of accounting used by the Condominium, which shall be either on an income tax basis or on generally accepted accounting principles. In either case, the audit of revenues and

expenses shall be conducted by an independent auditor. The statement of revenues and expenses shall include a comparative schedule of revenues and expenses, which will compare on a line item basis the actual audited revenues and expenses to the budgeted revenues and expenses for the completed Budget Year. Within thirty (30) days after such audited statement of revenues and expenses is submitted to the Retail Unit Owner, the Condominium Board shall also submit to the Retail Unit Owner a written reconciliation of the overall net disparity (if any) between the General Common Expenses allocated, apportioned and assessed to the Retail Unit Owner for such completed Budget Year and said audited (actual) General Common Expenses incurred for such completed Budget Year that are fairly and properly allocated and apportioned to the Retail Unit Owner in strict accordance and compliance with the Special Allocation and Apportionment Rule and Section 339-m of the Condominium Act, as provided in Section 9.1 above. If such reconciliation results in a net underpayment by the Retail Unit Owner of such audited General Common Expenses fairly allocated and apportioned to the Retail Unit Owner, the deficit shall constitute part of the Common Charges of the Retail Unit and the entire deficit shall be paid together with the regular monthly Common Charges billed to the Retail Unit Owner for the calendar month which is not less than thirty (30) calendar days subsequent to the date of receipt by such Retail Unit Owner of said audited statement of revenues and expenses and said written reconciliation. If, on the other hand, the reconciliation results in a net overpayment by the Retail Unit Owner of such audited General Common Expenses fairly allocated and apportioned to the Retail Unit Owner, the entire surplus shall be credited to (and reduce) the Common Charges next due and payable by the Retail Unit Owner or (at the exclusive option of the Retail Unit Owner) refunded immediately to said Retail Unit Owner. Any disagreement or dispute under this Section 9.8.2 shall be resolved by arbitration pursuant to the By-Laws. Until such dispute is resolved by arbitration or mutual agreement, the status quo ante shall be maintained. If the dispute involves an alleged underpayment of General Common Expenses by the Retail Unit Owner, no late fee, charges or interest shall accrue and no enforcement action shall be commenced against the Retail Unit Owner based thereon for so long as the issue remains unresolved beyond all appellate review.

Section 9.9 **Prohibition.** The Condominium Board shall not charge an Owner or such Owner's Permitted Tenants/Occupants/Invitees any separate fee, rental, charge, imposition or payment of any kind (apart from regular Common Charges and Special Assessments, if any, levied on all Unit Owners or all Residential and Storage Unit Owners, as applicable) for the mere Use and Enjoyment in common of the lobby, Base Floors and similar portions of the Common Elements; however, the foregoing shall not prohibit the Board from leasing or licensing portions of the Common Elements or from imposing and collecting charges for use of the recreational facilities, the vending machines and the like.

Section 9.10 **Special Assessment.** The Condominium Board may levy a Special Assessment to pay the General Common Expenses (if approved by a majority of those Residential and Commercial Board Members attending a duly constituted Board meeting at which a quorum is present) and the Residential Board Members may levy a Special Assessment to pay the Residential Common Expenses (if approved by a majority of only those Residential Board Members attending a duly constituted meeting of the Residential Board Members at which a quorum is present) in accordance with Section 8.4 of the By-Laws, which is hereby incorporated herein with the same force and effect as though set forth at length herein.

Section 9.11 **Sponsor Veto Control.** During the period ending on the *earlier* of: (a) the date that the Common Interests appurtenant to the Unsold Residential and Storage Units constitute less than 25% of the aggregate Common Interests appurtenant to all Residential and Storage Units; or (b) the fifth (5th) anniversary of the First Closing of a Residential Unit under

the Plan ("**Sponsor Veto Control Period**"), Sponsor shall have veto control over the following decisions and actions of the Condominium Board (including the Residential Board Members) and Unit Owners (as to any vote or action by them), and the Board and Unit Owners must obtain Sponsor's prior written Discretionary Consent to do any of the following:

(a) to raise General Common Charges or Residential Common Charges or levy a Special Assessment in order to do any of the following:

(a-1) to make an Alteration to the General Elements, the Residential Common Elements, the Association's General Properties or the Association's Residential Properties (the latter include any Residential or Storage Unit owned, leased or otherwise held or Operated by the Condominium Board or its nominee or designee);

(a-2) to create a fund for reserves for Repairs, Alterations, unanticipated expenses and/or contingencies (i.e., Contingency Reserve fund) in excess of five percent (5%) of the projected annual General Common Expenses or five percent (5%) of the projected annual Residential Common Expenses (as applicable) for any Budget Year of Condominium Operation;

(a-3) to increase, decrease, eliminate or otherwise change the number, type, classification or working hours of the Building's service staff from those set forth in the First Year's Budget (SCHEDULE B in Section F of Part I of the Plan);

(a-4) to increase, decrease, eliminate or otherwise change Building services by (for example) entering into contracts for new or additional services or maintenance work not included in said First Year's Budget, or failing to provide any service or maintenance contracts set forth in such First Year's Budget, or otherwise; or

(a-5) to increase, decrease, eliminate or otherwise change the amounts or types of insurance coverage from those provided in said First Year's Budget (i.e., SCHEDULE B in Section F of Part I of the Plan); or

(b) to borrow money on behalf of the Condominium.

Sponsor, however, will give its consent if the Costs and Expenses (as determined by Sponsor, in its sole and absolute judgment) of the proposed action requiring Sponsor's consent, when added to all other budgeted General Common Expenses or Residential Common Expenses (as applicable), will not increase the General Common Charges or Residential Common Charges (as applicable), inclusive of any Special Assessments, for any Budget Year of the Condominium Association, by more than five percent (5%) above the General Common Charges or Residential Common Charges (as applicable) for the immediately preceding Budget Year of the Condominium Association.

Sponsor may not, however, exercise veto control over expenses included in said First Year's Budget or over expenses required: (a) to comply with applicable Laws; (b) to remedy a governmental notice of a violation; or (c) to remedy a Work order of an insurer of the Building.

Only Sponsor may exercise Sponsor's veto control while Sponsor owns any Unsold Residential Unit. If Sponsor no longer owns any Unsold Residential Unit, each successor Unsold

Residential Unit Owner will have the same right of veto control as Sponsor. In the event there are two (2) or more such successor Unsold Residential Unit Owners, the required consent of only those Owners of Unsold Residential and Storage Units constituting a majority of the Common Interests of all Unsold Residential and Storage Units will suffice. Nothing contained herein will extend the Sponsor Veto Control Period.

Section 9.12 Real Estate Taxes. Until such time as each Unit is separately assessed and billed for real estate taxes, the Condominium Board shall collect the real estate taxes payable for the Property in the form of a Special Assessment levied on all Unit Owners payable in one (1) lump sum or periodic installments (at the option and discretion of the Condominium Board) for forwarding same to the appropriate taxing authority on behalf of the Unit Owners in accordance with Article 9, Section 9.1 of the By-Laws, which is hereby incorporated herein with the same force and effect as if set forth at length herein. In the event the Condominium Board fails to agree thereon within thirty (30) calendar days from the date of First Closing of a Residential Unit under the Plan and at such time the Units are not separately assessed and billed for real estate taxes, such real estate taxes will be collected as a Special Assessment payable monthly in amounts sufficient to pay the next due installment of real estate taxes one (1) month prior to the date same is due and payable (before the imposition of interest for late payment). The Condominium Board and each Unit Owner shall have the right, for sixty (60) calendar days only after the Units are separately assessed and billed for real estate taxes ("TIME BEING OF THE ESSENCE"), to adjust any overpayment or underpayment of real estate taxes included in the Common Charges so paid by such Unit Owner as part of the Common Charges, all as provided in said Section 9.1 of the By-Laws.

ARTICLE 10

USES OF COMMON ELEMENTS, SIDEWALKS AND UNITS

Section 10.1 General Requirement. Each of the Common Elements, the sidewalks immediately adjacent to, and fronting, the Property ("**Immediately Adjacent Sidewalks**") and the Units shall be Used and Enjoyed only in accordance and compliance with the then applicable Laws (as such Laws may change from time to time as a result of a statutory change, zoning variance, a new or amended Certificate of Occupancy for the Building or otherwise) and the purposes for which each is reasonably suited, capable designed and intended, and as permitted or stated in this Declaration, the By-Laws or the Rules and Regulations (as such Condominium Documents may be duly amended from time to time).

Section 10.2 General Prohibitions. The Common Elements, the Immediately Adjacent Sidewalks to the Property and the Units shall be used:

(a) in accordance and compliance with Section 10.1 above and the requirements, restrictions and prohibitions expressly stated in this Declaration or the By-Laws (including the Installation Requirements and applicable Work Requirements, as set forth respectively in Sections 10.4 and 15.2 below), as each may be duly amended from time to time; and

(b) for the purposes permitted in the Condominium Documents, but not for any or the following uses (collectively, "**Prohibited Uses**"): (b-1) any use that impairs or threatens the structural integrity of the Building or the life, health or safety of Owners, tenants or occupants of Units; (b-2) any use that violates applicable Laws; (b-3) any use that

results in the cancellation or a notice of cancellation of insurance maintained by the Condominium Board; or (b-4) any use of the Common Elements, said Immediately Adjacent Sidewalks to the Residential Space, or a Sold Residential or Storage Unit that is an unreasonable annoyance or nuisance to other Unit Owners or an unreasonable interference with the peaceful possession or proper use or Operation of other Units or the Common Elements for their intended or permitted purposes as stated in the Plan and Condominium Documents (as each may be duly amended from time to time).

The Condominium Board may not (and shall not):

(c) impose or levy any fee, charge, deposit, security, payment, imposition, restriction, limitation or other requirement (other than regular Common Charges and Special Assessments, if any, levied on all Unit Owners or all Residential and Storage Unit Owners, as applicable) in connection with the permitted Use and Enjoyment of the Common Elements by Sponsor, an Unsold Unit Owner or the Retail Unit Owner, or their respective Permitted Tenants/Occupants/Invitees or Agents, Employees and Contractors; or

(d) prevent or unreasonably impede or interfere with the sale, rental, Promotion, Operation, management or other permitted Use and Enjoyment of Unsold Units or the Retail Unit.

Section 10.3 Common Use of Common Elements. The Common Elements shall be for the use or exclusive use (as indicated) in common of the following Owners and their respective Permitted Tenants/Occupants/Invitees: (a) in the case of the General Common Elements: for the use in common by all Unit Owners; or (b) in the case of the Residential Common Elements: for the exclusive or substantially exclusive use in common by only the Residential and Storage Unit Owners. All uses of the Common Elements, however, shall be in accordance with the purposes for which they are reasonably suited, capable, designed and intended, without hindering the exercise of or encroaching upon the rights of other Unit Owners. The uses and changes in uses of the Common Elements shall be determined by the Condominium Board or Residential Board Members (as applicable) in accordance and compliance with applicable Laws and the provisions of this Declaration, the By-Laws and the Rules and Regulations, as each may be duly amended from time to time. Such uses and changes in uses of the Common Elements and all determinations of the Condominium Board or Residential Board Members (as applicable) with respect thereto shall nevertheless be subject and subordinate to:

(a) the other Sections of this Article 10 and Articles 11, 12 and 13 below; and

(b) Sponsor's/Commercial Owner's Rights set forth in the Plan and the Condominium Documents, which are superior, paramount and take preference over the rights of the Condominium Board and other Unit Owners to Use and Enjoy the Common Elements.

Any dispute as to the uses or changes in uses of the Common Elements shall be resolved by arbitration pursuant to the By-Laws.

Section 10.4 New Installations Affecting Common Elements, Sidewalks and Vault.

Section 10.4.1 Right to Install. Subject to the compliance with the Installation Requirements set forth below:

(a) Sponsor (while Sponsor owns any Unsold Unit) and the Retail Unit Owner shall each have the unfettered and unconditional right, Freely and Without Consent, Payment or Restriction (other than compliance with the Installation Requirements set forth in Section 10.4.2 below), to construct and install new, different and/or substitute Equipment and related Installations in, on and along the non-public portions of the General Common Elements and the Residential Common Elements (including, for example, installing Commercial Equipment serving exclusively the Retail Unit in the Building service rooms in the cellar and installing Communications Equipment and Other Installations pursuant to Section 11.14 below in, on and along any of the Building service rooms or areas in the cellars, the egress stairs, the unutilized portions of one or more Roofs comprising the Residential or General Common Elements (but not any Terrace located thereon) and their respective appurtenant Roof Structures (including the egress stairs and elevator equipment bulkhead), and the Building Walls), as well as the Immediately Adjacent Sidewalks to the Property, which Equipment and related Installations: (a-1) shall be for the use, service and/or benefit of the following: (a-1.1) if installed by Sponsor: the Owners and Permitted Tenants/Occupants/Invitees of Unsold Units, or the Building or any portion thereof, or (a-1.2) if installed by the Retail Unit Owner: said Retail Unit Owner and its Permitted Tenants/Occupants/Invitees; or (a-2) shall provide telephone, television, Internet and all other kinds of communication and information services to Building residents and occupants or to the general public (whether via cable, satellite or other communication devices);

(b) the Retail Unit Owner shall have the additional unfettered and unconditional right, Freely and Without Consent, Payment or Restriction (other than compliance with said Installation Requirements set forth below): (b-1) to construct and install in and on the portion of the main Roof and its related Roof Structures (including the egress stairs and elevator equipment bulkhead) and along the Building Walls, new, different or substitute Equipment and related Installations that are for the exclusive use, service and/or benefit of such Retail Unit or the Owner or Permitted Tenants/Occupants/Invitees of such Retail Unit; and (b-2) to construct and install skylights serving only the Retail Unit in the areas reserved for such purpose on the Roof at Floor 2 enclosing a portion of the Retail Unit; and

(c) the Condominium Board shall have the right to construct and install in or on the Common Elements and the Immediately Adjacent Sidewalks to the Residential Space new, different and/or substitute Equipment and related Installations for the use, service and/or benefit of all or certain Units or the Owners or Permitted Tenants/Occupants/Invitees of such Units.

Section 10.4.2 Installation Requirements. All of the foregoing Installations shall be performed in accordance and compliance with all of the following "**Installation Requirements**": (a) the requirement to comply with the applicable Work Requirements set forth in Section 15.2 below; and (b) the requirement to not prevent access to, nor overload or materially impair the proper and efficient performance, function, capacity or utility of the Equipment and Installations then comprising or serving the Common Elements or a Unit.

Section 10.5 New Connections to Common Elements. Each Unsold Unit Owner (including Sponsor) and the Retail Unit Owner, and their respective Agents, Employees and Contractors, shall have the unfettered and unconditional right, from time to time, Freely and Without Consent, Payment or Restriction (other than the requirement to comply with the

Installation Requirements set forth in Section 10.4.2 above): (a) to connect Equipment and related Installations now or hereafter part of such Owner's Unsold Unit or Retail Unit (as applicable) to the Equipment and Installations comprising at any time the Common Elements; (b) to thereafter Maintain, Repair, Alter and otherwise Operate such newly connected Equipment and Installations; and (c) to reasonably access the Common Elements in order to perform the Work in connection with the foregoing.

Section 10.6 **Residential Common Elements.** The Residential Common Elements shall be for the exclusive or substantially exclusive Use and Enjoyment in common by only the Owners and Permitted Tenants/Occupants/Invitees of the Residential and Storage Units in accordance with the purposes for which they are reasonably suited, capable, designed and intended, without hindering the exercise of, or encroaching upon, the rights of other Unit Owners. The Residential Common Elements shall not be used in a manner that is a nuisance or an unreasonable annoyance to the Owners and Permitted Tenants/Occupants/Invitees of any Units or an unreasonable interference with the peaceful possession and permitted Use and Enjoyment of any Units, or any other Prohibited Uses. The uses and changes in use of the Residential Common Elements shall be determined by the Residential Board Members on behalf of the Condominium Board. Such exclusive Use and Enjoyment of the Residential Common Elements shall nevertheless be subject and subordinate to: (a) compliance with this Declaration (including in particular (but not limited to) Sections 10.2, 10.5 and 10.9 hereof and Articles 11, 12 and 13 below) and the By-Laws; (b) the right of the Residential Board Members to amend from time to time the Rules and Regulations governing the use thereof by the Owners and Permitted Tenants/Occupants/Invitees of Sold Residential and Storage Units (but not governing the use thereof by Unsold Residential and Storage Units); and (c) certain restrictions, as well as certain rights and easements reserved to Sponsor and granted to the Condominium Board, Unsold Unit Owners, the Retail Unit Owner and other Persons, all as and to the extent set forth in this Declaration, the By-Laws, the Plan and the Condominium Act, including Sponsor's/Commercial Owner's Rights set forth in the Plan and the Condominium Documents, which are superior, paramount and take preference over the rights of the Condominium Board and Sold Residential and Storage Unit Owners to Use and Enjoy the Residential Common Elements.

Section 10.7 **Commercial Limited Common Elements.** The Commercial Limited Common Elements (if established) shall be for the exclusive or substantially exclusive Use and Enjoyment by only the Owner of the Retail Unit to which same are appurtenant, and the Permitted Tenants/Occupants/Invitees of such Retail Unit in accordance with the purposes for which they are reasonably suited capable, designed and intended, without hindering the exercise of or encroaching upon the rights of other Unit Owners. The Commercial Limited Common Elements (if established) shall not be used in a manner that is a nuisance or an unreasonable annoyance to the Owners and Permitted Tenants/Occupants/Invitees of any Units or an unreasonable interference with the peaceful possession and permitted Use and Enjoyment of any Units, or any other Prohibited Uses. The uses and changes in use of the Commercial Limited Common Elements (if established) shall be determined by the Commercial Board Members on behalf of the Condominium Board. Such exclusive or substantially exclusive Use and Enjoyment of the Commercial Limited Common Elements (if established) shall nevertheless be subject and subordinate to: (a) compliance with this Declaration (including in particular (but not limited to) Sections 10.2, 10.5 and 10.9 hereof and Articles 11, 12 and 13 below) and the By-Laws; (b) the right of the Commercial Board Member to establish and amend from time to time Rules and Regulations (apart from the existing Rules and Regulations appended to the By-Laws) governing the use thereof by the Owners and Permitted Tenants/Occupants/Invitees of the applicable Retail Unit; and (c) certain restrictions, as well as

certain rights and easements reserved to Sponsor and granted to the Condominium Board, Unsold Unit Owners, the Retail Unit Owner and other Persons, all as and to the extent set forth in the Plan, this Declaration, the By-Laws and the Condominium Act, including Sponsor's Rights set forth in the Plan and the Condominium Documents, which are superior, paramount and take preference over the rights of the Condominium Board and other Unit Owners to Use and Enjoy the Common Elements.

Section 10.8 **Individual Limited Common Elements.** Each Individual Residential Limited Common Element (if established pursuant to Section 13.1 below) will be for the exclusive or substantially exclusive Use and Enjoyment of the Owner of the Residential Unit to which same is appurtenant and such Owner's Permitted Tenants/Occupants/Invitees in accordance with the purpose for which it is reasonably suited, capable, designed and intended. Such exclusive or substantially exclusive Use and Enjoyment of an Individual Residential Limited Common Element shall nevertheless be subject and subordinate to: (a) compliance with this Declaration (including in particular (but not limited to) Sections 10.2 and 10.9 hereof and Articles 11, 12 and 13 below) and the By-Laws; (b) the right of the Residential Board Members to amend from time to time the Rules and Regulations governing the use thereof by such Owner and such Owner's Permitted Tenants/Occupants/Invitees; and (c) certain restrictions, as well as certain rights and easements reserved to Sponsor and granted to the Condominium Board, the Unsold Unit Owners, the Retail Unit Owner and other Persons, all as and to the extent set forth in this Declaration, the By-Laws, the Plan and the Condominium Act, including Sponsor's/Commercial Owner's Rights set forth in the Plan and the Condominium Documents, which are superior, paramount and take preference over the rights of the Condominium Board and Unit Owners to Use and Enjoy the Limited Common Elements.

Each Individual Commercial Limited Common Element (if established pursuant to Section 13.1 below) will be for the exclusive or substantially exclusive Use and Enjoyment of the Owner of the Retail Unit to which same is appurtenant and such Owner's Permitted Tenants/Occupants/Invitees in accordance with the purpose for which it is reasonably suited, capable, designed and intended. Such exclusive Use and Enjoyment of an Individual Commercial Limited Common Element shall nevertheless be subject and subordinate to: (a) compliance with this Declaration (including in particu lar (but not limited to) Sections 10.2 and 10.9 hereof and Articles 11, 12 and 13 below) and the By-Laws; (b) the right of the Commercial Board Member to establish and amend from time to time Rules and Regulations (apart from the existing Rules and Regulations appended to the By-Laws) governing the use thereof by the Owners and Permitted Tenants/Occupants/Invitees of Retail Unit; and (c) certain restrictions, as well as certain rights and easements reserved to Sponsor and granted to the Condominium Board, Unsold Unit Owners, Retail Unit Owner and other Persons, all as to the extent set forth in this Declaration, the By-Laws, the Plan and the Condominium Act, including Sponsor's/Commercial Owner's Rights set forth in the Plan and the Condominium Documents, which are superior, paramount and take preference over the rights of the Condominium Board and Unit Owners to Use and Enjoy the Common Elements.

Section 10.9 **Sponsor's Rights to Use Common Elements and Immediately Adjacent Sidewalks.** Sponsor hereby reserves for itself (while Sponsor owns any Unsold Residential Unit) and grants to each and every Unsold Residential Unit Owner (while such Owner owns said Unit) and to the tenants and occupants of Unsold Residential Units who are expressly so authorized in writing by the applicable Owners of such Unsold Residential Units, and the Agents, Employees and Contractors of each of the foregoing, the right and easement to use the Common Elements (including in particular, but not limited to: the Building Walls; all Roofs comprising the General or Residential Common Elements (but not the Terraces located

thereon) and their respective related Roof Structures; the 515 West 23rd Street Public Areas; and other portions of the Residential Common Elements and portions of the General Common Elements), the Immediately Adjacent Sidewalks to the Property in connection with: (a) the construction, equipping and outfitting of the Building (including the Units and the Common Elements) in accordance with Sponsor's Plans and Specifications; (b) any Work undertaken by Sponsor pursuant to the Plan, a Plan Amendment or a Purchase and Sale Agreement; and (c) the permitted Use and Enjoyment (including Promotion and Operation) of its Unsold Residential and Storage Units in accordance with this Declaration, the By-Laws and the Plan. The foregoing right and easement reserved to Sponsor shall be superior, paramount and take preference over the foregoing right and easement granted to each Unsold Residential and Storage Unit Owner and all rights of use thereof by the Condominium Board and other Unit Owners. Sponsor, each Unsold Residential Unit Owner and said authorized tenants, occupants, Agents, Employees and Contractors may exercise and perform their respective rights and easements in this Section 10.9 Freely and Without Consent, Payment or Restriction (other than compliance with Section 10.2 above). Nothing herein shall prevent a Unit Owner or such Owner's Permitted Tenants/Occupants/Invitees from using the Building's Immediately Adjacent Sidewalks for ordinary pedestrian passage or the 515 West 23rd Street Public Areas for ordinary ingress and egress to and from Units.

Section 10.10 **Building's Walls and Immediately Adjacent Sidewalks.** Sponsor hereby reserves for itself (while Sponsor owns any Unsold Residential Unit) and grants to each and every Unsold Residential Unit Owner (while such Owner owns said Unit) and to the tenants and occupants of Unsold Residential Units who are so expressly authorized in writing by the applicable Owners of such Unsold Residential Units, the right and easement to use the portions of the Building Walls that enclose the Residential Space (which are included in the Residential Common Elements), the General Common Elements and the Immediately Adjacent Sidewalks to the Property for all lawful purposes in connection with the permitted Use and Enjoyment (including Promotion and Operation) of its Units. Subject and subordinate to the foregoing, Sponsor hereby grants to: (a) the Retail Unit Owner and the tenants and occupants of the Retail Unit who are so expressly authorized in writing by the Owner of such Retail Unit, the right and easement to the exclusion of all Unit Owners (other than Sponsor, Unsold Unit Owners and said authorized tenants and occupants of Unsold Units as aforesaid) to use those portions of the Building Walls that enclose such Owner's Retail Unit (as provided in Section 6.9(e) above) and the portions of the Immediately Adjacent Sidewalks to such Retail Unit for all lawful purposes in connection with the permitted Use and Enjoyment of its Retail Unit; and (b) the Condominium Board and those Owners, tenants and occupants of Sold Residential Units who are so expressly authorized in writing by the Condominium Board, the right and easement, to the exclusion of all other Sold Residential Unit Owners (but subordinate to the foregoing rights and easements in favor of Sponsor, Unsold Residential Unit Owners, the Retail Unit Owner and the authorized tenants and occupants of Unsold Units and the Retail Unit), to use said portions Building Walls that enclose the Residential Space (and included in the Residential Common Elements), the General Common Elements, and the Immediately Adjacent Sidewalks to the Residential Space and the General Common Elements, for all lawful purposes in connection with the permitted Use and Enjoyment of the Residential Space. The foregoing right and easement reserved to Sponsor to use the Building Walls, the General Common Elements and said Immediately Adjacent Sidewalks shall be superior, paramount and take preference over the foregoing exclusive right and easement granted to each Unsold Residential Unit Owner, the Retail Unit Owner, the Condominium Board and said authorized Owners, tenants and occupants of Sold Residential Units. Sponsor, each Unsold Residential Unit Owner, the Retail Unit Owner and the Condominium Board may exercise and perform their respective rights and easements in this Section 10.10 Freely and Without Consent, Payment or Restriction (other than compliance with

Section 10.2 above), but the rights and easements in favor of the Condominium Board shall be subject and subordinate to the rights of Sponsor, each Unsold Unit Owner and the Retail Unit Owner set forth herein. Nothing herein shall prevent a Unit Owner or such Owner's Permitted Tenants/Occupants/ Invitees from using the Immediately Adjacent Sidewalks to the Property for ordinary pedestrian passage.

Section 10.11 Permitted Uses of Building Walls and Immediately Adjacent Sidewalks. The foregoing right and easement in Section 10.10 above to use the Building Walls and the Immediately Adjacent Sidewalks to the Property include the right, easement and duty, at the sole Cost and Expense of the applicable Party, to erect, install, Maintain, Repair, Alter and otherwise Operate any kind of one (1) or more Signs thereon and therein in accordance with Section 10.18 below as well as any objects, structures, extensions and enclosures thereon and therein. Sponsor, an Unsold Residential Unit Owner, the Retail Unit Owner or the Condominium Board (as applicable), and said authorized tenant or occupant of an Unsold Residential Unit or the Retail Unit (as applicable), may exercise and perform such right and easement Freely and Without Consent, Payment or Restriction, other than the requirement to comply with Section 10.2 above. All Costs and Expenses incurred by the Condominium Board in connection with the exercise and performance of the right and easement in Section 10.10 above with respect to the Building Walls and said Immediately Adjacent Sidewalks shall be part of the Residential Common Expenses, which shall be specially allocated to only all Residential and Storage Unit Owners and apportioned and assessed among them Pro Rata to their respective Common Interests in accordance and compliance with the Special Allocation and Apportionment Rule and Section 339-m.

Section 10.12 Intentionally Omitted.

Section 10.13 Permitted Uses and Occupancy of Sold Residential Units. Each Sold Residential Unit may be used only as a private one-family dwelling and incidental home occupations allowed by Law, and for no other purpose, and shall be occupied in accordance with all applicable Laws and the requirements of the By-Laws, which limit occupancy of Sold Residential Units to its Owner and the Owner's "household" (as defined below) and (for a limited period) temporary non-paying guests, or a permitted tenant of such Owner, or a permitted subtenant of such permitted tenant, and members of such permitted tenant's or permitted subtenant's household (collectively, "**Occupancy Requirements**"). The term "**household**" includes the following to the extent not prohibited by Law: the Owner's immediate family or an unrelated companion and such companion's dependent children, and domestic employees. If the Owner or a permitted tenant is an Entity, then occupancy by a Related Party of such Entity shall be permitted as occupancy by the Owner or said permitted tenant or subtenant.

Each Sold Residential Unit shall be used in compliance with Section 10.2 above and the other provisions of this Declaration, the By-Laws and the Rules and Regulations, as each may be amended from time to time, including the following requirements and restrictions:

(a) at least eighty percent (80%) of the Sold Residential Unit's indoor floor areas other than kitchen, pantry (if any), bathroom(s), powder room and closets) shall be carpeted or otherwise covered with an equally effective noise reducing material Reasonably Approved in writing by the Condominium Board, unless the Board waives this requirement in writing, in its sole and absolute judgment;

(b) singing and practicing musical instruments shall not be allowed before 9:00 a.m. and after 10:00 p.m.;

(c) none of the following shall be allowed: breeding animals or pets for commercial purposes; keeping dangerous or poisonous reptiles, insects or animals; harboring more than a total of four (4) domestic dogs and cats per Sold Residential Unit;

(d) any permitted pet whose behavior is a nuisance to occupants of other Units or is the cause of an unsanitary condition or an offensive odor affecting occupants of other Units or the Common Elements shall be removed unless such behavior or condition is corrected within fifteen (15) calendar days after written notice thereof is given;

(e) all Repairs or Alterations shall be made in compliance with the requirements of the Condominium Documents;

(f) a Sold Residential Unit's windows, the Terrace glass door and windows (if any), the public side of the entrance door to the Sold Unit, or other portions of the Unit (including any Terrace) exposed to public view, shall not be painted (or otherwise Decorated) without first obtaining the prior written Discretionary Approvals or Consents of both the Condominium Board and (during only the Sponsor Veto Control Period and until issuance of the permanent Certificate of Occupancy of the Building) Sponsor;

(g) the indoor side of windows and the indoor side of said Terrace glass door and windows (if any) are to be washed and cleaned by the Sold Residential Unit Owner in accordance with applicable Laws;

(h) all window blinds, shades, curtains and treatments of a Sold Residential Unit are to be light colored or have light colored backings facing outdoors in accordance with the Condominium's rules and regulations, as such rules and regulations may change from time to time by the Condominium Board (any such changes shall be subject to the Discretionary Approval or Consent of Sponsor during only the Sponsor Veto Control Period);

(i) the windows (including panes, mullions, sashes and latches) and said Terrace glass door and windows, if any (including hardware and saddles) of a Sold Residential Unit may not be replaced or Altered without Obtaining the prior written Discretionary Approvals or Consents of both the Condominium Board and (during only the Sponsor Veto Control Period and until issuance of the permanent Certificate of Occupancy of the Building) Sponsor;

(j) in order to protect the structural integrity and weather tightness of the Building and the safety of lower floors as well as the Immediately Adjacent Sidewalks to the Property, and to preserve the architectural and aesthetic harmony of the Building Walls and minimize possible unsightliness, the Terrace appurtenant to a Sold Residential Unit, and the parapets, copings, wall guards, railings and all other Roof Structures in, under and enclosing such Terrace may not be Altered or enclosed, and no fence, partition, plants, landscaping, furnishing, Decorations, planters, structures or objects (collectively, "**Terrace Objects**") shall be constructed, installed or placed on or in a Terrace, without obtaining the prior written Discretionary Approvals or Consents of both Sponsor (during only the Sponsor Veto Control Period and until the permanent Certificate of Occupancy of the Building issues) and the Condominium Board;

(k) barbecuing in Units or on a Terrace shall not be allowed;

(l) if at the time of occupancy of a Unit no pavers or other protective flooring or covering constituting a Unit's Terrace is installed to safeguard the Roof adjacent to such Unit, then said adjacent Roof shall not be walked upon, nor shall any Terrace Objects be placed thereon, unless the Owner of such Unit or Sponsor (as applicable), at the sole Cost and Expense of such applicable Party, shall first install pavers or other protective flooring or covering that safeguards said Roof in accordance with Sponsor's Plans and Specifications; if Sponsor is not the Party required to install such pavers, then the applicable Unit Owner shall install the pavers or other required protective flooring or covering in accordance with the Unit Alteration Requirements set forth in Section 5.2.4 of the By-Laws and subject to obtaining the prior written Reasonable Approvals or Consents of both Sponsor (during only the Sponsor Veto Control Period and until the permanent Certificate of Occupancy of the Building issues) and the Condominium Board; and such pavers or other protective floor or covering shall not be removed, Altered or penetrated without first obtaining both the Discretionary Approval or Consent of Sponsor (during only the Sponsor Veto Control Period and until the permanent Certificate of Occupancy of the Building issues) and the Reasonable Approval or Consent of the Condominium Board;

(m) radio or television antenna or satellite dishes and other communication devices shall not be installed on or projected from windows, Terraces, Building Walls, Roofs, or Roof Structures, other than an area of a Roof, excluding a Terrace, specifically dedicated by the Condominium Board for such purpose, if any (this restriction is subject to applicable Law, if any, expressly prohibiting such restriction); and "For Sale" or "For Rent" or other Signs shall not be installed on, or otherwise displayed from, a Sold Residential Unit's windows, Terrace or other areas thereof that are visible from the street; and

(n) a duplicate key to all locks on entrance doors of the Unit shall be given to the Condominium Board or the Building's superintendent or the Managing Agent.

Section 10.14 **Required Ownership and Use of Sold Storage Units.** The ownership of a Storage Unit is restricted to Sponsor or the Owner of a Residential Unit. As a result, a Purchaser of a Storage Unit under the Plan must also purchase a Residential Unit and may only resell or convey the Storage Unit to another Residential Unit Owner or, upon the resale or conveyance of such Owner's Residential Unit, to the purchaser on such resale or to the succeeding Owner on a conveyance. Each Sold Storage Unit shall be used only for accessory storage of noncombustible materials or materials that do not burn rapidly of its Owner and the permitted tenants and occupants of such Owner's Sold Residential Unit in accordance with applicable Laws, and for no other purpose. These restrictions shall not apply to Unsold Storage Units, which may be used for any lawful purpose. In no event shall an article or material be brought or stored in any Storage Unit that poses a threat to the life, health or safety of the Unit Owners or other occupants of the Building, causes the emission of noxious odors, dirt or other unsanitary conditions or otherwise creates a nuisance.

Section 10.15 **Permitted Uses of Unsold Units and Retail Unit.** The requirements and restrictions set forth above or elsewhere in this Declaration, the By-Laws and the Rules and Regulations with respect to Sold Units are not applicable to Unsold Residential and Storage Units or the Retail Unit, each of which may be used or changed to be used for any lawful purposes, other than applicable Prohibited Uses. The permitted uses of Unsold Residential and Storage Units include as models and offices for the sale, Promotion, rental, Operation and management of Unsold Residential and Storage Units. The Retail Unit may be used as one or more art galleries, restaurants, food stores, clothing stores, banks and other retail

establishments, whether or not similar to the foregoing. Such permitted uses of the Unsold Residential and Storage Units and the Retail Unit may be noisy, emit odors, involve heavy traffic and cause other effects that need not be compatible with the primary use of the Building for dwelling purposes. The Condominium Board and the other Unit Owners will not have the right to approve the use or any changes in the use, or the tenants, occupants or Operation of, or the business conducted in, the Unsold Residential Units or the Retail Unit, or any portions thereof.

Sponsor, each Unsold Unit Owner and the Retail Unit Owner shall have the exclusive right to make all determinations concerning the use, appearance, occupancy, rental and Operation of, and all Unit Changes to, such Owner's Unit and all portions thereof, Freely and Without Consent, Payment or Restriction, other than the requirement to comply with Section 10.2 above and this 10.15 and to pay Common Charges and Special Assessments in accordance with the Condominium Documents.

Section 10.16 **Compliance with Laws.** Each Unit Owner, at such Owner's sole Cost and Expense, shall comply with all Laws applicable to such Owner's Unit and (if established) its appurtenant Individual Limited Common Element, including Laws governing use, occupancy, Maintenance, Repairs, Alterations and violations noted or issued with respect to such Owner's Unit and (if established) its appurtenant Individual Limited Common Element, and conditions constituting violations, whether or not noted or issued, other than violations or conditions expressly stated in this Declaration or the By-Laws to be Repaired, cured or corrected by the Condominium Board.

Section 10.17 **Changes in Use of Unsold Units and Retail Unit.** Sponsor, each Unsold Unit Owner and the Retail Unit Owner shall each have the right to change the use of its Unit from time to time. The foregoing right to change each use of an Unsold Unit or the Retail Unit: (a) includes the right to obtain an Alteration permit or notice or an amended or new Certificate of Occupancy for the Building, or a special permit or other appropriate Government Document required for such change in use and a zoning variance to authorize such change in use; and (b) may be exercised and performed Freely and Without Consent, Payment or Restriction, other than the requirement to comply with Section 10.2 above.

Section 10.18 **Signs.** The Retail Unit Owner and (if approved by such Owner) a tenant of all of part of such Owner's Retail Unit shall have the right, Freely and Without Consent, Payment or Restriction (other than those set forth in Sections 10.2 and 10.11 above), to erect and install any kind of one or more Signs on the outdoor and indoor sides of such Owner's Retail Unit (including the outdoor and indoor sides of its Unit entrance doors, Storefront Windows and Storefronts, and on the outdoor side of Building Walls enclosing such Unit from the sidewalk to a horizontal plane extending along and immediately below the parapets of the Roof over the Retail Unit (including the portions thereof immediately above the Unit entrances and Storefronts of the Retail Unit), all of which are part of such Unit), on the Immediately Adjacent Sidewalks to the Retail Unit, and opposite the entrance to the Retail Unit, and thereafter to Maintain, Repair, Alter and otherwise Operate same, which Signs may be of any size, content, composition, material, color, design, illumination, character and appearance considered appropriate by such Unit Owner, or a tenant of such Owner's Unit who is expressly so authorized in writing by such Retail Unit Owner, in connection with the sale, rental, Promotion, Operation, management, use, business, identity or other Disposition of said Retail Unit.

Sponsor and each Unsold Unit Owner (while Sponsor and such Owner, respectively, own any Unsold Unit), and the permitted tenants who are so expressly authorized in writing by Sponsor

or such Unsold Unit Owner (as applicable), shall each have the right, Freely and Without Consent, Payment or Restriction (but subject to compliance with Sections 10.2 and 10.11 above), to erect and install any kind of one or more Signs in or on the Common Elements (including in particular, but not limited to: the Building Walls; all Roofs comprising the General or Residential Common Elements, and their respective Roof Structures (but not on the Terrace enclosed thereby); the 515 West 23rd Street Public Areas; and all other portions of the General Common Elements, the Residential Common Elements and the Immediately Adjacent Sidewalks to the Property, and thereafter to Maintain, Repair, Alter and otherwise Operate same, which Signs may be of any size, content, composition, material, color, design, illumination, character and appearance considered appropriate by Sponsor, such Unsold Unit Owner or said authorized tenant in connection with the sale, rental, Promotion, Operation, management, use, business, identity or other Disposition of such Owner's Unit.

Section 10.19 **Limited Power of Attorney.** Any application or other document necessary or convenient to the exercise by Sponsor, an Unsold Unit Owner or the Retail Unit Owner (as applicable) to obtain an Alteration permit or notice or an amended or new Certificate of Occupancy for the Building or other appropriate Government Document required to change a use of its Unit pursuant to Section 10.17 above, or the erection, installation, Maintenance, Repair, Alteration or other Operation of Signs pursuant to Section 10.18 above, may be completed, signed and delivered by such Party without the signatures or consents of other Unit Owners or the Condominium Board. Nonetheless, the Condominium Board shall, with reasonable promptness, execute and deliver to said applicable Party any such application or other document as provided in the following Section 10.20 and the Unit Owners and Board hereby grant to Sponsor, each Unsold Unit Owner and the Retail Unit Owner, severally, an irrevocable, durable power of attorney, "coupled with an interest" and granted for valuable consideration, with full power of substitution, to execute and deliver any such application or other document as attorney-in-fact in the name and on behalf of the Condominium Board and Unit Owners. Such execution and delivery thereof by Sponsor, an Unsold Unit Owner or the Retail Unit Owner (as applicable) shall not require the consent of the Condominium Board and/or the other Unit Owners. Sponsor, an Unsold Unit Owner or the Retail Unit Owner who makes such permitted use of the Common Elements or the Immediately Adjacent Sidewalks to the Property pursuant to Section 10.18 above, or submits any application or document pursuant to the foregoing, shall indemnify the Condominium Board, its Board Members, officers, agents, employees and attorneys, and all other Unit Owners from and against any Claims and Liabilities and Expenses arising out of, or in connection with, such use and/or such application or document, as the case may be. Sponsor, such Unsold Unit Owner or such Retail Unit Owner (as applicable), at its sole Cost and Expense, shall Repair any damage caused by such use of the Common Elements or Immediately Adjacent Sidewalks and (when such use ends) shall restore the affected areas and any Installations to as near as reasonable and economically practical to their former condition before such use began.

Section 10.20 **Cooperation of Board.** The Condominium Board shall fully cooperate with Sponsor, each Unsold Unit Owner and the Retail Unit Owner in connection with their respective rights to change the use of their respective Units pursuant to Section 10.17 above and to erect, install, Maintain, Repair, Alter and otherwise Operate Signs pursuant to Section 10.18 above. In furtherance of such cooperation, the Condominium Board shall properly complete, sign, notarize (if required) and return to Sponsor, said Unsold Unit Owner or said Retail Unit Owner (as applicable), and such Party shall receive within ten (10) calendar days after written request therefor is hand delivered or mailed to the Condominium Board or Managing Agent, any Government Document required in connection with such change in use (including any Government Document to obtain an Alteration permit or notice or amended or

new Certificate of Occupancy for the Building or a zoning variance) or Sign. Sponsor, such Unsold Unit Owner or such Retail Unit Owner (as applicable):

(a) shall pay or reimburse the Condominium Board for any governmental fees and charges in connection with each such Government Document; and

(b) shall indemnify (with attorneys selected by Sponsor, such Unsold Unit Owner or such Retail Unit Owner, as applicable) the Condominium Board and its officers, Board Members, employees, agents (including Managing Agent) and attorneys, and all Unit Owners, from and against all Claims and Liabilities and Expenses resulting from the execution of the Government Document, other than any fees or charges of any attorney, architect, engineer or other professional or consultant engaged by the Board to review such Government Documents or to render advice with respect thereto (which shall be borne by the Condominium Board as part of the Residential Common Expenses).

Section 10.21 **Construction of Units and Common Elements**. Sponsor has the unfettered and unconditional right, Freely and Without Consent, Payment or Restriction (other than compliance with Section 10.2 above), at Sponsor's sole Cost and Expense, to construct, Alter and outfit the Units and the Common Elements pursuant to applicable Law, Sponsor's Plans and Specifications and a Purchase and Sale Agreement, and in connection therewith, to make all determinations with respect thereto, including all construction specifications, materials and other details. In furtherance thereof, Sponsor and its Agents, Employees and Contractors shall have the unfettered and unconditional right, and shall be given, reasonable access to the Common Elements (including the elevator and other public portions of the Residential Common Elements) in connection with the performance of Sponsor's Plan Obligations, including all Work related thereto in order to obtain a permanent Certificate of Occupancy authorizing the use and occupancy of all Units for their permitted uses under this Declaration. Such access shall be exercised and performed so as to not unreasonably prevent or interfere with, but may temporarily interrupt, the permitted use and Operation of Units and Common Elements. For example, Sponsor shall have the right to temporarily interrupt and discontinue elevator, electrical, water, plumbing and other Building Systems during the course of such Work, but shall give, or cause the Managing Agent to give, the affected Unit Owners reasonable advance oral or written notice before so doing (except no notice need be given in the case of an emergency). In the event of damage to a Unit or the Common Elements caused by Sponsor or its Agents, Employees and Contractors, Sponsor's only obligation will be to Repair and restore the affected area to as near as reasonable and economically practical to its condition immediately before being damaged. In no event will Sponsor or its Agents, Employees or Contractors be liable for actual, consequential, special or other damages or losses based thereon.

ARTICLE 11

EASEMENTS, RIGHTS AND RESTRICTIONS AFFECTING THE COMMON ELEMENTS

Section 11.1 **General Common Elements.** The following Persons are hereby granted easements and rights, in common, for ingress and egress to, from, through, across and on the public and common areas of the General Common Elements and for the general Use and Enjoyment of the General Common Elements in accordance and compliance with Articles 10, 11 and 12 hereof (**"General Common Elements Easements"**), and the General Common Elements shall be subject to such General Common Elements Easements:

(a) each and every Unit Owner and Permitted Tenants/Occupants/ Invitees of Units;

(b) all Board Members and officers of the Condominium Board and all Persons authorized by them, including (to the extent authorized) their Agents, Employees and Contractors, licensees and invitees; and

(c) all Persons authorized by Sponsor (while Sponsor owns an Unsold Unit), an Unsold Unit Owner or the Retail Unit Owner, including (to the extent authorized) their respective Agents, Employees and Contractors, licensees and invitees.

Section 11.2 **Residential Common Elements.** The following Persons are hereby granted easements and rights, in common, for ingress and egress to, from, through, across and on the public and common areas of the Residential Common Elements and for the permitted Use and Enjoyment of the Residential Common Elements in accordance and compliance with Articles 10, 11 and 12 hereof ("**Residential Common Elements Easements**"), and the Residential Common Elements shall be subject to such Residential Common Elements Easements:

(a) each and every Residential and Storage Unit Owner and Permitted Tenants/Occupants/Invitees of Residential and Storage Units;

(b) all Residential Board Members and officers of the Condominium Board elected by them, and all Persons authorized by them, including (to the extent authorized) their Agents, Employees, Contractors, licensees and invitees;

(c) (in furtherance of the rights and easements granted to the Retail Unit Owner in Articles 10, 11 and 12 hereof) the Retail Unit Owner and each such Owner's Permitted Tenants/Occupants/Invitees, and the respective Agents, Employees and Contractors, and licensees, of each of the foregoing; and

(d) (in furtherance of the rights and easements reserved to Sponsor and granted to Unsold Residential and Storage Unit Owners in Articles 10, 11 and 12 hereof) Sponsor and Sponsor's Related Parties and Sponsor's authorized Agents, Employees and Contractors, licensees and invitees (including utility and telecommunications providers, brokers and prospective Purchasers and renters of Unsold Residential and Storage Units).

Section 11.3 **Commercial Limited Common Elements.** The following Persons are hereby granted easements and rights, in common, for ingress and egress to, from, through, across and on the public and common areas of the Commercial Limited Common Elements (if established) and for the permitted Use and Enjoyment of the Commercial Limited Common Elements in accordance and compliance with Articles 10, 11 and 12 hereof ("**Commercial Limited Common Elements Easements**"), and the Commercial Limited Common Elements shall be subject to such Commercial Limited Common Elements Easements:

(a) the Retail Unit Owner and Permitted Tenants/ Occupants/Invitees of the Retail Unit; and

(b) the Commercial Board Members and the officers of the Condominium Board elected by such Board Members, and all Persons authorized by the Commercial Board Members and said officers, including (to the extent authorized) their Agents, Employees and Contractors, licensees and invitees.

Section 11.4 **Mutual Rights.** Each of the Persons granted General Common Elements Easements, Residential Common Elements Easements or Commercial Limited Common Elements Easements shall mutually Use and Enjoy the applicable Common Elements in a manner that does not unreasonably exclude, prevent, interfere with, hinder or encroach upon the easements and rights of fellow Persons to whom such easements have been granted.

Section 11.5 **Individual Limited Common Elements.** Each of the following Persons is hereby granted an easement and right for the exclusive or substantially exclusive permitted Use and Enjoyment of the Individual Limited Common Element appurtenant to a specified Residential Unit or Retail Unit (if established) in accordance and compliance with Articles 10, 11 and 12 hereof (**"Individual Limited Common Elements Easement"**), and the Individual Limited Common Elements shall be subject to such Individual Limited Common Elements Easement: the applicable Owner of such Unit and Permitted Tenants/Occupants/ Invitees of the Unit.

Section 11.6 **Subordination.** The easements and rights reserved to Sponsor and granted to each Unsold Unit Owner and the Retail Unit Owner for the permitted Use and Enjoyment, access or otherwise with respect to the Common Elements, as stated in this Declaration in Article 10, elsewhere in this Article 11 and Articles 12 and 13, are paramount, superior and take preference over all of the easements and rights granted in Sections 11.1 through 11.3 above (the latter Sections being subject and subordinate to such easements and rights in favor of Sponsor, each Unsold Unit Owner and the Retail Unit Owner as set forth therein). In addition, the Common Elements are subject to, and all of the easements and rights granted in Sections 11.1 through 11.3 and 11.5 above are subject and subordinate to:

(a) the requirements and prohibitions as to the Use and Enjoyment of the Common Elements set forth in Section 10.2 above;

(b) the rights and obligations of the Condominium Board to properly Maintain, Repair, Alter and otherwise Operate the Common Elements and the Building in accordance and compliance with this Declaration, the By-Laws and the Rules and Regulations, as each may be duly amended from time to time;

(c) the easements and rights reserved to Sponsor and granted to the Condominium Board, Unsold Unit Owners, the Retail Unit Owner and other Persons elsewhere in this Article 11 and in Article 12 below;

(d) the encroachments set forth in Article 12 below; and

(e) an easement and right hereby reserved to Sponsor (while Sponsor owns any Unsold Unit) and granted to each Unit Owner for the exclusive use of that portion of the Limited Common Elements appurtenant to such Owner's Unit that is incorporated in or made part of the Owner's Unit pursuant to Article 13 below.

Section 11.7 **Easements Affecting Common Elements for Ingress, Egress, Access and Use.** Sponsor hereby reserves for itself (while Sponsor owns any Unsold Unit) and grants to each and every Unsold Unit Owner and the Retail Unit Owner (while each such Owner owns said Unit), and their respective tenants who are so expressly authorized in writing by Sponsor, an Unsold Unit Owner or the Retail Unit Owner (as applicable), as well as their respective authorized Agents/Employees/ Contractors, invitees and licensees, easements and rights of ingress and egress to, from, through, across and on, access to, and use of the

Common Elements (including both the General Common Elements and the Residential Common Elements) for all lawful purposes in connection with the exercise or performance of Sponsor's/Commercial Owner's Rights, Plan Obligations and Tenant Obligations (as provided in Section 12.7 below), as well as the use, occupancy, Maintenance, Repair, Alteration and any other Operation or other Disposition of their respective Unsold Units or Retail Unit (as applicable), including Equipment, Fixtures and Installations serving said Unsold Units or Retail Unit (as applicable) and comprising part thereof, and (if established) the Individual Limited Common Elements appurtenant thereto.

In the case of the Retail Unit, such rights and easements include the rights and easements of the Retail Unit Owner, its authorized tenants and licensees, and the respective Agents, Employees and Contractors of each of the foregoing: (x) to construct and install skylights in the areas reserved for such purpose on the Roof at floor 2 enclosing a portion of the Retail Unit; and (y) to access the General Common Elements and Residential Common Elements for ingress and egress to, from, through, across and on the public or other portions of the General Common Elements and Residential Common Elements (including the 515 West 23rd Street Public Areas and elevator) in order to construct and install said skylights and thereafter to Maintain, Repair, Alter and otherwise operate said skylights.

All such rights and easements:

(a) may be exercised and performed Freely and Without Consent, Payment or Restriction, other than the requirements: (a-1) to comply with Section 10.2 above; (a-2) not to permanently prevent, nor unreasonably interrupt or interfere with, the permitted Use and Enjoyment of a Sold Unit; and (a-3) to Repair any damage caused by the exercise and performance of such easements and rights so as to restore the damaged area and any Installation to as near as reasonable and economically practical to the condition existing immediately prior to such exercise and performance; and

(b) are superior, paramount and take preference over the easements and rights of the Condominium Board and other Unit Owners to use the General Common Elements and the Residential Common Elements.

Section 11.8 **Emergency.** The Condominium Board and each Unit Owner, such Owner's Permitted Tenants/Occupants/Invitees, and the authorized Agents, Employees and Contractors of each of the foregoing, shall have an easement and right of emergency ingress and egress to, from, through, across and on the public and common areas of the General Common Elements and (to the extent reasonably necessary) the Residential Common Elements and such areas of the Common Elements shall be subject thereto.

Section 11.9 **Building Services.**

Section 11.9.1 Duty of Board to Provide Building Services. The Condominium Board shall have the responsibility and duty to provide all Building services, facilities and amenities (collectively, "**Building Services**"), including the applicable HVAC/Mechanical/Utility Building Systems, comprising the Common Elements to: (a) all Units (in the case of the General Common Elements); or (b) all Residential and Storage Units (in the case of the Residential Common Elements); as well as all Building Services contemplated in this Declaration, the By-Laws or the Plan to be provided to all or certain Units, as applicable. The manner of operation and provision of said Building Services shall be determined by the Condominium Board, in its sole judgment, subject and subordinate (however) to compliance with the Plan, if and to the extent mandated therein, and subject and subordinate further to the Sponsor's/Commercial Owner's Rights and the requirement to provide all said Building Services to be provided to the Retail Unit on a twenty-four (24) hour, seven (7) day a week basis ("**24/7**"). By way of example

(without limitation), the Retail Unit (or if subdivided into two or more Units, each Retail Unit established on said subdivision) shall be provided all Building Services in accordance with the foregoing on a 24/7 schedule.

Section 11.9.2 Existing Services. Notwithstanding any other provision of this Declaration or the By-Laws to the contrary, the Condominium Board on behalf of all Unit Owners (with respect to the General Common Elements) or on behalf of only all Residential and Storage Unit Owners (with respect to the Residential Common Elements), each Residential Unit Owner (with respect to the Unit's individual Equipment and related Installations serving and part of such Owner's Residential Unit) and the Retail Unit Owner (with respect to the Commercial Equipment and related Installations serving and part of such Owner's Retail Unit) shall have easements and rights for: (a) the Use and Enjoyment of any and all Equipment and Installations (including pipes, wires, ducts, cables, conduits, utilities and applicable Building Systems) that, at the date of First Closing of a Residential Unit under the Plan or the issuance of a permanent Certificate of Occupancy of the Building (whichever is the later to occur), serve or benefit all or a portion of the General Common Elements or the Residential Common Elements or such Owner's Residential Unit, Storage Unit or Retail Unit (as applicable), wherever located in, on or under the Property or Building; and (b) for ingress and egress to, from, through, across and on the Common Elements and (to the extent necessary) the Units in order to Maintain, Repair, Alter and otherwise Operate such Equipment and Installations, and the Common Elements and the Units shall be subject thereto. Such easements and rights include the easement and right of ingress and egress to, from, through, across and on: (x) the Retail Unit by the Condominium Board and its authorized Agents, Employees and Contractors, but only to the extent necessary in order to Maintain, Repair, Alter and otherwise Operate any and all Equipment and Installations comprising the General Common Elements or the Residential Common Elements; and (y) the Common Elements (including, only to the extent necessary, elevator, egress stairs and other public portions of the Residential Common Elements) by a Residential Unit Owner or the Retail Unit Owner (as applicable) and such Owner's authorized Agents, Employees and Contractors in order to erect, install, Maintain, Repair, Alter and otherwise Operate any and all individual Residential Unit's Equipment and related Installations or Commercial Equipment and related Installations serving such Owner's Residential Unit or Retail Unit (as applicable), including any Commercial Equipment and related Installations located on the cellar level or any Roof or Roof Structures (but not any Terrace enclosed thereby) or elsewhere in the Building that exclusively serve such Owner's Residential Unit or Retail Unit, as applicable.

Section 11.9.3 Relocation. All Equipment and Installations of the Residential Space that are located in the Retail Unit, and vice versa, if any, shall continue to exist in their present locations until the Condominium Board (in the case of the Residential Equipment and Installations) or the Owner of said Retail Unit (in the case of such Owner's Commercial Equipment and Installations), at such Party's sole Cost and Expense, provides and installs (in accordance with Article 15 below) in other locations approved by the affected Party (i.e., the Residential Board Members in the case of relocation of Residential Equipment and Installations or the Retail Unit Owner in the case of relocation of such Owner's Commercial Equipment and Installations) Equipment and Installations approved by the affected Party that are substantially comparable (in efficiency, performance, function, capacity and utility) to those being relocated. All such Costs and Expenses incurred by the Condominium Board shall be part of the Residential Common Expenses, which shall be specially allocated to only all Residential and Storage Unit Owners and apportioned and assessed among them Pro Rata to their respective Common Interests in accordance with the Special Allocation and Apportionment Rule and said Section 339-m.

Section 11.10 Intentionally Omitted.

Section 11.11 **Utility Easements and Rights.** In order to provide "utility services" (defined below) to the Units and Common Elements, Sponsor hereby reserves for itself to grant easements, licenses, leases, concessions and rights for utility services (collectively, "**Utility Easements and Rights**") in accordance with Sponsor's Plans and Specifications for the Building. Sponsor hereby further reserves for itself (while Sponsor owns any Unsold Unit) and hereby grants to the Condominium Board on behalf and as agent of all Unit Owners (with respect to the General Common Elements) or only all Residential and Storage Unit Owners (with respect to the Residential Common Elements), the right to grant such additional, new and substitute Utility Easements and Rights for utility services, and to relocate then existing utility services, with respect to any portion of the General Common Elements or Residential Common Elements (as applicable) as Sponsor or the Condominium Board, as applicable, shall determine to be necessary or desirable for the permitted Use and Enjoyment of all or part of the Common Elements or the Residential Space (collectively, "**Additional Utility Easements/Rights**"), and the Common Elements and each Unit shall be subject thereto. The term "**utility services**" includes: electric; gas; cable or wireless television; telephone, cellular phone, Internet, computer, media or other communication service; water; sewer; storm drainage; and other utilities.

Sponsor hereby reserves for itself (while Sponsor owns any Unsold Unit), and grants to each and every Unsold Unit Owner and the Retail Unit Owner (while each such Owner owns said Unit), and to the tenants of such Units and other Persons who are so expressly authorized in writing by Sponsor or an Unsold Unit Owner or the Retail Unit Owner (as applicable), easements and rights with respect to Communications Equipment and Other Installations as provided in Section 11.14 below.

All of the easements and rights provided in this Section 11.11 are subject to compliance with Sections 11.12 and 11.13 below.

Section 11.12 **Access by Utility.** Each existing and future provider (including the grantee of an Additional Utility Easement/Right) of a utility service to the Building or any portion thereof or to either or both of the Residential Space and the Retail Unit and such provider's authorized Agents, Employees and Contractors, shall have (and shall be given) an easement and right of reasonable access to, from, through, across and on the Property, including the Building and any portion thereof and the Units, to the extent reasonably necessary to erect, install, Maintain, Repair, Alter and otherwise Operate all Equipment and Installations related to such utility service (including reading meters), subject to compliance with the following Section 11.13.

Section 11.13 **Requirements for Access By Utility.** Each utility service easement and right of access granted by Sponsor or the Condominium Board pursuant to Section 11.11 above may be exercised and performed by the provider of a utility service and its authorized Agents, Employees and Contractors, Freely and Without Consent, Payment or Restriction other than the following, which shall also apply to each easement and right of access in favor of Sponsor or the Condominium Board under Section 11.9 above (the Sponsor or Condominium Board granting or exercising such easement and right of access is herein called "**Grantor**"):

(a) the requirement to comply with Article 15 below, including the applicable Work Requirements set forth in Section 15.2;

(b) the requirement and restriction to not permanently prevent, nor unreasonably and materially interrupt or interfere with, the permitted Use and Enjoyment of any Unit or its Owner or Permitted Tenants/Occupants/Invitees; and

(c) the obligation to Repair, at the sole Cost and Expense of such provider (or the Grantor, if the provider fails to so do) any damage caused by the exercise and performance of such easement and right of access so as to restore the damaged area and any Equipment and Installation to as near as reasonable and economically practicable to the condition existing immediately prior to such exercise and performance.

Section 11.14 Communications and Other Installation Easements and Rights.

Section 11.14.1 Easements and Rights. Sponsor hereby reserves for itself (while Sponsor owns any Unsold Unit), and hereby grants to each and every Unsold Unit Owner and the Retail Unit Owner (while each such Owner owns said Unit), and to the respective tenants of such Units and other Persons who are so expressly authorized in writing by Sponsor, an Unsold Unit Owner or the Retail Unit Owner (as applicable), the exclusive and paramount easements and rights, Freely and Without Consent, Payment or Restriction (other than those provided in subsection 11.14.2 below), to do the following and to grant leases, licenses and rights to utility providers to do the following:

(a) to erect and install Communications Equipment and Other Installations in any one or more locations that is not then being occupied by other Building Installations: (a-1) on and along the Building Walls and on and along the Building's Roofs (including Roof Structures, but not a Terrace enclosed thereby) and the bulkhead enclosing rooftop mechanical room or the egress stairs and elevator equipment; (a-2) on any outdoor Equipment (such as an elevator machine room) or their enclosures comprising the Common Elements and in any Equipment rooms comprising the Common Elements in the cellar; and (a-3) in any non-public or non-habitable portions of the Common Elements;

(b) to thereafter co-locate, lease, license, Maintain, Repair, Alter and otherwise Operate such Communications Equipment and Other Installations thereon and therein; and

(c) to erect and install partitions separating such Communications Equipment and Other Installations from their surroundings,

and the Property (including the General Common Elements and Residential Space) shall be subject thereto and subject to an easement and right of reasonable access to, from, through, across and on the Common Elements (including the General and Residential Common Elements) by Sponsor, an Unsold Unit Owner, the Retail Unit Owner and such authorized tenants and other Persons, and their respective authorized Agents, Employees and Contractors and licensees, for all purposes in connection with the exercise and performance of the foregoing easements and rights. All Communications Equipment and Other Installations shall remain the property of the Party installing same (i.e., Sponsor, an Unsold Unit Owner, the Retail Unit Owner or a provider of a utility service, as applicable).

Section 11.14.2 Rights and Obligations. Sponsor, an Unsold Unit Owner or the Retail Unit Owner (as applicable):

(a) shall give reasonable advance written notice to the Condominium Board of the type and proposed location of any Communications Equipment and Other Installations before same are erected or installed;

(b) shall receive and retain (without participation by the Board or other Unit Owners) all rents, fees and other consideration payable under such lease, license or right of use;

(c) shall be solely obligated to pay and perform all obligations under such lease, license or right of use (other than obligations of the Board to Maintain and Repair the Common Elements as provided elsewhere in this Declaration or the By-Laws);

(d) shall comply, or shall cause the utility provider to comply, with Section 10.2 above, including the applicable requirements of Article 15 below (except that this Section 11.14 shall govern and supersede any inconsistency between the provisions hereof and said Article 15);

(e) shall not invade, penetrate or disturb a substantial portion of any rentable, exposed public indoor areas of the Common Elements, other than for a reasonably temporary period;

(f) shall not permanently prevent, nor unreasonably interrupt or interfere with: the permitted Use and Enjoyment of the Units, or the proper and efficient performance, function, capacity or utility of the Equipment and Installations serving Units, or the permitted use or occupancy of Residential and Storage Units;

(g) shall Repair, or shall cause the utility provider to Repair, at the sole Cost and Expense of the Party exercising such easements and rights, any damage to the Common Elements or a Unit caused by the exercise and performance of such easements and rights so as to restore the damaged area and any Equipment and Installations to as near as reasonable and economically practical to the condition existing immediately prior to such exercise and performance;

(h) shall indemnify the Condominium Board, and the Board's officers, Board Members, agents (including Managing Agent), employees and attorneys, and Unit Owners, from and against all Claims and Liabilities and Expenses arising in connection with the exercise and performance of such easements and rights;

(i) shall have access to, from, through and across and on, and may enter, any public or non-public portions of the Common Elements at such times as shall be reasonably convenient and on giving reasonable prior written notice to the Condominium Board, which shall have the right to have a representative present at all times during such entry; and

(j) shall comply with any reasonable security and protection procedures and requirements as may reasonably be required by the Condominium Board, whenever entering any commercially rentable, exposed public portion of the Common Elements, provided such procedures and requirements shall not preclude such entry.

Section 11.15 Intentionally Omitted.

ARTICLE 12

EASEMENTS, RIGHTS AND RESTRICTIONS AFFECTING UNITS AND COMMON ELEMENTS

Section 12.1 Easements Affecting All Units and Common Elements.

Section 12.1.1 Standard Easements. The Condominium Board and its Agents, Employees and Contractors are hereby granted an easement and right of access to, from, through, across and on all Units and all portions of the Common Elements for the following purposes, and all Units and all portions of the Common Elements shall be subject thereto:

(a) to conduct inspections and read meters;

(b) to Maintain, Repair, Alter and otherwise Operate all areas, Equipment, Installations and other Facilities now or hereafter comprising the Common Elements and to provide

services to the Residential Space and the Retail Unit, in accordance and compliance with the Condominium Documents; and

(c) to perform Maintenance, Repairs, Alterations and other Work necessary: (c-1) to fulfill the obligations of the Board under the Condominium Documents or applicable Laws; (c-2) to prevent damage to another Owner's Unit or the Common Elements or any portion thereof; (c-3) to remedy violations noted or issued against the Property by any Governmental Authority that affect the Common Elements or another Unit or (if established) its appurtenant Individual Limited Common Element and to remedy any conditions that would constitute such violations even though not yet noted or issued; (c-4) to remedy any default by a Unit Owner under the Condominium Documents that shall have continued beyond the cure period, if any, provided for therein; or (c-5) to remedy any condition in a Unit or the Common Elements that is a threat or danger to another Unit or a portion of the Common Elements or to avoid the suspension of any necessary service.

Section 12.1.2 Standard Requirements. Such easement and right of access in the preceding subsection 12.1.1 may be exercised and performed by the Condominium Board and its Agents, Employees and Contractors Freely and Without Consent, Payment or Restriction, other than:

(a) the requirement to comply with Section 10.2 above, including the applicable requirements set forth in Article 15 below (except that this Section 12.1 shall govern and supersede any inconsistency between the provisions hereof and said Article 15);

(b) in the case of access pursuant to clauses (a), (b) and (c) in the preceding Section 12.1.1, other than clauses (c-4) and (c-5) thereof: (b-1) if not involving an emergency (i.e., a condition which threatens the life, health or safety of any Persons or damage to property or the suspension of any necessary service), the requirement to give the applicable Unit Owner at least three (3) business days (if served by mail) or one (1) business day (if served by hand delivery) advance written notice of the date and time scheduled by the Condominium Board to enter the Unit or (if established) its appurtenant Limited Common Element; or (b-2) if involving an emergency, access to a Unit may be immediate without advance notice;

(c) in the case of access pursuant to clauses (c-4) or (c-5) in the preceding Section 12.1.1: (c-1) if not involving an emergency, the requirement of the Board to give the applicable Unit Owner reasonable advance written notice of the proposed Maintenance, Repairs, Alterations or other Work and an opportunity to perform and complete same within ten (10) calendar days of receipt of such notice or (if same cannot with due diligence and continuity be performed and completed within such ten (10) calendar day period) such longer period as shall be required to perform and complete same with due diligence and continuity (but not longer than 90 calendar days), provided such Unit Owner shall commence to perform the Maintenance, Repairs, Alterations or other Work within five (5) calendar days following receipt of said notice and shall continue to prosecute same with due diligence and continuity until completion; or (c-2) if involving an emergency, access may be immediate, without advance notice, without being liable or guilty in any manner of trespass or otherwise, and without giving the applicable Unit Owner an opportunity to perform the Maintenance, Repairs, Alterations or other Work;

(d) the obligation of the Condominium Board, as a Residential Common Expense or General Common Expense (as applicable), to Repair any damage caused by the exercise and performance of such easement and right of access so as to restore the damaged area and any Equipment and Installations to as near as reasonable and

economically practical to the condition existing immediately prior to such exercise and performance; and

(e) the obligation of the Condominium Board, as a Residential Common Expense or General Common Expense (as applicable), to indemnify the affected Unit Owner from and against all Claims and Liabilities and Expenses arising from the exercise and performance of this easement and right of access by the Board or its authorized Agents, Employees and Contractors.

Section 12.1.3 Communications Equipment and Other Installations. The General Common Elements and Residential Common Elements are also subject to the rights and easements in favor of Sponsor, Unsold Unit Owners, the Retail Unit Owner and other Persons to erect and install, or to grant leases, licenses and rights to utility providers to erect and install, Communications Equipment and Other Installations, and thereafter to Maintain, Repair, Alter and otherwise Operate same and replacements thereof and additions thereto, as set forth in Section 11.14 above.

Section 12.2 Reciprocal Easement Affecting the Retail Unit. If and to the extent only any Equipment or other Installations comprising the General Common Elements or Residential Common Elements are located in, adjacent to or bordering the Retail Unit now or on the date of First Closing of a Residential Unit under the Plan or the date of issuance of a permanent Certificate of Occupancy of the Building (whichever is the later to occur), the Condominium Board, and those Agents, Employees and Contractors who are so expressly authorized in writing by the Condominium Board, are hereby granted an easement and right of reasonable access to, from, through, across and on such Retail Unit or, to the extent possible and economically practical, only the non-public portions of such Retail Unit, to inspect, Maintain, Repair, Alter and otherwise Operate any and all such Equipment and Installations (including replacements of then existing Equipment and Installations, if any, with new Equipment and Installations) substantially within the confines of their then current spaces and locations. Such easement and right may be exercised and performed Freely and Without Consent, Payment or Restriction, other than the following:

(a) the requirement to comply with Section 10.2 above, including the applicable requirements of Article 15 below (except this Section 12.2 shall govern and supersede any inconsistency between the provisions hereof and said Article 15);

(b) the restrictions and limitations: (b-1) not to unreasonably invade, penetrate or disturb any commercially rentable, exposed indoor public areas of such Retail Unit other than for a reasonably temporary period; and (b-2) not to permanently prevent, nor unreasonably interrupt or interfere with, the permitted Use and Enjoyment of such Retail Unit (or any portion thereof), or the proper and efficient performance, function, capacity or utility of the Commercial Equipment or the Operation or business of the Owner of such Retail Unit or the tenants or occupants of such Retail Unit or any portion thereof;

(c) the obligation to Repair any damage to such Retail Unit caused by the exercise and performance of such easement and right so as to restore the damaged area and any Installations to as near as reasonable and economically practical to the condition existing immediately prior to such exercise and performance (the Costs and Expenses of such Repair shall be part of the General Common Expenses, if involving the General Common Elements, or the Residential Common Expenses, if involving the Residential Common Elements);

(d) the further obligation of the Condominium Board, as a Residential Common Expense, to indemnify such Retail Unit Owner, and such Owner's agents and employees, from and

against all Claims and Liabilities and Expenses arising in connection with the exercise and performance of such easement and right; and

(e) in the event access and entry to any commercially rentable or public area of such Retail Unit is required: (e-1) such access and entry shall be at such times reasonably convenient and on giving reasonable prior written notice to the Owner of such Retail Unit, who shall have the right to have a representative present at all times during such entry; and (e-2) such access and entry shall comply with any security and protection procedures and requirements as may be reasonably required by such Retail Unit Owner, or an affected tenant or occupant of such Retail Unit, provided such procedures and requirements shall not preclude such entry.

Section 12.3 Reciprocal Easement Affecting the General Common Elements and Residential Space. If and to the extent only that Commercial Equipment and/or other Installations comprising part of the Retail Unit: (a) are located in, adjacent to or bordering the General Common Elements or the Residential Space now or on the date of First Closing of a Residential Unit under the Plan or the date of issuance of a permanent Certificate of Occupancy of the Building (whichever is the later to occur), or (b) are permitted to be installed in, on and along the General Common Elements and Residential Common Elements by the Retail Unit Owner in accordance with Section 10.4 above, the Sponsor hereby grants to such Retail Unit Owner and the tenants and other Persons who are expressly so authorized in writing by such Retail Unit Owner, and the respective authorized Agents, Employees and Contractors of each of the foregoing, an easement and right of reasonable access to, from, through, across and on the General Common Elements and the Residential Space to inspect, Maintain, Repair, Alter and otherwise Operate any and all such Commercial Equipment and Installations (including replacements of then existing Commercial Equipment and Installations, if any, with new Commercial Equipment and Installations) substantially within the confines of their then current or permitted new spaces and locations. Such easement and right may be exercised and performed Freely and Without Consent, Payment or Restriction, other than the following:

(a) the requirement to comply with Section 10.2 above, including the applicable requirements of Article 15 below (except this Section 12.3 shall govern and supersede any inconsistency between the provisions hereof and said Article 15);

(b) the restrictions and limitations: (b-1) not to invade, penetrate or disturb any commercially rentable, exposed indoor public areas of the Residential Space, other than for a reasonably temporary period; and (b-2) not to permanently prevent, nor unreasonably interrupt or interfere with, the permitted Use and Enjoyment of the General Common Elements or the Residential Space (or any portion thereof), or the proper and efficient performance, function, capacity or utility of the General Common Elements or the Residential Equipment;

(c) the obligation of such Retail Unit Owner, at such Owner's sole Cost and Expense, to Repair any damage to the General Common Elements or the Residential Space caused by the exercise and performance of such easement and right so as to restore the damaged area and any Installations to as near as reasonable and economically practical to the condition existing immediately prior to such exercise and performance;

(d) the further obligation of such Retail Unit Owner, at such Owner's sole Cost and Expense, to indemnify the Board and the affected Residential and Storage Unit Owners, and their respective agents and employees, from and against all Claims and Liabilities

and Expenses arising in connection with the exercise and performance of such easement and right; and

(e) in the event access and entry to any commercially rentable or public area of the General Common Elements or the Residential Space is required: (e-1) such access and entry shall be at such times reasonably convenient and on giving reasonable prior written notice to the Board and a directly affected Residential and/or Storage Unit Owner, each of whom shall have the right to have a representative present at all times during such entry; and (e-2) such access and entry shall comply with any security and protection procedures and requirements as may be reasonably required by the Board and such affected Residential and/or Storage Unit Owner or an affected tenant or occupant of such Unit, provided such procedures and requirements shall not preclude such entry.

Each Residential Unit Owner and those Agents, Employees and Contractors who are so expressly authorized in writing by such Residential Unit Owner shall have: (a) a similar easement and right to erect, install, Maintain, Repair, Alter and otherwise Operate any Equipment and Installations appurtenant to such Owner's Residential Unit that is located in, adjacent to or bordering another Residential Unit or the Common Elements; and (b) a similar right to exercise such easement and right Freely and Without Consent, Payment or Restriction other than those set forth in clauses (a) through (e) above and the requirement to obtain the consents or approvals of the Condominium Board and Sponsor (during only the Sponsor Veto Control Period and until the permanent Certificate of Occupancy of the Building issues) for Repairs and Alterations if, as and to the extent set forth elsewhere in this Declaration or the By-Laws.

Section 12.4 **Easements of Support, Necessity, Utilities and Services.** Each Unit Owner (with respect to the Owner's Unit) and all Unit Owners (with respect to the Common Elements), and the Permitted Tenants/Occupants/Invitees of each Unit, are hereby granted rights and easements of subjacent support, emergency and necessity as well as for utilities and other services being commonly provided or available to Units, and each Unit and the Common Elements shall be subject to such rights and easements. The foregoing rights and easements include a right and easement in favor of all Owners, tenants and occupants of Units and all other Persons visiting Units or working in the Building for emergency ingress and egress to, from, through, across and on the Common Elements as and to the extent required by fire safety requirements of the building code or other applicable Laws.

Section 12.5 **Easements Allowing Encroachments.** Each Unit and the Common Elements have and shall have, and are and shall be subject to, easements and rights for the existence, continuation and Maintenance of encroachments by any Unit on other Units and/or a portion of the Common Elements, or an encroachment by a portion of the Common Elements on any Unit and/or other portions of the Common Elements, for so long as the Building or the affected Unit or Common Element shall stand, if and to the extent now existing or hereafter arising as a result of: (a) the Building or any portion thereof settling or shifting naturally; or (b) a Maintenance, Repair, Alteration or other Work by the Condominium Board or a Unit Owner performed in accordance with this Declaration and the By-Laws following a fire or other cause, or a taking by condemnation or eminent domain; or (c) a Maintenance, Repair, Alteration or other Work permitted in, and performed in accordance with, this Declaration or the By-Laws.

Section 12.6 **Statutory Easements.** In addition to the specific easements reserved and granted in Articles 11 and 12 and elsewhere in this Declaration and the By-Laws, the Property and every portion thereof (including the Common Elements and the Units) and the

respective Owners and Permitted Tenants/Occupants/Invitees of Units and the Condominium Board, shall have and shall be subject to all easements and rights of use and access required by, or set forth in, the Condominium Act and other applicable Law.

Section 12.7 **Sponsor Easements for Sponsor's Rights and Obligations.** Sponsor hereby reserves for itself (while Sponsor owns any Unsold Unit) and grants to each and every Unsold Unit Owner (while such Owner owns said Unit), and their respective authorized Agents, Employees and Contractors, easements and rights of access (for ingress and egress) to, from, through, across and on, and for use of, the Common Elements (including in particular, but not limited to: the 515 West 23rd Street Public Areas; the elevator; the common or public lobby, exit passageways, corridors and halls; the egress stairs; the Building Walls; the Roofs and Roof Structures (but not a Terrace enclosed thereby); the bulkhead enclosing the rooftop mechanical room or the egress stairs and elevator equipment; and all other public and non-public portions of the General Common Elements and Residential Common Elements) and the Immediately Adjacent Sidewalks to the Property for all lawful purposes, including the following:

(a) to sell, rent, Promote, Operate, manage and make any other Disposition of Sponsor Units and Unsold Units, including: (a-1) to erect, install, Maintain, Repair and Alter furnishings, wall and floor coverings and other Decorations in and on the 515 West 23rd Street Public Areas and other portions of the Residential Common Elements; (a-2) to station sales and rental staff in the 515 West 23rd Street Public Areas; (a-3) to erect, install, Maintain, Repair, Alter and otherwise Operate one (1) or more Signs of any size, content, composition, material, color, design, illumination, character and appearance; and (a-4) to provide access to any of the following persons authorized by Sponsor or an Unsold Unit Owner: sales and rental personnel; cooperating brokers; prospective Purchasers and prospective renters of Unsold Units; Agents, Employees and Contractors; architects; engineers; and decorators; and

(b) to store and transport materials, supplies and Equipment and to temporarily interrupt elevator, water, plumbing, electric and other Building services in connection with the performance of: (b-1) Sponsor's Rights under the Plan, this Declaration and the By-Laws, including the right to Use and Enjoy the Common Elements and Unsold Units pursuant to Articles 10, 11 and 12 hereof; and (b-1.2) the right to make Unit Changes to Unsold Units pursuant to Article 13 below; (b-2) obligations or Work undertaken by Sponsor in or pursuant to the Plan, a Plan Amendment or a Purchase and Sale Agreement for an Unsold Unit (collectively, "**Plan Obligations**"); and (b-3) obligations of Sponsor to tenants or other occupants of Unsold Units ("**Tenant Obligations**").

Sponsor's Rights and Plan Obligations include the right and obligation to construct, equip, outfit and otherwise complete the Building, including the Common Elements and the Residential and Storage Units, to the extent necessary for the issuance of a permanent Certificate of Occupancy authorizing the use of the Units for the purposes set forth in the Plan and herein, and to perform other construction obligations under the Plan or a Purchase and Sale Agreement, whether before or after the First Closing of a Residential Unit, including the following easements and rights in favor of Sponsor and Sponsor's Agents, Employees and Contractors with respect to the Common Elements: (a) an easement and right of access to, and use of, the Common Elements (including preferential and priority use of the elevator); (b) an easement and right to transport on, across and through the Common Elements, and to temporarily store on portions of the Common Elements considered appropriate by Sponsor or Sponsor's Agents, Employees and Contractors, construction equipment, materials, supplies and debris; and (c) a right to

temporarily interrupt Building services (including elevator, water, heating, electric, gas, ventilation, plumbing and other Building Systems). Sponsor will endeavor to minimize inconveniencing residents of the Building. Sponsor's construction workers shall have the right to perform Work on Mondays through Saturdays from 8:00 a.m. to 5:00 p.m., except that especially noisy Work will not begin before 8:30 a.m. and except further that Work may be performed at any time and on any day in the case of an emergency or to correct a condition that threatens the life, health or safety of Building occupants or to protect property or to provide a required Building service.

The easements and rights of Sponsor and each Unsold Unit Owner in this Section 12.7 may be exercised and performed Freely and Without Consent, Payment or Restriction (other than those set forth in Section 11.7 above) and are superior, paramount and take preference over the easements and rights of the Condominium Board and other Residential and Storage Unit Owners to use the Residential Common Elements.

Section 12.8 **Move-In and -Out Easements.** Sponsor hereby grants to each Purchaser of a Residential Unit and such Purchaser's tenant (if any) on the initial move into the Residential Unit and reserves for itself for the benefit of each tenant and occupant of an Unsold Residential Unit from time to time, and further grants to the movers (and their employees and workers) of each of the foregoing, an easement and right to use the Residential Common Elements (including specifically, but not limited to, the elevator and other public and common areas designated by Sponsor) for purposes of moving furniture, furnishings, belongings and other property into such Purchaser's Residential Unit and also into and out of each such tenant's or occupant's Unsold Residential Unit. The Condominium Board shall not impose or collect any fee, charge, deposit, security or other imposition in connection with the move or such use of the Residential Common Elements, other than a refundable security deposit of $5,000.00 for potential damage to the Common Elements on a move into the Building by a Purchaser or tenant of a Sold Residential Unit, or such other amount as may be determined by the Condominium Board, subject to obtaining the prior written Discretionary Approval or Consent of Sponsor during only the Sponsor Veto Control Period. No security deposit or other fee or charge, however, may be imposed on a Purchaser of a Residential Unit under the Plan or a tenant of an Unsold Unit without obtaining the prior written Discretionary Approval or Consent of Sponsor in each instance. In addition, Purchasers, tenants and occupants moving into and out of Units shall be given preference over other Residential Unit Owners, and allowed reasonably prompt access to, and use of, the elevator and other public and common areas of the Residential Common Elements. The Residential Board Members may, upon and subject to obtaining the prior written Discretionary Approval or Consent of Sponsor during only the Sponsor Veto Control Period, adopt reasonable rules and regulations concerning moving into and out of the Building to assure reasonable access to, and use of, the elevator and other portions of the Residential Common Elements by other Owners, tenants and occupants of Sold Residential Units. No such rules or regulations may be adopted or imposed with respect to Unsold Residential Units without obtaining the prior written Discretionary Approval or Consent of Sponsor or other applicable Owner of an Unsold Residential Unit, in each instance.

ARTICLE 13

CHANGES IN UNITS AND COMMON ELEMENTS

Section 13.1 **Changes.** Sponsor hereby reserves for itself (while it owns an Unsold Unit) and grants to each Unsold Unit Owner, the Retail Unit Owner and an Authorized First Sold Residential Unit Owner, the unfettered and unconditional right from time-to-time, Freely and

Without Consent, Payment or Restriction, other than those set forth in Section 13.2 and Article 15 below, to make the following changes to each Unit owned by said Owner (collectively, "**Unit Change**"):

(a) the right to subdivide its Unit into two (2) or more Units ("**Unit Subdivision**") and to establish new boundary walls separating the Units established on such Unit Subdivision;

(b) the right to combine (horizontally and/or vertically) all or portions of two (2) or more of its Units ("**Unit Combination**") and to incorporate and remove walls, floors, ceilings or other portions of the Common Elements (where entire Units are combined into one (1) Unit) or to establish new boundary walls, floors and/or ceilings or other portions of the Common Elements (where portions of Units are combined);

(c) the right to raze, move and relocate the boundary walls, floors and/or ceilings of its Unit to incorporate in its Unit a portion of the Common Elements, including an adjacent vestibule or hallway or other space between such Owner's Unit and a neighboring Unit and/or walls, floors, ceilings, and/or other portions of the Common Elements ("**Unit Expansion**");

(d) the right to alter its Unit ("**Unit Alterations**"), to change the number of rooms and bathrooms, the layout, the configuration, and the Unit's Equipment and Installations; and

(e) the right to change the description of portions of its Unit and the affected Common Elements involved in a Unit Change so that such applicable portions of the Common Elements become part of the Unit or an Individual Limited Common Element appurtenant to the Unit and/or portions of the Unit become Common Elements or an Individual Limited Common Element appurtenant to the Unit, as applicable ("**Description Change**").

Upon the original boundary walls, floors, ceilings and/or other space forming a part of the Common Elements being razed or otherwise incorporated in a Unit involved in a Unit Change, they automatically shall no longer be part of the Common Elements and shall become part of the applicable Unit. Similarly, upon new boundary walls, floors and/or ceilings of a Unit being constructed, they automatically shall be substituted in place of the former boundaries to become part of the Common Elements.

An Unauthorized Sold Unit Owner shall have the right to subdivide such Owner's Unit into two (2) or more Units (i.e., a Unit Subdivision) and to combine two (2) or more Units owned by such Owner into one (1) Unit (i.e., a Unit Combination) on and subject to compliance with the terms and conditions set forth in Section 13.2 below.

Section 13.2 **Rights, Restrictions and Requirements.** The following shall apply to Unit Changes or certain Unit Changes (as indicated) made pursuant to Section 13.1 above:

(a) each Unit Change may be made by Sponsor, an Unsold Unit Owner and the Retail Unit Owner Freely and Without Consent, Payment and Restriction, that is: (a-1) without obtaining the approval or consent of the Condominium Board, the Unit Owners or Unit mortgage lenders (other than a lender holding a mortgage on the affected Unit, if and to the extent required by the terms of such mortgage); (a-2) without complying with any regulations, rules or other requirements of the Condominium Board for Alterations or changes to Units; (a-3) without paying any kind of fee or other charge of the

Condominium Board or its Managing Agent or attorneys or other professional or consultant; and (a-4) without the plans or specifications of the proposed Unit Change being submitted to, or reviewed by, the Condominium Board or an architect, engineer or other professional or consultant chosen by the Condominium Board;

(b) the Owner subdividing a Unit, at such Owner's sole Cost and Expense, shall duly record an Amendment to the Declaration and the Floor Plans to subdivide the Unit and to apportion between or among the Units resulting from such Unit Subdivision, the Common Interest of the Unit so subdivided in accordance with the method set forth in Article 8 above or any other method allowed by the Condominium Act (subject to the Reasonable Approval of the Condominium Board in the case only of an Authorized First Sold Unit Owner or an Unauthorized Sold Unit Owner, but not subject to the approval or consent of the Board or other Unit Owners in the case of an Unsold Unit or the Retail Unit); provided, however, that the aggregate Common Interests of all Units resulting from such Unit Subdivision shall equal exactly the Common Interest of the Unit being so subdivided;

(c) the Owner combining all or portions of two (2) or more Units, at such Owner's sole Cost and Expense, shall duly record and file an Amendment to the Declaration and the Floor Plans to combine such Units or portions thereof and:

(c-1) (in the case of a Unit Combination involving entire Units) to declare and establish the Common Interest of the resulting combined Unit to equal exactly the total of the Common Interests of the original Units being so combined; or

(c-2) (in the case of a Unit Combination not involving entire Units) to apportion between or among the Units involved in the Unit Combination, the Common Interests of such Units in accordance with the method set forth in Article 8 above or any other method allowed by the Condominium Act (subject to the Reasonable Approval of the Residential Board Members in the case only of an Authorized First Sold Owner or an Unauthorized Sold Owner, but not subject to the approval or consent of the Board or other Unit Owners in the case of an Unsold Unit or the Retail Unit); provided, however, that the total Common Interests of all resulting Units following a Unit Combination shall equal exactly the total of the Common Interests of such original Units;

(d) in the case of a Unit Expansion: (d-1) the Declaration and the Floor Plans shall be amended by, and at the sole Cost and Expense of, the applicable Owner of the affected Unit to effectuate such Unit Expansion; (d-2) the Common Interest of such Unit shall not change as a result of such Unit Expansion, however, any increase in Operating Expenses of the Common Elements resulting therefrom or fairly and reasonably attributable thereto shall be specially allocated and assessed to such Unit Owner as Additional Common Charges; and (d-3) no Unit Expansion shall require or involve the use of the unutilized Development Rights of the Property;

(e) any public or common areas of the Common Elements incorporated in a Unit (other than boundary walls, floors and ceilings) shall remain part of the Common Elements, but its use shall be completely limited or restricted to only that Unit; alternatively, such incorporated portions of the Common Elements shall become part of such Unit at the option of: (e-1) Sponsor or the applicable Unsold Unit Owner or Retail Unit Owner (as the case may be), without obtaining the approval or consent of the Condominium Board

or other Unit Owners; or (e-2) an Authorized First Sold Unit Owner or an Unauthorized Sold Unit Owner, subject to obtaining the Reasonable Approval of the Residential Board Members;

(f) (if and to the extent required by the Condominium Act) the Unit Owner (hereinafter, "**such Owner**") making a Description Change, at the sole Cost and Expense of such Owner, shall declare, establish, grant and convey in a duly recorded Amendment to this Declaration and a duly filed Amendment to the Floor Plans that: (f-1) the applicable portion of such Owner's Unit shall instead comprise the Residential Common Elements or General Common Elements (as applicable) or (at the exclusive right and option of such Owner) to comprise an Individual Limited Common Element appurtenant to such Owner's Unit; and/or (f-2) the applicable portion of the Common Elements shall instead comprise such Owner's Unit or (at the exclusive right and option of such Owner) an Individual Limited Common Element appurtenant thereto (as applicable); provided, however, that such Description Change from a Unit to Common Elements (or an Individual Limited Common Element), or vice versa, shall not change the Common Interest of any Unit, including such Owner's Unit;

(g) the Common Interest of a Unit not involved in a Unit Change shall remain the same, unless the prior written Discretionary Consent to a new Common Interest is obtained from the Owner of such Unit as required by Section 339-i of the Condominium Act; and the Common Interests of all Units following a Unit Change shall total 100%;

(h) all Costs and Expenses thereafter arising with respect to the Maintenance, Repair, Alteration and other Operation of an Individual Limited Common Element established in connection with a Description Change shall be borne exclusively by the Owner of the Unit to which same is appurtenant (other than structural Repairs which are expressly stated in this Declaration or the By-Laws to be performed by the Condominium Board as a Residential Common Expense or a General Common Expense, as appropriate);

(i) such Owner making a Unit Change shall indemnify the Condominium Board and its members, officers, agents (including Managing Agent), employees and attorneys, the Sponsor and all other Unit Owners from and against any and all Claims and Liabilities and Expenses arising out of, or in connection with, the Unit Change or the Work in performing such Unit Change;

(j) the required Amendment to the Declaration to effectuate a Unit Change as herein provided: (j-1) shall be prepared, signed and acknowledged in recordable form by, and at the sole Cost and Expense of, only the Unit Owner making such Unit Change and, if requested, shall be certified by the Secretary or an Assistant Secretary of the Condominium in accordance with Article 22 below, and such Amendment to the Floor Plans shall be prepared, certified, signed and sealed by a registered architect or a licensed professional engineer selected exclusively by, and at the sole Cost and Expense of, said Unit Owner making such Unit Change; and (j-2) (in the case only of an Unsold Unit or the Retail Unit) may be recorded and filed without the approval, consent or signatures of the Condominium Board or any officer of the Condominium Board and without the express consent of any Unit Owners (who shall be deemed automatically and irrevocably to have given their consent as provided in Section 22.2 below), or (in the case of only a Sold Residential Unit) shall be subject to the Reasonable Approval of the Residential Board Members and (if approved) shall be duly executed in recordable form by the appropriate officers and/or members of the Condominium Board;

(k) the approval, consent and signatures of the Board or any other Unit Owner shall not be required on any Government Document necessary or convenient to perform a Unit Change to an Unsold Unit or the Retail Unit in accordance with this Article 13, including any application or other Government Document required by the Department of Buildings, the Real Property Assessment Bureau of The City of New York or any other Governmental Authority in connection with a Building Alteration application and/or an amendment to the Certificate of Occupancy for the Building or the establishment of separate tax lots for any newly created Units and a reapportionment of the assessed valuation by reason thereof; all such Government Documents shall be prepared, signed and (where required) acknowledged by, and at the sole Cost and Expense of, only the Unsold Unit Owner or Retail Unit Owner making such Unit Change, such Unit Owner being hereby granted an irrevocable, durable power of attorney, "coupled with an interest" and for valuable consideration, with full power of substitution, to execute such Government Documents as attorney-in-fact in the name and on behalf of the Board and other Unit Owners (in accordance with Article 20 below, the Board shall fully cooperate with the Owner making the Unit Change and in furtherance thereof, upon request of such Unit Owner, shall nevertheless execute and deliver to such Unit Owner any and all Government Documents on the terms and conditions provided in said Article 20);

(l) no license or use fee or rental or other charge (other than the regular Common Charges and Special Assessments, if any, levied on all Unit Owners or all Residential and Storage Unit Owners, as applicable) may be levied or imposed by the Condominium Board in connection with any wall, space, concrete floor or ceiling slab (or other construction material) or other portion of the Common Elements incorporated in a Unit in connection with such Unit Change;

(m) the dimensions, usable floor area and interior space (that is, the space within the enclosing walls, floors and ceilings) of any other Unit shall not be changed or penetrated by reason of a Unit Change without obtaining the prior written Discretionary Consent of the Owner of such affected Unit;

(n) a Unit Change shall not jeopardize the soundness or structural integrity of any portion of the Building or threaten the life, health or safety of any Owner or Permitted Tenants/Occupants/Invitees of another Unit;

(o) a Unit Change shall not prevent or unlawfully impair legal access by another Unit to the egress stairs, the elevator or the 515 West 23rd Street Public Areas;

(p) a Unit Change shall not permanently diminish or adversely and unreasonably affect: (p-1) the proper and efficient performance, function, capacity or utility of the Building's Equipment and Installations serving another Unit; or (p-2) the use of the Common Elements serving another Unit for their intended purposes;

(q) a Unit Change shall be performed and completed in accordance and compliance with the applicable Work Requirements set forth in Section 15.2 below, including clause (k) thereof and compliance with all applicable Laws (such as, if and to the extent required by Law: (q-1) obtaining all required approvals, permits and licenses of Governmental Authorities having jurisdiction; and (q-2) in the case of a Unit Subdivision or Unit Combination, obtaining an Alteration permit or notice or an amended or new Certificate

of Occupancy for the Building or other appropriate Government Document to reflect the Unit(s) resulting from a Unit Subdivision or Unit Combination, as applicable); and

(r) an Authorized First Sold Unit Owner and an Unauthorized Sold Unit Owner (hereinafter collectively, "**such Owner**"), but not Sponsor or an Unsold Unit Owner or the Retail Unit Owner, at the sole Cost and Expense of such Owner, shall comply with the following "Unit Change Requirements" before commencing construction Work (all references herein to the Condominium Board shall mean the Residential Board Members):

(r-1) such Owner shall cause to be prepared and submitted to the Condominium Board and (until issuance of the permanent Certificate of Occupancy of the Building authorizing the use of the Units for the purposes set forth in the Plan and herein) Sponsor detailed plans and specifications of the proposed Unit Change, prepared by a registered architect, licensed professional engineer or other appropriate professional chosen by such Owner;

(r-2) (in the case of a Unit Change affecting any of the Building's HVAC/Mechanical/Utility Systems) such Owner must first obtain the following approvals or consents: (r-2.1) until said permanent Certificate of Occupancy issues: the prior written Discretionary Approval or Consent of Sponsor must first be obtained as provided in Section 15.2(k) below and the prior written Reasonable Approval or Consent of the Condominium Board must first also be obtained; and (r-2.2) after said permanent Certificate of Occupancy issues: the prior written Reasonable Approvals or Consents of both Sponsor (during only the Sponsor Veto Control Period) and the Condominium Board must first be obtained;

(r-3) (in the case of a Unit Change affecting the Building's Structural Components) such Owner must obtain the prior written Discretionary Approvals or Consents of both Sponsor (during only the Sponsor Veto Control Period and until said permanent Certificate of Occupancy issues) and the Condominium Board;

(r-4) (in the case of a Unit Change affecting the Unit's entrance, windows, Terrace (if any), or other portions of the Unit or (if established) its appurtenant Individual Limited Common Element exposed to public view) such Owner must obtain the prior written Discretionary Approvals or Consents of both Sponsor (during only the Sponsor Veto Control Period and until the issuance of said permanent Certificate of Occupancy) and the Condominium Board; and

(r-5) such Owner shall sign and deliver to the Condominium Board an alteration agreement, on the standard form adopted by, and in substance satisfactory to, the Condominium Board, setting forth the terms and conditions for performing the Unit Change (including the Condominium Board's Work rules, insurance requirements, security deposit and an indemnity in favor of the Condominium Board, its agents and employees, and all Unit Owners, from and against all Claims and Liabilities and Expenses arising out of the Unit Change), and shall pay or reimburse the Board for the reasonable Costs and Expenses incurred by it in connection with the preparation, review and execution thereof, including the fees and charges of any architect, engineer, consultant or other expert engaged by the Board to review the proposed plans and specifications of the Alteration

and the fees and charges of the Managing Agent and any attorney retained by the Board in connection with such alteration agreement (the proposed fee of the Managing Agent for such service set forth in the Plan shall be deemed to be reasonable); all such Costs and Expenses shall be added to and constitute Additional Common Charges payable by such Owner.

ARTICLE 14

MAINTENANCE, REPAIRS, ALTERATIONS AND OTHER WORK TO UNITS, COMMON ELEMENTS, ASSOCIATION'S PROPERTIES AND SIDEWALKS

Section 14.1 Duty to Maintain and Repair the Units, Limited Common Elements and Individual Limited Common Elements. Each Unit Owner, at such Owner's sole Cost and Expense, shall Maintain and Repair (other than: washing and cleaning of the outdoor side of Unit windows, Terrace doors and windows, and the Retail Unit's Storefronts, Storefront Windows and entrance to be performed by the Condominium Board; and structural or extraordinary Repairs expressly stated elsewhere herein or in the By-Laws to be performed by the Condominium Board) such Owner's Unit and its Equipment, Installations and Terrace (if any), and (if established) the Unit's appurtenant Individual Limited Common Element, in accordance and compliance with the Building's Maintenance Standard. In the case of a Residential or Storage Unit, the foregoing Maintenance and Repair obligations apply to the following (where applicable to the Unit): (a) the interior Unit side of all walls and ceilings; (b) all Unit windows (including washing and cleaning the interior, but not exterior, sides of Unit windows and the glass door and windows of the Building's curtain wall façade separating the Unit from its Terrace, if any); (c) all tile, wood, carpet or other flooring on top of the Base Floors enclosing the Unit; (d) all kitchen and other appliances in or exclusively serving the Unit; (e) all individual Unit plumbing, heating and electrical fixtures (whether exposed to view or concealed behind walls or partitions), including kitchen and bathroom fixtures and the Unit's individual heating and cooling Equipment and related Installations (but not any portions thereof that serve another Unit or the Common Elements); and (f) all Unit entrance and interior doors (including the door to a Terrace, if any).

The Condominium Board shall be responsible to wash and clean the outdoor side of a Unit's windows, the outdoor side of the glass door and windows separating a Unit from its Terrace, and the outdoor side of the Storefronts, Storefront Windows and entrance door of the Retail Unit. In accordance with the Special Allocation and Apportionment Rule and Section 339-m, all Costs and Expenses to wash and clean the Building's glass curtain wall façade, including Unit windows, Terrace doors and windows, and the Retail Unit's Storefronts (including its Storefront Windows and entrance), shall be included in the Specially Apportioned General Common Expenses and apportioned and assessed to all Residential and Storage Units and to the Retail Unit in the proportion that the vertical square footage of the Building's glass curtain wall façade enclosing the Residential Space (including Unit windows and Terrace doors and windows) or the Retail Unit (including its Storefronts, Storefront Windows and entrance), as applicable, bears to the total square footage of all of said glass surfaces, or approximately 95% to all Residential and Storage Units and 5% to the Retail Unit. The amount charged to all Residential and Storage Units shall be apportioned and assessed among them Pro Rata to their respective Common Interests.

The windows, Terrace glass door and windows, the exterior side of Unit entrance doors (and related hardware and saddles), any Terrace, and any other portion of a Sold Residential Unit

exposed to public view, shall not be painted, Decorated, Repaired or Altered without obtaining the prior written Discretionary Consents or Approvals of both the Condominium Board and (during only the Sponsor Veto Control Period and until the permanent Certificate of Occupancy of the Building issues) Sponsor. All of the foregoing Maintenance and Repairs shall be performed or caused to be performed by each Unit Owner in conformity with the high dignity, first-class quality, character and standards of the Building, and in a manner that: (a) shall not materially impair or prevent, nor unreasonably interrupt or interfere with, the permitted Use and Enjoyment of other Units or other portions of the Common Elements; and (b) shall maintain the value of all Units. Each Unit Owner shall also comply with the Owner's Maintenance and Repair obligations with respect to such Owner's Unit and its appurtenant areas, Equipment and Installations set forth in Section 5.1 of the By-Laws.

Section 14.2 Duty to Maintain and Repair the Common Elements and Association's Properties. The Condominium Board (with respect to the General Common Elements, including the Association's General Properties), the Residential Board Members (with respect to the Residential Common Elements and the Association's Residential Properties) and the Commercial Board Member (with respect to the Commercial Limited Common Elements, if established) shall Maintain and Repair the General Common Elements, the Residential Common Elements, the Association's Properties and (if established) the Commercial Limited Common Elements in accordance and compliance with the Building's Maintenance Standard, including: (a) the Equipment and other Installations forming a part of each thereof and such of said Common Elements that are within, bordering and adjacent to a Unit; and (b) water leaks and air penetration between the Building Walls and Unit window frames (but excluding windows and their frames). All of the foregoing Maintenance and Repairs shall be performed by the Board or applicable Board Members in conformity with the high dignity, first-class quality, character and standards of the Building, and in a manner that: (a) shall not materially impair or prevent, nor unreasonably interrupt or interfere with, the permitted Use and Enjoyment of a Unit and (if established) its appurtenant Limited Common Element or (if established) its appurtenant Individual Limited Common Element; and (b) shall maintain the value of all Units and the Building services and Facilities to be provided to the Units pursuant to this Declaration and the By-Laws. The Costs and Expenses of such Maintenance and Repairs shall be a General Common Expense (in the case of the General Common Elements and the Association's General Properties) or Residential Common Expense (in the case of the Residential Common Elements and the Association's Residential Properties) or paid by the Retail Unit Owner (in the case of the Commercial Limited Common Elements, if established) and shall be allocated and apportioned in accordance and compliance with the Special Allocation and Apportionment Rule set forth in Article 9 above. In accordance and compliance therewith, the Retail Unit Owner shall be allocated its allocable share of only that portion of the Costs and Expenses to Maintain and Repair those General Common Elements or Association's General Properties that actually serve or are actually utilized by the Retail Unit and shall not be allocated or assessed any of such Costs and Expenses to Maintain and Repair the Residential Common Elements or the Association's Residential Properties, all as provided more fully in Article 9 above. The Condominium Board or applicable Board Members shall also comply with the Maintenance and Repair obligations applicable to the Common Elements set forth in Section 5.1 of the By-Laws.

Section 14.3 Maintenance, Repairs, Alterations and Work to Units, Limited Common Elements and Individual Limited Common Elements. The right and duty of each Owner, at such Owner's sole Cost and Expense, to Maintain, Repair, Alter and perform other Work in such Owner's Unit (including the Equipment and other Installations forming a part thereof and the Unit's appurtenant Terrace, if any (including washing and cleaning the interior

sides of Unit windows and Storefronts and Terrace windows and doors) and (if established) its appurtenant Individual Limited Common Element are governed by Sections 5.1 and 5.2 of the By-Laws and the applicable Work Requirements set forth in Section 15.2 below.

Section 14.4 Maintenance, Repairs, Alterations and Work as to General Common Elements, Residential Common Elements and Association's Properties. The Condominium Board shall have the substantially exclusive right and duty to perform all Maintenance, Repairs, Alterations and other Work with respect to the General Common Elements, the Residential Common Elements and the Association's Properties, including the Equipment and Installations forming a part of each thereof and each of such Common Elements that are within, bordering and adjacent to a Unit, subject and subordinate to and in compliance with the applicable Work Requirements set forth in Section 15.2 below and:

(a) Sponsor's/Commercial Owner's Rights under this Declaration, the By-Laws and the Plan; and

(b) all rights and easements expressly reserved to Sponsor and granted to Unsold Unit Owners, the Retail Unit Owner and all other Unit Owners in this Declaration, the By-Laws and the Plan.

The Costs and Expenses of such Maintenance, Repairs, Alterations and Work shall be allocated and apportioned in accordance and compliance with the Special Allocation and Apportionment Rule as set forth in Article 9 above.

Section 14.5 Requisite Approvals for Board Repairs and Alterations.

Section 14.5.1 Repairs. The Condominium Board shall have the right and duty to make all necessary or appropriate Repairs to the Common Elements and the Association's Properties upon the determination of the following Board Members:

(a) Repairs to only the General Common Elements or the Association's General Properties shall be determined by a majority of those Residential and Commercial Board Members attending a duly constituted Board meeting at which a quorum is present, and without the approval or consent of any Unit Owners; or

(b) Repairs to only the Residential Common Elements or the Association's Residential Properties shall be determined by a majority of only those Residential Board Members attending a duly constituted meeting of the Residential Board Members at which a quorum is present, and without the approval or consent of the Commercial Board Members or any Unit Owners.

Section 14.5.2 Alterations. The Condominium Board shall have the right to Alter the Common Elements and the Association's Properties ("**Board Alterations**") upon the determination of the following Board Members:

(a) Board Alterations of only the General Common Elements or the Association's General Properties shall be determined by a majority of those Residential and Commercial Board Members attending a duly constituted Board meeting at which a quorum is present; or

(b) Board Alterations of only the Residential Common Elements or the Association's Residential Properties shall be determined by a majority of only those Residential Board

Members attending a duly constituted meeting of the Residential Board Members at which a quorum is present, and without the approval or consent of the Commercial Board Members.

The prior written Discretionary Approval or Consent of Sponsor must be obtained for all Board Alterations to be undertaken prior to the issuance of the permanent Certificate of Occupancy of the Building as and to the extent required in Section 15.2(k) below and for all Board Alterations to be undertaken during the Sponsor Veto Control Period that are subject to Sponsor veto control as and to the extent provided in the Plan, Section 9.11 above and Section 2.5.8 of the By-Laws. In addition, the prior written Discretionary Approval or Consent of the Retail Unit Owner must be obtained for all Board Alterations that will affect the use, occupancy or Operation of the Retail Unit or the business of a tenant or the Owner of the Retail Unit, or any Building service provided to the Retail Unit.

Section 14.6 **Base Floors and Ceilings, Roofs and Building Walls.** The right of Sponsor, each Unsold Unit Owner and the Retail Unit Owner (including their respective authorized tenants, and the authorized Agents, Employees and Contractors of each of the foregoing) to perform Maintenance, Repairs, Alterations and other Work with respect to each such Party's Unsold Unit or Retail Unit (as applicable) pursuant to this Declaration or the By-Laws includes the unfettered and unconditional right, Freely and Without Consent, Payment or Restriction (other than the requirement to comply with the applicable Work Requirements set forth in Section 15.2 below), to pierce, remove and make openings in portions of the Base Floors, Base Ceilings, the Building's Roofs and the Building Walls enclosing each such Party's Unsold Unit or Retail Unit (as applicable) and (if established) its appurtenant Individual Limited Common Element in the exercise of such right or in the exercise of easements or other rights expressly reserved to Sponsor and granted to each Unsold Unit Owner and the Retail Unit Owner in the Plan or this Declaration or the By-Laws.

Section 14.7 **Acts or Omissions.** Any Maintenance or Repairs (whether structural or non-structural, ordinary or extraordinary) to a Unit or the Common Elements (including water leaks) necessitated by the acts, omissions, negligence, misuse, abuse or neglect of:

(a) a Unit Owner ("**Offending Unit Owner**"), or a tenant, licensee or occupant of such Offending Unit Owner's Unit, or the Agents, Employees and Contractors of such Offending Unit Owner, licensee or tenant, shall be performed by the Party responsible to Maintain same and the entire Costs and Expenses to Repair the affected Unit (excluding equipment, fixtures, furniture, furnishings, wallpaper, woodwork, built-ins, custom floors or cabinetry or other Decorations installed by the existing or a previous Owner of such affected Unit, and excluding further refinishing of floors, tiles or stones, all of which are to be Repaired by, and at the sole Cost and Expense of, the Owner of said affected Unit) or the affected Common Elements (as applicable) to as near as reasonable and economically practical to its former condition immediately before being damaged, shall be charged to, and borne entirely by, such Offending Unit Owner; or

(b) the Condominium Board, or its Agents, Employees and Contractors, shall be performed by the Party responsible to Maintain same and the entire Costs and Expenses to Repair the affected Unit (excluding equipment, fixtures, furniture, furnishings, wallpaper, woodwork, built-ins, custom floors or cabinetry or other Decorations installed by the existing or a previous Owner of such affected Unit, and excluding further refinishing of floors, tiles or stones, all of which are to be Repaired by, and at the sole Cost and Expense of, the Owner of said affected Unit) or the affected Common Elements

(as applicable) to as near as reasonable and economically practical to its former condition immediately before being damaged, shall be charged to, and borne entirely by:

(b-1) all or certain Unit Owners (as appropriate) as a General Common Expense, if involving or fairly and properly allocable only to the General Common Elements or the Association's General Properties (however, the Retail Unit Owner shall be charged for its allocable share of such General Common Expense item if, and strictly to the extent only, that such affected portions of the General Common Elements or the Association's General Properties actually serve or are actually utilized by such Retail Unit Owner as provided more fully in Article 9 above); or

(b-2) only all Residential and Storage Unit Owners as a Residential Common Expense if involving or fairly and properly allocable to only the Residential Space or the Association's Residential Properties.

Section 14.8 **Cooperation.** Each Unit Owner shall fully cooperate with every other Unit Owner or the Condominium Board (as applicable) in connection with the Maintenance, Repairs and Alterations permitted or required to be performed by such other Unit Owner or the Board, and the Condominium Board shall fully cooperate with each Unit Owner in connection with the Maintenance, Repairs and Alterations permitted or required to be performed by such Unit Owner, all as more particularly set forth in Article 20 below.

Section 14.9 **Sidewalks.** All Sidewalk Cleaning Obligations and Sidewalk Repair Obligations with respect to the Immediately Adjacent Sidewalks to the Property, shall be performed by the Condominium Board as a General Common Expense, which shall be allocated to all Unit Owners and apportioned and assessed among them Pro Rata to their respective Common Interests. The Sidewalk Cleaning Obligations and Sidewalk Repair Obligations shall be performed in accordance and compliance with the Building's Maintenance Standard and in a manner that shall not unnecessarily prevent or unreasonably interrupt or interfere with the permitted uses of the Immediately Adjacent Sidewalks to the Property by the Retail Unit Owner and each such Owner's Permitted Tenants/Occupants/Invitees or by the Residential and Storage Unit Owners and their respective Permitted Tenants/Occupants/Invitees. However, all Signs, objects, structures, extensions or enclosures erected or installed on, in or under the Immediately Adjacent Sidewalks to the Property pursuant to Sections 10.9 , 10.10 and 10.11 above shall be Maintained and Repaired by, and at the sole Cost and Expense of, the Party erecting or installing same. In addition, all Repairs to the Immediately Adjacent Sidewalks necessitated by such erections or installations, or the Maintenance, Repair or Alteration thereof, shall be performed by, and at the sole Cost and Expense of, such Party erecting or installing same.

Section 14.10 **Intentionally Omitted.**

ARTICLE 15

WORK REQUIREMENTS

Section 15.1 **Application.** All permitted or required Maintenance, Repairs, Alterations and other Work by, or on behalf or at the direction of, Sponsor, a Unit Owner, the Condominium Board, a tenant or occupant of a Unit, or a utility provider (each, a "**Responsible Party**") shall be done and performed in accordance and compliance with all applicable Laws

and the applicable Work Requirements set forth in Section 15.2 below, as well as all other requirements (if any) applicable thereto set forth elsewhere in this Declaration or the By-Laws.

Section 15.2 **Work Requirements.** The **"Work Requirements"** to be met and complied with pursuant to Section 15.1 above and where required elsewhere in the Declaration and the By-Laws are as follows:

(a) the Work undertaken by an Owner, tenant or occupant of a Unit, or the Condominium Board or a utility provider shall be prosecuted with reasonable diligence and continuity to completion and performed in a manner that does not permanently prevent or unreasonably interrupt or interfere with, or otherwise unreasonably and adversely affect, the permitted Use and Enjoyment of a Unit (other than the Unit of the Owner, tenant or occupant undertaking the Work) or the Common Elements (including the Equipment and Installations forming a part of such Unit or Common Elements), and shall be performed in a manner which minimizes such interruption or interference to the extent reasonable and practical;

(b) if the Work permitted in a Unit requires access to another Owner's Unit or (if established) its appurtenant Limited Common Element or its appurtenant Individual Limited Common Element, or to any of the Common Elements, or if the Work permitted in any of the Common Elements requires access to a Unit or its appurtenant Limited Common Element, such access by contractors, subcontractors, workers, architects, employees and others engaged in the Work and the right to transport therein materials and supplies in connection therewith, shall be permitted subject and subordinate to the rights of the then existing tenants and/or occupants of Unsold Units and the Retail Unit and subject further to same being exercised reasonably and in a manner that does not permanently prevent and minimizes to the extent reasonable and economically practical any interruption or interference with the Use and Enjoyment of the affected Unit or Common Elements;

(c) the Work shall be performed and completed in accordance and compliance with the requirements of Section 10.1 above and the prohibitions of Section 10.2 above;

(d) at least five (5) business days before an Owner, tenant or occupant of a Sold Unit or the Condominium Board or a utility provider begins Work on, or affecting, the Building's Structural Components, such Responsible Party performing the Work shall obtain and (if the Responsible Party is not the Condominium Board) deliver to the Board, and shall make available to all Unit Owners, a certification to the Board and Unit Owners from a duly licensed engineer specializing in structural engineering that the structural integrity of the Building's Structural Components and the life, safety and health of occupants of the Building shall not be impaired or threatened or adversely affected by such Work;

(e) the Work involving or affecting the Residential Common Elements, General Common Elements or the Association's Properties (including the Equipment and Installations forming part of each thereof and the Building's Structural Components):

(e-1) shall be performed in a good and workmanlike manner and in accordance with good construction practices by duly licensed and qualified contractors and subcontractors and (in the case of Work undertaken by an Owner, tenant or occupant of a Sold Unit or a utility provider involving or affecting the Building's Structural Components) a duly licensed and qualified engineer specializing in

structural engineering who is Reasonably Approved by the Condominium Board; and

(e-2) shall utilize materials compatible with, and of at least substantially equal or better quality, design, function and utility than, those then existing in the Building;

(f) with respect to any Work by the Condominium Board or a utility provider permitted to be performed in a Unit or (if established) its appurtenant Individual Limited Common Element or the public areas of the Common Elements, subject to clause (k) hereinbelow:

(f-1) any pipes, ducts, wiring, conduits or other Equipment or Installations in connection with such Work shall be concealed in, behind or under the walls, floors or ceilings or, if not economically practical or feasible, appropriately boxed in without materially reducing the usable areas thereof; and

(f-2) (in the case of Work by the Condominium Board requiring access to a Unit) upon the request of the Owner of the affected Unit, or (in the case of Work affecting the Common Elements) upon the request of Sponsor (during only the Sponsor Veto Control Period and until the issuance of the permanent "C of O" as defined in clause (k) hereinbelow), the Condominium Board shall prepare or obtain (as a Common Expense allocated, apportioned and assessed to all or certain Unit Owners, as applicable) in accordance and compliance with the Special Allocation and Apportionment Rule set forth in Article 9 above) and submit to such affected Unit Owner or Sponsor (as applicable), and such Party shall receive, at least five (5) business days before entering such Owner's affected Unit, or Sponsor shall receive at least twenty (20) business days before the Work begins in the Common Elements:

(f-2.1) copies of all detailed plans and specifications of the Work;

(f-2.2) (as to Sponsor only) copies of all required permits, licenses, certificates, approvals and consents of Governmental Authorities having jurisdiction of the Work; and

(f-2.3) a policy or original certificate of insurance for such insurance coverage and amounts, and issued by such insurer, as (in the case of Work in a Unit) shall be Reasonably Approved by the Condominium Board (but naming the affected Unit Owner as an additional insured party) or (in the case of Work in the Common Elements) shall be Reasonably Approved by both Sponsor (during only the Sponsor Veto Control Period and until the issuance of said permanent C of O) and the Condominium Board (any dispute as to such insurance shall be resolved by arbitration pursuant to the By-Laws), and (if obtainable at reasonable rates) providing that at least thirty (30) calendar days' advance written notice shall be given to the affected Unit Owner or Sponsor (as applicable) by the insurer before such insurance coverage is terminated, cancelled or expires;

(g) the Responsible Party undertaking or performing the Work, or the Responsible Party who permits or suffers a tenant or occupant of a Unit owned by it to undertake or perform any Work, at such Responsible Party's sole Cost and Expense:

(g-1) (in the case only of Work by the Condominium Board) shall maintain the insurance in the preceding clause (f) in full force and effect for the duration of the Work in the affected Owner's Unit;

(g-2) (if the Condominium Board is not the Responsible Party) shall indemnify the Condominium Board and its members, officers, employees, agents (including the Managing Agent) and attorneys, and each and every other Unit Owner, from and against any and all Claims and Liabilities and Expenses arising from the Work or the failure to comply with any Work Requirement or other provision of this Declaration, the By-Laws or the Rules and Regulations;

(g-3) shall file as and when required all necessary notices, applications, certifications, plans and specifications with Governmental Authorities having jurisdiction and (if the Responsible Party is a Sold Unit Owner, but not if the Responsible Party is Sponsor, an Unsold Unit Owner or the Retail Unit Owner) shall pay or reimburse the Board for all Costs and Expenses of the Board to prepare, review, execute and/or submit any Government Document required in connection with the Work to be so submitted pursuant to Article 20 below;

(g-4) shall obtain and promptly following completion of the Work involving a Unit Change shall deliver to the Condominium Board, and the Board shall make available to all Unit Owners and their representatives from time to time: (g-4.1) (in the case of Work by a Sold Unit Owner, but not Work by Sponsor, an Unsold Unit Owner or the Retail Unit Owner) an accurate and complete set of "as built" plans and specifications of the Work; (g-4.2) (if required by Law) an alteration permit or a new or amended Certificate of Occupancy of the Building (which shall not change the authorized use of another Unit without the prior written Discretionary Approval or Consent of the Owner thereof) and all necessary inspections, approvals, sign-offs, licenses, permits, notices and certifications of Governmental Authorities having jurisdiction; and (g-4.3) (if required by the Condominium Board in the case of Work by a Sold Unit Owner, but not Work by Sponsor, an Unsold Unit Owner or the Retail Unit Owner) the Board of Fire Underwriters certificate with respect thereto;

(g-5) shall assume all responsibility (including payment and performance) for: (g-5.1) the Work and the performance, Maintenance and Repair of the Equipment and Installations involved in the Work; (g-5.2) the failure of the proper and efficient performance, function, capacity and utility of any Equipment and Installations affected by the Work; (g-5.3) the weather-tightness of any Work affecting the Building Walls, windows, doors or Roofs; (g-5.4) the waterproofing of any portion of the Building structure directly or indirectly affected by the Work; and (g-5.5) plumbing leaks and damage to another Unit or the Common Elements caused by the Work;

(g-6) shall promptly and within thirty (30) calendar days satisfy or discharge by bond or otherwise any and all mechanic's liens for work or materials filed against another Unit or the Common Elements;

(g-7) shall not prevent or unlawfully impair legal access of another Unit to an egress stair, an elevator, the residential lobby, or the Common Elements leading to a street; and

(g-8) shall not permanently diminish or adversely and unreasonably affect the proper and efficient performance, function, capacity and utility of another Owner's Unit or the Common Elements serving another Unit (including the Equipment and Installations forming a part of each);

(h) with respect to the following Work to be undertaken by a Sold Unit Owner (but not Work by Sponsor, an Unsold Unit Owner, the Retail Unit Owner or (if such Work is authorized by Sponsor or an Unsold Unit Owner, as applicable) an Authorized First Sold Unit Owner) or a tenant or occupant of a Sold Unit (but not Work by a tenant or occupant of an Unsold Unit or the Retail Unit), such Responsible Party, at the sole Cost and Expense of such Responsible Party, shall comply with the following requirements before commencing the Work (all references herein to the Board shall mean the Residential Board Members):

(h-1) in the case of any Work requiring the Discretionary or Reasonable Approval or Consent of the Condominium Board and/or Sponsor: such Responsible Party shall give the Board and/or Sponsor (as applicable) written notice of the details of the proposed Work and (if requested by the Board and/or Sponsor, as applicable) shall also cause to be prepared and submitted to the Condominium Board and/or Sponsor (as applicable) detailed plans and specifications of the proposed Work, prepared by an architect, engineer or other appropriate professional chosen by such Responsible Party;

(h-2) in the case of Work requiring submission of plans and specifications thereof: in accordance with Section 15.3 below, such Responsible Party shall pay or reimburse the Board and/or Sponsor (as applicable) for the reasonable Costs and Expenses of any architect, engineer or other consultants or experts retained by the Board and/or Sponsor (as applicable) to review and advise the Board and/or Sponsor (as applicable) with respect to such plans and specifications of said proposed Work;

(h-3) in the case of Work affecting any of the Building's HVAC/Mechanical/Utility Systems: the prior written Reasonable Approval or Consent of the Condominium Board and (during only the Sponsor Veto Control Period and until issuance of said permanent C of O of the Building as provided in clause (k) hereinbelow) the prior written Discretionary Approval or Consent of Sponsor therefor must be obtained;

(h-4) in the case of Work affecting the Building's Structural Components: the prior written Discretionary Approvals or Consents of both the Condominium Board and (during only the Sponsor Veto Control Period and until issuance of said permanent C of O of the Building) Sponsor therefor must be obtained;

(h-5) in the case of Work affecting a Sold Unit's windows, Terrace windows or door, or Terrace, if and as applicable (including any enclosure, partition, flooring, landscaping, furnishing, painting, Terrace Objects or other Decorations) or other portions of a Sold Unit or (if established) its appurtenant Individual Limited Common Element exposed to public view: the prior written Discretionary Approvals or Consents of both the Condominium Board and (during only the Sponsor Veto Control Period and until issuance of said permanent C of O of the Building) Sponsor therefor must be obtained (the foregoing, however, does not

apply to Decorating the portions of the interior of a Sold Unit that are not exposed to public view, which may be performed without obtaining any approvals or consents, except to the extent clause (k-2) below is applicable); and

(h-6) in the case of any of the foregoing Work by said Responsible Party for which the requisite Discretionary or Reasonable Approval or Consent (as applicable) is given: upon the request of the Condominium Board, such Responsible Party and (if the Responsible Party is a tenant or occupant of a Sold Unit) the Owner of such Sold Unit shall: (h-6.1) sign and deliver to the Condominium Board an Alteration agreement, on the standard form adopted by, and in substance satisfactory to, the Condominium Board, setting forth the terms and conditions for performing the Work (including the Condominium Board's Work rules (with respect to hours, days, duration and otherwise), insurance requirements, security deposit and an indemnity in favor of the Condominium Board, its agents and employees, and all Unit Owners, from and against all Claims and Liabilities and Expenses arising out of the Work); and (h-6.2) pay all reasonable fees and charges of the Managing Agent and any attorney, architect, engineer and other consultants and experts engaged by the Board in connection with such Alteration agreement (the proposed fee of the Managing Agent for Unit Alterations set forth in the Plan shall be deemed reasonable);

(i) no Work by a Sold Unit Owner or the Condominium Board shall be undertaken that would with reasonable likelihood: (i-1) permanently or substantially prevent, interfere with, interrupt or adversely affect the Operation of an Unsold Unit or the Retail Unit or the business of any tenants or occupants thereof or other Use and Enjoyment of an Unsold Unit or the Retail Unit or any portion thereof, without obtaining the prior written Discretionary Approval or Consent of the Owner of such Unsold Unit or Retail Unit, respectively, therefor; or (i-2) otherwise temporarily prevent, interfere with, interrupt or adversely affect the Use and Enjoyment of an Unsold Unit or the Retail Unit, without obtaining the prior written Reasonable Approval or Consent of the Owner of such Unsold Unit or Retail Unit (as applicable) therefor; and if said Discretionary or Reasonable Approval or Consent (as applicable) is given, the Responsible Party performing such Work shall indemnify said Unsold Unit Owner or Retail Unit Owner (as applicable) from and against any and all Claims and Liabilities and Expenses arising from the Work, including any Claims asserted by tenants or occupants of such Unsold Unit or Retail Unit, as applicable (if the Condominium Board is the Responsible Party, such indemnity shall be deemed given on behalf and for the account of only the applicable Unit Owners who are paying for the costs of the Work);

(j) all Work undertaken or performed by an Owner, tenant or occupant of a Sold Unit, in addition to the other Work Requirements set forth herein, shall be performed: (j-1) in a manner that shall not interfere with, or cause any labor disturbances or stoppages in, the Work of the Condominium Association's employees or the contractors or subcontractors employed by the Condominium Board or Sponsor in connection with any services being provided to, or Work being performed in, the Units or the Building; and (j-2) by such architects, engineers, contractors, subcontractors, suppliers and other laborers who are on the Managing Agent's then approved list, as such list may change from time to time, in the sole discretion of the Residential Board Members or the Managing Agent;

(k) in addition to the other Work Requirements set forth in this Section 15.2, until Sponsor has fulfilled its obligation under the Plan to obtain a permanent Certificate of Occupancy of the Building ("**C of O**") authorizing the use of the Units as built for their intended purposes as set forth in the Plan and this Declaration, no Work shall be undertaken or performed by an Owner, tenant or occupant of a Sold Unit or by the Condominium Board or its agents (including the Managing Agent) or employees or contractors (other than ordinary Maintenance and Repairs that do not require the filing of an alteration application with, or the issuance of a building or construction or work permit or other similar authorization from, the New York City Department of Buildings or other Governmental Authority), unless all of the following are complied with (any conflict or ambiguity between the provisions of this clause (k) and any other Work Requirements shall be resolved in favor of this clause (k), which is paramount and shall govern):

(k-1) the applicable Sold Unit Owner or Condominium Board (as the case may be) shall first give Sponsor a reasonably detailed written notice of the Work and such further information (including architectural and/or engineering plans and specifications) as Sponsor may require; and

(k-2) the applicable Sold Unit Owner or the Condominium Board (as the case may be) shall obtain the prior written Discretionary Approval or Consent of Sponsor therefor before undertaking the Work, and if such approval or consent is given Sponsor may (in Sponsor's sole and absolute discretion) condition same upon compliance with any one or more, or all, of the following requirements (it being intended that Sponsor may at any time revoke its approval or consent for failure to comply with any thereof):

(k-2.1) if the continuance of such Work or any condition arising therefrom would (in Sponsor's sole and absolute judgment) delay the issuance of said permanent C of O or a partial C of O or a temporary C of O or an extension of a previously issued temporary C of O, then immediately after the giving of written notice by Sponsor, said Unit Owner or the Condominium Board (as applicable) shall cease all such Work, remove any such condition and restore the Unit or the Common Elements (as applicable) to the condition existing before commencing such Work, all as and to the extent required by Sponsor;

(k-2.2) Sponsor hereby reserves the right to enter the Unit or the Common Elements (as applicable), without being liable or guilty in any manner of trespass or otherwise, and, at the sole Cost and Expense of such Unit Owner or the Condominium Board (as applicable), remove such condition and restore the Unit or the Common Elements (as applicable) to its or their former condition if not so done promptly and within any time period specified by Sponsor;

(k-2.3) clauses (k-1), (k-2.1) and (k-2.2) above shall apply to any proposed changes in such permitted Work;

(k-2.4) if requested by Sponsor, said Unit Owner or the Condominium Board (as applicable) shall post a bond or other security acceptable to Sponsor, in such amount and issued by such insurer or other issuer

acceptable to Sponsor, in order to secure the diligent and lien-free completion of such Work and compliance with all applicable Laws;

(k-2.5) such Work shall not commence until all required permits, certificates, licenses and other authorizations therefor are issued and complete copies thereof are delivered to, and received by, Sponsor;

(k-2.6) such Work shall be prosecuted with reasonable diligence and continuity to completion in compliance with all plans, specifications, notices and/or certifications, and in accordance with good construction practices and local building standards, and in conformity with all permits, certificates, licenses and other authorizations of Governmental Authorities having jurisdiction;

(k-2.7) Sponsor and its representatives shall be given reasonable access to said Owner's Unit or the Common Elements (as applicable), from time to time, to inspect such Work as it progresses;

(k-2.8) promptly after the completion of such Work, all necessary governmental inspections, approvals and sign-offs of the same shall be obtained, all necessary notices and/or certifications shall be filed with the appropriate Governmental Authorities, and Sponsor shall be given a copy of all such inspections, approvals, sign-offs, notices and certifications;

(k-2.9) said Unit Owner or the Condominium Board (as applicable) shall indemnify Sponsor from and against all Claims and Liabilities and Expenses arising, directly or indirectly, from such Work or the failure to comply with any of the requirements set forth in this clause (k-2), including Claims and Liabilities and Expenses incurred or suffered by Sponsor due to: any violation of Law, any delay in obtaining a temporary or permanent C of O or an extension of a previously issued temporary C of O or a partial C of O, or the failure to make all appropriate filings with Governmental Authorities in connection with the same; and

(k-2.10) all contractors shall be duly licensed to the extent required by applicable Law and, if required under any contract with any union whose members are performing services at the Building directly or indirectly at the behest, for the benefit, or for the account of Sponsor or the Condominium Board, such Work shall be performed solely by union members;

(l) if any Owner, tenant or occupant of a Sold Unit or the Condominium Board commences Work in violation of the terms and conditions of this Section 15.2, or fails to comply with any of the requirements set forth in this Section 15.2, then the following shall apply:

(l-1) in the case of a violation or non-compliance by an Owner, tenant or occupant of a Sold Unit, until such offending Party complies with same, the Condominium Board or (during only the Sponsor Veto Control Period and until said permanent Certificate of Occupancy of the Building issues) the Sponsor, or only Sponsor if

the violation or non-compliance pertains to the preceding clause (k), shall be entitled to cause the Work by such offending Party to be halted, including to cause the Managing Agent and the Building's superintendent to deny access to the Building to such offending Party's Agents, Employees and Contractors for any purpose (other than to remove their tools and Equipment, provided such Persons are accompanied at all times by the Building's superintendent or other Person designated by the Board or Sponsor, as applicable), and during the period the Work is halted and until such offending Party is permitted hereunder to resume its Work, the Board or Sponsor (as applicable) shall have the right (but not the obligation), for the account of such offending Party, to enter the offending Party's Unit without being liable or guilty in any manner of trespass or otherwise, and to perform any and all Work in and to such offending Party's Unit as shall be necessary, in the sole and absolute judgment of the Board or Sponsor (as applicable), in order to avoid the suspension of, or to restore, a Building service, whether or not such Work shall be in compliance with the plans and specifications for the Work theretofore performed by, or on behalf of, such offending Party (the Costs and Expenses of any such Work performed by the Board or Sponsor, as applicable, shall be borne by such offending Party and shall be paid to the Board as Additional Common Charges or to Sponsor, as applicable, within five (5) calendar days from giving a reasonably detailed written demand by the Board or Sponsor, as applicable, therefor, which shall be accompanied by any supporting bills from contractors and suppliers or the wages of the employees engaged in such Work); or

(l-2) in the case of a violation or non-compliance by the Condominium Board, until the Board complies with same, Sponsor shall be entitled to cause such Work by the Board to be halted, including to cause the Managing Agent and the Building's superintendent to deny access to the Building to the Board's Agents, Employees and Contractors engaged in such Work for any purpose (other than to remove their tools and Equipment, provided such Persons are accompanied at all times by the Building's superintendent or other Person designated by Sponsor), and during the period the Work is halted and until the Board is permitted hereunder to resume its Work, Sponsor shall have the right (but not the obligation), for the account of the Board, to perform any and all Work in and to the Common Elements as shall be necessary, in Sponsor's sole and absolute judgment, in order to avoid the suspension of, or to restore, a Building service, whether or not such Work shall be in compliance with the plans and specifications for the Work theretofore performed by, or on behalf of, the Board (the Costs and Expenses of any such Work performed by Sponsor shall be borne by the Board and shall be paid to Sponsor within five (5) calendar days from giving a reasonably detailed written demand by Sponsor therefor, which shall be accompanied by any supporting bills from contractors and suppliers or the wages of Sponsor's employees engaged in such Work); and

(m) all Work to be undertaken affecting the Building Walls that enclose or border the Residential Space (which are part of the Residential Common Elements) shall be determined by the Condominium Board; provided, however, that if such Work will involve the erection of a sidewalk bridge, scaffolding or other structure in front of the Retail Unit, or the hanging of a scaffold from the Building's Roof above the Retail Unit (all of the foregoing are collectively "**Sidewalk Structure**"), the following shall apply and be observed:

(m-1) the Owner of the Retail Unit shall exclusively control and make all determinations concerning the timing, duration, specifications and manner of performance of all such Work, including the Sidewalk Structure to be erected and all other incidental Work related to such Building Walls, including the following:

(m-1.1) choosing the contractors and approving all subcontractors engaged in the Work, but subject to obtaining the prior written Reasonable Approval or Consent of the Condominium Board;

(m-1.2) approving the specifications (including the height and design) of the Sidewalk Structure and all other terms of all contracts for such Work, which are to be made in the name of, and signed by, the Condominium Board or (at the exclusive option and discretion of the Retail Unit Owner) shall be executed by the Retail Unit Owner on behalf and for the account of, and as attorney-in-fact in the name of, the Condominium Board, subject to obtaining the prior written Reasonable Approval or Consent of the Condominium Board;

(m-1.3) the commencement date and duration of the Work, provided the Work and the erection of the Sidewalk Structure is performed in a reasonably timely manner and in accordance with all applicable Laws, except that in the case of an emergency requiring immediate remedial action to avoid bodily injury or substantial property damage, the Work is to commence with reasonably prompt diligence as required by the circumstances;

(m-1.4) the progress of the Work, which is to be under the exclusive supervision of the Retail Unit Owner; and

(m-1.5) the Signage on the Sidewalk Structure for each store or tenant of the Retail Unit affected by the Sidewalk Structure (each Sign is to be of such size, material, fabrication, color, composition and appearance as shall be determined exclusively by the Retail Unit Owner or, at such Owner's sole option, the affected tenant(s) of its Retail Unit), which is to be designed, fabricated, installed and removed at the sole Cost and Expense of the Condominium Board as part of the Residential Common Expenses allocated, assessed and apportioned to only all Residential and Storage Unit Owners Pro Rata to their respective Common Interests; and

(m-2) the Retail Unit Owner shall receive no compensation in connection with the foregoing, but all out-of-pocket Costs and Expenses paid or incurred by said Retail Unit Owner to unrelated third parties with respect thereto shall be reimbursed to said Retail Unit Owner by the Condominium Board promptly following written demand accompanied by copies of bills or other appropriate proof of payment or other appropriate proof of such Costs and Expenses, as applicable.

Any dispute or controversy arising under the Work Requirements contained in clause (k) or (l) above, at the exclusive option and discretion of Sponsor, shall <u>not</u> be subject or submitted to arbitration under Article 19 of the By-Laws.

Section 15.3 **Procedure to Obtain Approval.** Whenever an Owner or tenant of a Sold Unit is required to obtain the Discretionary or Reasonable Approval or Consent of the Board in this Declaration or the By-Laws, such Sold Unit Owner or tenant (together, ("**Applicant**"), at Applicant's sole Cost and Expense, shall submit to the Board such documents and information (including plans and specifications of any proposed Maintenance, Repair, Alteration or other Work) as the Board may reasonably request. The Board, at the sole Cost and Expense of the Applicant, may engage one (1) or more architects, engineers and other consultants and experts to review, consult and advise on such documents and information, to monitor the Work and generally on the matters for which the Discretionary or Reasonable Approval or Consent (as applicable) is required. The Applicant shall also pay or reimburse the Board (as directed) for the reasonable fees and charges of the Managing Agent and any attorney retained by the Board in connection therewith and any alteration agreement to be entered into with respect thereto (the proposed fee of the Managing Agent for such service set forth in the Plan shall be deemed to be reasonable). All amounts payable by the Applicant pursuant to this Section 15.3 shall constitute Additional Common Charges of the Applicant's Sold Unit and shall be payable by the Owner of such Sold Unit within ten (10) calendar days after written demand therefor is made, which shall be accompanied by a reasonably detailed statement of such Costs and Expenses.

Section 15.4 **30 Days to Approve or to Deny.** The Board shall respond to such request for Discretionary or Reasonable Approval or Consent within thirty (30) calendar days after it receives the request and all such related documents and information. Failure to timely respond shall constitute the requisite Approval or Consent (as applicable) of the Board. In the event the Reasonable Approval or Consent of the Board is required and the Board conditions, withholds or denies giving its Reasonable Approval or Consent, the Board shall set forth its basis or explanation of such condition, withholding or denial, including (if applicable) a failure of the Applicant Sold Unit Owner to submit adequate documents or information to make a determination on whether to give, deny, withhold or condition its Reasonable Approval or Consent. In all cases not expressly providing for the Reasonable Approval or Consent of the Board, the approval or consent to be obtained shall be the Discretionary Approval or Consent and, accordingly, may be delayed, conditioned, withheld or denied without cause or explanation and without liability or other recourse against the Board, or its members, officers, agents, employees or attorneys, by reason thereof.

Section 15.5 **No Assumption of Liability or Approval of Suitability.**

Section 15.5.1 No Assumption of Liability. The Condominium Board, Sponsor and Unit Owners (other than the Unit Owner who or whose tenant or Unit's occupant is performing the Work), and their respective employees, agents, attorneys and the respective Related Parties of said Unit Owners shall not be responsible or liable for the Work performed by an Owner, tenant or occupant of a Unit, or for any Claims or Liabilities and Expenses arising therefrom. Similarly, the Retail Unit Owner shall not be responsible or liable for the Work performed by the Condominium Board with respect to only the Residential Space or the Association's Residential Properties, or for any Claims or Liabilities and Expenses arising therefrom. The Responsible Party performing the Work and (in the case of Work being performed by the Condominium Board on only the Residential Space) the Condominium Board as agent on behalf of only all Residential and Storage Unit Owners shall be solely responsible and liable for all Claims and Liabilities and Expenses arising from the Work, including those relating to: (a) the preparation, execution or submission of a Government Document; (b) payments to contractors, subcontractors, workers, architects, engineers, consultants or others engaged in the Work or to suppliers of material or Equipment; and (c) personal injury and property damage.

Section 15.5.2 No Assumption of Suitability. The approval or consent of the Condominium Board or Sponsor, and the approval or consent given with respect to any plans and specifications or the other documents or information submitted in connection with a request for approval or consent, shall not constitute an assumption by the Condominium Board or Sponsor of any responsibility or liability for the Maintenance, Repair, Alteration or other Work to which the same relates, nor an approval, acknowledgment or admission of the accuracy, suitability or soundness of such plans and specifications or other documents or information or their conformity with applicable Law, nor a limitation on the rights of the Board or Sponsor, or the obligations of the Responsible Party performing such Maintenance, Repair, Alteration or other Work, and such Responsible Party shall remain solely responsible and liable for such Maintenance, Repair, Alteration or other Work.

Section 15.6 Remedies. If any of the Work Requirements are not timely met or observed or are otherwise violated, the "**Affected Party**", i.e., the Board (with respect to Work in or affecting the Common Elements), the Sponsor (with respect to Work requiring the Discretionary or Reasonable Approval or Consent of Sponsor) and a Unit Owner (with respect to Work in or affecting such Owner's Unit) shall have the following rights so long as such violation continues and until all Work Requirements are met and observed: (a) the right to suspend, prohibit and enjoin the Work and stop workers, suppliers or deliveries from entering such Common Elements or such Owner's Unit (as applicable); and (b) if reasonably required to avoid or discharge a violation of Law or the Condominium Documents or an impermissible prevention or interruption in the permitted use or Operation of, or the business conducted in, or the services to, such Common Elements or such Owner's Unit, or to avoid or reduce delaying the issuance of the aforesaid permanent or partial Certificate of Occupancy of the Building or the aforesaid extension of a previously issued temporary Certificate of Occupancy as provided in Section 15.2 (k) and (l) above) the right to cause the offending Work to be removed and such Common Elements or such Owner's Unit (as applicable) to be restored to its former condition before undertaking the Work, all at the sole Cost and Expense of the Responsible Party. The exercise of the remedies under this Section 15.6 and any underlying dispute or controversy giving rise to the exercise thereof, at the exclusive option and discretion of the Affected Party, shall not be subject or submitted to arbitration under Article 19 of the By-Laws.

Section 15.7 Correction of Defects. The Responsible Party performing the Work shall assume full and sole responsibility (including payment and performance) to promptly and properly correct all defects (latent and patent, structural and non-structural, ordinary and extraordinary) in the Work. If such defects adversely affect the Use and Enjoyment of the Common Elements or a Unit of another Unit Owner and are not corrected promptly and (in any event) within thirty (30) calendar days after being given written notice thereof, the Board or (if the Board is the Responsible Party) Sponsor during only the Sponsor Veto Control Period and until issuance of said permanent Certificate of Occupancy of the Building (in the case of the Common Elements) and the affected Unit Owner (in the case of such Owner's Unit) shall have the right, for the account and at the sole Cost and Expense of the Responsible Party, to correct the defect to the extent necessary to permit the continued Use and Enjoyment of the adversely affected Common Elements or Unit (as applicable).

ARTICLE 16

ACQUISITION OF UNITS BY CONDOMINIUM BOARD

Section 16.1 **Authority for Acquisition.** The Condominium Board is hereby granted the power as agent of the applicable Unit Owners on whose behalf the Board is acting (as set forth herein and in the By-Laws and subject to the special allocation, apportionment and assessment of Costs and Expenses set forth in Section 16.5 below):

(a) to accept a surrender of, and thereby acquire title to, a Unit and its appurtenant Common Interest from any Unit Owner who elects to surrender the Owner's Unit and its appurtenant Common Interest pursuant to the terms of the By-Laws or Section 339-x of the Condominium Act;

(b) to purchase and acquire or lease a Unit and its appurtenant Common Interest and other real and personal property pursuant to Article 2 of the By-Laws, which includes a purchase or lease as a result of the exercise of a Match Offer Right (commonly known as a Right of First Refusal) of the Condominium Board, as provided in Article 16 of the By-Laws, or otherwise; and

(c) to purchase and acquire title to a Unit and its appurtenant Common Interest at a sale following a foreclosure of its lien for unpaid Common Charges pursuant to the By-Laws and Section 339-aa of the Condominium Act or to so purchase and acquire a Unit and its appurtenant Common Interest by a deed given in lieu of such foreclosure.

Section 16.2 **Acquisition By Nominee or Designee of Board.** Such acquisition, purchase or lease of a Unit or other real and personal property pursuant to Section 16.1 above may, at the option and discretion of the Condominium Board, be in the name of the Condominium Board or in the name of a nominee or designee of the Condominium Board, corporate or otherwise, in each case as agent of only the applicable Unit Owners on whose behalf the Board is acting (e.g., only all Residential and Storage Unit Owners in the case of a Residential or Storage Unit being acquired, purchased or leased).

Section 16.3 **Authority for Dispositions.** The Condominium Board, as agent of only the applicable Unit Owners on whose behalf the Board is acting, is hereby granted the further power to make all Dispositions whatsoever with respect to each Unit acquired, purchased or leased pursuant to Section 16.1 above (but not to cast the votes appurtenant to a Unit owned by the Condominium Board or its nominee or designee), including the following:

(a) to hold, lease or sublease and Operate such Unit and its Equipment and Installations;

(b) (in the case of a Unit acquired or purchased) to mortgage and grant security interests in such Unit and its appurtenant Common Interest, subject to obtaining the Discretionary Approval or Consent of Sponsor during only the Sponsor Veto Control Period;

(c) (in the case of a Unit acquired or purchased) to offer and contract for sale at public or (at the option and discretion of the Condominium Board) private sale, on terms and conditions determined by the Condominium Board (in its sole judgment and discretion), and convey such Unit and its appurtenant Common Interest; and

(d) to make such other Dispositions of such Unit and its appurtenant Common Interest as may be determined by the Condominium Board, in its sole judgment and discretion (but not to cast the votes appurtenant to a Unit owned by the Condominium Board or its nominee or designee).

The foregoing power to make Dispositions of a Unit shall apply to all other real and personal property acquired, purchased or leased by the Condominium Board pursuant to Section 16.1 above.

Section 16.4 **Included in Association Residential Properties.** Each Residential or Storage Unit acquired, purchased, leased, Operated or otherwise held by the Condominium Board (or its nominee or designee) shall be part of the Association's Residential Properties and all Unit Owners shall be deemed to have waived all rights of partition, use and occupancy thereof.

Section 16.5 **Allocation of Costs and Expenses.** The purchase price and related acquisition expenses or the rent and related leasing expenses payable by the Condominium Board (or its nominee or designee) to purchase or lease a Residential or Storage Unit (as applicable), and all Costs and Expenses to own or lease (as applicable) such Unit, including the Maintenance, Repair, Alteration, Operation and Disposition of such Unit, shall be borne entirely by the Residential and Storage Unit Owners Pro Rata to their respective Common Interests as part of the Residential Common Expenses in accordance with the Special Allocation and Apportionment Rule set forth in Article 9 above and Section 339-m of the Condominium Act.

ARTICLE 17

POWER OF ATTORNEY FROM EACH UNIT OWNER

Section 17.1 **Grant of Limited Power of Attorney.** With the intention to constitute a limited, durable power of attorney:

(a) Sponsor (as the initial Owner of all Units) does hereby irrevocably authorize, appoint and designate, and

(b) all successive Owners of each and every Unit, by accepting or recording a deed to a Unit or otherwise succeeding to title to a Unit (whether through operation of Law, or by transfer, merger, consolidation, liquidation, dissolution or otherwise), shall thereupon automatically have, and be deemed to have, irrevocably authorized, appointed and designated,

each of the following (individually, "**attorney-in-fact**"), severally, as agent and attorney-in-fact, "coupled with an interest" and for valuable consideration, and with full power of substitution, of Sponsor or each such Unit Owner (either, "**Principal**"), as applicable, to act on behalf and as agent of Principal and in the name, place and stead of the Principal in any way which the Principal could do if personally present, to the full extent that the Principal is permitted by Law to act through an agent, with respect only to all of those matters, transactions and Dispositions expressly stated in this Declaration or the By-Laws that each such attorney-in-fact has the power to do or perform on behalf and as agent of Principal, including in particular (but not limited to) the following rights, powers and authority (collectively, "**power**" or "**powers**"):

(a) Sponsor, each Unit Owner and the individuals who shall from time to time constitute the Condominium Board (in their capacity as Board Members), severally, as agent and attorney-in-fact of Principal, having the power to amend the Condominium Documents in accordance with Article 22 below;

(b) Sponsor and the individuals who shall from time to time constitute the Condominium Board (in their capacity as Board Members), severally, as agent and attorney-in-fact of Principal, having the power to grant Utility Easements and Rights and Additional Utility Easements/Rights in accordance with Section 11.11 above or to record a correction Declaration in accordance with Section 21.6 below;

(c) Sponsor, each and every Unsold Unit Owner, the Retail Unit Owner, the authorized tenants of an Unsold Unit or the Retail Unit, and other Persons who are so expressly authorized by Declarant or an Unsold Unit Owner or the Retail Unit Owner, severally, as agent and attorney in fact of Principal, having the power to erect and install Communications Equipment and Other Installations on and in portions of the Common Elements, and to thereafter inspect use, lease, license, Operate, Repair and Alter same thereon and therein, all as set forth in Section 11.14 of the Declaration;

(d) the individuals who shall from time to time constitute the Condominium Board, in their capacity as Board Members, and by the resolution adopted by a majority of the then existing Board Members or Residential Board Members attending a duly constituted Board meeting at which a quorum is present or by resolution adopted by the Commercial Board Member (as applicable and as provided in this Declaration or the By-Laws), as agent and attorney-in-fact of Principal, having the power to do the following in the name of the Condominium Board or in the name of the Condominium Board's nominee or designee, corporate or otherwise (where applicable and provided in this Declaration or the By-Laws):

(d-1) to exercise, perform, give, grant, delegate and withhold the powers, rights, licenses, easements, leases, subleases, concessions, mortgages, deeds, security interests, collateral, Government Documents, Litigation Documents, instruments, approvals, consents, discretion's and judgments expressly authorized in the Condominium Documents (as each may be duly amended from time to time) to be exercised, performed, given, granted, delegated and withheld by the Condominium Board on behalf and as agent of all or certain Unit Owners, including in particular (but not limited to) the following powers:

(d-1.1) the power to acquire and purchase or lease in the name of the Board or its nominee or designee, corporate or otherwise, as agent on behalf of only the Residential and Storage Unit Owners, any Sold Residential and/or Sold Storage Unit, together with its appurtenant Common Interest(s), from any Sold Residential and/or Sold Storage Unit Owner desiring to sell, convey, transfer, assign or lease the same in accordance with the Board's Match Offer Right or Right of First Refusal (as provided in the By-Laws), upon such terms and conditions as shall be approved by the Board, in its sole discretion, but subject to obtaining the approval of a majority in Common Interest of those Residential and Storage Unit Owners attending a duly constructed meeting of such Unit Owners called for such purpose, at which a quorum is present;

(d-1.2) the power to acquire in the name of the Board or its nominee or designee, corporate or otherwise, as agent on behalf of all or certain Unit Owners (as applicable), any Unit, together with its appurtenant Common Interest, whose Owner elects to surrender the same pursuant to subsection 8.11 of the By-Laws;

(d-1.3) the power to acquire and purchase in the name of the Board or its nominee or designee, corporate or otherwise, as agent on behalf of all or certain Unit Owners, any Unit, together with its appurtenant Common Interest, at a sale following a foreclosure of the lien for unpaid Common Charges pursuant to the By-Laws and Section 339-aa of the Condominium Act, or to so acquire and purchase a Unit and its appurtenant Common Interest by deed given in lieu of such foreclosure, and in either case upon such terms and conditions as shall be approved by the Board, in its sole discretion;

(d-1.4) the power to acquire and purchase or lease in the name of the Board or its nominee or designee, corporate or otherwise, as agent on behalf of all or certain Unit Owners (as applicable) any Unit, together, as its Common Interest, or other real or personal property, pursuant to Article 2, subsection 2.4.2 of the By-Laws; and

(d-1.5) (after any such acquisition or purchase or leasing pursuant to the preceding clause (d-1.1), (d-1.2), (d-1.3), or (d-1.4), as applicable) the power to convey, sell, lease, mortgage and otherwise deal with (but not vote the interest appurtenant thereto) any such Unit or other real or personal property so acquired or purchased by the Board or its nominee or designee, or to sublease any Unit or other real or personal property so leased by the Board or its nominee or designee, without the necessity of further authorization by the said Unit Owners (other than Sponsor during only the Sponsor Veto Control Period in the case of a mortgage), on such terms as the attorneys-in-fact may determine; and

(d-2) to execute, acknowledge, deliver and, if necessary, record or file any application, document, declaration or other instrument, or any Amendment thereto, affecting

(d-2.1) the Condominium Association, the Property, the Common Elements or the Association's Properties, or a portion of any of the foregoing, that the Condominium Board deems necessary or appropriate or is required to so do under this Declaration or the By-Laws in connection with the following: (a) to comply with any Law (including a zoning resolution or variance, or a requirement of a Governmental Authority, such as the Department of Buildings, the City Planning Commission or the Board of Standards and Appeals); or (b) to permit or facilitate the Use and Enjoyment of all or part of the Common Elements, the Association's Properties or the Units by the respective Owners and Permitted Tenants/Occupants/Invitees of Units in accordance with the Condominium Documents; or

(d-2.2) a Unit (including a Sponsor Unit, an Unsold Unit or the Retail Unit) or (if established) its appurtenant Limited Common Element or such Unit's appurtenant Individual Limited Common Element that the Owner of such Unit requests, if required by this Declaration or the By-Laws or if deemed appropriate by said attorneys-in-fact in their sole and absolute discretion.

Section 17.2 **Power of Substitution.** The power of substitution in the foregoing limited, durable power of attorney in Section 17.1 includes the full and unqualified authority of each attorney-in-fact to delegate any or all of the foregoing powers given or conferred upon such attorney-in-fact in Section 17.1 to any Person or Persons whom such attorney-in-fact shall select.

Section 17.3 **Durability.** The limited power of attorney in Section 17.1 above shall be durable and shall not be affected by the subsequent disability or incompetence of the Principal.

Section 17.4 **Unit Owner's Confirmatory Power of Attorney.** In confirmation of the foregoing limited power of attorney in Section 17.1 above, each Unit Owner (including the Owner of a Residential Unit, a Storage Unit or the Retail Unit), upon acquiring or succeeding to title to a Unit, and simultaneously with the recording of the deed or otherwise succeeding to title to a Unit, at such Owner's sole Cost and Expense, shall duly execute, acknowledge and record in the Register's Office, a Unit Owner's Power of Attorney substantially in the form set forth as EXHIBIT E hereto.

Section 17.5 **Limited Power of Attorney Unimpaired.** The failure of a Unit Owner to so execute and deliver such confirmatory Unit Owner's Power of Attorney shall not affect: (a) the validity or enforceability of the limited power of attorney granted in Section 17.1 above; (b) the right, power and authority of each attorney-in-fact listed in section 17.1, as agent and attorney-in-fact for such Unit Owner for the matters indicated in Section 17.1 above; or (c) the validity, force, effect or enforceability of the acts of the attorney-in-fact taken pursuant thereto as agent and attorney-in-fact of such Unit Owner.

ARTICLE 18

PRIORITY OF LIEN FOR COMMON CHARGES

Section 18.1 **Liens of Prior Recorded First Mortgage.** The lien of a prior recorded first mortgage on a Unit shall be superior to the lien for Common Charges on that Unit; however, the lien of any other mortgage on a Unit (i.e., a mortgage which is not a prior recorded first mortgage) shall be subordinate to the lien for Common Charges under the By-Laws and the Condominium Act.

Section 18.2 **Liability for Unpaid Common Charges.** Subject to compliance with Section 18.1 above, a Person who succeeds to title to a Unit on a sale or conveyance following a foreclosure of a first mortgage on such Unit or by deed given in lieu thereof, shall not be liable or responsible for the unpaid Common Charges or unpaid Additional Common Charges (including Special Assessments) of the predecessor Owner of such Unit accruing prior to the date such Person succeeds to title to the Unit and upon title passing to such Person (whether by sale or conveyance as aforesaid), the Unit shall not be subject to the lien in favor of the

Condominium Board under the By-Laws and the Condominium Act for such accrued and unpaid Common Charges and unpaid Additional Common Charges (including Special Assessments) owed by the predecessor Owner.

ARTICLE 19

TERMINATION OF CONDOMINIUM

Section 19.1 **Condominium Termination Events.** The Condominium shall continue until the occurrence of any of the following events ("**Condominium Termination Events**"):

(a) a taking by condemnation or eminent domain ("Taking" or "Taken") of the entire Property; or

(b) a withdrawal of the Property from the Condominium Act authorized by more than 95% in number and Common Interest of all Unit Owners, in writing or by vote cast by written ballot at a meeting of Unit Owners at which a quorum is present, duly constituted and called for such purpose; provided, however, that a vote of a Unit Owner in favor of withdrawal shall not be effective or counted without the prior written consent of the holder of each Registered Mortgage on such Owner's Unit, if such Registered Mortgage so expressly provides; and provided further that Sponsor or its designee (as applicable) as Owner of Unsold Residential and Storage Units, shall not vote its interests appurtenant to any Unsold Residential and Storage Units for withdrawal unless more than 95% in number and Common Interest of all other Unit Owners have voted in favor of such withdrawal, at which time Sponsor or its designee (as applicable) may vote either in favor of, or against, withdrawal from condominium ownership, as it sees fit.

The Condominium Board and its nominee or designee shall have no voting rights with respect to any Units owned by each of them and such Parties and Units shall be excluded from the base number of Owners, Units and Common Interests for quorum and voting purposes in determining whether such 95% threshold is met.

Section 19.2 **Partition.** If the entire Property is Taken pursuant to said Section 19.1(a) above, then the award of the Taking authority shall be apportioned and divided among all Unit Owners Pro Rata to the respective then existing fair market values of the Units and their appurtenant Common Interests as provided in Article 18 of the By-Laws. If said withdrawal from the Condominium Act is so authorized pursuant to Section 19.1(b) above, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common. The net proceeds of sale resulting from such action for partition shall be divided among all of the Unit Owners Pro Rata to their respective Common Interests; provided, however, that no payment shall be made to a Unit Owner until there has first been paid out of its share of such funds, such amounts as may be necessary to discharge all unpaid liens on its Unit in the order of the priority of such liens.

ARTICLE 20

COOPERATION AND FURTHER ASSURANCES

Section 20.1 **Covenant to Cooperate.** The Condominium Board (including the members and officers of the Board), each Unit Owner and all other Persons (including tenants, subtenants and occupants of Units) who, or whose interests in the Property or a Unit, are subject to this Declaration (each of the foregoing, an "**Interested Party**"), shall fully cooperate with each other to effectuate the purposes and provisions of the Condominium Documents, including the Maintenance, Repair, Alteration and Operation of a Unit, the Common Elements or the Association's Properties.

Section 20.2 **Actions and Documents.** In furtherance of such cooperation, an Interested Party shall diligently take such actions and shall diligently and properly complete, sign, have notarized or acknowledged (if and as required) and deliver such documents (including Government Documents and Litigation Documents) as may be reasonably requested by another Interested Party (the latter, a "**Requesting Party**") in order to effectuate the purposes and provisions of the Condominium Documents and to realize the benefits intended to be conferred thereby. If the Requesting Party is a Residential or Storage Unit Owner or the Retail Unit Owner and involves only the Residential Space or the Retail Unit, respectively, the vote of only the Residential Board Members or the Commercial Board Members, respectively, shall be necessary for any action or transaction of the Condominium Board in connection therewith.

Section 20.3 **Rights and Obligations of Requesting Party.** The Requesting Party shall:

(a) pay or reimburse the Condominium Board (as directed) for the reasonable Costs and Expenses of the Interested Party to perform a request made by a Requesting Party under Section 20.2, other than those matters expressly stated elsewhere in this Declaration or the By-Laws to be performed by the Interested Party without (i.e., free of) fee or charge, or payment of any Costs and Expenses (such as in the case of a Requesting Party who is the Sponsor, an Unsold Unit Owner or the Retail Unit Owner);

(b) pay the governmental fees and charges required in connection with a Government Document;

(c) have the exclusive right to select the attorney, make all decisions, conduct and control the litigation and all settlement and other negotiations in connection with the litigation that is the subject of a Litigation Document; provided, however, that each Interested Party who is a party to a litigation shall have the right to approve any proposed compromise or settlement thereof that would adversely affect such Interested Party;

(d) pay all legal fees and disbursements (other than those of any separate attorney the Interested Party may retain for services not included in the following clause (e) hereof), court costs and other expenses of such litigation;

(e) pay the reasonable fees and disbursements of architects, engineers, attorneys, professionals and other consultants and experts of the Interested Party to review a Government Document or Litigation Document, except where expressly stated elsewhere in this Declaration or the By-Laws that such Document is to be executed

without (i.e., free of) payment of Costs and Expenses (such as in the case of a Requesting Party who is the Sponsor, an Unsold Unit Owner or the Retail Unit Owner); and

(f) indemnify each and every Interested Party and all "Indemnified Parties" (as defined and provided in Section 29.1 below) from and against all Claims and Liabilities and Expenses resulting from the execution of a Government Document or Litigation Document by the Interested Party or from any Work performed by contractors or other workers engaged by the Requesting Party pursuant to a Government Document or from any action or inaction taken or omitted in accordance with these provisions, other than those Costs and Expenses (such as fees and disbursements of attorneys, architects, engineers, attorneys, professionals and other consultants and experts) expressly stated elsewhere in this Declaration or the By-Laws to be paid by the Interested Party without reimbursement (such as in the case of Requesting Party who is the Sponsor, an Unsold Unit Owner or the Retail Unit Owner).

Section 20.4 Giving Assurances. Each Interested Party shall make and give such assurances as may be reasonably requested by a Requesting Party to confirm or effectuate the provisions of the Condominium Documents or any transaction, action, right, power, privilege, exemption, easement, license, indemnity, remedy, benefit, requirement or other matter provided, authorized, permitted or contemplated in the Condominium Documents (collectively, "**Assurances**").

Section 20.5 Giving Instruments and Documents. The making and giving of Assurances includes the requirement for the Interested Party to sign, have notarized or acknowledged (if and as applicable) and deliver to the Requesting Party, and the Requesting Party to receive, within ten (10) calendar days after written request therefor is given, instruments or documents (in addition to those specifically provided in the Condominium Documents) prepared or provided by, and at the expense of, the Requesting Party in accordance with, and if and to the extent required in Section 20.2 above.

Section 20.6 Limited Power of Attorney.

Section 20.6.1 Grant of Limited Power of Attorney. With the intention to constitute a limited, durable power of attorney, an Interested Party who improperly refuses or fails to timely make or give an Assurance, shall automatically have, and deemed to have, irrevocably authorized, appointed and designated the applicable Requesting Party to act as agent and attorney-in-fact, "coupled with an interest" and for valuable consideration, and with the "power of substitution" (as defined and provided in subsection 20.6.2 below) of such Interested Party, in the name, place and stead of such Interested Party in any way which such Interested Party could do if personally present, with respect only to the matters involved in the making and giving of such Assurance, to the full extent that such Interested Party is permitted by Law to act through an agent.

Section 20.6.2 Power of Substitution. The "**power of substitution**" in the foregoing limited power of attorney in Section 20.6.1 includes the full and unqualified authority of the attorney-in-fact to delegate this limited power of attorney to any Person or Persons whom such attorney-in-fact shall select.

Section 20.6.3 Durable. This limited power of attorney shall be durable and shall not be affected by the disability or incompetence of the principal (that is, the applicable Interested Party) or any other Person comprising the principal.

ARTICLE 21

COVENANTS TO RUN WITH THE LAND; COMPLIANCE WITH CONDOMINIUM ACT

Section 21.1 Covenants Run With Land. All provisions of this Declaration, the By-Laws and the Rules and Regulations, as each may be duly amended from time to time, to the extent applicable and unless otherwise expressly herein or therein provided to the contrary, are, and shall be construed: (a) to be perpetual; (b) to be covenants running with the Land and with every part thereof and interest and estate therein; (c) to inure to, benefit and bind each Owner of all or any part thereof, or interest or estate therein, and such Owner's heirs, distributees, executors, administrators, legal representatives, successors and assigns; and (d) to not create any rights in, or for the benefit of, the general public.

Section 21.2 Binding Effect. All present and future Owners and Permitted Tenants/Occupants/Invitees of Units shall be subject to, and shall comply with, the provisions of this Declaration, the By-Laws and the Rules and Regulations, as each may be duly amended from time to time.

Section 21.3 Acceptance, Adoption and Ratification. The recording or the acceptance of a deed or conveyance or the succeeding to title, the entering into a lease, or the entering into occupancy of any Unit shall constitute, and be deemed conclusively to constitute, an irrevocable agreement that the provisions of this Declaration, the By-Laws and the Rules and Regulations, as each may be duly amended from time to time, are accepted, adopted and ratified by the Owner and Permitted Tenants/ Occupants/Invitees of such Unit as covenants running with the Land and binding upon such Owner and Permitted Tenants/Occupants/Invitees and any other Person having, at any time, any interest or estate in such Unit or a portion thereof, with the same force and effect as though such provisions were recited and stipulated at length in each and every deed, conveyance, lease or other document granting or establishing an interest or estate in such Unit.

Section 21.4 Invalidity and Reformation. If any provision of the Condominium Documents is invalid under, or would cause the Condominium Documents to be insufficient to submit the Property to, the provisions of the Condominium Act, or otherwise fails to comply with the Condominium Act, such provision shall be deemed deleted from the Condominium Documents for the purpose only of submitting the Property to the provisions of the Condominium Act or shall be deemed to be appropriately reformed so as to be in compliance in the Condominium Act. However, to the extent the validity of establishment of condominium ownership of the Property under the Condominium Act is not adversely affected, such provision shall nevertheless be valid, enforceable and binding upon, and shall inure to the benefit of, the Owners of the Property or any portion thereof and their respective heirs, legatees, distributees, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under other applicable Law, to the extent permitted under such other applicable Law, with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land.

Section 21.5 **Deemed Inclusion of Necessary Provisions.** If any provision that is necessary to cause this Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from this Declaration or the By-Laws, then such provision shall be deemed included as a part of this Declaration or the By-Laws, as the case may be, for the purposes of submitting the Property to the provisions of the Condominium Act. Such deemed included provision shall also be regarded as part of the covenants running with Land as provided in this Article 21.

Section 21.6 **Correction Declaration.** The Sponsor (while it owns any Unit) or the individuals who shall from time to time constitute the Condominium Board, as agent and on behalf of all Unit Owners, shall each have a limited, durable power of attorney as provided in Section 17.1 above to record a correction Declaration to effectuate the provisions of Sections 21.4 and 21.5 above or to reform the Declaration to the provisions of the Plan.

ARTICLE 22

AMENDMENTS TO DECLARATION

Section 22.1 **Application to Declaration and By-Laws.** All references in this Article 22 to the "Declaration" shall mean and include the Declaration and/or By-Laws (whether or not the By-Laws are expressly indicated).

Section 22.2 **Requirements.** Subject and subordinate to compliance with Section 22.4 below, the Condominium Board or the applicable Board Members and the Unit Owners specified below shall each have the power to amend the Declaration under the circumstances and (if required) upon obtaining the approvals and/or consents (if and as indicated below) in the following cases (all references to "Unit Owners" or "Units" shall exclude the Condominium Board or its nominee or designee as Owner of any Unit and shall exclude the Units and Common Interests owned by the Board or its nominee or designee in determining the number and Common Interests of Unit Owners for quorum and voting purposes):

(a) in the case of an Amendment affecting only the General Common Elements, the Association's General Properties, the General Common Expenses, the General Common Charges and/or all or a portion of both the Residential Space and the Retail Unit, but subject and subordinate to clause (d) below: the Amendment may be made by the Condominium Board: (a-1) if approved or adopted by a majority of those Residential and Commercial Board Members attending a duly constituted Board meeting at which a quorum is present; and (a-2) if approved or consented to by at least two-thirds (2/3rds) or (in the case of an Amendment to Articles 7, 9, 10 or 19 above) more than 95% in number and Common Interest of all Unit Owners;

(b) in the case of an Amendment affecting only all or a portion of the Residential Space or the Association's Residential Properties, but subject and subordinate to clause (d) below: the Amendment may be by the Residential Board Members on behalf of the Condominium Board: (b-1) if approved or adopted by a majority of only those Residential Board Members attending a duly constituted meeting of Residential Board Members at which a quorum is present, inclusive of the Independent Board Members and the Sponsor Board Member(s) (and without the approval or consent of the Commercial Board Member); and (b-2) if approved or consented to by at least two-thirds (2/3rds) in number and Common Interest of the Owners of all Sold and Unsold

Residential and Storage Units, but without the express approval or consent of the Retail Unit Owner, who shall be deemed automatically and irrevocably to likewise have approved or consented to such Amendment if such two-thirds (2/3rds) threshold is met;

(c) in the case of an Amendment affecting only the Retail Unit, including a Unit Change to the Retail Unit: the Amendment may be made alone by the Owner of the Retail Unit, without the approval or consent of the Condominium Board or the Residential Board Members and without the express approval or consent of other Unit Owners, all of whom automatically and irrevocably shall be deemed to have approved or consented to such Amendment;

(d) in the case of an Amendment affecting only an Unsold Unit or (if established) an Individual Limited Common Element appurtenant to an Unsold Unit, or a Unit Change to an Unsold Unit: the Amendment may be made alone by the applicable Owner (including Sponsor) of such Unsold Unit, without the approval or consent of the Condominium Board or the Residential or Commercial Board Members and without the express approval or consent of other Unit Owners, all of whom automatically and irrevocably shall be deemed to have approved or consented to such Amendment;

(e) in the case of an Amendment to reflect changes required by an Institutional Lender holding, or having issued a written commitment for, a Unit mortgage, a Governmental Authority having jurisdiction over the Property or the Condominium Association, or a title insurer of a Unit: subject and subordinate to the restrictions set forth in Section 22.4 below: (e-1) the Amendment may be made alone by Sponsor so long as Sponsor owns a Unit, without the approval or consent of the Condominium Board and without the express approval or consent of other Unit Owners, all of whom automatically and irrevocably shall be deemed to have approved or consented to such Amendment; or (e-2) the Amendment may be made alone by the Condominium Board, subject to obtaining the prior written Discretionary Approval or Consent of Sponsor during only the Sponsor Veto Control Period and until the permanent Certificate of Occupancy of the Building issues, but without the express approval or consent of other Unit Owners, all of whom automatically and irrevocably shall be deemed to have approved or consented to such Amendment);

(f) in the case of an Amendment to reflect only the subdivision of a Sold Unit and the proper apportionment of the Common Interest of the Sold Unit being subdivided, or the combination of a Sold Unit with all or part of one (1) or more other Sold Units and the proper apportionment of the Common Interests of the Sold Units involved in such Unit Combination: the Amendment may be made by the Owner of the Sold Unit being subdivided or by the Owner or Owners of the Sold Units involved in the Unit Combination, as applicable, subject to obtaining the prior written Reasonable Approval or Consent of the Condominium Board (except no Board approval or consent shall be required in the case of an Authorized First Sold Residential Unit Owner who is expressly authorized by Sponsor or an Unsold Unit Owner (as applicable) to make such Unit Change as provided in Article 13 above), but without the express approval or consent of other Unit Owners, all of whom automatically and irrevocably shall be deemed to have approved or consented to such Amendment; and

(g) in the case of an Amendment affecting a Unit's appurtenant Common Interest, size or configuration: the prior written Discretionary Approval or Consent of the Owner of the affected Unit must be obtained therefor.

Section 22.3 **Illustration.** In furtherance of Section 22.2 above and in accordance with Article 13 above, Sponsor shall have the right to execute, record and file Amendments to the Condominium Documents from time to time, without the consent or approval of, and without such Amendments being executed by, the Condominium Board, other Unit Owners (who automatically and irrevocably shall be deemed to have approved or consented to such Amendments) or Unit mortgage lenders (other than the consent of the holder of a mortgage on the applicable Sponsor Unit which is the subject of a Unit Change, if and to the extent required under such mortgage):

(a) to reflect a change in the size or number of one (1) or more Sponsor Units and the reallocation of the Common Interest(s) appurtenant to said Unit(s) involved in such Unit Change, provided such reallocation will not change the Common Interest of any other Unit without obtaining the prior written Discretionary Approval or Consent of the Owner of such other Unit; or

(b) to reflect a Description Change of a Sponsor Unit to a Common Element or an Individual Limited Common Element, or vice versa (pursuant to Section 13.1(e) above).

The Retail Unit Owner shall have the same right as Sponsor to execute, record and file Amendments to the Condominium Documents from time to time to reflect a Unit Change to such Owner's Retail Unit, without obtaining the consent or approval of, and without such Amendments being executed by, the Condominium Board, other Unit Owners (who automatically and irrevocably shall be deemed to have approved or consented to such Amendments) or holders of mortgages on other Units.

Section 22.4 **Restrictions.** The following restrictions apply to each and every Amendment to this Declaration:

(a) the prior written Discretionary Approval or Consent of the applicable mortgage holder must be obtained to an Amendment that would with reasonable likelihood adversely affect the priority or validity of the lien of a purchase money mortgage or a mortgage held by an Institutional Lender on the Unit; and

(b) the prior written Discretionary Approval or Consent of Sponsor, an Unsold Unit Owner or the Retail Unit Owner (hereinafter, "**such Owner**"), as applicable, must be obtained to an Amendment that would with reasonable likelihood: (b-1) unreasonably interfere with a potential or proposed sale, lease, mortgage or other Disposition of a Unit owned by such Owner; (b-2) abridge, modify, suspend, eliminate or otherwise affect any right, power, easement, license, privilege, indemnity, exemption, remedy or other benefit of such Owner; (b-3) impose any discriminatory charge, fee or other imposition against or on such Owner or a tenant or occupant of such Owner's Unit; (b-4) change or restrict the permitted use or occupancy of a Unit owned by such Owner; (b-5) adversely affect the value, marketing or other Disposition of a Unit owned by such Owner; or (b-6) adversely affect a tenant, operator or licensee of all or part of such Owner's Unit or cause such Owner to incur or suffer any additional obligation or Cost or Expense with respect to any tenant, operator, licensee or occupant of all or part of such Owner's Unit.

A provision of an Amendment which violates or is inconsistent with or fails to comply with any of these restrictions shall be invalid, null and void, and without any force or effect.

Section 22.5 **Acknowledgment and Recording.** Each Amendment to this Declaration or the By-Laws must be signed and acknowledged in accordance with the legal requirements for recording a Unit deed, and shall not be effective, binding or enforceable until recorded in the Register's Office.

Section 22.6 **Signatories.** In the case of an Amendment to the Declaration or By-Laws by:

(a) the Condominium Board: the Amendment shall be signed and acknowledged in recordable form by any of the President or the Vice-President or a co-Vice-President and by any of the Secretary or an Assistant Secretary of the Condominium Association and (if applicable) shall include a certification by the Secretary or an Assistant Secretary that the required percentage of Unit Owners have, or are deemed to have, approved or consented to the Amendment; or

(b) Sponsor, an Unsold Unit Owner, the Retail Unit Owner or an Authorized First Sold Residential Unit Owner: the Amendment shall be signed and acknowledged in recordable form by only:

(b-1) the applicable Party recording such Amendment or (in the case of a corporation, partnership, limited liability partnership or company, trust, estate or other Entity) an officer, partner, member, trustee, executor, administrator or other appropriate Person authorized by, or having authority to act in behalf of, such Party; and

(b-2) (in the case only of an Authorized First Sold Residential Unit Owner) shall include a certification by the Secretary or an Assistant Secretary of the Condominium Association that the approval or consent of the Amendment by the Condominium Board or other Unit Owners is not required and the approval or consent of the other Unit Owners has been given or deemed to have been given.

Section 22.7 **Floor Plans.** The Party authorized to sign, acknowledge and record an Amendment to this Declaration in Section 22.6 above is also authorized to cause to be properly certified and filed and/or recorded with the tax assessor (and other Governmental Authority having jurisdiction) and said Register's Office an appropriate Amendment to the Floor Plans whenever required in connection with such Amendment to this Declaration (such as in the case of an Amendment to this Declaration to reflect a Unit Subdivision, a Unit Combination or a Unit Expansion).

Section 22.8 **Limited Power of Attorney.** With the intention to constitute a limited, durable power of attorney:

(a) Sponsor (as the initial Owner of all Units) does hereby irrevocably authorize, appoint and designate, and

(b) all successive Owners of each and every Unit, by accepting or recording a deed to a Unit or otherwise succeeding to title to a Unit (whether by operation of Law, or by transfer, merger consolidation, liquidation, dissolution or otherwise) shall thereupon automatically have, and be deemed to have, irrevocably authorized, appointed and designated,

each of the respective Persons (individually, "**attorney-in-fact**") listed in Section 22.6 above, severally, as agent and attorney-in-fact, "coupled with an interest" and for valuable consideration, and with full power of substitution, of Sponsor and each such successive Unit Owner (either, "**Principal**"), as applicable, to act on behalf and as agent of Principal and in the name, place and stead of the Principal in any way which the Principal could do if personally present, to the full extent that the Principal is permitted by Law to act through an agent, with respect only to the execution, acknowledgment and recording and/or filing by said appropriate attorney-in-fact of said Amendments to this Declaration and (when applicable) Amendments to the Floor Plans in accordance with this Article 22. This limited power of attorney shall be durable and shall not be revoked in the event of the disability or incompetence of the Principal (that is, Sponsor or a successor Unit Owner).

Section 22.9 **Filing of Conformed Copy.** A conformed copy of the Amendment to this Declaration and (if applicable) the Amendment to the Floor Plans shall be filed promptly with the Secretary or an Assistant Secretary of the Condominium Association or the Condominium's Managing Agent (if any) by the applicable Party recording the Amendment and shall be made available by the Condominium Board at the Property or the office of the Managing Agent (if any) for inspection (without charge) and copying (at a reasonable charge) by each of the following Parties or a representative of such Party expressly authorized in writing by such Party: (a) a Unit Owner; (b) a Unit mortgage lender; (c) a tenant of a Unit who is expressly authorized in writing by the Owner of such Unit; and (d) a prospective purchaser, mortgage lender or tenant of a Unit who is expressly authorized in writing by the Owner of such Unit.

Section 22.10 **Filing with Secretary of State.** With reasonable promptness following the recording of an Amendment to this Declaration, such Amendment shall be filed with the Department of State of the State of New York, if and as required by the Condominium Act (including Section 339-s thereof) and the rules, regulations or requirements of the said Department of State. Such filing with the Department of State shall be the duty of the Condominium Board, at the sole Cost and Expense of the applicable Party recording the Amendment, except that if the applicable Party is the Sponsor or an Unsold Unit Owner or the Retail Unit Owner, then such applicable Party shall have the duty to so file the Amendment.

ARTICLE 23

CONSENT OF SPONSOR

Section 23.1 **Consent of Sponsor.** Any provision of the Condominium Documents or the Plan that requires the consent (including the Discretionary or Reasonable Approval or Consent), satisfaction or permission of Sponsor (collectively, "**Consent**") shall mean and be construed to read "the prior written Consent of Sponsor" and unless expressly stated to require the Reasonable Consent, shall mean and be construed to read the "prior written Discretionary Consent". In addition, the requirement to obtain Sponsor's Consent shall continue unabated for so long as Sponsor owns a Unit, unless otherwise expressly provided. All references to Sponsor in this Article 23 shall mean and include each of the following parties where the Consent of such Party is required: (a) an Unsold Unit Owner; (b) a Designee of an Unsold Unit Owner, or a Designee of a Designee: (c) an Involuntary Transferee of Sponsor, an Unsold Unit Owner or a Designee; and (d) a Successor in Interest to Sponsor, an Unsold Unit Owner, a Designee or an Involuntary Transferee.

Section 23.2 **Consent of Unsold Unit Owner.** In the event Sponsor no longer owns any Unit, the then existing Unsold Unit Owner(s) (if any) shall automatically succeed to Sponsor's Rights hereunder and under the By-Laws and the Plan, and the Consent of such Unsold Unit Owner(s) shall be required in place and stead of Sponsor.

Section 23.3 **Supremacy of Sponsor.** In the event Units are at the same time owned separately by Sponsor and an Unsold Unit Owner, then the Consent of Sponsor shall be sufficient for all Unsold Units whenever the Consent of Sponsor is required under the Condominium Documents, except the Consent of the applicable Unsold Unit Owner will be required if (and only if): (a) the required Consent will affect only such Owner's Unsold Unit(s) and in no way will Sponsor's Unsold Units be affected by giving, conditioning, withholding or denying the required Consent; or (b) the Common Interest or size of such Owner's Unsold Unit(s) will change by reason thereof.

Section 23.4 **Expiration.** From and after the date there are no longer any Sponsor Units or Unsold Units, the Consent of Sponsor or an Unsold Unit Owner, or (if applicable) an Involuntary Transferee of Sponsor or an Unsold Unit Owner, or a Successor in Interest of any of the foregoing, shall no longer be required.

ARTICLE 24

SERVICE OF PROCESS

Section 24.1 **Designation of Secretary of State.** The Secretary of State is hereby appointed the agent of the Condominium Board upon whom process against it or the Condominium Association may be served. Service of process on the Secretary of State as agent of the Condominium Board and the Condominium Association shall be made by personally delivering to, and leaving with, the Secretary of State or his or her deputy, or with any Person authorized by the Secretary of State to receive such service, at the office of the New York State Department of State in Albany, New York, duplicate copies of such process together with the statutory fee, which shall be a taxable disbursement. Service of process on the Condominium Board and the Condominium Association shall be complete when the Secretary of State is so served. Nothing in this Section 24.1 shall affect the right of any Person to serve process against the Condominium Board on behalf of the Condominium Association in any other manner permitted by Law.

Section 24.2 **Person and Address to Whom Process is To Be Sent.** 23 Highline LLC, having a post office address at c/o Alf Naman Real Estate Advisors Ltd., 460 Park Avenue, Floor 22, New York, New York 10022 is hereby designated as the Person and address to which the Secretary of State shall mail a copy of any such process served upon the Secretary of State with respect to any Lawsuit against the Condominium Association or the Condominium Board. Each change in the name and/or post office address of the Person to whom a copy of such service of process is to be mailed by the Secretary of State shall be appropriately updated with reasonable promptness by filing such updated information with the Secretary of State in a form then acceptable to the Secretary of State.

Section 24.3 **Foreign Entity.** The recording or acceptance of a deed or conveyance of a Unit, or the succeeding to title to a Unit, by a Foreign Entity, or the entering into a lease or occupancy agreement of a Unit by a Foreign Entity, shall constitute, and be deemed

conclusively to constitute, an acknowledgement and irrevocable agreement by such Foreign Entity to the following:

(a) such Foreign Entity is subject to the jurisdiction of the federal, state and local courts located in the City, County and State of New York and to the American Arbitration Association (or any successor thereto with similar function) under Article 19 of the By-Laws, and any defenses by a Foreign Entity with respect to jurisdictional defects are unconditionally waived;

(b) any judgment, order or award obtained by the Condominium Board, Sponsor, the Retail Unit Owner, an Unsold Unit Owner or whomsoever against a Foreign Entity in a Lawsuit shall be fully enforceable against it, subject to any rights of appeal, and any defense by a Foreign Entity as to the validity or enforceability of same is hereby unconditionally waived;

(c) at or prior to the time such Foreign Entity becomes the Owner or a tenant or occupant of a Unit, it shall duly execute and deliver to the Condominium Board or the Condominium Association's then Managing Agent, and the Condominium Board or such then Managing Agent shall receive, a written designation or appointment of an agent ("Registered Agent") in the State of New York upon whom process against such Foreign Entity may be served;

(d) such Registered Agent shall be: (d-1) a natural person (i.e., an individual) who is a resident of the State of New York, or has a business address in the State of New York, or (d-2) an attorney duly licensed to practice law, and maintains an office and is doing business, in the State of New York; or (d-3) an Entity authorized to do business in the State of New York; or (d-4) the Secretary of State of the State of New York;

(e) such designation or appointment of a Registered Agent shall remain in full force and effect, and may be relied upon, until such Foreign Entity duly executes and delivers to the Condominium Board or said then Managing Agent, and the Condominium Board or said then Managing Agent receives, a further written designation or appointment of a new, substitute Registered Agent who meets the qualifications set forth in the preceding clause (d);

(f) in the event of the resignation, death, incapacity, incompetency, dissolution, merger, consolidation or other cessation of a Registered Agent upon whom service of process may no longer be effectuated in the State of New York, such Foreign Entity shall immediately execute and deliver to the Condominium Board or said then Managing Agent, and the Condominium Board or said then Managing Agent shall receive, a further written designation or appointment of a new, substitute Registered Agent who meets the qualifications set forth in clause (d) above;

(g) pending receipt of such further designation or appointment of a new Registered Agent, the then Managing Agent of the Condominium Association shall automatically be, and deemed to be, the Registered Agent of such Foreign Entity and any process served on said Managing Agent while acting in such capacity as Registered Agent shall be given to such Foreign Entity in the same manner as provided for giving of notices in Article 20 of the By-Laws;

(h) the said written designation or appointment of a Registered Agent or a new, substitute Registered Agent shall be in form and substance satisfactory to the Condominium Board and may, at the Board's sole option, be prepared by the Board's attorneys at the expense of such Foreign Entity; and

(i) the failure or refusal of a Foreign Entity to comply with the provisions of the preceding clauses (c) through (h), shall, in addition to all other legal and equitable rights and remedies, entitle the Condominium Board to withhold or deny furnishing the Certificate of Waiver or Exemption set forth in Article 16, subsection 16.6.1 of the By-Laws and the Estoppel Certificate set forth in Section 16.12 of said Article 16 of the By-Laws, without the Condominium Board and Unit Owners incurring any Liabilities and Expenses, and without recourse of any kind against the Condominium Board or Unit Owners by reason thereof.

ARTICLE 25

INCORPORATION IN DECLARATION

Section 25.1 **Incorporation of Exhibits, Floor Plans and Offering Plan.** Each of the EXHIBITS attached to this Declaration, the Floor Plans of the Building and Units intended to be recorded and filed in the Register's Office contemporaneously with the recording of this Declaration, and the Plan (i.e., the Condominium Offering Plan of the Property and all Amendments thereto accepted for filing by the New York State Department of Law prior to the First Closing of a Residential Unit under such Offering Plan) form a part of, and are hereby incorporated in, this Declaration with the same force and effect as though set forth at length herein. In the event of any inconsistency or conflict between the provisions of the Plan and this Declaration or the By-Laws (including the Rules and Regulations annexed thereto), the provisions of the Plan are paramount and shall govern and prevail. This Declaration shall govern and prevail in the event of any inconsistency or conflict between its provisions and the provisions of the By-Laws (including said Rules and Regulations).

ARTICLE 26

CHANGES AND WAIVER

Section 26.1 **Changes.** The provisions of this Declaration may be changed only by Amendment made, executed, filed and/or recorded in accordance with Article 22 above, except the Rules and Regulations appended to the By-laws may be amended or otherwise changed without recording an amendment to this Declaration or the By-Laws as provided in Article 14, Section 14.5 of the By-Laws.

Section 26.2 **No Waiver of Consent.** The provisions of this Declaration or the Condominium Act requiring the consent or approval of a specified percentage of Common Interest or number of Unit Owners may not be waived (subject to the right to provide a different percentage or number as provided in Section 339-e(8) of the Condominium Act).

Section 26.3 **Waiver in Writing.** All other provisions may be waived only in writing signed by or in behalf (through a duly authorized representative or agent) of the Unit Owner or Condominium Board (as applicable) waiving a provision hereof, unless such provision is

expressly stated to have been waived or deemed waived if not exercised, satisfied or performed within a specified period.

Section 26.4 **No Inference of Waiver.** The delay or failure to enforce or insist on strict performance of, or compliance with, any provision of this Declaration shall not mean or infer that the provision has been waived or that the right to enforce or insist then or thereafter on strict performance of, or compliance with, that or any other provision of this Declaration has been waived. A waiver of any breach or violation or requirement of this Declaration shall not be, or construed to be, a waiver of any subsequent or other breach or violation or requirement hereof.

ARTICLE 27

SEVERABILITY

Section 27.1 **Valid and Enforceable.** Subject to the provisions of Sections 21.4 and 21.5 above: (a) the invalidity or unenforceability of any provision of this Declaration shall not affect the validity or enforceability of any other provision hereof; and (b) each provision of this Declaration is, and shall be construed to be, valid, binding and enforceable to the fullest extent permitted by Law.

Section 27.2 **Condominium Act is Paramount.** The Condominium Act is paramount and shall govern and supersede any provision of the Condominium Documents which is contrary to, or prohibited by, the Condominium Act.

ARTICLE 28

SPONSOR'S/COMMERCIAL OWNER'S RIGHTS

Section 28.1 **Who May Exercise.** The special rights, powers, privileges, exemptions, easements, licenses, indemnities, remedies, protections and other benefits of Sponsor, Unsold Unit Owners and Retail Unit Owners (collectively "**Sponsor's Rights**" or "**Sponsor's/Commercial Owner's Rights**") in the Plan and the Condominium Documents (as each may be duly amended from time to time), and the limitations, restrictions and requirements thereunder (if any) in connection with such Sponsor's/Commercial Owner's Rights or otherwise applicable to each, shall inure to, benefit, bind and be enforceable by and against: (a) the Sponsor; (b) the Unsold Unit Owners (each such Owner having with regard to all Unsold Units owned by said Unsold Unit Owner all or (only if specified by Sponsor) certain of Sponsor's Rights under the Plan and the Condominium Documents); (c) the Retail Unit Owner; (d) a Person who is designated by Sponsor or an Unsold Unit Owner in a deed, an Amendment to this Declaration or an instrument executed and acknowledged in recordable form by Sponsor or such Unsold Unit Owner (as applicable) as Sponsor's or such Owner's "**Designee**" having, with regard to the Unsold Unit owned by such Designee, all or (if specified by Sponsor or such Unsold Unit Owner, as applicable) certain of said Sponsor's Rights (each Designee shall have the same right to designate a Person as a Designee); (e) a Person who acquires title to a Sponsor Unit, an Unsold Unit, the Designee's Unit or the Retail Unit, respectively, by sale or conveyance following a mortgage foreclosure or by deed given in lieu thereof or similar involuntary conveyance of such Unit ("**Involuntary Transferee**"); and (f) a Person who succeeds to the interest in a Unit owned by Sponsor, an Unsold Unit Owner, a Designee or the

Retail Unit Owner by operation of the Law (e.g. by Laws of descent, distribution, inheritance or the like) or by merger, consolidation, liquidation, dissolution or a similar succession ("**Successor in Interest**"). Sponsor, an Unsold Unit Owner, a Designee, the Retail Unit Owner, an Involuntary Transferee and a Successor in Interest of each of the foregoing shall continue to have, and may exercise, such Sponsor's/Commercial Owner's Rights so long as each of the foregoing owns, leases or holds any other estate or interest in the applicable Unit. All of Sponsor's Rights shall inure to, benefit and be enforceable by an Unsold Unit Owner, a Designee, an Involuntary Transferee and a Successor in Interest, with respect to the Unit owned by such Party (unless otherwise expressly provided in the instrument granting or giving such Sponsor's Rights to a Designee as aforesaid). The Sponsor's Rights apply to all Units owned at the time in question by Sponsor, an Unsold Unit Owner, a Designee, an Involuntary Transferee or a Successor in Interest, including Sold Residential Units and Sold Storage Units reacquired by each of the foregoing, whether such reacquisition results from the exercise of a right of rescission, or a right to sell back to such Party or a mortgage foreclosure, or a deed given in lieu of such foreclosure, or otherwise. However, such reacquired Units shall not be regarded as Unsold Units for purposes of determining the expiration of the Sponsor Board Control Period or the Sponsor Veto Control Period.

Section 28.2 **Other Unit Owners.** The Owner of a Unit who is not the Sponsor, an Unsold Unit Owner, a Designee, or the Retail Unit Owner, or an Involuntary Transferee or a Successor in Interest of any of the foregoing, shall not have, or benefit from, and may not exercise or enforce, any of such Sponsor's/Commercial Owner's Rights under this Declaration or the By-Laws, unless otherwise expressly provided.

Section 28.3 **Covenants with Land Supplemented.** This Article 28 is in furtherance of, supplements and supersedes any inconsistencies in Section 21.1 above.

ARTICLE 29

INDEMNIFICATION

Section 29.1 **Indemnification Generally.** Whenever a Person ("**Indemnifying Party**") is required under any provision of this Declaration or the By-Laws to indemnify or give any other Person(s) ("**Indemnified Party**") an indemnification, then such Indemnifying Party shall indemnify the Indemnified Party and all past, present and future Related Parties of the Indemnified Party, all agents, employees, attorneys and other consultants of such Indemnified Party, and the respective heirs, distributees, legatees, executors, administrators, legal representatives, successors and assigns (all of the foregoing are collectively, the "**Indemnified Parties**"), to the full extent lawful, from and against all Claims and Liabilities and Expenses that shall be paid or incurred, related to or arising from the indemnified matter, including Costs and Expenses in connection therewith and in connection with the prosecution and collection of the indemnity ("**such Claims**"). Any such indemnification shall be in addition to any liability that such Indemnifying Party may otherwise have.

Section 29.2 **Contribution.** If indemnification were for any reason not to be available with respect to any matter, the Indemnifying Party shall contribute to the settlement of such Claims and Liabilities and Expenses in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party, on the one hand, and the Indemnified Parties, on the other hand, as well as any other relevant equitable considerations.

Section 29.3 **Application.** The provisions of this Article shall be applicable to any indemnity given or required to be given under the provisions of this Declaration or the By-Laws, whether or not expressly so stated in any particular provision giving or requiring such indemnity. Nothing contained in this Article shall be deemed to supersede or circumscribe any express limitation on or express expansion of any indemnity given or required to be given under the provisions of this Declaration or the By-Laws.

Section 29.4 **Notice of Claims or Lawsuit.** Promptly after receipt by the Indemnified Party of notice of any such Claims or the commencement of any Lawsuit covered by the indemnity pursuant to any of the provisions of this Declaration or the By-Laws, the Indemnified Party shall notify the Indemnifying Party in writing of such Claims or the commencement of any Lawsuit and shall with reasonable promptness give the Indemnifying Party copies of the pleadings and other litigation documents in any such Lawsuit, as and when received.

Section 29.5 **Selection of Attorneys and Settlement.** The Indemnifying Party, at such Party's sole Cost or Expense, shall defend the applicable Indemnified Party with counsel reasonably satisfactory to such Indemnified Party, shall keep the Indemnified Party apprised of all legal proceedings and shall be entitled to control and conduct the defense of such Claims (including any Lawsuit), but shall not enter into any compromise or settlement thereof without obtaining the prior written Reasonable Approval or Consent of the Indemnified Party.

Section 29.6 **Cooperation of Indemnified Party.** The Indemnified Party shall cooperate fully and make available to the Indemnifying Party such information and documents under the control or in the possession of the Indemnified Party as are reasonably related to the defense of such Claims (including any Lawsuit).

Section 29.7 **Participation of Indemnified Party.** The Indemnified Party shall have the right, but not the obligation, at such Indemnified Party's sole Cost and Expense, to participate and be represented by separate counsel (chosen by the Indemnified Party) in the defense, compromise and settlement of such Claims or Lawsuit.

Section 29.8 **Allocation of Costs and Expenses.** If the Indemnifying Party is the Condominium Board, then the Costs and Expenses of the Condominium Board in connection with an indemnification shall be allocated to the General Common Expenses or Residential Common Expenses (as appropriate) in accordance with the provisions or (if not expressly provided) purposes and equitable principles of this Declaration or the By-Laws.

Section 29.9 **Indemnification of Board Parties.**

Section 29.9.1 Business Corporation Law. The indemnification provisions of the New York Business Corporation Law ("**BCL**") for corporate directors and officers shall apply respectively to the Board Members and officers of the Condominium Association to the same effect as though the Condominium Association of Unit Owners were a corporation and the Board Members and officers of the Condominium Association were respectively a board of directors and officers of such corporation.

Section 29.9.2 Indemnity. The Condominium Board on behalf and as agent of the Unit Owners or only the Unit Owners on whose behalf the Board is acting (as applicable) shall indemnify to the fullest extent provided in the BCL, the Board Members and officers of the Condominium, made, or threatened to be made, a party to an action or proceeding, whether civil

or criminal, including an action by or in the right of the Board or any corporation of any type or kind, or any partnership, limited liability partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise, whether domestic or foreign, which such Board Member or officer or other person on behalf of the Board heretofore or hereafter served in any capacity at the request of the Board, by reason of the fact that such person, whether testate or intestate, was a Board Member or officer, or served such other corporation, limited liability partnership, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise in any capacity, against judgments, fines, amounts paid in settlement and reasonable expenses, including attorneys' fees and disbursements actually and necessarily incurred as a result of the threat of, the commencement of and/or the continuation of such action or proceeding, or any appeal therein, if such Board Member or officer acted, in good faith, for a purpose which such person reasonably believed to be in, or, in the case of service for any such other corporation, partnership, limited liability partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise, not opposed to, the best interests of the Board and the Condominium Association and, in criminal proceedings, in addition, had no reasonable cause to believe that his or her conduct was unlawful. The liability of each Unit Owner under this indemnity shall be limited as provided in Article 4, Section 4.12 of the By Laws.

Section 29.9.3 No Presumption. The termination of any such civil or criminal proceeding by judgment, settlement, conviction or upon a plea of nolo contendere, or its equivalent, shall not in itself create a presumption that any such Board Member or officer did not act in good faith, for a purpose which such person reasonably believed to be in, or, in the case of service for any such other corporation, partnership, limited liability partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise, not opposed to, the best interests of the Board and the Condominium Association or that such person had reasonable cause to believe that his or her conduct was unlawful.

Section 29.9.4 Expenses. Expenses incurred in defending a civil or criminal action or proceeding by a Board Member, officer or other person to be indemnified under this Article shall be paid by the Board on behalf and as agent of the Unit Owners or only the Unit Owners on whose behalf the Board is acting (as applicable) in advance of the final disposition of such action or proceeding upon receipt of an undertaking by or on behalf of such Board Member, officer or other person to repay such amounts as, and to the extent, required by BCL Section 325(a). The indemnification provided by the preceding Section 29.9.2 shall not be deemed exclusive of any other rights to which a Board Member or officer seeking indemnification or advancement of expenses may be entitled, whether contained in this Declaration or the By-Laws, or a resolution of Unit Owners, a resolution of disinterested Board Members, or an agreement providing for such indemnification or under any statute, provided that no indemnification may be made to or on behalf of any Board Member or officer if a judgment or other final adjudication adverse to the Board Member or officer establishes that such Board Member's or officer's acts were committed in bad faith or were the result of active and deliberate dishonesty or willful misconduct and were material to the cause of action so adjudicated, or that such Board Member or officer thereby personally gained a financial profit or other advantage to which he or she was not legally entitled.

Section 29.9.5 Other Person. A person who has been successful, on the merits or otherwise, in the defense of a civil or criminal action or proceeding of the character described in BCL Section 322 shall be entitled to indemnification as authorized by such section.

Section 29.9.6 Specific Case. Except as provided in BCL Section 323(a), any indemnification under BCL Section 321, unless ordered by a court under BCL Section 324, shall be made by the Condominium Board on behalf and as agent of the Unit Owners or only the Unit

Owners on whose behalf the Board is acting (as applicable), only if authorized in the specific case set forth in BCL Section 323(b).

Section 29.9.7 Standard of Conduct. Any determination as to whether a person has met an applicable standard of conduct shall be made in accordance with the provisions of BCL Section 323.

Section 29.9.8 Employees Agents and Committee Members. The Condominium Board on behalf and as agent of the Unit Owners or only the Unit Owners on whose behalf the Board is acting (as applicable) may, to the extent authorized from time to time by resolution of a majority of the Board Members, provide indemnification to employees or agents of the Board or members of committees appointed by the Board, with such scope and effect as determined by said majority of the Board Members, but in no event shall such indemnification be greater than would be available to such individual under this Declaration or the By-Laws, if such individual were a Board Member.

Section 29.9.9 Remedies. If a claim for indemnification under this Article is not paid in full by the Condominium Board within thirty (30) days after a written claim has been received by the Board, the claimant may at any time thereafter bring suit against the Board to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the reasonable expense of prosecuting such claim. It shall be a defense to any such action (other than action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any is required, has been tendered to the Board) that the claimant has not met the standards of conduct prescribed hereunder, but the burden of proving such defense shall be on the Condominium Board. Neither the failure of the Condominium Board (including its independent legal counsel or the Unit Owners) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper under the circumstances because he or she has met the applicable standard of conduct set forth herein or in the BCL, nor an actual determination by the Board (including its independent legal counsel or the Unit Owners) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

Section 29.9.10 Insurance. The Condominium Board on behalf and as agent of the Unit Owners or only the Unit Owners on whose behalf the Board is acting (as applicable) shall have the power to purchase and maintain insurance to indemnify: (a) the Condominium Board for any obligation which it incurs as a result of the indemnification of Board Members and officers under the provisions of this Article; (b) the Board Members and officers in instances in which they may be indemnified by the Board under the provisions of this Article; (c) the Condominium Board for any obligation which the Board incurs on behalf and as agent of the Unit Owners or only the Unit Owners on whose behalf the Board is acting (as applicable); and (d) Board Members and officers under any indemnification provided in this Declaration or the By-Laws, a resolution of Unit Owners, a resolution of the Board, or any agreement.

Section 29.9.11 Interpretation. The intent of the foregoing indemnification provisions in this Article is both to provide and to expand upon the indemnification provided by the BCL, as the BCL may from time to time be amended, so as to maintain and continue to attract persons of high quality to serve on the Condominium Board as Board Members, officers or in similar capacities.

Section 29.9.12 Notice of Claim or Lawsuit. Promptly after being notified of a Claim or served in a Lawsuit for which indemnity is sought, the indemnified party shall give notice thereof to the Condominium Board.

Section 29.9.13 Control of Defense. The Condominium Board on behalf and as agent of the Unit Owners or only the Unit Owners on whose behalf the Board is acting (as applicable), as a General Common Expense or Residential Common Expense (as applicable), shall be entitled: (a) to control the defense, compromise and settlement of such Claim or Lawsuit, provided the indemnified party shall not be adversely affected by the proposed compromise or settlement and shall be fully and unconditionally released and discharged in writing from all Liabilities and Expenses with respect to such Claim by all claimants or with respect to such Lawsuit by all plaintiffs or petitioners or counter-claimants or cross-claimants (such release and discharge to be in form and content as shall be reasonably approved by the indemnified party); and (b) to choose the attorneys, who shall be reasonably satisfactory to the indemnified party.

Section 29.9.14 Cooperation. The indemnified party shall cooperate fully and make available to the Condominium Board such information and documents under the control or in the possession of the indemnified party as are reasonably related to the defense of the Claim or Lawsuit.

Section 29.9.15 Participation. The indemnified party shall have the right, but not the obligation, at such indemnified party's sole Cost and Expense, to participate and be represented by separate counsel (chosen by the indemnified party) in the defense, compromise and settlement of the Claim or Lawsuit.

ARTICLE 30

MISCELLANEOUS: USAGES AND GRAMMAR

Section 30.1 Table of Contents and Captions. The Table of Contents and captions in this Declaration are for convenience and reference only and do not, and shall not be construed to, affect the meaning or interpretation of any provision of this Declaration.

Section 30.2 References. The words "Article", "Section", "provision", "paragraph", "clause", "EXHIBIT" or similar words refer to an Article, section, provision, paragraph and clause of this Declaration, or an EXHIBIT attached to this Declaration, unless otherwise expressly stated. Similarly, the words "hereof", "herein", "above", "below" and similar terms mean this Declaration.

Section 30.3 Grammar. Any word or term in this Declaration or any of the EXHIBITS to this Declaration that is: used in the singular, shall include the plural and vice versa; or used in any gender shall include any other gender; or used in any tense (past, present or future), shall include any other tense, whenever required by the sense of this Declaration and not contrary to the express context.

Section 30.4 Notices. Unless otherwise expressly provided elsewhere in this Declaration or the By-Laws, any request, consent, approval, election, demand, communication or notice (collectively, "**notice**") to be given or made under this Declaration or the By-Laws (including the Rules and Regulations) must be in writing and delivered or sent as provided in Article 20 of the By-Laws, all of whose provisions shall apply to the giving of notices hereunder and are hereby incorporated herein with the same force and effect as though set forth at length.

Section 30.5 **Governing Law.** The internal laws of the State of New York will govern this Declaration (including al Exhibits hereto) and the interpretation and enforcement of its provisions, without regard to legal principles or conflicts of laws.

Section 30.6 **Day.** All references in this Declaration and the Exhibits to "day" shall mean a "calendar day", unless expressly stated to be a business day.

SIGNATURE PAGE FOLLOWS

END OF TEXT ON THIS PAGE

SIGNATURE PAGE OF DECLARATION OF CONDOMINIUM

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

23 HIGHLINE LLC

By: Alf Naman Real Estate Advisors Ltd.,
Managing Member

By:
Signature:_____
Name: Alf Naman
Title: Member

ACKNOWLEDGMENT

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

On this _____ day of _____, 200__, before me, the undersigned, a notary public in and for said state, personally appeared Alf Naman personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

EXHIBIT A
TO
DECLARATION OF CONDOMINIUM
ESTABLISHING
HIGH LINE 23 CONDOMINIUM

DESCRIPTION OF LAND

ALL OF THE FOLLOWING PLOTS, PIECES OR PARCELS OF LAND, SITUATE, LYING AND BEING IN THE BOROUGH OF MANHATTAN AND COUNTY OF NEW YORK, CITY AND STATE OF NEW YORK, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING at a point on the northerly side of West 23rd Street distant 136 feet 6 inches westerly from the corner formed by the intersection of the northerly side of West 23rd Street and the westerly side of 10th Avenue;

RUNNING THENCE westerly along the northerly side of West 23rd Street, 38 feet 6 inches;

THENCE northerly, parallel with 10th Avenue, 98 feet 8 inches to the center line of the block;

THENCE easterly, along said center line of the block 38 feet 6 inches;

THENCE southerly, again parallel with 10th Avenue, 98 feet 8 inches to the northerly side of West 23rd Street, the point or place of BEGINNING.

The premises are known as 515 West 23rd Street (a/k/a 515 and 517 West 23rd Street), New York, New York.

END OF EXHIBIT A

EXHIBIT B TO DECLARATION OF CONDOMINIUM
ESTABLISHING HIGH LINE 23 CONDOMINIUM
DESCRIPTION OF UNITS

Unit Designation	No. of Rooms/ Baths (1)	Tax Lot No.	Location (in Portion of Building Facing in the Direction Set Forth Below)	Approximate Floor Area in Square Feet (2)			Approximate Unit Height in Feet/Inches(4)	Common Elements to Which Unit Has Immediate Access	Percentage of Common Interest (5)
				Indoor	Terrace/ Skylight	Unit Total (3)			
Residential Units:									
3 Lower Level	1 / 0			494				Elevator, Stairs	
3 Upper Level	3 / 2.5			1,552	797 T			Elevator, Stairs	8.0340%
Unit 3 Total	4 / 2.5			2,046	797 T	2,843			6.1426%
4	4 / 2			1,869		1,869			6.9149%
5	5 / 2			2,104		2,104		Elevator, Stairs	7.5492%
6	4 / 3			2,297		2,297		Elevator, Stairs	8.2525%
7	4 / 3			2,511		2,511		Elevator, Stairs	8.2525%
8	4 / 3			2,511		2,511		Elevator, Stairs	8.2525%
9	4 / 3			2,511		2,511		Elevator, Stairs	8.2525%
10	4 / 3			2,511		2,511		Elevator, Stairs	8.4497%
11	4 / 3			2,571		2,571		Elevator, Stairs	8.6173%
12	4 / 3			2,622		2,622		Elevator, Stairs	
PH Lower Level	4 / 2.5			2,561				Elevator, Stairs	
PH Upper Level	1 / 1			1,025	1,237 T				13.8184%
PH Unit Total	5 / 3.5			3,586	1,237 T	4,823			92.5361%
Sub-total 11 Residential Units:				27,139	3,034 T	29,173			
Storage Units:									
1				28		28		Corridor	0.0243%
2				28		28		Corridor	0.0243%
3				42		42		Corridor	0.0371%
4				27		27		Corridor	0.0238%
5				27		27		Corridor	0.0238%
6				5656		56		Corridor	0.0494%
Sub-total 6 Storage Units:				208	0	208			0.1827%
Retail Unit:				2,421	124 S	2,545			7.2812%
Total All 18 Units:				29,768	2,158	31,926			100.00%

Footnotes start after the end of this EXHIBIT B.

T: Terrace
S: Skylight

TO BE COMPLETED PRIOR TO RECORDING

FOOTNOTES TO EXHIBIT B

DESCRIPTION OF UNITS

1. Number of Residential Rooms and Baths.

1.1 Room Count. Each bedroom, living room, dining room, living/dining room and study is counted as one room. A kitchen is not counted as a room. A bathroom with a shower or tub is counted as one (1) bathroom and a bathroom without a shower or tub is counted as a half-bathroom.

2. Floor Area of Unit.

2.1 Unit Boundaries. The approximate indoor floor area of each Unit (other than a Storage Unit) has been measured from the exterior side of the Building Walls or glass windows at the Building line and/or Property line enclosing the Unit, or from the public side or egress stair side of an interior Party Wall separating the Unit from a public area or egress stair, respectively, or from the unexposed side of an interior Party Wall separating the Unit from an elevator shaft. The approximate floor area of each Storage Unit has been measured from the Unit-side of the boundary walls enclosing such Unit. Columns and mechanical pipes and chases (whether along the perimeter or within the Unit) are not deducted from the square foot area of the Unit. The outdoor floor area of a Terrace appurtenant to a Unit is not included in the Unit's indoor floor area.

2.2 Inclusion of Common Elements. The floor area occupied by any Common Elements bordering or within a Unit (such as the Building Walls, vents, chase walls or areas, conduits, ducts, shafts or pipes) have been included in the computation of the floor area of the Unit, but such Common Elements are not part of the Unit.

2.3 Allowance. All floor areas used in the calculations of Common Interests are approximations within a tolerance of about 5%.

2.4 Based on Full (Actual) Square Footage. The approximate floor areas shown in the "Indoor" and "Terrace" columns equal their full (actual) square footages as measured in accordance with note 2.1 above.

2.5 Terrace. The Terrace appurtenant to a specified Residential Unit is part of such Unit.

3. Unit Total.

3.1 Based on Full (Actual) Square Footage. The approximate floor area shown in the "Unit Total" column equals the full (actual) square footage of the Unit and its appurtenant Terrace, which are included in, and part of, such Unit.

4. Unit Height. The height of each Unit consists of the volume space measured vertically from the top of the Base Floor below (located under the finished flooring and sub-flooring materials) to the underside of the Base Ceiling above (located above the finished ceiling material). Ceiling heights on each floor vary and do not reflect dropped ceilings or shelves in

certain areas to accommodate ducts, light fixtures or other Equipment. The height shown is approximate and is measured from below the flooring installed over the Base Floors.

5. Common Interest. The Common Interest of each Unit is based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit, in accordance with Section 339-i(1)(iv) of the Condominium Act.

END OF EXHIBIT B

EXHIBIT C TO DECLARATION OF CONDOMINIUM

ESTABLISHING

HIGH LINE 23 CONDOMINIUM

GLOSSARY

The words frequently used in the Declaration and the EXHIBITS thereto (whether uppercase or lowercase) are defined below in this EXHIBIT C. Unless the context otherwise requires, words used in the singular include the plural, and vice versa, and a reference to any one gender (masculine, feminine or neuter) includes the other two.

"Additional Common Charges": As defined in Article 9, Section 9.1.5 of the Declaration.

"Additional Utility Easements/Rights": As defined in Article 11, Section 11.11 of the Declaration.

"Adjacent Lot": As defined in Article 5, Section 5.5 of the Declaration.

"Agents, Employees and Contractors": This term includes all agents, employees, contractors, subcontractors, and their respective employees and workers.

"All Repair Work": All Maintenance and Repairs, whether structural or non-structural, or extraordinary or ordinary.

"Allocation Change": As defined in Article 9, Section 9.5 of the Declaration.

"Allocation/Apportionment Change": As defined in Article 9, Section 9.6 of the Declaration.

"Apportionment Change": As defined in Article 9, Section 9.5 of the Declaration.

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

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

"approval": Unless otherwise expressly provided, the approval to be obtained is Discretionary Approval.

"Association": As defined in Article 1, Section 1.3 of the Declaration.

"Association's General Properties": As defined in Article 7, Section 7.4 of the Declaration.

"Association's Properties": As defined in Article 7, Section 7.4 of the Declaration.

"Association's Residential Properties": As defined in Article 7, Section 7.4 of the Declaration.

"Authorized First Sold Unit Owner" or **"Authorized First Sold Residential Unit Owner"**: The first Owner of a Sold Unit, including a Sold Residential Unit, who is expressly granted the right in writing by Sponsor or an Unsold Unit Owner (whoever is the grantor of the deed conveying the Sold Unit) to make a Unit Change.

"Base Ceiling": The reinforced concrete slab or other construction material above the plaster, gypsum wall board or other finish covering a ceiling. The Base Ceiling borders the top of a Unit or Common Element and constitutes one of the Structural Components of the Building. The Base Ceiling of a Unit is also the Base Floor of the Unit (if any) immediately above such Unit.

"Base Floor": The reinforced concrete slab or other construction material below the wood, stone, tile, carpet or other finish covering a floor, together with any underflooring. The Base Floor borders the bottom of a Unit or Common Element and constitutes one of the Structural Components of the Building. The Base Floor of a Unit is also the Base Ceiling of the Unit (if any) immediately below such Unit.

"Board": The Board of Managers of the Condominium.

"Board Alterations": As defined in Article 14, Section 14.5.2 of the Declaration.

"Board Member": A member of the Condominium Board, including a Residential Board Member or a Commercial Board Member.

"Budget" or **"Budget of Condominium Operation"**: The Budget of Projected Receipts and Expenses of Condominium Operation of the Property for a Budget Year, which includes both the Budget of General Operation and Budget of Residential Operation, as determined and adopted in accordance with Article 9 of the Declaration.

"Budget Guidelines": The "Guidelines for Budget of General Operation" annexed as EXHIBIT F to the Declaration.

"Budget of General Operation": As defined in Article 9, Section 9.2 of the Declaration.

"Budget of Residential Operation": As defined in Article 9, Section 9.2 of the Declaration.

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

"Building": The building known by the street addresses of 515 West 23rd Street (a/k/a 515 and 517 West 23rd Street) New York, New York 10011.

"Building's Maintenance Standard": To keep a Unit, including its Terrace, or the Common Elements (as applicable) in good and proper working order, free of water leaks and undue air penetration, and otherwise in clean and sanitary condition. To keep all windows, Terrace glass door and windows, Storefronts, Unit entrances, Terraces, Roofs, and other areas of a Unit or the Common Elements exposed to public view, and the Immediately Adjacent Sidewalks to the Property, in clean, neat and good appearance and first-class condition in accordance with the high quality, character and dignity of the Building. To keep each Terrace and Roof, and their respective drainage Systems and all outdoor areas, including the Immediately Adjacent Sidewalks to the Property, free and clear of snow, ice, water accumulation and debris.

"Building Walls": As defined in Article 6, Section 6.5 of the Declaration.

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

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

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

"calendar day": Any day of the year.

"Claims": All claims, disputes, controversies, rights, causes for Lawsuits and Lawsuits.

"Commercial Board Member": The member of the Condominium Board appointed and designated exclusively by the Retail Unit Owner to represent such Owner's interests on the Condominium Board.

"Commercial Equipment": As defined in Article 6, Section 6.9 of the Declaration.

"Commercial Limited Common Elements": As defined in Article 7, Section 3.1 of the Declaration.

"Common Charges": As defined in Article 9, Section 9.1.5 of the Declaration.

"Common Elements": As defined in Article 7, Section 7.1 of the Declaration.

"Common Expenses": As defined in Article 9, Section 9.1.1 of the Declaration.

"Common Interest": As defined in Article 7, Section 7.1 of the Declaration.

"Common Profits": As defined in Article 9, Section 9.1 of the Declaration.

"Communications Equipment and Other Installations": All antennae, satellite dishes and other communication devices and related Equipment (including fiber optic cable and other communication lines, wires, cables and conduits), plus any and all other new and/or additional Equipment and Installations that service or benefit Residential and Storage Units and/or the Retail Unit and/or the general public.

"Condominium": The condominium known as HIGH LINE 23 CONDOMINIUM, which is the subject of the Declaration to which this Glossary is attached and is being established on the Property by the filing and recording of the Condominium Documents. This term refers to the Property being submitted to the provisions of the Condominium Act.

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

"Condominium Association": As defined in Article 1, Section 1.3 of the Declaration.

"Condominium Board" or **"Board"**: The Board of Managers of the Condominium, which is the body that governs the affairs of the Condominium and the Operation of the Common Elements. The Condominium Board comprises the Residential Board Members and the Commercial Board Member.

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

"consent": Unless otherwise expressly provided, the consent to be obtained is Discretionary Consent.

"Costs and Expenses" or **"Costs or Expenses"** or similar words: All losses, damages, liabilities, costs, expenses and amounts paid, payable or incurred (including reasonable legal fees and disbursements, court costs and all other litigation expenses together with per diem interest thereon at the rate equal to the lower of 16% a year or the maximum legal rate, computed from the date paid to the date reimbursed) in connection with any Claim or to perform, observe, enforce, uphold, protect, defend, maintain and collect sums payable under a right, remedy, obligation, requirement, agreement or indemnity given in or pursuant to the Condominium Documents or an Amendment thereto or the Plan. This term also includes (where appropriate) all costs and expenses: (a) to Operate and make any Disposition of the Common Elements and the Association's Properties, including interest and principal payments under a loan; (b) to conduct the affairs of the entire Property, the Association's Properties and the Condominium Association generally or only the Residential Space or the Association's Residential Properties (as applicable); and (c) to provide services to all Unit Owners or to only the Retail Unit Owner or the Residential and Storage Unit Owners (as applicable).

"damages": All damages, whether actual, compensatory, consequential, indirect, incidental, special, punitive or otherwise.

"days": All references in the Declaration and By-Laws to "days" shall mean calendar days, unless expressly stated to be business days.

"Declarant": 23 Highline LLC, the Declarant of the Declaration and the offeror of the Residential and Storage Units under the Plan.

"Declaration": The instrument executed by Sponsor (Declarant) and recorded in the Register's Office, which submits the Property to the Condominium Act.

"Decorate," "Decorations" and derivations thereof: All painting, ornaments, furnishings, furniture, fixtures, embellishments and decorations of any kind, including: all manner of flooring (wood, tiles of any composition, carpeting, rugs and other floor coverings); all manner of wall and ceiling finishes and coverings (e.g., paint, plaster, paper, fabric, wood, glass and other materials); all manner of baseboards and moldings; all manner of lighting fixtures and chandeliers and related switch plates and electrical outlets; all manner of doorknobs, hinges and other hardware; all manner of plants, flowers and landscaping; and all manner of wall and ceiling finishes and coverings (e.g., paint, plaster, tiles, wood paneling, fabric and wallpaper).

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

"Description Change": As defined in Article 13, Section 13.1 of the Declaration.

"Designee": As defined in Article 28, Section 28.1 of the Declaration.

"Development Rights": As defined in Article 5, Section 5.5 of the Declaration.

"Discretionary Consent" or **"Discretionary Approval"** or **"Discretionary Consent or Approval"** or similar words: The consent or approval to be obtained is discretionary and may be conditioned, delayed, withheld or denied, without cause or explanation, in the sole and absolute judgment of the Party whose consent or approval is sought or required to be given, without recourse against such Party in the event consent or approval is conditioned, delayed, withheld or denied.

"Disposition": To own, hold, lease, sublease, rent, grant easements or concessions, license, mortgage, grant security interests, collateralize, assign, transfer, sell, convey, market, advertise, Promote, offer, administer, Operate, improve, combine, subdivide, expand, contract and to otherwise transact any matter with respect to, and to make any other disposition of, real or personal property allowed by Law, whether or not similar to the foregoing (but not to cast the votes appurtenant to any Unit owned by the Condominium Board or its nominee or designee).

"duties": All duties, obligations, burdens, responsibilities, requirements and services.

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

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

"Equipment": All machinery, tools, apparatus, devices and implements comprising part of a Common Element or Unit (as applicable), now or hereafter, whether mechanical, electrical, electronic, plumbing or otherwise, including: boilers, converters, radiator, heaters, blowers, exchanges and related equipment forming part of a heating system; motors; pumps; water and electric meters, electrical panels, circuit breakers, transformers, switches and related equipment forming part of an electrical system; elevator (including cab, cables, electronics, motor, air conditioner, pit, shaft and related equipment forming part of an elevator system); air-conditioners (including cooling tower, all chillers, condensers, compressors, fan coil units and related equipment forming part of an air conditioning system); fans; telephones and related equipment forming part of a telephone system; intercom (including all equipment forming part of an intercom system); cameras, monitors and related equipment forming part of a security system); televisions, antennae, satellite dishes and related equipment forming part of a television, Internet or other communication system (electric, cable, wireless or otherwise); appliances (including washers, dryers, refrigerators, ranges and ovens); sinks; toilets; fire alarms; smoke detectors; tanks and tank assemblies; sprinkler heads and alarms and related equipment forming part of a sprinkler system; bells; thermostats; thermometers; vents; sensors; valves; panels; receptacles; outlets; wiring; siamese connections; hoses, electrical, lighting,

plumbing and other fixtures and bulbs; Signs; pipes; lines; ducts; conduits; cables; risers; mains; shafts; pits, flues; chases; hardware; locks; screens, strainers; traps; drains; catch basins; leaders; filters; incinerators; compactors; canopies; closets; cabinets; doors; railings; metal stairs; furniture; mirrors; furnishings; appurtenances; urns, baskets, mail chutes; mail boxes; carpeting; tiles; floor coverings; draperies; shades; window coverings; wallpaper; wall coverings; trees; shrubbery; flowers; plants; horticultural tubs; horticultural boxes; equipment used for cleaning halls, floors, carpets, walls and other areas (whether indoor or outdoor) including for snow removal; and all other equipment forming a part of a system of the Building.

"Exempt Transaction": As defined in Article 16, Section 16.2, subsection 16.2.1 of the By-Laws.

"Existing Lease": A lease, operating agreement or license for space in the Building in effect on, or entered into prior to, the date the Declaration is recorded in the Register's Office so long as same shall remain in effect, including all extensions or renewals thereof in accordance with any option or other provision thereof, but excluding any other extensions or renewals thereof and all Amendments thereto made subsequent to said recording of the Declaration.

"Existing Tenant": A tenant under an Existing Lease at the date of recording the Declaration.

"Facilities": All fixtures and personal property not otherwise comprising the Equipment, now or hereafter existing in, on, or under the Land or Building and for the use, service or benefit of one (1) or more Units or Unit Owner(s) or forming a part of the Common Elements, or necessary or desirable for the existence, Maintenance, life, health or safety of the Property or any portion thereof or the Owners or occupants of one (1) or more Units.

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

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

"First Year's Budget": The projection of receipts and expenses of the Property for the first twelve (12) months following the projected date of First Closing of a Residential Unit under the Plan, which is set forth as SCHEDULE B in Section F of Part I of the Plan.

"515 West 23rd Street Public Areas": As defined in Article 7, Section 7.3(d) of the Declaration.

"Floor Plans": The tax lot floor plans of the Building (showing, among other things, the layout, location and approximate square footages of the Units as built) certified by a registered architect or licensed professional engineer and filed with the Real Property Assessment Department for the Borough of Manhattan, in the City and State of New York and in the Register's Office contemporaneously with the recording of the Declaration.

"Force Majeure": Acts of nature (such as flood, earthquake or severe or unusually inclement weather), explosion, fire, strikes, work stoppage or slowdown, unavailability of materials supplies, war, emergencies, national defense preemptions, governmental restrictions or actions, injunctions or court orders, or any other cause or event beyond the reasonable control of Sponsor, the Condominium Board or other Person in question (as applicable) and not attributable to the improper or bad faith acts or omissions of such Person.

"Foreign Entity": Any organization that is not formed or organized under the Laws of the State of New York or is not an instrumentality of the State of New York or any county, municipality, village or other Governmental Authority of the State of New York.

"freely": Same as Freely and Without Consent, Payment or Restriction.

"Freely and Without Consent, Payment or Restriction": This term means and includes, unless otherwise expressly provided: (a) unfettered and unconditional; (b) without consent or approval of the Condominium Board or other Unit Owners or mortgagees of Units; (c) without paying any kind of fee, rental, charge, imposition or other sum to the Condominium Board or its Managing Agent, attorneys, architects, engineers or other professionals or consultants, or to Unit Owners; and (d) without complying with any kind of work rule, restriction, requirement or limitation, other than the requirement to comply with applicable Laws, the applicable Work Requirements set forth in Article 15, Section 15.2 of the Declaration, the restriction against Prohibited Uses and any other expressly stated restriction, requirement or limitation.

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

"General Common Charges": As defined in Article 9, Section 9.1.5 of the Declaration.

"General Common Elements": As defined in Article 7, Section 7.1 of the Declaration.

"General Common Expenses": As defined in Article 9, Section 9.1 of the Declaration.

"General Legal Matters": As defined in Article 9, Section 9.1.3 of the Declaration.

"General Vault": A Vault for use by the Condominium Board for the benefit of all Unit Owners under a revocable license or right granted by The City of New York.

"Government Documents": All notices, reports, registrations, applications, petitions, declarations, easements, licenses, forms, items, papers and other documents to be filed with, or given or submitted to, a Governmental Authority, including any Government Document that is required to be signed by the Condominium Board on behalf and as agent of the Unit Owners in connection with any permit, approval, consent, waiver, exemption, variance or license, building notice, alteration, application or other form of legally required permission to or from a Governmental Authority (including a permit that is necessary to perform Work on any part of the Property), including: (a) a notice, report, registration or other information to be filed with a Governmental Authority relative to a Unit, or an Owner, tenant or occupant of such Unit; (b) any proposed Unit Change to a Unit in accordance with the Declaration; (c) an application, petition or other document required for a zoning variance or an amended or new Certificate of Occupancy for the Building or an Alteration permit related to such Unit Change of a Unit or an obligation undertaken in the Plan, a Plan Amendment or a Purchase and Sale Agreement for an Unsold Residential and/or Storage Unit; (d) any Signs permitted to be installed, Altered or replaced pursuant to the Declaration or the By-Laws; or (e) an application, petition or other document required to increase the rent of an Unsold Residential Unit or to obtain a real estate tax or other tax exemption, abatement or benefit for a Unit.

"Governmental Authorities": All authorities, agencies, departments, assessors, boards, bodies court and other instrumentalities of federal, state, county, municipal, village, local, foreign, international, regional, domestic and other governmental and quasi-governmental authorities having jurisdiction.

"household": As defined in Article 10, Section 10.13 of the Declaration.

"HVAC": Heating, ventilating and air conditioning.

"HVAC/Mechanical/Utility Building Systems": All Building Systems, including (if existing): HVAC; hot and cold water; storm drainage; refuse; waste; fire protection (e.g., sprinkler, sprinkler alarm, hoses, standpipe, siamese connection and related Installations); utilities (e.g., electric, gas, telephone, cable television, Internet and other telecommunications); intercom; and security cameras, monitors and other devices.

"immediate family": See "family".

"Immediately Adjacent Sidewalks": As defined in Article 10, Section 10.1 of the Declaration.

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

"indemnify": Whenever this term is used, it shall include to defend and hold harmless and shall apply to all Related Parties of the Party being indemnified and the respective heirs, distributees, legatees, executors, administrators, legal representatives, successors and assigns of such Indemnified Party and Related Parties.

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

"individual": A natural person.

"Individual Commercial Limited Common Element": As defined in Article 7, Section 7.1 of the Declaration.

"Individual Limited Common Element": As defined in Article 7, Section 7.1 of the Declaration.

"Individual Residential Limited Common Element": As defined in Article 7, Section 7.1 of the Declaration.

"Installation Requirements": As defined in Article 10, Section 10.4 of the Declaration.

"Installations": All Equipment, Facilities, structures, Systems and materials now or hereafter existing in, on, under or adjacent to the Land or Building and for the use, service or benefit of one (1) or more Units or Unit Owner(s) or forming a part of the Common Elements, or necessary or desirable for the Use and Enjoyment of the Property or any portion thereof or the Owners or occupants of one (1) or more Units.

"Institutional Lender": A savings bank; savings and loan association; bank or trust company; credit union; insurance company; real estate investment trust; mortgage trust; a federal, state,

municipal, union or other employee, welfare, pension or retirement fund or system; or the holder of a mortgage encumbering one (1) or more Unsold Units or the Retail Unit.

"Institutional Mortgage": Any mortgage covering one (1) or more Units whose initial holder is either an Unsold Unit Owner (including Sponsor), or its designee, or an Institutional Lender.

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

"Involuntary Transferee": As defined in Article 28, Section 28.1 of the Declaration.

"Land": The parcel of land on which the Building is located together with the air space thereover, which parcel is more particularly identified in EXHIBIT A to the Declaration. The portions of said air space occupied by: (a) the Units are included in, and are part of, the respective Units; (b) the areas and improvements included in the Residential Common Elements are part of the Residential Common Elements; and (c) the areas and improvements comprising the General Common Elements are included in, and part of, the General Common Elements. All other air space comprise the unused or unimproved air space of the Land (whether now existing or hereafter available or acquired) and constitute all unutilized Development Rights of the Land, which are owned and held by Sponsor as owner of the Adjacent Lot in the same zoning lot as the Land pursuant to a certain Declaration of Zoning Lot Development and Easement Restrictions. The Land includes, and is subject to, all easements, agreements, covenants, restrictions, rights, privileges, benefits, encumbrances, burdens and other matters of record appurtenant thereto.

"Laws": All laws and ordinances of federal, state, city and other local Governmental Authorities and all applicable regulations, codes, rules, orders, permits, directives and requirements of Governmental Authorities having jurisdiction over the Property or the Condominium Association.

"Lawsuits": All suits, litigation, controversies and disputes, whether legal or equitable, brought in or before any court or judicial system (federal, state, local or international), governmental or administrative authority, arbitration or mediation association or alternative dispute resolution body.

"Legal Expenses": As defined in Section 9.1.3 of the Declaration.

"Liabilities and Expenses": All liabilities, judgments, awards, losses, damages (whether actual, consequential, incidental, special, indirect or otherwise), penalties, fines and Costs and Expenses.

"Limited Common Elements": As defined in Article 7, Section 7.1 of the Declaration.

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

"Maintain, Maintenance" and similar words: To inspect, test, paint, keep and otherwise maintain a Unit or the Common Elements (as applicable) in accordance and compliance with the Building's Maintenance Standard.

"majority of Board Members" or **"majority of Residential Board Members"**: More than fifty percent (50%) of the Board Members or specified Board Members, or more than 50% of the Board Members or specified Board Members attending a duly constituted Board meeting at which a quorum is present, as may be specified or indicated by the text.

"majority in Common Interest of Unit Owners" or **"majority in Common Interest of Residential and Storage Unit Owners"** or words of similar import or other specified percentage: Owners of more than fifty percent (50%) (or other specified percentage) in aggregate absolute Common Interests appurtenant to all Units or all Residential and Storage Units (as applicable) or Owners of more than fifty percent (50%) (or other specified percentage) in aggregate absolute Common Interests of only those Unit Owners or those Residential and Storage Unit Owners (as applicable) who are present, in person or by proxy, and voting at a duly constituted meeting of Unit Owners at which a quorum is present, as applicable or indicated. All references herein to "Units" shall exclude any Unit (including the Superintendent's Unit) while such Unit is owned by the Condominium Board or its nominee or designee and all references to "Unit Owners" shall exclude the Condominium Board or its nominee or designee as Owner of any Unit (including the Superintendent's Unit) for quorum and voting purposes. An Owner of more than one (1) Unit shall be counted as a separate Owner for each such Unit for quorum and voting purposes. A Unit owned by two (2) or more Persons shall be counted as one (1) Unit Owner for quorum and voting purposes.

"majority in number of Unit Owners" or **"majority in number of Residential and Storage Unit Owners"** or words of similar Import or other specified percentage: Owners of more than fifty percent (50%) (or other specified percentage) in aggregate absolute number of all Units or all Residential and Storage Units (as applicable) or Owners of more than fifty percent (50%) (or other specified percentage) in aggregate number of only those Unit Owners or those Residential and Storage Unit Owners (as applicable) who are present, in person or by proxy, and voting at a duly constituted meeting of Unit Owners at which a quorum is present, as applicable or indicated. All references herein to "Units" shall exclude any Unit (including the Superintendent's Unit) while such Unit is owned by the Condominium Board or its nominee or designee and all references to "Unit Owners" shall exclude the Condominium Board or its nominee or designee as Owner of a Unit (including the Superintendent's Unit) for quorum and voting purposes. An Owner of more than one (1) Unit shall be counted as a separate Owner for each such Unit for quorum and voting purposes. A Unit owned by two (2) or more Persons shall be counted as one (1) Unit Owner for quorum and voting purposes.

"Managing Agent": The Person engaged from time-to-time by the Condominium Board to perform the duties of a managing agent of the Building.

"Match Offer Right": As defined in Article 16, Section 16.2, subsection 16.2.8 of the By-Laws. Same as Right of First Refusal.

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

"Net Award Trust Funds": As defined in Article 18, Section 18.3, subsection 18.3.4 of the By-Laws.

"Occupancy Requirements": As defined in Article 10, Section 10.13 of the Declaration.

"Operate", **"Operates"**, **"Operation"** or derivations thereof: To Maintain, Repair, Alter and otherwise use, operate, manage and conduct the business and affairs of: (a) the Condominium Association, (b) the Residential Space, or (c) the Association's Residential Properties, or (d) the General Common Elements, or (e) the Association's General Properties, or (f) the entire Property, or (g) a Unit (Residential, Storage or Retail), as the context requires, or as otherwise indicated by the text.

"Owner": The legal (record) owner of fee simple title of a Unit, including (as indicated, or otherwise expressly provided, by the text): (a) a Unit Owner; (b) a Residential Unit Owner; (c) a Storage Unit Owner; or (d) the Retail Unit Owner. An Owner of more than one (1) Unit shall be counted as a separate Owner for each such Unit for quorum and voting purposes. A Unit owned by two (2) or more Persons shall be counted as one (1) Unit Owner for quorum and voting purposes.

"Owner-Occupied Residential Unit": A Residential Unit occupied by its Owner or a member of the Owner's immediate family.

"Owner-related Occupants": The occupants of a Residential Unit who are a member of the Owner's family or an officer, director, shareholder, member, partner, trustee, executor, administrator, guardian, legal representative, beneficiary, government official or employee of a corporation, limited liability company, partnership, trust, sovereign government, consulate or other Entity which owns the Unit, or a member of the family of any of the foregoing.

"Party": A Unit Owner, the Condominium Board (including a Commercial or Residential Board Member), a Permitted Mortgagee, a Registered Tenant and an Insurance Trustee are each a party.

"Party Wall": As defined in Article 6, Section 6.5 of the Declaration.

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

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

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

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

"Permitted Tenants/Occupants/Invitees": The tenants, occupants, invitees, licensees, contractors, subcontractors, agents, employees and workers permitted or authorized to occupy, use, visit or enter a Unit by the Owner of such Unit or pursuant to Law or the Condominium Documents.

"Person": A natural person (i.e., an individual) or an Entity.

"Plan": The Condominium Offering Plan for the Property and all Amendments thereto accepted for filing by the Department of Law prior to the First Closing of a Residential Unit under such Offering Plan.

"Plan Obligations": As defined in Article 12, Section 12.7 of the Declaration.

"Plans and Specifications": Sponsor's plans and specifications for the construction, equipping and outfitting of the Building and adjacent areas (including the Common Elements and the Units), which (to the extent required by Law) have been filed with the Department of Buildings of The City of New York, as same may have been amended, and as same may hereafter be amended from time to time in accordance with the provisions of the Plan.

"powers": All powers, rights, authorities, remedies, protections and benefits.

"Prohibited Uses": As defined in Article 10, Section 10.2 of the Declaration.

"Promote", **"Promotion"** or derivations thereof: All manner of offering, advertising, marketing, Signage, displays and other promotion and promotional activities in connection with the sale, rental or Operation of a Unit or a business conducted in a Unit.

"Property": As defined in Article 2, Section 2.1 of the Declaration.

"Pro Rata": In the proportion that the Common Interest or floor area or asking price or Common Charge of a Unit bears to the total Common Interests or the total floor areas or total offering prices or total Common Charges of all specified Units (respectively), or that the Common Interest or floor area or offering price or Common Charge of a Residential or Storage Unit bears to the total Common Interests or total floor areas or total offering prices or Common Charges of all Residential and Storage Units (respectively), or otherwise, as may be specified or indicated by the text. For example, the Residential Common Expenses are payable by only all Residential and Storage Unit Owners and apportioned and assessed among them Pro Rata to their respective Common Interests. This means that each Residential and Storage Unit Owner shall pay that portion of the Residential Common Expenses as the Common Interest appurtenant to such Owner's Residential or Storage Unit bears to the total Common Interests appurtenant to all Residential and Storage Units.

"Purchase and Sale Agreement": The agreement between Sponsor and a Purchaser for the purchase and sale of a Unit in the form set forth as DOCUMENT 1 in Part II of the Plan.

"Purchaser": A Person or Persons buying a Residential and/or Storage Unit under a fully executed Purchase and Sale Agreement with Sponsor pursuant to the Plan, whether for personal occupancy or use of the Purchaser or a member of Purchaser's family or for rental or other investment purposes.

"Reasonable Approval" or **"Reasonably Approved"** or similar words: The approval required to be obtained shall not be unreasonably conditioned, withheld, denied or delayed.

"Registered Mortgage": As defined in Article 16, Section 16.13 of the By-Laws.

"Register's Office": The office of the Register of the County of New York, in the City and State of New York.

"Related Party": An individual who has or had an employment, business or family relationship to a Unit Owner or an Entity comprising a Unit Owner or a partner, member, manager, shareholder, officer, director or principal of a Unit Owner or an Entity comprising a Unit Owner; or an Entity whose legal, equity or beneficial interest is owned (directly or indirectly) by a Unit Owner or an Entity comprising a Unit Owner or a partner, member, manager, shareholder, officer, director or principal of a Unit Owner or an Entity comprising a Unit Owner.

"Repair", **"Repaired"**, **"Repairs"** or derivations thereof: To repair, fix, correct, rebuild, restore, replace, substitute, remove and to perform any other Work, apart from Maintenance or Alterations, in or to a Unit or the Common Elements.

"Residential Board Members": The members of the Condominium Board who are elected by the Owners of Residential and Storage Units (including the Owners of Unsold Residential and Storage Units, regardless of whether such Owners are Sponsor and/or other Persons) to serve as Residential Board Members and represent the interests of all Sold and Unsold Residential and Storage Unit Owners on the Condominium Board. The Residential Board Members consist of a specified number of Independent Board Members and (while there is any Unsold Residential Unit) a specified number Sponsor Board Members as provided in the By-Laws.

"Residential Common Charges": As defined in Article 9, Section 9.1.5 of the Declaration.

"Residential Common Expenses": As defined in Article 9, Section 9.1.4 of the Declaration.

"Residential Equipment": As defined in Article 6, Section 6.11 of the Declaration.

"Residential Legal Matters": As defined in Article 9, Section 9.1.4 of the Declaration.

"Residential Common Elements" or **"Residential Limited Common Elements"**: As defined in Article 7, Section 7.1 of the Declaration.

"Residential Space": All of the Residential Units, the Storage Units, the Residential Common Elements, the Limited Common Elements and (if established) the Individual Residential Limited Common Elements appurtenant to a Residential Unit or specified Residential Units.

"Residential Unit": One of the dwelling Units in the Building comprising one (1) of the Residential Units (including a Sold Residential Unit and an Unsold Residential Unit, unless the context expressly provides otherwise) and constituting one of the Condominium Units established under, and so designated as such in EXHIBIT B to, the Declaration and on the Floor Plans, together with the Common Interest appurtenant to such Unit. The location of each Residential Unit is more precisely shown on the Floor Plans and referred to in said EXHIBIT B. Each Residential Unit includes the Terrace (if any) appurtenant to the Unit together with all Equipment and Installations that are for the exclusive use, service or benefit of such Unit or its Owner and are not expressly stated in the Declaration to be part of the Common Elements or another Unit.

"Residential Unit Owner": The Owner of a Residential Unit.

"Responsible Party": As defined in Article 15, Section 15.2(d) of the Declaration.

"Retail Unit": The retail space in the Building and constituting one of the Condominium Units established under, and so designated as such in EXHIBIT B to, the Declaration, together with

the Common Interest appurtenant to such Unit. The Retail Unit includes the portion of the Building Walls from the sidewalk to a horizontal plane extending along and immediately below the parapets enclosing the Roof over the Retail Unit, all Equipment, Installations and Systems, or portions thereof, wherever located, that are for the exclusive use, service or benefit of such Unit or its Owner and are not expressly stated in the Declaration to be part of the Common Elements or another Unit.

"Retail Unit Owner": The Owner of the Retail Unit.

"Right of First Refusal": As defined in Article 16, Section 16.2, subsection 16.2.8 of the By-Laws. Same as Match Offer Right.

"Roof": A roof consists of the following (if and to the extent existing): the reinforced concrete slab or other construction material; the asphalt or other roofing material thereover; the insulation; the membrane; the flashing; the counterflashing; (in the case of the Roof over the Retail Unit) the pre-cast concrete pavers and support pedestals; and similar elements protecting the interior portion of the Building. The term Roof does not include the wood deck, pavers, tiles or other protective flooring or covering on a Roof, which constitutes the Terrace appurtenant to, and part of, a specified Residential Unit. The term "Roof" includes all Roof Structures appurtenant to a Roof, unless otherwise expressly provided. The roof over the Retail Unit, the roof above the top floor of the Building, the roof over the PH Unit, the roof underneath a Terrace, the roof of the mechanical room and the roof of the bulkhead enclosing the egress stairs and elevator equipment are each included in the term Roof.

"Roof Structures": The drainage System of a Roof (including, if and to the extent existing, drains, gutters, leaders and similar elements), the parapets, the copings, the railings, the walls and all other structures enclosing a Roof, the bulkhead enclosing the mechanical room, the egress stairs and the elevator equipment.

"Rules and Regulations": As defined in Article 14, Section 14.5 of the By-Laws.

"Section 339-m": Section 339-m of the Condominium Act.

"Sidewalk Cleaning Obligations": The obligations imposed by Law to keep the Immediately Adjacent Sidewalks to the Property clean and free of snow, ice, water accumulation and debris.

"Sidewalk Repair Obligations": The obligations imposed by Law to keep the Immediately Adjacent Sidewalks to the Property properly Maintained and Repaired.

"Sidewalk Structure": As defined in Article 15, Section 15.2(m) of the Declaration.

"Sign", **"Signs"** or **"Signage"** or similar words: Each or every kind whatsoever of: sign, inscription or lettering (on doors, windows or elsewhere), picture, banner, flag, awning, canopy, planter, landscaping, structure, placard, board, stanchion, decoration and display used for sales, rental, Promotional, advertising, identity, business, Operation and/or any other lawful purpose. There is no restriction or limitation whatsoever on the nature, composition, design, size, illumination, configuration, fabrication, quality, character, color, appearance or content of Signs, unless otherwise expressly provided.

"Sold Residential Unit", **"Sold Residential and Storage Unit"**, **"Sold Storage Unit"** or **"Sold Unit"**: A Residential Unit, a Residential and Storage Unit or a Storage Unit that is sold

and conveyed to a bona fide Purchaser under the Plan (including a bona fide Purchaser who is buying for personal use or occupancy by the Purchaser or Purchaser's family or for rental investment). Generally, a Sold Unit is any Residential or Storage Unit that is not an Unsold Residential or Storage Unit.

"Sold Residential Unit Owner", "Sold Residential and Storage Unit Owner", "Sold Storage Unit Owner" or **"Sold Unit Owner"**: The Owner of a Sold Residential Unit, Sold Residential and Storage Unit or Sold Storage Unit or Sold Unit.

"Sold Residential and Storage Unit Owner Affiliate": As defined in Article 2, Section 2, subsection 2.6.6 of the By-Laws.

"Special Allocation and Apportionment Rule": As defined in Article 9, Section 9.1.2 of the Declaration.

"Special Assessment": The amount assessed by the Condominium Board to pay a portion of the Common Expenses and payable by all or certain Unit Owners (as applicable) in the time and manner determined by the Condominium Board. A Special Assessment is an Additional Common Charge and may be payable in an amount or amounts and time period other than that applicable to the regular Common Charges, as determined by the Condominium Board. A Special Assessment shall be payable by the applicable Unit Owners required to pay the Common Expenses to which such Special Assessment is to be applied as provided in the Condominium Documents, the First Year's Budget (SCHEDULE B in Section F or Part I of the Plan) and the Guidelines for Budget of General Operation in EXHIBIT F to the Declaration.

"Specially Apportioned General Common Expenses": As defined in Article 9, Section 9.1.3 of the Declaration.

"Sponsor": 23 Highline LLC, the Declarant of the Declaration and the offeror of the Residential and Storage Units under the Plan.

"Sponsor Board Control Period": The period ending on the *earlier* of: (a) the date that the Unsold Residential and Storage Units constitute less than fifty percent (50%) in Common Interest and number of all Residential and Storage Units; or (b) the fifth (5th) anniversary of the First Closing of a Residential Unit under the Plan.

"Sponsor Related Party": A Person who is a Related Party to Sponsor.

"Sponsor Board Member": A Board Member appointed and designated exclusively by Sponsor (or, after Sponsor no longer owns any Unsold Residential Unit, other Unsold Residential Unit Owners, if any) to serve as a Residential Board Member and represent the interests of Sponsor and other Unsold Residential and Storage Unit Owners on the Condominium Board. There is no restriction or limitation whatsoever on who may serve as a Sponsor Board Member and may be anyone that either has or does not have a family, employment or business relationship or affiliation with Sponsor or other Unsold Residential Unit Owner or a Related Party to either.

"Sponsor's Rights" or **"Sponsor's/Commercial Owner's Rights"**: As defined in Article 28, Section 28.1 of the Declaration.

"Sponsor Unit": A Unit (including a Residential Unit, a Storage Unit or the Retail Unit) owned by Sponsor at the time in question.

"Sponsor Veto Control Period": As defined in Article 9, Section 9.11 of the Declaration.

"Storage Unit": One of the storage spaces in the Building (such term includes a Sold Storage Unit and an Unsold Storage Unit, unless the context expressly provides otherwise) and constituting one of the Condominium Units established under, and so designated as such in EXHIBIT B to, the Declaration, together with the Common Interest appurtenant to such Unit. The location of each Storage Unit is more precisely shown on the Floor Plans and referred to in said EXHIBIT B. Each Storage Unit includes all Equipment, Installations and Systems, or portions thereof, wherever located, that are for the exclusive use, service or benefit of such Unit or its Owner and are not expressly stated in the Declaration to be part of the Common Elements or another Unit.

"Storage Unit Owner": The Owner of a Storage Unit.

"Storefronts": The storefronts of the Retail Unit existing at any time, including the glass, frames, windows and all doors of such storefronts, any gates and security devices and alarms protecting such windows and doors, and any awnings, canopies or Signage immediately above or abutting same.

"Storefront Windows" or similar words: The windows on any Storefront of the Retail Unit or its entrance.

"Structural Components": The following components of the Building (if and to the extent existing): foundations, foundation walls, pilings, structural columns, beams, supports, girders, shear walls and similar structural members; load bearing walls; all Building Walls; all reinforced concrete slabs (or other construction material) comprising the Base Floors (including subflooring, but excluding any wood flooring, tiles, carpeting or other floor covering thereover) and Base Ceilings (excluding any finishes or gypsum wall board or sheetrock thereon), and all Roofs (including the Roof Structures appurtenant thereto, but excluding the wood decks, pavers, tiles or other protective floorings or coverings thereover (which constitute the Terrace appurtenant to a specified Residential Unit).

"Successor in Interest": As defined in Article 28, Section 28.1 of the Declaration.

"Systems": All HVAC/Mechanical/Utility Systems together with the Roofs and Roof Structures, and the Building Walls.

"Taken" or **"Taking"**: As defined in Section 19.1 of the Declaration.

"Tenant Obligations": As defined in Article 12, Section 12.7 of the Declaration.

"Terrace": The wood decking, pavers or other protective flooring or covering above a Roof which is appurtenant to, and part of, a specified Residential Unit and is identified in EXHIBIT B to the Declaration and the Floor Plans. The Terrace does not include the Roof and its appurtenant Roof Structures under, in and enclosing the Terrace, such Roof and Roof Structures being part of the Residential Common Elements.

"Terrace Objects": As defined in Article 10, Section 10.13(h) of the Declaration.

"Unauthorized Sold Unit Owner": A Sold Unit Owner who is not an Authorized First Sold Unit Owner.

"Unavoidable Causes": Same as Force Majeure.

"Unit": A Unit is a portion of the Property established under the Declaration as a condominium unit which is owned separately and exclusively by its Owner together with the Common Interest appurtenant to the Unit. Each Owner has exclusive ownership and possession of the Owner's Unit, subject to certain use and occupancy restrictions, and certain rights and easements (including those in favor of the Condominium Board and Sponsor), as and to the extent set forth in the Plan and the Condominium Documents. A Unit is designated in EXHIBIT B to the Declaration and on the Floor Plans as a Residential Unit, a Storage Unit or the Retail Unit.

"Unit Alteration": As defined in Article 13, Section 13.1 of the Declaration.

"Unit Change": As defined in Article 13, Section 13.1 of the Declaration.

"Unit Combination": As defined in Article 13, Section 13.1 of the Declaration.

"Unit entrance" or similar words: The entrance and exit leading directly into a Unit from the Common Elements or street or from a Unit directly to the Common Elements or street, including the entrance door to a Residential Unit and the door to a Terrace appurtenant to a Unit. The Storefronts of the Retail Unit include the entrance to such Unit.

"Unit Expansion": As defined in Article 13, Section 13.1 of the Declaration.

"Unit Owner": The Owner of a Unit.

"Unit Subdivision": As defined in Article 13.1 of the Declaration.

"Unsold Residential Unit": A Residential Unit owned at the time in question by an Unsold Residential Unit Owner, regardless of whether such Owner is Sponsor or other Person designated by Sponsor as such. An Unsold Residential Unit shall retain its status and character as an Unsold Residential Unit until it is conveyed to a bona fide Purchaser under the Plan.

"Unsold Residential Unit Owner": Sponsor and (if applicable) a Person designated by Sponsor in writing or a Plan Amendment as an Unsold Residential Unit Owner having, with regard to the Unsold Residential Unit owned by such designated Person, all or (only if specified by Sponsor) certain of Sponsor's Rights under the Plan and the Condominium Documents (i.e., all or (only if specified by Sponsor) certain of the rights, powers, easements, licenses, privileges, exemptions, indemnities, remedies, protections and other benefits of Sponsor under the Plan and Condominium Documents with respect to each Unsold Residential Unit owned by such designee), but subject in each case to the same limitations and restrictions as Sponsor under the Plan and the Condominium Documents.

"Unsold Storage Unit": A Storage Unit owned at the time in question by an Unsold Storage Unit Owner, regardless of whether such Owner is Sponsor or other Person designated by Sponsor as such. An Unsold Storage Unit shall retain its status and character as an Unsold Unit until it is conveyed to a bona fide Purchaser under the Plan.

"Unsold Storage Unit Owner": Sponsor and (if applicable) a Person designated by Sponsor in writing or a Plan Amendment as an Unsold Storage Unit Owner having, with regard to the Unsold Storage Unit owned by such designated Person, all or (only if specified by Sponsor) certain of Sponsor's Rights under the Plan and the Condominium Documents (i.e., all or (only if specified by Sponsor) certain of the rights, powers, easements, licenses, privileges, exemptions, indemnities, remedies, protections and other benefits of Sponsor under the Plan and Condominium Documents with respect to each Unsold Storage Unit owned by such designee), but subject in each case to the same limitations and restrictions as are applicable to Sponsor under the Plan and the Condominium Documents.

"Unsold Unit": Any Residential, Storage or Retail Unit owned at the time in question by an Unsold Unit Owner (regardless of whether such Owner is Sponsor or other Person designated by Sponsor as such). A Sold Unit that is reacquired by Sponsor shall be regarded as an Unsold Unit for all purposes other than for the purpose of determining the expiration of the Sponsor Board Control Period or the Sponsor Veto Control Period. An Unsold Unit shall retain its status and character as an Unsold Unit until it is conveyed to a bona fide Purchaser under the Plan.

"Unsold Unit Owner": Sponsor and (if applicable) a Person designated by Sponsor in writing or a Plan Amendment as an Unsold Unit Owner having, with regard to each Unsold Unit owned by such designated Person, all or (only if specified by Sponsor) certain of Sponsor's Rights under the Plan and Condominium Documents (i.e., all or (only if specified by Sponsor) certain of the rights, powers, easements, licenses, privileges, exemptions, indemnities, remedies, protections and other benefits of Sponsor under the Plan and Condominium Documents), but subject in each case to the same limitations and restrictions as are applicable to Sponsor under the Plan and the Condominium Documents.

"Usage": As defined in Article 9, Section 9.1.2 of the Declaration.

"Use and Enjoy", **"Use and Enjoyment"** or **"Used and Enjoyed"** or similar words: This term means and includes existence, use, occupancy, enjoyment, service, benefit, sale, rental, granting of licenses or concessions, management, control, Operation, function, business, Signage, market, advertisement, Promotion, health, safety, preservation, welfare, security, protection, appearance or other Disposition.

"utility services": As defined in Article 11, Section 11.11 of the Declaration.

"Work" or derivations thereof: All labor performed, and all materials and supplies used, to Maintain, Repair, Alter or perform other Work in or to a Unit or the Common Elements.

"Work Requirements": As defined in Article 15, Section 15.2 of the Declaration.

END OF EXHIBIT C

EXHIBIT D TO DECLARATION

BY-LAWS of HIGH LINE 23 CONDOMINIUM

See DOCUMENT 7 in PART II of the OFFERING PLAN

EXHIBIT E TO DECLARATION

UNIT OWNER'S POWER OF ATTORNEY

See DOCUMENT 2 in PART II of the OFFERING PLAN

EXHIBIT F TO DECLARATION OF
HIGH LINE 23 CONDOMINIUM
GUIDELINES FOR BUDGET OF GENERAL OPERATION

The following guidelines are based on the principles, rules and requirements set forth in the Plan in SCHEDULE B (in Section F) and Section H, subsections H-7.1 through H-7.3, and Article 9 of the Declaration ("**Budget Guidelines**"). These Budget Guidelines are intended to avoid or minimize potential disputes that may arise in future years of Condominium Operation and are to be followed by the Condominium Board and the Retail Unit Owner when adopting a Budget of Condominium Operation and allocating, apportioning assessing each item of projected General Common Expenses to all Residential and Storage Units or the Retail Unit, or both (as applicable) each Budget Year. The Budget Guidelines apply to only the projected General Common Expenses and not to the projected Residential Common Expenses, which are allocated, apportioned and assessed to only all Residential and Storage Unit Owners. Any dispute with respect to these Budget Guidelines, the General Common Expenses or the Specially Apportioned General Common Expenses shall be resolved by arbitration pursuant to Article 19 of the By-Laws.

PROJECTED COMMON RECEIPTS:	
General Common Charges:	(Note 1)
All Residential and Storage Units:	(Note 2)
Retail Unit:	(Note 3)
Total:	General Common Charges (Note 1)

PROJECTED GENERAL COMMON EXPENSES:	(Note 4)
Labor and Related Expenses:	(Note 5)
Gas:	(Note 6)
Electric:	(Note 7)
Water Charges and Sewer Rents:	(Note 8)
Repairs, Maintenance and Supplies:	(Note 9)
Service Contracts:	(Note 10)
Insurance:	(Note 11)
Management Fee:	(Note 12)
Legal and Audit	(Note 13)
Other Expenses:	(Note 14)
Contingencies:	(Note 15)
Real Estate Taxes:	(Note 10)
Total:	General Common Expenses (Note 4)

Notes to Budget Guidelines

Note 1. General Common Charges: The General Common Charges shall be used solely to pay the projected General Common Expenses, which are the projected Costs and Expenses: (a) to Maintain, Repair, Alter, lease, license, sell, mortgage, manage and otherwise Operate and make any Disposition of the General Common Elements and the Association's General Properties; (b) to provide services to all Unit Owners; (c) to conduct the affairs affecting or benefiting the entire Property or all Unit Owners (including the collection of the General Common Charges and the commencement or defense of Lawsuits relating to the non-payment of the General Common Charges). The General Common Expenses allocated to all Units shall generally be apportioned and assessed among them Pro Rata to their respective Common Interests unless the amount of a projected General Common Expense item fairly and properly attributable to the Retail Unit or to the Residential and Storage Units would otherwise require, in which case such fair and proper apportionment shall be used in accordance with the Special Allocation and Apportionment Rule and Section 339-m of the Condominium Act. Pursuant thereto, the items comprising the Specially Apportioned General Common Expenses (viz., Gas, Electric, Water and Sewer Charges, Façade Washing and Cleaning, Insurance, Management Fee, Legal, Audit, Contingencies and Real Estate Taxes) shall be apportioned and assessed among all Units as provided in Article 9, Section 9.1.3 of the Declaration, and the Plan in Part I, Section F, subsection F-3, and Section R, subsection R-3. Any dispute regarding one or more items comprising the General Common Charges shall be resolved by arbitration pursuant to Article 19 of the By-Laws.

Note 2. All Residential and Storage Units: The General Common Charges levied on the Residential and Storage Units shall be based upon that portion of each item comprising the projected General Common Expenses that is fairly and properly attributable to the Residential and Storage Units, the Residential Common Elements or (in certain cases) the Limited Common Elements (if established) or Individual Residential Common Elements (if established). Any dispute regarding one or more items comprising the General Common Charges levied on all Residential and Storage Units shall be resolved by arbitration pursuant to the By-Laws.

Note 3. Retail Unit: The General Common Charges levied on the Retail Unit shall be limited and restricted to strictly to pay its Pro Rata share of only those items comprising the projected General Common Expenses that are fairly and properly attributable to such Retail Unit based strictly on (and limited and restricted to the extent only of): (a) those General Common Elements that actually serve or are actually utilized by such Retail Unit; (b) those services that are actually furnished by the Board to such Retail Unit; and (c) those items of the projected General Common Expenses relating to the affairs of the entire Property or the Association's General Properties, or the whole Condominium Association, that are allocated to all Units, namely: insurance, management, legal (excluding legal services applicable only to the Operation or affairs of the Residential Space or the Association's Residential Properties), audit and certain administrative and miscellaneous expenses. The General Common Expenses allocated to all Units shall be apportioned and assessed among them as provided in Note 1 above. Any dispute regarding one or more items comprising the General Common Charges levied on the Retail Unit shall be resolved by arbitration pursuant to Article 19 of the By-Laws.

Note 4. General Common Expenses: The General Common Expenses shall consist only of the expense items listed below in Notes 5 through 15, subject to change as provided in Article 9 of the Declaration. Any dispute regarding one or more items of General Common Expenses shall be resolved by arbitration pursuant to Article 19 of the By-Laws.

Note 5. Labor and Related Expenses: Labor expenses allocable to the projected General Common Expenses shall consist of, and shall be limited and restricted strictly to, the estimated portion of the time charges of: (a) the superintendent to clean, Maintain and Repair the portions of the Building that comprise the General Common Elements and the Immediately Adjacent Sidewalks to the Property; and (b) the superintendent to supervise any contractor in connection with meter reading, sprinkler testing or other services rendered to portions of the General Common Elements or the Equipment and Installations comprising the General Common Elements. The time charges of the superintendent shall be based on the actual hourly rate payable under the employment agreement with the superintendent, including related payroll benefits and costs (if any), but excluding office expenses, overhead and similar costs of the Condominium Board. The expenses of the superintendent so allocated to the General Common Expenses shall be allocated and assessed to the Residential and Storage Units and the amount thereof allocated and assessed to the Retail Unit shall be limited and restricted strictly to its Pro Rata share (based on the respective Common Interests of Units) of the time charges of the superintendent to clean and Maintain only those General Common Elements that actually serve or are actually utilized by such Retail Unit and the Immediately Adjacent Sidewalks to the Building, as aforesaid.

Note 6. Gas: Gas service is provided to the Residential Units for cooking and fireplaces, to the Residential Space for HVAC and hot water, and to the Retail Unit and General Common Elements for heat. The estimated costs of such gas service to the Residential Units, the Residential Space and the Retail Unit and the General Common Elements shall be specially allocated, apportioned and assessed as follows based on a gas consumption or Usage survey made by a qualified, licensed mechanical or consulting engineer, the then applicable gas rate of the utility provider and the applicable taxes, in accordance with the Special Allocation and Apportionment Rule and Section 339-m: (a) the estimated costs of said gas service to the Residential Units and the Residential Space shall be specially allocated and charged to only all Residential and Storage Unit Owners Pro Rata to their respective Common Interests; (b) the estimated costs of said gas service to the Retail Unit shall be specially allocated and charged to only the Retail Unit Owner; and (c) the estimated costs of said gas service to the General Common Elements shall be charged to all Unit Owners Pro Rata to their respective Common Interests. For the first year of Condominium operation, the estimated costs of gas service shall be based upon the projections of gas consumption or Usage made by Ambrosino DePinto & Schmieder, Consulting Engineers PC ("**Ambrosino**"), which is summarized in Note 7 to SCHEDULE B in Section F of Part I of the Plan ("**SCHEDULE B**"). Thereafter, the projected consumption of gas by the Residential Units and the Residential Space, the Retail Unit, and the General Common Elements shall continue to be based on the same ratio that their projected consumption of gas bears to the total projected consumption of gas as estimated by Ambrosino and contained in said Note 7 to SCHEDULE B until changed, at the option of the Board or the Retail Unit Owner, to be based on a new gas consumption or Usage survey made by Ambrosino or other qualified, licensed mechanical or consulting engineer chosen by the Condominium Board (or the Retail Unit Owner if the Board fails to make a choice within 30 calendar days after written notice is given from the Retail Unit Owner to so do).

Note 7. Electric: Electric service to the Residential Units is billed by the Condominium Board to each Residential Unit based on its separate submeter. Electric service to the Retail Unit for power and lighting, other than air conditioning, is separately metered and paid directly by the Retail Unit Owner to the utility provider as measured by the Unit's individual meter. Electric service for providing power and lighting to the rooms, areas and Equipment comprising the General Common Elements and the Residential Common Elements, and to the Storage Units, is commonly metered. The estimated costs of electric service to the Residential and Retail Units

for air conditioning and to the General Common Elements, the Residential Common Elements and the Storage Units shall be allocated, apportioned and assessed as follows based on an electric consumption or Usage survey made a qualified, licensed electrical or consulting engineer, the then applicable electric rates of the utility provider and the applicable taxes, in accordance with the Special Allocation and Apportionment Rule and Section 339-m: (a) the estimated costs of said electric service to the Residential Units for air conditioning shall be specially allocated and assessed to only all Residential and Storage Unit Owners Pro Rata to their respective Common Interests; (b) the estimated costs of said electric service to the Retail Unit for air conditioning shall be specially allocated and assessed to only the Retail Unit Owner; (c) the estimated costs of electric service to the General Common Elements shall be included in the General Common Expenses and charged to all Unit Owners Pro Rata to their respective Common Interests; and (d) the estimated costs of electric service to the Residential Common Elements and the Storage Units shall be specially allocated to only all Residential and Storage Unit Owners as part of the Residential Common Expenses and apportioned and assessed to them Pro Rata to their respective Common Interests. For the first year of Condominium operation, the projected consumption of electricity by the Residential Units and the Retail Unit for air conditioning, and the General Common Elements, the Residential Common Elements and the Storage Units for power and lighting shall be based on the electric consumption or Usage survey made by Ambrosino, which is summarized in Note 6 to said SCHEDULE B. Thereafter, the projected consumption of electricity by the Residential Units and the Retail Unit for air conditioning, and the General Common Elements, the Residential Common Elements and the Storage Units for power and lighting shall continue to be based on the same ratio that their respective projected consumption of electricity bears to the total projected consumption of electricity as estimated by Ambrosino and contained in said Note 6 to SCHEDULE B until changed, at the option of the Condominium Board or the Retail Unit Owner, to be based on a new electric consumption or Usage survey made by Ambrosino or other qualified, licensed electrical or consulting engineer chosen by the Condominium Board (or the Retail Unit Owner if the Board fails to make a choice within 30 calendar days after written notice is given from the Retail Unit Owner to so do).

Note 8. Water and Sewer Charges: Water and sewer services are provided primarily to the Residential Space. The Retail Unit, which is or will be outfitted with a sink and water closet, consumes negligible or inconsequential amounts of water. The General Common Elements consume water in connection with sprinkler testing and potentially in an emergency. For the first twelve (12) months of Condominium operation, no costs for water and sewer services will be allocated or assessed to the Retail Unit for its anticipated negligible or inconsequential water consumption. Thereafter, the Condominium Board may apportion and assess the costs of water and sewer services to the Retail Unit based on a water consumption or Usage survey conducted by a qualified, licensed mechanical or consulting engineer chosen by the Board and the then applicable rates of the taxing authority for water and sewer services. In the event the Retail Unit is assessed by the Condominium Board for water and sewer services based on said water consumption or Usage survey, the amount assessed to the Retail Unit in subsequent years shall continue to be based on said water consumption or Usage survey until the Retail Unit is metered or sub-metered for water consumption, or the Condominium Board or the Retail Unit Owner elect (from time-to-time) to conduct a new water consumption or Usage survey by a qualified, licensed mechanical or consulting engineer chosen by the Board (or the Retail Unit Owner if the Board fails to make a choice within 30 calendar days after written notice is given by the Retail Unit Owner to so do). The cost of said water consumption or Usage survey, whether conducted at the election of the Condominium Board or the Retail Unit Owner, shall be included in the General Common Expenses and charged to all Unit Owners Pro Rata to their respective Common Interests. In the event the Retail Unit is separately metered for water service, then

from and after the date such meter becomes operational, the Retail Unit shall no longer be assessed or charged by the Board for water and sewer services. If sub-metered, then from and after the date said sub-meter becomes operational, the costs of water and sewer services to the Retail Unit shall be based on its consumption or Usage as measured by such sub-meter and the then applicable water and sewer rates of the taxing authority.

All other projected costs for water and sewer services: (a) the Residential Space shall be included in the Residential Common Expenses and charged to only all Residential and Storage Unit Owners Pro Rata to their respective Common Interests; or (b) sprinkler testing shall be included in the General Common Expenses and charged to all Unit Owners Pro Rata to their respective Common Interests.

Note 9. Repairs, Maintenance, Alterations and Supplies: The Costs and Expenses of the Condominium Board to Maintain, Repair and Alter, and to provide supplies for, the areas, Equipment and Installations comprising the General Common Elements and the Immediately Adjacent Sidewalks to the Property (excluding the labor and related expenses payable under Note 5 above), shall be allocated and assessed to all Residential and Storage Unit Owners and the amount thereof allocated and assessed to the Retail Unit Owner shall be limited and restricted strictly to its Pro Rata share (based on the respective Common Interests of Units) of the Costs and Expenses to Maintain, Repair and Alter, and to provide supplies for, only those General Common Elements that actually serve or are actually utilized by its Retail Unit, and the upkeep of said Immediately Adjacent Sidewalks.

Note 10. Service Contracts: The only fees and charges for service contracts (if any) includible in the General Common Expenses shall be limited and restricted strictly to those services (if any) provided by independent contractors to the spaces and Equipment comprising a part of the General Common Elements or rendered to all Unit Owners. These may include (if and to the extent applicable) service contracts for sprinkler testing, inspection and alarm control, fire pump performance, extermination and washing and cleaning of the glass curtain wall façade and the exterior side of Unit windows, the Retail Unit's Storefronts, and Terrace windows and doors.

Generally, the fees and charges for service contracts (except for pest control and sprinkler testing, inspection and alarm services) included in the General Common Expenses shall be allocated and assessed to all Residential and Storage Unit Owners and the amount allocated and assessed to the Retail Unit Owner shall be limited and restricted strictly to its Pro Rata share (based on the respective amounts assessed to all Residential and Storage Units and its Retail Unit to Maintain and Repair said General Common Elements or other appropriate basis that reflects the amount fairly attributable thereto) of the costs of service contracts for only those General Common Elements that actually serve or are actually utilized by its Retail Unit. The costs of pest control services rendered to the Retail Unit, the General Common Elements or the Residential Space shall be allocated, respectively, to said Retail Unit, the General Common Expenses and the Residential Common Expenses Pro Rata to their respective square footages receiving such service, unless waived in writing by said Retail Unit Owner, in which case such costs shall be charged to all Residential and Storage Unit Owners and such Retail Unit Owner Pro Rata to their respective Common Interests. The costs of a sprinkler alarm service shall be allocated to all Units Pro Rata to their respective Common Interests.

In accordance with the Special Allocation and Apportionment Rule and Section 339-m, all Costs and Expenses to wash and clean the Building's glass curtain wall façade and the exterior side of Unit windows, the Retail Unit's Storefronts (including its Storefront Windows and entrance), and Terrace windows and doors, shall be apportioned and assessed to all Residential and Storage Units and to the Retail Unit in the proportion that the vertical square footage of the Building's

glass curtain wall façade enclosing the Residential Space (including Unit windows and Terrace windows and doors) or the Retail Unit (including its Storefronts), as applicable, bears to the total square footage of all of such glass surfaces, or approximately 95% to all Residential and Storage Units and 5% to the Retail Unit. The amount charged to all Residential and Storage Units shall be apportioned and assessed among them Pro Rata to their respective Common Interests.

Note 11. Insurance: The Condominium Board shall obtain insurance coverages in accordance with Article 6 of the By-Laws and SCHEDULE B of Section F in Part I of the Plan. The premiums for insurance shall be included in the General Common Expenses, which shall be allocated to all Unit Owners and apportioned and assessed among them Pro Rata to their respective Common Interests, except as otherwise provided in the Plan in Part I, Section F, subsection F-3 and Article 9, Section 9.1.3 of the Declaration (which, among other things, specially allocates and assesses (a) the Residential and Storage Units for any increase in the insurance premium due solely to the recreation space; and (b) the Retail Unit for the amount of increase (if any) in the Property's insurance premium caused solely by the use of the Retail Unit for other than dwelling purposes, after deducting any savings in premiums realized by the Condominium Association's insurance being included under a master insurance policy obtained by Sponsor, a Sponsor Related Party, the Retail Unit Owner or the Managing Agent) and subject to the exclusive right of the Retail Unit Owner to limit and restrict the amount of its allocable share of the Property's insurance premiums to strictly reflect the amount fairly and properly attributable to its Retail Unit as set forth more fully in said subsection F-3 and in said Article 9, Section 9.1.3 of the Declaration.

Note 12. Management Fee: Since most of the management services will be devoted to the Residential Space and the Residential and Storage Unit Owners, the management fee shall be specially allocated to the Residential Common Expenses for the Budget Year approximately in the proportion that all other projected Residential Common Expenses bear to all other projected Common Expenses (i.e., both General and Residential Common Expenses) for such Budget Year, excluding the Budget items for audit and contingencies. The remaining balance of the management fee shall be allocated to the projected General Common Expenses for such Budget Year, which shall be allocated, apportioned and assessed to all Unit Owners Pro Rata to their respective Common Interests. Alternatively, at the exclusive option of the Retail Unit Owner, the management fee shall be allocated and apportioned to the Residential and Storage Units and to the Retail Unit in accordance with the methodology set forth in the First Year's Budget (i.e., SCHEDULE B in Section F of Part I of the Plan). For the first year of Condominium operation, the method used in SCHEDULE B shall be followed.

Note 13. Legal and Audit:

Legal: The legal fees and disbursements, court costs and other litigation expenses (collectively, "**Legal Expenses**") included in the General Common Expenses shall be limited and restricted strictly to only those legal services rendered in connection with the Operation of the General Common Elements, the Association's General Properties or the affairs of the entire Property or the whole Condominium Association (e.g., collection of the General Common Charges and Claims and Lawsuits relating to the General Common Charges, the General Common Expenses, the General Common Elements or the Association's General Properties). Legal Expenses, however, incurred by the Condominium Board for legal services rendered in connection with the Operation or affairs of only the Residential Space or the Association's Residential Properties (e.g., collection of the Residential Common Charges and Claims and Lawsuits relating to only the Residential Common Charges, the Residential Common Expenses,

the Residential Space, the Association's Residential Properties or Sponsor's obligations or undertakings under the Plan, a Plan Amendment or a Purchase and Sale Agreement) shall be specially allocated, apportioned and assessed to only the Residential and Storage Unit Owners Pro Rata to their respective Common Interests. After the end of each Budget Year, the Condominium Board and the Retail Unit Owner shall reconcile any underpayment or overpayment by the Retail Unit Owner of the legal fees and disbursements actually incurred for the Budget Year then ended and those included in the Budget for such Budget Year (as set forth in subsection H-7.3 of Part I of the Plan and Section 9.8.2 of the Declaration).

Audit: Since the services required to audit the Residential Common Expenses will be substantially greater than the audit services for the General Common Expenses, the accounting fees and disbursements incurred by the Condominium Board for preparing the Condominium Association's audited financial statements and its federal, state and city income, franchise and unincorporated business income tax returns will be specially allocated to the Residential Common Expenses approximately in the proportion that all other projected Residential Common Expenses bear to all other projected Common Expenses (i.e., both General and Residential Common Expenses) for such Budget Year, excluding the Budget items for management fee and contingencies. The remaining balance of the audit fees and disbursements shall be allocated to the projected General Common Expenses for such Budget Year, which shall be allocated, apportioned and assessed to all Unit Owners Pro Rata to their respective Common Interests. Alternatively, at the exclusive option of the Retail Unit Owner, the audit fee shall be allocated and assessed to the Residential and Storage Units and to the Retail Unit in accordance with the methodology set forth in the First Year's Budget (i.e., SCHEDULE B in Section F of Part I of the Plan). For the first year of Condominium operation, the method used in SCHEDULE B shall be followed.

Note 14. Other Expenses: The Other Expenses includible in the General Common Expenses shall consist of: (a) the fees or charges (if any) for permits or licenses in connection with the General Common Elements (but not the Residential Equipment or Commercial Equipment); (b) the costs to generate payroll checks and related filings for the Building staff, which shall be allocated to the General Common Expenses and the Residential Common Expenses Pro Rata to the labor expenses allocated to each such category of expenses; and (c) administrative costs (such as for copying, faxing, postage and bank fees and charges) for the Operation and affairs of only the General Common Elements and the whole Condominium Association generally, but not for the Operation and the affairs of only the Residential Space, which shall be included in the Residential Common Expenses payable by only the Residential and Storage Unit Owners Pro Rata to their respective Common Interests. The foregoing Other Expenses so included in the General Common Expenses shall be allocated, apportioned and assessed to all Unit Owners Pro Rata to their respective Common Interests. The Other Expenses shall also include any projected income, franchise and unincorporated business taxes and other taxes (collectively, "**income taxes**") payable in respect of the Common Charges or the Operation and affairs of the Common Elements or the Association's Properties. Such income taxes (if any) shall be allocated each Budget Year to the projected Residential Common Expenses and the projected General Common Expenses approximately Pro Rata to the respective amounts of the Residential Common Charges (including any Special Assessments imposed on only the Residential and Storage Unit Owners) and the General Common Charges (including any Special Assessments imposed on all Unit Owners) for such Budget Year. The amount thereof so allocated to: (a) the projected Residential Common Expenses shall be payable by only the Residential and Storage Unit Owners Pro Rata to their respective Common Interests; or (b) the projected General Common Expenses shall be allocated, apportioned and assessed to all Unit Owners Pro Rata to their respective General Common Charges for such Budget Year

(i.e., Pro Rata to their respective Common Interests if and to the extent all of such General Common Charges are assessed Pro Rata to the Common Interests). Alternatively, at the exclusive option of the Retail Unit Owner, the Other Expenses shall be allocated and assessed in accordance with the methodology set forth in said First Year's Budget. For the first year of Condominium operation, the method used in said First Year's Budget shall be used.

Note 15. Contingencies: The Budget of General Operation may include an amount for unanticipated expenses applicable only to the Operation and affairs of only the General Common Elements, the Association's General Properties and the whole Condominium Association generally, provided such amount shall not exceed 5% of all other projected General Common Expenses for the Budget Year in question (excluding funds segregated for capital or major Repairs or Alterations as provided in Section 9.7 of the Declaration), unless otherwise determined by the Condominium Board, such determination, however, shall be subject to obtaining the prior written Discretionary Consents or Approvals of both the Sponsor (during only the Sponsor Veto Control Period) and the Retail Unit Owner as provided in the Plan and the Condominium Documents. The item for contingencies shall be apportioned to all Residential and Storage Units, and to the Retail Unit, approximately Pro Rata to the respective projected General Common Expenses (excluding the item for contingencies) allocated to all Residential and Storage Units, and to the Retail Unit, in each Budget adopted by the Condominium Board. For the first year of Condominium Operation, the Contingencies shall equal the amounts provided in said First Year's Budget.

Note 16. Real Estate Taxes: Until the Units are separately assessed and billed for real estate taxes, the real estate taxes assessed to the Property shall be included in the General Common Expenses and specially allocated and assessed 89.29% to all Residential Units (and apportioned among them Pro Rata to their respective Common Interests), 0.23% to all Storage Units (and apportioned among them Pro Rata to their respective Common Interests), and 10.48% to the Retail Unit. The amounts so allocated apportioned and assessed to the respective Units shall be subject to adjustment for any overpayment or underpayment of real estate taxes as provided in Article 9, subsection 9.1.7 of the By Laws.

END OF BUDGET GUIDELINES

EXHIBIT G

TO

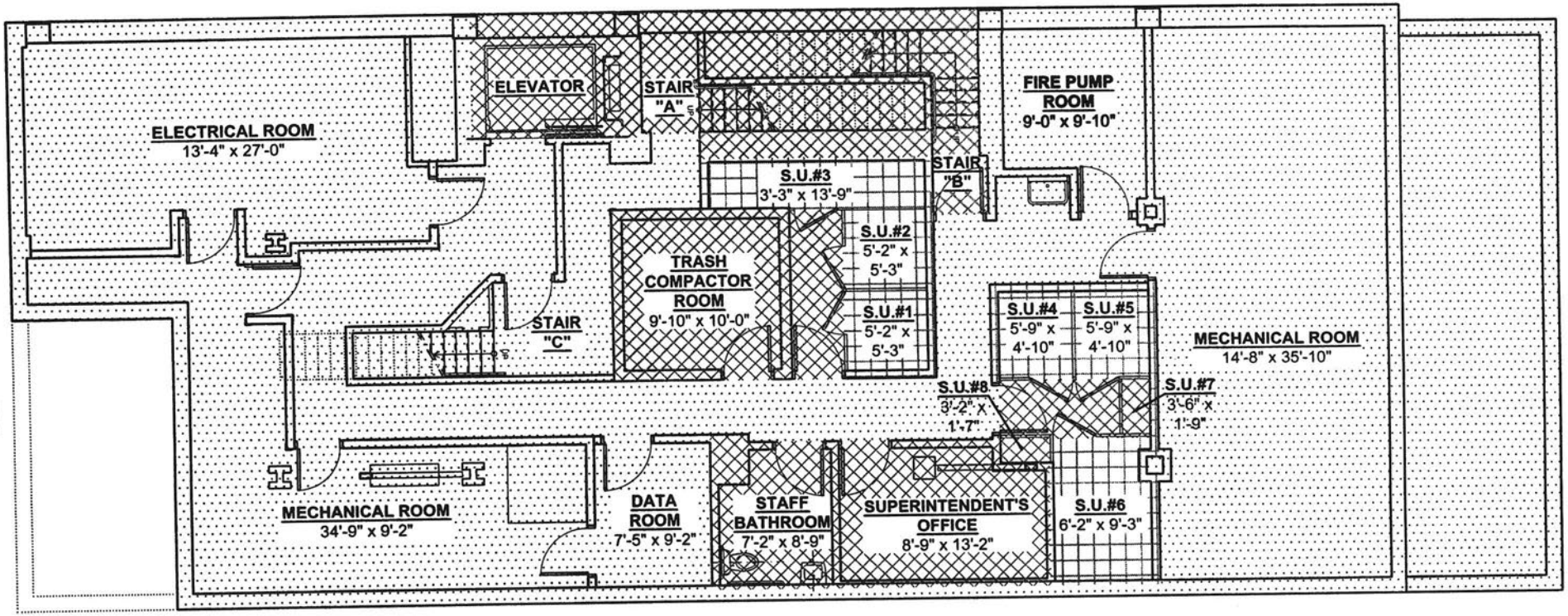
DECLARATION OF CONDOMINIUM

ESTABLISHING

HIGH LINE 23 CONDOMINIUM

DIAGRAMS OF ROOMS AND AREAS

OF COMMON ELEMENTS



EXH G-1

LEGEND

STORAGE UNIT (S.U.)

RESIDENTIAL UNIT

RESIDENTIAL COMMON ELEMENTS

RETAIL UNIT

GENERAL COMMON ELEMENTS

0' 4' 8' 12' 16'

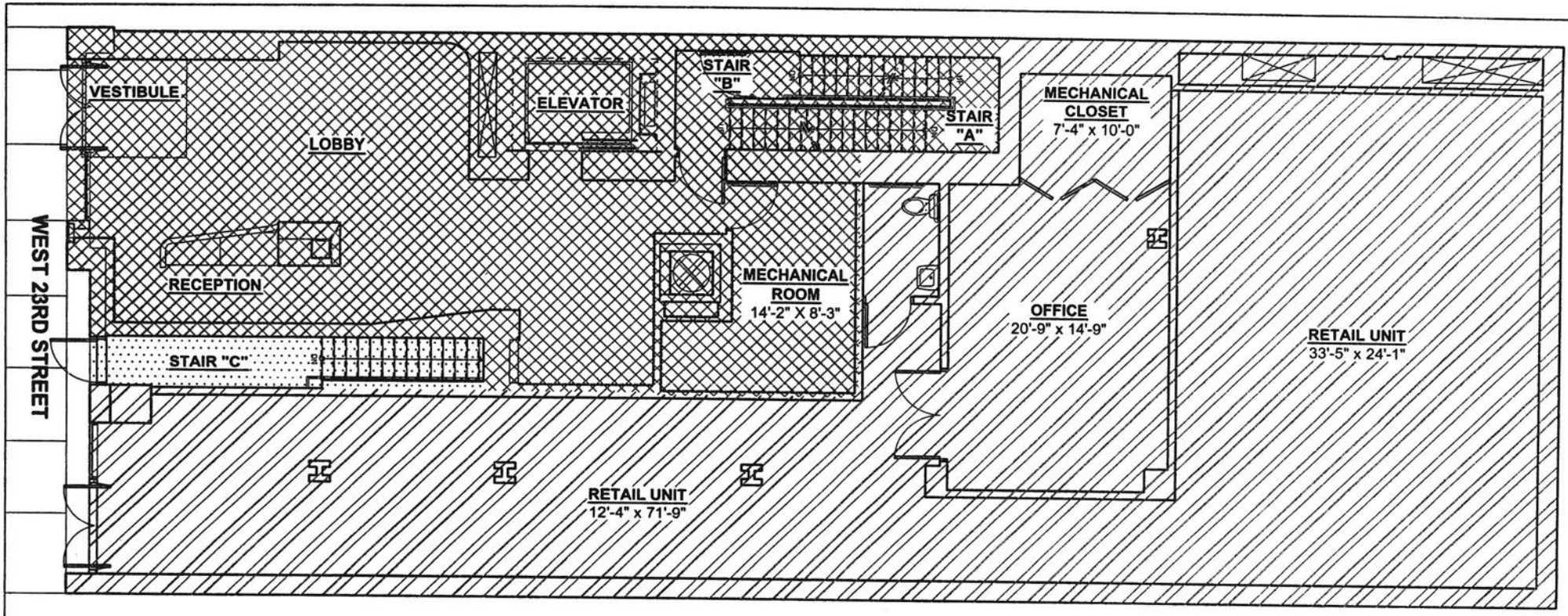
CELLAR

THE UNIT SQUARE FOOTAGE, LAYOUT AND ROOM OR AREA DIMENSIONS ON THIS FLOOR PLAN ARE APPROXIMATE WITHIN REASONABLE TOLERANCES AND BASED ON CONSTRUCTION DRAWINGS. THE UNIT WHEN BUILT WILL BE SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. THE SQUARE FOOTAGE EXCEEDS THE USABLE FLOOR AREA. ROOM AND AREA DIMENSIONS ARE MEASURED FROM THE EXPOSED SURFACES OF THE ENCLOSING WALLS. CHASE WALLS, SHAFTS, CABINETS AND THE LIKE ARE NOT SUBTRACTED. A MINOR OR IMMATERIAL INACCURACY IN THE ACTUAL SQUARE FOOTAGE (I.E., OVERALL FLOOR AREA) OR THE ACTUAL SIZE OF INDIVIDUAL ROOMS OR AREAS OF A UNIT WHEN BUILT FROM THAT SHOWN ON THIS FLOOR PLAN SHALL NOT EXCUSE A PURCHASER FROM COMPLETING THE PURCHASE OF A UNIT WITHOUT ABATEMENT IN PRICE OR RECOURSE AGAINST SPONSOR. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES TO A UNIT IN ACCORDANCE WITH THE OFFERING PLAN.

PLAN NORTH

July 12, 2007

HIGHLINE 23 CONDOMINIUM



EXH G-2

LEGEND

STORAGE UNIT (S.U.)

RESIDENTIAL UNIT

RESIDENTIAL COMMON ELEMENTS

RETAIL UNIT

GENERAL COMMON ELEMENTS

RETAIL UNIT:

2,421 SQ.FT.

LOBBY

972 SQ. FT

0' 4' 8' 12' 16'

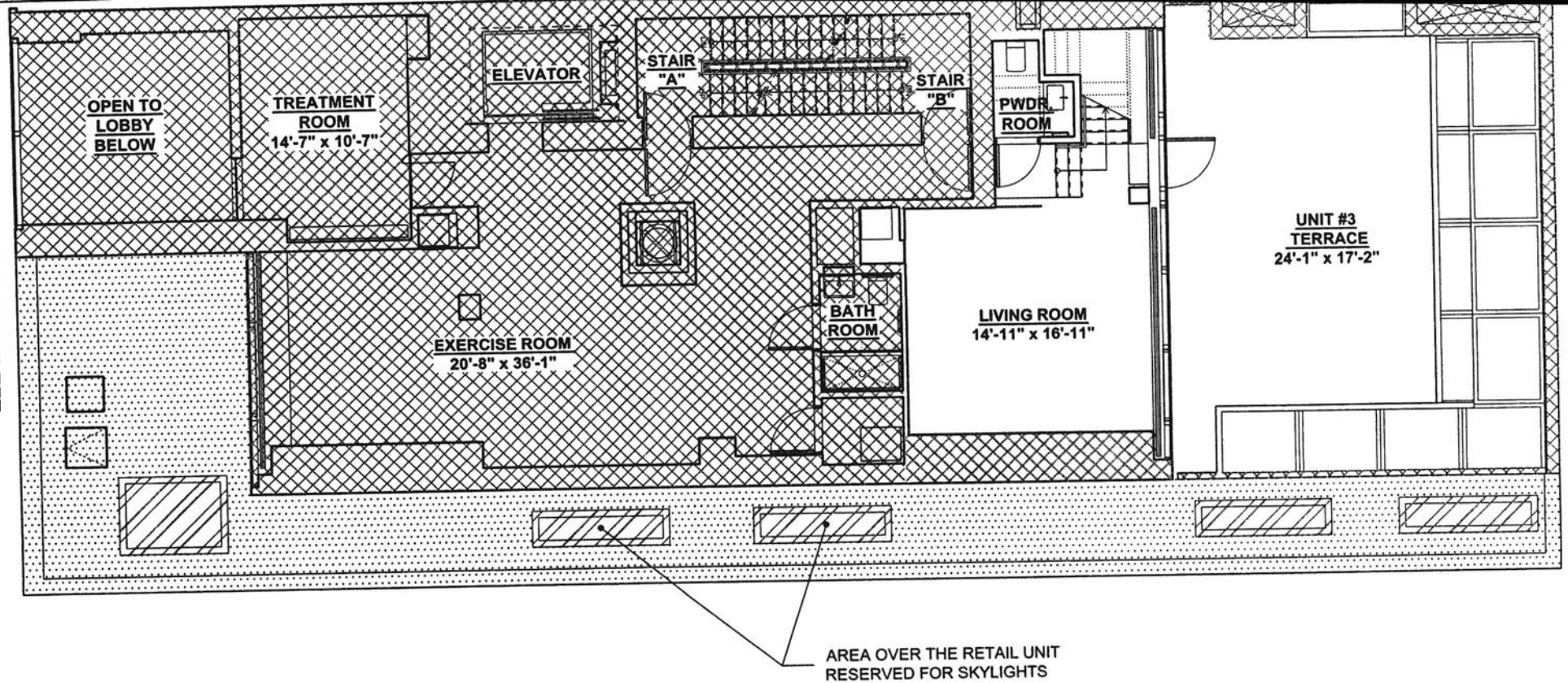
1ST FLOOR PLAN/ RETAIL

THE UNIT SQUARE FOOTAGE, LAYOUT AND ROOM OR AREA DIMENSIONS ON THIS FLOOR PLAN ARE APPROXIMATE WITHIN REASONABLE TOLERANCES AND BASED ON CONSTRUCTION DRAWINGS. THE UNIT WHEN BUILT WILL BE SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. THE SQUARE FOOTAGE EXCEEDS THE USABLE FLOOR AREA. ROOM AND AREA DIMENSIONS ARE MEASURED FROM THE EXPOSED SURFACES OF THE ENCLOSING WALLS. CHASE WALLS, SHAFTS, CABINETS AND THE LIKE ARE NOT SUBTRACTED. A MINOR OR IMMATERIAL INACCURACY IN THE ACTUAL SQUARE FOOTAGE (I.E., OVERALL FLOOR AREA) OR THE ACTUAL SIZE OF INDIVIDUAL ROOMS OR AREAS OF A UNIT WHEN BUILT FROM THAT SHOWN ON THIS FLOOR PLAN SHALL NOT EXCUSE A PURCHASER FROM COMPLETING THE PURCHASE OF A UNIT WITHOUT ABATEMENT IN PRICE OR RECOURSE AGAINST SPONSOR. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES TO A UNIT IN ACCORDANCE WITH THE OFFERING PLAN.

PLAN NORTH

HIGHLINE 23 CONDOMINIUM

July 12, 2007



RECREATION SPACE

1,208 SQ.FT.

LEGEND

STORAGE UNIT (S.U.)

RESIDENTIAL UNIT

RESIDENTIAL COMMON ELEMENTS

RETAIL UNIT

GENERAL COMMON ELEMENTS

0' 4' 8' 12' 16'

2ND FLOOR: COMMON SPACE/ RESIDENTIAL UNIT:3

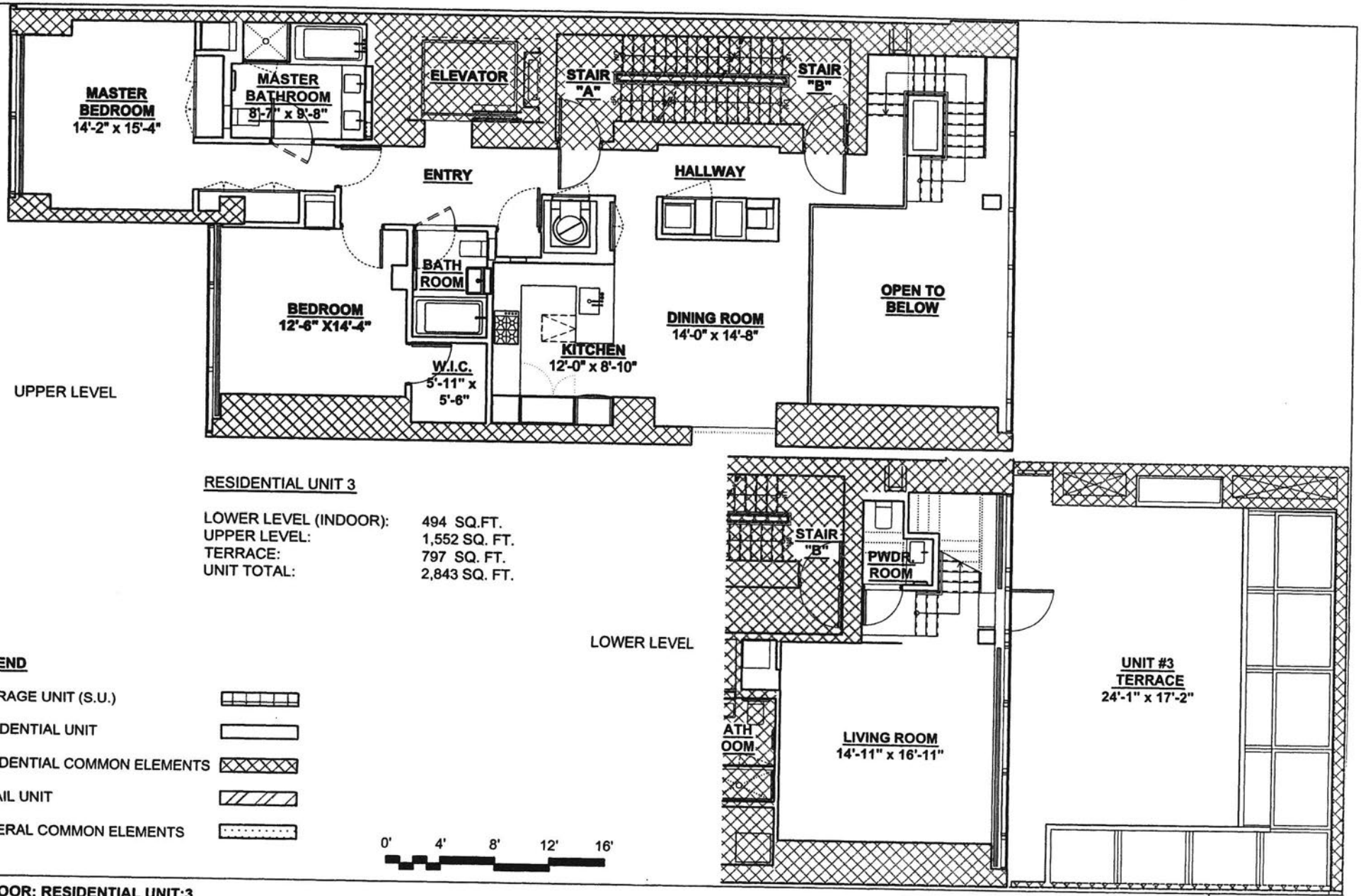
THE UNIT SQUARE FOOTAGE, LAYOUT AND ROOM OR AREA DIMENSIONS ON THIS FLOOR PLAN ARE APPROXIMATE WITHIN REASONABLE TOLERANCES AND BASED ON CONSTRUCTION DRAWINGS. THE UNIT WHEN BUILT WILL BE SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. THE SQUARE FOOTAGE EXCEEDS THE USABLE FLOOR AREA. ROOM AND AREA DIMENSIONS ARE MEASURED FROM THE EXPOSED SURFACES OF THE ENCLOSING WALLS. CHASE WALLS, SHAFTS, CABINETS AND THE LIKE ARE NOT SUBTRACTED. A MINOR OR IMMATERIAL INACCURACY IN THE ACTUAL SQUARE FOOTAGE (I.E., OVERALL FLOOR AREA) OR THE ACTUAL SIZE OF INDIVIDUAL ROOMS OR AREAS OF A UNIT WHEN BUILT FROM THAT SHOWN ON THIS FLOOR PLAN SHALL NOT EXCUSE A PURCHASER FROM COMPLETING THE PURCHASE OF A UNIT WITHOUT ABATEMENT IN PRICE OR RECOURSE AGAINST SPONSOR. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES TO A UNIT IN ACCORDANCE WITH THE OFFERING PLAN.

PLAN NORTH

July 12, 2007

HIGHLINE 23 CONDOMINIUM

EXH G-3



EXH G-4

RESIDENTIAL UNIT 3

LOWER LEVEL (INDOOR):	494 SQ.FT.
UPPER LEVEL:	1,552 SQ. FT.
TERRACE:	797 SQ. FT.
UNIT TOTAL:	2,843 SQ. FT.

LEGEND

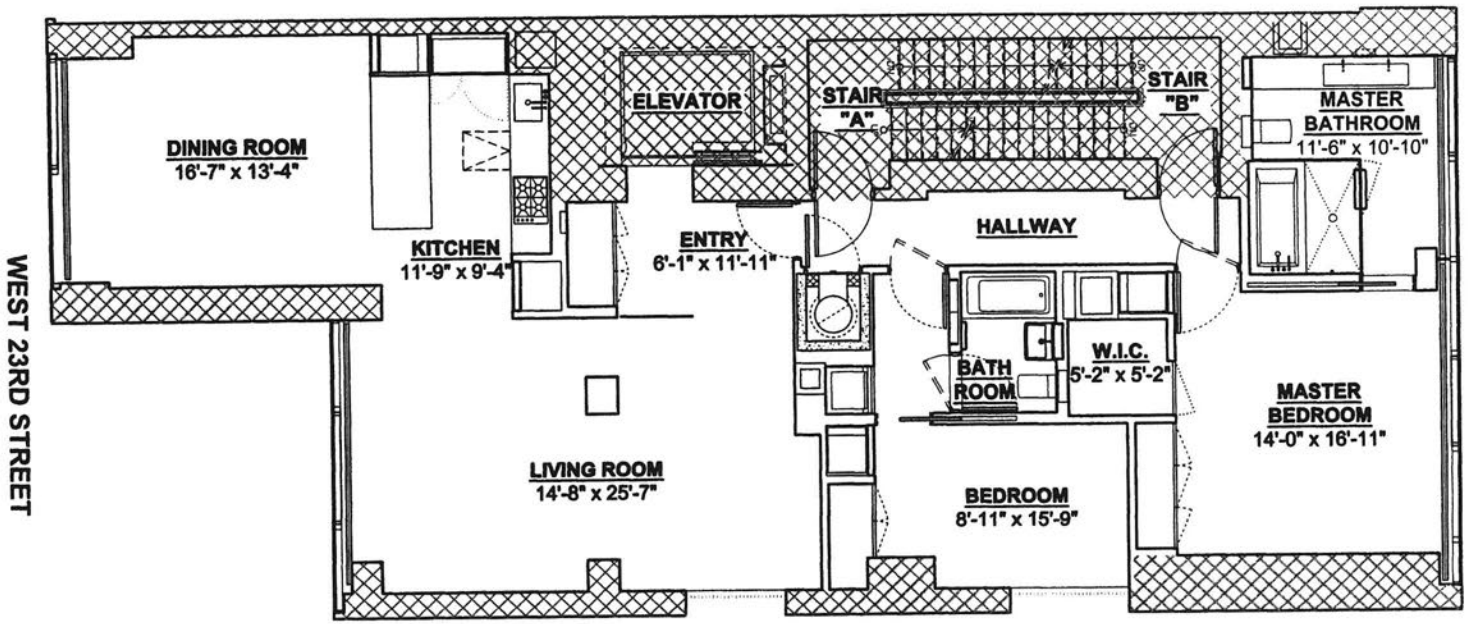
- STORAGE UNIT (S.U.)
- RESIDENTIAL UNIT
- RESIDENTIAL COMMON ELEMENTS
- RETAIL UNIT
- GENERAL COMMON ELEMENTS

3RD FLOOR: RESIDENTIAL UNIT:3

THE UNIT SQUARE FOOTAGE, LAYOUT AND ROOM OR AREA DIMENSIONS ON THIS FLOOR PLAN ARE APPROXIMATE WITHIN REASONABLE TOLERANCES AND BASED ON CONSTRUCTION DRAWINGS. THE UNIT WHEN BUILT WILL BE SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. THE SQUARE FOOTAGE EXCEEDS THE USABLE FLOOR AREA. ROOM AND AREA DIMENSIONS ARE MEASURED FROM THE EXPOSED SURFACES OF THE ENCLOSING WALLS. CHASE WALLS, SHAFTS, CABINETS AND THE LIKE ARE NOT SUBTRACTED. A MINOR OR IMMATERIAL INACCURACY IN THE ACTUAL SQUARE FOOTAGE (I.E., OVERALL FLOOR AREA) OR THE ACTUAL SIZE OF INDIVIDUAL ROOMS OR AREAS OF A UNIT WHEN BUILT FROM THAT SHOWN ON THIS FLOOR PLAN SHALL NOT EXCUSE A PURCHASER FROM COMPLETING THE PURCHASE OF A UNIT WITHOUT ABATEMENT IN PRICE OR RECOURSE AGAINST SPONSOR. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES TO A UNIT IN ACCORDANCE WITH THE OFFERING PLAN.

PLAN NORTH

HIGHLINE 23 CONDOMINIUM



RESIDENTIAL UNIT 4

1,869 SQ.FT.

LEGEND

STORAGE UNIT (S.U.)

RESIDENTIAL UNIT

RESIDENTIAL COMMON ELEMENTS

RETAIL UNIT

GENERAL COMMON ELEMENTS

0' 4' 8' 12' 16'

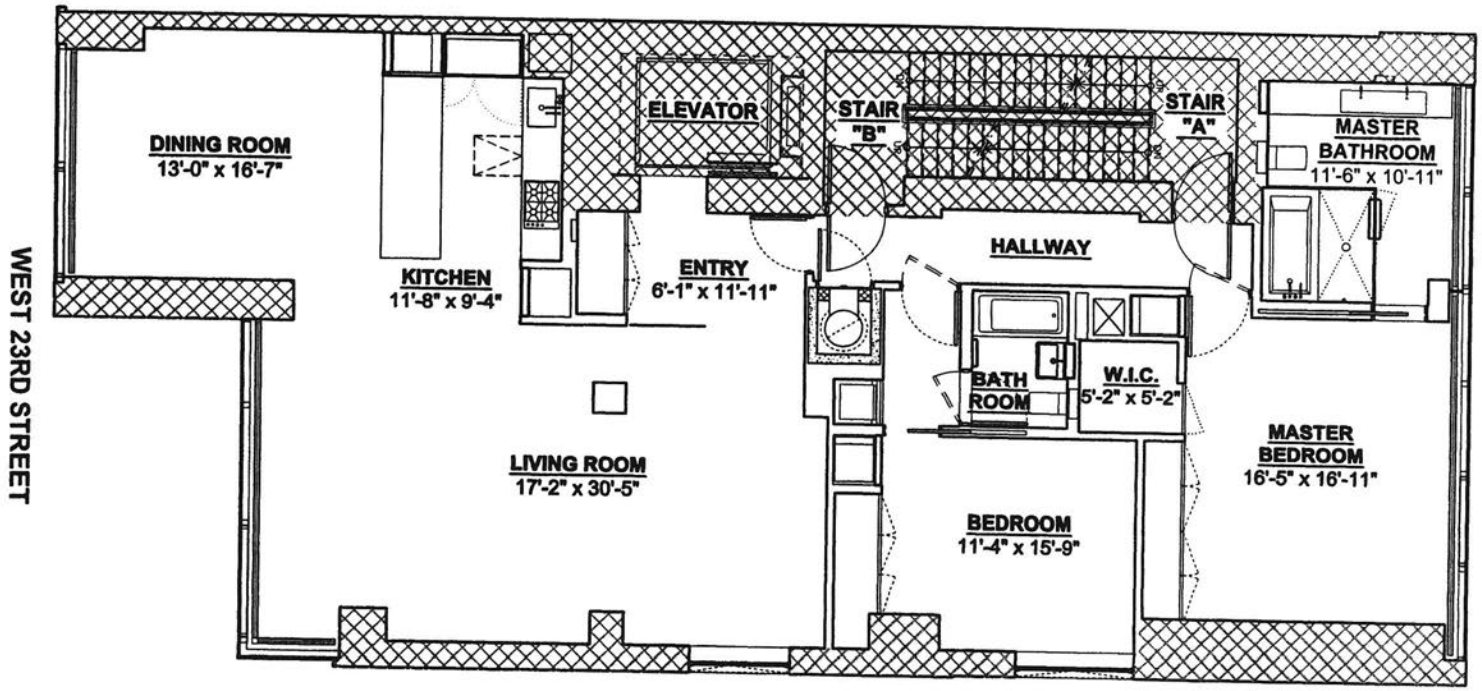
4TH FLOOR: RESIDENTIAL UNIT:4

THE UNIT SQUARE FOOTAGE, LAYOUT AND ROOM OR AREA DIMENSIONS ON THIS FLOOR PLAN ARE APPROXIMATE WITHIN REASONABLE TOLERANCES AND BASED ON CONSTRUCTION DRAWINGS. THE UNIT WHEN BUILT WILL BE SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. THE SQUARE FOOTAGE EXCEEDS THE USABLE FLOOR AREA. ROOM AND AREA DIMENSIONS ARE MEASURED FROM THE EXPOSED SURFACES OF THE ENCLOSING WALLS. CHASE WALLS, SHAFTS, CABINETS AND THE LIKE ARE NOT SUBTRACTED. A MINOR OR IMMATERIAL INACCURACY IN THE ACTUAL SQUARE FOOTAGE (I.E., OVERALL FLOOR AREA) OR THE ACTUAL SIZE OF INDIVIDUAL ROOMS OR AREAS OF A UNIT WHEN BUILT FROM THAT SHOWN ON THIS FLOOR PLAN SHALL NOT EXCUSE A PURCHASER FROM COMPLETING THE PURCHASE OF A UNIT WITHOUT ABATEMENT IN PRICE OR RECOURSE AGAINST SPONSOR. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES TO A UNIT IN ACCORDANCE WITH THE OFFERING PLAN.

PLAN NORTH

July 12, 2007

HIGHLINE 23 CONDOMINIUM



EXH G-6

RESIDENTIAL UNIT 5

2,104 SQ.FT.

LEGEND

STORAGE UNIT (S.U.)

RESIDENTIAL UNIT

RESIDENTIAL COMMON ELEMENTS

RETAIL UNIT

GENERAL COMMON ELEMENTS

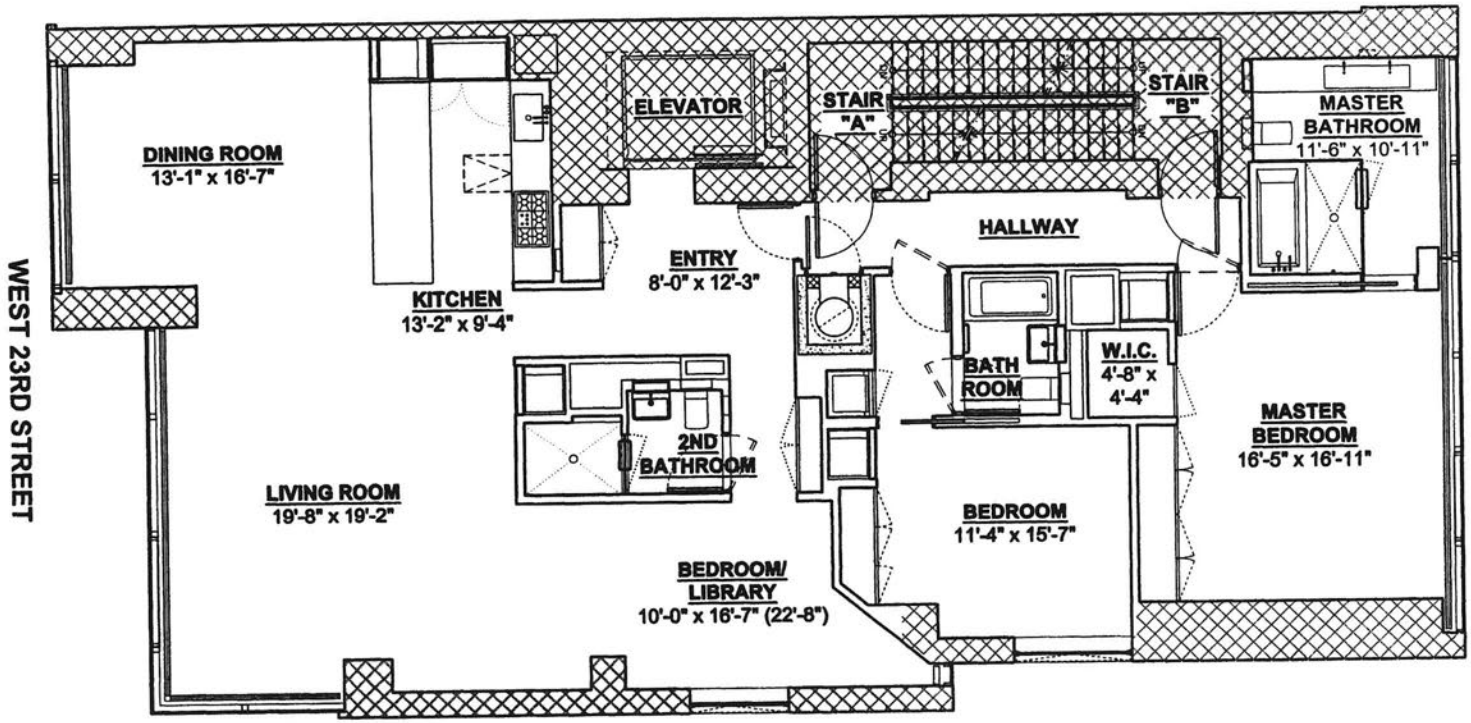
0' 4' 8' 12' 16'

5TH FLOOR: RESIDENTIAL UNIT:5

THE UNIT SQUARE FOOTAGE, LAYOUT AND ROOM OR AREA DIMENSIONS ON THIS FLOOR PLAN ARE APPROXIMATE WITHIN REASONABLE TOLERANCES AND BASED ON CONSTRUCTION DRAWINGS. THE UNIT WHEN BUILT WILL BE SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. THE SQUARE FOOTAGE EXCEEDS THE USABLE FLOOR AREA. ROOM AND AREA DIMENSIONS ARE MEASURED FROM THE EXPOSED SURFACES OF THE ENCLOSING WALLS. CHASE WALLS, SHAFTS, CABINETS AND THE LIKE ARE NOT SUBTRACTED. A MINOR OR IMMATERIAL INACCURACY IN THE ACTUAL SQUARE FOOTAGE (I.E., OVERALL FLOOR AREA) OR THE ACTUAL SIZE OF INDIVIDUAL ROOMS OR AREAS OF A UNIT WHEN BUILT FROM THAT SHOWN ON THIS FLOOR PLAN SHALL NOT EXCUSE A PURCHASER FROM COMPLETING THE PURCHASE OF A UNIT WITHOUT ABATEMENT IN PRICE OR RECOURSE AGAINST SPONSOR. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES TO A UNIT IN ACCORDANCE WITH THE OFFERING PLAN.

PLAN NORTH

HIGHLINE 23 CONDOMINIUM



RESIDENTIAL UNIT 6
2,297 SQ.FT.

LEGEND

STORAGE UNIT (S.U.)

RESIDENTIAL UNIT

RESIDENTIAL COMMON ELEMENTS

RETAIL UNIT

GENERAL COMMON ELEMENTS

0' 4' 8' 12' 16'

6TH FLOOR: RESIDENTIAL UNIT:6

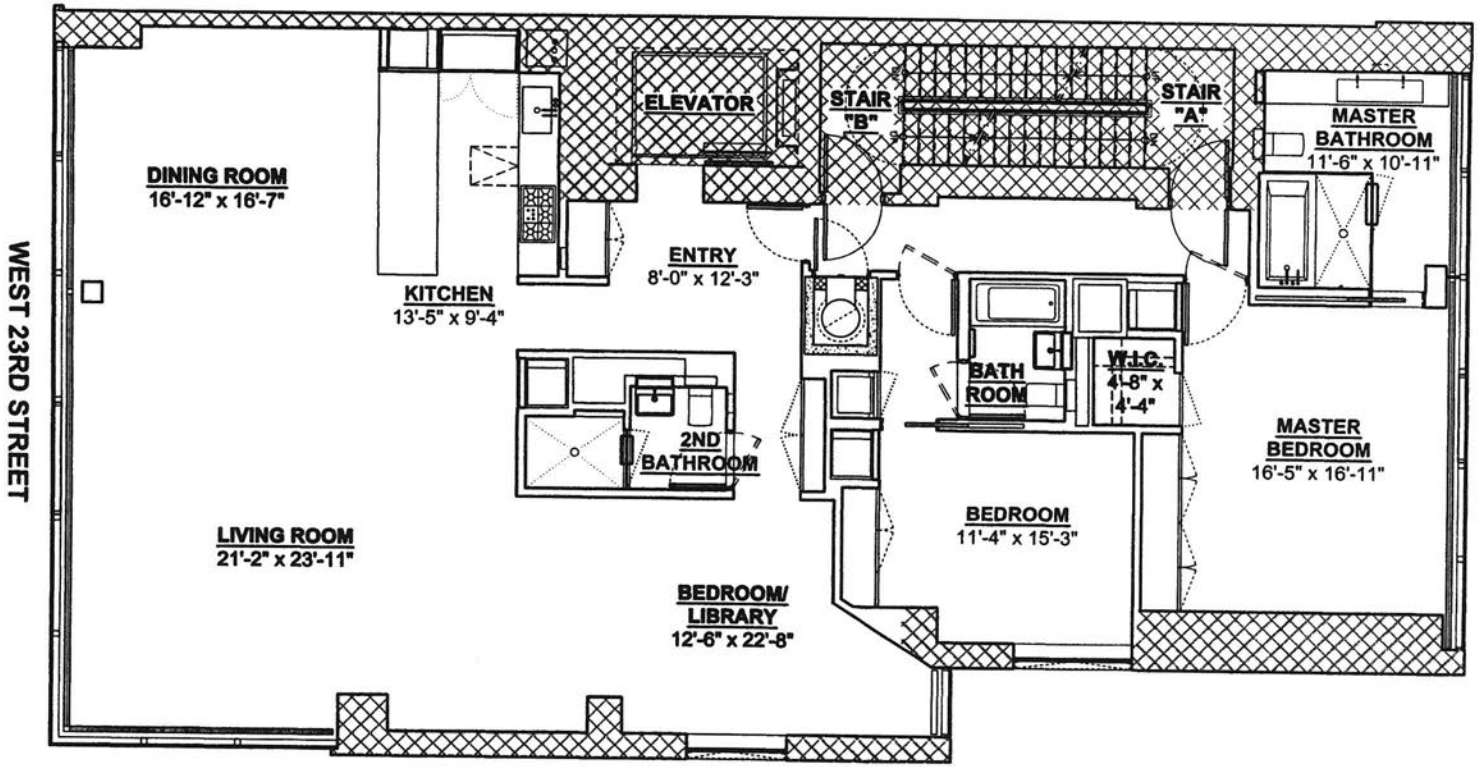
THE UNIT SQUARE FOOTAGE, LAYOUT AND ROOM OR AREA DIMENSIONS ON THIS FLOOR PLAN ARE APPROXIMATE WITHIN REASONABLE TOLERANCES AND BASED ON CONSTRUCTION DRAWINGS. THE UNIT WHEN BUILT WILL BE SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. THE SQUARE FOOTAGE EXCEEDS THE USABLE FLOOR AREA. ROOM AND AREA DIMENSIONS ARE MEASURED FROM THE EXPOSED SURFACES OF THE ENCLOSING WALLS. CHASE WALLS, SHAFTS, CABINETS AND THE LIKE ARE NOT SUBTRACTED. A MINOR OR IMMATERIAL INACCURACY IN THE ACTUAL SQUARE FOOTAGE (I.E., OVERALL FLOOR AREA) OR THE ACTUAL SIZE OF INDIVIDUAL ROOMS OR AREAS OF A UNIT WHEN BUILT FROM THAT SHOWN ON THIS FLOOR PLAN SHALL NOT EXCUSE A PURCHASER FROM COMPLETING THE PURCHASE OF A UNIT WITHOUT ABATEMENT IN PRICE OR RECOURSE AGAINST SPONSOR. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES TO A UNIT IN ACCORDANCE WITH THE OFFERING PLAN.

PLAN NORTH

July 12, 2007

HIGHLINE 23 CONDOMINIUM

EXH G-7



RESIDENTIAL UNIT 7

2,511 SQ.FT.

LEGEND

- STORAGE UNIT (S.U.)
- RESIDENTIAL UNIT
- RESIDENTIAL COMMON ELEMENTS
- RETAIL UNIT
- GENERAL COMMON ELEMENTS

0' 4' 8' 12' 16'

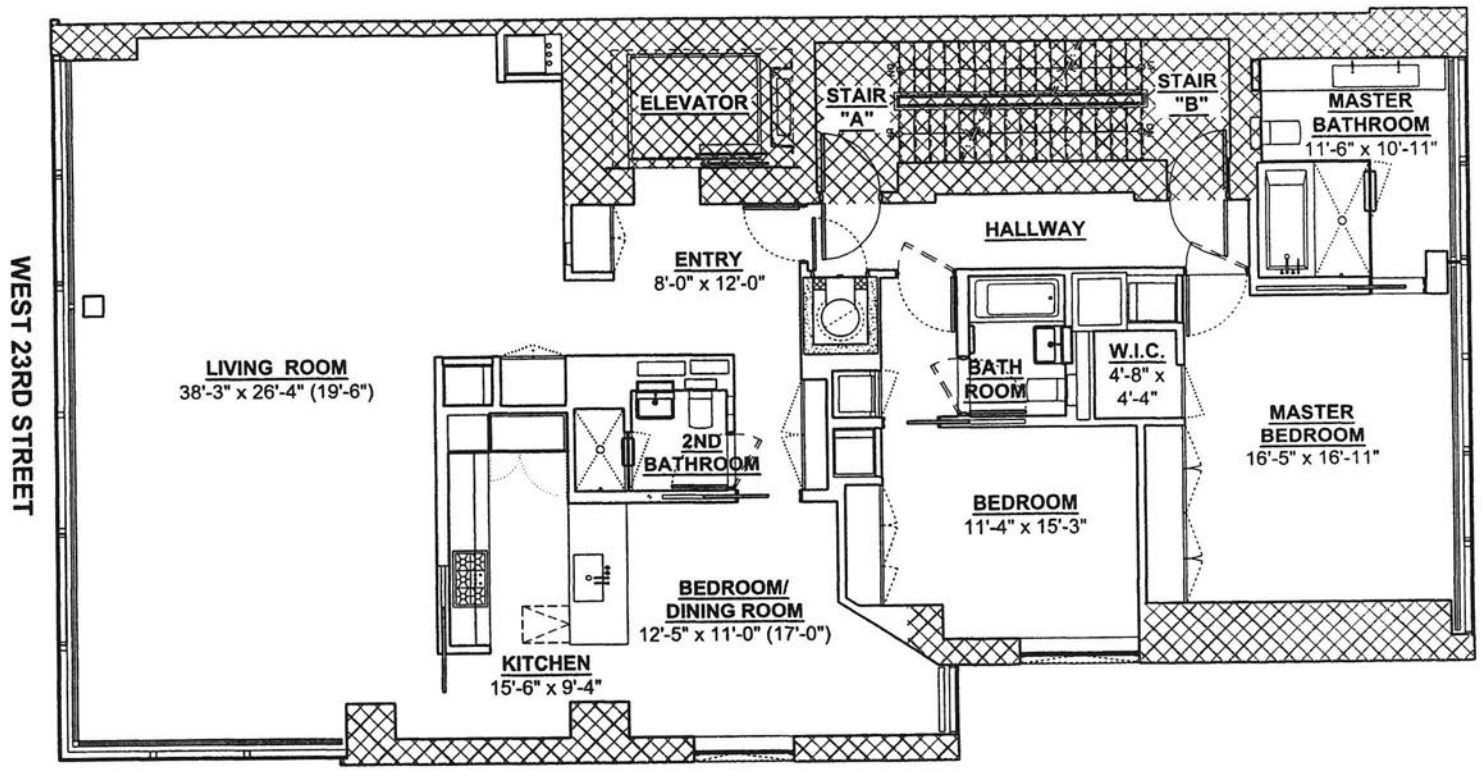
7TH FLOOR: RESIDENTIAL UNIT:7

THE UNIT SQUARE FOOTAGE, LAYOUT AND ROOM OR AREA DIMENSIONS ON THIS FLOOR PLAN ARE APPROXIMATE WITHIN REASONABLE TOLERANCES AND BASED ON CONSTRUCTION DRAWINGS. THE UNIT WHEN BUILT WILL BE SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. THE SQUARE FOOTAGE EXCEEDS THE USABLE FLOOR AREA. ROOM AND AREA DIMENSIONS ARE MEASURED FROM THE EXPOSED SURFACES OF THE ENCLOSING WALLS. CHASE WALLS, SHAFTS, CABINETS AND THE LIKE ARE NOT SUBTRACTED. A MINOR OR IMMATERIAL INACCURACY IN THE ACTUAL SQUARE FOOTAGE (I.E., OVERALL FLOOR AREA) OR THE ACTUAL SIZE OF INDIVIDUAL ROOMS OR AREAS OF A UNIT WHEN BUILT FROM THAT SHOWN ON THIS FLOOR PLAN SHALL NOT EXCUSE A PURCHASER FROM COMPLETING THE PURCHASE OF A UNIT WITHOUT ABATEMENT IN PRICE OR RECOURSE AGAINST SPONSOR. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES TO A UNIT IN ACCORDANCE WITH THE OFFERING PLAN.

PLAN NORTH

HIGHLINE 23 CONDOMINIUM

EXH G-8



RESIDENTIAL UNIT 8

2,511 SQ.FT.

LEGEND

STORAGE UNIT (S.U.)

RESIDENTIAL UNIT

RESIDENTIAL COMMON ELEMENTS

RETAIL UNIT

GENERAL COMMON ELEMENTS

0' 4' 8' 12' 16'

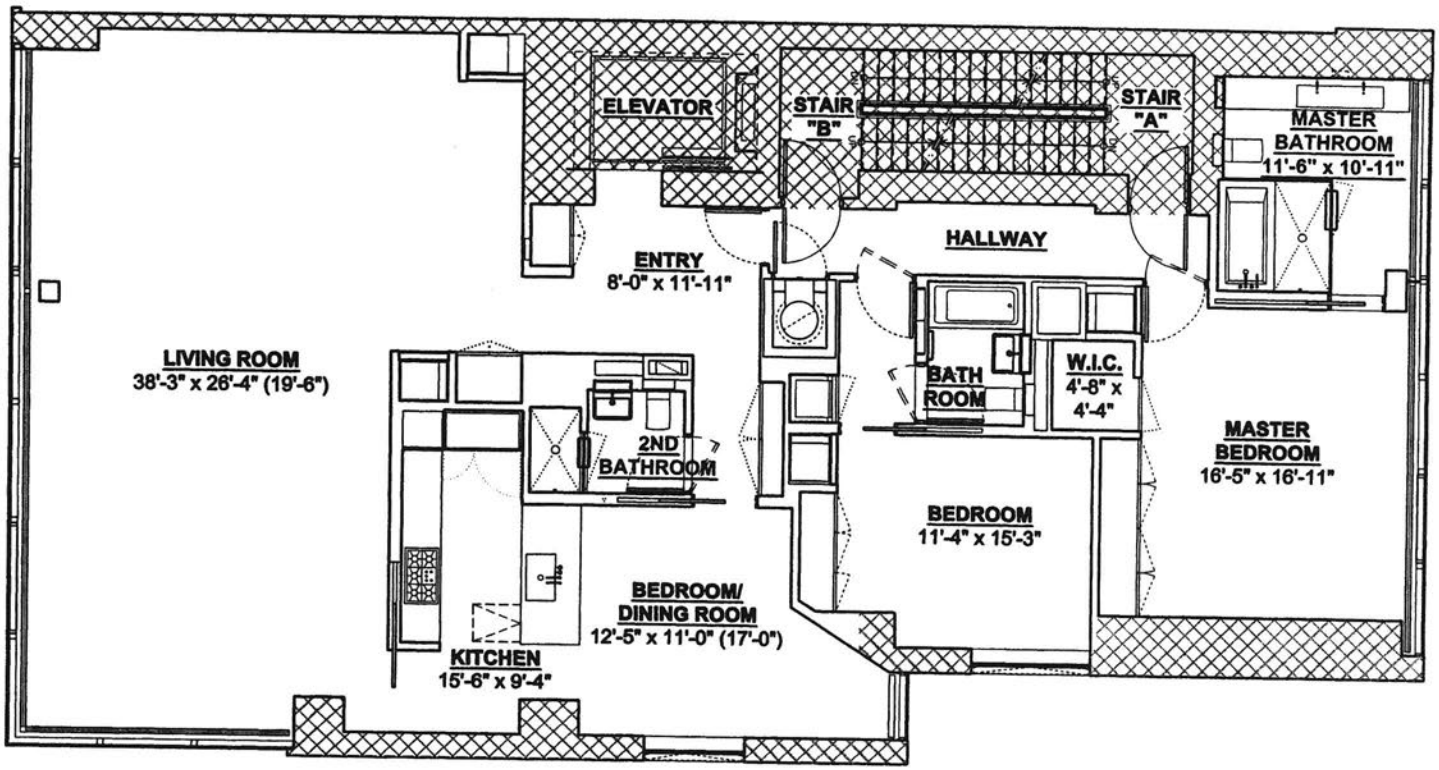
8TH FLOOR: RESIDENTIAL UNIT:8

THE UNIT SQUARE FOOTAGE, LAYOUT AND ROOM OR AREA DIMENSIONS ON THIS FLOOR PLAN ARE APPROXIMATE WITHIN REASONABLE TOLERANCES AND BASED ON CONSTRUCTION DRAWINGS. THE UNIT WHEN BUILT WILL BE SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. THE SQUARE FOOTAGE EXCEEDS THE USABLE FLOOR AREA. ROOM AND AREA DIMENSIONS ARE MEASURED FROM THE EXPOSED SURFACES OF THE ENCLOSING WALLS. CHASE WALLS, SHAFTS, CABINETS AND THE LIKE ARE NOT SUBTRACTED. A MINOR OR IMMATERIAL INACCURACY IN THE ACTUAL SQUARE FOOTAGE (I.E., OVERALL FLOOR AREA) OR THE ACTUAL SIZE OF INDIVIDUAL ROOMS OR AREAS OF A UNIT WHEN BUILT FROM THAT SHOWN ON THIS FLOOR PLAN SHALL NOT EXCUSE A PURCHASER FROM COMPLETING THE PURCHASE OF A UNIT WITHOUT ABATEMENT IN PRICE OR RECOURSE AGAINST SPONSOR. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES TO A UNIT IN ACCORDANCE WITH THE OFFERING PLAN.

PLAN NORTH

July 12, 2007

HIGHLINE 23 CONDOMINIUM



EXH G-10

LEGEND

STORAGE UNIT (S.U.)

RESIDENTIAL UNIT

RESIDENTIAL COMMON ELEMENTS

RETAIL UNIT

GENERAL COMMON ELEMENTS

RESIDENTIAL UNIT 9

2,511 SQ.FT.

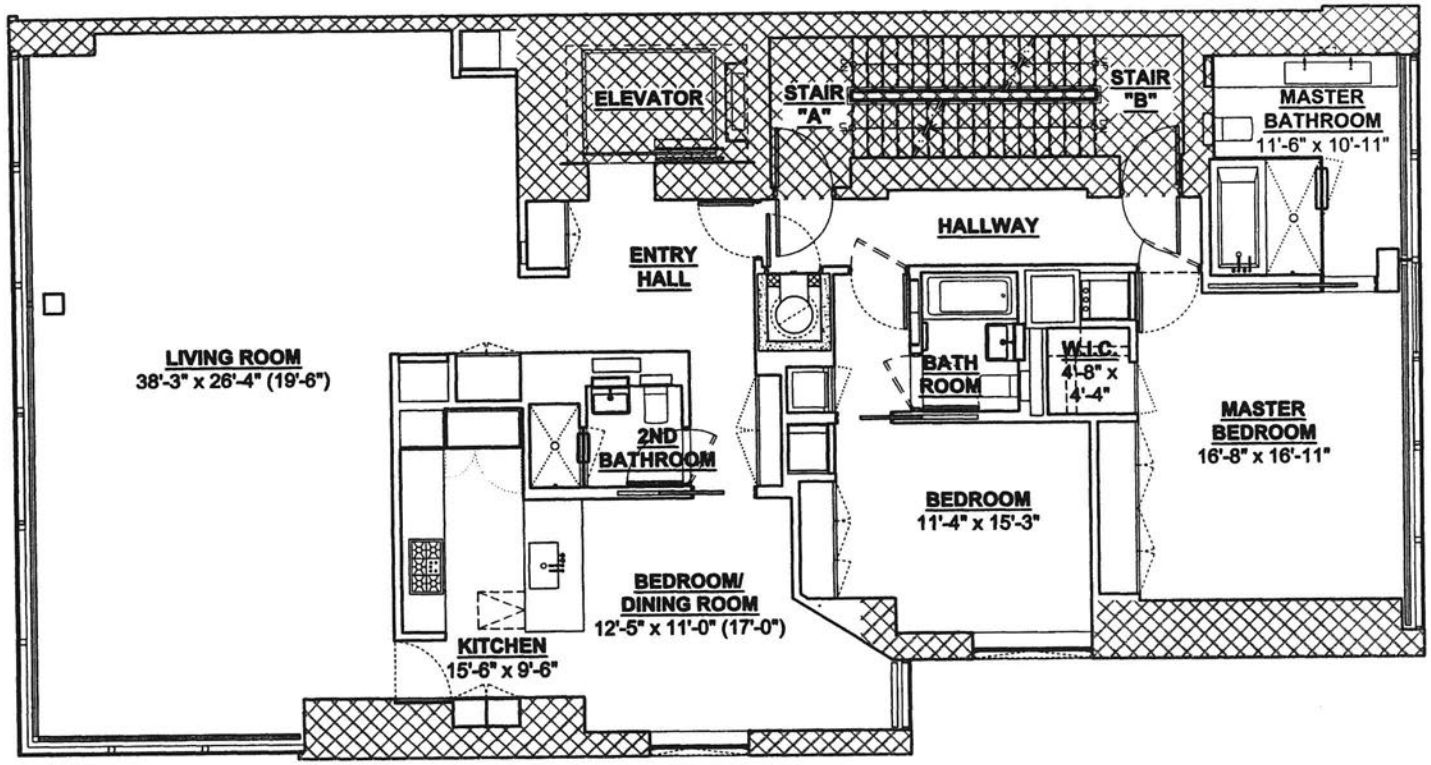
0' 4' 8' 12' 16'

9TH FLOOR: RESIDENTIAL UNIT:9

THE UNIT SQUARE FOOTAGE, LAYOUT AND ROOM OR AREA DIMENSIONS ON THIS FLOOR PLAN ARE APPROXIMATE WITHIN REASONABLE TOLERANCES AND BASED ON CONSTRUCTION DRAWINGS. THE UNIT WHEN BUILT WILL BE SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. THE SQUARE FOOTAGE EXCEEDS THE USABLE FLOOR AREA. ROOM AND AREA DIMENSIONS ARE MEASURED FROM THE EXPOSED SURFACES OF THE ENCLOSING WALLS. CHASE WALLS, SHAFTS, CABINETS AND THE LIKE ARE NOT SUBTRACTED. A MINOR OR IMMATERIAL INACCURACY IN THE ACTUAL SQUARE FOOTAGE (I.E., OVERALL FLOOR AREA) OR THE ACTUAL SIZE OF INDIVIDUAL ROOMS OR AREAS OF A UNIT WHEN BUILT FROM THAT SHOWN ON THIS FLOOR PLAN SHALL NOT EXCUSE A PURCHASER FROM COMPLETING THE PURCHASE OF A UNIT WITHOUT ABATEMENT IN PRICE OR RECOURSE AGAINST SPONSOR. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES TO A UNIT IN ACCORDANCE WITH THE OFFERING PLAN.

PLAN NORTH

HIGHLINE 23 CONDOMINIUM



EXH G-11

RESIDENTIAL UNIT 10

2,511 SQ.FT.

LEGEND

- STORAGE UNIT (S.U.)
- RESIDENTIAL UNIT
- RESIDENTIAL COMMON ELEMENTS
- RETAIL UNIT
- GENERAL COMMON ELEMENTS

0' 4' 8' 12' 16'

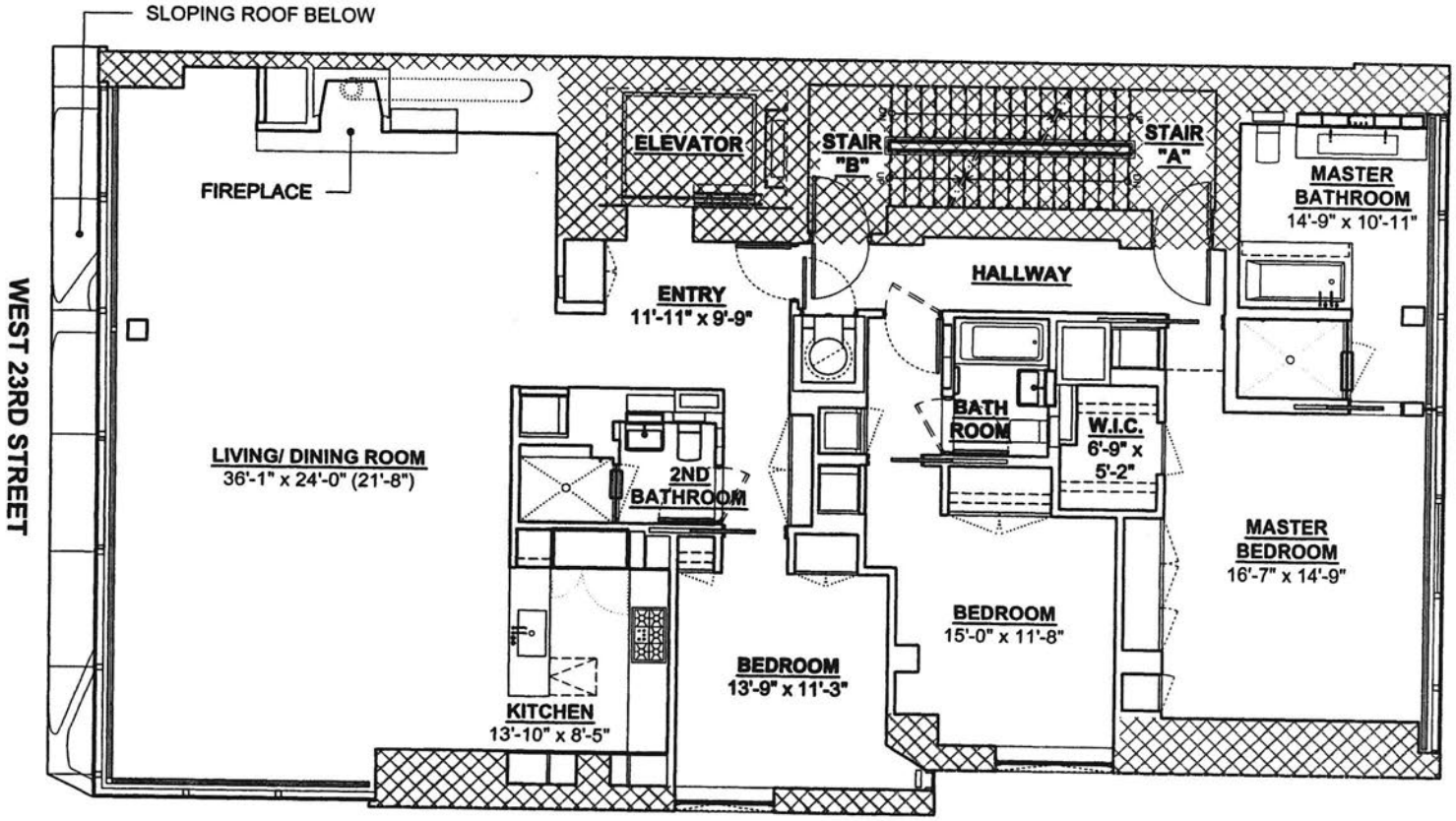
10TH FLOOR: RESIDENTIAL UNIT:10

THE UNIT SQUARE FOOTAGE, LAYOUT AND ROOM OR AREA DIMENSIONS ON THIS FLOOR PLAN ARE APPROXIMATE WITHIN REASONABLE TOLERANCES AND BASED ON CONSTRUCTION DRAWINGS. THE UNIT WHEN BUILT WILL BE SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. THE SQUARE FOOTAGE EXCEEDS THE USABLE FLOOR AREA. ROOM AND AREA DIMENSIONS ARE MEASURED FROM THE EXPOSED SURFACES OF THE ENCLOSING WALLS. CHASE WALLS, SHAFTS, CABINETS AND THE LIKE ARE NOT SUBTRACTED. A MINOR OR IMMATERIAL INACCURACY IN THE ACTUAL SQUARE FOOTAGE (I.E., OVERALL FLOOR AREA) OR THE ACTUAL SIZE OF INDIVIDUAL ROOMS OR AREAS OF A UNIT WHEN BUILT FROM THAT SHOWN ON THIS FLOOR PLAN SHALL NOT EXCUSE A PURCHASER FROM COMPLETING THE PURCHASE OF A UNIT WITHOUT ABATEMENT IN PRICE OR RECOURSE AGAINST SPONSOR. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES TO A UNIT IN ACCORDANCE WITH THE OFFERING PLAN.

PLAN NORTH

July 12, 2007

HIGHLINE 23 CONDOMINIUM



LEGEND

STORAGE UNIT (S.U.)	
RESIDENTIAL UNIT	
RESIDENTIAL COMMON ELEMENTS	
RETAIL UNIT	
GENERAL COMMON ELEMENTS	

RESIDENTIAL UNIT 11

2,571 SQ.FT.

0' 4' 8' 12' 16'

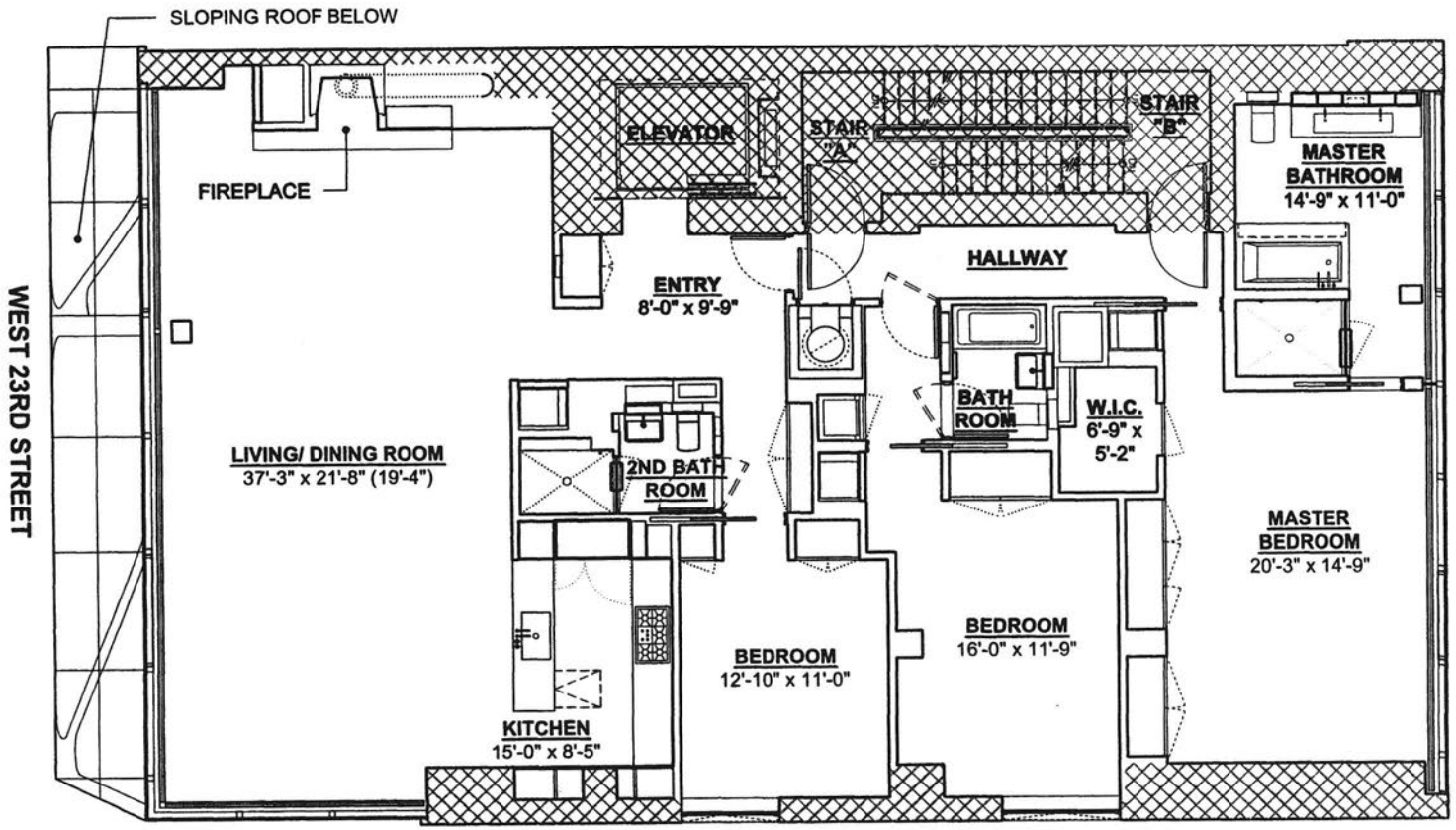
11TH FLOOR: RESIDENTIAL UNIT:11

THE UNIT SQUARE FOOTAGE, LAYOUT AND ROOM OR AREA DIMENSIONS ON THIS FLOOR PLAN ARE APPROXIMATE WITHIN REASONABLE TOLERANCES AND BASED ON CONSTRUCTION DRAWINGS. THE UNIT WHEN BUILT WILL BE SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. THE SQUARE FOOTAGE EXCEEDS THE USABLE FLOOR AREA. ROOM AND AREA DIMENSIONS ARE MEASURED FROM THE EXPOSED SURFACES OF THE ENCLOSING WALLS. CHASE WALLS, SHAFTS, CABINETS AND THE LIKE ARE NOT SUBTRACTED. A MINOR OR IMMATERIAL INACCURACY IN THE ACTUAL SQUARE FOOTAGE (I.E., OVERALL FLOOR AREA) OR THE ACTUAL SIZE OF INDIVIDUAL ROOMS OR AREAS OF A UNIT WHEN BUILT FROM THAT SHOWN ON THIS FLOOR PLAN SHALL NOT EXCUSE A PURCHASER FROM COMPLETING THE PURCHASE OF A UNIT WITHOUT ABATEMENT IN PRICE OR RECOURSE AGAINST SPONSOR. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES TO A UNIT IN ACCORDANCE WITH THE OFFERING PLAN.

PLAN NORTH

HIGHLINE 23 CONDOMINIUM

EXH G-12



LEGEND

STORAGE UNIT (S.U.)

RESIDENTIAL UNIT

RESIDENTIAL COMMON ELEMENTS

RETAIL UNIT

GENERAL COMMON ELEMENTS

RESIDENTIAL UNIT 12

2,622 SQ.FT.

0' 4' 8' 12' 16'

12TH FLOOR: RESIDENTIAL UNIT:12

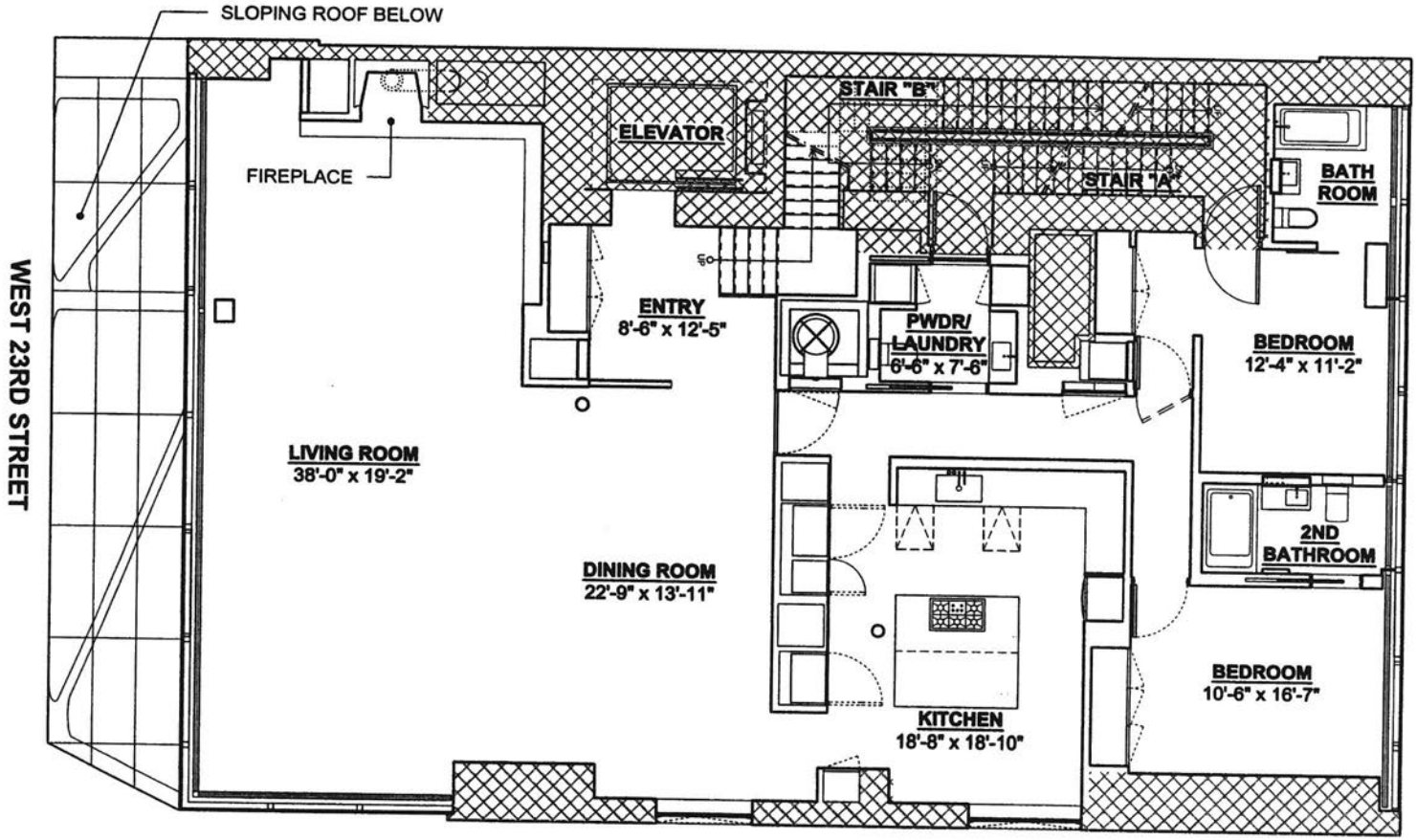
THE UNIT SQUARE FOOTAGE, LAYOUT AND ROOM OR AREA DIMENSIONS ON THIS FLOOR PLAN ARE APPROXIMATE WITHIN REASONABLE TOLERANCES AND BASED ON CONSTRUCTION DRAWINGS. THE UNIT WHEN BUILT WILL BE SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. THE SQUARE FOOTAGE EXCEEDS THE USABLE FLOOR AREA. ROOM AND AREA DIMENSIONS ARE MEASURED FROM THE EXPOSED SURFACES OF THE ENCLOSING WALLS. CHASE WALLS, SHAFTS, CABINETS AND THE LIKE ARE NOT SUBTRACTED. A MINOR OR IMMATERIAL INACCURACY IN THE ACTUAL SQUARE FOOTAGE (I.E., OVERALL FLOOR AREA) OR THE ACTUAL SIZE OF INDIVIDUAL ROOMS OR AREAS OF A UNIT WHEN BUILT FROM THAT SHOWN ON THIS FLOOR PLAN SHALL NOT EXCUSE A PURCHASER FROM COMPLETING THE PURCHASE OF A UNIT WITHOUT ABATEMENT IN PRICE OR RECOURSE AGAINST SPONSOR. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES TO A UNIT IN ACCORDANCE WITH THE OFFERING PLAN.

PLAN NORTH

HIGHLINE 23 CONDOMINIUM

July 12, 2007

EXH G-13



LEGEND

STORAGE UNIT (S.U.)

RESIDENTIAL UNIT

RESIDENTIAL COMMON ELEMENTS

RETAIL UNIT

GENERAL COMMON ELEMENTS

RESIDENTIAL UNIT PENTHOUSE LOWER LEVEL
2,561 SQ.FT.

0' 4' 8' 12' 16'

PENTHOUSE LOWER LEVEL : RESIDENTIAL UNIT:PENTHOUSE LOWER LEVEL

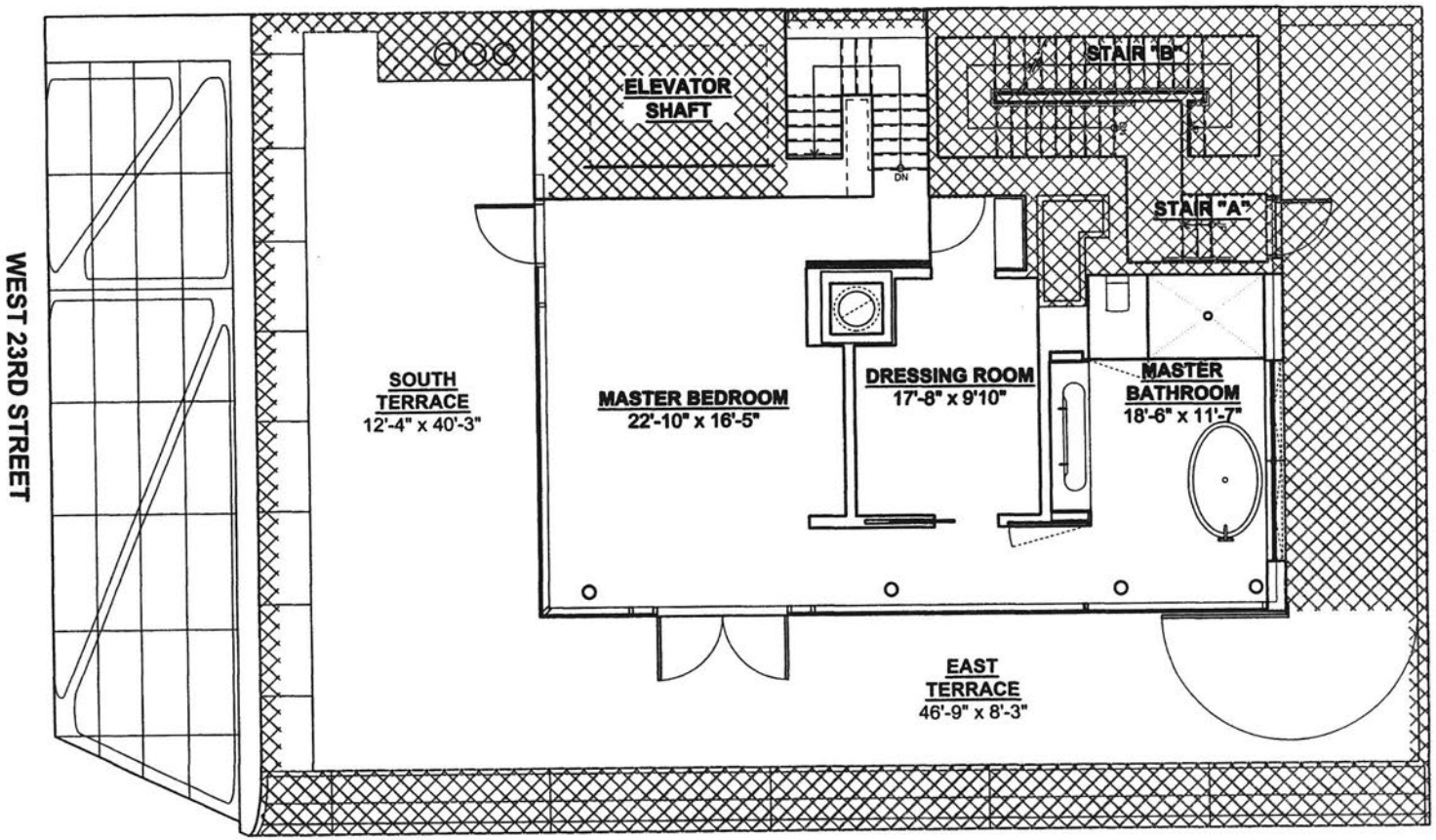
THE UNIT SQUARE FOOTAGE, LAYOUT AND ROOM OR AREA DIMENSIONS ON THIS FLOOR PLAN ARE APPROXIMATE WITHIN REASONABLE TOLERANCES AND BASED ON CONSTRUCTION DRAWINGS. THE UNIT WHEN BUILT WILL BE SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. THE SQUARE FOOTAGE EXCEEDS THE USABLE FLOOR AREA. ROOM AND AREA DIMENSIONS ARE MEASURED FROM THE EXPOSED SURFACES OF THE ENCLOSING WALLS. CHASE WALLS, SHAFTS, CABINETS AND THE LIKE ARE NOT SUBTRACTED. A MINOR OR IMMATERIAL INACCURACY IN THE ACTUAL SQUARE FOOTAGE (I.E., OVERALL FLOOR AREA) OR THE ACTUAL SIZE OF INDIVIDUAL ROOMS OR AREAS OF A UNIT WHEN BUILT FROM THAT SHOWN ON THIS FLOOR PLAN SHALL NOT EXCUSE A PURCHASER FROM COMPLETING THE PURCHASE OF A UNIT WITHOUT ABATEMENT IN PRICE OR RECOURSE AGAINST SPONSOR. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES TO A UNIT IN ACCORDANCE WITH THE OFFERING PLAN.

PLAN NORTH

HIGHLINE 23 CONDOMINIUM

July 12, 2007

EXH G-14



LEGEND

STORAGE UNIT (S.U.)

RESIDENTIAL UNIT

RESIDENTIAL COMMON ELEMENTS

RETAIL UNIT

GENERAL COMMON ELEMENTS

RESIDENTIAL UNIT PENTHOUSE UPPER LEVEL

LOWER LEVEL:	2,561 SQ.FT.
UPPER LEVEL (INDOOR):	1,025 SQ.FT.
TERRACE:	1,237 SQ.FT.
UNIT TOTAL:	4,823 SQ.FT.

0' 4' 8' 12' 16'

PENTHOUSE UPPER LEVEL : RESIDENTIAL UNIT:PENTHOUSE UPPER LEVEL

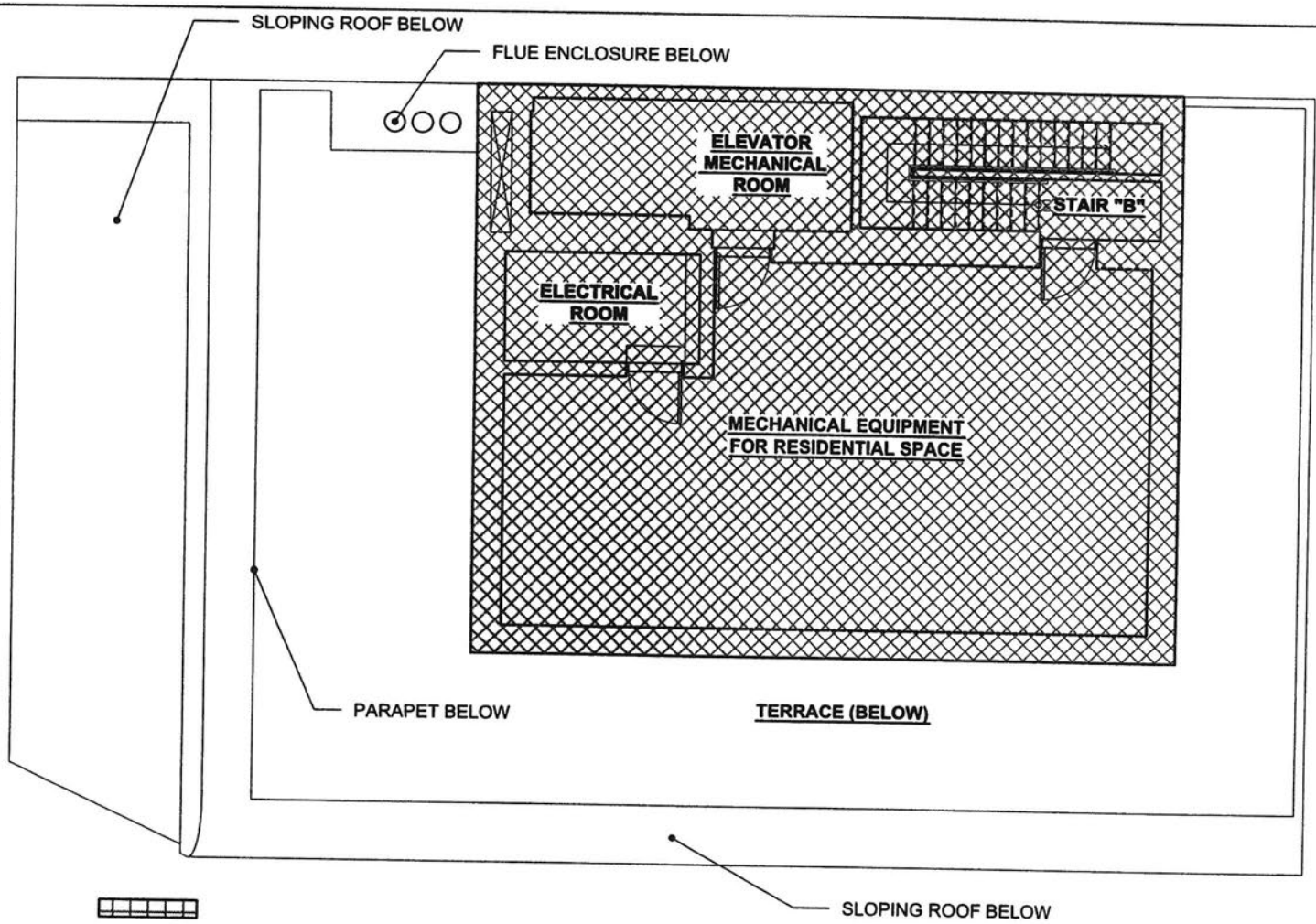
THE UNIT SQUARE FOOTAGE, LAYOUT AND ROOM OR AREA DIMENSIONS ON THIS FLOOR PLAN ARE APPROXIMATE WITHIN REASONABLE TOLERANCES AND BASED ON CONSTRUCTION DRAWINGS. THE UNIT WHEN BUILT WILL BE SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. THE SQUARE FOOTAGE EXCEEDS THE USABLE FLOOR AREA. ROOM AND AREA DIMENSIONS ARE MEASURED FROM THE EXPOSED SURFACES OF THE ENCLOSING WALLS. CHASE WALLS, SHAFTS, CABINETS AND THE LIKE ARE NOT SUBTRACTED. A MINOR OR IMMATERIAL INACCURACY IN THE ACTUAL SQUARE FOOTAGE (I.E., OVERALL FLOOR AREA) OR THE ACTUAL SIZE OF INDIVIDUAL ROOMS OR AREAS OF A UNIT WHEN BUILT FROM THAT SHOWN ON THIS FLOOR PLAN SHALL NOT EXCUSE A PURCHASER FROM COMPLETING THE PURCHASE OF A UNIT WITHOUT ABATEMENT IN PRICE OR RECOURSE AGAINST SPONSOR. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES TO A UNIT IN ACCORDANCE WITH THE OFFERING PLAN.

PLAN NORTH

July 12, 2007

HIGHLINE 23 CONDOMINIUM

EXH G-15



EXH G-16

LEGEND

STORAGE UNIT (S.U.)

RESIDENTIAL UNIT

RESIDENTIAL COMMON ELEMENTS

RETAIL UNIT

GENERAL COMMON ELEMENTS

0' 4' 8' 12' 16'

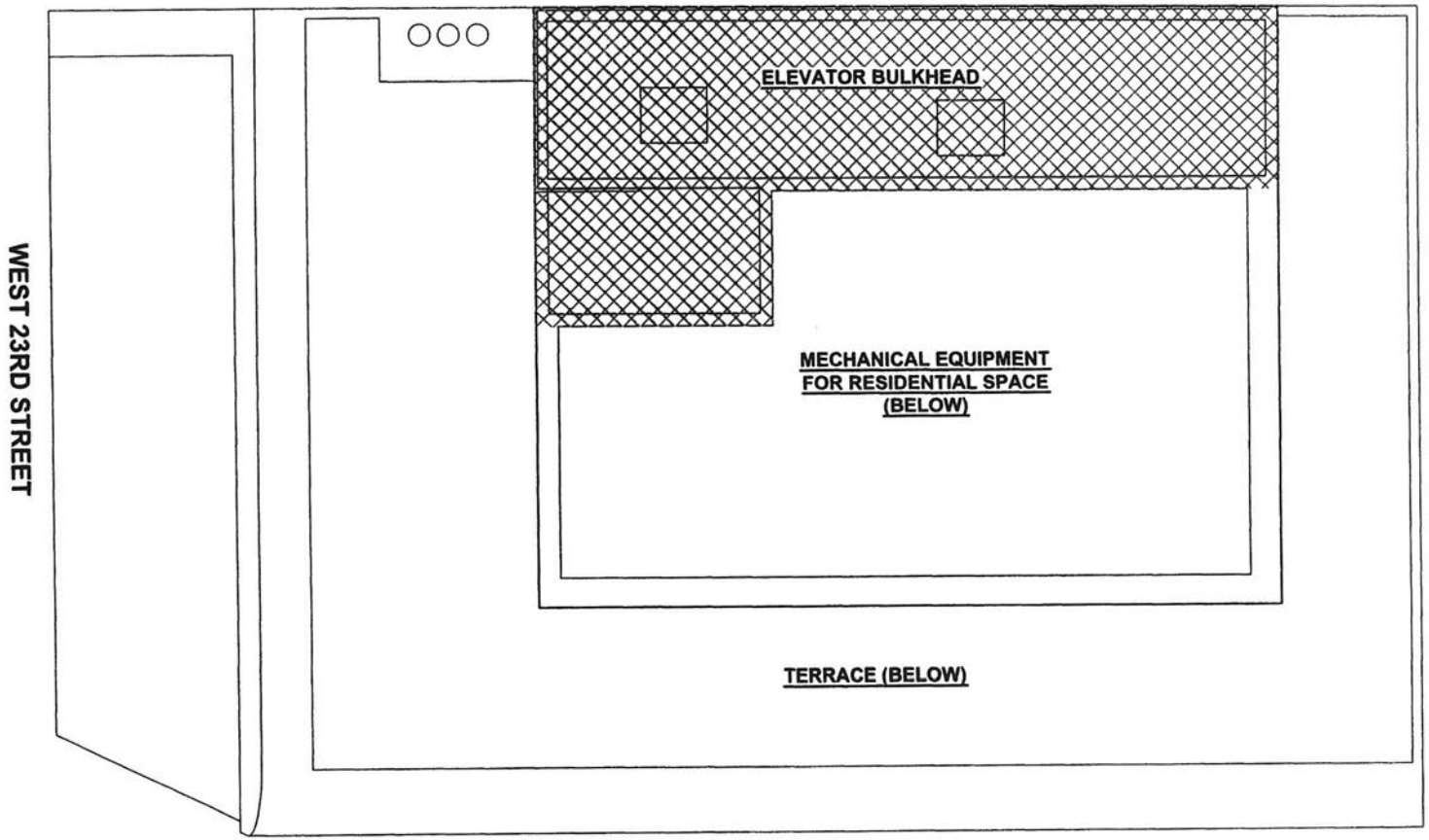
ROOF

THE UNIT SQUARE FOOTAGE, LAYOUT AND ROOM OR AREA DIMENSIONS ON THIS FLOOR PLAN ARE APPROXIMATE WITHIN REASONABLE TOLERANCES AND BASED ON CONSTRUCTION DRAWINGS. THE UNIT WHEN BUILT WILL BE SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. THE SQUARE FOOTAGE EXCEEDS THE USABLE FLOOR AREA. ROOM AND AREA DIMENSIONS ARE MEASURED FROM THE EXPOSED SURFACES OF THE ENCLOSING WALLS. CHASE WALLS, SHAFTS, CABINETS AND THE LIKE ARE NOT SUBTRACTED. A MINOR OR IMMATERIAL INACCURACY IN THE ACTUAL SQUARE FOOTAGE (I.E., OVERALL FLOOR AREA) OR THE ACTUAL SIZE OF INDIVIDUAL ROOMS OR AREAS OF A UNIT WHEN BUILT FROM THAT SHOWN ON THIS FLOOR PLAN SHALL NOT EXCUSE A PURCHASER FROM COMPLETING THE PURCHASE OF A UNIT WITHOUT ABATEMENT IN PRICE OR RECOURSE AGAINST SPONSOR. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES TO A UNIT IN ACCORDANCE WITH THE OFFERING PLAN.

HIGHLINE 23 CONDOMINIUM

PLAN NORTH

July 12, 2007



LEGEND

STORAGE UNIT (S.U.)

RESIDENTIAL UNIT

RESIDENTIAL COMMON ELEMENTS

RETAIL UNIT

GENERAL COMMON ELEMENTS

0' 4' 8' 12' 16'

BULKHEAD

THE UNIT SQUARE FOOTAGE, LAYOUT AND ROOM OR AREA DIMENSIONS ON THIS FLOOR PLAN ARE APPROXIMATE WITHIN REASONABLE TOLERANCES AND BASED ON CONSTRUCTION DRAWINGS. THE UNIT WHEN BUILT WILL BE SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES. THE SQUARE FOOTAGE EXCEEDS THE USABLE FLOOR AREA. ROOM AND AREA DIMENSIONS ARE MEASURED FROM THE EXPOSED SURFACES OF THE ENCLOSING WALLS. CHASE WALLS, SHAFTS, CABINETS AND THE LIKE ARE NOT SUBTRACTED. A MINOR OR IMMATERIAL INACCURACY IN THE ACTUAL SQUARE FOOTAGE (I.E., OVERALL FLOOR AREA) OR THE ACTUAL SIZE OF INDIVIDUAL ROOMS OR AREAS OF A UNIT WHEN BUILT FROM THAT SHOWN ON THIS FLOOR PLAN SHALL NOT EXCUSE A PURCHASER FROM COMPLETING THE PURCHASE OF A UNIT WITHOUT ABATEMENT IN PRICE OR RECOURSE AGAINST SPONSOR. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES TO A UNIT IN ACCORDANCE WITH THE OFFERING PLAN.

PLAN NORTH

July 12, 2007

HIGHLINE 23 CONDOMINIUM

EXHIBIT D TO DECLARATION OF CONDOMINIUM

BY-LAWS

OF

Name of Condominium:	**High Line 23 Condominium**
Address of Condominium Property:	**515 West 23rd Street** **(a/k/a 515 and 517 West 23rd Street)** **New York, New York 10011**
Declarant:	**23 Highline LLC**
Prepared by:	**Seyfarth Shaw LLP** **620 Eighth Avenue** **New York, New York 10018** **Attn: Alan L. Kazlow, Esq**

© 2007 Alan L. Kazlow, Esq.
Seyfarth Shaw LLP.
All rights reserved.

Table of Contents of By-Laws

Caption		Page
ARTICLE 1 GENERAL		7
Section 1.1	Purpose	7
Section 1.2	Location and Description	7
Section 1.3	Definitions	7
Section 1.4	Applicability of By-Laws	7
Section 1.5	Application of By-Laws	7
Section 1.6	Principal Office of the Condominium Association	8
ARTICLE 2 THE CONDOMINIUM BOARD		8
Section 2.1	General	8
Section 2.2	Status of the Condominium Board	8
Section 2.3	Principal Office of the Condominium Board	8
Section 2.4	Powers and Duties of the Board	8
Section 2.5	Delegation and Restrictions	15
Section 2.6	Number, Election, Composition and Qualification of Board Members	18
Section 2.7	Term of Office of Board Members	21
Section 2.8	Removal and Resignation of Board Members	21
Section 2.9	Vacancies	22
Section 2.10	Organizational Meeting of the Condominium Board	23
Section 2.11	Regular Meetings of the Condominium Board	23
Section 2.12	Special Meetings of the Condominium Board	24
Section 2.13	Waiver of Notice of Meetings	24
Section 2.14	Quorum of the Condominium Board	24
Section 2.15	Conduct of Meetings	25
Section 2.16	Decisions by the Condominium Board	26
Section 2.17	Compensation of Members	27
Section 2.18	Standards for Fiduciary Responsibility and Self-Dealing	27
Section 2.19	Liability of the Condominium Board	28
Section 2.20	Transactions by Declarant in Lieu of Condominium Board	30
ARTICLE 3 OFFICERS		30
Section 3.1	General	30
Section 3.2	President	31
Section 3.3	Vice President and Co-Vice Presidents	31
Section 3.4	Secretary and Assistant Secretaries	31
Section 3.5	Treasurer	32
Section 3.6	Election, Term of Office and Qualifications of Officers	32
Section 3.7	Removal and Resignation of Officers	32
Section 3.8	Vacancies	32
Section 3.9	Compensation of Officers	33
Section 3.10	Liability of the Officers of the Condominium	33
ARTICLE 4 UNIT OWNERS		34
Section 4.1	Annual Meetings of the Unit Owners	34
Section 4.2	Special Meetings of the Unit Owners	35

Section 4.3 Place of Meetings 35
Section 4.4 Notice of Meetings 36
Section 4.5 Quorum of the Unit Owners 36
Section 4.6 Conduct of Meetings 38
Section 4.7 Order of Business 38
Section 4.8 Voting 38
Section 4.9 Election of Members of the Condominium Board 40
Section 4.10 Action Without a Meeting 42
Section 4.11 Title to Units 42
Section 4.12 Joint, Non-recourse and Limited Liability of Unit Owners 42

ARTICLE 5 MAINTENANCE, REPAIRS AND ALTERATIONS OF UNITS AND COMMON ELEMENTS 43
Section 5.1 Maintenance and Repairs 43
Section 5.2 Alterations and Major Repairs 52
Section 5.3 Declaration Governs Maintenance, Repairs and Alterations of Units, Common Elements and Association's Properties 61
Section 5.4 Acts or Omissions 61
Section 5.5 Damages Necessitated by Repairs or Alterations 62

ARTICLE 6 INSURANCE 63
Section 6.1 Insurance Requirements for the Condominium Board 63
Section 6.2 Fire and Casualty Insurance 63
Section 6.3 Liability Insurance 64
Section 6.4 Boiler and Machinery Insurance 65
Section 6.5 Workmen's Compensation 65
Section 6.6 Other Insurance 65
Section 6.7 Insurance Covering Work Performed by Board 66
Section 6.8 Insurance Amounts and Deductibility 66
Section 6.9 Adjustment and Payments 66
Section 6.10 Allocation of Insurance Premiums 67
Section 6.11 Insurance Requirements for Unit Owners 68
Section 6.12 General Insurance Matters 69

ARTICLE 7 DESTRUCTION OR DAMAGE OF BUILDING 71
Section 7.1 Destruction or Damage 71
Section 7.2 Insurance Trust Funds 72
Section 7.3 Repairs 72
Section 7.4 Allocation of Net Insurance Trust Funds 74
Section 7.5 Insufficient Trust Funds 74
Section 7.6 Surplus Trust Funds 74
Section 7.7 Lien Priority 75
Section 7.8 Abatement in Common Charges 75

ARTICLE 8 COMMON CHARGES 76
Section 8.1 Determination of Common Charges 76
Section 8.2 Budget Revisions 77

Section 8.3 Failure to Adopt 77
Section 8.4 Special Assessments 78
Section 8.5 Application of Net Receipts 78
Section 8.6 Budget Surplus and Budget Reconciliation 79
Section 8.7 Separate Fees and Charges 79
Section 8.8 Payment of Common Charges 80
Section 8.9 Lien 80
Section 8.10 Liability 81
Section 8.11 Conveyance to Condominium Board 82
Section 8.12 Statement of Common Charges 83
Section 8.13 Collection and Remedies on Non-Payment of Common Charges 83
Section 8.14 Sales, Use or Occupancy Tax Exemptions 85

ARTICLE 9 PROPERTY TAXES AND CHARGES 85
Section 9.1 Real Estate Taxes 85
Section 9.2 Real Estate Tax Benefits 87
Section 9.3 Water Charges and Sewer Rent 88
Section 9.4 Board Certificate 89
Section 9.5 Intentionally Omitted 89

ARTICLE 10 UTILITIES 89
Section 10.1 Electric Service to Units; Air Conditioning Service to Residential Space and Retail Unit 89
Section 10.2 Electric Service to Common Elements and Storage Units 90
Section 10.3 Gas Service to Units and Common Elements 91
Section 10.4 Intentionally Omitted 91
Section 10.5 Utility Installations 91
Section 10.6 HVAC and Hot Water Equipment and Installations 92

ARTICLE 11 USES AND OCCUPANCY OF PROPERTY AND ADJACENT SIDEWALKS 93
Section 11.1 Declaration Governs 93
Section 11.2 Common Elements 93
Section 11.3 Units 94
Section 11.4 Building Walls and Immediately Adjacent Sidewalks 97
Section 11.5 Intentionally Omitted 98
Section 11.6 General Prohibitions 98

ARTICLE 12 ROOFS 99
Section 12.1 Roofs 99
Section 12.2 Maintenance, Repair and Alteration 99

ARTICLE 13 FIRE SAFETY SYSTEMS 100
Section 13.1 Maintenance, Repairs and Alterations 100
Section 13.2 Changes 100

ARTICLE 14 GENERAL OPERATING MATTERS 101
Section 14.1 Compliance with Laws 101
Section 14.2 Indemnification 102
Section 14.3 Building Employees, Agents and Contractors 103
Section 14.4 Refuse Disposal System 104
Section 14.5 Rules and Regulations 105
Section 14.6 Interruption or Reduction in Services 106
Section 14.7 Records and Audits 106
Section 14.8 Tenants and Occupants of Units Entitled To Receive Building Services 109

ARTICLE 15 EXISTING LEASES 111
Section 15.1 Subordination 111
Section 15.2 Provision of Services 111

ARTICLE 16 UNIT CONVEYANCES, SALES, LEASES AND MORTGAGES 111
Section 16.1 General 111
Section 16.2 Match Offer Right (or Right of First Refusal) 114
Section 16.3 Acceptance of Offer 116
Section 16.4 Failure to Accept Offer 120
Section 16.5 Transactions Exempt from Match Offer Right 121
Section 16.6 Certificate of Waiver or Exemption as to Match Offer Right 122
Section 16.7 No Severance of Ownership 123
Section 16.8 Payment of Common Charges 123
Section 16.9 Unit Owner's Power of Attorney 124
Section 16.10 Gifts and Devises, Etc. 124
Section 16.11 Charges Imposed on Non-Exempt Transactions 124
Section 16.12 Estoppel Certificate 125
Section 16.13 Registration of Mortgages 126
Section 16.14 Prohibition and Restriction on Mortgaging 127
Section 16.15 Notice of Unpaid Common Charges and Default 127
Section 16.16 Performance by Permitted Mortgagees 128
Section 16.17 Examination of Minutes 128
Section 16.18 Consent of Mortgagees; Designation of Mortgage Representatives 128
Section 16.19 Subordination 129
Section 16.20 Waiver of Rights of Partition, Use and Occupancy of Units Acquired By Board 129
Section 16.21 Registration of Tenants 129
Section 16.22 Notices to Registered Tenants 129
Section 16.23 Performance by Registered Tenants 130

ARTICLE 17 CERTAIN REMEDIES 130
Section 17.1 Self-Help 130
Section 17.2 Abatement and Enjoinment 133
Section 17.3 Remedies Cumulative 133
Section 17.4 No Arbitration 134

ARTICLE 18 CONDEMNATION OR EMINENT DOMAIN 134
Section 18.1 Taking of Entire Property 134
Section 18.2 Taking of Units 134
Section 18.3 Taking of Portions of Common Elements 135
Section 18.4 Lien Priority 137
Section 18.5 Adjustment of Common Interests 137
Section 18.6 Abatement in Common Charges 138

ARTICLE 19 ARBITRATION 139
Section 19.1 Submission to Arbitration 139
Section 19.2 Notice of Arbitration 139
Section 19.3 Commercial Arbitration Rules 139
Section 19.4 Selection of Arbitrators 140
Section 19.5 Decision of Arbitrator(s); Binding Effect 141
Section 19.6 Expenses of Arbitration 142
Section 19.7 Limitation on Power of Arbitrator(s) 142
Section 19.8 Payment of Undisputed Sums 142

ARTICLE 20 NOTICES 142
Section 20.1 General 142
Section 20.2 Waiver of Service of Notice 143

ARTICLE 21 FURTHER ASSURANCES 143
Section 21.1 Provisions of Declaration Apply and Govern 143

ARTICLE 22 AMENDMENTS TO BY-LAWS 144
Section 22.1 Provisions of Declaration Apply and Govern 144

ARTICLE 23 TERMINATION OF CONDOMINIUM 144
Section 23.1 Provisions of Declaration Apply and Govern 144

ARTICLE 24 GENERAL 144
Section 24.1 Inspection of Documents 144
Section 24.2 Changes and Waiver 144
Section 24.3 Conflicts 145
Section 24.4 Severability 145
Section 24.5 Successors and Assigns 145
Section 24.6 Table of Contents and Headings 145
Section 24.7 References 146
Section 24.8 Grammar 146
Section 24.9 Insurance Trustee 146
Section 24.10 Approvals or Consents 146
Section 24.11 Incorporation of Declaration 146

Rules and Regulations of High Line 23 Condominium 147

BY-LAWS

OF

High Line 23 Condominium

ARTICLE 1

GENERAL

Section 1.1 **Purpose**

The purpose of these By-Laws is to set forth the requirements, rules and procedures concerning the governance and conduct of the affairs of the Condominium Association as well as certain rights and obligations of the Condominium Board and the Unit Owners, including the Disposition of the Property (including the Building and the Units) and the Association's Properties.

Section 1.2 **Location and Description**

The Condominium Declaration covers the Property, which consists of: (a) the Land, which lies in Section 3, Block 695, Lots f/k/a Lot 27, and n/k/a Lots ____ to ____ on the Tax Map of the Real Property Assessment Department of The City of New York, Borough of Manhattan, County of New York, in the State of New York; (b) the Building, which includes the Units, certain of the Common Elements and all easements, rights and appurtenances belonging thereto; and (c) all other property, real, personal or mixed, intended for use in connection therewith. The Property has been submitted to the provisions of the Condominium Act by the recording of the Declaration in the Register's Office, of which Declaration these By-Laws form a part.

Section 1.3 **Definitions**

The words frequently used in these By-Laws (whether initial uppercase or lowercase) without express definition are defined in EXHIBIT C to the Declaration and apply wherever these words appear in these By-Laws, regardless of whether such words are bolded or expressly stated to be defined in such EXHIBIT C, unless the context in which such words are used shall otherwise require. The meanings stated for the words bolded within quotation marks in any provision of the Declaration or these By-Laws apply wherever these words appear in these By-Laws, unless the context in which they are used shall otherwise require.

Section 1.4 **Applicability of By-Laws**

These By-Laws are applicable to the Property and to the uses and occupancies thereof.

Section 1.5 **Application of By-Laws**

All present and future Unit Owners, mortgagees, lessees, sublessees and occupants of Units, and Agents/Employees/Contractors, invitees and guests of Unit Owners, as well as all

other Persons who may use the Property, are and shall be subject to the Declaration, these By-Laws and the Rules and Regulations, as each of the same may be duly amended from time to time. The acceptance of a deed or other instrument of conveyance, or the succeeding to title to, or the execution of a lease or sublease for, or the act of occupancy of, a Unit or a portion of a Unit shall constitute an agreement that the provisions of the Declaration, these By-Laws and the Rules and Regulations, as each of the same may be duly amended from time to time, are accepted, ratified and will be complied with.

Section 1.6 **Principal Office of the Condominium Association**

The principal office of the Condominium Association shall be located either at the Property or at such other place in the County of New York reasonably convenient thereto as may be designated from time to time by the Condominium Board.

ARTICLE 2

THE CONDOMINIUM BOARD

Section 2.1 **General**

The affairs of the Condominium Association and the Operation of the Property and the Association's Properties shall be governed by the Condominium Board as provided in Section 2.4 hereof and elsewhere herein and in the Declaration. In exercising its powers and performing its duties under the Declaration and these By-Laws, the Condominium Board shall act on behalf, and shall be the agent, of all or (where otherwise expressly provided) certain of the Unit Owners.

Section 2.2 **Status of the Condominium Board**

Unless and until the Condominium Board shall incorporate in accordance with the terms of Section 2.4 hereof, the Condominium Board shall have, to the extent permitted by Law, the status conferred upon unincorporated associations under, or pursuant to, the terms of the General Association Law of the State of New York. If the Condominium Board shall incorporate in accordance with the terms of Section 2.4 hereof, the Condominium Board shall have, to the extent permitted by Law, the status conferred upon it under, or pursuant to, the terms of the applicable statutes of the State of New York. In either event, however, the Condominium Board shall also have the status conferred upon it under, or pursuant to, the terms of the Condominium Act.

Section 2.3 **Principal Office of the Condominium Board**

The principal office of the Condominium Board shall be located either at the Property or at such other place reasonably convenient thereto as may be designated from time to time by the Condominium Board.

Section 2.4 **Powers and Duties of the Board**

2.4.1 General Powers and Duties. The Condominium Board shall have all of the powers and duties necessary for, or incidental to, the administration of the affairs of the

Condominium Association and the Operation of the Property (including the Common Elements) and the Association's Properties, as agent of all or (where otherwise expressly provided) certain of the Unit Owners, and each Board Member shall act in the best interests of the Unit Owner or Unit Owners who elected such Board Member (i.e., all Sold Residential and Storage Unit Owners in the case of an Independent Board Member; the Sponsor and all Unsold Residential and Storage Unit Owners in the case of a Sponsor Board Member; or the Retail Unit Owner in the case of a Commercial Board Member), with due regard to the Maintenance, preservation, protection and value of the Property as a whole and the security, safety and health of Owners and occupants of Units. The Condominium Board may do all such acts and things except those that by Law, or pursuant to the terms of the Declaration or these By-Laws, may not be, or are expressly not, delegated to the Condominium Board by the Unit Owners. The Condominium Board shall exercise its powers and perform its duties in a manner consistent with the Operation and Maintenance of the Building as a first-class mixed-use building in the Borough of Manhattan with dwelling uses in the Residential Units, storage uses accessory to the Residential Units in the Storage Units, and retail and all other lawful uses in the Retail Unit, other than Prohibited Uses.

2.4.2 Specific Powers and Duties. Without intention to limit the generality of the foregoing in any respect, the Condominium Board shall have the following specific powers and duties:

(a) to lease, license, Maintain, Repair, Alter and otherwise Operate and make any other Disposition of the Common Elements and the Association's Properties, including any Units or other property or assets owned, leased or otherwise held or Operated by the Condominium Board or it nominee or designee, and in connection therewith to do the following as the Condominium Board shall deem necessary or proper: (a-1) purchase and lease supplies, Equipment and material; (a-2) employ or engage, compensate and dismiss Building personnel, including the Building staff disclosed in the First Year's Budget (Schedule B in Section F of Part I of the Plan), subject and subordinate to Sponsor's veto rights during only the Sponsor Veto Control Period as provided in Section 2.5.8 below), a Managing Agent, attorneys, accountants, engineers, architects and other professionals and consultants; and (a-3) lease and grant licenses and easements for portions of the Common Elements and the Association's Properties;

(b) to acquire Units in accordance with Article 16 of the Declaration and Sections 8.11 and 8.13 of these By-Laws, to acquire and lease Units in accordance with Section 16.2 of these By-Laws, and generally to acquire and lease all rights, titles and interests in real and personal property deemed necessary or proper by the Condominium Board for use in connection with the ownership, Maintenance, Repair, Alteration and other Operation and Disposition of the Property and the Association's Properties as a condominium regime; each of such acquisitions and leases to be in the name of the Condominium Board or its designee, corporate or otherwise, as agent of the appropriate group of Unit Owners (e.g., as agent for only all Residential and Storage Unit Owners in the case of an acquisition of a Residential or Storage Unit) as provided in Article 16 of the Declaration and these By-Laws;

(c) to maintain complete and accurate books and records with respect to the finances and the Operation of the Condominium, including: (c-1) detailed accounts, in chronological

order, of receipts and expenditures affecting the Property (including the Common Elements) and the Association's Properties; (c-2) detailed books of account of the Condominium Board; (c-3) other financial records, as well as other books of account of the Condominium Association, as may be required to be kept pursuant to the terms of these By-Laws; and (c-4) minutes and other records of all meetings held pursuant to the terms of these By-Laws;

(d) to prepare and adopt a Budget of Condominium Operation of the Property and the Condominium Association for each Budget Year (including therein a Budget of General Operation and a Budget of Residential Operation of the Condominium for each Budget Year thereof in accordance with Article 9 of the Declaration), setting forth, without limitation: (d-1) a detailed accounting of the anticipated General Common Expenses and Residential Common Expenses (as applicable) for the ensuing Budget Year; (d-2) a detailed projection of all sources and amounts of income and receipts necessary to discharge the same; and (d-3) such reserves for unanticipated expenses, contingencies, Alterations, additions improvements and capital replacements and Repairs as the Board may consider appropriate in its discretion, but subject to the veto rights of Sponsor (during only the Sponsor Veto Control Period) and the Retail Unit Owner under Section 9.7 of the Declaration;

(e) to determine the amount and establish the means and methods of payment of, and to collect and institute appropriate Lawsuits for non-payment of, the Common Charges and Additional Common Charges (including Special Assessments) from the Unit Owners or one (1) or more specified Unit Owners;

(f) to require all Unit Owners or only all Residential and Storage Unit Owners (as appropriate) to execute and deliver to the Condominium Board one or more promissory notes in favor of the Condominium Board in such form and substance (including, at such interest rate and other terms) as the Condominium Board shall determine, in connection with Special Assessments levied by the Condominium Board to pay for any duly authorized Repairs and Alterations to the Common Elements, or the Association's Properties (including any Unit or other property to be acquired, owned, leased or otherwise held or Operated by the Condominium Board, or its nominee or designee), provided that the expense for any such Repairs, Alterations or other Disposition shall be borne as provided in Article 9 of the Declaration and Articles 5 and 6 hereof (e.g., all such expenses shall be borne by only all Residential and Storage Unit Owners in the case of a Residential or Storage Unit so acquired, owned, leased, held or Operated by the Board, or its nominee or designee);

(g) to incur debt on behalf of only all Residential and Storage Unit Owners or all Unit Owners (as appropriate) in connection with the Maintenance, Repair, Alteration or other Operation or Disposition of the Common Elements or the Association's Properties (including real or personal property owned, leased or otherwise held or Operated by the Condominium Board or its nominee or designee) and to secure any debt incurred by it as provided in Section 339-jj(2) of the Condominium Act; provided, however, that: (g-1) no debt shall be incurred during only the Sponsor Veto Control Period without obtaining the prior written Discretionary Approval or Consent of Sponsor; (g-2) no lien to secure repayment of any debt may be created on any Unit or its appurtenant Common Interest

(other than a Unit owned by the Board or its nominee or designee) without obtaining the prior written Discretionary Approval or Consent of the Owner of such Unit; (g-3) the liability of each such Unit Owner on whose behalf the debt is incurred shall be limited to the legal and equity interest of such Owner in its Unit and its appurtenant Common Interest, together with any amounts paid to prior lienors in a judgment lien execution sale, and if the debt shall not be fully repaid by the Board and such Unit Owner shall pay the lender such proportion of the then outstanding indebtedness represented or secured thereby as such Unit Owner's Common Interest bears to the aggregate Common Interests appurtenant to all Units on whose behalf the debt is incurred, such Unit Owner shall be entitled to obtain from the lender a release of any judgment or other lien that the said lender shall have filed, or shall have the right to file, against such Owner's Unit, and the loan documentation shall so provide; and (g-4) the Retail Unit Owner shall not be liable for repayment of any portion of a loan insofar as it relates or is attributable solely to the Residential Space or any Residential or Storage Unit acquired, purchased, owned, leased, held or Operated by the Board (or its nominee or designee) or any other real or personal property acquired, purchased, owned, leased, held or Operated by the Board for the common use, service or benefit of only the Residential and Storage Unit Owners, and the loan documentation shall so provide;

(h) to open and maintain bank accounts on behalf of the Condominium Association and to designate the signatories required therefor;

(i) to use the Common Charges and Additional Common Charges (including Special Assessments) collected from Unit Owners, as well as all other assets and funds held by the Condominium Board or received in connection with the Operation of the Property and the Association's Properties, for the administration and Operation of the Condominium Association, the Common Elements and the Association's Properties, including: (i-1) the payment of Common Expenses; and (i-2) the Maintenance, Repair, Alteration and overall Operation and any other Disposition of the Common Elements and the Association's Properties including any Units, property or assets owned, leased or otherwise held or Operated by the Condominium Board or its nominee or designee in accordance with the Declaration and these By-Laws; provided, however, that the General Common Charges collected from the Retail Unit Owner as well as any income earned thereon and other assets and funds (if any) received by the Condominium Board in connection with the Operation and Disposition of the General Common Elements and the Association's General Properties shall be used for the payment of only the General Common Expenses;

(j) to obtain insurance for the Property, including the Units, pursuant to the terms of Article 6 hereof;

(k) to adjust and settle Claims under insurance policies obtained pursuant to the terms of Article 6 hereof or otherwise, and to execute and deliver releases upon such adjustment and settlement on behalf and as agent of: (k-1) all or certain Unit Owners (as applicable); (k-2) all holders of mortgages and other liens on such Units; and (k-3) all holders of any other interest in the Property or the Association's Properties; provided, however, the Retail Unit Owner shall have the right to adjust or settle any Claim for a loss to such

Owner's Retail Unit if such adjustment or settlement does not reduce any Claim or recovery of any other Unit Owner or the Condominium Board;

(l) to make, or to contract with others for the making of, Repairs, Alterations and other Dispositions of, or to, the Property or the Association's Properties after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings, all in accordance with the terms of the Declaration and these By-Laws;

(m) to obtain and keep in force (as part of the General Common Expenses) fidelity bonds, in amounts deemed appropriate by the Condominium Board, but in no event less than the amount therefor set forth in the First Year's Budget (SCHEDULE B in Section F of Part I of the Plan), for: (m-1) all members of the Condominium Board; (m-2) all officers and employees of the Condominium Association; and (m-3) the Managing Agent;

(n) to accept the surrender of a Unit pursuant to the terms of Section 8.11 hereof, in the name of the Condominium Board or its nominee or designee, corporate or otherwise, and on behalf and as agent of the applicable Unit Owners (i.e., as agent for only all Residential and Storage Unit Owners if a Residential or Storage Unit is surrendered);

(o) to purchase or acquire a Unit at foreclosure or other judicial sale in connection with the foreclosure of the lien for unpaid Common Charges, or to so purchase or acquire title by deed in lieu of foreclosure, or to acquire a Unit by surrender, or to purchase, lease or otherwise acquire a Unit in accordance with Article 16 of these By-Laws or clause (b) above in the name of the Condominium Board or its nominee or designee, corporate or otherwise, on behalf and as agent of only the Owners of the same group of Units as the Unit which is the subject of such foreclosure, surrender, sale, acquisition or lease (i.e., all Residential and Storage Units, which are regarded as one (1) group of Units, in the case of a Residential or Storage Unit being so purchased or acquired or leased as provided or permitted in Article 16 of the Declaration or clause (b) above) and, in connection therewith, to borrow money on behalf of only those Unit Owners on whose behalf the Board is acting and to grant mortgages and other security interests and collateral in connection therewith in accordance and compliance with clause (g) hereinabove (including obtaining the prior written Discretionary Approval or Consent of Sponsor for any borrowing during only the Sponsor Veto Control Period);

(p) to sell, lease, mortgage, securitize, collateralize and otherwise deal with, and make any Disposition of, Units or other real or personal property acquired by, and to sublease Units or other real or personal property leased by, the Condominium Board or its nominee or designee, corporate or otherwise, on behalf and as agent of only those Unit Owners on whose behalf the Condominium Board is acting, provided, however, that the Condominium Board or its nominee or designee shall in no event be entitled to vote the votes appurtenant to any such Unit and, provided, further, no debt shall be incurred without complying with clause (g) hereinabove;

(q) to adopt new and additional Rules and Regulations and to amend the Rules and Regulations from time to time (all without recording an Amendment to the Declaration or these By-Laws) and to adopt, impose, levy and collect charges, fees, interest and fines

against Sold Unit Owners (but not against Unsold Unit Owners or the Retail Unit Owner) for violations of the same;

(r) to enforce by any legal means (including Lawsuits) the terms, covenants, conditions and provisions contained in the Condominium Documents and to bring, prosecute, defend and settle any Claims or Lawsuits that may be instituted on behalf of, or against, the Unit Owners pursuant to the Declaration, these By-Laws or the Condominium Act;

(s) to organize as a corporation, limited liability company or other Entity, to the extent and in the manner provided or permitted in the Condominium Act, provided, however, that: (s-1) the organizational documents of any such resulting corporation, limited liability company or other Entity shall conform as closely as practicable to the terms of the Declaration and these By-Laws; and (s-2) the terms of the Declaration and these By-Laws shall prevail in the event of any inconsistency or conflict between the terms thereof and the terms of such organizational documents;

(t) to organize corporations, limited liability companies and other Entities to act as the nominees or designees of the Condominium Board in acquiring title to, or leasing of, Units and in acquiring rights, titles and interests in real, personal or mixed property for use in connection with the ownership and Operation of the Property and the Association's Properties;

(u) to execute, acknowledge and deliver the following (unless expressly prohibited by the Declaration or these By-Laws to be executed and delivered by the Board): (u-1) any application, declaration, consent, document or other instrument (including any Government Document or Litigation Document) affecting all or part of the Property or the Association's Properties that the Condominium Board deems necessary or appropriate in accordance with the Declaration or these By-Laws or to comply with any Law, including a zoning resolution or requirement of any Governmental Authority, applicable to the Maintenance, Repair, Alteration or other Disposition of all or part of the Property or the Association's Properties; and (u-2) any agreement, application, document, consent, covenant, restriction, license, easement or declaration, or any Amendment thereto, affecting the Condominium Association, the Common Elements or the Association's Properties that the Condominium Board deems necessary or appropriate;

(v) to prepare, execute, acknowledge and record on behalf and as agent of all Unit Owners, in their name as attorney-in-fact, "coupled with an interest" and for valuable consideration, with full power of substitution: (v-1) Amendments to the Declaration to amend the Declaration and/or By-Laws whenever requested by a Unit Owner, to the extent required or permitted under the Declaration or these By-Laws; or (v-2) a restatement of the Declaration or these By-Laws, whenever, in the Condominium Board's judgment, it is advisable to consolidate and restate all Amendments, modifications, additions and deletions theretofore made to the same (subject, however, to compliance with the restrictions set forth in Article 22, Section 22.4 of the Declaration);

(w) to do the following act on behalf and as agent for one (1) or more Unit Owners (subject to the right of any Unit Owner to revoke such agency by written notice to the Condominium

Board, provided such notice is received before the Condominium Board has commenced the applicable action):

(w-1) to protest, complain or apply to the appropriate taxing authority to correct the tax assessments of the Units for any year by filing a single complaint on behalf of all such Unit Owners;

(w-2) to commence and prosecute a special proceeding for the review of assessments of real property as an aggrieved person under the Real Property Tax Law;

(w-3) to seek administrative and judicial review of the tax assessments for any year;

(w-4) to negotiate and settle with the taxing authority the tax assessments and any resulting Lawsuit;

(w-5) to execute and acknowledge in the name of each Unit Owner for which it is acting on behalf and as agent, as such Unit Owner's attorney-in-fact, all applications, certifications, petitions, complaints, settlement agreements, releases and other documents in furtherance of the foregoing; and

(w-6) to retain legal counsel and other professionals and experts on behalf and as agent of the Unit Owners for whom it is so acting to represent such Unit Owners in connection with the foregoing;

(x) to do the following on behalf and as agent for all Unit Owners or (where appropriate) only the applicable group of Unit Owners or Unit Owner where required or permitted in carrying out the duties imposed upon the Condominium Board under these By-Laws, and the Declaration or the Condominium Act:

(x-1) to commence and prosecute as well as defend Claims or Lawsuits;

(x-2) to seek administrative and judicial review;

(x-3) to negotiate and settle any such Claims or Lawsuits;

(x-4) to execute and acknowledge in the name of each Unit Owner for which it is acting as agent, as such Unit Owner's attorney-in-fact, all applications, certifications, petitions, complaints, answers, counterclaims, crossclaims, affidavits, motions, interrogatories, depositions, Litigation Documents, settlement agreements, releases and other documents in furtherance of the foregoing; and

(x-5) to retain legal counsel and other professionals on behalf and as agent of the Unit Owners for whom it is so acting to represent such Unit Owners in connection with the foregoing;

provided, however, that nothing herein will preclude a Unit Owner from commencing, defending and settling any Claim or Lawsuit affecting only such Unit Owner or such Owner's Unit, and provided further that all Costs and

Expenses, awards, judgments and settlement payments incurred or collected in connection with any Claim or Lawsuit by the Condominium Board as agent for Unit Owners shall be borne and shared only by those Unit Owners on whose behalf the Condominium Board is so acting;

(y) to control power shut-offs and other interruptions of the normal functioning of the Property, necessary to facilitate the performance of Work in or to particular Units and/or the Common Elements, which is permitted or required under the Declaration or these By-Laws; provided that the Condominium Board will make all reasonable efforts to minimize to the extent reasonably possible and practical any disruption in the Use and Enjoyment of Units;

(z) to invest any excess funds held by the Board in obligations of federal, state and local governments, certificates of deposit of Institutional Lenders, market instruments and funds which invest in any such obligations, and similar investment grade securities; and

(aa) generally, to carry out any and all other powers and duties granted or imposed upon the Condominium Board pursuant to the Declaration, these By-Laws and the Condominium Act.

The Condominium Board shall be responsible for carrying out the duties imposed upon it under the Condominium Documents regardless of whether a Unit is vacant or occupied by the Owner thereof or by Permitted Tenants/Occupants/ Invitees.

Section 2.5 **Delegation and Restrictions**

2.5.1 Right to Delegate. The power and duties of the Condominium Board under the Declaration, these By-Laws, the Condominium Act and other Laws shall be exercised and performed by the Condominium Board or shall be exercised and performed on its behalf and at its direction by the agents, employees, designees or nominees of the Condominium Board.

2.5.2 Executive Committee. The Condominium Board may appoint an Executive Committee by duly adopted resolution, which Executive Committee shall have, and may exercise and perform, all of the powers and duties of the Condominium Board during the intervals between the meetings of the Condominium Board, subject to both the exceptions and limitations contained in subsection 2.5.6, and the restrictions set forth in subsection 2.5.7, of this Section 2.5 and such additional exceptions, limitations and restrictions as the Condominium Board may from time to time deem appropriate.

2.5.3 Other Committees. In addition, the Condominium Board may from time to time appoint, by duly adopted resolutions, such other committees as the Condominium Board may deem appropriate to exercise and perform such powers and duties as the Condominium Board shall direct, each of which committees shall have, and may exercise and perform, all of the powers and duties delegated to it in its enabling resolution, subject, however, to the exceptions and limitations contained in subsection 2.5.6, and the restrictions in subsection 2.5.7, of this Section 2.5.

2.5.4 Sponsor Board Member and Commercial Board Member Requirement. So long as there is a Sponsor Board Member, the Executive Committee and each other committee appointed by the Residential Board Members shall consist of two (2) or more Residential Board Members at least one (1) of whom shall be a Sponsor Board Member, unless waived in writing by Sponsor or the Sponsor Board Member. In addition, the Executive Committee and each other committee that has responsibility for the Use and Enjoyment of the General Common Elements or for any decision requiring the consent or approval of both the Residential Unit Owners and the Retail Unit Owner or both the Residential Board Members and the Commercial Board Member shall consist of at least one (1) Residential Board Member and one (1) Commercial Board Member.

2.5.5 Managing Agent and/or Manager. The Condominium Board may employ a Managing Agent and/or a manager to serve at a compensation to be negotiated by, and acceptable to, the Condominium Board and to perform such duties and services as the Condominium Board shall direct. Subject to the exceptions and limitations contained in subsection 2.5.6 and the restrictions in subsection 2.5.7 of this Section 2.5, the Condominium Board may delegate to such Managing Agent and/or a manager employed by it any of the delegable powers and duties granted to the Condominium Board in these By-Laws.

2.5.6 Non-Delegable Powers and Duties. Notwithstanding anything to the contrary contained in this Section 2.5, the Executive Committee and the Managing Agent shall neither have nor be entitled to exercise or perform, and the Condominium Board shall not delegate to either of them or to any other committee, the powers or duties described in subsections 2.4.2(b), (d), (e), (f), (g), (k) and (n) through (aa) hereof ("**non-delegable powers and duties**"). In addition, neither the Managing Agent, a manager nor any of the committees described in this Section 2.5 shall have, or be entitled to exercise or perform, any of the powers or duties that are expressly prohibited from being delegated under the Condominium Act or other Law (if any).

2.5.7 Exception. However, any and all of these non-delegable powers and duties and all other powers and duties of the Condominium Board may be delegated to a manager or other Person designated by the Board, under such terms and conditions as are approved and determined by the Condominium Board, in connection with a loan (secured or unsecured) obtained by the Condominium Board in accordance with its authority under these By-Laws as agent for all Residential and Storage Unit Owners or all Unit Owners (as applicable).

2.5.8 Sponsor Veto Control Period Restrictions. Notwithstanding anything to the contrary contained in these By-Laws, during only the Sponsor Veto Control Period (i.e., the period ending the *earlier* of: (a) the date that the Common Interests appurtenant to the Unsold Residential and Storage Units constitute less than 25% of the aggregate Common Interests appurtenant to all Residential and Storage Units; or (b) the fifth (5th) anniversary of the First Closing of a Residential Unit under the Plan), the Condominium Board and Unit Owners shall and must obtain Sponsor's prior written Discretionary Approval or Consent to do any of the following:

(a) to raise General Common Charges or Residential Common Charges or levy a Special Assessment for any of the following purposes:

(a-1) to make an Alteration to the General Common Elements or the Residential Common Elements or the Association's General Properties or the Association's Residential Properties (the latter includes any Residential or Storage Unit owned, leased or otherwise held or Operated by the Condominium Board, or its nominee or designee);

(a-2) to create a fund for reserves for Repairs, Alterations, unanticipated expenses and/or contingencies which in the aggregate exceed five percent (5%) of the projected annual General Common Expenses or (5%) of the projected annual Residential Common Expenses (as applicable) for any Budget Year of Condominium Operation;

(a-3) to increase, decrease, eliminate or otherwise change the number, type, classification or working hours of the Building's service staff as set forth in the First Year's Budget (i.e., SCHEDULE B in Section F of Part I of the Plan);

(a-4) to increase, decrease or eliminate Building services by (for example) entering into contracts for new or additional services or maintenance work not included in said First Year's Budget, or failing to provide any service or maintenance contract set forth in such First Year's Budget, or otherwise; or

(a-5) to increase, decrease, eliminate or otherwise change the amounts or types of insurance coverage from those set forth in said First Year's Budget; or

(b) to borrow money on behalf of the Condominium.

2.5.9 Limit on Sponsor Veto Control Period Restrictions. Sponsor has the right to condition, delay, withhold or deny its approval or consent to any of the items in the preceding subsection 2.5.8 without cause or explanation, and without liability for any Claims or Costs and Expenses or other recourse against Sponsor for conditioning, delaying, withholding or denying its consent. Nevertheless, Sponsor will give its approval or consent if the Costs and Expenses (as determined by Sponsor, in its sole and absolute judgment) of the proposed action requiring Sponsor's approval or consent, when added to all other budgeted Residential Common Expenses or General Common Expenses (as applicable), will not increase the Residential Common Charges or General Common Charges (as applicable), inclusive of any Special Assessments of the Condominium Board, for the Budget Year of the Condominium at issue, by more than 5% above the Residential Common Charges or General Common Charges (as applicable) for the immediately preceding Budget Year of the Condominium. In addition, Sponsor may not exercise veto control over expenses included in the First Year's Budget (i.e., SCHEDULE B in Section F of Part I of the Plan) or over expenses required: (a) to comply with applicable Laws; (b) to remedy a governmental notice or violation; or (c) to remedy a work order of an insurer of the Building.

2.5.10 Veto Control of Sponsor and Unsold Unit Owners. Sponsor's veto control, as set forth herein, may be exercised during only the Sponsor Veto Control Period and solely by Sponsor while Sponsor owns any Unsold Residential Unit. If Sponsor no longer owns any Unsold Residential Unit, each successor Unsold Residential Unit Owner will have the same right of veto control as Sponsor during only the Sponsor Veto Control Period. In the event of

two (2) or more Unsold Residential Unit Owners, the required Discretionary Consent of only those Owners of Unsold Residential Units constituting a majority of the Common Interests of all Unsold Residential Units will suffice. Nothing contained herein will extend the Sponsor Veto Control Period.

Section 2.6 **Number, Election, Composition and Qualification of Board Members**

2.6.1 Initial Board. Until the first meeting of the Unit Owners following the First Closing of a Residential Unit under the Plan is held pursuant to the terms of Section 4.1 hereof, the Condominium Board shall consist of one (1) or more individuals to be appointed and designated from time to time exclusively by Sponsor.

2.6.2 First Elected Board. At such first meeting of Unit Owners and at all subsequent meetings of Unit Owners to elect the Condominium Board, the Board shall be composed of four (4) Residential Board Members and one (1) Commercial Board Member, unless changed pursuant to Section 2.6.5 below. For so long as there is at least one (1) Unsold Residential Unit, the Residential Board Members shall consist of a specified number of Independent Board Members and a specified number of Sponsor Board Members as provided in the following subsection 2.6.4.

The Independent Board Members shall be elected exclusively by all Sold and Unsold Residential and Storage Unit Owners, including Sponsor as Owner of any Unsold Residential and Storage Units. The Sponsor Board Members shall be appointed and designated exclusively by Sponsor for so long as Sponsor owns at least one (1) Unsold Residential Unit or (after Sponsor no long owns any Unsold Residential Unit) the Owner or Owners of a majority in Common Interest of Unsold Residential and Storage Units. The Retail Unit Owner shall exclusively appoint and designate one (1) Commercial Board Member.

The Residential Board Members shall represent the interests of the Sold and Unsold Residential and Storage Unit Owners on the Board and shall make all decisions and conduct all transactions on behalf of the Board that affect only the Residential Space or the Association's Residential Properties, and do not affect the Retail Unit, the General Common Elements, the Association's General Properties, General Common Expenses or the General Common Charges. Similarly, the Commercial Board Member shall represent the interests of the Retail Unit Owner on the Board and shall make all decisions and conduct all transactions on behalf of the Board that affect only the Retail Unit and do not affect the Residential Space, the Common Elements, the Association's Properties, the Common Expenses or the Common Charges

2.6.3 Sponsor Voting Control of Board. Sponsor shall have the exclusive right to designate and appoint a majority of the Condominium Board (including a majority of the Residential Board Members) and thereby have "voting control" of the Condominium Board for five (5) years from the First Closing of a Residential Unit or whenever the Unsold Residential and Storage Units constitute less than fifty percent (50%) in number and Common Interest of all Residential and Storage Units, whichever is sooner ("**Sponsor Board Control Period**"). At all elections held after the end of the Sponsor Board Period, Sponsor will no longer have the right to nominate candidates to serve as the Independent Board Members (who will then constitute a majority of the Board Members) and thus Sponsor shall not thereafter exercise voting control of

the Board. Sponsor, however, will continue to have the right, for as long as there is at least one (1) Unsold Residential Unit, to vote for all Independent Board Members and to exclusively designate and appoint at least one (1) Sponsor Board Member (see subsection 2.6.4 below for composition of Board).

2.6.4 Composition, Nomination and Voting Rules for Residential Board Members. From and after the first meeting of Unit Owners following the First Closing of a Residential Unit, the Condominium Board shall consist of four (4) Residential Board Members and one (1) Commercial Board Member. For so long as there is at least one (1) Unsold Residential Unit, the composition of the Residential Board Members shall be as follows:

(a) at all elections held during only the Sponsor Board Control Period, the Residential Board Members shall consist of three (3) Sponsor Board Members and one (1) Independent Board Member; and

(b) at all elections held after the end of the Sponsor Board Control Period, the Residential Board Members shall consist of three (3) Independent Board Members and one (1) Sponsor Board Member.

After all Unsold Residential Units are sold and conveyed, the four (4) Residential Board Members shall all be Independent Board Members.

The following rules shall govern the nomination and voting for the election of the Independent Board Members by the Unsold Residential and Storage Unit Owners (including Sponsor):

(a) at all elections held during only the Sponsor Board Control Period, there is no restriction or limitation on the nomination and voting rights of Sponsor and other Unsold Residential and Storage Unit Owners and they may both nominate and vote to elect any qualified candidates to serve as the Independent Board Member; and

(b) at all elections held after the end of the Sponsor Board Control Period, Sponsor and other Owners (if any) of Unsold Residential and Storage Units shall have the following rights: (b-1) they shall continue to have the unfettered and unconditional right to vote (*without restriction or limitation*) for any and all candidates nominated to serve as Independent Board Members; but (b-2) they may NOT nominate any candidates to serve as Independent Board Members.

The foregoing restriction limiting Sponsor's nomination rights after the end of the Sponsor Board Control Period applies only to nominating candidates to serve as Independent Board Members and does not apply to the Sponsor Board Member(s) to be appointed and designated exclusively by Sponsor as aforesaid or the Commercial Board Member to be appointed and designated exclusively by the Retail Unit Owner (including Sponsor while it owns the Retail Unit).

2.6.5 Change in Number. The number of Board Members may be increased or decreased by vote of a majority in number and Common Interest of Unit Owners, but only on the following terms and conditions:

(a) Sponsor (or, after Sponsor no longer owns any Unsold Unit, all Owners of Unsold Units) must consent in writing to the proposed change so long as there is any Unsold Unit;

(b) the vote may be taken at any annual or special meeting of Unit Owners, except that the vote must be taken at an annual meeting to decrease the number below those then in office;

(c) (in the event the number of Board Members is decreased) such decrease may only affect those Board Members whose terms are expiring at the annual meeting, but in no event shall the decrease affect the exclusive right of Sponsor to designate and appoint the number of Sponsor Board Members set forth in these By-Laws or the exclusive right of the Retail Unit Owner to appoint and designate one (1) Commercial Board Member;

(d) (in the case of an increase) the number of Board Members to be appointed and designated exclusively by each of Sponsor and the Retail Unit Owner will increase proportionately so as to maintain the same proportional Board representation for the Sponsor Board Members and the Commercial Board Member as existed at the election of the first Condominium Board by the Unit Owners after the First Closing of a Residential Unit (any fraction will be rounded up to the next whole number); and

(e) no change in the number of Residential Board Members shall affect, abridge or otherwise impair: (e-1) the voting control of the Sponsor Board Members over the Condominium Board and the Residential Board Members at all elections held during the Sponsor Board Control Period; or (e-2) the voting control of the Independent Board Members over the Condominium Board and the Residential Board Members at all elections held after the end of the Sponsor Board Control Period.

2.6.6 Qualification. Each Board Member shall be at least 18 years old, but need not be a Unit Owner. Each Independent Board Member shall be either a Sold Residential Unit Owner (including a Sponsor Related Party who acquires a Sold Residential Unit for the bona fide use and occupancy of such Sponsor Related Party or the Sponsor Related Party's family) or any of the following (each, a "**Sold Residential Unit Owner Affiliate**"): (a) a Sold Residential Unit mortgage lender; (b) an officer, director, shareholder, partner, member, principal, employee, trustee, executor, administrator or beneficiary of a corporation, partnership, company, trust, estate or other Entity that owns a Sold Residential Unit or is a Sold Residential Unit mortgage lender; (c) an individual designated by a sovereign government, consulate or other governmental instrumentality that owns a Sold Residential Unit; (d) a permitted non-paying occupant of a Sold Residential Unit; or (e) an adult member of the immediate family of a Sold Residential Unit Owner or any of the foregoing. In addition, at all elections held after the end of the Sponsor Board Control Period, in order to assure that resident-Owners will have voting control of the Condominium Board at such elections, a majority of the Condominium Board Members must be Owner-occupants or members of their family.

There are no requirements to qualify as a Sponsor Board Member or a Commercial Board Member. Sponsor (or after Sponsor no longer owns any Unsold Residential Unit, other Unsold Residential Unit Owners) shall have the exclusive right to appoint and designate anyone (regardless of relationship or lack of relationship) to serve as a Sponsor Board Member and the

Retail Unit Owner shall have the exclusive right to appoint and designate anyone to serve as a Commercial Board Member. Sponsor, as Owner of an Unsold Residential Unit and the Retail Unit, shall have the right to appoint and designate the same individual to serve as both a Sponsor Board Member and a Commercial Board Member. Such dual capacity Board Member will have one (1) vote for each Board membership (e.g., a total of two (2) votes as a Sponsor Board Member and a Commercial Board Member), on all transactions and determinations to be voted upon by the Condominium Board.

2.6.7 Ineligibility. If the Condominium Board perfects a lien against a Sold Unit for unpaid Common Charges, the following shall apply until the lien is paid or discharged by bonding or otherwise: (a) the Owner of such Sold Unit may not nominate or vote for the election of Board Members; (b) such Owner and such Owner's Sold Residential Unit Owner Affiliate shall not be an eligible candidate in an election of an Independent Board Member; and (c) if such Sold Residential Unit Owner or Sold Residential Unit Owner Affiliate is then serving as an Independent Board Member, such Board membership by such Owner or said Owner's Sold Residential Unit Owner Affiliate (as applicable) shall immediately be suspended upon perfection of the lien and such Board membership shall automatically cease thirty (30) days thereafter unless the lien is paid or discharged by bond or otherwise during such thirty (30) day period.

In addition, Board membership by a Sold Residential Unit Owner or a Sold Residential Unit Owner Affiliate (as applicable) shall automatically end when: (a) (in the case of a Sold Residential Unit Owner) such Owner no longer owns a Sold Residential Unit; or (b) (in the case of a Sold Residential Unit Owner Affiliate) such Affiliate no longer qualifies as a Sold Residential Unit Owner Affiliate.

Section 2.7 **Term of Office of Board Members**

The initial Board Member designated by Sponsor will serve at the pleasure of Sponsor and until the first meeting of Unit Owners following the First Closing of a Residential Unit under the Plan when the new five (5) Board Members are qualified and elected (as to the Independent Board Member) or appointed and designated (as to the Sponsor Board Members and the Commercial Board Member). All Board Members elected at and after said first meeting of Unit Owners will serve for a term of one (1) year. There is no limit on the number of terms, successive or otherwise, a Board Member may serve.

Each annual meeting of Unit Owners is to be held within approximately thirty (30) calendar days of the anniversary of the previous annual meeting of Unit Owners, subject to the right of the Condominium Board (in its sole and absolute discretion) to change the date of such annual meeting to be held within approximately sixty (60) days after the issuance of the Condominium Association's financial statements for the immediately preceding year for financial reporting.

Section 2.8 **Removal and Resignation of Board Members**

2.8.1 Removal. An Independent Board Member may be removed "with" or "without" cause only by a vote of a majority in number and Common Interest of Owners of Sold and Unsold Residential and Storage Units cast at a duly constituted meeting of Unit Owners at

which a quorum is present. In determining such majority vote, the Units and Common Interests owned by: (a) the Condominium Board or its nominee as designee; and (b) the Board Member to be removed, or a Related Party to such Board Member, shall be excluded from the count of the base number of Unit Owners and Common Interests for quorum and voting purposes. The Condominium Board and its nominee or designee shall have no voting rights with respect to any Units owned by each of them and the Board Member or the Related Party to such Board Member to be removed shall not have the right to vote on the issue of such Board Member's removal. Any Board Member who is to be removed for "cause" shall be given a written explanation of the basis of removal at least seven (7) business days in advance of the meeting of Unit Owners and a reasonable opportunity to be heard at the meeting before the vote is taken.

A Sponsor Board Member serves at the will of Sponsor or the Unsold Unit Owner who appointed and designated such Board Member (as applicable) and may be removed "with" or "without" cause by only Sponsor or said Unsold Unit Owner (as applicable). The Commercial Board Member serves at the will of the Retail Unit Owner who appointed and designated such Board Member and may be removed "with" or "without" cause by only said Retail Unit Owner.

2.8.2 Resignation. A Board Member may resign at any time by giving written notice to the following: (a) in the case of a resignation by an Independent Board Member: the resignation shall be given to any of the remaining Residential Board Members; or (b) in the case of a resignation by a Sponsor Board Member: the resignation shall be given to the Sponsor or appropriate Unsold Residential Unit Owner who appointed and designated such Board Member (as applicable); or (c) in the case of a resignation by the Commercial Board Member: the resignation shall be given to the Retail Unit Owner who appointed and designated such Board Member.

In addition, an Independent Board Member who shall cease to be qualified for membership pursuant to the terms of Section 2.6.7 hereof shall be deemed to have resigned as a Board Member effective as of the date upon which such qualification shall cease.

Section 2.9 **Vacancies**

2.9.1 Replacement. A vacancy on the Condominium Board resulting from removal, resignation, death, incompetency, incapacity or other cessation of Board membership will be filled as follows:

(a) in the case of a vacancy by an Independent Board Member: such vacancy shall be filled exclusively by a majority of the remaining Residential Board Members at a special meeting of the Board or (if there is no remaining Residential Board Member) the vacancy shall be filled by vote of Sold and Unsold Residential and Storage Unit Owners at a special meeting called to be held for such purpose within sixty (60) calendar days after the vacancy occurs or at the next annual meeting of Unit Owners, whichever occurs first; or

(b) in the case of a vacancy by a Sponsor Board Member: such vacancy shall be filled exclusively by Sponsor or the appropriate Unsold Residential Unit Owner who originally appointed and designated the vacating Sponsor Board Member (as applicable); or

(c) in the case of a vacancy by the Commercial Board Member: such vacancy shall be filled exclusively by the Retail Unit Owner who originally appointed and designated the vacating Commercial Board Member .

2.9.2 Pre-emption. However, in the case of a removal of an Independent Board Member by the Owners of the Sold and Unsold Residential and Storage Units, such Owners shall have the right to pre-empt the Residential Board Members and elect the replacement at the same meeting the removal is voted upon or at a subsequent special or annual meeting of Unit Owners called for such purpose.

2.9.3 Term. The person elected (in the case of Independent Board Member) or appointed and designated (in the case of a Sponsor Board Member or a Commercial Board Member) to fill the vacancy will serve as a member of the Condominium Board for the remainder of the term of the Board Member being replaced.

2.9.4 Special Board Meeting. A special meeting of the remaining Residential Board Members shall be held for the purpose of filling a vacancy of an Independent Board Member promptly after the occurrence thereof, and the election held thereat shall be effective to fill such vacancy even if the number of members present at such meeting shall not constitute a quorum. Sponsor or the appropriate Unsold Residential Unit Owner (as applicable) who originally appointed and designated such vacating Sponsor Board Member will fill such vacancy, and the Retail Unit Owner who originally appointed and designated such vacating Commercial Board Member will fill the vacancy of the vacating Commercial Board Member, by written notice to the other Board Members or to the President, Vice President or Secretary of the Condominium Association.

Section 2.10 **Organizational Meeting of the Condominium Board**

The first meeting of each Condominium Board elected annually by the Unit Owners at meetings held from and after the First Closing of a Residential Unit under the Plan shall be held immediately after each such annual meeting of Unit Owners and no notice of such Board meeting shall be necessary to the newly elected Board Members in order to legally constitute the meeting, provided a quorum shall be present. Alternatively, such first Board meeting may convene at such place, date and time as shall be fixed by a majority of the Board Members present at said annual meeting of Unit Owners, even though less than a quorum shall be present. In such case, written notice thereof shall be given to all Board Members by hand delivery, mail, telecopier (with electronic confirmation of transmission) or telegram at least five (5) business days prior to the date set for the first Board meeting. In any event, however, such first meeting of the Board shall be held within approximately thirty (30) calendar days following said election by the Unit Owners.

Section 2.11 **Regular Meetings of the Condominium Board**

Regular meetings of the Condominium Board may be held at such time and place as shall be determined from time to time by a majority of the Board Members; provided, however, that at least four (4) such meetings of the Condominium Board shall be held during each Budget Year. Written notice of all regular meetings of the Condominium Board shall be given to each

applicable Board Member by hand delivery, mail, overnight mail, telecopier (with electronic confirmation of transmission) or telegram at least five (5) business days prior to the day named for such meeting.

The Residential Board Members or the Commercial Board Member may hold separate meetings, without notice to the other, for the discussion and transaction only of such business that is to be decided solely by such Residential Board Members or the Commercial Board Member, respectively, pursuant to these By-Laws or the Declaration and does not involve the General Common Elements, the Association's General Properties, the General Common Expenses, the General Common Charges or all or a portion of both the Residential Space and the Retail Unit, and does not require the Reasonable or Discretionary Approval or Consent of the other Board Members.

Section 2.12 **Special Meetings of the Condominium Board**

The President may call a special meeting of the Condominium Board or only the Residential Board Members whenever determined by the President to be necessary or desirable. Upon the written request of two (2) or more Board Members, the President shall call a special meeting of the Board or only the Residential Board Members (as applicable) to be held within ten (10) business days after such written request is given. Written notice of all special meetings shall be given to each applicable Board Member at least two (2) business days (if sent by hand delivery, telecopier (with electronic confirmation of transmission) or telegram, or at least five (5) business days (if sent by mail), prior to the day fixed for such meeting, which notice shall state the date, time, place and purpose of the meeting.

Section 2.13 **Waiver of Notice of Meetings**

Any Board Member may, at any time, waive notice of any meeting of the Board or the Residential Board Members (as applicable) or any committee of either thereof in writing, and such waiver shall be deemed equivalent to the giving of notice. Attendance by a Board Member at any such meeting or any such committee shall constitute a waiver by such Board Member of notice of the time and place thereof. However, if all of the applicable Board Members or committee members are present at any said meeting of the Board or any said committee, respectively, no notice of such meeting shall be required and any business authorized pursuant to these By-Laws may be transacted at such meeting.

Section 2.14 **Quorum of the Condominium Board**

2.14.1 Quorum. A quorum of the Condominium Board or the Residential Board Members (as applicable) is required to be present at a Board meeting in order to make any determination or to transact any business. Alternatively, such determination or transaction may be made without such meeting if all Board Members or all Residential Board Members (as applicable) consent in writing to the determination or transaction. To constitute a quorum of the Board or Residential Board Members (as applicable) for such meeting, the following number of Board Members shall be present at the meeting:

(a) attendance (in person or by telephone) of a majority of the Residential and Commercial Board Member will be required for any business relating solely to one or more of the following: (a-1) the General Common Elements; (a-2) the Association's General Properties; (a-3) the General Common Expenses; (a-4) the General Common Charges; (a-5) all or a portion of both the Residential Space and the Retail Unit; or (a-6) any other matter involving the affairs of the entire Property or the whole Condominium Association;

(b) attendance (in person or by telephone) of a majority of the Residential Board Members (without attendance by the Commercial Board Member) will be required for any business relating solely to one (1) or more of the following: (b-1) the Residential Common Expenses; (b-2) the Residential Common Charges; (b-3) all or a portion of the Residential Space; (b-4) the Association's Residential Properties; or (b-5) any other matter involving the affairs of only the Residential Space; or

(c) attendance of only the Commercial Board Member (without attendance by any Residential Board Members) will be required for any business relating solely to all or a portion of the Retail Unit.

2.14.2 Attendance Requirements. Attendance at a meeting of the Condominium Board, the Residential Board Members or any committee of either thereof shall be in person or by conference telephone or other communication's equipment permitting all individuals participating in the meeting to hear or otherwise effectively communicate with each other at the same time, and such participation shall constitute presence at such meeting for all purposes. In addition, a Sponsor Board Member (but not an Independent Board Member) or the Commercial Board Member shall be permitted to attend such Board or committee meeting by proxy, provided the proxy is signed by: (a) (in the case of a Sponsor Board Member) Sponsor or the Unsold Residential Unit Owner (as applicable) who appointed and designated such Sponsor Board Member; or (b) (in the case of the Commercial Board Member) the Retail Unit Owner who appointed and designated such Commercial Board Member.

2.14.3 Adjournment. If, at any meeting of the Condominium Board or the Residential Board Members (as applicable) there shall be less than a quorum present, a majority of the Board Members or the Residential Board Members (as applicable) in attendance may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business that might have been transacted at the meeting originally called but for the lack of a quorum may be transacted without further notice.

Section 2.15 **Conduct of Meetings**

2.15.1 Presiding Officer. The President shall preside at all meetings of the Condominium Board and the Secretary shall faithfully record the minutes thereof, which minutes shall include the full text of all resolutions duly adopted by the Condominium Board and a record of all transactions and proceedings occurring thereat.

2.15.2 Robert's Rules of Order. Unless in conflict with the terms of the Declaration, these By-Laws or the Condominium Act, each meeting of the Condominium Board

shall be conducted in accordance with the then current edition of Robert's Rules of Order, or any other rules of procedure from time to time acceptable to a majority of the Board Members attending the meeting.

Section 2.16 **Decisions by the Condominium Board**

2.16.1 Majority Vote. Subject and subordinate to subsection 2.5.8 above and except as otherwise expressly provided in the Declaration or these By-Laws:

(a) a majority of those Residential and Commercial Board Member attending a duly constituted meeting of the Board at which a quorum is present shall decide all matters on behalf of the Board relating solely to one (1) or more of the following: (a-1) the General Common Elements; (a-2) the Association's General Properties; (a-3) the General Common Expenses; (a-4) the General Common Charges; (a-5) all or a portion of both the Residential Space and the Retail Unit; or (a-6) any other matter involving the affairs of the entire Property or the whole Condominium Association;

(b) a majority of those Residential Board Members attending a duly constituted meeting of the Residential Board Members at which a quorum is present shall decide all matters on behalf of the Board relating solely to one (1) or more of the following: (b-1) the Residential Common Expenses; (b-2) the Residential Common Charges; (b-3) all or a portion of the Residential Space; (b-4) the Association's Residential Properties; or (b-5) any other matter involving the affairs of only the Residential Space; and

(c) the Commercial Board Member or (at exclusive option of the Retail Unit Owner) the Retail Unit Owner in lieu of the Commercial Board Member appointed and designated by such Retail Unit Owner shall decide all matters on behalf of the Board (without the necessity of a Board meeting) relating solely to the Retail Unit.

Alternatively, any decision that is required or permitted to be made by the applicable Board Members may be made without a meeting thereof if all of such applicable Board Members shall individually or collectively consent in writing to such decision. All such written consents shall be duly filed by the Secretary of the Condominium in the minutes of the Condominium Board.

2.16.2 Board Votes. Each Board Member shall have one (1) vote on all matters and transactions to be determined and voted upon by the Condominium Board. Similarly each Residential Board Member (including a Sponsor Board Member and an Independent Board Member) shall have one (1) vote on all matters and transactions to be determined and voted upon by the Residential Board Members.

2.16.3 Business Judgment Rule. The decisions and transactions of the Condominium Board, the Residential Board Members (as to decisions and transactions authorized in the Condominium Documents to be made or transacted by them on behalf or in the name of the Condominium Board) and the Commercial Board Member (as to the decisions and transactions authorized in the Condominium Documents to be made or transacted by such Board Member on behalf or in the name of the Condominium Board) shall have the equivalent status of

the decisions and transactions of a cooperative housing corporation as to which the so-called "business judgment rule" articulated in Levandusky v. One Fifth Ave Corp. (75 NY2d 530 [1990]) shall apply, except said "business judgment rule" shall not apply to any decisions or transactions affecting, directly or indirectly, the Sponsor or other Owner of an Unsold Unit, the Retail Unit Owner, the Sponsor's/Commercial Owner's Rights, an Unsold Unit or the Retail Unit. Instead, the decisions and transactions of the Condominium Board or the Residential Board Members (as applicable) that affect, directly or indirectly, the Sponsor or other Owner of an Unsold Unit, the Retail Unit Owner, the Sponsor's/Commercial Owner's Rights, an Unsold Unit or the Retail Unit shall be subject to scrutiny and determined solely on the merits by a court, arbitration panel or other forum having jurisdiction, without any deference, weight or favorable assumption being given to the Condominium Board or the Residential Board Members (as applicable).

Section 2.17 **Compensation of Members**

No member of the Condominium Board or any committee thereof shall receive any compensation from the Condominium for acting as such.

Section 2.18 **Standards for Fiduciary Responsibility and Self-Dealing**

2.18.1 General Standard. All powers and duties shall be exercised and performed by each Board Member and officer, in good faith and with a view to the interests of the Unit Owners or Unit Owner who elected such Board Member, but with due regard to the Maintenance, preservation, protection and value of the Property as a whole and the security, safety and health of Owners and occupants of Units.

2.18.2 Interested Party Transactions. The Condominium Board may contract or effect any other transaction with any member or officer of the Board or any Unit Owner, or Related Parties to any of the foregoing (collectively, "**Interested Party**"), without the Condominium Board or such Interested Party incurring any liability for self-dealing, provided that the terms of such contract or other transaction, including any compensation paid in respect thereof, shall be on no less favorable terms than those commercially reasonable and at competitive rates at the time such contract or transaction is entered into and reasonable evidence or documentation thereof is given to the Board ("**commercial reasonableness standard**").

2.18.3 Disclosure. No contract or other transaction between the Condominium Board and an Interested Party, shall be deemed either void or voidable because of the interest (pecuniary or otherwise) therein of such Interested Party or the presence of such Interested Party at the meeting or meetings of the Board during which such contract or transaction was discussed, authorized, approved or ratified; provided, however, that the contract or transaction shall meet the commercial reasonableness standard at the time that the same is authorized, approved, ratified, executed or otherwise consummated and either:

(a) the terms of the contract and/or transaction are disclosed to all Board Members or only all Residential Board Members (as appropriate), or the fact thereof is disclosed to, or known by, a majority of the Board Members or only a majority of the Residential Board Members (as appropriate) or noted in the minutes thereof, and a majority of such

applicable Board Members having a majority of the votes shall authorize, approve or ratify such contract or transaction in good faith, less the number of votes of such interested Board Members; or

(b) the fact thereof is disclosed to, or known by, a majority in number and Common Interest of the Unit Owners affected thereby, excluding any Unit Owner who or whose Related Party also has an interest in such contract or transaction, and a majority in number and Common Interest of such affected Unit Owners, excluding any such interested Unit Owner, shall authorize, approve or ratify such contract or transaction.

2.18.4 Quorum. The votes of any such interested Board Member may be counted in determining the presence of a quorum of any meeting of the Board that authorizes, approves or ratifies any such contract or transaction, but no such Board Member shall be entitled to vote thereat to authorize, approve or ratify such contract or transaction.

Section 2.19 **Liability of the Condominium Board**

2.19.1 Standard for Liability. The members of the Condominium Board shall have no liability to the Unit Owners for errors of judgment, ordinary negligence or otherwise, except that each member of the Condominium Board shall be liable thereto for such member's own bad faith, self-dealing, gross negligence or willful misconduct.

2.19.2 Interested Party Transactions. In connection therewith, a Board Member (including a Sponsor or Commercial Board Member) shall not be deemed either to have acted in bad faith or to have committed willful misconduct by reason of any self-dealing in connection with any contract made, or other transaction entered into, between the Condominium Board and such Board Member or a Related Party to such Board Member or to Sponsor or a Related Party to Sponsor in the case of Sponsor Board Members (collectively, "**Interested Board Party**"), provided that any compensation paid, or to be paid, to such Interested Board Party in connection with any such contract or transaction is either:

(a) disclosed to all applicable Board Members authorized to make such contract or act on such transaction (e.g., only the Residential Board Members in the case of a contact or transaction involving only the Residential Space); or

(b) is in accordance with the commercial reasonableness standard for goods sold or services rendered in the Borough of Manhattan, County and State of New York, and (if such compensation is part of the General Common Expenses or Residential Common Expenses) is approved by majority of the Board Members or majority of the Residential Board Members, respectively, who are not an Interested Board Party; or

(c) is disclosed in the Plan or a Plan Amendment.

The foregoing shall not apply to any contract or transaction that affects only the Retail Unit and is approved by the Retail Unit Owner, provided such relationship is known by the Retail Unit Owner.

2.19.3 Immunity. The Board Members and the agents (including a Managing Agent and/or manager) of the Condominium Board shall have no personal liability for merely having acted in such capacity. Such immunity from personal liability shall apply to all transactions of the Board authorized in these By-Laws or the Declaration, including each and every contract made, and other document executed, by or on behalf of the Condominium Board in accordance with these By-Laws or the Declaration, and each such contract or other document shall so provide (however, the failure to so provide shall not, and shall not be construed to, in any way affect, change or waive such immunity from personal liability). Such contract or document shall be regarded as being made or executed by or on behalf of the Board as agent of all Unit Owners or only the Residential and Storage Unit Owners (as applicable) and the liability thereunder of a Board Member shall be to the extent only that such Board Member is a Unit Owner and then only as limited in Section 4.12 hereof.

2.19.4 Service Interruptions and Force Majeure. Neither the Condominium Board nor any Board Member (in such capacity as a Board Member) shall be liable for any Claims or Liabilities and Expenses for either: (a) any failure or interruption of any utility or other services to be obtained by, or on behalf of, the Condominium Board or to be paid for as a Common Expense; or (b) any injury, loss, or damage to any individual or property, occurring in or upon either a Unit or the Common Elements and either: (b-1) caused by Force Majeure, by any Unit Owner or by any other Person; (b-2) resulting from electricity, water, snow or ice, including water that may leak or flow from a Unit (including its appurtenant Terrace, if any), its appurtenant Limited Common Element (if any) or Individual Limited Common Element (if established) or any portion of the Common Elements; or (b-3) arising out of theft or otherwise.

2.19.5 Indemnity. Subject to the limitation of liability contained in Section 4.12 below, the applicable Unit Owners on whose behalf the Condominium Board acted (the Residential and Storage Unit Owners always being regarded as one (1) group of Unit Owners) shall jointly, or the applicable Unit Owner on whose individual behalf the Board acted shall individually, indemnify each and every member of the Condominium Board from and against any and all Claims and Liabilities and Expenses to others arising from such Board Member's acts or omissions as, or by reason of the fact that such individual is or was, a member of the Condominium Board, except, however no Board Member shall be indemnified, if and to the extent that such Claims or Liabilities and Expenses shall be due to, or shall arise out, of the bad faith, self-dealing, gross negligence or willful misconduct of such Board Member. Accordingly, the Sponsor Board Member(s) or the Commercial Board Member shall not be indemnified by the Sold Residential and Storage Unit Owners if and to the extent that the Claims or Liabilities and Expenses arose solely from a decision or transaction made alone by the Sponsor Board Member(s) or the Commercial Board Member which affect only the Unsold Residential and Storage Units or the Retail Unit, respectively, and do not affect the Condominium Association, the Common Elements, the Association's Properties, the Common Expenses or the Common Charges. Similarly, the Retail Unit Owner shall not be required to provide such indemnity if and to the extent that the Claims or Liabilities and Expenses arose solely from a decision or transaction made alone by the Residential Board Members which affect only the Residential Space and do not affect the Retail Unit, the entire Condominium Association, those General Common Elements or the Association's General Properties that actually serve or are actually utilized by the Retail Unit Owner or those General Common Expenses fairly and properly attributable to the Retail Unit Owner.

Section 2.20 **Transactions by Declarant in Lieu of Condominium Board**

Until the first Condominium Board is elected by the Unit Owners following the First Closing of a Residential Unit, all business to be transacted by the Condominium Board, including all decisions to be made and actions to be taken, may be transacted, made and taken by Declarant (as the initial Owner of all Units) in lieu of the Board with the same validity, force and effect as though same had been done by the Board.

ARTICLE 3

OFFICERS

Section 3.1 **General**

3.1.1 Election. The principal officers of the Condominium Association shall consist of a President, Vice President, Secretary and Treasurer, each of whom shall be elected by a majority of those Board Members attending a duly constituted Board meeting at which a quorum is present. In addition, the Sponsor Board Member(s) and the Commercial Board Member shall each exclusively elect a co-Vice President and an Assistant Secretary. The Condominium Board shall also have the power to elect such other officers and assistant officers as it deem appropriate.

3.1.2 Powers and Duties. Generally, the officers will have all of the same powers and duties of the equivalent officer of a stock corporation organized under the Business Corporation Law of the State of New York ("**BCL**"). Assistant officers, in order of their seniority or in any other order determined by the applicable Board Members shall, in the absence or disability of the applicable principal officer, as the case may be, perform the duties and exercise the powers of the applicable principal officer, and shall perform such other duties as the applicable Board Members or the applicable principal officer shall prescribe, except that the officers elected exclusively by each the Sponsor Board Member(s) and the Commercial Board Member shall exercise such powers and perform such duties as the Sponsor Board Member(s) or the Commercial Board Member, respectively, shall prescribe, even though the President and Secretary shall not be absent or disabled, and except further that the officers elected exclusively by: (a) the Sponsor Board Members may act only in connection with the Operation and affairs of the Unsold Residential and Storage Units; and (b) the Commercial Board Member may act only in connection with the Operation and affairs of the Retail Unit.

3.1.3 Execution of Documents. Unless otherwise expressly provided elsewhere in these By-Laws or the Declaration or required by Law, all agreements, contracts, deeds, mortgages, leases, checks and other instruments and documents of the Condominium Association or Condominium Board shall be executed, upon the direction of the applicable Board Member(s) who elected such officers, by any two (2) officers of the Condominium or by such lesser number of officers or by such other Person or Persons as may be designated from time to time by said applicable Board Member(s) who elected such officers.

3.1.4 Authorization. The applicable Board Members may, by resolution passed in accordance with the provisions hereof, authorize any officer to execute and deliver on behalf

of the Board documents or other instruments necessary or desirable to the performance of its duties and obligations hereunder. Each of the principal officers (i.e., the President, Vice President, each co-Vice President, Secretary, each Assistant Secretary and Treasurer) are authorized to execute and deliver estoppel certificates regarding the payment of Common Charges or other matters related to a Residential Unit or Storage Unit or the Retail Unit or its Owner to a Registered Mortgagee or a purchaser or tenant of an Owner's Unit or other parties reasonably entitled to such information.

Section 3.2 **President**

The President shall be the chief executive officer of the Condominium Association and shall preside at meetings of all Unit Owners and of the Residential Board Members. The President shall have all of the general powers and duties that are incident to the office of president of a stock corporation organized under the BCL, including the power to appoint the members of all committees created by the Board or the Residential Board Members from among the Unit Owners, and other Persons, subject to compliance with subsection 2.5.4 above.

Section 3.3 **Vice President and Co-Vice Presidents**

The Vice President elected by the Board shall take the place of the President and exercise and perform such President's powers and duties whenever same shall be absent or unable to act. Each co-Vice President elected exclusively by the Sponsor Board Member(s) or the Commercial Board Member, shall have all of the general powers and duties that are incident to the office of vice president of a stock corporation organized under the BCL. If the President and the Vice President or a co-Vice President are unable to act, the applicable Board Member(s) who elected such officers shall appoint some other member of the Condominium Board (in the case of the President) or other individual (in the case of the Vice President or a co-Vice President) to act in the place of such absent or incapacitated officer on an interim basis. The Vice President shall also perform such other powers and duties as shall be required from time to time by the Condominium Board or the President (as applicable). The co-Vice President elected exclusively by the Sponsor Board Member(s) and the co-Vice President elected exclusively by the Commercial Board Member shall also perform such other powers and duties as shall be required from time to time by the Sponsor Board Member(s) or the Commercial Board Member, respectively, but shall act in connection with only the Operation and affairs of the Unsold Residential and Storage Units or the Retail Unit, respectively.

Section 3.4 **Secretary and Assistant Secretaries**

The Secretary shall keep the minutes of all meetings of the Unit Owners, the Residential and Commercial Board Member and only the Residential Board Members. The Secretary shall have charge of such books and papers as the Residential and Commercial Board Member or only the Residential Board Members (as applicable) shall direct and, in general, shall have all of the powers and duties that are incident to the office of secretary of a stock corporation organized under the BCL. The Assistant Secretary elected exclusively by the Sponsor Board Member(s) and the Assistant Secretary elected exclusively by the Commercial Board Member shall have all of the same powers and duties as the Secretary, but shall act only in connection with the

Operation and affairs of the Unsold Residential and Storage Units or the Retail Unit, respectively.

Section 3.5 **Treasurer**

The Treasurer shall have the care and custody of the funds and securities of the Condominium Association and shall be responsible for keeping full and accurate financial records and books of account thereof, showing all receipts and disbursements necessary for the preparation of all required financial data. The Treasurer shall be responsible for the deposit of all funds and other securities in the name of the Condominium Board or in the name of the Managing Agent and/or manager in such depositories as may from time-to-time be designated by the Board and, in general, shall have all of the powers and duties incident to the office of treasurer of a stock corporation organized under the BCL.

Section 3.6 **Election, Term of Office and Qualifications of Officers**

3.6.1 Election and Term. Each of the officers of the Condominium Board shall be elected annually by a majority of those Board Members attending a duly constituted organizational meeting of each new Condominium Board at which a quorum is present (except in case of an election to fill a vacancy or to create an additional or new officer), and shall serve at the pleasure of the Board Member(s) who elected such officer; subject and subordinate, however, to the right of the Sponsor Board Member(s) and the Commercial Board Member to each always exclusively elect a co-Vice President and an Assistant Secretary as provided in subsection 3.1.1 hereof.

3.6.2 Qualifications. The President shall be elected from among the members of the Condominium Board. The other officers of the Condominium Board, however, need not be members of the Condominium Board and need not be Unit Owners or have any interest in the Condominium or a Unit. Any single individual may hold any combination of offices, except that the offices of President and Secretary shall be held by different individuals.

Section 3.7 **Removal and Resignation of Officers**

3.7.1 Removal. An officer may be removed at any time "with" or "without cause" by an affirmative vote of a majority of those Board Members who attend a duly constituted Board meeting at which a quorum is present, except an officer appointed and designated exclusively by the Sponsor Board Member(s) or the Commercial Board Member may be removed "with" or "without" cause by only the Sponsor Board Member(s) or the Commercial Board Member, whoever elected such officer.

3.7.2 Resignation. Each officer may resign at any time by giving written notice to the applicable Board Member(s) who elected such officer. However, the President will be regarded as having resigned effective on the date such officer ceases to be a Board Member.

Section 3.8 **Vacancies**

A vacancy in an office shall be filled by a majority of the Condominium Board in attendance at any regular meeting of the Condominium Board or at a special meeting thereof

called for such purpose, except that a vacancy of an officer elected exclusively by the Sponsor Board Member(s) or the Commercial Board Member shall be filled by vote of only the Sponsor Board Member(s) or the Commercial Board Member, respectively, without the necessity of a Board meeting.

Section 3.9 **Compensation of Officers**

No officer shall receive any compensation from the Condominium Association for acting as such.

Section 3.10 **Liability of the Officers of the Condominium**

3.10.1 Standard for Liability. The officers of the Condominium Association shall have no liability to the Unit Owners for errors of judgment, ordinary negligence or otherwise, except that each officer shall be liable thereto for such officer's own bad faith, self-dealing, gross negligence or willful misconduct.

3.10.2 Immunity. The officers of the Condominium Association shall have no personal liability for having acted in such capacity and such immunity from personal liability shall apply to all transactions of the Board authorized in these By-Laws or the Declaration, including each and every contract made, and other document executed, by or on behalf of the Condominium Board in accordance with these By-Laws or the Declaration, and each such contract and document shall so provide (however, the failure to so provide shall not, and shall not be construed to, in any way affect, change or waive such immunity from personal liability). Such contract or document shall be regarded as being made or executed by or on behalf of the Board as agent of all Unit Owners or only all Residential and Storage Unit Owners (as applicable) and the liability thereunder of an officer shall be to the extent only that such officer is a Unit Owner and then only as limited in Section 4.12 hereof.

3.10.3 Service Interruptions and Force Majeure. No officer of the Condominium Association (in his or her capacity as an officer) shall be liable for any Claims or Liabilities and Expenses for either: (a) any failure or interruption of any utility or other services to be obtained by any such officer on behalf of the Condominium Association or to be paid for as a Common Expense; or (b) any injury, loss or damage to any individual or property, occurring in or upon either a Unit or any portion of the Common Elements or the Association's Properties, and either: (b-1) caused by the Force Majeure, by any Unit Owner or by any other Person; (b-2) resulting from electricity, water, snow or ice, including water that may leak or flow from a Unit (including its appurtenant Terrace, if any), its appurtenant Limited Common Element (if any) or Individual Limited Common Element (if established) or any portion of the Common Elements or the Association's Properties; or (b-3) arising out of theft or otherwise.

3.10.4 Indemnity. Subject to the limitation of liability contained in Section 4.12 below, the Unit Owners on whose behalf an officer of the Condominium Board acted shall jointly, or the Unit Owner on whose individual behalf an officer acted shall individually, indemnify such officer from and against any Claims and Liabilities and Expenses to others arising from such officer's acts or omissions as, or by reason of the fact that such individual is or was, an officer of the Condominium Board, except, however such officer shall not be

indemnified to the extent that such Claims or Liabilities and Expenses shall be due to, or shall arise out of, the bad faith, self-dealing, gross negligence or willful misconduct of such officer. Accordingly, the officers elected exclusively by the Sponsor Board Member(s) or the Commercial Board Member shall not be indemnified by the Sold Residential and Storage Unit Owners if and to the extent that the Claims or Liabilities and Expenses arose solely from a decision or transaction made alone by the Sponsor Board Member(s) or the Commercial Board Member affecting only the Unsold Residential and Storage Units or the Retail Unit, respectively, and do not affect the entire Condominium Association, the Common Elements, the Association's Properties, the Common Expenses or the Common Charges. Similarly, the Retail Unit Owner shall not be required to provide such indemnity if and to the extent only that the Claims or Liabilities and Expenses arise solely from a decision or transaction made alone by the Residential Board Members which affect only the Residential Space and do not affect the entire Condominium Association, the Retail Unit, or those General Common Elements or those Association's General Properties that actually serve or are actually utilized by the Retail Unit Owner or those General Common Expenses fairly and properly attributable to the Retail Unit Owner.

ARTICLE 4

UNIT OWNERS

Section 4.1 **Annual Meetings of the Unit Owners**

4.1.1 First Meeting. The first meeting of Unit Owners shall be called to be held no later than approximately sixty (60) calendar days after the first anniversary of the First Closing of a Residential Unit under the Plan. If prior thereto, the number and Common Interest of the Sold Residential and Storage Units constitute more than fifty percent (50%) in number and Common Interest of all Residential and Storage Units, such first meeting will be called to be held within approximately thirty (30) calendar days after such 50% threshold is exceeded as provided in subsection 4.2.3 below. At such first meeting, the incumbent Condominium Board Member shall resign, or shall be deemed to have resigned, effective upon the qualification (in the case of an Independent Board Member) and election of a successor five (5)-member Condominium Board by the Unit Owners, as provided both in this Article 4 and in Article 2 hereof.

4.1.2 Subsequent Annual Meetings. Thereafter, annual meetings of the Unit Owners shall be held within approximately thirty (30) calendar days of the anniversary of the previous annual meeting, subject to the right of the Condominium Board (in its sole and absolute discretion) to change the date of such annual meeting to be held within approximately sixty (60) days after the issuance of the Condominium's financial statements for the immediately preceding year for financial reporting. Each such annual meeting is to be held at such time and place in the Borough of Manhattan and County of New York as shall be determined by the Condominium Board. At each such subsequent annual meeting, the Unit Owners shall elect a new Condominium Board and shall transact such other business as may properly come before such meeting, subject and subordinate, however, to the right of Retail Unit Owner to exclusively appoint and designate one (1) Commercial Board Member and the right of Sponsor, as Owner of an Unsold Residential Unit (or, if Sponsor no longer owns any Unsold Unit, the then existing

Unsold Residential Unit Owners, if any) to exclusively appoint and designate the number of Sponsor Board Members specified in Section 2.6.4 above.

Section 4.2 **Special Meetings of the Unit Owners**

4.2.1 Requirements For Special Meeting. The President shall call a special meeting of the Unit Owners or only the Residential and Storage Unit Owners (as applicable) whenever so directed by a duly adopted resolution of the Condominium Board (or Residential Board Members, if and as applicable) or upon receipt by the Secretary of a petition calling for such a meeting signed by any two (2) Board Members or by the Owners of not less than twenty-five (25%) percent of the Common Interests of all Units or all Residential and Storage Units (as applicable). Each such resolution or petition shall set forth, in reasonable detail, the purposes for calling such a meeting. Within ten (10) calendar days after receipt of such resolution or petition (as applicable), the President shall call such special meeting to be held within twenty (20) business days following said receipt thereof, unless the purpose of a meeting is to consider an Amendment to the Declaration or these By-Laws, or to remove a Board Member, in which case the provisions of subsection 4.4.4 below apply. If the President fails to so timely call such special meeting, then any Board Member who voted for such resolution or any Unit Owner who signed such petition (as applicable) may so call such meeting by a notice of meeting in accordance with the requirements of Section 4.4 hereof (except that such notice need not be given by the Secretary).

4.2.2 Business of Meeting. No business shall be transacted at such special meeting except business reasonably related to purposes stated in the notice of special meeting or said petition.

4.2.3 Expiration of Sponsor Board Control Period. Notwithstanding anything to the contrary contained herein, after the expiration of the Sponsor Board Control Period (i.e., the period ending on the *earlier* of: (a) the date that the Unsold Residential and Storage Units constitute less than fifty percent (50%) in number and Common Interest of all Residential and Storage Units; or (b) the fifth anniversary of the First Closing of a Residential Unit under the Plan) Sponsor will cause the Sponsor Board Members to call a special meeting of the Residential and Storage Unit Owners. At such meeting, two (2) additional Independent Board Members will be elected to replace two (2) Sponsor Board Members, who will resign or be deemed to have resigned upon the election of such Independent Board Members, except a new five (5)-member Board will be elected if this is the first meeting of Unit Owners as provided in subsection 4.1.1 above. Such special meeting of Unit Owners is to be called to be held within approximately thirty (30) calendar days after the end of the Sponsor Board Control Period.

Section 4.3 **Place of Meetings**

Meetings of the Unit Owners shall be held at the principal office of the Condominium Association or at such other suitable and convenient place in the Borough of Manhattan, County of New York as may be designated by the Condominium Board (or applicable Board Members).

Section 4.4 **Notice of Meetings**

4.4.1 Contents. The Secretary of the Condominium Association shall give notice of each annual or special meeting of the Unit Owners or Residential and Storage Unit Owners to all Unit Owners or to all Residential and Storage Unit Owners, respectively, then of record on the books of the Condominium Association entitled to vote at such meeting, which notice shall set forth the purpose, time and place of such meeting.

4.4.2 Procedure. Such notice may be given to a Unit Owner by hand delivery, regular mail, telecopier (with electronic confirmation of transmission) or telegram at least ten (10) calendar days prior to the day fixed for the meeting (except as otherwise provided in subsection 4.2.1 above). Absent receipt by the Secretary of written notice of another address to which notices are to be sent, the delivery or mailing of such notice to any Unit Owner (other than Sponsor), addressed to the Owner's address at the Property, at least ten (10) calendar days prior to the day fixed for the meeting (or the period specified in subsection 4.2.1, if applicable) shall be conclusively deemed the giving of notice to such Unit Owner of such meeting. Notice to Sponsor, as Owner of an Unsold Residential Unit or the Retail Unit, shall be sent to the Sponsor's address set forth in Section 20.1(c) below.

4.4.3 Address Change. Any Unit Owner may designate an address other than such Unit Owner's address at the Property to which notices to such Owner are to be sent by giving written notice thereof to the Secretary not less than ten (10) calendar days prior to the giving of notice of the applicable meeting.

4.4.4 Required Approval or Consent of Unit Owners. Supplementing, modifying and superseding any inconsistency in Section 4.4.2 hereof, if the business to be conducted at any regular or special meeting of the Unit Owners or the Residential and Storage Unit Owners shall include the consideration of a proposed Amendment to the Declaration or these By-Laws or the Rules and Regulations or a Budget item or a transaction or matter requiring the approval or consent of the Unit Owners or only the Residential and Storage Unit Owners, or a proposal to remove a Board Member, the notice of such meeting shall be mailed to all Unit Owners or to all Residential and Storage Unit Owners, as applicable, at least thirty (30) calendar days prior to the day fixed for such meeting and shall be accompanied by a copy of the text of such proposed Amendment, or shall include a reasonably detailed notice of the Budget item or transaction or matter requiring approval or consent, or the basis for removal of the Board Member (as applicable). In such case, the President shall call such meeting to be held not sooner than thirty-one (31) calendar days no later than sixty (60) calendar days following receipt by the Secretary of a Board resolution or a petition signed by the requisite percentage of Unit Owners calling for such meetings.

Section 4.5 **Quorum of the Unit Owners**

4.5.1 Quorum Requirement. Subject to subsection 4.5.3 below:

(a) attendance (in person or by proxy) of Owners of a majority in Common Interest of all Units will be required if the business or purpose of the meeting involves one (1) or more of the following: (a-1) the General Common Elements; (a-2) the Association's General

Properties; (a-3) the General Common Expenses; (a-4) the General Common Charges; (a-5) all or a portion of both the Residential Space and the Retail Unit; or (a-6) the election or removal of Board Members or any other matter involving the Operation or affairs of the entire Property or the whole Condominium Association; or

(b) attendance (in person or by proxy) of the Owners of a majority in Common Interest of only all Residential and Storage Units shall be required for the transaction of any business involving only: (b-1) the Residential Common Expenses; (b-2) the Association's Residential Properties; (b-3) the Residential Common Charges; (b-4) all or a portion of the Residential Space; or (b-5) any other matter involving the Operation or affairs of only the Residential Space.

Attendance at such meeting of Unit Owners shall be in person or by proxy.

Any business or transaction that affects only the Retail Unit may be conducted by the Commercial Board Member, or the Retail Unit Owner (at its exclusive option) in lieu of the Commercial Board Member appointed and designated by such Retail Unit Owner, without the necessity of a meeting of the Condominium Board or the Residential and Storage Unit Owners, and without the approval or consent of the Residential Board Members or the Residential and Storage Unit Owners.

4.5.2 Adjournment. If, at any meeting of the Unit Owners or Residential and Storage Unit Owners there shall be less than a quorum present, Owners of a majority in Common Interest of Units or Residential and Storage Units, respectively, present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than 48 hours from the time fixed for the original meeting. Notice of the adjourned date shall be sent to all Unit Owners or all Residential and Storage Unit Owners (as applicable) in accordance with subsection 4.4.2 above, except that the notice shall be given by hand delivery or telegram at least 24 hours before the adjourned date or by mail at least three (3) business days before the adjourned date.

4.5.3 Reduced Quorum. The provisions of subsection 4.5.1 to the contrary notwithstanding, if a meeting is adjourned two (2) or more times for the failure to attain a quorum, then the Unit Owners or Residential and Storage Unit Owners (as applicable) attending the next adjourned date for the meeting shall constitute a quorum for the transaction of business and the absentee Unit Owners or absentee Residential and Storage Unit Owners (as applicable) shall be deemed to have consented or approved the transactions affirmatively voted for by a majority of those Unit Owners or a majority of those Residential and Storage Unit Owners (as applicable), in number of Units and/or Common Interest (as applicable), or in Common Interest if not otherwise expressly provided, attending such next meeting; provided, however, that: (a) all Unit Owners or all Residential and Storage Unit Owners (as applicable) are given not less than ten (10) calendar days advance written notice of such adjourned date; (b) the notice shall set forth in reasonable detail the actions or business proposed to be transacted; and (c) the failure of the Retail Unit Owner or an Unsold Unit Owner (including Sponsor) to attend on such adjourned date shall not be caused by Force Majeure.

Section 4.6 **Conduct of Meetings**

4.6.1 Presiding Officer. The President shall preside at the meetings of Unit Owners and the Secretary shall faithfully record the minutes thereof, which minutes shall include the full text of all resolutions duly adopted by the Unit Owners and a record of all transactions and proceedings occurring thereat. All votes of the Unit Owners shall be tallied by the individual(s) appointed by the presiding officer of the meeting.

4.6.2 Robert's Rules of Order. Unless in conflict with the terms of the Declaration, these By-Laws or the Condominium Act, each annual or special meeting of Unit Owners or Residential and Storage Unit Owners shall be conducted in accordance with the then current edition of Robert's Rules of Order, or any other rules of procedure acceptable to: (a) a majority in Common Interest of those Residential and Storage Unit Owners present at such meeting, in person or by proxy; and (b) (while there is any Unsold Residential Unit) Sponsor or (if Sponsor no longer owns an Unsold Residential Unit) a majority in Common Interest of Unsold Residential and Storage Unit Owners; and (c) the Retail Unit Owner (in the case of a meeting of all Unit Owners, but not in the case of a meeting of only Residential and Storage Unit Owners).

Section 4.7 **Order of Business**

The order of business at all meetings of the Unit Owners shall be as follows: (a) roll call; (b) proof of notice of meeting; (c) reading of the minutes of the preceding meeting (unless waived); (d) reports of officers of the Condominium Board; (e) reports of members of the Condominium Board; (f) reports of committees; (g) election of inspector(s) of election (when so required); (h) election of members of the Condominium Board (when so required); (i) unfinished business; and (j) new business.

Section 4.8 **Voting**

4.8.1 Number of Votes. Subject to the terms of Sections 4.8.2 and 4.9 hereof, each Unit Owner (including Sponsor and other Owners of Unsold Units, but excluding the Board or its nominee or designee as Owner of any Unit) shall be entitled to cast one (1) vote at all meetings of the Unit Owners for each 0.0001% Common Interest appurtenant to each Unit owned by such Owner. Whenever the consent or approval of a specified number or percentage of Unit Owners is required in these By-Laws or the Declaration, then for quorum and voting purposes: (a) an Owner of more than one (1) Unit shall be counted as a separate Owner for each Unit so owned by such Unit Owner; and (b) if a Unit is owned by more than one (1) Person, all such Persons shall be counted as one (1) Unit Owner.

4.8.2 Disqualification. Notwithstanding the terms contained in subsection 4.8.1 hereof, no Sold Unit Owner may vote at any meeting of the Unit Owners if the Condominium Board has perfected a lien against such Owner's Sold Unit and the amount necessary to release such lien has not been paid or discharged by bonding or otherwise at the time of such meeting. In addition, neither the Condominium Board nor any designee or nominee thereof shall be entitled to cast the votes appurtenant to any Unit owned by the Condominium Board or such designee or nominee. The Units and their appurtenant Common Interests of all Owners who are

precluded from voting pursuant to the terms of this subsection 4.8.2 shall be excluded when computing the aggregate number and/or Common Interests (as applicable) of all Unit Owners for quorum and voting purposes.

4.8.3 Fiduciary. A fiduciary shall be the voting member with respect to a Unit owned in a fiduciary capacity.

4.8.4 Co-Owners. If two (2) or more Persons own a Unit, they shall designate one Person amongst them to vote the Common Interest or votes appurtenant to their Unit in a writing given to the Secretary, and the vote of such designee shall be binding upon all of such Persons. Failing such a designation, all of such Persons shall mutually vote such Common Interest or cast such votes under one (1) ballot without division, and the concurrence of all such Persons shall be conclusively presumed if any one (1) of them purports to vote such Common Interest or cast such votes without protest being contemporaneously made to the individual presiding over the meeting at which such vote is taken. If protest is made, the Common Interest or votes appurtenant to such Unit shall be counted solely for the purpose of determining whether a quorum is present for such voting.

4.8.5 Proxy. The Owner of any Unit may designate any individual to act as a proxy on such Owner's behalf. The designation of any such proxy shall be made in a writing both signed and dated by the Unit Owner and delivered to the Secretary or an Assistant Secretary at or before the appointed time for the meeting during which the same is to be effective.

4.8.6 Revocation of Proxy. Any such proxy designation shall be revocable at any time upon written notice given to the Secretary or an Assistant Secretary; however, no revocation of such a designation shall be effective with respect to any votes cast by such proxy prior to the receipt of such revocation notice by the Secretary or an Assistant Secretary. In addition, a proxy may be revoked by a Unit Owner who is personally present at a meeting of the Unit Owners, provided such Unit Owner submits a ballot on the form prescribed by the Secretary or an Assistant Secretary, which ballot states the name of the Unit Owner, the Owner's Unit designation number and is signed by the Unit Owner. In such case, the votes cast by the proxy holder shall not be counted and the votes cast by the Unit Owner's ballot shall be counted. The foregoing shall not preclude or prohibit a Unit Owner from giving an irrevocable proxy to a Permitted Mortgagee or a tenant under a lease of a Unit, provided the proxy is expressly stated to be irrevocable.

4.8.7 Duration. Except with respect to the designation of a Permitted Mortgagee to act as the proxy of its mortgagor-Unit Owner, or a tenant of all or a portion of the Retail Unit to act as the proxy of its lessor, no designation to act as a proxy shall be effective for a period in excess of six (6) months after the date thereof. Photocopies, facsimiles or other mechanical reproductions of proxies shall be valid and counted for all purposes.

4.8.8 Vote Count. Except when otherwise required by Law or otherwise provided in the Declaration or in these By-Laws and subject and subordinate to Sponsor's veto control during only the Sponsor Veto Control Period as provided in subsection 2.5.8 above, the affirmative vote of a majority or other specified number or percentage of those Unit Owners or those Residential and Storage Unit Owners (as applicable), in number of Units and/or Common

Interest (as applicable), or in Common Interest if not otherwise expressly provided, attending a duly constituted meeting of Unit Owners or Residential and Storage Unit Owners, respectively, at which a quorum is present shall be binding upon all Unit Owners or all Residential and Storage Unit Owners, respectively, for all purposes. An Owner of more than one (1) Unit shall be counted as a separate Owner for each Unit so owned by such Unit Owner. If a Unit is owned by more than one (1) Person, all such Persons shall be regarded as one (1) Unit Owner as to any vote count based on the number of Unit Owners. In addition, the Residential and Storage Unit Owners shall be regarded as one (1) group of Units so that all matters and transactions to be voted upon under the Declaration or these By-Laws by the Residential Unit Owners shall also be voted upon by the Storage Unit Owners, and vice versa. The Condominium Board or its designee or nominee shall not have any voting rights with respect to any Unit owned by the Board or its designee or nominee and all such Units owned by the Board or its designee or nominee, and all voting rights appurtenant to any Units owned by the Board or its designee or nominee, shall be excluded from the count of the Unit Owners and the number and Common Interests of Units for quorum and voting purposes.

4.8.9 Record Date for Voting. For purposes of determining the Unit Owners entitled to vote at any meeting of Unit Owners or any adjournment thereof, or to express consent to or dissent from any proposal without a meeting of Unit Owners, or for the purpose of any other action, the record date on the books of the Condominium Association for any such determination of Unit Owners shall be at the close of business on the day next preceding the day of such meeting of Unit Owners or such adjourned meeting of Unit Owners or (if no meeting is held) the day on which consent or dissent on a proposal is expressed, even though a Unit Owner was not the Unit Owner of record on the books of the Condominium Association on the date of service of notice of the meeting. No additional notice of an annual or special meeting of Unit Owners or a proposal without a meeting of Unit Owners need be given to a new Unit Owner who was not the record Owner on the books of the Condominium Association on the date of giving such notice, and the failure of said new Unit Owner to receive such notice shall not be the basis of an objection or otherwise affect the validity, effectiveness or enforceability of the votes cast by Unit Owners.

Section 4.9 **Election of Members of the Condominium Board**

4.9.1 Composition of Members of the Condominium Board. The number of Independent Board Members to be elected each year and the number of Sponsor Board Members and Commercial Board Member to be appointed and designated each year following the First Closing of a Residential Unit under the Plan, and the rights and restrictions applicable to Sponsor and Unsold Residential and Storage Unit Owners to nominate candidates to serve as an Independent Board Member and the unrestricted rights of Sponsor and Unsold Residential and Storage Unit Owners to vote for all candidates to serve as Independent Board Members, shall be determined in accordance with Section 2.6 above (see in particular subsections 2.6.2 to 2.6.4).

4.9.2 Vote Count. When voting for Residential Board Members, each Residential and Storage Unit Owner (including Sponsor, for so long as Sponsor shall own any Unsold Residential and Storage Unit, and other Unsold Residential and Storage Unit Owners, if any) shall be entitled to cast for each Independent Board Member to be elected not more or less than one (1) vote for each 0.0001% of Common Interest appurtenant to each and every

Residential and Storage Unit owned by such Owner (for example, 81,041 votes if the Common Interest is 8.1041%). Accordingly, the number of votes received by each candidate for whom a Residential and Storage Unit Owner casts a ballot will equal the total number of votes such Owner is entitled to cast (or, in the above example, 81,041 votes for each candidate).

4.9.3 No Cumulative Voting. A Unit Owner may not cumulate, split or otherwise transfer the number of votes such Unit Owner is entitled to cast from one candidate to another candidate. In addition, the terms of Sections 2.6 and 4.8 hereof shall apply to all elections of members of the Condominium Board.

4.9.4 Plurality. All elections of the Independent Board Members shall be determined by plurality vote.

4.9.5 Ballots. All elections of the Independent Board Members held from and after the first meeting of Unit Owners following the First Closing of a Residential Unit under the Plan shall be by written ballot. Each ballot cast shall state: (a) the name of the Residential and Storage Unit Owner and, if such ballot is cast by proxy, the name of the proxy; (b) the designation number(s) of the Residential Unit(s) and Storage Unit(s), if any, owned by the Residential Unit Owner; (c) the amount of the Common Interest(s) appurtenant to such Owner's Residential Unit(s) and Storage Unit(s), if any; and (d) the names of the candidates for whom such ballot is cast (the number of which names shall not exceed the number of members to be elected). Any ballot that is not cast substantially in conformity with this subsection 4.9.5 shall not be counted. All election ballots shall be retained in the records of the Condominium Association for at least three (3) years, appropriately segregated by election.

4.9.6 Board Member Designations. The Sponsor Board Member(s) shall be appointed and designated exclusively by Sponsor so long as it owns any Unsold Residential Unit and (after Sponsor no longer owns any Unsold Residential Unit) by a majority in Common Interest of the then existing Unsold Residential and Storage Unit Owners (if any). The Commercial Board Member shall be appointed and designated exclusively by the Retail Unit Owner. Each such appointment and designation shall be in writing delivered at the duly constituted meeting of Unit Owners at which a quorum is present or delivered in advance of such meeting to the Managing Agent or the President, Vice President, a co-Vice President, Secretary or an Assistant Secretary. Such written appointment and designation shall be retained in the records of the Condominium Association for at least three (3) years, appropriately segregated by election.

In the event that Sponsor no longer owns any Unsold Residential Unit and there is more than one (1) Unsold Residential Unit Owner, then the Sponsor Board Member(s) shall be appointed and designated by mutual agreement of the Unsold Residential Unit Owners. If they cannot agree, then the Sponsor Board Member(s) shall be elected by plurality of the votes cast by those Unsold Residential and Storage Unit Owners who are present (in person or by proxy) and voting at such meeting.

4.9.7 Voting Rights of Sponsor, Unsold Unit Owners and Retail Unit Owner. Sponsor, each Unsold Unit Owner and the Retail Unit Owner shall have the right to vote all of the Common Interests and votes appurtenant to the respective Units owned by each such Owner,

except (as to an Unsold Residential and/or Storage Unit Owner) Sponsor shall have exclusive voting rights with respect to the election of the Sponsor Board Member(s) as provided herein and Section 2.6 hereof. At all elections held during only the Sponsor Board Control Period, the Sponsor or (if it no longer owns any Unsold Residential Unit) the Owner(s) of Unsold Residential Units shall have voting control of the election of the Residential Board Members and shall exclusively appoint and designate three (3) Sponsor Board Members, who will constitute a majority of all Board Members and all Residential Board Members, all as provided more fully in subsection 2.6.3 hereof. At all elections held after the end of Sponsor Board Control Period and for so long as there is at least one (1) Unsold Residential Unit, Sponsor (or if it no longer owns any Unsold Residential Unit, the Owner(s) of Unsold Residential Units) shall exclusively appoint and designate one (1) Sponsor Board Member, as provided more fully in such subsections 2.6.3 and 2.6.4 hereof. The Retail Unit Owner shall always have the exclusive right to appoint and designate one (1) Commercial Board Member.

Section 4.10 **Action Without a Meeting**

Any action required or permitted to be taken by the Unit Owners or Residential and Storage Unit Owners at a duly constituted meeting of Unit Owners or Residential and Storage Unit Owners, respectively, at which a quorum is present may be taken without such a meeting if such action is consented to, or approved in writing by, the required number and/or Common Interest (as applicable) of Unit Owners or Residential and Storage Unit Owners, respectively. All written consents or approvals given by such Unit Owners pursuant to this Section 4.10 shall be retained in the records of the Condominium Association for at least three (3) years together with a true copy of the resolutions to which they relate.

Section 4.11 **Title to Units**

Title to any Unit may be taken by any Person or by any two (2) or more Persons as joint tenants, tenants in common or tenants by the entirety, as may be appropriate, but not as Owners in severalty.

Section 4.12 **Joint, Non-recourse and Limited Liability of Unit Owners**

The liability of each Unit Owner to a judgment creditor, solely by reason of being a Unit Owner, for torts relating to the common elements or for contracts entered into, or transactions conducted, by the Condominium Board on behalf of the Unit Owners, and the indemnities contained in Sections 2.19.5 and 3.10.4, shall be limited to that portion of the total liability as the Common Interest appurtenant to such Owner's Unit bears to one hundred percent (100%), and shall be limited further to the interest of the Unit Owner in his or her Unit and its appurtenant Common Interest in the Common Elements.

In addition, the liability of each Unit Owner with respect to all transactions of, or on behalf of, the Condominium Board, including each and every contract made and other document executed by or on behalf of the Condominium Board:

(a) shall be without recourse for personal liability of the Unit Owner and limited to the Owner's legal and equity interest in the Owner's Unit and its appurtenant Common Interest together with any amounts paid to prior lienors in a judgment execution sale;

(b) shall be limited to only the applicable Unit Owner(s) on whose behalf the Board is acting or the transaction primarily benefits (e.g., only all Residential and Storage Unit Owners in the case of an act on behalf of or primarily benefiting the Residential Unit Owners or the Storage Unit Owners) and (if more than one (1) Unit Owner) each of whom shall be liable jointly but not severally; and

(c) said joint liability of each such Unit Owner shall be further limited to such portion of the total liability as the Common Interest appurtenant to such Owner's Unit bears to the total Common Interests of all such applicable Unit Owners on whose behalf the Board is acting or the transaction primarily benefits (collectively, "**non-recourse, limited and joint liability**").

Each contract made by, or on behalf of, the Condominium Board shall expressly provide for such non-recourse, limited and joint liability in accordance with the foregoing. However, the failure to so expressly provide shall not, and shall not be construed to, in any way affect, change or waive the non-recourse, limited and joint liability of Unit Owners as set forth herein.

In accordance with the foregoing, the Retail Unit Owner shall only be jointly liable if, and strictly to the extent that, the transaction (including any contract or other document) affects those General Common Elements or those Association's General Properties that actually serve or are actually utilized by the Retail Unit Owner, or such Owner's Retail Unit, or is to be paid as part of those General Common Expenses that are fairly and properly attributable to such Retail Unit Owner. The Retail Unit Owner shall not be liable for any transaction that affects the Operation or affairs of only the Residential Space or the Association's Residential Properties, and the Residential and Storage Unit Owners shall not be liable for any transaction that affects the Operation or affairs of only the Retail Unit.

The provisions of this Section 4.12 are not applicable to, and shall not excuse, the personal liability of each Unit Owner for the payment of Common Charges (including Special Assessments and other Additional Common Charges) levied or imposed by the Condominium Board.

ARTICLE 5

MAINTENANCE, REPAIRS AND ALTERATIONS OF UNITS AND COMMON ELEMENTS

Section 5.1 **Maintenance and Repairs**

5.1.1 Units and Common Elements. Except as otherwise provided in the Declaration or in these By-Laws, all Decorating, Maintenance and Repairs, whether structural or non-structural, ordinary or extraordinary (collectively, "**All Repair Work**"):

(a) in or to any Residential Unit, Storage Unit or Retail Unit and all portions of each thereof (excluding washing and cleaning of Unit windows, Terrace doors and windows, and the Retail Unit's Storefronts, Storefront Windows and entrance, and excluding further structural or extraordinary Repairs expressly stated elsewhere herein or in the Declaration to be performed by the Condominium Board) shall be performed in accordance and compliance with the Building's Maintenance Standard by the Owner of such Unit, at such Unit Owner's sole Cost and Expense, including the following portions and areas of the Unit (if and to the extent existing in the Unit): (a-1) the interior walls; (a-2) the finishes and coverings of the boundary walls, ceilings and floors; (a-3) the kitchen and bathroom fixtures and appliances in or exclusively serving the Unit; (a-4) all Unit windows and the Terrace glass door and windows separating a Unit from its Terrace, if any (including washing and cleaning the interior but not the exterior sides of Unit windows and Terrace door windows) and their frames, interior sills, panes, sashes, muntins, mechanisms and latches; (a-5) all interior and Unit entrance doors (including Terrace door, if any) and their frames, hardware, glass and saddles; (a-6) all individual Unit plumbing, gas and electric Facilities and Equipment (whether exposed to view or concealed behind walls or partitions); (a-7) the Unit's individual HVAC units and related individual Unit Installations and fixtures, and those portions of the HVAC/Mechanical/Utility Building Systems exclusively serving the Unit, in each case whether exposed or concealed behind walls, floors or ceilings (but not the portions of the HVAC/Mechanical/Utility Building Systems serving another Unit or the Common Elements); (a-8) the lighting and electrical fixtures and related Equipment (including switches, outlets and branch lines) serving only the Unit and any Common Elements incorporated therein pursuant to Article 13 of the Declaration, but excluding any other Common Elements contained therein; (a-9) the Terrace (if any) appurtenant to a Residential Unit (but excluding the the Roof and Roof Structures under, in or enclosing a Terrace); and (a-10) generally, all matters included as part of a Unit as set forth in Section 6.9 of the Declaration; or

(b) in or to the General Common Elements or Residential Common Elements (other than any Common Elements incorporated into one (1) or more Units pursuant to the terms of Article 13 of the Declaration) or the Association's Properties shall be performed in accordance and compliance with the Building's Maintenance Standard by the Condominium Board and the Costs and Expenses thereof shall be allocated and apportioned by the Condominium Board to all Units or to only all Residential and Storage Units, respectively, based on Usage (i.e., special or exclusive use or availability or exclusive control of particular Units or Common Elements by particular Unit Owners) in accordance with the Special Allocation and Apportionment Rule, Section 339-m of the Condominium Act and as provided in Section F of Part I of the Plan and the First Year's Budget (SCHEDULE B) contained therein, Article 9 and Section 14.2 of the Declaration, the Budget Guidelines (EXHIBIT F to the Declaration) and these By-Laws.

In accordance with the foregoing:

(x) the Costs and Expenses of All Repair Work in or to the General Common Elements or the Association's General Properties shall be included in the General Common Expenses, which shall be allocated to all Residential and Storage Unit Owners and the amount thereof allocated to the Retail Unit Owner shall be limited and restricted strictly to the

extent of its allocable share of only that portion of the Costs and Expenses to Maintain and Repair those General Common Elements or those Association's General Properties that actually serve or are actually utilized by the Retail Unit Owner;

(y) the General Common Expenses allocated to all Unit Owners shall generally be apportioned and assessed among them Pro Rata to their respective Common Interests unless the amount of a General Common Expense item fairly and properly attributable to the Retail Unit Owner or to the Residential and Storage Unit Owners would otherwise require, in which case such fair and proper apportionment shall be used (such as in the case of the Specially Apportioned General Common Expenses, as provided in Section 9.1.3. of the Declaration);

(z) the Costs and Expenses of All Repair Work in or to the Residential Common Elements or the Association's Residential Properties shall be included in the Residential Common Expenses, which shall be specially allocated to only all Residential and Storage Unit Owners and apportioned and assessed among them Pro Rata to their respective Common Interests in accordance with the Special Allocation and Apportionment Rule and said Section 339-m, based on their exclusive or substantially exclusive Usage thereof;

(aa) the Costs and Expenses of All Repair Work in or to (aa-1) the Limited Common Elements appurtenant to specified Residential Units (if established) shall be borne solely by the Owners of such Units Pro Rata to their respective Common Interests or as otherwise provided in an Amendment to the Declaration establishing said Limited Common Elements; or (aa-2) an Individual Residential Limited Common Element appurtenant to a Residential Unit (if established) shall be paid solely by the Owner of such Residential Unit, except structural or extraordinary Repairs to the Limited Common Element or Individual Residential Limited Common Element not caused by the acts or omissions of said applicable Residential Unit Owner(s) having exclusive or substantially exclusive use thereof shall be performed by the Condominium Board as part of the Residential Common Expenses, which shall be specially allocated to only all Residential and Storage Unit Owners and apportioned and assessed among them Pro Rata to their respective Common Interests;

(bb) the Costs and Expenses of All Repair Work in or to an Individual Commercial Limited Common Element appurtenant to the Retail Unit (if established) shall be paid solely by the Owner of such Retail Unit;

(cc) the Costs and Expenses of All Repair Work in or to any Residential or Storage Unit acquired, leased, held or Operated by the Condominium Board, or its nominee or designee, shall be included in the Residential Common Expenses, which shall be specially allocated to only all Residential and Storage Unit Owners and apportioned and assessed among them Pro Rata to their respective Common Interests in accordance with the Special Allocation and Apportionment Rule and said Section 339-m;

(dd) the Costs and Expenses of All Repair Work in or to the Immediately Adjacent Sidewalks to the Property shall be paid by the Condominium Board as part of the General Common

Expenses, which shall be allocated to all Unit Owners and apportioned and assessed among them Pro Rata to their respective Common Interests; and

(ee) the Costs and Expenses to wash and clean the Building's glass curtain wall façade, including Unit windows, Terrace glass doors and windows, and the Retail Unit's Storefronts, Storefront Windows and entrance, shall be included in the Specially Apportioned General Common Expenses and apportioned and assessed to all Residential and Storage Units and to the Retail Unit in the proportion that the vertical square footage of the Building's glass curtain wall façade enclosing the Residential Space (including Unit windows and Terrace doors and windows) or the Retail Unit (including its Storefronts, Storefront Windows and entrance), as applicable, bears to the total square footage of all such glass surfaces, or approximately 95% to all Residential and Storage Units and 5% to the Retail Unit, in accordance with the Special Allocation and Apportionment Rule and said Section 339-m (the amount charged to all Residential and Storage Units shall be apportioned and assessed among them Pro Rata to their respective Common Interests).

5.1.2 Intentionally Omitted.

5.1.3 Unit Windows and Doors. Notwithstanding anything to the contrary provided in subsection 5.1.1 above:

(a) the interior (indoor) side of glass surfaces of all Unit windows, the Retail Unit's Storefronts, Storefront Windows and entrance, and Terrace windows and door are to be washed and cleaned in accordance with applicable Laws and the Building's Maintenance Standard by the Owner of such Unit at such Owner's sole Cost and Expense (the exterior side of all such glass surfaces, including the Retail Unit's Storefronts, Storefront windows and entrance, is to be washed and cleaned by the Condominium Board as provided in subsection 5.1.1(ee) above);

(b) air and water penetration between the Building Walls and the window or said glass curtain wall window frame of a Residential Unit, or the Storefronts of the Retail Unit, shall be Repaired as follows: (b-1) in the case of a Residential Unit: all such Repairs shall be performed by the Condominium Board and the Costs and Expenses thereof shall be included in the Residential Common Expenses, which shall be specially allocated to only all Residential and Storage Unit Owners and apportioned and assessed among them Pro Rata to their respective Common Interests; or (b-2) in the case of the Retail Unit: the Owner of the Retail Unit, at such Owner's sole Cost and Expense, shall perform all such Repairs;

(c) each Residential Unit Owner, at such Owner's sole Cost and Expense, shall Maintain and Repair in accordance with the Building's Maintenance Standard all Unit windows (including their panes, latches, operating mechanisms, mullions and sashes) and interior window sills of the Owner's Unit, except broken glass windows, and broken glass Terrace door and windows shall be replaced by the Condominium Board at the expense of the Unit's Owner if caused by the acts, omissions or negligence of the Owner or occupants of such Unit or as a Residential Common Expense (charged to all Residential and Storage Unit Owners Pro Rata to their respective Common Interests) in all other cases;

(d) the Retail Unit Owner, at such Owner's sole Cost and Expense, shall Maintain and Repair the Storefronts, the Storefront Windows and entrance of the Retail Unit, including replacing broken glass, but excluding washing and cleaning the exterior side thereof, which shall be washed and cleaned by he Condominium Board as provided in subsection 5.1.1(ee) above;

(e) all doors to a Unit's entrance and Terrace (if any), and all interior doors of a Unit (including their frames, hardware and saddles) are to be Maintained and Repaired in accordance with the Building's Maintenance Standard by the Owner of such Unit, at such Owner's sole Cost and Expense, except broken glass Terrace doors shall be replaced by the Board as provided in clause (c) above;

(f) the exterior and interior sides of Unit windows and Terrace windows and door of a Sold Residential Unit shall not be painted, colored, covered or otherwise Decorated or Altered in violation of the requirements of Section 10.13 (f), (g) and (h) of the Declaration; and

(g) the Unit entrance door (including a door to a Terrace, if any) of a Sold Residential Unit (including each such door's frame, hardware and saddles), and the Unit windows and Terrace windows of a Sold Residential Unit shall not be replaced or Altered without obtaining the prior written Discretionary Approvals or Consents of both the Condominium Board and (during only the Sponsor Veto Control Period and until the permanent Certificate of Occupancy of the Building issues authorizing the use of all Units for the purposes set forth in the Declaration) Sponsor.

5.1.4 Major Repairs to Sold Residential Units. A Sold Residential Unit Owner shall not make any of the following Repairs (collectively, "**Major Repairs**" and individually, "**Major Repair**") to the Owner's Sold Unit or its Installations without complying with the "Unit Alteration/Repair Requirements" (as defined and set forth in subsection 5.2.4 below) and obtaining the following prior written approvals or consents:

(a) the case of a Major Repair affecting the Structural Components of the Building, the Unit entrance door, Unit windows, Terrace windows and doors, or any other portion of a Sold Unit exposed to public view: the written Discretionary Approvals or Consents must first be obtained from both: (a-1) the Residential Board Members; and (a-2) Sponsor (during only the Sponsor Veto Control Period and until the issuance of the permanent Certificate of Occupancy of the Building authorizing the use of all Units for the purposes set forth in the Declaration); or

(b) in the case of a Major Repair affecting the HVAC/Mechanical/Utility Building Systems: the prior written Reasonable Approval or Consent must first be obtained from the Residential Board Members and (during the Sponsor Veto Control Period and until said permanent Certificate of Occupancy of the Building issues) the prior written Discretionary Approval or Consent of Sponsor must also first be obtained.

5.1.5 All Repair Work and Alterations to Unsold Units and Retail Unit. Each Unsold Unit Owner (including Sponsor) and the Retail Unit Owner shall have the right to perform All Repair Work (including all Major Repairs) to, and Alter, such Owner's Unit, and (if

established) its appurtenant Limited Common Element or Individual Limited Common Element, Freely and Without Consent, Payment or Restriction, other than the requirement to perform same in compliance with the applicable Work Requirements set forth in Section 15.2 of the Declaration.

5.1.6 Report of Defects. Promptly upon obtaining knowledge thereof, each Unit Owner shall report to the Condominium Board or to the Managing Agent any defect or need for Repairs for which the Condominium Board is responsible pursuant to the terms hereof.

5.1.7 Performance Standard. All Repair Work performed hereunder or otherwise, whether by or at the behest of a Unit Owner or the Condominium Board, shall be performed in accordance with the Building's Maintenance Standard and in such a manner as shall not unreasonably disturb or interfere with the Use and Enjoyment of any other Unit by its Owner or such Owner's Permitted Tenants/Occupants/Invitees.

5.1.8 General Maintenance Standard of Units and Common Elements. Each Unit (including the Retail Unit's Storefronts, Unit windows, Terrace windows and door, Unit entrance, Terrace (if any) and all portions thereof exposed to public view) and the Common Elements (including all portions thereof used by the public or exposed to public view) shall be kept, washed and Maintained in accordance with the Building's Maintenance Standard by, respectively, the Owner of such Unit and the Condominium Board, except the Board shall be responsible to wash and clean the exterior (outdoor) side of a Retail Unit's Storefronts, Unit windows and Terrace windows and door as provided in subsection 5.1.1(ee) above. Each Unit Owner or the Condominium Board (as applicable) shall with reasonable diligence and continuity perform All Repair Work necessary to comply with the foregoing.

5.1.9 Neglect. Each Unit Owner shall be responsible for any and all damage to any other Unit or to the Common Elements resulting from such Owner's failure to Maintain and Repair the Owner's Unit (including its Equipment and Installations or (if established) its appurtenant Limited Common Element or Individual Limited Common Element in accordance with these By-Laws or the Declaration.

5.1.10 Floors of Sold Residential Units. Each Sold Residential Unit Owner shall be obligated, at the Owner's sole Cost and Expense, to cover at least 80% of the indoor floor areas of such Owner's Unit (other than the kitchen, pantry (if any), bathroom(s), powder room (if any) and closets) with carpeting, rugs or equally effective noise reducing material Reasonably Approved in writing by the Condominium Board, unless the Condominium Board consents in writing to make exceptions for the Owner's Unit (such consent to be within the sole and absolute judgment and discretion of the Condominium Board).

5.1.11 Terrace of Sold Residential Unit. If at the time of occupancy of a Sold Residential Unit to which a Terrace is appurtenant, no wood deck, pavers, tiles or other protective flooring or covering constituting such Unit's Terrace is installed, the Roof adjacent to such Unit shall not be walked upon, nor shall any fence, wall, planter, partition, structure or other Terrace Object be constructed, installed or placed thereon or therein, without such Sold Residential Unit Owner or Sponsor (whoever is obligated under the Purchase and Sale Agreement for such Residential Unit), at the sole Cost and Expense of such Party, first installing

a wood deck, pavers, tiles or other protective flooring or covering that safeguards said adjacent Roof and (if such Party is the Purchaser of the Unit) that is first Reasonably Approved or Consented to in writing by Sponsor (during only the Sponsor Veto Control Period and until said permanent Certificate of Occupancy of the Building issues) or (if the installation is to be made after the end of the Sponsor Veto Control Period and the issuance of said permanent Certificate of Occupancy) the Condominium Board. The foregoing is not applicable to Unsold Residential Units, as to which no approvals or consents of the Condominium Board or other Unit Owners shall be required for the construction or installation of the protective flooring or covering constituting the Terrace of such Unsold Residential Unit. The Terrace appurtenant to a Sold Residential Unit, and the walls, parapets, copings, railings and other Roof Structures enclosing same, shall not be landscaped, painted, furnished, enclosed, partitioned or otherwise Decorated or Altered, nor shall any Terrace Object be constructed, installed or placed thereon or therein, without obtaining the prior written Discretionary Approvals or Consents of both Sponsor (during only the Sponsor Veto Control Period and until issuance of said permanent Certificate of Occupancy of the Building) and the Condominium Board. The protective flooring or covering of a Terrace of a Sold Residential Unit shall not be removed, Altered or penetrated without first obtaining the Discretionary Approval or Consent of Sponsor (during only the Sponsor Veto Control Period and until issuance of said permanent Certificate of Occupancy of the Building) and the Reasonable Approval or Consent of the Condominium Board. The foregoing restrictions and requirements do not apply to a Terrace of an Unsold Unit, which Sponsor or other Owner thereof may Decorate and Alter without the approval or consent of the Condominium Board or other Unit Owners.

5.1.12 Boundary Walls, Floors and Ceilings. Notwithstanding anything herein contained to the contrary, the Condominium Board shall perform All Repair Work in or to the following:

(a) the Building Walls and the Party Walls enclosing: (a-1) a Residential Unit (but not Repairs to: the Residential Unit's windows or Terrace door or windows (other than broken glass windows or Terrace door or windows, which are to be replaced by the Condominium Board as and to the extent provided in subsection 5.1.3(c) above), or the Unit side of wall finishes or coverings, such as paint, wallpaper, wood panel or other surface material); or (a-2) the Residential Common Elements, the General Common Elements or the Association's Properties;

(b) the Base Floors and any subflooring (but not Repairs to the floor finishes or coverings thereon within the interior of a Unit, including tile, wood, carpet or other surface material) and Base Ceilings (but not Repairs to ceiling finishes or coverings within the in the interior of a Unit, such as paint, plaster, sheetrock or other decorative material) of: (b-1) Residential and Storage Units; or (b-2) the Residential Common Elements, the General Common Elements or the Association's Properties; and

(c) the Roof and the Roof Structures under, in and enclosing a Terrace (but not Repairs to any wood deck, pavers, tiles or other protective flooring or covering comprising a Terrace appurtenant to a specified Residential Unit).

All Repair Work with respect to the excluded items in the preceding clauses (a), (b) and (c), and to the portions of the Party Walls, Base Floors and Base Ceilings which are part of the Retail Unit, shall be performed by, and at the sole Cost and Expense of, each applicable Unit Owner.

The Costs and Expenses of All Repair Work to the foregoing portions of the Common Elements shall be allocated, apportioned assessed by the Condominium Board as follows in accordance with the Special Allocation and Apportionment Rule and Section 339-m of the Condominium Act:

(a) in the case of All Repair Work in or to the foregoing that comprise part of the Residential Common Elements (including the Roof and Roof Structures under, in and enclosing a Terrace) or the Association's Residential Properties: all such Costs and Expenses shall be paid by the Condominium Board as part of the Residential Common Expenses, which shall be specially allocated to only all Residential and Storage Unit Owners and apportioned and assessed among them Pro Rata to their respective Common Interests; or

(b) in the case of All Repair Work to the foregoing that are expressly stated to comprise part of the General Common Elements or the Association's General Properties: all such Costs and Expenses shall be paid by the Condominium Board as part of the General Common Expenses, which shall be allocated to all Residential and Storage Unit Owners and the amount allocated to the Retail Unit Owner shall be limited and restricted strictly to the extent required to reflect the amount thereof fairly and properly attributable to such Retail Unit Owner based strictly on such Owner's Usage thereof in accordance with Section F of Part I of the Plan, said First Year's Budget (SCHEDULE B) contained therein, these By-Laws, Article 9 of the Declaration and the Budget Guidelines (EXHIBIT F to the Declaration); and the amount so allocated to all Unit Owners in accordance with the foregoing shall generally be apportioned and assessed among them Pro Rata to their respective Common Interests unless the amount fairly and properly attributable to the Retail Unit Owner or to the Residential and Storage Unit Owners would otherwise require, in which case such fair and proper apportionment shall be used.

5.1.13 General Obligation of Unit Owners. Each Residential Unit Owner, at such Owner's sole Cost and Expense, shall generally be obligated to perform All Repair Work to the Owner's Residential Unit and its Equipment and Installations and (if established) appurtenant Individual Limited Common Element in accordance and compliance with the applicable Work Requirements set forth in Section 15.2 of the Declaration, except as may otherwise expressly be provided elsewhere in these By-Laws or the Declaration. All Repair Work to a Storage Unit shall be performed by the Condominium Board as a Residential Common Expense charged to only all Residential and Storage Units Pro Rata to their respective Common Interests. No Sold Storage Unit Owner shall perform any Repairs to the Owner's Sold Storage Unit without obtaining the prior written Discretionary Approvals or Consents of the Condominium Board and (during only the Sponsor Veto Control Period and until said permanent Certificate of Occupancy of the Building issues) Sponsor. The foregoing restriction is not applicable to Unsold Storage Units, which may be Repaired by the Owner thereof Freely and Without Consent, Payment or Restriction, other than the applicable Work Requirements contained in Section 15.2 of the Declaration.

5.1.14 General and Residential Common Elements In or Adjacent to Units. The Condominium Board shall be obligated to perform All Repair Work in or to the General or Residential Common Elements in, or adjacent to, a Unit in accordance and compliance with the applicable Work Requirements set forth in Section 15.2 of the Declaration, unless necessitated by the acts, omissions, negligence, misuse, abuse or neglect of a Unit Owner (in which case same shall be Repaired by the Board at the expense of the applicable Unit Owner as provided elsewhere herein). The Costs and Expenses of All Repair Work thereto shall be allocated, apportioned and assessed by the Condominium Board as follows in accordance with the Special Allocation and Apportionment Rule and said Section 339-m:

(a) in the case of Residential Common Elements in, or adjacent to, a Unit: all such Costs and Expenses shall be included in the Residential Common Expenses, which shall be specially allocated to only all Residential and Storage Units and apportioned and assessed among them Pro Rata to their respective Common Interests; and

(b) in the case of General Common Elements in, or adjacent to, a Unit: all such Costs and Expenses shall be included in the General Common Expenses, which shall be allocated to all Residential and Storage Unit Owners and the amount allocated to the Retail Unit Owner shall be limited and restricted strictly to the extent required to reflect the amount thereof fairly and properly attributable to such Retail Unit Owner based strictly on such Owner's Usage thereof in accordance with these By-Laws, Article 9 of the Declaration, said Section F of the Plan and said First Year's Budget (SCHEDULE B) contained therein, and said Budget Guidelines (EXHIBIT F to the Declaration); and the amount allocated to all Unit Owners in accordance with the foregoing shall generally be apportioned and assessed among them Pro Rata to their respective Common Interests unless the amount fairly and properly attributable to the Retail Unit Owner or to the Residential and Storage Unit Owners would otherwise require, in which case such fair and proper apportionment shall be used.

5.1.15 Cooperation of Board. The Condominium Board shall reasonably cooperate with, and at the sole Cost and Expense of, each Unit Owner in connection with any Repair permitted to be made to, or in connection with, the Owner's Unit, its individual Equipment and Installations, and (if established) its appurtenant Limited Common Element or Individual Limited Common Element. In furtherance of such cooperation, the Condominium Board shall promptly execute and deliver any Government Document required in connection therewith, subject to the Owner's compliance with the following:

(a) such Unit Owner shall pay all required governmental fees and charges;

(b) (in the case only of a Sold Residential or Storage Unit) the Owner of such Sold Unit shall be required to pay all reasonable professional fees (including legal, architect, engineering and other professionals and consultants) and disbursements incurred by the Condominium Board to review the Government Document and to review any accompanying drawings and specifications (such fees and disbursements shall not be charged to the Unsold Unit Owners or the Retail Unit Owner); and

(c) such Unit Owner shall indemnify the Condominium Board, its members, officers, attorneys, agents (including Managing Agent) and employees, and all other Unit Owners, from and against any and all Claims and Liabilities and Expenses arising from the Government Document executed by the Condominium Board and from any related Work performed by, or for, such Unit Owner by the Owner's Agents, Employees and Contractors.

Section 5.2 **Alterations and Major Repairs**

5.2.1 Required Approvals or Consents. A Sold Residential Unit Owner shall not make any of the following Alterations or Repairs to the Owner's Sold Unit or its Equipment or Installations without complying with the "Unit Alteration/Repair Requirements" (as defined and set forth in subsection 5.2.4 below) and obtaining the following prior written approvals or consents:

(a) in the case of an Alteration or Repairs affecting the Structural Components of the Building or any portion of a Sold Residential Unit exposed to public view (including the entrance door to a Unit or Terrace, a Unit window or Terrace window, and Terrace, if any): the prior written Discretionary Approvals or Consents must first be obtained of both the Residential Board Members and (during only the Sponsor Veto Control Period and until the issuance of said permanent Certificate of Occupancy of the Building) Sponsor; or

(b) in the case of an Alteration or Repair affecting the HVAC/Mechanical/Utility Building Systems, the prior written Reasonable Approval or Consent of the Residential Board Members must first be obtained and (during only the Sponsor Veto Control Period and until the issuance of said permanent Certificate of Occupancy of the Building) the prior written Discretionary Approval or Consent of Sponsor must also first be obtained.

The foregoing approvals or consents do not apply to, and are not required in connection with, the following:

(x) the furnishing, painting and otherwise Decorating of the indoor portions of a Sold Residential Unit that do not involve its windows, Terrace door or windows, the exterior side of the doors to a Unit, a Terrace or other portions of such Unit exposed to public view;

(y) any Alterations (structural or nonstructural, extraordinary or ordinary, or otherwise): (y-1) to Unsold Residential and Storage Units (including their Equipment, Installations, Unit or entrance doors, windows, Terrace or Terrace door or windows (if any) and any other portions of such Units exposed to public view); or (y-2) to the Retail Unit; or

(z) any Alterations made by an Authorized First Sold Residential Unit Owner that are first approved or consented to in writing by Sponsor.

No Alterations shall be made to a Sold Storage Unit by the Owner of such Sold Storage Unit without obtaining the prior written Discretionary Approvals or Consents of both the Condominium Board and (during only the Sponsor Veto Control Period and until said permanent

Certificate of Occupancy of the Building issues) Sponsor. The foregoing restriction is not applicable to Unsold Storage Units, which may be Altered by the Owner thereof Freely and Without Consent, Payment or Restriction, other than compliance with the applicable Work Requirements contained in Section 15.2 of the Declaration.

5.2.2 Silence Deemed to be Approval. Except as prohibited by Law, in the event that the Condominium Board or Sponsor shall fail to answer any written, reasonably detailed request for approval within thirty (30) calendar days after such request is received, such failure to respond shall constitute the consent or approval of the Condominium Board or Sponsor (as applicable) thereto.

5.2.3 Unit Change. Notwithstanding anything to the contrary contained in subsection 5.2.1 or Section 5.1 above, Sponsor, an Unsold Unit Owner, the Retail Unit Owner and an Authorized First Sold Residential Unit Owner shall each have the unfettered and unconditional right, from time to time, to make a Unit Change as provided in Section 13.1 of the Declaration, Freely and Without Consent, Payment or Restriction, other than those set forth in Sections 13.2 and 15.2 of the Declaration. If a Sold Unit Owner is permitted to combine all or portions of two (2) or more Units that are horizontally or vertically adjacent to each other, such Owner will have the right to incorporate and remove portions of the Common Elements between or immediately adjacent to such Owner's Units (such as: the wall space between, or the portion of a hallway serving only, such Owner's horizontally adjacent Units; or the floor slab between such Owner's vertically adjacent Units), without paying any license or use fee or rental or other charge by reason thereof (unless the approval or consent of the Board thereto is required and is conditional upon payment of such license or use fee, rental or charge), but subject to such incorporation and removal of portions of the Common Elements:

(a) being performed in compliance with the "Unit Alteration/Repair Requirements" as defined and set forth in subsection 5.2.4 below;

(b) not preventing or unlawfully impairing legal access of other Units to the egress stairs, elevator, lobby or street entrance to the Building; and

(c) not diminishing or adversely and unreasonably affecting: (c-1) the proper and efficient performance, function, capacity or utility of the Building's Equipment and Installations serving other Units or the Common Elements; or (c-2) the use of the Common Elements serving other Units for their intended purposes.

5.2.4 Unit Alteration/Repair Requirements. All Unit Alterations (i.e., permitted non-Structural and Structural Alterations) and/or permitted Major Repairs (collectively, "**Unit Alterations/Repairs**") by a Sold Residential Unit Owner (but not Unit Alterations/Repairs by an Unsold Residential Unit Owner or the Retail Unit Owner, neither of whom shall be subject to the following) shall and must comply with the following requirements ("**Unit Alteration/Repair Requirements**"):

(a) such Unit Alterations/Repairs Work shall not commence until the Sold Unit Owner causes all required plans, specifications, notices and/or certifications to be filed with all Governmental Authorities having jurisdiction, procures all required approvals, permits

and licenses with respect to the same, and delivers copies of all such plans, specifications, notices, certifications, approvals, permits and licenses to the Board or its Managing Agent (as directed by either) and Sponsor (during only the Sponsor Veto Control Period and until issuance of said permanent Certificate of Occupancy);

(b) such Unit Alterations/Repairs Work shall be prosecuted diligently and with continuity to completion in compliance with all plans, specifications, notices and/or certifications and in conformity with all permits, licenses and good construction practices;

(c) such Unit Alterations/Repairs Work shall be performed in accordance and compliance with: (c-1) all applicable Work Requirements set forth in Section 15.2 of the Declaration (but subject and subordinate to Sponsor's Rights, including those set forth in Section 15.2(k) of the Declaration); and (c-2) the Work rules of the Building adopted by the Condominium Board from time to time;

(d) the Condominium Board, its Managing Agent and Sponsor (during only the Sponsor Veto Control Period and until issuance of said permanent Certificate of Occupancy), and their respective employees and representatives, shall be given reasonable access and opportunity, from time to time, to inspect and monitor such Unit Alterations/Repairs Work as it progresses;

(e) all contractors involved in such Unit Alterations/Repairs Work shall be duly licensed to the extent required by applicable Law and, if required under any contract with any union whose members are performing services at the Building directly or indirectly at the behest, for the benefit, or for the account of Sponsor or the Condominium Board, such Unit Alterations/Repairs Work shall be performed solely by union members;

(f) promptly after the completion of such Unit Alterations/Repairs Work, all necessary inspections, approvals and sign-offs of Governmental Authorities having jurisdiction thereof shall be obtained, all necessary notices and/or certifications shall be filed with the appropriate Governmental Authorities and the Condominium Board or its Managing Agent (as directed by either) shall be given copies of all such inspections, approvals, notices and certifications;

(g) the Unit Alterations/Repairs shall comply with all applicable Laws;

(h) before Work commences, the Sold Unit Owner shall give the Condominium Board and (during only the Sponsor Veto Control Period and until issuance of said permanent Certificate of Occupancy of the Building) Sponsor written notice of the details of the proposed Unit Alterations/Repairs and (if requested) complete drawings showing all proposed construction changes prepared by an architect, engineer or other appropriate professional;

(i) no Unit Alterations/Repairs (including all furnishing, painting and other Decorations) shall be performed that will affect a Sold Residential Unit's Terrace (if any), or involve any fence, wall, planter, partition, structure or other Terrace Object to be constructed, installed or placed on or in such Terrace, or affect the windows, Terrace windows or

door, or other portions of the Sold Residential Unit and (if established) its appurtenant Individual Limited Common Element exposed to public view, unless the Owner of such Sold Residential Unit shall obtain the prior written Discretionary Approvals or Consents therefor from both the Condominium Board and (during only the Sponsor Veto Control Period and until the issuance of said permanent Certificate of Occupancy of the Building) Sponsor;

(j) (if required by the Condominium Board) before such Unit Alterations/Repairs Work commences, the Sold Unit Owner shall sign and deliver to the Condominium Board an Alteration agreement, on the standard form adopted by, and in substance satisfactory to, the Condominium Board, setting forth the terms and conditions for performing the Unit Alterations/Repairs (including the Condominium Board's Work rules, insurance, lien waiver and security deposit requirements and an indemnity in favor of the Condominium Board, its members, officer, attorneys, agents (including Managing Agent) and employees, and all other Unit Owners, from and against any and all Claims and Liabilities and Expenses arising out of the Unit Alterations/Repairs); and

(k) the Sold Unit Owner shall pay or reimburse the Board (as directed by the Board) for the Costs and Expenses it incurs in connection with the foregoing, including fees and disbursements of the Board's architect, engineer, attorneys, professionals, consultants and Managing Agent to review the construction drawing and related plans and specifications of the proposed Unit Alterations/Repairs, to review the governmental approvals, permits and licenses, to prepare the standard Unit Alteration agreement, to inspect and monitor the Unit Alterations/Repairs Work and generally to oversee and enforce compliance with the Unit Alteration agreement and the Unit Alteration/Repair Requirements.

If a Sold Unit Owner violates or breaches any such Unit Alteration/Repair Requirements, the Condominium Board and (during only the Sponsor Veto Control Period and until issuance of said permanent Certificate of Occupancy) Sponsor shall each be entitled, in addition to all other rights and remedies provided in these By-Laws or the Declaration, or available at Law or in equity, to cause such Unit Alterations/Repairs Work by the Sold Unit Owner to be halted, including causing the Managing Agent to deny access to the Building to such Owner's Agents, Employees and Contractors and suppliers (other than to permit them to remove their tools and Equipment, provided they are accompanied by the Building's superintendent or other person designated by the Board) until such Owner complies with the same, and if required to avoid an interruption of any Building services to a Unit or the Common Elements, or to avoid or discharge a violation of Law or to remove a condition which threatens the structural integrity of the Building or any portion thereof or the life, health or safety of Owners and occupants of Units, to cause all such Unit Alterations/Repairs Work to be removed and the Unit restored to its prior condition before undertaking such work, at such Owner's sole Cost and Expense.

All references in this subsection 5.2.4 to the Condominium Board shall mean a majority of those Residential Board Members attending a duly constituted meeting of the Residential Board Members at which a quorum is present.

The foregoing Unit Alteration/Repair Requirements do not apply to: (a) all furnishing, painting and otherwise Decorating the portions of a Sold Unit that do not involve its Terrace,

the entrance door to the Sold Unit, or a Sold Unit's windows or Terrace windows or door, or other portions thereof exposed to public view or otherwise do not affect the exterior appearance of the Building; or (b) Unit Alterations/Repairs to Unsold Units or the Retail Unit. All permitted furnishing, painting and Decorating by a Sold Unit Owner and all Unit Alterations/Repairs by Sponsor, an Unsold Unit Owner or the Retail Unit Owner may be made and performed Freely and Without Consent, Payment or Restriction, other than the requirement to comply with the applicable Work Requirements set forth in Section 15.2 of the Declaration. Unit Alterations/Repairs by an Authorized First Sold Residential Unit Owner who is given written authorization for the Unit Alterations/Repairs by Sponsor or an Unsold Unit Owner (as applicable) at or prior to title closing shall not be subject to (and may be made without) Board approval, but shall be subject to compliance with the "Unit Change Requirements" defined and provided in Section 13.2(r) of the Declaration.

5.2.5 Government Documents. The Condominium Board shall execute and return to Sponsor, an Unsold Unit Owner, the Retail Unit Owner, or a Sold Unit Owner who complies with all of the foregoing Unit Alteration/Repair Requirements, as applicable, any Government Document reasonably required for the Unit Alterations/Repairs by such Party, subject to the such Party's compliance with the following:

(a) such Unit Owner shall be required to pay all required governmental fees and charges in connection with such Government Document;

(b) such Sold Unit Owner shall be required to pay all reasonable professional fees (including legal, architect, engineering and other professionals and consultants) and disbursements incurred by the Condominium Board to review the Government Document and to review any accompanying drawings and specifications (the foregoing is not applicable to an Unsold Unit Owner or the Retail Unit Owner, who are exempt from making any such payments); and

(c) such Unit Owner shall indemnify the Condominium Board, its members, officers, attorneys, agents (including the Managing Agent) and employees and all other Unit Owners from and against any and all Claims and Liabilities and Expenses arising from the Government Document executed by the Condominium Board and from any related Work performed by, or for, such Owner by such Owner's Agents, Employees and Contractors.

5.2.6 Immunity of Board and Other Unit Owners. The Condominium Board and its members, officers, attorneys, agents (including the Managing Agent) and employees, and Unit Owners (other than the applicable Unit Owner undertaking the Unit Alterations/Repairs) shall not be liable for any Claims or Liabilities and Expenses in connection with the preparation, execution or submission of a Government Document or that may be asserted by: (a) any contractor, subcontractor, materialman, architect, engineer or other professional or consultant on account of any such Unit Alterations/Repairs; or (b) any Person for personal injury or property damage arising therefrom.

5.2.7 Indemnity. The Unit Owner (including Sponsor, an Unsold and a Sold Unit Owner and the Retail Unit Owner) undertaking such Unit Alterations/Repairs shall

indemnify the Condominium Board, its members, officers, attorneys, agents (including the Managing Agent), employees and all other Unit Owners from and against any and all Claims and Liabilities and Expenses arising in connection with such Unit Alterations/Repairs, unless resulting from the acts, omissions or negligence of the indemnified Party.

5.2.8 Consent of Sponsor. In addition to the requirements set forth above in this Section 5.2 and in accordance with Section 15.2(k) of the Declaration, until said permanent Certificate of Occupancy for the Building is obtained, no Work (including Unit Alterations/Repairs) shall be undertaken by an Owner, tenant or occupant of a Sold Unit or by the Condominium Board (other than ordinary Maintenance and Repairs that do not require the filing of an alteration application with, or the issuance of a building or construction or work permit or similar authorization from the New York City Department of Buildings or other Governmental Authority) without first obtaining Sponsor's written Discretionary Approval or Consent. Sponsor may (at Sponsor's sole and absolute discretion) condition such approval or consent upon said Sold Unit Owner or the Condominium Board (as applicable) strictly complying with Sponsor's requirements with respect to the same. Such requirements may include, among others, that:

(a) such Work shall not require a change to an existing temporary Certificate of Occupancy of the Building nor delay obtaining an extension of a temporary Certificate of Occupancy or a permanent Certificate of Occupancy of the Building;

(b) the Sold Unit Owner or the Condominium Board (as applicable) shall post with Sponsor a cash deposit, bond or other similar security that is reasonably acceptable to Sponsor in an amount sufficient (in Sponsor's reasonable judgment) to insure the diligent, lien-free completion of the Work and the filing of any required notices or certificates with respect to such Work and the completion of the same with all Governmental Authorities having jurisdiction;

(c) such Work shall not be commenced until the Sold Unit Owner or the Condominium Board (as applicable) causes all required plans, specifications, notices and/or certifications to be filed with all Governmental Authorities having jurisdiction, procures all required permits and licenses with respect to the same, and delivers copies of all such plans, specifications, notices, certifications, permits and licenses to Sponsor;

(d) such Work shall be prosecuted with reasonable diligence and continuity to completion in compliance with all plans, specifications, notices and/or certifications and in conformity with all permits and licenses;

(e) Sponsor and its representatives shall be given reasonable access and opportunity, from time to time, to inspect and monitor such Work as it progresses;

(f) promptly after the completion of such Work, all necessary governmental inspections, approvals and sign-offs of the same shall be obtained, all necessary notices and/or certifications shall be filed with the appropriate Governmental Authorities and Sponsor shall be given copies of all such inspections, approvals, sign-offs, notices and certifications;

(g) the Sold Unit Owner or the Condominium Board (as applicable) shall indemnify Sponsor from and against any and all Claims and Liabilities and Expenses arising, directly or indirectly, from such Work, including any incurred or suffered by Sponsor due to any violation of Law or due to any delay in obtaining an extension of a temporary Certificate of Occupancy or the issuance of said permanent Certificate of Occupancy of the Building as a result of such Work or the failure to make all appropriate governmental filings in connection with the same; and

(h) all contractors shall be duly licensed to the extent required by applicable Law and, if required under any contract with any union whose members are performing services at the Building (directly or indirectly at the behest, for the benefit, or for the account of Sponsor), such Work shall be performed solely by union members.

If any Sold Unit Owner or the Condominium Board (as applicable) commences or prosecutes any such Work (including Unit Alterations/Repairs) in violation of the foregoing terms and conditions, or fails to comply with the requirements of Sponsor in connection with the same, Sponsor shall be entitled, in addition to all other rights and remedies provided in these By-Laws or the Declaration, or available at Law or in equity, to cause such Work by the Unit Owner or the Condominium Board (as applicable) to be halted, including to cause the Managing Agent to deny access to the Unit and the Building to the Agents, Employees and Contractors and suppliers of such Owner or the Board (as applicable) (other than to remove their tools and Equipment, provided they are accompanied by the Building's superintendent or other person designated by Sponsor), until the Unit Owner or the Condominium Board (as applicable) complies with the same. During the period until such Unit Owner or the Condominium Board (as applicable) is permitted hereunder to resume its Work, Sponsor shall have the right to perform any and all Work in and to such Owner's Unit or the Common Elements (as applicable) as shall be necessary, in Sponsor's sole and absolute judgment, in order to avoid any delay in obtaining an extension of a temporary Certificate of Occupancy or the issuance of said permanent Certificate of Occupancy of the Building, whether or not such Work shall be in compliance with the plans and specifications for the Work theretofore performed by, or on behalf of, such Unit Owner or the Condominium Board (as applicable). The Cost and Expense of any such Work performed by Sponsor shall be borne by such Unit Owner or the Condominium Board (as applicable) and shall be paid to, and received by, Sponsor within fifteen (15) calendar days of Sponsor giving a reasonably detailed written demand therefor, accompanied by copies of applicable bills of contractors and suppliers and/or a written statement from Sponsor or the hourly wages of Sponsor's employees engaged in performing or overseeing such work.

5.2.9 Sponsor's/Commercial Owner's Right to Alter. The foregoing Unit Alteration/Repair Requirements are applicable only to a Sold Unit, but do not apply to any Unsold Unit or the Retail Unit. Sponsor, each Unsold Unit Owner and the Retail Unit Owner shall each have the right ("**Sponsor's/Commercial Owner's Right to Alter**") to Alter its Unit(s) and the Common Elements in accordance with the rights and easements reserved to Sponsor and granted to Unsold Unit Owners and the Retail Unit Owner in the Declaration, these By-Laws and the Plan. Sponsor, each Unsold Unit Owner and the Retail Unit Owner may exercise Sponsor's/Commercial Owner's Right to Alter Freely and Without Consent, Payment or Restriction, other than the requirement to comply with the applicable Work Requirements set forth in Section 15.2 of the Declaration. Sponsor's/Commercial Owner's Right to Alter includes

all Work pursuant to Sponsor's Plans and Specifications, all changes to Units and Common Elements set forth in Article 13 of the Declaration and in the Plan, and all rights and easements reserved to, and granted by, Sponsor in Articles 10, 11 and 12 of the Declaration, including the following rights and easements of Sponsor, Unsold Unit Owners and Retail Unit Owner, and their respective Agents, Employees and Contractors, which may be exercised and performed from time to time, Freely and Without Consent, Payment or Restriction (other than the proviso stated below):

(a) the right and easement to newly install and connect to any Building Equipment and Installations (whether comprising the Residential Common Elements or General Common Elements) any Equipment and Installations now or hereafter serving any Unsold Unit or Retail Unit or any portion of each thereof;

(b) the right and easement to thereafter Maintain, Repair, Alter and otherwise Operate such newly installed and connected Equipment and Installations; and

(c) the right and easement to have reasonable access to the Common Elements to perform Work in connection with the foregoing;

provided only that:

(x) such new Equipment and Installations and connections and the subsequent Maintenance, Repair, Alteration and Operation thereof, shall be performed in accordance with the Installation Requirements set forth in Section 10.4.2 of the Declaration and the applicable Work Requirements set forth in Section 15.2 of the Declaration;

(y) the new connections shall not unreasonably and adversely affect any Building Equipment and Installations serving other Units or the Common Elements or otherwise permanently diminish the proper and efficient performance, function, capacity or utility of any Building Equipment and Installations serving other Units or the Common Elements so as to prevent or unreasonably impair the use or Operation of any Unit or Common Element for its intended purpose;

(z) the new connections shall not unreasonably and adversely affect the structural integrity of the Building or any portion thereof or the Operation of the Building or the use of any other Unit for its intended purpose; and

(aa) no new Equipment (other than replacements of existing Equipment or Equipment to be installed in accordance with Sponsor's Plans and Specifications or Sponsor's Obligations under the Plan or a Plan Amendment) shall be installed after the issuance of a permanent Certificate of Occupancy of the Building that encroaches on any public hallway or the residential lobby or any other ground level or above-grade, indoor rentable space within the public areas of the Residential Common Elements.

The Agents, Employees and Contractors of Sponsor, each Unsold Unit Owner and the Retail Unit Owner shall be given reasonable access to, from, through, across and on the General Common Elements and Residential Common Elements (including the 515 West 23rd Street Public Areas and elevator) to perform such Alterations to an Unsold Unit or the Retail Unit or

the Common Elements, as well as to Maintain, Repair, Alter and otherwise Operate same. Such access includes the right to transport and store materials, supplies and Equipment and to cause a temporary interruption in Building services, but shall be exercised in a reasonable manner so as not to unreasonably interfere with the permitted use or Operation of another Owner's Unit in accordance with the Declaration and By-Laws.

5.2.10 Board Alterations. The Condominium Board shall have the substantially exclusive right and responsibility to make all necessary or desirable Alterations to the Common Elements and the Association's Properties, including Units owned, leased or otherwise held or Operated by the Condominium Board or its nominee or designee (collectively, "**Board Alterations**"). All Board Alterations shall be performed in accordance and compliance with the Declaration and in particular (but not limited to) Sections 14.4 and 14.5 and Article 15 thereof, but subject and subordinate to: (a) all easements and rights expressly reserved to Sponsor and granted to the Unsold Unit Owners and the Retail Unit Owner in the Declaration, these By-Laws and the Plan; and (b) the Condominium Board obtaining all requisite approvals of Sponsor and/or Retail Unit Owner before undertaking any Board Alterations as and to the extent set forth in Section 14.5 of the Declaration.

All Board Alterations to:

(a) the General Common Elements or the Association's General Properties permitted pursuant to said provisions of the Declaration shall be made and performed by the Condominium Board and the Costs and Expenses thereof shall be part of the General Common Expenses, which shall be allocated to all Residential and Storage Unit Owners and the amount allocated to the Retail Unit Owner shall be based strictly on, and limited and restricted to the extent only of, those affected General Common Elements or those affected Association's General Properties that actually serve or are actually utilized by such Retail Unit Owner as set forth in Section F of Part I of the Plan, said First Year's Budget (SCHEDULE B) contained therein, these By-Laws, Article 9 of the Declaration and the Budget Guidelines (EXHIBIT F to the Declaration); and the amount so allocated to all Unit Owners in accordance with the foregoing shall generally be apportioned and assessed among them Pro Rata to their respective Common Interests unless the amount fairly and properly attributable to the Retail Unit or to the Residential and Storage Units would otherwise require, in which case such fair and proper apportionment shall be used; or

(b) the Residential Common Elements or the Association's Residential Properties permitted pursuant to said provisions of the Declaration shall be made and performed by the Condominium Board and the Costs and Expenses thereof shall be included in the Residential Common Expenses, which shall be specially allocated to only all Residential and Storage Unit Owners and apportioned and assessed among them Pro Rata to their respective Common Interests based on their exclusive or substantially exclusive Usage thereof, in accordance with the Special Allocation and Apportionment Rule and Section 339-m.

5.2.11 Intentionally Omitted.

Section 5.3 **Declaration Governs Maintenance, Repairs and Alterations of Units, Common Elements and Association's Properties**

The provisions of the Declaration, and in particular (but not limited to) Articles 13, 14 and 15 thereof, relating to the Maintenance, Repairs and Alterations of the Units, the General Common Elements, the Residential Common Elements and the Association's Properties, are hereby incorporated herein and are paramount and shall govern the duty, right, terms, restrictions, requirements, approvals and consents, if any, of a Unit Owner or the Condominium Board (as applicable) to perform and pay the Costs and Expenses of Maintenance, Repairs and Alterations of the Units, the General Common Elements, the Residential Common Elements and the Association's Properties.

Section 5.4 **Acts or Omissions**

The provisions of this Article 5 to the contrary notwithstanding, in accordance with Section 14.7 of the Declaration, in the event that any Maintenance, Repairs, Alterations or other Work is necessitated by the acts, omissions, negligence, misuse, abuse or neglect of:

(a) a Unit Owner or a tenant, licensee or occupant of a Unit, or the Agents, Employees and Contractors of such Unit Owner, licensee or tenant, then the entire Costs and Expenses thereof shall be charged to, and borne by, only such Unit Owner and, if paid by the Board, shall be assessed as an Additional Common Charge against such Owner's Unit and shall be payable solely by such Unit Owner immediately following the giving of a reasonably detailed written demand therefor; or

(b) the Condominium Board or its Agents, Employees and Contractors, then the entire Costs and Expenses thereof shall be specially allocated and assessed to, and shall be payable as follows: (b-1) as to the Work involving only, or fairly and properly allocable to only, the General Common Elements or the Association's General Properties: such Costs and Expenses shall be allocated to all Residential and Storage Unit Owners and the amount thereof allocated to the Retail Unit Owner shall be based strictly on, and limited and restricted to the extent only of, those affected General Common Elements or those affected Association's General Properties that actually serve or are actually utilized by such Retail Unit Owner as set forth in Section F of Part I of the Plan, said First Year's Budget (SCHEDULE B) contained therein, these By-Laws, Article 9 of the Declaration and the Budget Guidelines (EXHIBIT F to the Declaration); and the amount so allocated to all Unit Owners in accordance with the foregoing shall generally be apportioned and assessed among them Pro Rata to their respective Common Interests unless the amount fairly and properly attributable to the Retail Unit or to the Residential and Storage Units would otherwise require, in which case such fair and proper apportionment shall be used; or (b-2) as to the Work involving only, or fairly and properly attributable to only, the Residential Space or the Association's Residential Properties: such Costs and Expenses shall be included in the Residential Common Expenses, which shall be specially allocated to, and shall be payable only by, all Residential and Storage Unit Owners and apportioned and assessed among them Pro Rata to their respective Common Interests based on their exclusive or substantially exclusive Usage thereof, in accordance with the Special Allocation and Apportionment Rule and Section 339-m of the Condominium Act.

Nothing contained herein shall be deemed a waiver of any Claims the Board or a Unit Owner may have against an insurer or otherwise. In addition, if the liability of a Unit Owner under the preceding clause (a) is the result of a casualty caused by the acts, omissions, negligence, misuse, abuse or neglect of such Unit Owner (or other party set forth in clause (a) above) and such casualty is insured under a policy maintained by the Condominium Board containing a waiver of subrogation or equivalent provision, then such Unit Owner's liability shall be reduced by the amount of any insurance proceeds received and collected by the Condominium Board in connection therewith.

Section 5.5 **Damages Necessitated by Repairs or Alterations**

5.5.1 Damages to Common Elements or Association's Properties. Any damages to the General Common Elements, the Residential Common Elements or the Association's Properties resulting from any permitted or necessary Repair, Alteration or other Work undertaken by an Owner, tenant or occupant of a Unit shall be Repaired by the Condominium Board and the Costs and Expenses thereof shall be paid or reimbursed to the Board (as directed by the Board) by the Owner of such Unit as Additional Common Charges assessed to the Unit. The amount owed is to be paid or reimbursed within ten (10) calendar days after a reasonably detailed written statement or bill therefor is given to such Unit Owner, together with copies of supporting bills or invoices from contractors and/or the Condominium Board for time charges of the Building staff or the Board's agents, architect, engineer or other consultant engaged in the Repair Work (if any), and copies of bills for materials and supplies, for which payment or reimbursement is sought. Nothing herein shall be construed to permit an Owner, tenant or occupant of a Sold Unit to undertake any Repair, Alteration or other Work without obtaining any required prior written Discretionary or Reasonable Approval or Consent of the Condominium Board or Sponsor (if and as applicable) set forth in the Declaration or these By-Laws.

5.5.2 Damages to Unit. In the event any Repairs, Alterations or other Work undertaken by the Condominium Board requires the removal of any floor, wall or ceiling coverings or other Decorations of a Unit (including the treated wood deck, pavers or tiles or other flooring constituting a Terrace), or necessitates such coverings or Decorations to be damaged due to openings or penetrations of floors, walls or ceilings of a Unit or otherwise, the Condominium Board shall restore the affected floors, walls and ceilings (including the Terrace) to only Building standard condition and finish (i.e., as constructed by Sponsor in accordance with Sponsor's Plans and Specifications), without additions, improvements or Decorations made or installed by the Owner, tenant or occupant of the Unit. The Owner of such Unit shall have the sole risk for any damage to said coverings and Decorations of the Unit and the sole responsibility, at such Owner's sole Cost and Expense, to re-install, restore, replace and otherwise Repair same (to the extent required by Law), without recourse against the Board or other Unit Owners therefor or for any losses or damages (whether actual, compensatory, consequential, incidental, special, indirect or otherwise) resulting therefrom. The foregoing shall not excuse the Board from liability for any losses or damages to a Unit, or its Equipment, Installations or Decorations, or to the personal property of the Owner, tenant or occupants of a Unit, resulting from negligence or wrongful acts or omissions by the Condominium Board or its Agents, Employees and Contractors.

ARTICLE 6

INSURANCE

Section 6.1 **Insurance Requirements for the Condominium Board**

At the First Closing of a Residential Unit under the Plan, Sponsor will provide at the expense of the Condominium Board, the insurance coverage disclosed in a note to the First Year's Budget set forth as SCHEDULE B in Part I of the Plan. Thereafter, the Condominium Board will maintain such insurance to the extent obtainable regardless of whether same is obtainable at reasonable rates (unless otherwise noted). However, the Condominium Board may change the insurance from time to time, but may not eliminate insurance coverage that is obtainable and is required to be maintained under the By-Laws. In addition, the Condominium Board may not increase decrease, eliminate or otherwise change the amounts or types of insurance coverage in said SCHEDULE B during only the Sponsor Veto Control Period unless the prior written Discretionary Approval or Consent of Sponsor is given as provided in subsection 2.5.8 hereof.

Section 6.2 **Fire and Casualty Insurance**

6.2.1 Coverage and Insured Parties. The Board shall obtain and maintain fire insurance with all risk coverage, vandalism and malicious mischief endorsements, insuring the Common Elements, including the walls separating the Units from the Common Elements and from each other, and covering the interests of the Condominium Board and all Unit Owners and their mortgagees, as their respective interests may appear, in an amount equal to 100% of the full replacement value of the portions of the Property required to be insured against loss or damage pursuant to this clause (exclusive of foundations and footings), without deduction for depreciation.

6.2.2 Amount and Special Provisions. The fire and casualty insurance coverage shall be not less than an amount which shall be sufficient for the insurer to waive any co-insurance requirement or is based on an "Agreed Amount" replacement cost (or comparable term). In addition, such fire and casualty policies shall contain (if obtainable):

(a) waivers of: (a-1) subrogation in favor of Owners and designated tenants of Units, (a-2) any defense based upon co-insurance or other insurance, (a-3) invalidity arising out of the acts of an insured party and (a-4) pro rata reduction of liability;

(b) a provision that any adjustment of loss will be made by the Condominium Board (notwithstanding such provision, the Retail Unit Owner shall have the right to settle and adjust a claim for loss to such Owner's Retail Unit on the terms and conditions set forth in subsection 6.9.3 below) and that all proceeds will be paid to the Condominium Board or (at the option of the Board) an Insurance Trustee appointed pursuant to these By-Laws where the Board is to restore the damaged area in accordance with these By-Laws;

(c) a New York Standard Mortgagee provision in favor of each Permitted Mortgagee, subject and subordinate however to the preceding loss payment provisions in favor of the Condominium Board or (at the option of the Board) Insurance Trustee; and

(d) a provision preventing the policy from being canceled or substantially modified unless at least ten (10) calendar days' prior written notice is given to the Condominium Board.

6.2.3 Appraisal. Before obtaining any policy of property casualty insurance or any renewal thereof, the Condominium Board may obtain an appraisal from a property insurance company or otherwise of the full replacement value of the portions of the Property, exclusive of foundations and footings, and without deduction for depreciation, for the purposes of determining the amount of such property casualty insurance to be obtained pursuant to this Section. Any such appraisal of the Building obtained within twelve (12) months preceding the date of issuance of said property casualty insurance policy or a renewal thereof shall suffice for this purpose.

6.2.4 Proof of Insurance. Duplicate originals of all policies of property casualty insurance and of all renewals thereof, together with proof of payment of the premiums, shall be delivered to Sponsor or its successors and assigns as Owner of an Unsold Unit and a Registered Mortgagee of an Unsold Unit at least thirty (30) calendar days prior to the expiration of the then current policies.

6.2.5 Excluded From Coverage. The property casualty insurance shall not cover the Decorations or finishes of walls, floors or ceilings of the Common Elements (unless otherwise determined by the Condominium Board) or of any Unit not owned, leased, held or Operated by the Board (or its nominee or designee), or the contents of any such Unit (including in the case of a Residential or Retail Unit, its appliances, kitchen and bathroom cabinets and fixtures (electric, plumbing and otherwise), furniture, furnishings, Decorations and other personal property).

Section 6.3 **Liability Insurance**

6.3.1 Coverage. The Condominium Board shall obtain and maintain commercial general liability coverage written on the Insurance Services Office form - 1986 or later (containing the so-called "occurrence clause"), or equivalent comprehensive general liability coverage, with respect to ownership, Operation, Maintenance, use and control, insuring against liability for injury or damage to persons or property in or upon the Common Elements, the Immediately Adjacent Sidewalks to the Property and the Association's Properties (including) all Units or other property (if any) owned, leased, held or Operated by the Condominium Board, or its nominee or designee). The Condominium Board may, in its discretion, obtain umbrella liability insurance in such amounts in excess of that (if any) provided in the First Year's Budget (SCHEDULE B in Part I of the Plan) as the Condominium Board may determine from time to time.

6.3.2 Amount. The liability coverage shall be in such amounts as the Condominium Board may determine from time to time, but shall not be reduced below the amount set forth in the First Year's Budget (SCHEDULE B in Part I of the Plan) without

obtaining the prior written Discretionary Approval or Consent of Sponsor during only the Sponsor Veto Control Period (as provided in subsection 2.5.8 above). The Condominium Board shall review the amounts of liability coverage at least once each Budget Year.

6.3.3 Insured Parties. The liability policies shall list as co-insureds: (a) the Condominium Board and each and every member and officer thereof; (b) the Managing Agent or manager (if any); (c) each agent and employee of the Condominium Board; (d) each Unit Owner; and (e) (if required by the terms of a Registered Mortgage of a Unit) the holder of such Registered Mortgage, as their respective interests may appear.

6.3.4 Excluded from Coverage. Such insurance shall not cover liability of a Unit Owner arising from occurrences within or on the Owner's Unit (including its Terrace, if any). This exception shall not apply to any Unit owned, leased, held or Operated by the Condominium Board or its nominee or designee.

6.3.5 Proof of Insurance. Duplicate originals of all policies of liability insurance and of all renewals thereof, together with proof of payment of premiums for such liability coverage shall be given to Sponsor or its successors and assigns, as Owner of an Unsold Unit, within ten (10) calendar days after being requested.

Section 6.4 **Boiler and Machinery Insurance**

The Condominium Board shall obtain and maintain boiler and machinery insurance on Equipment constituting part of the Common Elements or the Association's Properties (including any Unit owned, leased, held or Operated by the Board, or its nominee or designee), but not any Equipment that is part of any other Unit (which may be separately insured by the Owner of such Unit).

Section 6.5 **Workmen's Compensation**

The Condominium Board shall obtain and maintain workmen's compensation insurance, New York State disability benefits insurance and employer's liability coverage covering any employees hired by the Condominium Board.

Section 6.6 **Other Insurance**

The Condominium Board shall also obtain and maintain the following insurance to the extent available at reasonable rates: (a) business interruption insurance, including loss of rents in an amount equal to the Common Charges for at least 12 months; (b) water damage legal liability insurance; (c) elevator liability and collision insurance; (d) non-owned and hired automobile liability insurance; (e) combination crime insurance, including blanket employee dishonesty, forgery or alteration, covering the members and officers of the Condominium Board, the Managing Agent (if any) and employees (if any) handling funds of the Condominium Board; and (f) officers and directors liability insurance for officers and members of the Condominium Board. The Condominium Board may obtain and maintain such other or additional insurance as the Condominium Board shall determine from time to time.

Section 6.7 **Insurance Covering Work Performed by Board**

In connection with Work performed by or on behalf of the Condominium Board, if not already covered by insurance policies then maintained by the Condominium Board, the Condominium Board shall also obtain and maintain installation floater coverage in an amount equal to the cost of the contract for any Work performed by or on behalf of the Condominium Board on the Property or cause its contractors to maintain equivalent insurance, naming the Condominium Board, all Unit Owners and the Registered Mortgagees as their interests may appear, except that such insurance shall not be required if the estimated cost of such Work is less than One Hundred Thousand ($100,000) Dollars.

Section 6.8 **Insurance Amounts and Deductibility**

To the extent not specified above, all such insurance shall be in such amounts and may provide for such deductible amounts as the Condominium Board may determine from time to time in its sole and absolute discretion, but subject to obtaining Sponsor's prior written Discretionary Approval or Consent during only the Sponsor Veto Control Period.

Section 6.9 **Adjustment and Payments**

6.9.1 Adjustments by Board. All of the above policies shall provide that adjustment of loss shall be made by the Condominium Board and all policies of property casualty insurance shall provide that the proceeds of insurance shall be paid as follows: (a) to the Condominium Board, if $1,000,000.00 or less; or (at the option of the Condominium Board) (b) to the Insurance Trustee, if in excess of $1,000,000.00.

6.9.2 Payments. In either instance, all such insurance proceeds actually received by the Board or Insurance Trustee shall be held in trust for the benefit of the following and shall be disbursed as provided in Article 7 below:

(a) the Residential and Storage Unit Owners and their respective Permitted Mortgagees in the case of a loss to the Residential Space or a portion thereof;

(b) the Retail Unit Owner and its Permitted Mortgagee in the case of a loss to such Owner's Retail Unit or a portion thereof; or

(c) all Unit Owners and their respective Permitted Mortgagees in the case of a loss to the General Common Elements.

6.9.3 Retail Unit. The foregoing notwithstanding, the Retail Unit Owner shall have the right to settle and adjust any claim for a loss to its Retail Unit or any portion thereof and/or such Unit's individual Equipment and Installations, provided that the insurance proceeds applicable to a loss to any other Unit or the Common Elements shall not be reduced thereby.

6.9.4 Insurance Trustee's Fees and Disbursements. The fees and expenses of any Insurance Trustee shall be paid by the Condominium Board as a Common Expense, which shall be specially allocated by the Board Pro Rata to the portion of the insurance proceeds to be applied to Repair the Residential Space, the Retail Unit, the General Common Elements, and the

Association's Residential and General Properties. Accordingly, the fees and expense of the Insurance Trustee shall be specially allocated and assessed by the Board as follows: (a) such portion of the Insurance Trustee's fees and expenses allocated to the Residential Space or the Association's Residential Properties shall be included in the Residential Common Expenses, which shall be specially allocated to only all Residential and Storage Unit Owners and apportioned and assessed among them Pro Rata to their respective Common Interests in accordance with the Special Allocation and Apportionment Rule and Section 339-m; (b) such portion of the Insurance Trustee's fees and expenses allocated to the Retail Unit shall be specially allocated and assessed to only the Retail Unit Owner in accordance with the Special Allocation and Apportionment Rule and said Section 339-m; and (c) such portion of the Insurance Trustee's fees and expenses allocated to the General Common Elements and the Association's General Properties shall be included in the General Common Expenses, which shall be allocated to all Residential and Storage Unit Owners and the amount allocated and assessed to the Retail Unit Owner shall be limited and restricted strictly to the extent required to reflect the amount thereof fairly and properly attributable to such Retail Unit Owner based solely on its Usage of those affected General Common Elements or those affected Association's General Properties to be Repaired that actually serve or are actually utilized by such Retail Unit Owner (the amount so allocated to all Unit Owners shall generally be apportioned and assessed among them Pro Rata to their respective Common Interests unless the amount fairly and properly apportioned to the Retail Unit Owner or to the Residential and Storage Unit Owners would otherwise require, in which case such fair and proper apportionment shall be used).

Section 6.10 **Allocation of Insurance Premiums**

Unless otherwise expressly provided elsewhere in the Declaration or these By-Laws, the premiums for insurance maintained by the Condominium Board in accordance with this Article 6 shall be a General Common Expense, which shall be allocated to all Unit Owners (and apportioned and assessed among them Pro Rata to their respective Common Interests), subject to the Retail Unit Owner paying the amount of the increase in the Property's insurance premium (if any) caused solely by the use of the Retail Unit for other than dwelling purposes as provided in said Section F of Part I of the Plan, the First Year's Budget (SCHEDULE B) contained therein, these By-Laws, Article 9 of the Declaration and the Budget Guidelines (EXHIBIT F to the Declaration), and subject further to the exclusive right of the Retail Unit Owner to limit the amount of its allocable share thereof to strictly reflect the amount fairly and properly attributable to its Retail Unit based on: (a) in the case of fire and casualty insurance: the sum of the square footage of its Retail Unit plus its allocable share of the square footage of those portions of the General Common Elements that actually serve or are actually utilized by said Retail Unit (based on the Common Interest of said Retail Unit) relative to the gross square footage of all areas being insured; and (b) in the case of liability insurance: the product of the Common Interest of its Retail Unit multiplied by a fraction whose numerator is the square footage of those General Common Elements that actually serve or are actually utilized by said Retail Unit and whose denominator is the total square footage of all Common Elements being insured. Similarly, the Residential and Storage Unit Owners shall pay any increase in premium caused by the use or Operation of the Residential Common Elements for recreational purposes (e.g., the recreation space on floor 2).

Section 6.11 **Insurance Requirements for Unit Owners**

6.11.1 General Prohibitions. A Unit Owner shall not:

(a) do or permit or suffer any act or thing to be done in or to such Owner's Unit that will, with reasonable likelihood, invalidate, or invalidates, or be in conflict with, any public liability, property or other policy of insurance at any time carried by the Condominium Board with respect to the Property, except no such policy maintained by the Condominium Board shall conflict with or prohibit any use of a Unit permitted under the Declaration;

(b) keep anything in its Unit that is prohibited by the Fire Department, Board of Fire Underwriters, or a fire insurance rating organization or other authority having jurisdiction;

(c) permit or suffer a Unit to be used in any manner that will, with reasonable likelihood, increase, or increases, the insurance rate for the Property over that in effect as of the First Closing of a Residential Unit (including uses permitted and intended by the Declaration), unless the Unit Owner responsible for such increase pays the additional cost thereof as provided in the following subsection 6.11.2; or

(d) perform or cause to be performed any Work affecting the Common Elements without first obtaining and continuously maintaining until the Work is completed, at the sole Cost and Expense of such Unit Owner, the insurance required in subsection 6.11.3 below.

6.11.2 Unit Owner Liability for Default or Higher Rate. Any costs, expenses, fines, penalties or damages which shall be imposed upon the Condominium Board by reason of a default by a Unit Owner in performing its obligations under this Section 6.11 or by reason of any increase in the premium charged for insurance carried by the Condominium Board resulting from a higher insurance rate for the Property attributable to a use of an Owner's Unit or a portion thereof, including uses permitted and intended by the Declaration, shall be assessed as an Additional Common Charge against only such Unit and shall be payable solely by the Owner of such Unit. Accordingly, the amount of the increase in the Property's insurance premium (if any) caused solely by the use of the Retail Unit for other than dwelling purposes shall be specially allocated and assessed to only the Owner of such Retail Unit pursuant to Section 6.10 above. For all purposes hereunder, a schedule or "make-up" of rate for the Property issued by the New York Fire Insurance Exchange or other body making fire insurance rates applicable to the Property shall be conclusive evidence of the facts therein stated and of the several items and charges in the fire insurance rate or rates then applicable to the Property.

6.11.3 Work by Unit Owner. A Unit Owner, at such Owner's sole Cost and Expense, shall maintain or cause to be maintained by its contractor or otherwise the following insurance during its performance of any Work, other than Work exclusively within its Unit or on its Terrace that does not affect any of the Common Elements:

(a) Workmen's Compensation and Disability Benefits Insurance as required by the Laws of the State of New York and Employer's Liability Insurance;

(b) Commercial General Liability and Products/Completed Operations Coverage to the extent such insurance coverage is not included in a policy maintained by the Condominium Board, including the Condominium Board, its agents, successors and assigns, and any tenant or tenants of the Unit as additional insureds with a minimum limit of $1,000,000.00 each occurrence and $2,000,000.00 in the aggregate. Additional Commercial General Liability coverage extensions required: This Insurance is Primary Endorsement; Contractual Liability; Per Project Aggregate; and Waiver of Subrogation; and

(c) Installation floater coverage in an amount equal to the cost of the contract for any Work performed in the Common Elements, naming as additional insureds the Unit Owners, the Condominium Board, and any mortgagee of the Unit Owner performing such Work, as their interests may appear, except that such insurance shall not be required if the estimated cost of the Work in the Common Elements is less than One Hundred Thousand ($100,000) Dollars and is covered by insurance policies maintained by the Condominium Board.

Section 6.12 **General Insurance Matters**

The policies of insurance required to be maintained under this Article 6 shall meet the following criteria:

(a) The policies of insurance shall be from a company rated in the A.M. Best Key Rating Guide with ratings of at least A- and of at least VI and such company shall be licensed to do business in the State of New York.

(b) The policies shall contain a provision that before any change or cancellation of a policy, at least thirty (30) calendar days' advance written notice by certified mail, return receipt requested, shall be given: (b-1) in the case of insurance maintained by the Condominium Board under Sections 6.2 to 6.7 above, to the Condominium Board and (if and to the extent obtainable at reasonable rates) to all Unit Owners and Registered Mortgagees; and (b-2) in the case of insurance maintained by a Unit Owner under subsections 6.11.1 and 6.11.3, to the Condominium Board. All policies required to be obtained by the Condominium Board pursuant to this Article shall be renewed or replaced at least ten (10) calendar days prior to the expiration of the then current term.

(c) All policies for property insurance maintained by the Condominium Board under Section 6.2 above shall contain (if and to the extent obtainable) waivers of subrogation and generally all policies maintained by the Condominium Board shall also cover (if obtainable) cross-liability claims of one insured against another insured.

(d) All policies shall acknowledge that all Unit Owners are deemed additional insureds for any liability insurance and loss payees for property insurance although not individually named and that the Condominium Board is authorized to sign all checks for payment of proceeds or other instruments required in connection with the processing, payment and settlement of claims on such Unit Owner's behalf (other than the Unit Owner owning the policy under which such proceeds are paid).

(e) Each liability policy shall be endorsed (if obtainable) with a severability of interest endorsement, if not otherwise included, stating that if a claim is brought by one insured against another insured under such policy, or by an employee of one insured against another insured under such policy, each insured shall be considered a separate insured for purposes of the insurance and shall meet the following additional criteria: (e-1) the policies shall be written with a contractual liability endorsement, if not otherwise included, providing coverage for bodily injury or property damage assumed under any type of written contract, except any contract under which the insured assumes liability for the sole negligence of an indemnitee; and (e-2) the policies shall be written to specifically include coverage for legal liability for damage of any part of the Property by fire.

(f) Any policies required to be furnished by a Unit Owner pursuant to Section 6.11 above may be maintained by the Unit Owner under a blanket policy or policies; provided, however, that the minimum amount of the total insurance afforded by such blanket policy which shall be allocable to the Owner's Unit(s) and the Work to be performed and any sublimits of such policy allocable to the Unit(s) shall be in amounts which shall not be less than the amounts of the insurance required hereunder and the protection afforded under such policy shall be not less than which would have been afforded under a separate policy or policies, and the certificate evidencing such insurance shall contain provisions confirming the foregoing. Certificate(s) evidencing the existence of any policy required to be maintained by a Unit Owner under Section 6.11.3 above shall be delivered to the Condominium Board with evidence of the payment of the premiums therefor not less than fifteen (15) calendar days prior to the commencement of the Work. Within ten (10) calendar days prior to the expiration or termination date of any policy, the Unit Owner shall deliver a renewal or replacement policy, or certificate(s) evidencing the existence thereof, to the Condominium Board together with proof of the payment of the premium therefor.

(g) All of the conditions contained in Section 6.12 (b) above are required only to the extent obtainable from any insurance company meeting the requirements set forth in Section 6.12(a) above.

(h) The requirements set forth in subsection 6.11.3 and this Section 6.12 shall be referred to herein collectively as the "**Insurance Conditions**".

(i) The Condominium Board may amend or waive any of the Insurance Conditions from time to time and/or adopt different or additional requirements in lieu of the Insurance Conditions set forth herein without amending the By-Laws.

(j) Without limiting the remedies of the Condominium Board for a Unit Owner's default, in the event that any Unit Owner fails to provide evidence of insurance required to be provided by such Unit Owner hereunder and does not cure such default within three (3) business days after request therefor is given by the Condominium Board, the Condominium Board shall be authorized (but not required) to procure such coverage in the amounts stated with all costs thereof to be assessed against such Unit Owner's Unit as an Additional Common Charge payable entirely by such Unit Owner.

(k) Neither the issuance of any insurance policy hereunder, nor the minimum limits specified herein with respect to a Unit Owner's insurance coverage, shall be deemed to limit or restrict in any way such Unit Owner's liability in connection with or arising out of such Owner's Work and the indemnification obligations set forth in the Declaration and these By-Laws.

(l) Each Unit Owner may carry for such Owner's own benefit insurance which is in addition or supplemental to that required herein, provided that the insurance coverage for the Condominium Board and other Unit Owners pursuant to this Article 6 shall not be diminished or otherwise adversely affected by reason of any such supplemental or additional insurance carried by such Unit Owner.

ARTICLE 7

DESTRUCTION OR DAMAGE OF BUILDING

Section 7.1 **Destruction or Damage**

7.1.1 Insubstantial Destruction or Damage. If less than three-fourths of the Building is destroyed or damaged, the Condominium Board shall promptly arrange to repair and restore the affected Common Elements and any affected Association's Properties, but not the appliances, fixtures (electric, plumbing or otherwise), Equipment, contents or Decorations of Units not owned by the Board or its nominee or designee, which are the sole responsibility of Unit Owners to repair and restore at their expense.

7.1.2 Substantial Destruction or Damage. If three-fourths or more of the Building (including the Units, the Base Floors, the Building Walls, the Roofs and other Common Elements) is destroyed or substantially damaged (i.e., so as to require re-construction) ("**Substantial Casualty**") and 75% or more in number of Unit Owners do not duly resolve to proceed with the repairs or restoration (herein collectively called "**Repairs**" or derivations thereof) within sixty (60) calendar days after the Condominium Board gives notice to all Unit Owners stating whether the net amount of any insurance proceeds payable on account of the loss will be sufficient to pay the estimated cost of the Repairs, then the Repairs shall not be made and the Property or so much thereof as shall remain shall be subject to an action for partition at the suit of any Unit Owner or lienor as if owned in common. The Condominium Board and its nominee or designee shall have no voting rights with respect to any Units owned by each of them and such Parties and Units shall be excluded from the base number of Owners and Units for quorum and voting purposes in determining whether such 75% threshold is met. In the event of a partition action, the net proceeds of sale, together with the net proceeds of insurance policies, if any, shall be considered as one fund and shall be divided among all Unit Owners Pro Rata to their respective Common Interests; provided, however, that no payment shall be made to a Unit Owner until there has first been paid off out of such Unit Owner's share of such fund all unpaid liens or such Owner's Unit in the order of priority of such liens (including liens of mortgages and liens of the Condominium Board). The failure of 75% or more in number of all Unit Owners to promptly resolve to proceed with the Repairs shall not result in the termination of condominium ownership of the Property, which may only terminate upon authorization of 95% in number and Common Interest of all Unit Owners to withdraw the Property from the Condominium Act as

provided in Article 19, Section 19.1 of the Declaration. Unless said withdrawal from the Condominium Act is so authorized, in any action for partition, each Unit Owner shall have the right to retain fee title ownership of his or her Unit in exchange for said Owner's share of the net proceeds of the partition sale. An Owner who exercises such right, shall be responsible, at his or her sole Cost and Expense, to Repair said Owner's Unit and all Common Elements serving and providing a means of ingress to and egress from such Unit, but shall be paid the Owner's Pro Rata share (based on Common Interest) of said net insurance proceeds. If two (2) or more Unit Owners similarly elect to Repair their Units, the Condominium Board will make all determinations with respect to the Repair of said Common Elements, except the Commercial Board Member or the Retail Unit Owner (at its option) in lieu of the Commercial Board Member will make all such determinations with respect to those Common Elements serving exclusively or primarily the Retail Unit.

Section 7.2 **Insurance Trust Funds**

7.2.1 Trust Funds. The proceeds of insurance policies receivable by reason of such casualty shall be payable to the Condominium Board, if the same shall be $1,000,000 or less in the aggregate, or to either the Condominium Board or (at the option of the Condominium Board) an Insurance Trustee, appointed by the Condominium Board, if the same shall exceed $1,000,000 in the aggregate. In either instance, all such monies actually received (hereinafter referred to as the **"Insurance Trust Funds"**) shall be held in trust for the benefit of all Unit Owners and their Permitted Mortgagees, and shall be disbursed pursuant to the terms of this Article 7.

7.2.2 Retail Unit. Notwithstanding anything to the contrary contained either in the foregoing subsection 3.2.1 or elsewhere in this Article 7, the Retail Unit Owner may settle or adjust any insurance Claim for a casualty affecting its Retail Unit (including its Equipment and Installations), provided that the insurance proceeds received by any other Unit Owner or the Condominium Board is not reduced thereby.

Section 7.3 **Repairs**

7.3.1 Repair of Common Elements. If the requisite number of Unit Owners resolve to proceed with the Repairs following a Substantial Casualty or if less than three-fourths of the Building is destroyed or substantially damaged by casualty, the Condominium Board shall arrange for Repairs to be made promptly to the Common Elements, including: (a) the perimeter walls enclosing Units (consisting of: the Building Walls; the furring on the indoor side thereof, such as studs, sheetrock and/or plaster; and the Party Walls separating a Unit from another Unit or a portion of the Common Elements); (b) all Equipment, Installations and other Facilities serving Units that are part of the Common Elements and not expressly stated to be part of a Unit; and (c) any other parts of the Property for which the Condominium Board carries insurance covering such destruction or damage (such as: painting, coverings, finishes, treatments or Decorations on walls, floor and ceiling comprising of the Common Elements).

7.3.2 Order of Priority of Payments. The Condominium Board or the Insurance Trustee (if any), as the case may be, shall disburse the Insurance Trust Funds as follows: first, to pay the Costs and Expenses incurred by the Condominium Board to recover the award; and

second, the balance ("**Net Insurance Trust Funds**") to pay to the contractors engaged in making such Repairs in appropriate progress payments.

7.3.3 Order of Priority of Repairs. If Repairs are to be performed in or to Common Elements that serve or enclose Units and other Common Elements or any combination of the foregoing, Repairs shall be performed, to the extent practicable and economical: first, in or to the Common Elements that enclose, serve or provide access to Units and are required to legally use and occupy the Units for the purposes set forth in the Declaration; and second, in or to the other Common Elements.

7.3.4 Board Authority for Repairs. The following Board Members, on behalf of the Condominium Board, shall promptly arrange the Repairs to the affected Units and Common Elements indicated:

(a) those Board Members attending a duly constituted Board meeting at which a quorum is present shall promptly arrange for Repairs to the affected General Common Elements;

(b) those Residential Board Members (including Sponsor Board Members and Independent Board Members) attending a duly constituted meeting of the Residential Board Members at which a quorum is present, on behalf of the Condominium Board, shall promptly arrange for Repairs to the affected Residential Common Elements that enclose, serve or provide access to Residential and Storage Units and (if established) a Residential Unit's Limited Common Elements or Individual Residential Limited Common Element (excluding appliances, kitchen and bathroom cabinets and fixtures (electric, plumbing or otherwise), furniture, furnishings, Decorations, household items and other personal belongings and property of the Owners or occupants of Residential Units, which are to be Repaired by, and at the sole Cost and Expense of, the respective Owners of the destroyed or damaged Residential Units); and

(c) the Commercial Board Member on behalf of the Condominium Board or (at the exclusive option of the Retail Unit Owner) the Retail Unit Owner in lieu of the Commercial Board Member shall promptly arrange for Repairs to the boundary walls, floors and ceilings enclosing the Retail Unit.

Those Board Members or the Retail Unit Owner arranging the Repairs shall make all decisions relating to, and shall supervise, the Repair of the affected areas to be Repaired.

7.3.5 Unit Owners. Each Unit Owner whose Unit, or any portion thereof, shall be the subject of all or part of any Repairs to be performed by the Board shall be kept reasonably informed as to the scheduling and progress of Repairs to the Owner's Unit (but may not supervise or otherwise interfere with the performance of such Repairs, unless otherwise expressly provided). Each Unit Owner shall be responsible to arrange, directly pay and perform all Repairs to the interior of such Owner's Unit, excluding any Repairs to be made by the Board, but including: all coverings, finishes, treatments and other Decorations of walls, floors and ceilings; all bathroom and kitchen cabinets and fixtures (electric, plumbing or otherwise), appliances and cabinets; and all other Equipment and Installations forming a part of the Unit, to the extent such Repairs are required to be made by applicable Law.

Section 7.4 **Allocation of Net Insurance Trust Funds**

In the event of a casualty to the Common Elements that is to be included in the Repairs (and is not subject to an action for partition under Section 3.1 above), the Net Insurance Trust Funds shall be allocated to the affected General Common Elements, Residential Common Elements, Limited Common Elements (if established), Commercial Limited Common Elements (if established) and Individual Limited Common Elements (if established) Pro Rata to the Costs and Expenses to Repair same. The Retail Unit Owner may dispute the allocation to its Retail Unit and submit the controversy to arbitration in accordance with Article 19 below. The amount so allocated shall then be applied for the account of the following Unit Owners: (a) in the case of the General Common Elements: those Unit Owners who utilize or are served by the affected General Common Elements ("**Applicable Unit Owners**"); (b) in the case of the Residential Space: the Residential and Storage Unit Owners only; or (c) in the case of the Retail Unit: the Owner of such Retail Unit only. The share of each of the Applicable Unit Owners in the portion of the Net Insurance Trust Funds allocated to the General Common Elements shall be Pro Rata to the Owner's Common Interest.

Section 7.5 **Insufficient Trust Funds**

If the Net Insurance Trust Funds shall be less than sufficient for the Condominium Board to discharge the Costs and Expenses of performing the Repairs, the Condominium Board shall levy a Special Assessment (as provided in the following sentence) for the amount of such deficiency and the proceeds of such Special Assessment shall become part of the Net Insurance Trust Funds. Such Special Assessment shall be levied as follows:

(a) in the case of said deficiency to Repair the General Common Elements: the Special Assessment shall be a General Common Expense, which shall be allocated to, and shall be payable by, only all Applicable Unit Owners and apportioned and assessed among them Pro Rata to their respective Common Interests;

(b) in the case of said deficiency to Repair the Residential Space: the Special Assessment shall be a Residential Common Expense, which shall be specially allocated to, and shall be payable by, only all Residential and Storage Unit Owners and apportioned and assessed among them Pro Rata to their respective Common Interests in accordance with the Special Allocation and Apportionment Rule and Section 339-m; or

(c) in the case of said deficiency to Repair the Retail Unit: such Special Assessment shall be specially allocated and assessed to, and shall be payable solely by, the Owner of such Retail Unit in accordance with the Special Allocation and Apportionment Rule and Section 339-m.

Section 7.6 **Surplus Trust Funds**

If, conversely, the Net Insurance Trust Funds shall prove to be more than sufficient to discharge the Costs and Expenses of performing the Repairs, such surplus shall be distributed as follows:

(a) if the surplus relates to the General Common Elements: such surplus shall be allocated to all Applicable Unit Owners and distributed among them Pro Rata to their respective Common Interests;

(b) if the surplus relates to the Residential Space: such surplus shall be specially allocated to only the Residential and Storage Unit Owners and distributed among them Pro Rata to their respective Common Interests; or

(c) if the surplus relates to the Retail Unit: such surplus shall be specially allocated and distributed to only the Owner of such Retail Unit.

Section 7.7 **Lien Priority**

No payment of any insurance proceeds or surplus Net Insurance Trust Funds shall be made to a Unit Owner until there has first been paid out of such Unit Owner's share thereof, such amounts as may be necessary to pay off all unpaid liens on the Unit Owner's Unit (including the liens of mortgages and the liens of the Condominium Board) in the order of priority of such liens. Notwithstanding the foregoing, however, in the event a Special Assessment is levied pursuant to the terms of Section 3.5 above for any projected deficiency in the amount of the Net Insurance Trust Funds available to the Condominium Board and, after the payment of all Costs and Expenses incurred in connection with the Repairs, any portion of the Net Insurance Trust Funds remains unspent, such surplus Net Insurance Trust Funds shall, to the extent of such Special Assessment, be deemed to be, and shall constitute, an unspent Special Assessment and shall be refunded to the appropriate Unit Owners Pro Rata to the amount each had paid pursuant to such Special Assessment, free of any claim of any lien or (including any mortgagee) other than the lien of the Condominium Board.

Section 7.8 **Abatement in Common Charges**

7.8.1 Abatement. Except as otherwise provided in the following sentence and subSection 3.8.2 below, if, as a result of a destruction or damage, a Unit is rendered wholly or partially unusable for the purposes permitted in the Declaration, or the means of reasonable access thereto is prevented, as a result of a destruction or damage, the Common Charges otherwise payable by the Owner thereof shall proportionately abate until such Unit shall again be rendered useable for the purposes permitted in the Declaration and/or until the means of reasonable access thereto shall be restored, as the case may be. However, if the Common Charges of a Residential or Storage Unit is abated, such abatement shall not excuse the other Residential and Storage Unit Owners from the obligation to pay the full amount of the General Common Expenses payable by such group of Unit Owners. The amount of abatement shall be determined by the applicable Board Members, in their discretion, reasonably exercised.

7.8.2 Exception. The foregoing notwithstanding, if the destruction or damage shall be caused by an act, omission, negligence, abuse or neglect of the Owner, occupant, visitor or tenant of the affected Unit or their respective Agents, Employees and Contractors, the Common Charges otherwise payable by such Owner shall abate to the extent only of any proceeds of business interruption or similar insurance actually collected by the Condominium Board with respect to such affected Unit.

ARTICLE 8

COMMON CHARGES

Section 8.1 **Determination of Common Charges**

8.1.1 Declaration Governs. The projected Common Profits and projected Common Expenses of the Operation of the Common Elements and the affairs of the Condominium shall be specially allocated and apportioned by the Condominium Board, in a manner different from the "common profits and expenses" under the Condominium Act, to one or more Unit Owners pursuant to the Special Allocation and Apportionment Rule set forth in Article 9 of the Declaration, Section 339-m of the Condominium Act, Section F in Part I of the Plan, the First Year's Budget (SCHEDULE B) contained in said Section F, the Budget Guidelines (EXHIBIT F to the Declaration) and these By-Laws. The provisions of the Declaration, including in particular (but not limited to) Article 9 thereof, are hereby incorporated herein and are paramount and shall govern the principles, rules, requirements and procedures applicable to the determination, allocation, apportionment and assessment of the Common Profits and the Common Expenses, and the resulting Common Charges payable by each Unit Owner. In the event of any inconsistency between the Declaration and these By-Laws, the Declaration shall govern and prevail.

8.1.2 Determination by Board

The Condominium Board shall determine the Common Expenses each Budget Year in accordance and compliance with the requirements of Sections 9.2 and 9.3 of the Declaration and the procedure set forth in Section 9.4 of the Declaration. In accordance therewith:

(a) the annual Budget of General Operation (as provided in Article 9 of the Declaration) shall be determined by majority of those Residential and Commercial Board Member attending a duly constituted meeting of the Condominium Board at which a quorum is present; and

(b) the annual Budget of Residential Operation (as provided in Article 9 of the Declaration) shall be determined by majority of only those Residential Board Members attending a duly constituted meeting of the Residential Board Members at which a quorum is present.

All references to the Condominium Board in this Article 8 shall mean: (a) the Residential and Commercial Board Member with respect to any matter involving the General Common Expenses, the General Common Charges or Special Assessments to pay the General Common Expenses; or (b) only the Residential Board Members with respect to any matter involving only the Residential Common Expenses, the Residential Common Charges or Special Assessments to pay the Residential Common Expenses.

8.1.3 Allocation and Apportionment. The projected General Common Expenses under each adopted annual Budget shall generally be allocated to all Residential and Storage Unit Owners and the amount allocated to the Retail Unit Owner shall in all cases be limited and restricted strictly to the portions of the General Common Expenses that are fairly and properly attributable to such Retail Unit Owner as provided more fully in Section 9.1.3 of the Declaration,

which shall also govern the manner in which the General Common Expenses allocated to all Unit Owners shall be apportioned and assessed among them. The General Common Charges are the amounts assessed by the Condominium Board to the Unit Owners to pay the General Common Expenses allocated to, and apportioned among, the Unit Owners in accordance with Article 9 of the Declaration.

The projected Residential Common Expenses under each adopted annual Budget shall be specially allocated to, and shall be payable by, only all Residential and Storage Unit Owners and apportioned and assessed among them Pro Rata to their respective Common Interests based on their exclusive or substantially exclusive Usage thereof, in accordance with the Special Allocation and Apportionment Rule and Section 339-m. The Residential Common Charges are the amounts assessed by the Board to the Residential and Storage Unit Owners to pay the Residential Common Expenses specially allocated and apportioned to them in accordance with said Article 9 of the Declaration.

8.1.4 Distribution of Budget. At least ten (10) calendar days before the start of each Budget Year, the Condominium Board shall distribute to all Unit Owners a copy of the Budget of Condominium Operation for the ensuing Budget Year adopted by the Condominium Board, which shall set forth those Budget items that are part of the Residential Common Expenses or General Common Expenses, and the allocation and apportionment of each item of General Common Expense to all or certain Unit Owners (as appropriate), in accordance and compliance with the Plan (including in particular, but not limited to, Section F in Part I thereof and the First Year's Budget (SCHEDULE B) contained therein), Article 9 of the Declaration, the Budget Guidelines (EXHIBIT F to the Declaration) and these By-Laws. However, the Retail Unit Owner shall receive a copy of any newly adopted Budget that increases the General Common Charges at least 30 calendar days before the date such increase in General Common Charges becomes due and payable. Nevertheless, the failure to timely receive a Budget shall not excuse a Unit Owner from the obligation to timely pay the full amount of such increase in Common Charges (see Section 9.4(g) of the Declaration).

Section 8.2 **Budget Revisions**

The Condominium Board may revise a Budget one (1) or more times during a Budget Year in accordance with the same requirements and procedure to adopt such Budget as set forth in Article 9 of the Declaration; provided, however, that after the adoption and implementation of a Budget, a Budget may not be revised retroactively to increase the amount of Common Charges previously billed and a Budget may not be revised after the Budget Year has expired. Nevertheless, a Budget may be adopted or revised to include a deficiency for a prior period that is payable prospectively in one (1) lump sum or installments, as determined by the Condominium Board.

Section 8.3 **Failure to Adopt**

The failure of the Condominium Board to adopt a new Budget for any Budget Year will not be regarded as a waiver of Common Charges or in any way excuse a Unit Owner from paying the Common Charges. Rather, Common Charges will continue to be paid on the basis of the last adopted Budget until a new Budget is adopted.

Section 8.4 **Special Assessments**

8.4.1 Authority. The Condominium Board may levy a Special Assessment to pay the General Common Expenses or Residential Common Expenses, as applicable. A Special Assessment is subject to the same principles, rules, requirements and procedures applicable to Common Charges, including those set forth in Article 9 of the Declaration.

8.4.2 Method of Payment. The Condominium Board may require a Special Assessment to be paid in one (1) lump sum or in periodic installments with or without interest. If the applicable Unit Owners are allowed to pay a Special Assessment in installments, the Board may require that each such Unit Owner evidence the Owner's obligation for the Special Assessment by signing and delivering a promissory note in favor of the Condominium Board. The note will be prepared by an attorney selected by the Condominium Board and will be in form and substance (including interest rate, if any) satisfactory to the Condominium Board. The Condominium Board may pledge, sell or make any other Disposition of all Unit Owners' notes as it sees fit. Each applicable Unit Owner will be given written notice of the amount and purpose of a Special Assessment and (if applicable) the terms of a promissory note, at least fifteen (15) calendar days before a payment is due or the promissory note is to be signed and delivered. If a Unit Owner refuses or fails to timely sign and deliver said promissory note, such Unit Owner shall be obligated to pay the full amount of the Special Assessment on the date set by the Condominium Board.

8.4.3 Remedies for Non-Payment. Special Assessments are Additional Common Charges. As a result, the Condominium Board shall have all of the same rights and remedies for collection of Special Assessments and promissory notes of Unit Owners as are applicable for the collection of Common Charges.

8.4.4 Real Estate Taxes. Until such time as each Unit is separately assessed and billed for real estate taxes, the real estate taxes assessed against the Property shall be included in the General Common Expenses and levied on all Unit Owners as a Special Assessment or (at the option and discretion of the Condominium Board) as part of the monthly Common Charges for forwarding same to the appropriate taxing authority on behalf of the Unit Owners (in accordance with Article 9 of these By-Laws).

Section 8.5 **Application of Net Receipts**

The net receipts (after deducting expenses) derived from Operation of the Common Elements or the Association's Properties, or payments from Unit Owners, shall be applied to pay the following Common Expenses: (a) the net receipts from Operation of the General Common Elements or the Association's General Properties, or from payments of the General Common Charges, shall be applied to pay the General Common Expenses; or (b) the net receipts from Operation of the Residential Common Elements or the Association's Residential Properties, or from payments of the Residential Common Charges, shall be applied to pay the Residential Common Expenses.

Section 8.6 **Budget Surplus and Budget Reconciliation**

8.6.1 Budget Surplus. In the event in any completed Budget Year, the General Common Charges or Residential Common Charges shall exceed the actual General Common Expenses or actual Residential Common Expenses, respectively, the Condominium Board shall determine how to apply the surplus in accordance with Section 9.8 of the Declaration, which allows the Condominium Board the choice of applying all or a portion of the surplus to defray the General Common Expenses or Residential Common Expenses (as applicable) of the next immediately succeeding Budget Year and/or distributing the surplus to all then existing Unit Owners who paid the surplus, and apportioning such distribution among them Pro Rata to the General Common Charges or the Residential Common Charges (as applicable) assessed to such Unit Owners for said completed Budget Year, or any combination of the foregoing. In the event the Condominium Board fails to make such determination within four (4) months after the end of such Budget Year, the surplus shall be applied to defray the projected General Common Expenses or the projected Residential Common Expenses (as applicable) of the next immediately succeeding Budget Year.

8.6.2 Budget Reconciliation. The Condominium Board shall cause to be prepared and shall submit to the Retail Unit Owner within three (3) months after the end of each Budget Year an audited statement of revenues and expenses, including a comparative schedule of revenues and expenses which compares on a line item basis the actual audited revenues and expenses to the budgeted revenues and expenses for such completed Budget Year, as provided in Section 9.8.2 of the Declaration. Within thirty (30) calendar days after such audited statement is submitted to the Retail Unit Owner, the Condominium Board shall also submit to the Retail Unit Owner a written reconciliation of the overall net disparity (if any) between the General Common Expenses allocated, apportioned and assessed to the Retail Unit Owner for such completed Budget Year and said audited (actual) General Common Expenses incurred for such completed Budget Year that are fairly and properly allocated and apportioned to the Retail Unit Owner in accordance with the Special Allocation and Apportionment Rule and Section 339-m of the Condominium Act. If such reconciliation results in a net underpayment or overpayment by the Retail Unit Owner of said audited General Common Expenses fairly allocated and apportioned to the Retail Unit Owner, the deficit (in the case of a net underpayment) shall be included in the Common Charges of the Retail Unit or the surplus (in the case of a net overpayment) shall be credited to (and reduce) the Common Charges of the Retail Unit or (at the exclusive option of the Retail Unit Owner) refunded immediately to the Retail Unit Owner, all as provided more fully in said Section 9.8.2 of the Declaration.

Section 8.7 **Separate Fees and Charges**

The Condominium Board shall not impose upon any Unit Owner or a Permitted Tenant/Occupant/Invitee of a Unit Owner any separate fee, charge or imposition (i.e., apart from regular Common Charges, including Special Assessments levied on all Unit Owners or only all Residential and Storage Unit Owners, as applicable) for the mere use in common of the lobby, public halls, Base Floors and similar portions of the Common Elements. The foregoing provisions shall not prohibit or prevent:

(a) the Condominium Board from assessing and collecting the regular Common Charges, including the following, which constitute Additional Common Charges: (a-1) Special Assessments imposed in accordance with the provisions of these By-Laws; (a-2) real estate taxes (until the Units are separately assessed and billed); and (a-3) water charges and sewer rents for the Building, unless separately metered or billed to individual Units;

(b) the Condominium Board from assessing or charging and collecting from Owners of Sold Residential and Storage Units (but not assessing or charging Owners of Unsold Residential and Storage Units or the Retail Unit): (b-1) reasonable fees upon the sale, conveyance, transfer or lease of a Sold Residential or Storage Unit which is not exempt from the Match Offer Right (i.e., Right of First Refusal) as provided in Section 16.11 below, or in connection with the mortgage financing or refinancing of a Sold Unit if any Board action is requested in connection therewith (such fees include the reasonable fees payable to a Managing Agent and an attorney retained by the Condominium Board in connection with such transaction); (b-2) license fees or rental for the exclusive right to use a portion of the Common Elements (e.g. renting the recreation space for special events) by a Sold Residential or Storage Unit Owner (but no such fees or rental, apart from regular Common Charges, shall be charged to an Authorized First Sold Residential Unit Owner in connection with a Unit Change pursuant to Article 13 of the Declaration); and (b-3) all such other fees and charges whenever so provided elsewhere in these By-Laws (e.g., in connection with Unit Alterations/Repairs as provided in subsection 5.2.4(k) above or violations of the Condominium Documents as provided in subsection 2.4.2(q) above) or the Declaration (e.g., in connection with any Government Documents signed by the Condominium Board as provided in Section 10.20 of the Declaration or cooperating with a Unit Owner as provided in Section 20.3 of the Declaration); or

(c) the Condominium Board from leasing or licensing portions of the Common Elements, or from imposing and collecting charges for the use of the recreation space for special events, the vending equipment and the like.

All such fees and charges shall constitute Additional Common Charges allocated and assessed to the applicable Unit Owner.

Section 8.8 **Payment of Common Charges**

All Unit Owners or only all Residential and Storage Unit Owners (as applicable) shall be obligated to pay the Common Charges, Special Assessments and all other Additional Common Charges assessed by the Condominium Board pursuant to the terms of Article 9 of the Declaration and this Article 8 at such time or times (but not less than annually) as the Condominium Board shall determine. Unless otherwise determined by the Condominium Board, the Common Charges shall be payable in equal monthly installments in advance on the first day of every month.

Section 8.9 **Lien**

The Condominium Board, on behalf and as agent of Unit Owners, shall have a lien on each Unit and its appurtenant Common Interest for unpaid Common Charges, Special

Assessments and all other Additional Common Charges assessed against such Unit, together with the interest earned thereon at the rate set forth in subsection 8.13.2 below. Such lien, however, shall be subordinate to any liens for unpaid real estate taxes assessed against such Unit (to the extent required by Law) and to any lien of a prior recorded Permitted First Mortgage pursuant to subsection 16.14.1 below.

Section 8.10 **Liability**

8.10.1 Personal Liability. Each Unit Owner shall be personally liable for the payment of the Common Charges, Special Assessments and all other Additional Common Charges assessed against the Owner's Unit that are due and payable to and including (but not after) the date of conveyance or transfer of title to the Unit together with its appurtenant Common Interest in compliance with the terms of Article 16 hereof. Accordingly, a Unit Owner shall not be liable for any Common Charges, including any installments of a Special Assessment, due and payable subsequent to such permitted conveyance or transfer of the Owner's Unit and its appurtenant Common Interest.

8.10.2 No Exemption for Waiver. No Unit Owner shall be exempted from liability for the payment of Common Charges (including Special Assessments or other Additional Common Charges) by waiving the Use and Enjoyment of any or all of the Common Elements or by abandoning such Owner's Unit (except with respect to a conveyance of a Unit to the Condominium Board, without compensation, pursuant to the terms of Section 8.11 below).

8.10.3 No Abatement for Service Failure. Except as expressly provided to the contrary in Section 3.8 above, no Unit Owner shall be entitled to a reduction or abatement in, or to delay payment of, the Common Charges, Special Assessments or other Additional Common Charges for any inconvenience or discomfort arising from: (a) the failure, interruption or diminution of any utility, Building or other services; (b) the construction, equipping, outfitting, Repair or Alteration of the Common Elements or any Unit (including such Owner's Unit) pursuant to the terms of the Declaration or these By-Laws; (c) any action taken or omitted by the Condominium Board or the officers of the Condominium Association to comply with the Law; or (d) any action taken by Sponsor or the Retail Unit Owner pursuant to the Declaration, these By-Laws or the Plan.

8.10.4 Promissory Note. Each Unit Owner shall be personally liable under such Owner's promissory note given to the Condominium Board in payment of a Special Assessment pursuant to subsections 2.4.2(f) and 8.4.2 above, but shall not be liable with respect to any installment payment thereof due after title to the Unit together with its appurtenant Common Interest is conveyed or otherwise transferred in compliance with the terms of Article 16 hereof, provided that at title closing the succeeding Owner of the Unit shall execute and deliver to the Condominium Board, and the Condominium Board or its Managing Agent or attorney shall receive, a written agreement of such succeeding Owner assuming unconditionally the obligation to pay the then unpaid installments under such promissory note. Such assumption agreement shall be in the form prepared by an attorney retained by the Condominium Board, at the sole Cost and Expense of the Owner of the Unit being conveyed or transferred, and is to be in the form and content satisfactory solely to the Condominium Board.

8.10.5 Liability of Succeeding Owner. Each succeeding Owner of a Unit (howsoever title to the Unit is acquired) shall be liable for the payment of all unpaid Common Charges and Additional Common Charges (including all unpaid installments of a Special Assessment or of said promissory note and any other indebtedness owing under promissory notes given by a predecessor Owner of the Unit to the Condominium Board) and any other unpaid indebtedness owing to the Condominium Board with respect to such Unit prior to such new Owner's acquisition thereof; except that a Permitted First Mortgagee or its affiliate or designee who acquires title to a Unit at a foreclosure sale of such Permitted First Mortgage or by deed in lieu of such foreclosure, or a purchaser who acquires title to the Unit at such foreclosure sale or by deed in lieu of such foreclosure, shall not be liable, and such Unit shall not be subject to a lien, for past due Common Charges and Additional Common Charges (including past due installments of a Special Assessment or past due payments or indebtedness under a promissory note) which were assessed, levied or arose subsequent to the recording of such Permitted First Mortgage and before acquisition of title to such Unit by said Permitted First Mortgagee, or its affiliate or designee, or by such purchaser (as applicable).

8.10.6 Continuing Liability After Mortgage or Other Lien Foreclosure. In the event of a foreclosure of a Permitted First Mortgage or a tax lien (whether by a lien foreclosure sale, or a deed in lieu of such foreclosure or otherwise), the defaulting or delinquent Unit Owner shall remain fully liable for the payment of all unpaid Common Charges and Additional Common Charges, including Special Assessments and any other indebtedness owing to the Condominium Board with respect to such Unit, that accrued prior to the consummation of such foreclosure or conveyance in lieu thereof.

8.10.7 Default. In case of a default by a Unit Owner, any deficit resulting from unpaid General Common Charges or Residential Common Charges (including Special Assessments or other Additional Common Charges) that are not collected from such defaulting or delinquent Unit Owner shall be deemed, respectively, a General Common Expense or Residential Common Expense collectible only from all those who are in the same group of Unit Owners as such defaulting Unit Owner at the time that the same is levied. For example, if the defaulting Unit Owner is a Residential or Storage Unit Owner, the deficit resulting from the non-payment of the General Common Charges and Residential Common Charges (including Special Assessments or other Additional Common Charges) levied on such defaulting Unit Owner shall be allocated entirely to all other Residential and Storage Unit Owners and apportioned and assessed among the Pro Rata to their respective Common Interests.

Section 8.11 **Conveyance to Condominium Board**

Any Unit Owner may convey the Owner's Unit, together with its appurtenant Common Interest, to the Condominium Board or (at the exclusive option of the Board) to its nominee or designee, corporate or otherwise, on behalf and as agent of Unit Owners, without being compensated therefor, and, in such event, be exempt from the payment of Common Charges and Special Assessments (including all installments to become due pursuant to promissory notes, if any, given to the Condominium Board in payment of a Special Assessment) or other Additional Common Charges thereafter accruing; provided, however, that:

(a) all Common Charges, any Special Assessments (including all unpaid installments and any other indebtedness owing under said promissory notes) and any other Additional Common Charges then due and payable with respect to such Unit have been paid in full and collected;

(b) (unless waived by the Condominium Board in its sole and absolute discretion) such Unit is free and clear of all liens, encumbrances, leases and occupancies, other than the statutory lien for unpaid Common Charges and Special Assessments (provided no monies are then owing under such statutory lien); and

(c) no violation of any provision of the Condominium Documents then exists with respect to such Unit.

Section 8.12 **Statement of Common Charges**

The Condominium Board shall with reasonable promptness provide a written statement of all unpaid Common Charges (including Special Assessments and any other Additional Common Charges) and any other indebtedness due from any Unit Owner upon its receipt of a written request therefor from such Unit Owner. Such statement shall be conclusive upon the Condominium Board and the Unit Owners in favor of all Persons who rely thereupon in good faith.

Section 8.13 **Collection and Remedies on Non-Payment of Common Charges**

8.13.1 Lien and Remedies. The Condominium Board shall take prompt action to collect any Common Charges (including Special Assessments and any other Additional Common Charges) due to the Condominium Board that remains unpaid for more than thirty (30) calendar days after the due date for the payment thereof. In connection therewith, the Condominium Board shall have the right and obligation: (a) to cause a lien for all sums due and owing to the Condominium Board to be filed against the applicable Unit with reasonable diligence in the County Clerk's Office pursuant to the terms of Section 339-z of the Condominium Act; and (b) to cause such lien to be foreclosed in the manner provided in Section 339-aa of the Condominium Act. So long as the Sponsor Board Members constitute a majority of the Residential Board Members, Sponsor (or other applicable Unsold Residential Unit Owner) shall cause the Condominium Board to file such lien under the Condominium Act on those Unsold Residential and Storage Units owned by Sponsor (or other applicable Unsold Residential Unit Owner) in which Sponsor (or other applicable Unsold Residential Unit Owner) is more than thirty (30) calendar days in arrears in payment of Common Charges, including Special Assessments and any other Additional Common Charges. In addition, the Condominium Board may (in its sole and absolute discretion) purchase or acquire directly or through its nominee or designee the applicable Unit by deed in lieu of foreclosure and/or bring a suit to recover a money judgment for unpaid Common Charges without foreclosing or waiving the lien securing such charges and/or institute any and all other proceedings and actions deemed necessary or desirable by the Condominium Board to recover all such unpaid Common Charges, together with all additional sums of money collectible by the Condominium Board by reason of such nonpayment pursuant to the terms of this Section 8.13.

8.13.2 Interest and Late Charge. In the event that any Sold Unit Owner (but not Sponsor, an Unsold Unit Owner or the Retail Unit Owner, all of whom shall be exempt from the following interest, late charge and collection payments) shall fail to make payment of Common Charges (including any Special Assessments and any other Additional Common Charges) within ten (10) calendar days from the due date, such Sold Unit Owner shall be obligated to pay the Condominium Board, promptly following written demand:

(a) per diem interest thereon at a rate equal to the lower of 16% a year or the highest rate allowed by Law to be charged to individuals; such interest to be computed from the due date thereof until full payment is received by the Board; and/or (b) a late charge in an amount determined by the Condominium Board (but not to exceed $0.05 on each overdue dollar); together with

(c) all Costs and Expenses paid or incurred by the Condominium Board, the Managing Agent or the manager (if any) in connection with said non-payment of Common Charges (including Special Assessments and any other Additional Common Charges), any default notices given in connection therewith, and collecting such unpaid monies, said interest and/or late charge and in filing and foreclosing the aforementioned lien.

Nothing herein shall excuse the obligation, or extend the time period, to pay the Common Charges (including a Special Assessment and any other Additional Common Charges) or other indebtedness.

8.13.3 Receiver. In addition, if the Condominium Board brings an action to foreclose the aforementioned lien, the defaulting Unit Owner will be required to pay a reasonable rental for the use of such Owner's Unit, and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same.

8.13.4 Additional Common Charges. All such interest, late charge and Costs and Expenses provided in subsection 18.13.2 above, and such rental provided in the preceding subsection 18.13.3, shall be added to, and shall constitute, Additional Common Charges payable by such Unit Owner.

8.13.5 Purchase by Board. In any Lawsuit brought by the Condominium Board to foreclose a lien on a Unit because of unpaid Common Charges, the Condominium Board shall have the power, on behalf and as agent of the applicable Unit Owners (e.g., only all Residential and Storage Unit Owners in the case of a foreclosure of a Residential or Storage Unit), in its own name or in the name of its nominee or designee, to purchase such Unit at the foreclosure sale thereof and to acquire, hold, lease, Operate, mortgage, convey and make any other Disposition of such Unit (but not to vote the votes appurtenant to the same), subject to compliance with subsections 2.4.2(g) and (o) above, if applicable.

8.13.6 Deficiency or Surplus. In the event that the net proceeds received on such foreclosure (after deduction of all legal fees and disbursements, advertising costs, brokerage commissions, receiver's fees and expenses, court costs and other Costs and Expenses paid or incurred in connection therewith) shall be insufficient to satisfy the defaulting Unit Owner's obligations to the Condominium Board, such Unit Owner shall remain personally liable for the

deficiency. Any surplus on such foreclosure sale shall be paid to the defaulting Unit Owner after first paying all liens on such Owner's Unit in the order of priority of such liens.

8.13.7 Part of Association's Residential Properties. Each Residential or Storage Unit acquired by the Condominium Board or its nominee or designee in connection with the enforcement of its lien for unpaid Common Charges or otherwise shall constitute part of the Association's Residential Properties and shall be held by the Condominium Board or its nominee or designee on behalf and as agent of only the Residential and Storage Unit Owners. Accordingly and as an example, the purchase price and all Costs and Expenses incurred in connection with the acquisition, Operation and Disposition of a Residential or Storage Unit by the Condominium Board or its nominee or designee shall be included in the Residential Common Expenses, which shall be specially allocated to only all Residential and Storage Unit Owners and apportioned and assessed among them Pro Rata to their respective Common Interests in accordance with the Special Allocation and Apportionment Rule and Section 339-m.

8.13.8 No Partition or Occupancy. While a Unit is owned, leased, held or otherwise Operated by the Condominium Board or its nominee or designee, no Unit Owner shall have the right: (a) to bring an action for partition or (b) to use or occupy any said Unit acquired, leased, held or otherwise Operated by the Condominium Board or its nominee or designee.

Section 8.14 Sales, Use or Occupancy Tax Exemptions

The Condominium Board will adopt and follow such procedures as may be available, without additional cost to the Condominium Board (unless the applicable Unit Owner pays same), to enable any Unit Owner eligible for exemption from New York State and/or New York City sales, use and/or occupancy taxes to enjoy such exemption with respect to such Unit Owner's share of Common Expenses. Any benefits obtained by the Condominium Board as a result thereof shall be passed through to and shall belong exclusively to the Unit Owner entitled to any such exemption and if more than one (1) Unit Owner is entitled to such exemption, such benefits shall be apportioned among all Unit Owners entitled to such exemption Pro Rata to the Common Expenses allocable to the Units of such Unit Owners entitled to such exemption.

ARTICLE 9

PROPERTY TAXES AND CHARGES

Section 9.1 Real Estate Taxes

9.1.1 Included in Common Expenses. Until such time as each Unit is separately assessed and billed for real estate taxes, the real estate taxes, business improvement district assessments (if any) or charges and other assessments levied with respect to the Property (collectively, "**Real Estate Taxes**" or "**Real Estate Tax**") shall be included in the General Common Expenses and collected by the Condominium Board in addition to, and as part of, the General Common Charges, as provided herein, and forwarded to the appropriate taxing authority on behalf of the Unit Owners when due and payable before the imposition of interest or penalties for late payment.

9.1.2 Allocation and Apportionment. Such General Common Expense item of Real Estate Taxes shall be allocated and apportioned as follows: first, the Real Estate Taxes shall be allocated 89.29% to all Residential Units, 0.23% to all Storage Units and 10.48% to the Retail Unit; and second, the Real Estate Taxes thus allocated to all Residential Units and all Storage Units shall be apportioned to each such Unit Pro Rata to its Common Interest (i.e., in the proportion that its Common Interest bears to the total Common Interests of all Residential Units or all Storage Units, respectively). The resulting amount so allocated and apportioned to each Residential and Storage Unit, and the amount allocated to the Retail Unit, is the share ("**Tax Share**") of this item of General Common Expense payable by each Unit Owner as part of the Owner's General Common Charges.

9.1.3 Payment and Application. Each Unit Owner shall pay to the Condominium Board, within ten (10) calendar days of written demand therefor, an amount equal to such Owner's Tax Share of Real Estate Taxes. At the exclusive option of the Condominium Board, such amount of the respective Owners' Tax Share may be payable in one (1) lump sum or in monthly installments, each installment to be in a sum sufficient to pay the Real Estate Taxes one (1) month prior to the date same become due and payable without the imposition of interest or penalties for late payment. All amounts collected by the Board from Unit Owners as their Tax Shares shall be segregated from other monies of the Condominium and used solely to pay the Real Estate Taxes with reference to which such Tax Shares were determined. In lieu of the foregoing, Sponsor, as Owner of Unsold Units (including the Retail Unit), may (at its option) timely deliver to the Board (on or prior to the morning of the date due before the imposition of interest or penalties for late payment) a check payable to the New York City Department of Finance (or other applicable taxing authority) in an amount equal to its Tax Share of Real Estate Taxes applicable to its Unsold Units, which check the Board shall remit to the taxing authority along with other payments by the Board of such Real Estate Taxes.

9.1.4 Real Estate Tax Exemption or Abatement. If a Unit Owner receives a Real Estate Tax exemption or abatement for its Unit that is reflected in the tax bill for the Property, then from and after, and for so long as, such Real Estate Tax exemption or abatement is in effect and reflected in the bill for Real Estate Taxes, such Unit Owner shall be entitled to an adjustment in the Tax Share allocated and assessed to its Unit and payable by it on account of its Unit, based on the amount of such Real Estate Tax exemption or abatement; provided, however, that such Unit Owner gives the Board reasonably satisfactory documentation of such exemption or abatement. A Unit Owner receiving a Real Estate Tax exemption or abatement for its Unit shall have the sole right and responsibility to collect from the collecting Governmental Authority any refund or rebate of Real Estate Taxes to which such Owner is entitled as a result of such exemption or abatement, and such Unit Owner shall not be entitled to any adjustment in the Common Charges. The Board (without incurring any Costs or Expenses, unless paid by such Unit Owner) shall cooperate with such Unit Owner in obtaining such refund or rebate.

9.1.5 Separate Assessment. Once the Units are separately assessed and each Owner is billed directly by the taxing authority for the Real Estate Taxes assessed against the Owner's Unit, each Unit Owner shall be required to pay the Real Estate Taxes directly to said taxing authority.

9.1.6 Application for Remission, Refund, Exemption and/or Abatement. Any Unit Owner shall have the right to apply for a tax remission, tax refund, tax exemption and/or tax abatement with respect to such Owner's Unit without the consent of the Board and/or any other Unit Owners.

9.1.7 Adjustment. The Condominium Board and each Unit Owner shall have the right, for only sixty (60) calendar days after the Units are separately assessed and billed for Real Estate Taxes ("TIME BEING OF THE ESSENCE"), to adjust any overpayment or underpayment of Real Estate Taxes included in the Common Expenses and paid by such Owner as part of the Common Charges. Such adjustment shall be based on the difference between the Tax Share paid by said Unit Owner and the product of:

(a) the taxable assessed valuation of the Property at closing of title to such Owner's Unit (inclusive of any real estate tax exemption or abatement, if applicable pursuant to subsection 9.1.4 above);

multiplied by

(b) the ratio that the initial actual separate assessed valuation of such Unit bears to the aggregate initial actual separate assessed valuations of all Units (in each case inclusive of any real estate tax exemption or abatement, if applicable pursuant to subsection 9.1.4 above);

multiplied by

(c) the tax rates applicable to such Unit from and after said closing of title thereof.

The amount of the overpayment or underpayment is required to be paid within ten (10) calendar days after written notice is sent by the Board or a Unit Owner (including Sponsor), as applicable, detailing the calculation of the amount owed, provided such notice is sent within such sixty (60) calendar day deadline period. The notice shall be accompanied by suitable proof of the initial separate assessed valuation of the Unit and the aggregate initial separate assessed valuations of all Units (such as a real estate tax bill(s) and/or a title report). If the amount due is not paid within the ten (10) calendar day period ("TIME BEING OF THE ESSENCE"), then the Party owed payment shall be reimbursed: (a) per diem interest on the unpaid amount at the yearly rate set forth in subsection 8.13.2 above, computed from the end of the ten (10) calendar day period until payment is received (to compensate for lost opportunity of earnings on the amount past due); and (b) the Costs and Expenses of collection. Any amounts payable to Condominium Board pursuant to this Section 9.1 shall constitute Additional Common Charges of the applicable Unit.

Section 9.2 **Real Estate Tax Benefits**

9.2.1 Right to Apply. Each Unit Owner, without the approval or consent of the Condominium Board and/or any other Unit Owners, shall have the right to apply for Real Estate Tax exemption and/or abatement with respect to such Owner's Unit or Units. The approval, consent and signatures of the other Unit Owners and/or the Board shall not be required in connection with any such application or other document necessary or convenient to the exercise

by a Unit Owner of any of its rights or powers under this Section 9.2, including any application or document required by the Department of Buildings and/or the Real Property Assessment Bureau of The City of New York. Nonetheless, at the request of such Unit Owner, the Board on behalf of all other Unit Owners shall promptly execute and return any such applications or other documents, subject to and in compliance and accordance with Article 20 of the Declaration (and in particular, but not limited to, Section 20.3 thereof).

9.2.2 Limited Power of Attorney. With the intention to constitute a durable limited power of attorney, each and every Unit Owner, by accepting or recording a deed to a Unit or otherwise succeeding to title to a Unit (whether through operation of Law or by conveyance, transfer, merger, consolidation, liquidation, dissolution or otherwise) shall thereupon automatically have, and be deemed to have, irrevocably authorized, appointed and designated Sponsor, as Owner of Unsold Units, as agent and attorney-in-fact, "coupled with an interest" and granted for valuable consideration, and with full power of substitution of such Unit Owner, to act on behalf and as agent of such Unit Owner, and in the name, place and stead of such Unit Owner in any way such Unit Owner would do if personally present, to the full extent that such Unit Owner is permitted to act through an agent, with respect only to the execution, delivery and filing of any such application or document referred to in this Section 9.2 applicable to one (1) or more of Sponsor's Unsold Units.

Section 9.3 **Water Charges and Sewer Rent**

Water and sewer services are provided primarily to the Residential Space. The Retail Unit, which is or will be outfitted with a sink and water closet, will consume negligible or inconsequential amounts of water. The General Common Elements will consume water in connection with sprinkler testing and potentially in an emergency. For the first 12 months of Condominium operation, no costs for water and sewer services will be allocated or assessed to the Retail Unit for its anticipated negligible or inconsequential water consumption. All other projected costs for water and sewer services with respect to: (a) the Residential Space shall be included in the Residential Common Expenses and charged to only all Residential and Storage Unit Owners Pro Rata to their respective Common Interests; or (b) sprinkler testing shall be included in the General Common Expenses and charged to all Unit Owners Pro Rata to their respective Common Interests.

After the first year of Condominium operation, the Condominium Board may apportion and assess the costs of water and sewer services to the Retail Unit based on a water consumption or Usage survey conducted by a qualified, licensed mechanical or consulting engineer chosen by the Board and the then applicable rates of the taxing authority for water and sewer services. In the event the Retail Unit is assessed by the Condominium Board for water and sewer services based on said water consumption or Usage survey, the amount assessed to the Retail Unit in subsequent years shall continue to be based on said water consumption or Usage survey until the Retail Unit is metered or sub-metered for water consumption, or the Condominium Board or the Retail Unit Owner elect (from time-to-time) to conduct a new water consumption or Usage survey by a qualified, licensed mechanical or consulting engineer chosen by the Board (or the Retail Unit Owner if the Board fails to make a choice within 30 calendar days after written notice is given by the Retail Unit Owner to so do). The cost said water consumption or Usage survey, whether conducted at the election of the Condominium Board or the Retail Unit Owner,

shall be included in the General Common Expenses and charged to all Unit Owners Pro Rata to their respective Common Interests. In the event the Retail Unit is separately metered for water service, then from and after the date such meter becomes operational, the Retail Unit shall no longer be assessed or charged by the Board for water and sewer services. If sub-metered, then from and after the date said sub-meter becomes operational, the costs of water and sewer services to the Retail Unit shall be based on its consumption or Usage as measured by such sub-meter and the then applicable water and sewer rates of the taxing authority.

The Condominium Board shall read, Maintain, Repair and Alter the Building's common water meter and the Costs and Expenses thereof shall be specially allocated to all Residential and Storage Unit Owners and to the Retail Unit Owner Pro Rata to the costs of water and sewer services assessed to such Unit Owners in accordance with the Special Allocation and Apportionment Rule and Section 339-m. Any dispute under this Section 9.3 shall be resolved by arbitration pursuant to Article 19 of these By-Laws.

Section 9.4 **Board Certificate**

In connection with any proposed conveyance, lease or mortgage of all or part of a Unit, for so long as the Condominium Board is paying Real Estate Taxes for all Units and/or Water and Sewer Charges for the Retail Unit and Residential Space, the Condominium Board or an officer of the Board shall sign on behalf of the Board and deliver to a Unit Owner, within ten (10) calendar days after written request therefor is given by such Unit Owner, a certification as to the obligation and agreement of the Board to pay the Real Estate Taxes for the Property and/or Water and Sewer Charges for the Retail Unit and the Residential and Storage Units. Such certification shall be addressed to such Unit Owner and/or the proposed purchaser (grantee), tenant or mortgagee, and any title insurer, as directed by such Unit Owner, and shall be conclusive upon the Condominium Board and Unit Owners in favor of all Persons who rely thereupon in good faith.

Section 9.5 **Intentionally Omitted**

ARTICLE 10

UTILITIES

Section 10.1 **Electric Service to Units; Air Conditioning Service to Residential Space and Retail Unit**

10.1.1 Electric Service to Units: Electric service to the Residential Units for power and lighting will be billed by the Condominium Board to each Residential Unit based on its separate submeter, the then current applicable electric rates of the utility provider plus any taxes. Electric service to the Storage Units is included in the Building's common electric meter for the Residential Common Elements and General Common Elements (see Section 10.2 below for discussion). Electric service to the Retail Unit for power and lighting is separately metered and will be paid by the Retail Unit Owner directly to the utility as measured by the Unit's individual meter.

10.1.2 Air Conditioning Service to Residential Space and Retail Unit: Electric service to the Residential Space and the Retail Unit for air conditioning is commonly metered. The estimated costs of said electric service to the Residential Space and the Retail Unit for air conditioning shall be allocated, apportioned and assessed as follows based on an electric consumption or Usage survey made by a qualified, licensed electrical or consulting engineer, the then applicable electric rates of the utility provider and the applicable taxes, in accordance with the Special Allocation and Apportionment Rule and Section 339-m: (a) the estimated costs of said electric service to the Residential Space for air conditioning shall be specially allocated and assessed to only all Residential and Storage Unit Owners Pro rata to their respective Common Interests; and (b) the estimated costs of said electric service to the Retail Unit for air conditioning shall be specially allocated and assessed to only the Retail Unit Owner. For the first 12 months of Condominium operation following the first Closing under the Plan, the projected consumption of electricity by the Residential Space and the Retail Unit for air conditioning shall be based on the electric consumption or Usage survey made by Ambrosino DePinto & Schmieder, Consulting Engineers PC ("**Ambrosino**"), which is summarized in a Note to SCHEDULE B in Section F of Part I of the Plan. Thereafter, the projected consumption of electricity by the Residential Space and Retail Unit for air conditioning shall continue to be based on the same ratio that their respective projected consumption of electricity for air conditioning bears to the total projected consumption of electricity as estimated by Ambrosino and contained in a Note to said SCHEDULE B until changed, at the option of the Condominium Board or the Retail Unit Owner, to be based on a new electric consumption or Usage survey made by Ambrosino or other qualified, licensed electrical or consulting engineer chosen by the Condominium Board (or the Retail Unit Owner if the Board fails to make a choice within 30 calendar days after written notice is given from the Retail Unit Owner to so do). Any dispute with respect to this Section 10.1.2 shall be resolved by arbitration pursuant to Section 19 of these By-Laws.

Section 10.2 **Electric Service to Common Elements and Storage Units**

Electric service to the Residential Common Elements, the General Common Elements and the Storage Units for power and lighting is commonly metered and shall be billed by the Condominium Board to the following Unit Owners based on a consumption or Usage survey made by a qualified, licensed electrical or consulting engineer, the then applicable electric rate of the utility provider and applicable taxes, in accordance with the Special Allocation and Apportionment Rule and Section 339-m: (a) the estimated costs of said electric service to the General Common Elements for power and lighting shall be included in the General Common Expenses and charged to all Unit Owners Pro Rata to their respective Common Interests; and (b) the estimated costs of said electric service to the Residential Common Elements and the Storage Units for power and lighting shall be specially allocated and assessed to only all Residential and Storage Unit Owners and apportioned among them Pro Rata to their respective Common Interests. For the first twelve (12) months of Condominium operation following the First Closing under the Plan, the projected costs of said electric service to the General Common Elements, the Residential Common Elements and the Storage Units shall be based on the electric consumption or Usage survey prepared by Ambrosino and summarized in a Note to said SCHEDULE B in Section F of Part I of the Plan. Thereafter, the projected consumption of electricity for power and lighting by the General Common Elements and by the Residential Common Elements and the Storage Units shall continue to be based on the same ratio that their respective projected consumption of electricity bears to the total projected consumption of

electricity as estimated by Ambrosino and contained in a Note to said SCHEDULE B until changed, at the option of the Condominium Board or the Retail Unit Owner, to be based on a new electric consumption or Usage survey made by Ambrosino or other qualified, licensed electrical or consulting engineer chosen by the Condominium Board (or the Retail Unit Owner if the Board fails to make a choice within 30 calendar days after written notice is given from the Retail Unit Owner to so do). Any dispute with respect to this Section 10.2 shall be resolved by arbitration pursuant to Article 19 of these By-Laws.

Section 10.3 **Gas Service to Units and Common Elements**

Gas service is provided to the Residential Units for cooking and fireplaces, to the Residential Space for HVAC and hot water, and to the Retail Unit and General Common Elements for heat. The estimated costs of such gas service to the Residential Units, the Residential Space and the Retail Unit and the General Common Elements shall be specially allocated, apportioned and assessed as follows based on a gas consumption or Usage survey made by a qualified, licensed mechanical or consulting engineer, the then applicable gas rate of the utility provider and the applicable taxes, in accordance with the Special Allocation and Apportionment Rule and Section 339-m: (a) the estimated costs of said gas service to the Residential Units and the Residential Space shall be specially allocated and charged to only all Residential and Storage Unit Owners Pro Rata to their respective Common Interests; (b) the estimated costs of said gas service to the Retail Unit shall be specially allocated and charged to only the Retail Unit Owner; and (c) the estimated costs of said gas service to the General Common Elements shall be charged to all Unit Owners Pro Rata to their respective Common Interests. For the first 12 months of Condominium operations following the First Closing under the Plan, the estimated costs of gas service shall be based upon the projections of gas consumption or Usage made by Ambrosino, which is summarized in a Note to said SCHEDULE B. Thereafter, the projected consumption of gas by the Residential Units and the Residential Space, the Retail Unit, and the General Common Elements shall continue to be based on the same ratio that their projected consumption of gas bears to the total projected consumption of gas as estimated by Ambrosino and contained in a Note to said SCHEDULE B until changed, at the option of the Board or the Retail Unit Owner, to be based on a new gas consumption or Usage survey made by Ambrosino or other qualified, licensed mechanical or consulting engineer chosen by the Condominium Board (or the Retail Unit Owner if the Board fails to make a choice within 30 calendar days after written notice is given from the Retail Unit Owner to so do). Any dispute with respect to this Section 10.3 shall be resolved by arbitration pursuant to Article 19 of these By-Laws.

Section 10.4 **Intentionally Omitted**

Section 10.5 **Utility Installations**

Each such electric, gas and water meter or submeter (as applicable) and its related Installations (collectively, "**Utility Installations**") shall be read, Maintained, Repaired and Altered by, and at the Cost and Expense of, the following:

(a) in the case of the Utility Installations serving exclusively the Residential Space: all such Work shall be performed by the Condominium Board and the Costs and Expenses thereof

shall be included in the Residential Common Expenses, which shall be specially allocated to only all Residential and Storage Unit Owners and apportioned and assessed among them Pro Rata to their respective Common Interests in accordance with the Special Allocation and Apportionment Rule and Section 339-m;

(b) in the case of Utility Installations serving exclusively the General Common Elements: all such Work shall be performed by the Condominium Board and the Costs and Expenses thereof shall be allocated, apportioned and assessed to all Units Pro Rata to their respective Common Interests;

(c) in the case of Utility Installations serving the General Common Elements and either or both the Residential Space and the Retail Unit: all such Work shall be performed by the Condominium Board and the Costs and Expenses thereof shall be allocated, apportioned and assessed to the Units Pro Rata to the respective amounts assessed to the Units for electric, gas and water service (as applicable) provided to the General Common Elements, the Residential Space and the Retail Unit served by such Utility Installations; and

(d) in the case of the Utility Installations serving exclusively a Residential or Retail Unit: all such Work shall be performed by, and at the sole Cost and Expense of, the Owner of such Residential or Retail Unit, as applicable.

Any dispute under this Section 10.5 shall be resolved by arbitration pursuant to Article 19 of these By-Laws.

Section 10.6 **HVAC and Hot Water Equipment and Installations**

The HVAC and hot water Equipment and related Installations (collectively, "**HVAC/HW Installations**") shall be Maintained, Repaired and Altered by, and at the sole Cost and Expense of, the following:

(a) in the case of the HVAC/HW Installations serving exclusively the Residential Space: all such Work shall be performed by the Condominium Board and the Costs and Expenses thereof shall be included in the Residential Common Expenses, which shall be specially allocated to only all Residential and Storage Unit Owners and apportioned and assessed among them Pro Rata to their respective Common Interests in accordance with the Special Allocation and Apportionment Rule and Section 339-m;

(b) in the case of HVAC/HW Installations serving exclusively the General Common Elements: all such Work shall be performed by the Condominium Board and the Costs and Expenses thereof shall be allocated, apportioned and assessed to all Units Pro Rata to their respective Common Interests;

(c) in the case of HVAC/HW Installations serving the General Common Elements and either or both the Residential Space and the Retail Unit: all such Work shall be performed by the Condominium Board and the Costs and Expenses thereof shall be allocated, apportioned and assessed to the Units Pro Rata to the respective amounts assessed to the

Units for electric and gas service provided to the General Common Elements, the Residential Space and the Retail Unit served by such Utility Installations; and

(d) in the case of the HVAC/HW Installations serving exclusively a Unit: all such Work shall be performed by, and at the sole Cost and Expense of, the Owner of such Unit.

ARTICLE 11

USES AND OCCUPANCY OF PROPERTY AND ADJACENT SIDEWALKS

Section 11.1 **Declaration Governs**

The Property, including the Common Elements and the Units and the Immediately Adjacent Sidewalks to the Property, shall be used, Operated, rented and occupied in accordance with the provisions of the Declaration, including in particular (but not limited to) Articles 10 through 15 thereof, which are hereby incorporated herein and are paramount and shall govern any provision of these By-Laws inconsistent therewith.

Section 11.2 **Common Elements**

11.2.1 General Common Elements. Generally, the General Common Elements are for the Use and Enjoyment in common by all Unit Owners and their respective Permitted Tenants/Occupants/Invitees for all purposes for which they are reasonably intended, suited and capable in connection with the permitted Use and Enjoyment of the Property as a whole or for both one (1) or more Residential and Storage Units and the Retail Unit in accordance and compliance with, and subject and subordinate to the rights and easements provided in, these By-Laws and the Declaration.

11.2.2 Residential Common Elements. Generally, the Residential Common Elements are for the exclusive, or primarily exclusive, Use and Enjoyment in common by all Residential and Storage Unit Owners and their respective Permitted Tenants/Occupants/Invitees for all purposes for which they are reasonably intended, suited and capable in connection with the permitted Use and Enjoyment of the Residential Space in accordance and compliance with, and subject and subordinate to the rights and easements provided in, these By-Laws and the Declaration.

11.2.3 Use Determined by Board. The Condominium Board shall have the right to determine, and to amend from time to time, the Rules and Regulations, including the adoption of new and additional Rules and Regulations, governing the use and changes in use of the areas, Equipment and Installations comprising the Common Elements (i.e., the General Common Elements, the Residential Common Elements, and (if established) the Limited Common Elements, the Commercial Limited Common Elements and the Individual Limited Common Elements), provided all such uses shall be in accordance and compliance with, and subject and subordinate to the rights and easements provided in, these By-Laws and the Declaration.

All such determinations (including the adoption and Amendment of Rules and Regulations) shall be made by the following Board Members on behalf of the Condominium Board:

(a) in the case of the General Common Elements, all such determinations shall be made by majority of those Residential and Commercial Board Member attending a duly constituted Board meeting at which a quorum is present;

(b) in the case of the Residential Common Elements and (if established) the Limited Common Elements and Individual Residential Common Elements, all such determinations shall be made by majority of those Residential Board Members (including the Sponsor and Independent Board Members) attending a duly constituted meeting of the Residential Board Members at which a quorum is present; and

(c) in the case of the Commercial Limited Common Elements (if established) and Individual Commercial Limited Common Elements (if established), all such determinations shall be made by the Commercial Board Member.

11.2.4 Rights and Easements. The foregoing rights of Unit Owners to Use and Enjoy the Common Elements (including the General Common Elements, the Residential Common Elements and (if established) the Limited Common Elements, the Commercial Limited Common Elements and the Individual Limited Common Elements), and the foregoing right of the Condominium Board to determine the uses of the Common Elements, shall be subject and subordinate to: (a) the various rights and easements set forth in the Declaration, including in particular (but not limited to) Articles 10, 11, 12 and 13 thereof; and (b) Sponsor's/Commercial Owner's Rights set forth in the Plan, the Declaration and these By-Laws, which are superior, paramount and take preference over the rights of: (b-1) Unit Owners and their Permitted Tenants/Occupants/Invitees; and (b-2) the Condominium Board.

Section 11.3 **Units**

11.3.1 Use of Units. Each Unit shall be used in compliance with Article 10 of the Declaration, including in particular (but not limited to) Section 10.2 thereof, and only for the purposes permitted in Article 10 of the Declaration, including in particular (but not limited to):

(a) Section 10.13 thereof, which provides (among other things) that each Sold Residential Unit shall be used only as a private one-family dwelling and incidental home occupations allowed by Law, and for no other purpose, and in compliance with the requirements and restrictions set forth therein;

(b) Section 10.14 thereof, which provides (among other things) that each Sold Storage Unit shall be used only for accessory storage of non-combustible materials or materials that do not burn rapidly of the Owner thereof and the tenants and occupants of such Owner's Sold Residential Unit in accordance with applicable Laws, and for no other purpose; and

(c) Section 10.15 thereof, which provides (among other things) that:

(c-1) Unsold Residential and Storage Units and the Retail Unit shall not be subject to the requirements and restrictions on use set forth in the Condominium Documents with respect to Sold Units;

(c-2) any one (1) or more of such Unsold Residential and Storage Units, may be used and changed to be used as models, offices for the sale, Promotion, rental, Operation and management of Unsold Units and for any lawful purpose other than applicable Prohibited Uses;

(c-3) the Retail Unit may be used and changed to be used as one (1) or more art galleries, restaurants, food stores, banks, clothing stores and other retail establishments, whether or not similar to the foregoing, and for any other lawful purpose other than applicable Prohibited Uses;

(c-4) such permitted uses of Unsold Residential and Storage Units and the Retail Unit may be noisy, emit odors, involve heavy traffic and cause other effects that need not necessarily be compatible with the primary use of the Building for dwelling purposes; and

(c-5) the Condominium Board and other Unit Owners shall not have the right to approve the use or any changes in use, or the tenants, occupants or Operation of, or the business conducted in, Unsold Units or the Retail Unit or any portions thereof; provided such use, occupancy and business are not applicable Prohibited Uses.

11.3.2 Occupancy of Sold Residential Units. In order to provide for the congenial occupancy of the Property, to protect the value of the Units and to comply with the applicable Laws, occupancy of a Sold Residential Unit shall be limited and restricted to the following individuals in accordance and compliance with the Occupancy Requirements set forth more generally in Article 10, Section 10.13 of the Declaration: (a) the Owner of a Sold Residential Unit and such Owner's household; or an individual who is a permitted tenant of such Owner or a permitted subtenant of such permitted tenant, and the permitted tenant's or permitted subtenant's household; and (b) temporary non-paying guests of the Owner or a permitted occupant of the Unit.

If a Sold Residential Unit is owned by a corporation, limited liability company, partnership, trust, estate, fiduciary, unincorporated association, syndicate, joint venture, organization, sovereign government, consulate, Governmental Authority or any other Entity, occupancy shall be restricted and limited to the following individuals: (a) an officer, director, shareholder, member, partner, beneficiary, principal, government official or an employee designated by such Owner and such individual's household; or a permitted tenant of such Owner or a permitted subtenant of such permitted tenant and such permitted tenant's or permitted subtenant's household; and (b) temporary non-paying guests of the Owner or a permitted occupant of the Unit.

The Owner's household, domestic employees and temporary non-paying guests are permitted to occupy the Sold Residential Unit even though the Owner or the designated occupant

or permitted tenant or permitted subtenant (as applicable) is absent. No transient occupant (other than a temporary non-paying guest) shall be accommodated in a Sold Residential Unit at any time. No Sold Unit Owner shall permit or suffer such Owner's Sold Unit to be used or occupied in violation hereof or the Declaration.

Notwithstanding the foregoing, the Condominium Board may, in its sole and absolute discretion, grant permission for occupancy of a Sold Residential Unit by Persons other than those set forth above, subject, however, to compliance with the zoning Law. If granted, such permission must be in writing and shall be personal to such Sold Residential Unit Owner or the permitted tenant or permitted subtenant of the Sold Residential Unit (as applicable) and shall not inure to the benefit of the successors or assigns of such Owner or tenant or subtenant (as applicable).

The foregoing restrictions and limitations do not apply to Sponsor Units, Unsold Units or the Retail Unit, each of which may be occupied by anyone regardless of any relationship or lack of relationship with the Owner thereof, subject, however, to compliance with the zoning law.

11.3.3 Subordination. Any lease or occupancy agreement of a Sold Unit entered into after the recording of the Declaration shall be subject and subordinate to the provisions of these By-Laws and the Declaration.

11.3.4 Remedies. If a Sold Unit Owner permits or suffers such Owner's Sold Unit to be used or occupied in violation of these By-Laws or the Declaration, such violation shall constitute a material breach and default of such Unit Owner's obligations and shall entitle the Condominium Board to all rights and remedies available at Law and in equity against: (a) such Sold Unit Owner, including to enjoin the violation pursuant to Section 17.2 below; (b) the offending tenant or occupant of such Sold Unit, including suits and proceedings at Law and in equity, in the name of such Sold Unit Owner, as attorney in fact, and for the account of said Sold Unit Owner, to terminate the offending lease or occupancy and to eject or remove said offending tenant or occupant from such Sold Unit by summary dispossess proceedings or by any other suitable action or proceedings at Law or in equity, and to repossess said Sold Unit so leased or occupied by such offending tenant or occupant (as applicable). The said Sold Unit Owner shall reimburse the Condominium Board for all Costs and Expenses paid or incurred in connection with such violation and to enforce, uphold, protect and defend the foregoing rights and remedies, as well as the Costs and Expenses of collection thereof. All such Costs and Expenses shall be paid by said Sold Unit Owner, and received by the Condominium Board, within seven (7) business days after written demand therefor is given to said Sold Unit Owner, which shall be accompanied by a reasonably detailed statement of the Costs and Expenses to be reimbursed and copies of any supporting or relevant bills. All sums payable by such Sold Unit Owner to the Condominium Board pursuant to the foregoing shall for all purposes constitute Additional Common Charges payable by said Sold Unit Owner. The offending Sold Unit Owner shall not have the right to submit any dispute or controversy arising under this subsection to arbitration.

11.3.5 Limited Power of Attorney. With the intention to constitute a limited, durable power of attorney, each Sold Unit Owner, by accepting or recording a deed to a Sold Unit or otherwise succeeding to title to such Unit (whether through operation of Law or by merger, consolidation, liquidation, distribution or otherwise) shall thereupon automatically have,

and be deemed to have, irrevocably authorized and designated the individuals who shall from time to time constitute the Condominium Board, in their capacity as Board Members, as agent and attorney in fact of said Sold Unit Owner, "coupled with an interest" and for valuable consideration, and with full power of substitution, to act on behalf and as agent of said Sold Unit Owner and in the name, place and stead of said Sold Unit Owner in any way in which such Owner could do if personally present, to the full extent such Owner is permitted by Law to act through an agent, having the right, power and authority with respect only to the following: (a) to institute and prosecute through completion a Lawsuit and all appeals therefrom to terminate an offending lease or occupancy agreement and to eject, evict, dispossess or otherwise remove an offending tenant or occupant of such Owner's Sold Unit, whether by summary dispossess proceedings or otherwise, and to repossess the Sold Unit so leased or occupied by such offending tenant or occupant (as applicable) in accordance with subsection 11.3.4 above. This durable, limited power of attorney shall not be affected by the subsequent disability or incompetence of a Sold Unit Owner.

Section 11.4 **Building Walls and Immediately Adjacent Sidewalks**

11.4.1 General Prohibition. The Building Walls and the Immediately Adjacent Sidewalks to the Property shall be used in accordance and compliance with the Declaration, including the general prohibitions set forth in Section 10.2 thereof.

11.4.2 Sponsor's Promotional Rights. Sponsor and each Unsold Unit Owner (if any) and the permitted tenants so expressly authorized in writing by Sponsor or an Unsold Unit Owner (as applicable) shall have the unfettered and unconditional right, Freely and Without Consent, Payment or Restriction (but subject to compliance with Section 10.2 of the Declaration), to use the Building Walls and the Immediately Adjacent Sidewalks to the Property for all purposes related to the Use and Enjoyment (including Promotion) of its Unsold Units in accordance with Article 10 (including in particular, but not limited to, Sections 10.9, 10.10, 10.11 and 10.18) and Article 12 (including in particular, but not limited to, Section 12.7) of the Declaration. The right of Sponsor, an Unsold Unit Owner and said authorized tenant of an Unsold Unit to use the Building Walls and said Immediately Adjacent Sidewalks are superior, paramount and take preference over: (a) the rights of the Condominium Board to determine the uses thereof; and (b) the rights of Sold Unit Owners as to any use thereof approved or consented to by the Board.

11.4.3 Retail Unit Owner's Promotional Rights. The Retail Unit Owner and the tenants and occupants of its Retail Unit who are so expressly authorized in writing by said Owner of the Retail Unit, shall have the unfettered and unconditional right, Freely and Without Consent, Payment or Restriction (other than compliance with Section 10.2 of the Declaration), to use the outdoor and indoor sides of the Retail Unit (including its Storefronts, Storefront Windows and entrance and those portions of the Building Walls that enclose its Retail Unit from street level to a horizontal plane extending along and immediately below the parapets enclosing the Roof over the Retail Unit, all of which are part of such Retail Unit), and the portions of the Immediately Adjacent Sidewalks to its Retail Unit and opposite the entrance to its Retail Unit for all lawful purposes in connection with the Use and Enjoyment (including all manner of Signage and other Promotional uses) of said Retail Unit in accordance with Article 10 of the Declaration (including in particular, but not limited to, Sections 10.10, 10.11 and 10.18 thereof).

11.4.4 Other Uses Determined by Board. All other uses of the Building Walls and the Immediately Adjacent Sidewalks to the Residential Space by the Owners, tenants and occupants of Sold Residential and Storage Units shall be determined by the Condominium Board and shall not be used by a Sold Residential or Storage Unit Owner, or any permitted tenant or occupant of a Sold Residential or Storage Unit, without first obtaining the written Discretionary Approvals or Consents of the Condominium Board and Sponsor (during only the Sponsor Veto Control Period). The foregoing requirement to obtain the approval or consent of the Condominium Board shall not apply to Sponsor, Unsold Unit Owners or the Retail Unit Owner, or their respective authorized tenants as aforesaid.

Section 11.5 **Intentionally Omitted**

Section 11.6 **General Prohibitions**

The Property shall be used in accordance and compliance with the requirements of Article 10 of the Declaration and the following:

(a) no nuisance shall be allowed on any part of the Sold Units, the Common Elements or the Immediately Adjacent Sidewalks to the Property, nor shall any use or practice be allowed or suffered thereon that is an unreasonable interference with the peaceful possession or proper use of any Unit by its Owner or such Owner's Permitted Tenants/Occupants/Invitees;

(b) all valid Laws relating to any portion of the Property shall be complied with at the sole Cost and Expense of the applicable Unit Owner or the Condominium Board, whoever shall have the obligation to Maintain and Repair such part of the Property;

(c) nothing shall be done or kept, or suffered to be done or kept, in any Unit or in any of the Common Elements that increases or would, with reasonable likelihood, increase the rate of insurance for the Property, unless the Unit Owner responsible for such increase pays the additional premium therefor as provided in Section 6.11 above;

(d) no Unit Owner shall permit or suffer anything to be done or kept in the Owner's Unit or in the Common Elements that results in, or would with reasonable likelihood result in, the issuance of a notice of cancellation or the cancellation of insurance on the Property or the contents thereof, or that would, with reasonable likelihood, be in violation of any Law;

(e) no waste shall be committed or suffered in the Common Elements;

(f) nothing shall be done in any Unit or in, on or to the Common Elements that would, with reasonable likelihood, impair or threaten the structural integrity of the Building or the life, health or safety of the Owners or Permitted Tenants/Occupants/Invitees of Units; and

(g) in no event shall load bearing walls contributing to the support of any Unit or the Common Elements be Altered or removed, except as expressly permitted in, and performed in accordance and compliance with, Articles 14 and 15 of the Declaration.

ARTICLE 12

ROOFS

Section 12.1 **Roofs**

All Roofs and their respective related Roof Structures are part of the Residential Common Elements, other than the portion of the Roof and related Roof Structures at floor 2 immediately above the Retail Unit, which is part of the General Common Elements. These include: (a) the main Roof above the top floor of the Building; (b) the Roof over the Penthouse Unit; (c) the Roof enclosing the egress stairs and elevator Equipment bulkhead; (d) the Roof over the rooftop mechanical room; and (e) the Roof below a Terrace appurtenant to a specified Unit. The pavers, wood deck or other protective flooring or covering on a Roof is not part of such Roof and constitutes the Terrace appurtenant to a specified Residential Unit. A Roof consists of the structural concrete slab or other construction material), the asphalt (or other roofing material), insulation, membrane, flashing, counter flashing, drainage system and supports (if any) for a Terrace.

The Condominium Board shall make all determinations concerning the use of the Roofs and related Roof Structures; provided, however, that such determinations shall be subject and subordinate to the following: (a) the exclusive use of the Terrace appurtenant to a specified Residential Unit by the Owner and permitted tenants, occupants and guests of such Residential Unit; and (b) the easements and rights set forth in the Declaration and By-Laws, including Sponsor/Commercial Owner's Rights under Articles 7, 10, 11, 12 and 13 of the Declaration, which are superior, paramount and take preference over the easement and rights of the Condominium Board and other Unit Owners.

Section 12.2 **Maintenance, Repair and Alteration**

All Roofs and appurtenant Roof Structures (but not a Terrace thereon, which is part of a specified Unit) shall be Maintained, Repaired and Altered in accordance and compliance with the Building's Maintenance Standard by the Condominium Board and the Costs and Expenses thereof shall be allocated, apportioned and assessed as follows: (a) in the case of the Roofs and Roof Structures included in the Residential Common Elements, all such Costs and Expenses shall be included in the Residential Common Expenses, which shall be specially allocated to only all Residential and Storage Unit Owners and apportioned and assessed among them Pro Rata to their respective Common Interests in accordance with the Special Allocation and Apportionment Rule and Section 339-m; or (b) (in the case of the portion of the floor 2 Roof and it appurtenant Roof Structures included in the General Common Elements, all such Costs and Expenses shall be included in the General Common Expenses, which shall be allocated, apportioned and assessed to all Unit Owners Pro Rata to their respective Common Interests.

ARTICLE 13

FIRE SAFETY SYSTEMS

Section 13.1 **Maintenance, Repairs and Alterations**

The Building's "**Fire Safety Systems**" comprise the following three Systems (if and to the extent existing at the date of issuance of a permanent Certificate of Occupancy of the Building or installed pursuant to Sponsor's Plans and Specifications): (a) the sprinkler System (which includes the sprinkler reserve tank, pumps, pressure tank (if any), sprinkler and drain risers, sectional valves, tamper switches, waterflow alarms, sprinkler alarm, drain/test connections, distribution pipes, sprinkler heads and all other related Installations); (b) the standpipe System (which includes the standpipe water tank (if any), pumps, pipes, hoses, nozzles and all other related Installations); and (c) the siamese connection.

The portions of the Building's Fire Safety Systems serving exclusively the Residential Common Elements or more than one (1) Residential or Storage Unit are part of the Residential Common Elements and shall be Maintained, Repaired, Altered and otherwise Operated by the Condominium Board as part of the Residential Common Expenses and charged to only all Residential and Storage Unit Owners Pro Rata to their respective Common Interests. The portions of the Building Fire Safety Systems serving exclusively one (1) Unit (e.g., sprinklers heads and branch or distribution piping) are part of such Unit and shall be Maintained, Repaired and Altered by, and at the sole Cost and Expense of the Owner of such Unit. All other portions of the Building Fire Safety Systems are part of the General Common Elements and shall be Maintained, Repaired, Altered and otherwise Operated by the Condominium Board as part of the General Common Expenses, which shall be allocated to all Residential and Storage Unit Owners and the amount allocated to the Retail Unit Owner shall be limited and restricted strictly to pay the portion thereof that fairly and properly reflects its allocable share of the Costs and Expenses of such Work on only those portions of the Fire Safety Systems that protect its Retail Unit or those General Common Elements that actually serve or are actually utilized by such Retail Unit Owner. The amount allocated to all Unit Owners in accordance with the foregoing shall generally be apportioned and assessed among them Pro Rata to their respective Common Interests unless the amount thereof fairly and properly attributable to the Retail Unit or the Residential and Storage Units would otherwise require, in which case such fair and proper apportionment shall be used. All Work on the Building's Fire Safety Systems by whomsoever shall be performed in accordance with the Building's Maintenance Standard and Articles 14 and 15 of the Declaration.

Section 13.2 **Changes**

The Condominium Board shall have the right to Alter, change and relocate elsewhere within the Common Elements those portions the Fire Safety Systems that protect the Residential Space or the General Common Elements or all or a portion of both the Residential Space and the Retail Unit, provided and on condition that all applicable Laws and the requirements (including Work Requirements) and other provisions set forth in Article 15 of the Declaration are met.

ARTICLE 14

GENERAL OPERATING MATTERS

Section 14.1 **Compliance with Laws**

14.1.1 Responsible Party. The Party obligated to Maintain and Repair a portion of the Property or its Immediately Adjacent Sidewalks, or the Equipment or Installations therein or thereon (i.e., the Condominium Board with respect to the General Common Elements and Residential Common Elements, including the Equipment and Installations comprising each of said Common Elements; and a Unit Owner with respect to such Owner's Unit, including the Equipment or Installations comprising such Unit, each being herein called the "**Responsible Party**") shall also have the duty to comply with all Laws applicable thereto, including the existence, Maintenance, Repair, Alteration and Operation thereof, and to correct with reasonable diligence all conditions for which violations are noted or issued by Governmental Authorities and to thereafter endeavor in good faith to cause same to be removed of record.

14.1.2 Costs and Expenses. The Costs and Expenses of such compliance shall be included in the Costs and Expenses to Maintain, Repair, Alter and Operate such affected portion of the Property or its Immediately Adjacent Sidewalks (including such Equipment and Installations), as applicable, and shall be allocated to, and apportioned and assessed among, the appropriate Unit Owners required to pay such Costs and Expenses for Maintenance, Repairs, Alterations and Operation as provided in the Declaration or these By-Laws.

14.1.3 Compliance With Declaration. All Work in connection with such compliance with Laws (including correction of said violations) shall be performed in accordance with the provisions (including Work Requirements) set forth in Article 15 of the Declaration.

14.1.4 Reasonable Diligence. The Responsible Party shall effect compliance with applicable Laws (including correction of said violations) with reasonable diligence and, if non-compliance has or would with reasonable likelihood, have a material adverse affect on any other Party, the Responsible Party shall promptly commence and diligently prosecute compliance therewith to completion.

14.1.5 Contest by Board. The Condominium Board shall have the right, on behalf of all Unit Owners (if involving the General Common Elements) or only all Residential and Storage Unit Owners (if involving only the Residential Space), to contest any requirement of applicable Law (including correction of said violations) with which the Board is obligated to comply and which relates to the Maintenance, Repair, Alteration or Operation of the Common Elements or the affairs of the Condominium Association. During such contest, the Condominium Board shall have the right to defer compliance with such requirements of applicable Law, provided:

(a) the Board prosecutes such contest diligently and in good faith by appropriate proceedings unless compliance with such requirement shall have been excused or exempted by a valid nonconforming use permit, waiver, extension or forbearance exempting the Condominium Board from such requirement; and

(b) such contest or noncompliance does not involve any threat or danger of: (b-1) foreclosure, forfeiture or loss of any part of the Property; or (b-2) civil or criminal liability being imposed on the Condominium Board or any officer or member of the Board, any Unit Owner or any mortgagee or tenant of a Unit; or (b-3) the creation of any lien, encumbrance or other charge against any part of the Property; or (b-4) impairment of any insurance under Article 6 above.

14.1.6 Contest by Sponsor or Retail Unit Owner. Sponsor (as Owner of any Unsold Residential or Storage Unit) and the Retail Unit Owner shall each have the right to contest any requirement of applicable Law (including correction of said violations) with which Sponsor or such Retail Unit Owner, respectively, is obligated to comply under the Plan, Declaration or these By-Laws or which relates to the Maintenance, Repair, Alteration or Operation of a Sponsor Unit or such Owner's Retail Unit, respectively. During such contest, the failure of Sponsor or said Retail Unit Owner (as applicable) to comply with such requirement shall not constitute a default or violation hereunder or the Declaration, provided:

(a) Sponsor or said Retail Unit Owner (as applicable) is contesting such requirement with reasonable diligence and in good faith by appropriate proceedings and shall have furnished such security, if any, as may be required in the proceedings, unless compliance with such requirement shall have been excused or exempted by a valid nonconforming use permit, waiver, extension or forbearance exempting Sponsor or the Retail Unit Owner (as applicable) from such requirement; and

(b) such contest or noncompliance does not involve any threat or danger of: (b-1) foreclosure, forfeiture or loss of any part of the Property, other than said Sponsor Unit or the Retail Unit (as applicable); or (b-2) civil or criminal liability being imposed on the Condominium Board, any other Unit Owner or any mortgagee or tenant of any other Unit; or (b-3) the creation of any lien, encumbrance or other charge against any part of the Property, other than against said Sponsor Unit or said Retail Unit (as applicable); or (b-4) the impairment of any insurance under Article 6 above.

Sponsor or said Retail Unit Owner (as the case may be) shall provide the Condominium Board with notice of any contest of the type described above in detail sufficient to enable the Board to ascertain whether the foregoing provisions have been complied with by Sponsor or said Retail Unit Owner (as applicable).

Section 14.2 **Indemnification**

14.2.1 Indemnity by a Unit Owner. Each Unit Owner shall indemnify all other Unit Owners and the Condominium Board, and the members, officers, employees, agents (including Managing Agent) and attorneys of the Board or the Condominium Association, from and against any and all Claims and Liabilities and Expenses that may be imposed upon or incurred by any of the foregoing by reason of: (a) any Work performed or required to be performed by such Unit Owner in, on or about the Property; (b) any acts, omissions or negligence on the part of such Unit Owner or the Permitted Tenants/Occupants/Invitees of such Unit Owner, or the respective Agents, Employees and Contractors of each of the foregoing; or (c) any failure on the part of such Unit Owner to perform or comply with any of the terms or

conditions contained in the Declaration or these By-Laws on its part to be performed or complied with.

14.2.2 Indemnity by Condominium Board. The Condominium Board shall indemnify each and every Unit Owner from and against any and all Claims and Liabilities and Expenses that may be imposed upon or incurred by such Unit Owner by reason of: (a) any Work performed by the Condominium Board in, on or about the Property; or (b) any acts, omissions or negligence on the part of the Board or its members, officers, or Agents, Employees and Contractors. All amounts payable under or with respect to the foregoing indemnity by the Condominium Board shall be included in the Costs and Expenses to Maintain and Repair the affected portions of the Property, and shall be allocated to, and apportioned and assessed among, the appropriate Unit Owners required to pay such Costs and Expenses for Maintenance and Repairs as provided in the Declaration or these By-Laws.

Section 14.3 **Building Employees, Agents and Contractors**

14.3.1 Authority of Board. Subject and subordinate to Sponsor's veto control during only the Sponsor Veto Control Period as provided in Section 2.5.8 above, the Condominium Board shall have the authority: (a) to hire or engage such employees, agents and contractors as may be necessary or appropriate in the judgment of the Board to perform its obligations set forth in the Declaration or these By-Laws; and (b) to make all decisions concerning the employment, compensation and dismissal of employees, agents and contractors, to service the Common Elements and the Owners, tenants and occupants of Units. The foregoing authority of the Board shall be exercised by the Residential and Commercial Board Member with respect to the General Common Elements and by only the Residential Board Members with respect to the Residential Space.

14.3.2 Building Staff. At or prior to the First Closing of a Residential Unit under the Plan, the Condominium Board shall hire the number and type of employees (collectively, "**Building Employees**" and individually, "**Building Employee**") in accordance with the First Year's Budget (SCHEDULE B in Section F of Part I of the Plan), and thereafter shall always maintain a sufficient number and type of Building staff (either as the direct employer and/or under a service contract) in order to provide to all Owners, tenants and occupants of Units all services and Facilities required by Law, the Plan, the Declaration or these By-Laws. The Building Employees shall Maintain, keep free and clear of snow, ice, water accumulation and debris, and (to the extent competent and capable) Repair and Alter the Residential Common Elements, the General Common Elements and the Immediately Adjacent Sidewalks to the Property.

14.3.3 Common Expense. The wages and related benefits and payroll costs of the Building Employees (collectively, "**Labor Costs**") shall be specially allocated to the Residential Common Expenses and charged to only all Residential and Storage Unit Owners Pro Rata to their respective Common Interests, except the Labor Costs (based strictly on the number of working hours or fractions thereof) devoted by the superintendent to Maintain, Repair, Alter and otherwise Operate the General Common Elements (including the Equipment, rooms and areas comprising the General Common Elements) and the Immediately Adjacent Sidewalks to the Property shall be allocated to the General Common Expenses and charged to all Residential

and Storage Unit Owners and the amount thereof charged to the Retail Unit Owner shall be limited and restricted strictly to the portion of the Labor Costs representing the time devoted by the superintendent to those General Common Elements that actually serve or are actually utilized by such Retail Unit Owner and to any other services performed by the superintendent that benefit such Owner's Retail Unit (e.g., performing Sidewalk Obligations) in accordance with Section F of Part I of the Plan and the First Year's Budget (SCHEDULE B) contained therein, these By-Laws, Article 9 of the Declaration and the Budget Guidelines (EXHIBIT F to the Declaration). The amount so allocated to all Unit Owners in accordance with the foregoing shall generally be apportioned and assessed among them Pro Rata to their respective Common Interests unless the amount fairly and properly attributable to the Retail Unit Owner or to the Residential and Storage Unit Owners would otherwise require, in which case such fair and proper apportionment shall be used, in accordance with said Section F of Part I of the Plan, said First Year's Budget (SCHEDULE B) contained therein, these By-Laws, Article 9 of the Declaration and said Budget Guidelines.

14.3.4 Managing Agent. For the First Budget Year, starting with the First Closing of a Residential Unit under the Plan, the fees and disbursements of the Managing Agent shall be allocated to the Residential Common Expenses and to the General Common Expenses in accordance with the First Year's Budget (see SCHEDULE B in Section F of Part I of the Plan). Thereafter, the Managing Agent's fees and disbursements allocated to the Residential Common Expenses and General Common Expenses may vary in accordance with the Budget Guidelines (EXHIBIT F to the Declaration) and the amount of services provided by the Managing Agent to the Residential Space (including the amount of services provided specially or exclusively to the Owners, tenants and occupants of the Residential and Storage Units), the Retail Unit and the General Common Elements (including the amount of general services provided to all Unit Owners). The amount so allocated to the Residential Common Expenses shall be specially allocated to only all Residential and Storage Unit Owners and apportioned and assessed among them Pro Rata to their respective Common Interests in accordance with the Special Allocation and Apportionment Rule and said Section 339-m of the Condominium Act. The Retail Unit Owner shall not be allocated or assessed that portion of the fees and disbursements of the Managing Agent allocated to the Residential Common Expenses or to provide services to the Residential Space. The amount so allocated to the General Common Expenses shall be allocated to all Unit Owners and apportioned and assessed among them Pro Rata to their respective Common Interests.

The fees and amounts payable to other agents and to contractors, if any, engaged by the Condominium Board (or the Residential Board Members on behalf of the Board as authorized herein or in the Declaration) in connection with the General Common Elements or the Residential Space shall be included in the Costs and Expenses to Maintain and Repair same, and shall be allocated to, and apportioned and assessed among, the applicable Unit Owners required to pay said Costs and Expenses for Maintenance and Repairs as provided in the Declaration or these By-Laws.

Section 14.4 **Refuse Disposal System**

14.4.1 Residential Units. The refuse chutes (if any) leading to the Building's compactor and any refuse containers shall be used by the Owners and permitted tenants and

occupants of Residential Units for disposal of customary household garbage, trash and refuse (collectively, **"refuse"**); subject, however, to compliance with: (a) applicable Laws in effect from time to time, including Laws (**"Environmental Laws"**) requiring separation, and separate disposal or recycling, of paper, bottles, cans, plastics or other items; and (b) the Rules and Regulations, and Amendments thereto, in effect or adopted or amended from time to time by the Residential Board Members on behalf of the Condominium Board. The Condominium Board shall arrange for the disposal of refuse generated by the Residential Space. All Cost and Expenses to Maintain, Repair, Alter and otherwise Operate the Building's refuse disposal System (i.e., the compactor, the refuse compactor room on the cellar level, any containers, and the refuse chutes (if any) on each of the residential floors) shall be included in the Residential Common Expenses and charged to only all Residential and Storage Unit Owners Pro Rata to their respective Common Interest in accordance with the Special Allocation and Apportionment Rule and Section 339-m of the Condominium Act.

14.4.2 Retail Unit. The Retail Unit Owner, at such Owner's sole Cost and Expense, shall be responsible to arrange and pay for private cartage and disposal of all garbage, trash and refuse generated by such Owner or the operator, tenants or occupants of such Owner's Retail Unit in accordance and compliance with applicable Laws in effect from time to time, including Environmental Laws.

Section 14.5 **Rules and Regulations**

Certain requirements as to the Operation of the Property are set forth in the **"Rules and Regulations"** annexed to, and forming a part of, these By-Laws. The Condominium Board shall have the right and power from time to time to promulgate additional Rules and Regulations applicable to the Operation of the General Common Elements and the Residential Board Members shall have the right and power from time to time to promulgate additional Rules and Regulations applicable to the Operation of the Residential Space. The Condominium Board and Residential Board Members shall also have the right and power from time to time to amend all such Rules and Regulations and, unless otherwise required by the Condominium Act, need not record an Amendment to the Declaration to so promulgate additional Rules and Regulations or to so amend such Rules and Regulations. However, any additional the Rules and Regulations and any Amendments to the then current Rules and Regulations:

(a) may be overruled by vote of a majority in number and Common Interest of those affected Unit Owners (e.g., the Residential and Storage Unit Owners in the case of Rules and Regulations or Amendments thereto applicable to the Residential Space) attending a meeting (duly called and held for such purpose) at which a quorum is present; and

(b) shall not be effective or binding on Sponsor, Unsold Unit Owners or the Retail Unit Owner if and to the extent they adversely affect any of Sponsor's/Commercial Owner's Rights set forth in the Plan, the Declaration or these By-Laws, unless and until the Discretionary Approval or Consent of such adverse Rules and Regulations and Amendments are first obtained in writing from Sponsor, each Unsold Unit Owner and/or the Retail Unit Owner (whoever is adversely affected thereby), in each instance.

In addition, any Amendments to the Rules and Regulations shall not become effective or operational for at least thirty (30) calendar days after a copy of the complete text thereof shall be given to each and every affected Unit Owner then of record at such Unit Owner's address for notices or (if none is specified) at the Building and delivered or sent in the same manner as provided in Article 20 below for the giving of notices. A violation or failure to comply with the Rules and Regulations, as duly amended from time to time, shall constitute a violation of these By-Laws.

Section 14.6 **Interruption or Reduction in Services**

14.6.1 Right to Interrupt or Reduce. The Condominium Board, the Retail Unit Owner and (while there is any Unsold Unit) Unsold Unit Owners (including Sponsor) shall have the right to interrupt or reduce all or certain utility services and other services to the Common Elements or Units, for the purposes of: (a) dealing with accidents, strikes, the performance of Work and the like; or (b) (in the case of Sponsor, the Retail Unit Owner and an Unsold Unit Owner) the performance of Work in accordance with the rights and easements reserved to Sponsor and granted to the Retail Unit Owner and Unsold Unit Owners in the Plan, the Declaration or these By-Laws, including in particular (but not limited to) Plan Obligations (which include the construction, equipping and outfitting of the Building and the Units in accordance with Sponsor's Plans and Specifications and any work undertaken by Sponsor pursuant to the Plan, a Plan Amendment or a Purchase and Sale Agreement) and Tenant Obligations (see Section 12.7 of Declaration).

14.6.2 No Liability or Abatement. The Condominium Board (including its members and officers), Sponsor, the Retail Unit Owner and Unsold Unit Owners, and their respective Related Parties, employees, agents and attorneys, shall not be liable for any Claims or Liabilities and Expenses to any Owner or permitted tenant or occupant of a Unit for any such interruption or reduction of services, or for any failure to furnish services (including heat, hot and cold water, electricity, steam, air conditioning, elevator and sewer service) caused by a public utility or Governmental Authority supplying same, or Work performed pursuant to Sponsor's Plans and Specifications, or Sponsor's Plan Obligations or Tenant Obligations, or Work performed by an Unsold Unit Owner or the Retail Unit Owner in accordance with the Declaration or these By-Laws, or otherwise. In addition, any such permitted interruption or reduction of services, or such failure of service, shall not entitle any Unit Owner to any abatement or diminution of Common Charges. However, the Party causing such interruption or reduction of services (i.e., the Condominium Board, Sponsor, Retail Unit Owner or Unsold Unit Owner, as the case may be) shall use reasonable efforts to give all affected Unit Owners reasonable prior notice of any such contemplated interruption, reduction or failure, except in the event of an emergency, and to the extent economically reasonable and practical shall endeavor to minimize any such interruption, reduction or failure.

Section 14.7 **Records and Audits**

14.7.1 Records Kept by Treasurer. The Treasurer of the Condominium, or the Managing Agent (if any) under the supervision of such Treasurer, shall keep full, detailed and accurate records and books of account with respect to the financial affairs of the Condominium Association and the Condominium Board, which records and books of account shall include: (a)

a chronological listing of all receipts of, and expenditures by, the Condominium Board and the Managing Agent (if any), together with cancelled checks, check register, statements, bills and invoices; and (b) a separate listing for each Unit, setting forth, among other things, the amount of each assessment of Common Charges, real estate taxes, if applicable, Special Assessments levied against such Unit, the date when due, the amounts paid thereon and the balance, if any, remaining unpaid and a copy of any Permitted Mortgage encumbering such Unit, if applicable.

14.7.2 Records Kept by Secretary. The Secretary of the Condominium, or the Managing Agent (if any) under the supervision of the Secretary, shall keep detailed records of the actions of the Condominium Board and the Residential Board Members, committees of the Board and the Residential Board Members, and relevant actions of Unit Owners with respect to matters governed by the Declaration or these By-Laws. Such records include: (a) minutes of meetings of the Condominium Board and the Residential Board Members and any resolutions adopted thereat; (b) minutes of meetings of committees of the Board and the Residential Board Members; and (c) minutes of meetings of Unit Owners and Residential Unit Owners and the outcome of any matters voted upon thereat.

14.7.3 Examination. Each Unit Owner and Permitted Mortgagees of the Owner's Unit, and their respective representatives, shall be permitted to examine (without charge) and to copy (at a reasonable charge):

(a) the minutes of meetings of Unit Owners (or, in the case of only a Residential Unit Owner, minutes of any separate meetings of the Residential and Storage Unit Owners);

(b) a list of Unit Owners and their addresses for notices; and

(c) such other information, documents and records as may be in the possession or under the control of the Condominium Board that the Board may determine, in its sole discretion, to make available to Unit Owners and their representatives for inspection and copying, other than the personal financial files of a Unit Owner, a prospective purchaser or tenant of a Unit, or Building Employee files.

All such examinations shall be conducted at the office of Managing Agent or other location reasonably convenient to the Property specified by the Board and in a manner that shall not unreasonably interfere with the Operation or business of the Condominium Association, the Condominium Board or the Managing Agent (if any). The examinations shall be permitted during business hours, on business days and upon reasonable advance written notice, but not more frequently than once a month (such examination shall not extend over more than three (3) business days in any calendar month) as to each Unit Owner, the Owner's Permitted Mortgagees, and their respective representatives. The Board shall retain all books and records for at least three (3) years.

14.7.4 Tax Returns and Financial Statements. The Condominium Board shall cause to be prepared and filed on a timely basis and before the imposition of interest, charges or penalties for late filing or late payment, all requisite federal, state and city income tax or franchise tax or unincorporated business tax and any other tax returns relating to the Condominium Association or the Common Charges or the Operation of the Common Elements.

Any income taxes shall be allocated each Budget Year to the projected Residential Common Expenses and projected General Common Expenses approximately Pro Rata to the respective amounts of receipts realized from the affairs and Operation of: (a) the Residential Space and the Association Residential Properties (e.g., interest income on investment of the Working Capital Fund and Residential Common Charges); or (b) the General Common Elements, or the Association's General Properties or the whole Condominium Association generally (e.g., General Common Charges) for such Budget Year. The amount thereof so allocated to: (a) the projected Residential Common Expenses shall be allocated to only all Residential and Storage Unit Owners and apportioned and assessed among them Pro Rata to their respective Common Interests; and (b) the projected General Common Expenses shall be allocated to all Unit Owners and apportioned and assessed among them Pro Rata to their respective General Common Charges for such Budget Year (i.e., Pro Rata to their respective Common Interests if and to the extent all of such General Common Charges are assessed Pro Rata to the Common Interests). The Costs and Expenses to prepare and file such tax returns and to attend or defend any audit or Litigation in connection therewith, shall similarly be allocated, apportioned and assessed Pro Rata to the income taxes to which same relate.

In addition, within four (4) months after the end of each fiscal year of the Condominium Association, the Condominium Board shall submit to each Unit Owner and, if so requested by a Unit Owner or a Permitted Mortgagee of a Unit, to any tenant or Permitted Mortgagee of a Unit, an annual report of assets and liabilities and the Operation of the Condominium Association, Common Elements, the Association's Properties and the Property generally, including the receipts and expenditures of the Condominium Board with appropriate line items and notes distinguishing the General Common Expenses and Residential Common Expenses for such fiscal year. Each such annual report shall be prepared and certified by an independent certified public accountant in accordance with generally accepted accounting principles consistently applied.

The Costs and Expenses to prepare and distribute such annual report shall be allocated each Budget Year as provided in the First Year's Budget (SCHEDULE B in Section F of Part I of the Plan and the Budget Guidelines (Exhibit F to the Declaration). Pursuant thereto, the portion of the audit fee and said associated Costs and Expenses representing the costs of the audit services fairly attributable to the Operation of the Residential Space and the Association's Residential Properties, including the costs to audit the Residential Common Expenses, shall be allocated to only all Residential and Storage Unit Owners and apportioned and assessed among them Pro Rata to their respective Common Interests. The balance of such audit fee and said associated Costs and Expenses, representing the costs of the audit services fairly attributable to the Operation of the General Common Elements and the Association's General Properties, including the costs to audit the General Common Expenses and the General Common Charges billed to, and collected from, Unit Owners, shall be allocated to all Unit Owners and apportioned and assessed among them Pro Rata to their respective Common Interests. For the first year of Condominium Operation, the audit fee shall be allocated to the Residential Common Expenses (and charged to only all Residential and Storage Unit Owners Pro Rata to their respective Common Interests) and to the General Common Expenses (and charged to all Unit Owner Pro Rata to their respective Common Interests) as provided in SCHEDULE B in Section F of Part I of the Plan.

Section 14.8 **Tenants and Occupants of Units Entitled To Receive Building Services**

14.8.1 Provision of Service. The Condominium Board shall provide to each tenant and occupant of all or a portion of a Unit, and such tenant and occupant shall receive, without discrimination, all of the same services and amenities as are required to be provided to the Owner of such Unit pursuant to the Declaration, these By-Laws or applicable Law. Apart from regular Common Charges and Special Assessments levied on all Unit Owners or all Residential and Storage Unit Owners (as applicable), no separate fee, charge, imposition or Costs and Expenses for such services and amenities shall be assessed by the Condominium Board against said tenant or occupant, or the Owner of said Unit, except to the extent same are assessed to all other Unit Owners or all other Residential and Storage Unit Owners (as applicable) pursuant to the Condominium Documents. The aforesaid services and amenities include all Building Systems and amenities comprising the Common Elements and the services to be provided by the Building's staff.

14.8.2 Removal of Violations. The Condominium Board, with reasonable diligence and in good faith, shall remove any violation noted or issued with respect to the Common Elements. Any condition in the Common Elements constituting a violation (even though not noted or issued) that the Condominium Board is required to correct pursuant to Law or the Declaration or these By-Laws shall be corrected by the Board if failure to do so is grounds for a tenant of a Unit to reduce or withhold the rent or would constitute a violation of the tenant's lease or applicable Law. All Costs and Expenses paid or incurred by the Condominium Board in connection with the foregoing shall be charged to only the Unit Owners who are obligated to pay for the Maintenance and Repair of the affected portion of the Common Elements. The foregoing shall not prevent or impair the right of a Unit Owner to require the Board to correct and remove violations in accordance with its obligations under the Declaration or these By-Laws, irrespective of whether the Owner's Unit is leased or rented.

14.8.3 Tenant Violation. The Condominium Board will have no recourse of any kind against a Unit Owner for a violation of the Condominium Documents by a tenant or occupant of such Owner's Unit if (and during the period) such Unit Owner endeavors in good faith and with reasonable diligence and continuity to abate, enjoin or remedy the violation by appropriate action against such tenant or occupant. However, the foregoing shall not excuse the Unit Owner from the obligation to pay for Repairs caused by the said tenant's or occupant's acts, omissions, negligence, misuse or neglect as provided in Section 5.4 above and Section 14.7 of the Declaration.

14.8.4 Real Property Law Section 339 kk. Pursuant to Real Property Law Section 339 kk ("**Section 339-kk**") and the Plan, a Unit Owner who does not occupy his or her Residential Unit ("**Non-Occupying Owner**") and the Condominium Board shall comply with the following:

(a) if a Non Occupying Owner rents any Residential Unit to a rental tenant and then fails to make payments due for Common Charges, Special Assessments or late fees for such Unit within sixty days of the expiration of any grace period after they are due, upon notice in

accordance with the following paragraph (b), all rental payments from the tenant shall be directly payable to the Condominium Association;

(b) if the Common Charges, Special Assessments or late fees due for a Non Occupying Owner's Unit have not been paid in full, within sixty days after the expiration of any grace period of the earliest due date, the Condominium Board shall provide written notice to the tenant of such Owner's Unit and the Non-Occupying Owner providing that, commencing immediately and until such time as all payments for Common Charges, Special Assessments or late fees are made current, all rental payments due subsequent to the issuance of such notice are to be made payable to the Condominium Association at the address listed on the notice;

(c) where a majority of the Condominium Board has been elected by and from among the Unit Owners who are in occupancy, the Board may elect not to require that rental payments be made payable to the Condominium Association;

(d) at such time as payments for Common Charges, Special Assessments and late fees from the Non-Occupying Owner are once again current, notice of such fact shall be given within three business days to said rental tenant and Non-Occupying Owner, and thereafter, all rental payments shall be made payable to the Non-Occupying Owner or a designated agent;

(e) a Non-Occupying Owner who disputes the Condominium Association's claim to rental payments pursuant to said Section 339-kk shall be entitled to present facts supporting such Owner's position at the next scheduled meeting of the Condominium Board, which must be held within thirty days of the date that such Board receives notice that such Owner seeks to dispute such claim;

(f) nothing in said Section 339-kk shall limit any rights of Unit Owners or of the Condominium Board existing under any other Law or agreement;

(g) payment by a rental tenant to the Condominium Association made in connection with said Section 339-kk shall relieve that rental tenant from the obligation to pay such rent to the Non-Occupying Owner and shall be an absolute defense in any non-payment proceeding commenced by such Non-Occupying Owner against such tenant for such rent;

(h) the Condominium Board or designated agent (as applicable) shall be required to send the Non-Occupying Owner not less often than once a month, a reasonably detailed written accounting of the amount received and collected from the rental tenant;

(i) if a rental tenant's rent check is dishonored or returned uncollected, the Condominium Board or designated agent (as applicable) shall also be required to send the Non-Occupying Owner such failed instrument promptly after receipt; and

(j) the Non-Occupying Owner shall continue to have the obligations of the Owner of the Unit under applicable Law, as well as the exclusive right to enforce the rental tenant's lease (if any) and tenancy obligations and to assert all rights and remedies available at Law or in equity as Owner of the Unit.

Section 14.9 **Building Services Required to be Provided to Unit Owners**

In accordance with Article 11, Section 11.9 of the Declaration, the Condominium Board shall have the responsibility and duty to provide all Building services, facilities and amenities (collectively, "**Building Services**"), including the applicable HVAC/Mechanical/Utility Building Systems, comprising the Common Elements to: (a) all Units (in the case of the General Common Elements); or (b) all Residential and Storage Units (in the case of the Residential Common Elements), as well as all Building Services contemplated in the Declaration, these By-Laws or the Plan to be provided to all or certain Units, as applicable. The manner of operation and provision of said Building Services shall be governed by said Section 11.9, including the requirement to provide all said Building Services to be provided to the Retail Unit on a twenty-four (24) hour, seven (7) day a week basis.

ARTICLE 15

EXISTING LEASES

Section 15.1 **Subordination**

If and to the extent, and for so long as, the Declaration is subject and subordinate to the rights of an Existing Tenant of the Building (if any) under an Existing Lease (if any), the rights granted or reserved to any Unit Owner or the Condominium Board and all requirements and limitations under these By-Laws, including the Rules and Regulations, shall be so subject and subordinate.

Each lease, operating agreement or license entered into for all or a portion of the Retail Unit prior to the recordation of the Declaration is, and for all purposes shall be regarded as, an Existing Lease to which this Declaration shall be subject and subordinate, regardless of whether or not such lease, operating agreement or license, or a memorandum thereof is, is recorded.

Section 15.2 **Provision of Services**

With respect only to an Existing Lease of a Unit as to which the Declaration is subordinate, if the terms of such Existing Lease require services be provided to the Existing Tenant thereunder which under the terms of the Declaration and By-Laws may only be provided by the Condominium Board or are under the exclusive control of the Condominium Board, then the Condominium Board shall provide such services to said Existing Tenant in accordance with such Existing Lease until it expires (including all renewals or extensions thereof pursuant to an option to renew or extend, but excluding any other extensions or renewals thereof and all Amendments thereto made after the recording of the Declaration in the Register's Office) or sooner terminates. The Owner of such Unit shall not be required to pay any Special Assessment or other Additional Common Charge, imposition or other charge, apart from regular Common Charges and Additional Common Charges (including Special Assessments) levied on all Unit Owners or all Residential and Storage Unit Owners (as applicable), for any additional Costs and Expenses incurred by the Board in connection with providing such services to said Existing Tenant of such Owner's Unit.

ARTICLE 16

UNIT CONVEYANCES, SALES, LEASES AND MORTGAGES

Section 16.1 **General**

16.1.1 Compliance with By-Laws. Subject and subordinate to the terms of Section 16.5 hereof, a Sold Residential or Storage Unit Owner shall not sell, transfer, convey or lease such Owner's Sold Residential or Storage Unit, except in compliance with the applicable provisions of this Article 16. Any purported sale, transfer, conveyance or lease consummated in violation of the applicable terms hereof shall be voidable at the sole election and discretion of the Condominium Board.

16.1.2 Ejectment or Eviction. With the intention to constitute a limited, durable power of attorney, each Sold Residential Unit Owner and each Sold Storage Unit Owner (each such Unit Owner hereafter sometimes called a "**Sold Unit Owner**"), by accepting or recording a deed to such Owner's Sold Unit or otherwise succeeding to title to a Sold Unit (whether through operation of Law or by merger, consolidation, liquidation, distribution or otherwise) shall thereupon automatically have, and be deemed to have, irrevocably authorized and designated the individuals who shall from time to time constitute the Condominium Board, in their capacity as Board Members, as agent and attorney in fact of such Sold Unit Owner, "coupled with an interest" and for valuable consideration, and with full power of substitution, to act on behalf and as agent of such Sold Unit Owner and in the name, place and stead of such Sold Unit Owner in any way in which such Owner could do if personally present, to the full extent such Owner is permitted by Law to act through an agent, having the right, power and authority with respect only to the following, upon determination of the Residential Board Members on behalf of the Condominium Board: (a) in the case of a sale, transfer or conveyance in violation of this Article 16: to institute and prosecute through completion a Lawsuit and all appeals therefrom to eject a purported successor Owner from the Sold Unit owned by such Sold Unit Owner; or (b) in the case of a lease or occupancy agreement in violation of this Article 16: to evict or remove by summary dispossess proceedings or otherwise a tenant of such Sold Unit. This durable, limited power of attorney shall not be affected by the subsequent disability or incompetence of such Sold Unit Owner. The Condominium Board shall have the right and option (but not the obligation) to institute such Lawsuit, which is in addition to all other rights and remedies available to the Board at Law or in equity. The exercise and enforcement of the provisions of this subsection 16.1.2 and all disputes and controversies which give rise to the exercise and enforcement hereof, at the exclusive option and absolute discretion of the Condominium Board, shall not be subject to arbitration under Article 19 below by the offending Sold Unit Owner, who shall have no right to submit the matter or the underlying disputes or controversies to arbitration.

16.1.3 Reimbursement. If the Condominium Board elects to bring this or any other Claim or Lawsuit with respect to such violation of this Article 16, the applicable Sold Unit Owner shall pay and reimburse the Condominium Board, promptly following written demand, for all Costs and Expenses incurred by or on behalf of the Board in connection with such Claim or Lawsuit and for the Costs and Expenses of collection thereof. All such Costs and Expenses shall be regarded as part of the Common Charges payable by such Sold Unit Owner.

16.1.4 Deed Provision. Each and every deed to a Unit, including transactions subject to, or exempted from, the Match Offer Right or Right of First Refusal referred to in

subsection 16.2.8 below, shall expressly provide that the acceptance thereof by the grantee shall constitute an acceptance, ratification and assumption of all of the terms of the Condominium Documents, and, in the absence of such express language, the same shall be conclusively deemed to have been included therein. The failure to include such provision in a deed shall not affect the validity or the enforceability of the deemed acceptance, ratification and assumption of the terms of the Condominium Documents.

16.1.5 Lease Provisions Applicable to Only Sold Units

Each lease or occupancy agreement (collectively, "**Lease**" or "**Lease Agreement**") of a Sold Unit to any tenant in a transaction subject to the Match Offer Right (or Right of First Refusal) pursuant to Section 16.2 below or exempted therefrom pursuant to Section 16.5 below shall expressly state or provide (and shall be deemed to state and provide) as follows:

"(a) this Lease is subject and subordinate to the "Condominium Documents" and that in the event of any inconsistency between the Lease and the Condominium Documents, the inconsistency shall be resolved in accordance with the Condominium Documents, which are paramount and shall govern; and

(b) the "Condominium Board" shall have the right, power and authority to terminate or cancel this Lease and to bring summary proceedings to evict or remove the tenant hereunder in the name of the landlord-Owner in the event of: (b-1) a violation by tenant of any of the provisions of the "Declaration" or the "By-Laws" (including the "Rules and Regulations"), as each may be amended from time to time, unless remedied within the applicable grace period; (b-2) a foreclosure of said landlord-Owner's Unit in which the demised premises forms a part by the Condominium Board pursuant to the lien granted by Section 339-z of the Condominium Act; or (b-3) the purchase or acquisition of said Unit by the Condominium Board or its nominee or designee, whether pursuant to Article 16 of the Declaration or otherwise; and

(c) all quoted terms shall have the meanings given to them in that certain declaration of condominium establishing High Line 23 Condominium pursuant to which the building in which the demised premises is located has been submitted to condominium ownership under Article 9-B of the New York Real Property Law."

The failure to include the foregoing provisions in a Lease shall not affect the validity, force or effect of same, which shall be fully enforceable with the same force and effect as though set forth at length in said Lease.

16.1.6 Other Lease Requirements Applicable to Sold Units Only. Each Lease of a Sold Unit only (but not a Lease of an Unsold Residential or Storage Unit or the Retail Unit), in a transaction which is subject to said Match Offer Right (or Right of First Refusal) or exempted therefrom (other than an exemption based on the Unit being an Unsold Unit or the Retail Unit), shall be in the then current prevailing form of lease of a residential condominium unit for non-regulated multiple dwellings in The City of New York (or other printed form of lease approved by the Condominium Board, in its sole and absolute discretion), subject to such modifications as may be approved in writing by the Condominium Board (in its sole and absolute discretion), and

shall expressly state or provide (and shall be deemed to expressly state or provide), in addition to the mandatory provision set forth in Section 16.2.3 below, that:

(a) the Lease is for a term of not less than one (1) year (unless the Condominium Board consents in writing to a shorter term);

(b) the Lease shall not be amended or extended without obtaining the prior written Discretionary Approval or Consent of the Condominium Board in each instance;

(c) the tenant thereunder shall not assign tenant's interest in such Lease or sublet the Unit demised thereunder or any part thereof without obtaining the prior written Discretionary Approval or Consent of the Condominium Board in each instance; and

(d) (in the case of only a Sold Residential Unit) the Unit shall be used and occupied only as a private one-family dwelling by the tenant thereof and such tenant's household, and for incidental home occupations allowed by Law, and for no other purpose, in accordance and compliance with the Occupancy Requirements set forth in Article 10, Section 10.13 of the Declaration and subsection 11.3.2 above; or (in the case of a Sold Storage Unit) the Unit shall be used only for accessory storage of non-combustible materials or materials that do not burn rapidly of its Owner and the permitted tenants or permitted subtenants and occupants of such Owner's Sold Residential Unit, and for no other purpose; and (in the case of either a Sold Residential or Storage Unit) in compliance with the other requirements and restrictions set forth in the Declaration (including Section 10.13 or 10.14 thereof, as applicable) and these By-Laws (including subsections 5.1.10, 5.1.11, 11.3.1 and 11.3.2 hereof).

16.1.7 Sale or Lease Requirement. Each sale or conveyance of a Unit shall be for the entire Unit and its appurtenant Common Interest. Each lease or sublease of a Sold Unit (but not a lease or sublease of an Unsold Unit or the Retail Unit) shall be for the entire Unit and not just a portion thereof. All or portions of each and every Unsold Unit or the Retail Unit may be leased and subleased at the sole option and discretion of the Owner thereof. Nothing herein shall prohibit an Owner from subdividing the Owner's Unit in accordance and compliance with the Declaration and these By-Laws.

16.1.8 Restriction on Ownership of Storage Units. The ownership of a Storage Unit is restricted to Sponsor or an Owner of a Residential Unit. As a result, a Purchaser of a Residential Unit and a Storage Unit may only resell or convey the Storage Unit to another Residential Unit Owner or simultaneously with the sale or conveyance of the Owner's Residential Unit to the grantee named in the deed for the Residential Unit.

Section 16.2 **Match Offer Right (or Right of First Refusal)**

16.2.1 Exempt Transactions. The provisions of this Section 16.2 are subject and subordinate to Sections 16.5 hereof and do not apply to any of the transactions exempted under said Section 16.5 from the Match Offer Right or Right of First Refusal in favor of the Condominium Board set forth in this Section 16.2 (each, an "**Exempt Transaction**").

16.2.2 Definition. A contract to sell a Sold Unit (i.e., a Sold Residential Unit or a Sold Storage Unit) together with its appurtenant Common Interest is hereinafter collectively

referred to as a "**Sale Agreement**" and any Sale Agreement or Lease Agreement of a Sold Unit is each hereafter included in the collective term "**Sale or Lease Agreement**".

16.2.3 Mandatory Provision in Sale or Lease Agreement. Each Sale or Lease Agreement of a Sold Unit in a transaction that is subject to the Board's Match Offer Right (or Right of First Refusal) shall contain the following language:

> "THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER ARE HEREBY MADE EXPRESSLY SUBJECT TO THE MATCH OFFER RIGHT OR RIGHT OF FIRST REFUSAL IN FAVOR OF THE BOARD OF MANAGERS OF HIGH LINE 23 CONDOMINIUM WITH RESPECT TO THE TRANSACTION EMBODIED HEREIN, PURSUANT TO THE TERMS OF SECTIONS 16.2 AND 16.3 OF THE BY-LAWS OF THE SAID CONDOMINIUM, AS THE SAME MAY HAVE BEEN AMENDED."

16.2.4 Procedure. Promptly after any such Sale or Lease Agreement shall be fully executed, the Sold Unit Owner executing the same (hereafter referred to as the "**Offeree Unit Owner**") shall send written notice thereof (**"Sale or Lease Notice"**) to the Condominium Board by certified or registered mail, return receipt requested, which Sale or Lease Notice shall be accompanied by a fully executed, original counterpart of the Sale or Lease Agreement, as the case may be, containing all of the terms offered in good faith by the prospective purchaser or tenant (hereinafter referred to as the "**Outside Offeror**"). The Sold Unit owned by the Offeree Unit Owner is hereafter sometimes called "**Offeree's Unit.**"

16.2.5 Offer to Sell or Lease. The sending of the Sale or Lease Notice shall constitute an irrevocable offer by the Offeree Unit Owner to sell the Offeree's Unit, together with its appurtenant Common Interest, or to lease the Offeree's Unit, as the case may be, to the Condominium Board or to its nominee or designee, corporate or otherwise, on behalf and as agent of only all Residential and Storage Unit Owners upon the same terms and conditions as are contained in such Sale or Lease Agreement, subject, however, to the modifications and variances therefrom provided in Section 16.3 hereof.

16.2.6 Representations and Warranty. The giving of such Sale or Lease Notice shall further constitute a representation and warranty by the Offeree Unit Owner to the Condominium Board, on behalf and as agent of only all Residential and Storage Unit Owners, that such Offeree Unit Owner believes the Sale or Lease Agreement to be bona fide in all respects.

16.2.7 Submission of Documents. The Sale or Lease Notice shall be accompanied by such documents as the Board may determine from time to time to be part of the Board's "Standard Document Package" (defined below) in connection with the consideration of a Sale or Lease Agreement, together with such fee and charges as the Condominium Board may require from time to time in accordance with subsection 16.11.1 below. The **"Standard Document Package"** are all documents required by the Board relating to the housing, credit, financial and employment history of the Outside Offeror and may include a Building standard form of sale or lease application, income tax returns, credit reports, net worth statement, personal references, employer verification statement and current landlord good standing letter. The

Offeree Unit Owner shall also submit to the Condominium Board or its Managing Agent (as directed), promptly following written request therefor, such additional documents and/or information as the Condominium Board may reasonably request with respect to the Outside Offeror or the transaction.

16.2.8 Match Offer Right or Right of First Refusal. Except for an Exempt Transaction, the Condominium Board shall have the right to purchase an Offeree's Unit together with its appurtenant Common Interest (or to cause the same to be purchased by its nominee or designee, corporate or otherwise), or to lease an Offeree's Unit (or to cause the same to be leased by its nominee or designee, corporate or otherwise), as the case may be, on behalf and as agent of only all Residential and Storage Unit Owners, upon the same terms and conditions as are contained in the Sale or Lease Agreement for Offeree's Unit and stated in the response(s) by the Offeree Unit Owner to any requests for additional documents and/or information pursuant to the terms of the preceding subsection 16.2.7, subject (however) to such modifications and variances thereto as are required in the following Section 16.3 (herein called a "**Match Offer Right**" or "**Right of First Refusal**"). If the Board wishes to exercise the Match Offer Right (or Right of First Refusal), the Board shall do so in a written notice ("**Acceptance Notice**") given to the Offeree Unit Owner within twenty (20) business days after the Board or its Managing Agent receives the Sale or Lease Notice together with the Sale or Lease Agreement, the Standard Document Package and such further documents and/or information as may have been requested pursuant to the preceding subsection 16.2.7 ("**Option Period**").

16.2.9 Required Unit Owners' Approval. Notwithstanding anything to the contrary contained herein, the Condominium Board shall not exercise its Match Offer Right (or Right of First Refusal) to purchase or lease an Offeree's Unit set forth in this Section 16.2 without the prior approval thereof by vote of a majority in Common Interest of those Sold and Unsold Residential and Storage Unit Owners attending a duly constituted meeting of Residential and Storage Unit Owners called for such purpose and at which a quorum is present.

16.2.10 Compliance with Civil Rights Laws. In determining whether to elect to purchase or lease Offeree's Unit, the Condominium Board shall not discriminate against an Outside Offeror on the basis of race, creed, color, national origin, sex, sexual orientation, age, disability, marital status or other grounds prohibited by Law. This prohibition also applies to the sale, lease, sublease or other Disposition of Offeree's Unit by the Condominium Board or its nominee or designee as the Owner or tenant (as applicable) thereof.

Section 16.3 **Acceptance of Offer**

16.3.1 Sale or Lease Agreement with Board. In the event that the Condominium Board shall elect, within the Option Period and in the manner provided in Section 16.2.8 hereof, to purchase an Offeree's Unit together with its appurtenant Common Interest (or to cause the same to be purchased by its nominee or designee), or to lease Offeree's Unit (or to cause the same to be leased by its nominee or designee), as applicable and as directed by the Board, the Offeree Unit Owner shall send to the Condominium Board for execution the Sale or Lease Agreement, as modified: (a) to reflect the Board or its nominee or designee (as directed by the Board) as the purchaser or tenant (as applicable); and (b) to conform to the requirements set forth in subsection 16.3.2 or 16.3.3 below (as applicable). Within ten (10) calendar days after receipt thereof, the Condominium Board or its nominee or designee (as applicable) shall execute and

return to the Offeree Unit Owner the Sale or Lease Agreement (as applicable), as so modified, together with a check for the requisite contract deposit (in the case of a Sale Agreement).

16.3.2 Modified Terms of Sale Agreement. In the event such Offeree's Unit is to be sold to the Condominium Board or its nominee or designee, the Sale Agreement shall be modified to provide and conform to the following to the extent any provision of the original Sale Agreement is contrary, inconsistent or silent with respect thereto (except as otherwise provided in clauses (d) and (e) below):

(a) the contract deposit shall equal the lower of 10% of the purchase price of the Offeree's Unit or the contract deposit stated in the original Sale Agreement;

(b) such contract deposit shall be held in escrow and disposed of in accordance with the terms of the Sale Agreement (as modified by this Section 16.3) by the attorney for the Offeree Unit Owner, or if the Offeree Unit Owner does not have an attorney, by an attorney selected by the Condominium Board;

(c) the time and location of title closing shall be set by the Condominium Board and the date of title closing shall be determined by mutual agreement of the Condominium Board and Offeree Unit Owner or (if they are unable to agree) in no event later than sixty (60) business days after the Condominium Board gives the Offeree Unit Owner its Acceptance Notice electing to purchase Offeree's Unit;

(d) the Offeree Unit Owner shall convey Offeree's Unit and its appurtenant Common Interest to the Condominium Board or its nominee or designee (as directed by the Board) by bargain and sale deed with covenant against grantor's acts and in the form required by Section 339-o of the Condominium Act, and (unless otherwise expressly provided in the original Sale Agreement) with all documentary stamps affixed at the expense of the Offeree Unit Owner, who shall also pay all other City and State transfer taxes arising out of the sale which are at the time imposed by Law on a seller (but not the portion of such transfer taxes (such as the current New York State real property transfer tax, known as the "mansion tax"), which are imposed by Law on a purchaser);

(e) (unless otherwise expressly provided in the original Sales Agreement) the Offeree Unit Owner and Condominium Board or its nominee or designee (as applicable) shall apportion as of 11:59 p.m. of the day preceding the closing of title based on the actual number of days in the month of closing: (e-1) real estate taxes (if Offeree's Unit is not separately assessed at closing, the apportionment shall be based on the amount of real estate taxes for the Property which is attributable to Offeree's Unit as determined in accordance with Section 9.1 above); (e-2) Common Charges, including the then current installment of any Condominium Special Assessment for the month or period in which title closes (such Special Assessment shall be apportioned based on the actual number of days in such month or other period); (e-3) mortgage interest (if applicable); (e-4) gas and electricity (if separately metered or submetered); and (e-5) rent paid or payable under any existing lease or tenancy; and

(f) in the event of a default by the Board or its nominee or designee (as applicable) under the Sale Agreement, the Offeree Unit Owner shall have no recourse of any kind against the

Board or (if applicable) its nominee or designee, or the respective members, officers, agents, attorneys or employees of the Board or (if applicable) its nominee or designee, or Unit Owners, and the sole right and remedy of the Offeree Unit Owner shall be limited to canceling the Sale Agreement in a written notice to the Board or its nominee or designee (as applicable) and receiving the contract deposit and any interest earned thereon as and for liquidated damages and in full settlement, satisfaction, release and discharge of all Claims and Costs and Expenses of the Offeree Unit Owner, such cancellation to become effective upon the giving of the cancellation notice and the expiration of any applicable grace period stated in the Sale Agreement or allowed by Law, unless the default is cured within such grace period (if any).

16.3.3 Modified Terms of Lease Agreement. In the event Offeree's Unit is to be leased to the Condominium Board or its nominee or designee, the Lease Agreement shall be modified to provide and conform to the following to the extent any term in the original Lease Agreement is contrary, inconsistent or silent with respect thereto:

(a) the Lease Agreement will be on the then current prevailing printed form of lease of a condominium unit for non-regulated multiple dwellings in The City of New York (with such rider provisions, not materially inconsistent with such form lease) as those included in the proposed Lease Agreement with the Outside Offeror, unless waived by the Condominium Board, in its sole and absolute discretion;

(b) the provisions of such prevailing form lease will govern any conflict with the provisions of the proposed printed form original Lease Agreement with the Outside Offeree, unless waived by the Condominium Board, in its sole and absolute discretion;

(c) notwithstanding any prohibition or restriction against subletting in such prevailing form lease or in the proposed Lease Agreement with the Outside Offeror, the Condominium Board (or its nominee or designee, as applicable) shall have the right and discretion to sublease the Unit one (1) or more times Freely and Without Consent, Payment or Restriction and without the Offeree Unit Owner participating in, or sharing, the rent under such sublease;

(d) the terms of the Lease Agreement (and the obligation to pay rent) shall begin on a date mutually agreeable to the Condominium Board and Offeree Unit Owner, or (if they are unable to agree) on the later of: (d-1) the date of commencement of the term stated on the original Lease; or (d-2) the date that falls sixty (60) business days after the Condominium Board gives the Offeree Unit Owner its Acceptance Notice electing to lease Offeree's Unit; and

(e) in the event of a default by the Board (or its nominee or designee, as applicable) in the payment, performance or observance of any provision of the Lease, the Offeree Unit Owner shall have no recourse against the Board or its nominee or designee (as applicable), or the respective members, officers, agents, attorneys or employees of the Board or (if applicable) its nominee or designee, or the Unit Owners, and the sole right and remedy of the Offeree Unit Owner shall be limited to canceling the Lease Agreement in a written notice to the Board or its nominee or designee (as applicable), which cancellation shall become effective upon the giving of such cancellation notice and the

expiration of any applicable grace period stated in the Lease Agreement or allowed by Law, unless the default is cured within such grace period (if any).

16.3.4 Residential Common Expenses. All payments made by the Condominium Board or its nominee or designee to purchase, own, lease, Maintain, Repair, Alter and otherwise Operate and make any other Disposition of Offeree's Unit purchased or leased by the Condominium Board or its nominee or designee (as applicable) in accordance with this Article 16 will be included in the Residential Common Expenses, which shall be specially allocated to only all Residential and Storage Unit Owners and apportioned and assessed among them Pro Rata to their respective Common Interests in accordance and compliance with the Special Allocation and Apportionment Rule and Section 339-m.

16.3.5 Revenues. Similarly, any revenues derived from owning, selling, leasing, subleasing, mortgaging, Operating or making any other Disposition of Offeree's Unit owned or leased by the Condominium Board or its nominee or designee (as applicable) shall be applied to defray the Residential Common Expenses.

16.3.6 Source of Funds to Purchase. In connection with a purchase of Offeree's Unit, the Residential Board Members on behalf of the Condominium Board may levy a Special Assessment against only all Residential and Storage Unit Owners (other than the Offeree Unit Owner) in accordance with the terms of Section 8.4 hereof and/or the Residential Board Members on behalf of the Condominium Board may, in their discretion, finance the acquisition of Offeree's Unit; provided and on condition that:

(a) any such financing shall not be secured by an encumbrance on, or a hypothecation of, any portion of the Property other than the Offeree's Unit together with its appurtenant Common Interest;

(b) if the proposed borrowing (regardless of amount) is to occur during only the Sponsor Veto Control Period, the affirmative Discretionary Approval or Consent of Sponsor must first be obtained as provided in subsections 2.4.2(o) and 2.5.8 above; and

(c) the loan documents shall expressly provide that the Residential and Storage Unit Owners shall have non-recourse, limited and joint liability for the loan in accordance with Section 4.12 above, and the Retail Unit Owner shall not have any liability thereunder.

16.3.7 Existing Mortgage. In addition, if (in the case of a sale) the Outside Offeror was to assume or to take title to Offeree's Unit subject to the Offeree Unit Owner's existing mortgage or mortgages, the Condominium Board (or its nominee or designee, if and as applicable) may purchase Offeree's Unit and assume or take title thereto subject to such mortgage or mortgages, as the case may be, provided and on condition that:

(a) the requisite Discretionary Approval or Consent of Sponsor is first obtained pursuant to said subsections 2.4.2(o) and 2.5.8 above (if and as applicable); and

(b) such mortgage or mortgages shall expressly provide or include substantially equivalent provisions to the effect that Residential and Storage Unit Owners shall have non-recourse, limited and joint liability in accordance with said Section 4.12 above, and the Retail Unit Owner shall not have any liability thereunder.

16.3.8 Waiver of Partition, Use and Occupancy. While an Offeree's Unit is owned or leased by the Condominium Board or its nominee or designee, on behalf and as agent of all Residential and Storage Unit Owners, such Offeree's Unit shall be part of the Association's Residential Properties and all Residential, Storage and Retail Unit Owner shall be deemed to have waived all rights of partition, use and occupancy with respect to such Offeree's Unit to the same effect as herein provided with respect to the Common Elements, all as set forth more fully in Section 16.20 below.

16.3.9 Board Decisions. The Residential Board Members (including both the Independent and the Sponsor Board Members) on behalf of the Condominium Board shall make all decisions concerning an Offeree's Unit, including whether or not to exercise the Match Offer Right (or Right of First Refusal) pursuant to Section 16.2 above and this Section 16.3 and all decisions relating to the Disposition of Offeree's Unit while owned or leased by the Condominium Board (or its nominee or designee, if and as applicable), except the Board (or its nominee or designee, if and as applicable) shall not have the right to cast the votes appurtenant to such Unit. These decisions include:

(a) the use of an Offeree's Unit (provided such use shall be in accordance with the Declaration and these By-Laws);

(b) the occupancy of an Offeree's Unit (provided such occupancy shall be in accordance and compliance with the Occupancy Requirements of the Declaration and these By-Laws);

(c) the sale, lease, Operation, mortgage (subject to obtaining the requisite Discretionary Approval or Consent of Sponsor pursuant to subsections 2.4.2(o) and 2.5.8 above, if and as applicable) or other Disposition of an Offeree's Unit (if owned by the Condominium Board or its nominee or designee) or the Operation and sublease of an Offeree's Unit (if leased by the Condominium Board or its nominee or designee); and

(d) the Maintenance, Repair, Alteration and other Operation, and all other Dispositions of, an Offeree's Unit.

Section 16.4 **Failure to Accept Offer**

16.4.1 90 Days to Consummate. In the event that the Residential Board Members on behalf of the Condominium Board shall decline or fail to accept an offer made pursuant to the terms of Section 16.2 hereof within the twenty (20) business days Option Period set forth in subsection 16.2.8 above, the Offeree Unit Owner shall be free to consummate the transaction embodied in the Sale or Lease Agreement and stated in any responses to requests by the Board for additional documents and/or information, within a deadline of ninety (90) calendar days ("TIME BEING OF THE ESSENCE") after: (a) notice of declination is sent to the Offeree Unit Owner by the Condominium Board; or (b) (if no such declination notice is sent during the Option Period) the expiration of the Option Period within which the Condominium Board or its nominee or designee might have accepted such offer, as the case may be. If the Offeree Unit Owner shall fail to consummate the transaction embodied in the Sale or Lease Agreement and stated in any said responses within such ninety (90) calendar day deadline period ("TIME BEING OF THE ESSENCE"), then the transaction shall be voidable at the sole option of the Residential Board Members on behalf of the Condominium Board and (if the Residential Board

Members elect to void same) the Board will again have the Match Offer Right (or Right of First Refusal) to purchase or lease (as applicable) the Offeree's Unit and the Offeree Unit Owner shall be required again to comply with all of the terms and provisions of Sections 16.2, 16.3 and 16.4 hereof with respect to the original or any subsequent Outside Offeror.

Section 16.5 **Transactions Exempt from Match Offer Right**

16.5.1 Exempt Transactions. The following sales, transfers, conveyances and Leases are Exempt Transactions and not subject to the Condominium Board's Match Offer Right (or Right of First Refusal) under Section 16.2 hereof:

(a) (if Offeree Unit Owner is an individual) a sale, transfer, conveyance or Lease of any Offeree's Unit from its Owner to an adult member of such Owner's immediate family or to a trust for the benefit of such Owner or a member of such Owner's immediate family;

(b) (if Offeree Unit Owner is an Entity) a sale, transfer, conveyance or Lease of any Offeree's Unit from its Owner to: (b-1) any Entity in which such Owner owns more than 50% of the legal and beneficial interests; or (b-2) any Person who owns more than 50% of all legal and beneficial interests in such Owner;

(c) a transfer, conveyance or Lease of any Unit from its Owner to any Person who acquires title to or a Lease of such Owner's Unit as a gift or as an heir or distributee under the Owner's will or by intestacy;

(d) (if an Offeree Unit Owner is an individual who is judicially declared incompetent) a transfer, conveyance or Lease from such Owner to such Owner's legal guardian or representative;

(e) a sale, transfer or conveyance of any Unsold Unit, or a Lease or sublease of all or part of any Unsold Unit, by Sponsor or an Unsold Unit Owner to any Person, or any such transaction of any Unit to Sponsor or an Unsold Unit Owner;

(f) a sale, transfer or conveyance of the Retail Unit, or a Lease or sublease of all or part of the Retail Unit, to any Person;

(g) a sale, transfer, conveyance, Lease or sublease of any Unit to the Condominium Board (or its nominee or designee) or from the Condominium Board (or its nominee or designee) to any Person;

(h) a sale, transfer or conveyance of any Unit from an officer or other Person conducting a foreclosure sale of a mortgage, or the lien of the Condominium Board under Section 339-z of the Condominium Act and Section 8.9 above, or other lien foreclosure sale to any Person;

(i) a transfer or conveyance of any Unit by deed in lieu of foreclosure from a Unit Owner to a lien holder (e.g., a Permitted Mortgagee, the Condominium Board or other lienor) or to any Person designated by a lien holder; and

(j) a sale, transfer or conveyance of any Unit acquired by a lien holder or its designee pursuant to clause (h) or (i) above or otherwise to any Person.

16.5.2 Application to Succeeding Owner. Each succeeding Owner of a Unit shall be bound by, and such Owner's Unit shall continue to be subject to, all of the terms and conditions of this Article 16.

16.5.3 Proceeds of Sale or Rental. Apart from the charges and fees applicable in certain transactions as provided in Section 16.11 below, all proceeds realized on the sale or leasing of a Unit shall be retained by the Owner of such Unit, without participation by the Condominium Board or other Unit Owners.

Section 16.6 **Certificate of Waiver or Exemption as to Match Offer Right**

16.6.1 Requirement to Give Certificate. In the event the Condominium Board declines or fails to exercise or waives its Match Offer Right (or Right of First Refusal) or the proposed sale, transfer, conveyance or Lease is an Exempt Transaction pursuant to Section 16.5 above, the Condominium Board shall furnish, or cause the Managing Agent to furnish, to the applicable Offeree Unit Owner or the Owner whose Unit is exempt from the Match Offer Right pursuant to Section 16.5.1 above ("**Exempt Unit Owner**"), as applicable, and such Unit Owner shall receive, a written certification to such effect ("**Certificate**" or "**Certificate of Waiver or Exemption**") within the following ten (10) calendar day period: (a) in the case of an Offeree Unit Owner: within ten (10) calendar days after expiration of the twenty (20) business days Option Period set forth in subsection 16.2.8 above; or (b) in the case of an Exempt Unit Owner: within ten (10) calendar days after a reasonably detailed written request for such Certificate (setting forth the grounds for the Exempt Transaction) is given to the Condominium Board or its Managing Agent.

16.6.2 Execution and Contents of Certificate. The Certificate shall be executed and acknowledged by the following: (a) in the case of a Sold Unit: any Residential Board Member or any officer elected by the Residential Board Members or the Managing Agent; (b) in the case of an Unsold Unit: any Sponsor or Independent Board Member or any officer elected by the Sponsor or Independent Board Members or the Managing Agent; or (c) in the case of the Retail Unit: the Commercial Board Member or any Residential Board Member, or any officer elected by either the Commercial Board Member or the Residential Board Members, or the Managing Agent.

The Certificate of the Condominium Board shall state in effect that: (a) the provisions of Section 16.2 hereof have been met by the Offeree Unit Owner and that the Match Offer Right (or Right of First Refusal) provided for therein has been duly released or waived by the Condominium Board or that the transaction is exempt from the provisions of Section 16.2 pursuant to Section 16.5 hereof (as applicable); and (b) as a result thereof, the rights of the Condominium Board under such Section 16.2 have terminated or are not applicable (as the case may be).

16.6.3 Effect of Certificate. Such Certificate shall be conclusive upon the Condominium Board and all Unit Owners in favor of all Persons who rely upon such Certificate in good faith. After the due issuance of such Certificate, the Offeree's Unit to which the same relates, together with its appurtenant Common Interest, may be conveyed or leased (as applicable) free and clear of the terms and conditions contained in Section 16.2 hereof.

16.6.4 Pre-requisite for Giving Certificate. The Condominium Board shall have the right (without liability for any Claims or Liabilities and Expenses or other recourse of the Offeree Unit Owner or the Exempt Unit Owner or the Outside Offeror) to refuse to issue such Certificate if: (a) the Offeree Unit Owner or Exempt Unit Owner (as applicable) is in default in the payment of Common Charges or Additional Common Charges (including Special Assessments), if any, or in the payment or performance of a substantial or material obligation under the Condominium Documents; or (b) the Offeree Unit or the Unit owned by an Exempt Unit Owner (as applicable) is subject to an unpaid lien (other than a Permitted Mortgage). Upon the curing of such default or the satisfaction (or appropriate provision acceptable to the Board is made for the satisfaction) of such unpaid lien (as applicable), the Condominium Board shall cease to refuse to issue the appropriate Certificate.

16.6.5 Failure of Board to Exercise or Consummate. The Match Offer Right (or Right of First Refusal) described in Section 16.2 hereof shall be deemed terminated, released or waived by the Condominium Board (as opposed to satisfied pursuant to the express terms of Sections 16.2 and 16.4 hereof) even though the Condominium Board shall fail to furnish or cause the Managing Agent to furnish said Certificate of Waiver or Exemption within ten (10) calendar days after the expiration of the twenty (20) business days Option Period set forth in subsection 16.2.8 above within which the Condominium Board is to make its election; provided, however, that: (a) the Condominium Board shall fail to timely and properly exercise the Match Offer Right (or Right of First Refusal) or (if exercised) shall fail to consummate the Sale or Lease Agreement as provided in the Article 16; and (b) the Offeree Unit Owner shall have faithfully complied with the provisions of this Article 16.

16.6.6 Validity Unaffected. An Exempt Transaction pursuant to Section 16.5 hereof or a non-Exempt Transaction that meets the requirements of the preceding subsection 16.6.5 may be consummated without a Certificate and the failure to issue a Certificate for such transaction shall not affect the validity or enforceability of said transaction.

Section 16.7 **No Severance of Ownership**

A Unit Owner shall not execute any deed, mortgage or other instrument conveying or securitizing title to the Owner's Unit without including therein its appurtenant Common Interest, it being the intention to prevent any severance of such combined ownership. Any deed, mortgage or other instrument purporting to affect one (1) or more such interests shall be taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the Common Interest appurtenant to any Unit may be sold, conveyed, mortgaged or otherwise securitized, except as part of a sale, conveyance, mortgage or other securitization of the Unit to which such Common Interest is appurtenant or as part of a sale, conveyance or other securitization of such part of the Common Interests appurtenant to all Units. Nothing contained in this Section 16.7 however, shall prohibit the Lease of any Unit without the simultaneous Lease of its appurtenant Common Interest.

Section 16.8 **Payment of Common Charges**

A Sold Unit Owner shall not be permitted to convey or Lease such Owner's Sold Unit unless such Owner shall have paid in full to the Condominium Board all unpaid Common

Charges and Additional Common Charges theretofore assessed against such Unit, including past due installments of Special Assessments (but not installments not yet due and payable), and shall have satisfied all unpaid liens, other than that of Permitted Mortgages, on such Sold Unit (the foregoing shall not apply to Unsold Units or the Retail Unit). A letter from the Condominium Board or its Managing Agent stating the amount of Common Charges and Additional Common Charges (including Special Assessments, if any) with respect to such Sold Unit shall be conclusive evidence of such fact upon the Condominium Board and all Unit Owners in favor of all Persons who rely thereupon in good faith.

Section 16.9 **Unit Owner's Power of Attorney**

At the time of acquiring title to a Unit and as a condition thereof, the new Unit Owner, at such Owner's sole Cost and Expense, shall duly execute, acknowledge and deliver to the representative of such new Owner's title insurance company (or, if no such representative is present, to the Condominium Board) for recording in the Register's Office, and shall cause to be so recorded therein and shall pay all governmental charges and title company or agent service charges for recording, the Unit Owner's Power of Attorney required in Article 17 of the Declaration, in the form set forth as EXHIBIT E to the Declaration or then in use by the Condominium Board.

Section 16.10 **Gifts and Devises, Etc.**

In accordance with Section 16.5(c) above, any Unit Owner shall be free to convey or transfer the Owner's Unit, together with its appurtenant Common Interest, by gift, or to devise the same by will or to have the same pass by intestacy, without restriction and without compliance with Section 16.2 hereof, provided, however, that each succeeding Unit Owner shall be bound by, and such Owner's Unit shall be subject to, the provisions of this Article 16.

Section 16.11 **Charges Imposed on Non-Exempt Transactions**

16.11.1 Charges. If not expressly prohibited by Law, the Condominium Board shall have the power to fix by resolution (without amending the Declaration or By-Laws) and collect, before the consummation of any sale, transfer, conveyance, Lease or sublease of a Sold Unit in any transaction that is not an Exempt Transaction under Section 16.5 hereof, a reasonable charge to cover the reasonable fees and expenses of the Condominium Board and/or the Managing Agent and/or any attorney retained by the Condominium Board in connection therewith. The Condominium Board may also fix by resolution (without amending the Declaration or By-Laws) and collect a reasonable charge to cover said reasonable fees and expenses in connection with a mortgage financing or mortgage refinancing of a Sold Unit if any Board action is requested in connection therewith (but not for any mortgage financing or refinancing of an Unsold Unit or the Retail Unit, for which no charge shall be imposed or levied). In addition, the Condominium Board shall have the power to fix by resolution (without amending the Declaration or By--Laws) and collect a refundable, unapplied security deposit in an amount fixed by the Board for potential damage to the Common Elements on moving into or out of a Sold Residential Unit in connection with a sale, conveyance, Lease or sublease of such Unit (whether or not such transaction is an Exempt Transaction, other an exemption based on the Unit being an Unsold Residential or Storage Unit or the Retail Unit, for which no such security

deposit may be imposed or collected). The proposed fees payable by such Sold Unit Owner to the Managing Agent, and said proposed security deposit, set forth in the Plan shall conclusively be deemed to be reasonable. If such charge is adopted, it shall be added to and constitute Additional Common Charges payable by the Offeree Unit Owner. Any security deposit collected by the Board shall be refunded to the party making the deposit with reasonable promptness following the move, after deducting therefrom the Costs and Expenses to repair any damage to the Common Elements caused on the move and restore as near as economically practical the affected Common Elements to the condition existing immediately prior to the move. The security deposit shall not limit the amount recoverable in the event it is insufficient to fully pay the Costs and Expenses to repair and restore the Common Elements.

16.11.2 No Charges on Exempt Transaction. In no event shall any charge, fee, security deposit, cost, expense or other imposition be fixed or collected for any sale, transfer, conveyance or Lease (or sublease) that is an Exempt Transaction under Sections 16.5 hereof, including in particular (but not limited to): any Unsold Residential or Storage Unit or any Retail Unit sold, transferred, conveyed or Leased (or subleased) to or by Sponsor, an Unsold Unit Owner or the Retail Unit Owner (or a tenant of Sponsor, an Unsold Unit Owner or the Retail Unit Owner), except that a refundable, unapplied security deposit may be collected in connection with a move into or out of a Sold Residential Unit (but not a move into or out of an Unsold Residential Unit, for which no security deposit may be imposed or collected) as provided in subsection 16.11.1 above.

16.11.3 Flip Tax Authorization. The Condominium Board shall have the power to adopt by resolution (without amending the Declaration or By-Laws) a so-called "transfer fee", or "entrance fee" or "exit fee" (collectively, "**flip tax**") on the sale, transfer or conveyance of a Sold Unit in connection only with a transaction that is subject to the Match Offer Right (or Right of First Refusal) in Section 16.2 hereof (but not in an Exempt Transaction under Section 16.5 hereof, for which no flip tax may be imposed or collected), provided and on condition that: (a) such flip tax shall be approved in writing or by vote at duly constituted meeting of Residential and Storage Unit Owners called for such purpose; (b) Owners of not less than two-thirds (2/3rds) in number and Common Interest of all Sold and Unsold Residential and Storage Units (excluding for quorum and voting purposes any Unit owned by the Condominium Board, or its nominee or designee), shall affirmatively approve the flip tax and the amount thereof; and (c) the flip tax is not expressly prohibited by Law. If such flip tax is adopted, it shall be added to and constitute Additional Common Charges payable by the Offeree Unit Owner. Apart from the charges and fees authorized in this Section 16.11, the Offeree Unit Owner shall retain all proceeds realized from the sale or leasing of the Offeree's Unit, without participation by the Condominium Board or Unit Owners.

Section 16.12 **Estoppel Certificate**

If requested in writing by a Unit Owner, the Condominium Board shall deliver to the requesting Unit Owner from time to time, and such Unit Owner shall receive within ten (10) calendar days after each written request is given, a written statement ("**Estoppel Certificate**"): (a) certifying the date to which Common Charges and any Additional Common Charges (including Special Assessments) have been paid and the amount of any other unpaid indebtedness owed under the Condominium Documents; and (b) acknowledging that there are

not, to the best knowledge of the Condominium Board, any uncured defaults or violations on the part of the Unit Owner under the Condominium Documents, as same may then be amended, or specifying any defaults or violations if any are claimed.

The Estoppel Certificate shall be executed and delivered by the following:

(a) in the case of a Sold Residential or Storage Unit: any Residential Board Member or any officer elected by the Residential Board Members, or the Managing Agent, may execute and deliver such Estoppel Certificate;

(b) in the case of an Unsold Residential or Storage Unit: any Sponsor Board Member or Independent Board Member, or any officer elected by the Sponsor or Independent Board Members, or the Managing Agent, may execute and deliver such Estoppel Certificate; or

(c) in the case of the Retail Unit: the Commercial Board Member or any Residential Board Member, or any officer elected by either the Commercial Board Member or the Residential Board Members, or the Managing Agent, may execute and deliver such Estoppel Certificate.

Such Estoppel Certificate may be included in a Certificate of Waiver or Exemption and shall be conclusive upon the Condominium Board and all Unit Owners in favor any prospective purchaser or any prospective or existing holder of a mortgage on, or any prospective or existing tenant of, the Owner's Unit who relies thereon in good faith. The failure of such Unit Owner to receive such Estoppel Certificate within said ten (10) calendar day period shall be conclusive upon the Condominium Board and all Unit Owners that: (a) the Unit Owner is current in the payment of Common Charges and any Additional Common Charges (including Special Assessments); and (b) there is no other unpaid indebtedness owed, nor any uncured defaults or violations on the part of such Unit Owner, under the Condominium Documents, as same may be amended. The Condominium Board shall be required to deliver an Estoppel Certificate to a Unit Owner not more often than twice in any twelve (12) months period.

Section 16.13 **Registration of Mortgages**

A Unit Owner who mortgages the Owner's Unit or the holder of such mortgage, shall register such mortgage ("**Registered Mortgage**") with the Condominium Board by supplying the Condominium Board with the name and address of the mortgagee ("**Registered Mortgagee**") and filing a conformed copy of the mortgage and the note secured thereby with the Condominium Board. The failure to comply with the foregoing shall not affect the validity or enforceability of the mortgage. Any mortgage on a Sponsor Unit or the Retail Unit at the date of First Closing of a Residential Unit under the Plan that is not satisfied at such First Closing shall be considered a Registered Mortgage regardless of compliance with the foregoing. A Unit Owner who satisfies a mortgage covering the Owner's Unit shall so notify the Condominium Board in writing and shall also file a conformed copy of the satisfaction of the mortgage with the Condominium Board. The Secretary of the Condominium shall maintain all such mortgage information and documents in a book entitled Mortgages of Units.

Section 16.14 **Prohibition and Restriction on Mortgaging**

16.14.1 Prohibition. No Sold Unit Owner shall be permitted to mortgage, pledge or hypothecate such Sold Owner's Unit unless and until such Owner shall have paid in full to the Condominium Board all unpaid Common Charges and Additional Common Charges (including Special Assessments) theretofore assessed against such Sold Unit and shall have satisfied or bonded all unpaid liens against such Sold Unit, except the liens of mortgages made in compliance with these By-Laws (collectively, "**Permitted Mortgages**" and individually, "**Permitted Mortgage**") (the foregoing shall not apply to Unsold Units or the Retail Unit). Notwithstanding the foregoing, any mortgage, pledge or hypothecation of a Sold Unit without complying with the provisions of this subsection 16.14.1 shall not affect the validity or enforceability of such mortgage, pledge or hypothecation, but shall affect the priority of its lien, which shall be subject and subordinate to all then existing unpaid Common Charges (including any Special Assessments or other Additional Common Charges) theretofore assessed against such Unit. Any mortgage on a Sponsor Unit or the Retail Unit at the date of First Closing of a Residential Unit under the Plan is a Permitted Mortgage.

16.14.2 Restriction. No Unit Owner shall execute any mortgage or other document mortgaging, pledging or hypothecating title to such Owner's Unit without including therein its appurtenant Common Interest, it being the intention to prevent any severance of such combined ownership. Any mortgage or other instrument purporting to affect one or more of such interests without including all such interests shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein.

Section 16.15 **Notice of Unpaid Common Charges and Default**

Whenever requested in writing by a Registered Mortgagee who is the holder of a Permitted Mortgage ("**Permitted Mortgagee**"): (a) the Condominium Board shall with reasonable promptness notify such Permitted Mortgagee of any default or violation by its mortgagor-Unit Owner in the payment of Common Charges for more than one (1) calendar month or in the observance or performance of any of the provisions of the Condominium Documents as to which the Condominium Board has actual knowledge then exists; and (b) when giving notice of any default or violation to such mortgagor-Unit Owner, the Condominium Board shall also send a copy of such notice to such Owner's Permitted Mortgagee.

In no event, however, shall the Condominium Board (including its members, officers, agents, attorneys and employees) and Unit Owners be liable for any Claims or Liabilities and Expenses for any failure, through oversight or negligence, in notifying a Permitted Mortgagee of such default by such mortgagor-Unit Owner or in failing to send a copy of such default notice to the Permitted Mortgagee. Nonetheless: (a) the Condominium Board shall advise such Permitted Mortgagee of the default or violation with reasonable promptness after discovering such failure; and (b) if the Condominium Board shall foreclose its lien on such mortgagor's Unit pursuant to the terms of Section 8.13 hereof by reason of such default or violation, the Condominium Board shall pay to such Permitted Mortgagee the extent of any undistributed net proceeds of said foreclosure sale of such Unit then held by the Board (subject to and in accordance with the lien

priority set forth in Article 8 above), but not more than the sum as shall be due and owing to such Permitted Mortgagee.

Section 16.16 **Performance by Permitted Mortgagees**

Any sum of money to be paid and any act to be performed by a Unit Owner pursuant to the terms of the Condominium Documents may be paid and performed by such Owner's Permitted Mortgagee. The Condominium Board shall accept such Permitted Mortgagee's payment and performance with the same force and effect as if the same were paid and performed by such Unit Owner.

Section 16.17 **Examination of Minutes**

Each Permitted Mortgagee and its authorized representative shall be permitted to examine the minutes of meetings of Unit Owners during business hours, on business days, and on reasonable advance written notice, but not more frequently than once a month, all as provided more particularly in Section 14.7.3 above.

Section 16.18 **Consent of Mortgagees; Designation of Mortgage Representatives**

16.18.1 When Consent Required. Except as otherwise expressly provided in the Declaration or these By-Laws, no consent or approval by any mortgagee shall be required with respect to any determination or act of the Condominium Board or any Unit Owner, provided, however, that nothing contained herein shall be deemed to limit or affect the rights of any mortgagee against the mortgagor-Unit Owner under the mortgage held by such mortgagee. In the event that any such consent or approval shall be expressly required pursuant to the terms of the Declaration or these By-Laws, the decision of a majority of the "Mortgage Representatives" (as defined in, and if any are designated pursuant to the terms of, the following subsection 16.18.2) shall be deemed binding upon the holders of all mortgages encumbering Units.

16.18.2 Mortgage Representative(s). The holders of Institutional Mortgages constituting a majority in principal amount of all Institutional Mortgages may, if they so elect, designate not more than three (3) representatives ("**Mortgage Representatives**") by giving written notice thereof to the Condominium Board, which Mortgage Representatives shall thereby be empowered to act as the representatives of the holders of all mortgages encumbering Units with respect to any matter requiring the consent or approval of mortgagees under the Declaration or these By-Laws. Any designation of one (1) or more Mortgage Representatives pursuant to the terms of this subsection 16.18.2 shall be effective until any successor Mortgage Representatives is (are) designated pursuant to the terms hereof and written notice thereof is given to the Condominium Board. Unless otherwise required by Law, no holders of mortgages encumbering Units other than Permitted Mortgagees who hold Institutional Mortgages shall be entitled to participate in the designation of Mortgage Representatives, but all holders of mortgages encumbering Units shall be subject to all determinations made by the Mortgage Representatives pursuant to the terms of the Declaration or these By-Laws.

Section 16.19 **Subordination**

The lien of any mortgage of a Unit shall automatically be subordinate to the terms and provisions of the Declaration and these By-Laws, and any such mortgage that fails to provide for such subordination shall nonetheless be deemed to provide for such subordination. Although no further instrument shall be required to effectuate such subordination, each mortgagee of a Unit, by accepting such mortgage, agrees to execute and deliver any instruments and documents required to be executed and delivered by the Condominium Board in connection with the confirmation of such subordination. In the event such mortgagee fails to execute and deliver any such instruments or documents, its acceptance of such mortgage shall be deemed to constitute its appointment of the Condominium Board as its true and lawful attorney-in-fact in its name, place and stead to execute and deliver any such instruments and documents, such power being "coupled with an interest" and for valuable consideration, and with full power of substitution.

Section 16.20 **Waiver of Rights of Partition, Use and Occupancy of Units Acquired By Board**

In the event that any Residential or Storage Unit shall be acquired or leased by the Condominium Board, or its nominee or designee, on behalf of Residential and Storage Unit Owners, such Unit shall be part of the Association's Residential Properties and the ownership or lease of such Unit shall be deemed held on behalf of only the Residential and Storage Unit Owners, as tenants-in-common, and all such Owners and the Retail Unit Owner shall be deemed to have waived all rights of partition, use and occupancy with respect to such Unit. All Costs and Expenses incurred in connection with the acquisition and ownership, or the lease and any sublease, of such Unit, as well as the Maintenance, Repair, Alteration and Operation and Disposition of such Unit shall be part of the Residential Common Expenses, which shall be specially allocated to only all Residential and Storage Unit Owners and apportioned and assessed among them Pro Rata to their respective Common Interests in accordance with the Special Allocation and Apportionment Rule and Section 339-m. Similarly, all revenues derived from the rental, Operation, sale, permitted mortgaging or other Disposition of such Unit shall be used to defray the Residential Common Expenses or for such other appropriate purposes as shall be determined by the Board.

Section 16.21 **Registration of Tenants**

The tenant under any lease demising space in all or a portion of any Unit who is authorized in writing by the Unit Owner to have the benefits and protection of Sections 16.22 and 16.23 below, may register with the Condominium Board by furnishing to the Condominium Board a written statement of its name and address, the date of its lease, a description of the premises demised to it, and the last date on which such lease is scheduled to expire. Any tenant having so registered is herein called a "**Registered Tenant**".

Section 16.22 **Notices to Registered Tenants**

Whenever requested in writing by a Registered Tenant of a Unit: (a) the Condominium Board shall with reasonable promptness notify such Registered Tenant of any default or violation by the Owner of such Unit in the Owner's payment of Common Charges and any Additional Common Charges (including Special Assessments) for more than one (1) calendar month; and

(b) when giving notice of any default, violation or failure to comply with the Condominium Documents to the Owner of such Unit, the Condominium Board shall also send a copy of such notice to each Registered Tenant of such Owner's Unit.

In no event, however, shall the Condominium Board and Unit Owners be liable for any Claims or Liabilities and Expenses for any failure, through oversight or negligence, in notifying a Registered Tenant of such default, violation or failure, by such Unit Owner or in failing to send a copy of notice thereof to said Registered Tenant. Nonetheless, with reasonable promptness after the Board discovers its failure, the Condominium Board shall advise such Registered Tenant of the Unit Owner's default, violation or failure.

Section 16.23 **Performance by Registered Tenants**

Any sum of money to be paid and any act to be performed by a Unit Owner pursuant to the provisions of the Declaration or these By-Laws may be paid and performed by such Owner's Registered Tenant, and the Board shall accept such Registered Tenant's payment and performance with the same force and effect as though same were paid and performed by such Unit Owner.

ARTICLE 17

CERTAIN REMEDIES

Section 17.1 **Self-Help**

17.1.1 Notice of Violation. If a Unit Owner shall violate or breach or default under any of the provisions of the Condominium Documents on such Owner's part to be observed or performed (hereinafter collectively, "**violations**" or derivations thereof), including any violations of Owner's obligation to Maintain and Repair the Owner's Unit pursuant to the terms of Article 14 of the Declaration or these By-Laws, and shall fail to cure such violation within thirty (30) calendar days after being given written notice of the same from the Condominium Board or the Managing Agent (if any), or with respect to any violation not reasonably susceptible to cure within such period, shall fail to diligently to commence such cure and, thereafter, to prosecute such cure with due diligence and continuity to completion (but in no event longer than ninety (90) calendar days from the giving of such notice), the Condominium Board or (if the Condominium Board fails to act) Sponsor (during only the Sponsor Veto Control Period and until issuance of the said permanent Certificate of Occupancy of the Building) shall each have the right to enter such Owner's Unit and/or its appurtenant Limited Common Element (if any) and, at the sole Cost and Expense of the offending Unit Owner, to summarily abate, remove or cure such violation without thereby being deemed guilty or liable in any manner of trespass or otherwise ("**Right of Self-Help**"). The offending Unit Owner shall reimburse the Condominium Board or Sponsor (as applicable) for such Costs and Expenses incurred to remedy such violation within ten (10) calendar days after being given written demand therefor accompanied by a reasonably detailed bill itemizing same, together with the Costs and Expenses of collection thereof and per diem interest on all said Costs and Expenses incurred at a rate equal to the lower of 16% a year or the highest rate allowed by Law, computed from the date each item of Cost and Expense is incurred or paid to the date full payment of same is received by the

Condominium Board or Sponsor (as applicable). All Cost and Expense billed by the Condominium Board pursuant to the foregoing shall be regarded as Additional Common Charges assessed to, and payable by, such offending Unit Owner.

17.1.2 No Violation Notice in Emergency. In addition, in the event that the Condominium Board or (if the Condominium Board fails to act) Sponsor (during only the Sponsor Veto Control Period and until the issuance of said permanent Certificate of Occupancy of the Building) shall determine that the abatement, removal or cure of any such violation is immediately necessary for the preservation of the Building or for the life, health, safety or security of the occupants of the Building or other individuals, or is required to avoid the suspension of any necessary service in the Building or to correct any dangerous or hazardous condition, the Condominium Board or Sponsor (as applicable) may take such action immediately, without prior notice, without allowing the said Unit Owner any period of time within which to cure or to commence to cure such violation and without being guilty or liable in any manner of trespass or otherwise.

17.1.3 Board Violation. If the Condominium Board shall violate any of Sponsor's/Commercial Owner's Rights as defined in Section 28.1 of the Declaration or fails to perform or comply with its obligations under the Condominium Documents, including those relating to the Maintenance and Repair of the Common Elements (as provided in Article 14 of the Declaration) or to the restoration of the Common Elements after a casualty loss or a Taking by eminent domain or condemnation (as defined and provided respectively in Articles 7 and 18 hereof), then: (a) the Condominium Board shall indemnify Sponsor and the Retail Unit Owner from and against any resulting Claims and Liabilities and Expenses; and (b) Sponsor and the Retail Unit Owner shall each have the Right of Self-Help, but not the obligation, to correct such violation or perform such defaulted obligation in the name, and at the Cost and Expense, of the Condominium Board, which shall be specially allocated and apportioned to those Unit Owners required to pay the Costs and Expenses to correct such violation or perform such defaulted obligation under these By-Laws or the Declaration in accordance with the Special Allocation and Apportionment Rule and Section 339-m. This indemnity and Right of Self-Help will apply only if: (a) the Board's violation or failure to perform occurs while the Independent Board Members constitute a majority of all Board Members; and (b) (in the case of a violation issued or noted by a Governmental Authority against the Building) Sponsor is not obligated to correct the violation under the Plan.

17.1.4 Board Cure Period. In addition, before Sponsor or the Retail Unit Owner (as applicable) undertakes any Work to be paid or reimbursed by the Condominium Board:

(a) Sponsor or such Retail Unit Owner (as applicable) shall first send to any Independent Board Member written notice ("**Self-Help Notice**") of the election of Sponsor or such Retail Unit Owner (as applicable) to do the Work at the expense of the Condominium Board; and

(b) the Condominium Board shall be given the following period to commence the Work: (b-1) thirty (30) calendar days from giving the Self-Help Notice (if, in the reasonable judgment of Sponsor or such Retail Unit Owner, as applicable, the Work will cost in the aggregate under $100,000); (b-2) sixty (60) calendar days from giving the Self-Help

Notice (if, in the reasonable judgment of Sponsor or such Retail Unit Owner, as applicable, the Work will cost in the aggregate $100,000 or more); or (b-3) ninety (90) calendar days from receipt of any proceeds of insurance (in the case of a casualty) or of any award (in the case of a Taking by eminent domain or condemnation); and

(c) the Condominium Board shall be allowed a reasonable period to complete the Work with reasonable diligence and continuity.

In the event the Condominium Board does not begin the Work within the applicable time period or the Condominium Board does not complete the Work within a reasonable period, Sponsor or said Retail Unit Owner (as applicable) may (but is not obligated to) proceed to do the Work in the name, and at the Cost and Expense, of the Condominium Board, as provided in subsection 17.1.3 above.

17.1.5 Reimbursement of Sponsor or Retail Unit Owner. In the event Sponsor or the Retail Unit Owner (as applicable) elects to do the Work, the Condominium Board will reimburse Sponsor or such Retail Unit Owner (as applicable), promptly after written demand is made, for the Costs and Expenses of Sponsor or such Retail Unit Owner (as applicable) incurred in connection therewith. Sponsor's or such Retail Unit Owner's (as applicable) demand notice shall be accompanied by a reasonably detailed statement of the Costs and Expenses to be reimbursed and copies of any supporting or relevant bills. If full payment is not received by Sponsor or said Retail Unit Owner (as applicable) within a deadline of ten (10) business days after giving the demand notice ("TIME BEING OF THE ESSENCE"), the Condominium Board shall reimburse Sponsor or said Retail Unit Owner (as applicable) per diem interest thereon (for lost opportunity of earnings on the amount owed), at a rate equal to the lower of 16% a year or the highest rate allowed by Law, computed from the first day following the ten (10) business day deadline period through the date payment is received by Sponsor or said Retail Unit Owner, as applicable. In addition, the Condominium Board shall reimburse Sponsor or said Retail Unit Owner (as applicable) for the Costs and Expenses incurred to collect the amounts owed together with per diem interest thereon at a rate equal to the lower of 16% a year or the highest rate allowed by Law, computed from the date each item of Cost or Expense is paid through the date such amount is received by Sponsor or said Retail Unit Owner (as applicable). All amounts to be so reimbursed by the Condominium Board shall be borne by the applicable Unit Owners in accordance with subsection 17.1.3 above.

17.1.6 Indemnity. If the Condominium Board or Sponsor or the Retail Unit Owner (each, an "**Aggrieved Party**") exercises the Right of Self-Help pursuant to this Section 17.1, such Aggrieved Party shall be deemed to have agreed to indemnify (a) the alleged offending Party, (b) (if the Board is not the Aggrieved Party) the Condominium Board, and its members, officers, employees, agents (including the Managing Agent) and attorneys and (c) each Unit Owner from and against any and all Claims and Liabilities and Expenses caused by negligence or the acts or omissions of the Aggrieved Party or its Agents, Employees and Contractors, which may be incurred by the indemnified Parties in connection with such exercise of its Right of Self-Help.

17.1.7 Duty to Protect. An Aggrieved Party exercising the Right of Self-Help shall make all reasonable efforts to protect life, health, safety and security of Owners, tenants and

occupants of Units and property located in the portion of the Property to which Work is being performed pursuant thereto and shall not unreasonably interfere with the use, occupancy or Operation of, or the business being conducted in, such portion of the Property for its intended purposes.

Section 17.2 **Abatement and Enjoinment**

17.2.1 Unit Owner Violation. In the event that any Unit Owner shall violate any of the provisions of the Condominium Documents on such Owner's part to be observed or performed, the Condominium Board or (if the Condominium Board fails to act) Sponsor (during only the Sponsor Veto Control Period and until the issuance of said permanent Certificate of Occupancy of the Building) shall have the right to enjoin, abate or remedy the continuance or repetition of any such violation by appropriate Lawsuit.

17.2.2 Violation of Sponsor's/Commercial Owner's Rights. The violation of any of the terms of the Condominium Documents or the Plan with respect to any of Sponsor's/Commercial Owner's Rights thereunder shall give to Sponsor or the Retail Unit Owner (as the case may be) the right to enjoin, abate or remedy the continuation or repetition of any such violation by appropriate Lawsuit.

17.2.3 Reimbursement. The offending Party who is the subject of a Claim or Lawsuit brought pursuant to this Section 17.2 shall be obligated to reimburse the Party bringing such Claim or Lawsuit for all Costs and Expenses incurred in connection with such violation and the resulting Claim or Lawsuit, as well as all Costs and Expenses of collection thereof, together with per diem interest thereon (for lost opportunity of earnings on the amount owed) at a rate equal to the lower of 16% a year or the highest rate allowed by Law, computed from the date each item of Cost or Expense is paid through the date payment is received. The demand notice shall be accompanied by a reasonably detailed statement of all Costs and Expenses to be reimbursed and copies of any supporting or relevant bills.

17.2.4 Additional Common Charges. All sums payable by a Unit Owner to the Condominium Board pursuant to the terms of this Article 17 shall, for all purposes hereunder, constitute Additional Common Charges payable by such Unit Owner promptly following written demand or with the next regular monthly payment of Common Charges (as directed by the Board).

Section 17.3 **Remedies Cumulative**

The remedies specifically granted to each of the Condominium Board, Sponsor and the Retail Unit Owner in this Article 17 or elsewhere in the Condominium Documents shall be cumulative, shall be in addition to all other remedies obtainable at Law or in equity and may be exercised at one time or at different times, concurrently or in any order, in the sole discretion of the Condominium Board or Sponsor or the Retail Unit Owner, as the case may be. Further, the exercise of any remedy shall not operate as a waiver, or preclude the exercise, of any other remedy.

Section 17.4 **No Arbitration**

Notwithstanding any other provision of the Condominium Documents to the contrary, the exercise and enforcement of the provisions of this Article 17 and all disputes and controversies underlying a violation, breach or default which give rise to the exercise and enforcement hereof, at the exclusive option and absolute discretion of the Aggrieved Party exercising and seeking to enforce these provisions, shall not be subject to arbitration under Article 19 below. An offending Party against whom the provisions of this Article are being enforced shall not have the right to submit said underlying dispute or controversy to arbitration while the provisions of this Article 17 are being exercised and enforced by an Aggrieved Party. This Section 17.4 is paramount and shall govern any conflict or inconsistency with any other provision of the Condominium Documents.

ARTICLE 18

CONDEMNATION OR EMINENT DOMAIN

Section 18.1 **Taking of Entire Property**

If the entire Property is taken in condemnation or by eminent domain (herein called "**Taken**" or a "**Taking**"), then the award of the Taking authority shall be distributed among all Unit Owners Pro Rata to the respective then existing fair market values of the Units and their appurtenant Common Interests as determined by the Taking authority. Each Unit Owner shall have the right to pursue a separate Claim against the Taking authority for its share of the award, which may include an award for all fixtures, additions and improvements which are part of the Owner's Unit as well as for relocation and moving expenses and similar allowances designed to facilitate relocation of a displaced business concern (in the case of the Retail Unit) or a displaced household (in the case of a Residential Unit).

Section 18.2 **Taking of Units**

If only one (1) or more, but not all, Units are Taken, then the award of the Taking authority shall be distributed exclusively to or among the Owner or Owners of the Units (as applicable) so Taken. In the latter case, the award shall be distributed to each such Owner shall be Pro Rata to the respective then existing fair market values of the Units and their respective appurtenant Common Interests Taken (i.e., in the proportion that then existing fair market value of such Owner's Unit and its appurtenant Common Interest bears to the then existing aggregate fair market values of all Units and their respective appurtenant Common Interests Taken), as such fair market values are determined by the Taking authority. Each such Unit Owner shall have the right to pursue a separate Claim against the Taking authority for its share of the award, which may include an award for the Unit's fixtures, additions and improvements as well as for the Owner's relocation and moving expenses as provided in Section 18.1 above.

In the event the remaining Unit Owners elect to withdraw the Property from the Condominium Act in accordance with Section 19.1(b) of the Declaration, then the portions of the Property not Taken shall be subject to an action for partition pursuant to Section 19.2 of the Declaration, which shall apply with respect to said remaining Unit Owners.

Section 18.3 **Taking of Portions of Common Elements**

18.3.1 Board Authority. If the entire Property is not Taken but portions of the Common Elements are Taken, regardless of whether one (1) or more Units are also Taken, the Condominium Board as agent and on behalf of Unit Owners shall have the exclusive right and authority to pursue a Claim against the Taking authority with respect only to the portions of the Common Elements Taken and the remaining portions of Common Elements and the remaining Units damaged or destroyed by the Taking, except as otherwise provided in subsection 18.3.2 below. The Board's right and authority to pursue such Claim include the following: (a) to present evidence, negotiate, settle and otherwise conduct and make all decisions as to the proceedings before the Taking authority and all Lawsuits resulting therefrom; (b) to execute and acknowledge in the name of Unit Owners, as attorney-in-fact, all Litigation Documents, settlement agreements, releases and other documents in furtherance of the foregoing; and (c) to retain legal counsel, appraisers and other professionals and experts in connection with the foregoing.

18.3.2 Separate Claims of Units Taken. Each Owner of a Unit which is also Taken with portions of the Common Elements shall continue to have the right to pursue a separate Claim against the Taking authority with respect to such Owner's Unit and its appurtenant Common Interest, including the Unit's Equipment, Installations, fixtures, additions and improvements, as well as the Owner's moving and relocation expenses as provided in Section 18.2 above. However, the Claim with respect to a Unit not Taken but that is damaged or destroyed by the Taking shall be pursued exclusively by the Board in accordance with the preceding subsection 18.3.1, except that the Owner of such damaged or destroyed Unit shall have the exclusive right to pursue any Claim against the Taking authority with respect to the Unit's individual Equipment, Installations, fixtures, additions and improvements and the Owner's relocation and moving expenses.

18.3.3 Allocation of Award. The award in such Taking under subsection 18.3.2 above shall be allocated between or among the Common Elements Taken and the Unit or Units Taken Pro Rata to their respective then existing fair market values. Such values shall be determined in accordance with the floor space Taken (including the floor space of a Unit Taken together with the floor space of the Individual Limited Common Element, if established, appurtenant to such Unit also Taken), the relative value of said floor space Taken to other space in the Property, the uniqueness of said floor space Taken, the overall dimensions of the remaining floor space not Taken, and any decrease in the availability, utility, function or performance of Common Elements for common use or exclusive or substantially exclusive use resulting from such Taking. Any Unit Owner who has the right to use, or to exclusive or substantially exclusive use of, the affected Common Elements or whose Unit is Taken may dispute any appraisal obtained to determine such values and submit the controversy to arbitration in accordance with Article 19 below.

18.3.4 Application of Award. The award of the Taking Authority made with respect to the Common Elements that are not Taken but are damaged or destroyed by the Taking shall be paid to the Condominium Board as agent and on behalf of all Unit Owners and applied by the Board in the following order: first, to pay the Costs and Expenses incurred by the Condominium Board to recover the award; and second, the balance ("**Net Award Trust Funds**")

to Repair the remaining portions of the Common Elements not Taken but that are damaged or destroyed by the Taking, such Repair to be performed on the same basis as set forth in the provisions of Section 3.3 above, which shall apply and be followed with respect to such Repair of said damaged Common Elements. Such Net Award Trust Funds shall be allocated to the affected General Common Elements, Residential Common Elements and (if established) Limited Common Elements, Commercial Limited Common Elements and Individual Limited Common Elements Pro Rata to the Costs and Expenses to Repair same, which allocation shall be made on the same basis as set forth in the provisions of Section 3.4 above, which also shall apply and be followed with respect to such allocation of Net Award Trust Funds. If the Net Award Trust Funds shall be insufficient to pay the Costs and Expenses of performing such Repairs, the Board shall levy a Special Assessment to pay the deficiency, which Special Assessment shall be levied on the Residential and Storage Unit Owners and/or the Retail Unit Owner (as applicable) on the same basis as set forth in the provisions of Section 3.5 above, which also shall apply and be followed with respect to such insufficiency in the Net Award Trust Funds. If, conversely, the Net Award Trust Funds shall exceed the Costs and Expenses of performing such Repairs, such surplus shall be distributed to the Residential and Storage Unit Owners and/or the Retail Unit Owner (as applicable), which distribution shall be made on the same basis as set forth in the provisions of Section 3.6 above, which also shall apply and be followed with respect to such surplus in the Net Award Trust Funds.

In the event Repairs are not made and the remaining portions of the Property not Taken shall become the subject of an action for partition, then the Net Award Trust Funds shall be distributed to all remaining Unit Owners Pro Rata to the respective then existing fair market values of the Units and their appurtenant Common Interests in accordance with Section 19.2 of the Declaration.

18.3.5 Unsold Units and Retail Unit. If an Unsold Unit or the Retail Unit, or any portion thereof, shall be the subject of all or part of any Repairs, then notwithstanding anything herein to the contrary, Sponsor or other Owner of such Unsold Unit or Retail Unit (as applicable) shall have the exclusive right to arrange, make all determinations and supervise the Repairs, Decorating, finishing and equipping of such Owner's Unsold Unit or Retail Unit (as applicable).

18.3.6 Party in Charge. If the damage or destruction is to be Repaired and affects exclusively or substantially exclusively a single Unit, then notwithstanding anything herein to the contrary, the Owner of such Unit shall promptly make all arrangements and determinations as to, and shall supervise, the Repairs thereof. In all other cases, the Condominium Board shall promptly make all such arrangements and determinations of, and shall supervise, the Repairs, except as otherwise expressly provided in subsection 18.3.5 above with respect to Sponsor's/Commercial Owner's Rights to do the same with respect to Unsold Units or the Retail Unit (as applicable).

18.3.7 Decorations. The Costs and Expenses to make Repairs to coverings, finishes, treatments and other Decorations of walls, floors or ceilings of the General Common Elements, Residential Common Elements and (if established) Limited Common Elements, Commercial Limited Common Elements and Individual Limited Common Elements shall be part of the following Common Expenses to the extent the Net Award Trust Funds, after being

allocated and applied for all other Repairs in accordance with this Article 18, shall be insufficient therefor:

(a) in the case of said Decorations of the General Common Elements, such Costs and Expenses shall be part of the General Common Expenses, which shall be allocated to all Residential and Storage Unit Owners and the amount allocated to the Retail Unit Owner shall be limited or restricted strictly to the extent of said Costs and Expenses to Decorate those General Common Elements that actually serve or are actually utilized by such Retail Unit Owner; and the amount so allocated to all Unit Owners shall generally be apportioned and assessed among them Pro Rata to their respective Common Interests, unless the amount fairly and properly attributable to such Retail Unit Owner or to the Residential and Storage Unit Owners would otherwise require, in which case such fair and proper apportionment shall be used;

(b) in the case of said Decorations of the Residential Common Elements, such Costs and Expenses shall be part of the Residential Common Expenses, which shall be specially allocated to only all Residential and Storage Unit Owners and apportioned and assessed among them Pro Rata to their respective Common Interests in accordance with the Special Allocation and Apportionment Rule and Section 339-m; or

(c) in the case of said Decorations of the Limited Common Elements, Commercial Limited Common Elements or Individual Limited Common Elements (if established), such Costs and Expenses shall be specially allocated and assessed solely to the Unit Owner or Unit Owners having exclusive use of such Limited Common Elements, Commercial Limited Common Elements or Individual Limited Common Elements (as applicable).

Section 18.4 **Lien Priority**

No payment of any award or surplus Net Award Trust Funds shall be made to a Unit Owner until there has first been paid out of such Unit Owner's share thereof, such amounts as may be necessary to pay off all unpaid liens on the Owner's Unit (including the liens of mortgages and the liens of the Condominium Board) in the order of priority of such liens. Notwithstanding the foregoing, however, in the event a Special Assessment is levied pursuant to the terms of subsection 18.3.4 above for any projected deficiency in the amount of the Net Award Trust Funds available to the Condominium Board and, after the payment of all Costs and Expenses incurred in connection with the Repairs, any portion of the Net Award Trust Funds remains unspent, such surplus Net Award Trust Funds shall, to the extent such Special Assessment contributed to such surplus, be deemed to be, and shall constitute, an unspent Special Assessment and shall be refunded to the applicable Unit Owners so assessed in proportion to the amount assessed, free of any claim of any lienor (including, without limitation, any mortgagee) other than the lien of the Condominium Board.

Section 18.5 **Adjustment of Common Interests**

18.5.1 Changes in Common Interests. If a portion of the Property Taken is no longer subject to the Condominium Documents and the Property shall not be subject to a partition action as provided in Section 19.2 of the Declaration, then the Common Interest of each

Unit affected by such Taking shall be eliminated (if an entire Unit is Taken) or proportionately reduced (if only a portion of a Unit is Taken) and the Common Interests appurtenant to all other Units shall be proportionately increased by the amount of change in Common Interest of the affected Unit so that the total Common Interests of all remaining Units shall equal 100%. All such proportionate changes in Common Interests shall be based on the same factors used originally to determine the Common Interests as set forth in Article 8 of the Declaration. Any dispute that may arise hereunder shall be resolved by arbitration pursuant to Article 19 below.

18.5.2 Procedure. All changes in Common Interests shall be reflected in a duly recorded Amendment to the Declaration and (to the extent required by the Condominium Act) Floor Plans, which shall be prepared by the Condominium Board. The Amendment to the Declaration shall be executed and acknowledged in recordable form by the Condominium Board and the remaining Unit Owners and holders of recorded liens on such Units in accordance with Article 22 of the Declaration. In lieu of executing the Amendment, such Unit Owners and lienors may execute and acknowledge in recordable form a separate consent which shall be attached to the Amendment.

18.5.3 Changes in Votes. Following said Taking of all or a portion of a Unit and the recording of such Amendment to the Declaration and (if applicable) said consent to such Amendment, the votes based on the Common Interest appurtenant to the affected Unit shall be based on its new Common Interest (in case of only a partial Taking) or shall wholly terminate (in the case of a Taking of the entire Unit) and the votes based on Common Interests appurtenant to all other Units whose Common Interests are changed pursuant to subsection 18.5.1 above shall be based on their new Common Interests.

Section 18.6 **Abatement in Common Charges**

If due to destruction or damage caused by a Taking a Unit is rendered wholly or partially unusable for the purposes permitted in the Declaration, or the means of reasonable access thereto is prevented, the Common Charges otherwise payable by the Owner thereof shall proportionately abate until such Unit shall again be rendered useable for the purposes permitted in the Declaration and/or until the means of reasonable access thereto shall be restored, as the case may be. The amount of abatement shall be determined by the Condominium Board, in its discretion, reasonably exercised. To the extent that the amount of such abatement is not covered by insurance maintained by the Board and the affected Unit is a Residential or Storage Unit, such uninsured amount shall be included in the Common Charges payable by only all Residential and Storage Unit Owners and apportioned and assessed among them Pro Rata to their respective Common Interests. The foregoing notwithstanding, if the destruction or damage shall be caused by an act, omission, negligence, abuse or neglect of the Owner or a tenant or occupant of the affected Unit, or any contractor or worker engaged by such Owner or tenant, the Common Charges otherwise payable by such Owner shall abate only to the extent of any proceeds of business interruption or similar insurance actually collected by the Condominium Board with respect to such affected Unit.

ARTICLE 19

ARBITRATION

Section 19.1 **Submission to Arbitration**

19.1.1 Requirement to Arbitrate. Subject and subordinate to any provision of the Declaration or By-Laws which expressly excludes arbitration to resolve a dispute (including subsections 11.3.4 and 16.1.2 and Section 17.4 above), this Article shall constitute a written agreement of the Parties to submit to arbitration (and not Litigation) conducted in The City of New York in accordance with the terms of this Article 19 and the then "applicable commercial arbitration rules" (as defined in Section 19.3 below) any dispute, controversy or claim arising out of, or concerning, the Declaration or these By-Laws for which arbitration is required or permitted under the Declaration or these By-Laws, provided that: (a) the only Parties to the dispute are Unit Owners or one (1) or more Unit Owners and the Condominium Board; and (b) if the terms of this Article 19 differ from or conflict with the then applicable commercial arbitration rules, the arbitrators shall be chosen and the arbitration shall be governed in accordance with and pursuant to the terms and provisions of this Article 19.

19.1.2 Exclusive Dispute Resolution Method. Arbitration in accordance with this Article shall be the exclusive dispute resolution method for any dispute for which arbitration is required or permitted under the Declaration or these By-Laws, unless: (a) expressly provided otherwise in the Declaration or these By-Laws; or (b) all Parties to the dispute unanimously agree to vary any of the terms of this Article or unanimously agree to resolve their dispute in any other manner (including the manner set forth in Section 3031 of the New York Civil Practice Law and Rules and known as "New York Simplified Procedure for Court Determination of Disputes" or an equivalent statute).

Section 19.2 **Notice of Arbitration**

The Party desiring arbitration of such dispute, controversy or claim shall give notice ("**Arbitration Notice**") of its intention to submit such dispute, controversy or Claim to arbitration. Such Arbitration Notice shall set forth with particularity the dispute, controversy or claim sought to be arbitrated, and shall, in addition, comply with any applicable requirements of the then applicable commercial arbitration rules, which requirements supplement, without conflicting with, the foregoing requirements in this sentence regarding such notice.

Section 19.3 **Commercial Arbitration Rules**

For purposes of this Article 19, the term "**then applicable commercial arbitration rules**" shall mean the commercial arbitration rules then applicable of the American Arbitration Association (or any successor thereto with similar function). If the American Arbitration Association or any successor thereto with similar function shall not then be in existence, the Parties to an arbitration to which the arbitration rules of the American Arbitration Association (or any successor thereto with similar function) would otherwise apply under this Article 19, during the fifteen (15) calendar day period following the giving of the Arbitration Notice referred to in Section 19.2 above, shall endeavor to agree upon an appropriate body of rules to govern arbitration to be conducted pursuant to this Article 19, and such rules so agreed on shall be the

then applicable arbitration rules. However, if said Parties fail to so agree within such fifteen (15) calendar day period, such arbitration shall be governed by, and the then applicable arbitration rules shall be, the rules then applicable of the entity most commonly utilized in the New York City metropolitan area for the arbitration of commercial disputes.

Section 19.4 **Selection of Arbitrators**

19.4.1 Definition. The term **"Appointing Authority"** shall mean the entity or body that administers the then applicable commercial arbitration rules, provided that if such entity or body shall be affiliated with or subject to control by any Party to an arbitration, the Appointing Authority for purposes of such arbitration shall instead be the entity at the time most commonly utilized in the New York City metropolitan area for the arbitration of commercial disputes and which is not so affiliated or subject to such control.

The term **"qualified arbitrator"** as used herein shall mean a disinterested individual having not less than ten (10) years experience relating to residential and commercial mixed-use real estate in New York City relatively comparable to the Property and relating to the specific matter in dispute.

19.4.2 Number of Arbitrators. In any dispute involving claims exceeding $100,000 in the aggregate, the dispute shall be submitted for resolution by three (3) arbitrators selected in accordance with subsection 19.4.3 below. All other disputes shall be submitted for resolution by a single arbitrator.

19.4.3 Procedure. In the case of a dispute to be resolved by three (3) arbitrators as provided in subsection 19.4.2 above, the Party desiring arbitration shall appoint a qualified arbitrator on its behalf, and give notice thereof to the other Party or Parties to the arbitration, who shall, within fifteen (15) calendar days thereafter, collectively (if more than one other Party), appoint a second qualified arbitrator on its or their behalf and give written notice thereof to the first Party. The arbitrators thus appointed shall, within fifteen (15) calendar days following the appointment of the second arbitrator, appoint a third qualified arbitrator and said three arbitrators shall, as promptly as possible (but in any event within thirty (30) calendar days following the appointment of the third arbitrator), determine the matter which is the subject of the arbitration, and whether any damages, costs or expenses are to be awarded in connection therewith.

19.4.4 Selection by Appointing Authority. If a Party to the arbitration having the right pursuant to subsection 19.4.3 above to appoint an arbitrator fails or neglects to do so within the requisite fifteen (15) calendar day period, or if the two (2) arbitrators appointed by the Parties to the arbitration shall fail to appoint a third arbitrator within the requisite fifteen (15) calendar day period following the appointment of the second arbitrator, then any of the Parties to the arbitration may apply to the Appointing Authority for the appointment of such arbitrator.

19.4.5 Successor. In the event any of the three (3) arbitrators selected pursuant to subsection 19.4.3 or 19.4.4 above shall fail, refuse or be unable to act, his or her successor shall be appointed within ten (10) calendar days by the Party or Parties to the arbitration who originally appointed him or her, or in the event such Party or Parties shall fail to so appoint such successor, or in the case of the third arbitrator, his or her successor shall be appointed as

provided in subsection 19.4.4 above. None of the Parties to the arbitration shall raise any challenge or objection as to the full power and jurisdiction of the Appointing Authority to entertain such application and make such appointment.

Section 19.5 **Decision of Arbitrator(s); Binding Effect**

19.5.1 Majority Requirement. The decision of the arbitrator (in the case of a single arbitrator) or a majority of the arbitrators (in the case of three (3) arbitrators) shall be delivered to the Parties to the arbitration by the arbitrator(s) when made and shall be controlling for all purposes under the Declaration and these By-Laws immediately upon receipt by said Parties of a copy of the decision.

19.5.2 Immediately Effective. The effectiveness and implementation of such decision for such purposes shall not be delayed or postponed pending confirmation of the arbitration decision or award or entry of judgment upon the decision or award, notwithstanding any challenge or contest by any of said Parties with respect to the decision or award, and notwithstanding any application or other request by any of said Parties that the arbitrator(s) or any court or other body stay, set aside, nullify or otherwise change the decision or award. Said Parties shall make no request or other application to the arbitrator(s) or any court or other body for any injunction, stay or other relief that would be contrary to the provisions of the preceding sentence, and agree that the arbitrator(s), any court and any other body shall have no jurisdiction or other authority to consider any request or other application for, or to grant, any injunction, stay or other relief that would violate any provision of this Article 19.

19.5.3 Subsequent Change. If any decision of the arbitrator (in the case of a single arbitrator) or a majority of the arbitrators (in the case of three (3) arbitrators) shall be set aside, nullified, modified or otherwise changed after the Parties to the arbitration receive a copy of the original decision or award, said Parties shall thereupon comply with the action setting aside, nullifying, modifying or otherwise changing the original decision or award, with such changes and adjustments by said Parties in actions taken pursuant to the original decision as may be necessary for such purpose.

19.5.4 Binding and Conclusive. In any such arbitration, the determination of such dispute, controversy or Claim by such arbitration shall constitute the final determination thereof and shall be binding and conclusive upon the Parties to such arbitration and shall constitute an "award" by the arbitrator within the meaning of the American Arbitration Association rules and judgment may be entered thereon in any court of competent jurisdiction.

19.5.5 Immunity and Indemnity of Arbitrators. No arbitrator, including an arbitrator selected by any Party to the arbitration, shall have any liability to any other Party to the arbitration by reason of the arbitrator's participation in any determination made under this Article 19, and each of the Parties to the arbitration shall indemnify the arbitrator(s) from and against any and all Claims and Liabilities and Expenses asserted against any arbitrator by reason of such arbitrator's participation in any such determination.

Section 19.6 **Expenses of Arbitration**

Except as otherwise determined by the arbitrator (in the case of a single arbitrator) or a majority of the arbitrators (in the case of three (3) arbitrators), whose determination shall be binding and conclusive upon all Parties to the arbitration, the expenses of arbitration shall be shared equally by said Parties, and each of said Parties shall be responsible for the fees and expenses of its own attorneys and other representatives and witness.

Section 19.7 **Limitation on Power of Arbitrator(s)**

The arbitrator(s) shall apply the Law of the State of New York without regard to principles of conflict of Laws and shall have no power to vary or modify any of the provisions of the Declaration or these By-Laws, and the powers and jurisdiction of the arbitrator(s) are hereby limited accordingly.

Section 19.8 **Payment of Undisputed Sums**

To the extent any dispute, controversy or claim concerns liability for or payment of Common Expenses allocated, apportioned and assessed to a Unit, the Owner of such Unit shall pay any portion of such Common Expenses that is not in dispute when due and before the ten (10) day grace expires for imposition of the interest and late charge set forth in subsection 8.13.2 above.

ARTICLE 20

NOTICES

Section 20.1 **General**

20.1.1 How and Where Given. All notices required or desired to be given hereunder, except for a notice of a meeting or a special meeting of Unit Owners under Section 4.4 above, shall be sent by hand delivery or overnight courier by a recognized national courier (with receipt of delivery) or registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

(a) (in the case of a notice to the Condominium Board) to:

The Board of Managers of
High Line 23 Condominium
515 West 23rd Street
New York, New York 10011
Attention: President

with a copy sent simultaneously and in like or speedier manner to the Sponsor at its address given below (for so long as Sponsor owns a Unit) and to the then Managing Agent of the Building (if any);

(b) (in the case of a notice to a Unit Owner other than Sponsor) to the Unit Owner at the address of the Building;

(c) (in the case of a notice to Sponsor as Owner of an Unsold Unit or the Retail Unit, or otherwise) to:

23 Highline LLC
c/o Alf Naman Realty Advisors Ltd.
460 Park Avenue, Floor 22
New York, NY 10022

20.1.2 Changes in Address. Each Party may substitute a different address or add an address by sending written notice of the change to the other Parties (i.e., the Condominium Board, Unit Owners, Permitted Mortgagees and Registered Tenants, as appropriate).

20.1.3 Date Effective and Notice Period. Unless otherwise expressly provided elsewhere in the Declaration or these By-Laws, each notice shall be effective only if and when given or sent as provided in subsection 20.1.1 above. Any specified period of time following the giving or sending of a notice shall begin on the day delivered by hand (unless it is not a business day or is actually received after business hours, in which case the period shall begin on the next business day), or the next business day after being sent by overnight courier or the second business day after being deposited in a post office or mail depository maintained by the United States Postal Service. Notices mailed from outside the United States or notices of a change of address or an additional address shall not be considered effective until actually received.

20.1.4 Refusal or Failure to Accept. A refusal or failure to accept a notice shall be deemed receipt of the notice and will not affect the effectiveness, validity or enforceability of the notice, nor excuse or justify delaying the performance of any duties.

Section 20.2 **Waiver of Service of Notice**

Whenever any notice is required to be given by Law or pursuant to the terms of the Condominium Documents, a waiver thereof in writing, signed by the Person or Persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE 21

FURTHER ASSURANCES

Section 21.1 **Provisions of Declaration Apply and Govern**

The provisions of Article 20 of the Declaration are applicable to, and govern, the terms, restrictions and requirements to be followed by the Condominium Board, each Unit Owner and all Persons who, or whose interests in the Property or a Unit, are subject to the Declaration, in connection with the cooperation by the aforementioned with each other in order to effectuate the purposes and provisions of the Condominium Documents, including the giving of Assurances,

instruments and the limited power of attorney set forth respectively in Sections 20.4, 20.5 and 20.6 of the Declaration.

ARTICLE 22

AMENDMENTS TO BY-LAWS

Section 22.1 **Provisions of Declaration Apply and Govern**

The provisions of Article 22 of the Declaration are applicable to, and govern, the terms, restrictions, requirements, approvals and consents to be followed or obtained to amend these By-Laws.

ARTICLE 23

TERMINATION OF CONDOMINIUM

Section 23.1 **Provisions of Declaration Apply and Govern**

The provisions of Article 19 of the Declaration are applicable to, and govern, the terms, restrictions, requirements, approvals and consents to be followed or obtained to terminate condominium ownership of the Property. Accordingly, condominium ownership of the Property shall continue until the occurrence of any of the Condominium Termination Events, as defined and provided in Section 19.1 of the Declaration.

ARTICLE 24

GENERAL

Section 24.1 **Inspection of Documents**

Copies of the Declaration, these By-Laws, the Rules and Regulations and the Floor Plans, as each of the same may be amended from time to time, shall be maintained at the office of the Condominium Board or its Managing Agent (if any) and shall be available for inspection by Unit Owners and their authorized representatives and agents in accordance with the provisions of subsection 14.7.3 above.

Section 24.2 **Changes and Waiver**

The provisions of Article 26 of the Declaration, as hereby modified to change all references therein to "this Declaration" (or similar words) to read instead "these By-Laws (including the Rules and Regulations annexed hereto)" or similar words, shall apply and govern with respect to changes and waivers of provisions of these By-Laws (including the Rules and Regulations annexed hereto).

Section 24.3 **Conflicts**

These By-Laws are intended to be consistent with, and to complement and supplement, the Declaration, and are also intended to be consistent with the Plan for the Property and all Amendments thereto filed prior to the First Closing of a Residential Unit, as well as the Condominium Act and all other applicable Laws. In the event that any provision of these By-Laws or of the Rules and Regulations shall be construed to be inconsistent with any provision of the Declaration, the Plan or any said Amendment thereto, the Condominium Act or other applicable Law, the provision contained in the Declaration, the Plan and said Amendments thereto, the Condominium Act or other applicable Law, as the case may be, shall control.

Section 24.4 **Severability**

If any provision of these By-Laws is invalid or unenforceable as against any Person or under certain circumstances, the remainder of these By-Laws and the applicability of such provision to other Persons or circumstances shall not be affected thereby. Each provision of these By-Laws shall be valid and enforced to the fullest extent permitted by Law, except as otherwise provided herein.

Section 24.5 **Successors and Assigns**

24.5.1 General. Subject and subordinate to Article 28 of the Declaration, the powers and/or duties of, and limitations imposed on, a Unit Owner as set forth in these By-Laws and the Declaration, shall inure to the benefit of, and shall be binding upon, such Owner's heirs, distributees, executors, administrators, legal representatives, successors and assigns.

24.5.2 Permitted First Mortgage Exception. Notwithstanding the foregoing, any Permitted First Mortgagee of a Unit or a purchaser at a foreclosure sale of a Permitted First Mortgage who succeeds to the interest of a Unit Owner, shall be responsible for only those duties of such Unit Owner accruing from and after the effective date of succession to title to such Unit and shall not be liable for any previously unpaid or past due Common Charges or Special Assessments accruing prior to the effective date that such successor succeeds to title.

24.5.3 Sponsor's/Commercial Owner's Rights. The Sponsor's/Commercial Owner's Rights under the Condominium Documents, the Plan, and the limitations, restrictions and requirements thereunder in connection therewith or otherwise applicable thereto, shall inure to and be binding upon a "Designee", an "Involuntary Transferee" and a "Successor in Interest", all as defined and more particularly provided in Article 28, Section 28.1 of the Declaration.

Section 24.6 **Table of Contents and Headings**

The Table of Contents and the Article, Section and subsection headings in these By-Laws are for convenience and reference only and do not, and shall not be construed to, affect the scope, meaning or interpretation of any provision of these By-Laws.

Section 24.7 **References**

The words "Article", "Section", "subsection", "provision", "paragraph" and "clause" or similar words refer to an Article, Section, subsection, provision, paragraph and clause of these By-Laws, unless otherwise expressly stated. Similarly, the words "hereof", "herein", "above", "below" and similar terms mean these By-Laws.

Section 24.8 **Grammar**

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

Section 24.9 **Insurance Trustee**

The Insurance Trustee shall be appointed by the Condominium Board and the fees and disbursements of any Insurance Trustee shall be paid by the Condominium Board as a Common Expense, which shall be specially allocated and assessed to only those Unit Owners on whose benefit the trust funds are held by the Insurance Trustee and apportioned among all such Unit Owners in the same proportion as said trust funds are held for the benefit of their respective accounts. The Insurance Trustee shall hold all proceeds as trust funds until paid over or applied as provided in the Declaration and these By-Laws.

Section 24.10 **Approvals or Consents**

Wherever in the Declaration or these By-Laws provision is made for any required Discretionary or Reasonable Approval or Consent of the Condominium Board, such approval or consent shall be sufficient and effective only if given in writing by the Board, or the Residential Board Members or the Commercial Board Member on behalf of the Board (as applicable and as provided in these By-Laws or the Declaration), prior to implementing the transaction for which approval or consent is required or requested, and the approval or consent of the Unit Owners shall not be required, unless otherwise expressly provided in the Declaration or these By-Laws.

Section 24.11 **Incorporation of Declaration**

All provisions of the Declaration referred to in these By-Laws are hereby incorporated herein with the same force and effect as though set forth at length.

END OF BY-LAWS
The Rules and Regulations of High Line 23 Condominium
start on the next page and are part of these By-Laws.

RULES AND REGULATIONS OF High Line 23 Condominium

[Addendum to, and forming a part of, the By-Laws of such Condominium.]

1. No Unit Owner shall allow or suffer anything whatever to fall from the windows or Terrace of its Unit or sweep or throw from the Unit or Terrace any dirt or other substance on or into any of the Common Elements (except for the use of waste lines in the manner for which intended and not prohibited under the Declaration and the By-Laws) or on to any yard, court or alley adjacent to the Building or the Immediately Adjacent Sidewalks to the Property.

2. No Unit Owner shall place a load upon any floor of its Unit (including any Terrace) exceeding the floor load per square foot area that it was designed to carry and that is allowed by applicable Law. All Equipment (including treadmills, clothes washers and objects that generate noise or vibration) shall be placed and maintained by each Unit Owner, at its sole Cost and Expense, in settings sufficient to absorb and prevent vibration and unreasonable noise and annoyance.

3. No Unit Owner shall Alter, damage, impair, destroy or otherwise adversely and materially affect the Common Elements or (if established) the Individual Limited Common Element appurtenant another Unit without obtaining the express prior written Discretionary Approval or Consent of the Condominium Board or the Owner of such other Unit, respectively, except as expressly permitted herein or in the Declaration or the By-Laws. A Unit Owner shall give the Condominium Board or another Unit Owner prompt notice of any Repairs that are needed in or to the Common Elements or (if established) the Individual Limited Common Elements appurtenant such other Owner's Unit, respectively, after such Unit Owner has actual notice thereof.

4. Water closets, sinks and other plumbing apparatus in the Building shall not be used for any purpose other than those for which they were designed or constructed, and no sweepings, rubbish, rags or any other article shall be thrown into the same. Any damage resulting from misuse of any water closets, sinks or other apparatus in a Unit shall be promptly Repaired and paid for by the Owner of such Unit.

5. Each Sold Unit Owner shall submit for inspection by the Condominium Board any business permits or licenses required for the lawful conduct of any business permitted to be carried on in such Owner's Sold Unit. This paragraph is not applicable to the Unsold Units or the Retail Unit.

6. Any amounts assessed as a Common Expense against a Unit in addition to the regular monthly Common Charges due and payable as provided in the By-Laws shall be paid to the Condominium Board upon demand or if not demanded, then with the next monthly payment of Common Charges due and payable as provided in the By-Laws.

7. No servant or employee of the Condominium Board shall be sent out of the Building by any Unit Owner at any time for any purpose.

8. Complaints by a Unit Owner regarding services or Operation of the Building shall be made in writing to the Condominium Board or its Managing Agent (if any).

9. The fiscal year of the Condominium Association shall be a calendar year beginning on the first day of January or such other fiscal year as the Condominium Board may establish from time to time.

10. No vehicle belonging to an Owner, tenant or occupant of a Unit or to Agents, Employees or Contractors of such Owner, tenant or occupant, shall be parked in such manner as to impede or prevent ready access to or from any entrance or exit to or from another Unit or the Building.

11. A Unit Owner may apply to the Condominium Board for a temporary waiver of one or more of the Rules and Regulations. Such temporary waiver may be granted by the Board in its sole discretion, for good cause shown.

12. At the discretion of the Condominium Board, any consent or approval given under these Rules and Regulations may be made conditional and may also be amended at any time. However, if expressly provided herein or elsewhere in the Condominium Documents that the Reasonable Approval or Consent is required, then such approval or consent may not be unreasonably conditioned, delayed, withheld or denied.

13. Subject to Sponsor's/Commercial Owner's Rights, the Immediately Adjacent Sidewalks to the Property, the public or common areas of the Common Elements (including a Unit entrance and the common or public passageways, halls, vestibules, corridors and egress stairs) shall not be obstructed or encumbered by refuse or otherwise used for any purpose other than in connection with temporary loading or unloading of cartons, furniture, Equipment, materials, supplies and other items, or for ingress to and egress from the Units or (as to the Immediately Adjacent Sidewalks to the Retail Unit, including its entrance) the Use and Enjoyment of such Retail Unit.

14. No velocipedes, bicycles, scooters, baby carriages or similar vehicles shall be allowed to stand in the public halls, vestibules, passageways, egress stairs or other public areas of the Building.

15. All service and delivery persons going to or from Residential Units will be required to use the entrance of the Building designated by the Condominium Board for such purposes.

16. Furniture, furnishings, cartons, trunks, heavy baggage and other heavy or bulky personal property of Owners, tenants or occupants of Residential Units shall be taken in or out of the Building only through the entrance and exit as designated by the Condominium Board or the Managing Agent or (in the case of Unsold Residential Units) Sponsor for such purpose. The Board shall determine the days and hours for such deliveries or removal through the 515 West 23rd Street Public Areas, subject and subordinate to the rights of Sponsor to make all such determinations with respect to the tenants and occupants of its Unsold Residential Units.

17. No article (including, but not limited to, garbage cans, bottles or mats) shall be placed or stored by a Unit Owner in any of the public vestibules, halls or on any of the egress

stairs, or their landings, of the Building, nor shall any egress stairs or fire egress thereof be obstructed in any manner.

18. Any storage space in the Residential Common Elements shall be used only for the storage of such Equipment, supplies, material and other articles, and for such other purposes, allowed by Law, as the Condominium Board, in its sole discretion, may determine. The foregoing is not applicable to the Sold Storage Units, which may be used for any and all items of non-combustible material or material that does not burn rapidly in accordance and compliance with the Law. Supervision, management and control of the moving in, storing and removal of, an Owner's property from such storage space in the Residential Common Elements is vested in the Condominium Board. The use of storage space and Storage Units shall be at the sole risk of the respective Owners or other person using the same, and the Condominium Board, its agents, and the Managing Agent shall not be liable for any injury to person, loss by theft or otherwise, or damage to property, whether due to the negligence of the Condominium Board, its agents, the Managing Agent, or otherwise.

19. Each Unit Owner shall comply with all applicable Laws (including municipal, state and federal laws and the regulations, codes and other requirements of Governmental Authorities having jurisdiction, collectively called "**Environmental Laws**") regarding the disposal by a Unit Owner or the tenants or occupants of an Owner's Unit of trash, refuse or garbage (collectively called "**Trash**"). In furtherance thereof, each Residential Unit Owner shall comply with all Environmental Laws requiring Trash to be separated into "recyclable" and "non-recyclable" materials. The Condominium Board may designate from time to time types of materials which must be separated for recycling, the types of containers or binding to be used by the Residential Unit Owners for disposal of designated recyclable or non-recyclable materials and the locations where recyclable or non-recyclable materials shall be deposited. Each Residential Unit Owner shall comply with all other rules and regulations the Condominium Board may establish from time to time for disposal and recycling of Trash. Any Costs and Expenses incurred by the Condominium Board as a result of a Residential Unit Owner's violation of this rule or the enforcement of this rule against such Residential Unit Owner (including, legal fees and disbursements, litigation expenses and fines and penalties imposed on the Condominium Board by any Governmental Authority having jurisdiction) shall be payable, promptly following demand, by said Residential Unit Owner as Additional Common Charges. Notwithstanding the foregoing, Sponsor or other Unsold Unit Owner shall not be obligated to reimburse the Condominium Board for any Costs and Expenses incurred by the Board as a result of a violation of this rule by a tenant or occupant of an Unsold Unit or the enforcement of this rule against Sponsor or other Unsold Unit Owners by reason of said violation.

20. There shall be no playing or lounging in the 515 West 23rd Street Public Areas, egress stairs or other public spaces, except in recreational areas or other areas (if any) designated as such in the Declaration or by the Condominium Board.

21. The Condominium Board or the Managing Agent may, from time to time, curtail or relocate portions of the Common Elements, if any, devoted to storage, recreation or service purposes in the Building.

22. Nothing shall be done or kept in any Residential Unit or on any Terrace, or in or on the Common Elements that increases or would with reasonable likelihood increase the rate of insurance of the Building, or the contents thereof, without obtaining the prior written Discretionary Approval or Consent of the Condominium Board, unless (in the case of a Residential Unit or its appurtenant Terrace) the Owner of such Residential Unit pays the increase in premium caused by such rate increase. No Residential Unit Owner shall permit or suffer anything to be done or kept in any Residential Unit or on any Terrace, or in or on the Common Elements, that would with reasonable likelihood result in the cancellation, or results in a notice of cancellation, of insurance on the Building, or the contents thereof, or that would be in violation of any Law. No Owner or tenant of a Sold Residential Unit or such Owner's or tenant's family members, agents, servants, employees, licensees or visitors shall, at any time, bring into or keep in such Owner's or tenant's Sold Residential Unit or its Terrace any inflammable, combustible, or explosive fluid, material, chemical, or substance, except as shall be necessary and appropriate for the permitted uses of such Unit or its Terrace (this provision is not applicable to the Unsold Units or the Retail Unit).

23. There shall be no barbecuing in or on the Residential Units, Terraces or Common Elements.

24. Any plantings permitted to be installed on a Terrace shall be contained in removable boxes of wood, lined with metal or other materials impervious to dampness and standing on supports at least two (2) inches from the Terrace surface, and if adjoining a wall, at least three (3) inches from such wall. The wood boxes shall have suitable weep holes to draw off water and only light weight soil shall be used. No trees taller than (8) feet on a Terrace shall be allowed. The applicable Owner of a Residential Unit, at such Owner's sole Cost and Expense, shall: (a) Maintain all planting and tree containers in clean, good and sanitary condition, and all weep holes and drainage tiles in good Operating condition, all in accordance with the Building's Maintenance Standard; and (b) properly prune all plantings and trees so as to prevent them from climbing or hanging over the railings, parapets or other Roof Structures or otherwise outside the borders of the Terrace. A Terrace shall not be enclosed, painted, furnished with furniture or horticulture or otherwise Decorated or Altered, and no Terrace Objects shall be constructed, installed or placed thereon or therein, without obtaining the prior written Discretionary Approvals or Consents in each instance of both the Condominium Board and (during only the Sponsor Veto Control Period and until the issuance of a permanent Certificate of Occupancy of the Building) Sponsor. The Owner of a Residential Unit to which a Terrace is appurtenant shall be liable for any loss or damage to the Roof, the Roof Structures and other portions of the Building caused by any Terrace Objects placed on such Terrace or any violation of the foregoing requirements and obligations. The Condominium Board shall have the right and power, upon giving notice and an opportunity to cure, or without notice under certain circumstances, to enter upon a Terrace and summarily abate, remove and cure the violation (including removal of any Terrace Objects not in compliance with this Rule and Regulation) at the Cost and Expense of the Owner of such Unit, without being guilty or liable in any manner of trespass or otherwise, as provided in Article 17 of the By-Laws. All Costs and Expenses incurred by the Board in connection with such violation and to collect same shall constitute Additional Common Charges of such Unit as provided in Section 17.2 of the By-Laws. The Condominium Board and its agents (including the Managing Agent) and employees (including the superintendent) shall have the right, upon reasonable notice and at reasonable times, to inspect a Terrace to assure

compliance with this Rule and Regulation and to access a Terrace to enforce compliance with the foregoing.

25. No Sold Residential Unit Owner shall make, cause, or permit or suffer any unusual, disturbing, or objectionable noises or odors to be produced upon or to emanate from such Owner's Unit (including its Terrace, if any) or (if established) its appurtenant Individual Limited Common Element or permit or suffer anything to be done therein that will unreasonably interfere with the rights, comforts, or conveniences of the Owners, tenants or occupants of other Residential Units. No Owner, tenant or occupant of a Sold Residential Unit shall play, permit or suffer to be played any musical instrument, or shall operate, permit or suffer to be operated a phonograph, sound system, radio, television set, or other loudspeaker device in such Owner's Unit (including its Terrace, if any) between midnight and the following 8:00 a.m., if the same shall disturb or annoy other occupants of the Building, and in no event shall any Owner, tenant or occupant of a Sold Residential Unit practice, permit or suffer to be practiced, either vocal or instrumental music between the hours of 10:00 p.m. and the following 9:00 a.m. No construction, Repair Work or other installation involving noise shall be conducted in any Sold Residential Unit or on its Terrace or (if established) its appurtenant Individual Limited Common Element except on business days and only between the hours of 8:00 a.m. and 5:00 p.m., unless such construction or Repair Work is necessitated by an emergency. This paragraph is not applicable to the Unsold Units or the Retail Unit.

26. No bird, reptile or other animal shall be permitted, raised, bred, kept, or harbored in Sold Residential Units, other than domestic dogs and domestic cats (not to exceed four (4) in the aggregate), unless, in each instance, the same shall have been expressly permitted in writing by the Condominium Board or the Managing Agent. Any such consent, if given, shall be revocable at any time by the Condominium Board or the Managing Agent, in its sole discretion. No Sold Residential Unit shall be used for the breeding of animals or pets for commercial purposes. No dangerous or poisonous reptiles, insects or other animals shall be kept in any Sold Residential Unit. No pigeons or other birds or animals shall be fed by Owners, tenants or occupants of Sold Residential Units from a Unit's windows, Terrace, or from public portions of the Building, or on any yards, courts, alleys, sidewalks or streets adjacent to the Building. This paragraph is not applicable to the Unsold Units or the Retail Unit.

27. No group tour or exhibition of any Sold Residential Unit or its contents shall be conducted, nor shall any auction sale be held in any Sold Residential Unit, without obtaining the prior written Discretionary Approval or Consent of the Condominium Board or the Managing Agent in each instance. This paragraph is not applicable to the Unsold Units or the Retail Unit.

28. No clients or other invitees of Sold Residential Units shall be permitted to wait in any lobby, public hallway or vestibule of the Building. This paragraph is not applicable to the Unsold Units or the Retail Unit.

29. Unless expressly authorized by the Condominium Board in each instance, not less than eighty (80%) percent of the floor area of each Sold Residential Unit (excepting only the kitchen, pantry (if any), bathroom(s), powder room and closets) must be covered with rugs, carpeting or equally effective noise reducing material. This paragraph is not applicable to the Unsold Units or the Retail Unit.

30. No window guards or other window or Terrace window or glass door Decorations shall be used in or about any Sold Residential Unit, except such as shall have been Reasonably Approved or Consented to in writing by the Condominium Board or the Managing Agent. Each Residential Unit Owner whose Residential Unit is occupied by a child 10 years old or younger is required to install window guards at such Owner's sole expense. The design and method of installation must be approved in advance by the Condominium Board or the Managing Agent, and Sponsor (during only the Sponsor Veto Control Period and until the issuance of said permanent Certificate of Occupancy of the Building). In no event, however, shall any exterior glass surface of any windows, glass curtain wall windows or skylight (if any) of a Sold Residential Unit be colored or painted. This paragraph is not applicable to the Unsold Units or the Retail Unit.

31. No ventilator or air conditioning device shall be installed in any Sold Residential Unit without obtaining the prior written Reasonable Approvals or Consents of the Condominium Board and Sponsor (during only the Sponsor Veto Control Period and until the issuance of said permanent Certificate of Occupancy of the Building), other than ventilating and air conditioning Equipment to be installed pursuant to Sponsor's Plans and Specifications or approved by Sponsor under the Purchase and Sale Agreement for the Unit or an addendum thereto. This paragraph is not applicable to the Unsold Units or the Retail Unit.

32. No Sold Residential Unit Owner shall attach, hang or project any radio or television aerial, antenna or satellite dish to or from the exterior of such Owner's Sold Residential Unit, or the Sold Unit's windows, Terrace or the Building Walls. The foregoing restriction is subject to applicable Law (if any) expressly prohibiting such restriction. No clothes, sheets, rugs, blankets, laundry, or other articles of any kind shall be hung on or out of, or shaken from, a Unit or its appurtenant Terrace. This paragraph is not applicable to the Unsold Units or the Retail Unit.

33. No Sign, notice, advertisement, or illumination (including, without limitation, "For Sale", "For Lease", or "For Rent" Signs) shall be inscribed or exposed on or at any window or glass curtain wall window of a Sold Residential Unit or its appurtenant Terrace, or other part of the Building, by a Sold Residential Unit Owner except such as are permitted (if any) pursuant to the terms of the Declaration and/or the By-Laws or as to which the prior written Discretionary Approvals or Consents of Sponsor (during only the Sponsor Veto Control Period and until the issuance of said permanent Certificate of Occupancy) and the Condominium Board have been given. Nothing shall be projected from any window or Terrace of a Sold Residential Unit without obtaining similar prior written Discretionary Approvals or Consents of Sponsor (during only the Sponsor Veto Control Period and until the issuance of said permanent Certificate of Occupancy) and the Condominium Board. This paragraph is not applicable to the Unsold Units or the Retail Unit.

34. 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 Governmental 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.

35. Each Sold Residential Unit Owner shall keep the Owner's Unit and its appurtenant Terrace (if any) in a good state of preservation, condition, Repair and cleanliness in accordance with the Building's Maintenance Standard and the terms of the Declaration and By-Laws. This paragraph is not applicable to the Unsold Units or the Retail Unit.

36. The employees and agents of the Condominium Board or the Managing Agent, and any contractor or worker authorized by the Condominium Board or the Managing Agent, may enter any room or area of the Common Elements or Units or a Residential Unit's Terrace at any reasonable hour of the day, on at least one (1) calendar day's prior oral or written notice to the Unit Owner, for the purpose of inspecting such Unit, or its Terrace, for the presence of any vermin, insects or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects or other pests; however, such entry, inspection and extermination shall be done in a reasonable manner so as not to unreasonably interfere with the use, occupancy or Operation of such Unit for its permitted purposes.

37. The Condominium Board or the Building's superintendent or the Managing Agent, upon request, shall be given a pass-key to the entrance door of each Sold Residential Unit by its Owner. If any lock to the entrance door of a Sold Residential Unit is altered or a new lock is installed, the Condominium Board or the Building's superintendent or the Managing Agent shall be provided with a key thereto immediately upon such alteration or installation. If the Sold Residential Unit Owner is not personally present to open and permit an entry to such Owner's Unit at any time when an entry therein is necessary or permissible under these Rules and Regulations or under the By-Laws, and such Unit Owner has not furnished a key to the Condominium Board or the Building's superintendent or the Managing Agent, then the Condominium Board or the Building's superintendent or Managing Agent or their respective agents or employees (but, except in an emergency, only when specifically authorized by an officer of the Condominium or an officer of the Managing Agent), upon giving reasonable advance oral or written notice to such Unit Owner (except no advance notice shall be required in the case of an emergency) may forcibly enter such Unit without liability for damages or trespass by reason thereof (if, during such entry, reasonable care is given to such Unit Owner's property). This paragraph is not applicable to the Unsold Units or the Retail Unit.

38. If any key or keys of an Owner or tenant of a Unit, or any family member thereof, or any agent, servant, employee, licensee or visitor of such Owner or tenant, are entrusted by such Person to an employee of the Condominium or to the Building's superintendent or to the Managing Agent, whether for such Person's Unit, vehicle, trunk or other item of personal property, the acceptance of the key shall be at the sole risk of such Unit Owner or tenant, and neither the Condominium Board (or its agents and employees, including the Managing Agent and its employees) nor other Unit Owners (or their respective Related Parties) shall be liable for injury, loss or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

39. Owners and tenants of Sold Residential Units and their respective family members, guests, servants, employees, agents, visitors and licensees shall not at any time or for any reason whatsoever enter upon, or attempt to enter upon, the Roofs of the Building enclosing the Residential Space or the General Common Elements, other than the Terrace appurtenant to a

Residential Unit in accordance and compliance with the Declaration, By-Laws, and these Rules and Regulations. This paragraph is not applicable to the Unsold Units or the Retail Unit.

END OF RULES AND REGULATIONS

DOCUMENT 8A

CERTIFICATION BY SPONSOR AND SPONSOR'S PRINCIPALS PURSUANT TO PART 20, SECTION 20.4(b) OF TITLE 13 NYCRR

TO: New York State Department of Law
Real Estate Finance Bureau

FROM **"Sponsor":** 23 Highline LLC, having an office at c/o Alf Naman Real Estate Advisors Ltd., 460 Park Avenue, Floor 22, New York, New York 10022

and

"Principal": The undersigned individual signing in his capacity as the principal of Sponsor

RE: **"Property":** High Line 23 Condominium
515 West 23rd Street
New York, New York 10011

DATE: August 17, 2007

We are the Sponsor and the Principal of the Sponsor of the condominium offering Plan ("**Offering Plan**") for the captioned Property. We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Department of Law in Part 20 and such other laws and regulations as may be applicable.

We have read the entire Offering Plan. We have investigated the facts set forth in the Offering Plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the Offering Plan does, and that documents submitted hereafter by us which amend or supplement the Offering Plan will:

(i) set forth the detailed terms of the transaction and be complete, current and accurate;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;

(iii) not omit any material fact;

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

(v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;

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

(vii) not contain any representation or statement which is false, where we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth, or (d) did not have knowledge concerning the representation or statement made.

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

SPONSOR:

23 Highline LLC

By: Alf Naman Real Estate Advisors Ltd., Managing Member

By: _____
Alf Naman,
as its President

Sworn to before me this
17th day of August, 2007

_____
Notary Public

MIA STEVENS HAYNES
Notary Public, State of New York
No. 02ST6113352
Qualified in New York County
Commission Expires 7/26/08

PRINCIPAL OF SPONSOR:

_____
Alf Naman

Sworn to before me this
17th day of August, 2007

_____
Notary Public

MIA STEVENS HAYNES
Notary Public, State of New York
No. 02ST6113352
Qualified in New York County
Commission Expires 7/26/08

DOCUMENT 8B

CERTIFICATION BY ARCHITECT
PURSUANT TO PART 20, SECTION 20.4(c)
OF TITLE 13 NYCRR

TO: New York State Department of Law
Real Estate Financing Section
Investment Protection Bureau

FROM: Neil M. Denari Architects, Inc.

RE: **"Property":** High Line 23 Condominium
515 West 23rd Street
New York, New York 10011

"Sponsor": 23 Highline LLC

"Offering Plan": The Condominium Offering Plan for the captioned Property

DATE: April 15, 2007

The Sponsor of the Offering Plan to convert the captioned Property to condominium ownership retained our firm to prepare a report describing the construction of the Property (the **"Report"**). At the date of this Report, the demolition of structures on the Property is completed and the foundation is scheduled to be laid in or about July 2007. We examined the building plans and specifications that were prepared by us dated October 5, 2006 and the modifications thereto prepared by the structural engineer, revision dated February 9, 2007. We prepared the Report dated April 12, 2007, 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; and

(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 representations 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.

Neil M. Denari Architects, Inc.

By: _____

Name: NEIL M. DENARI

Title: PRESIDENT

Sworn to before me this
15th day of April 2007

_____
Notary Public

GILBERT ROMERO
Comm. # 1412956
NOTARY PUBLIC - CALIFORNIA
County of Los Angeles
My Comm. Expires April 22, 2007

DOCUMENT 8C

CERTIFICATION BY EXPERT ON ADEQUACY OF BUDGET PURSUANT TO PART 20, SECTION 20.4 (d) OF TITLE 13 NYCRR

TO: New York State Department of Law
Real Estate Financing Section
Investment Protection Bureau

FROM: Platinum Properties Of New York Ltd.

RE: "Property": High Line 23 Condominium
515 West 23rd Street
New York, New York, 10011

"Sponsor": 23 Highline, LLC

"Offering Plan": The Condominium Offering Plan for the captioned Property

DATE: As of August 10, 2006

The Sponsor of the Condominium Offering Plan for the captioned Property retained our firm to review or prepare Schedules B and B-1 containing projections of income and expenses for the first year of condominium operation. Our experience in this field follows.

We are a licensed real estate broker and our principal, directly or in association with other New York City management firms, has been engaged in the business of managing residential properties in the New York City and adjacent areas including cooperatives and condominiums for more than 25 years. This included management of more than 10,000 residential units in over 20 properties for varying periods of approximately one to fifteen years.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to Schedules B and B-1.

We have prepared or reviewed the Schedules and investigated the facts set forth in the Schedules and the facts underlying them with due diligence in order to form a basis for this certification. We also have relied on our experience in managing residential buildings.

We certify that the projections in Schedules B and B-1 appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.

We certify that the Schedules:

(i) set forth in detail the projected income and expenses for the first year of condominium operation;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;

(iii) do not omit any material fact;

(iv) do not contain any untrue statement of a material fact;

(v) do not contain any fraud, deception, concealment or suppression;

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

(vii) do not contain any representation or statement which is false, where 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.

Platinum Properties Of New York Ltd.

Signature: Elizabeth A. Hurley

Name: Elizabeth A. Hurley

Title: President

Sworn to before me this

10th day of August, 2006

Notary Public

SHIRLEY R. BEST
Notary Public, District of Columbia
My Commission Expires 5/14/2009

DOCUMENT 8D
CERTIFICATION BY EXPERT ON ADEQUACY OF BUDGET FOR COMMON CHARGES PAYABLE BY THE OWNER OF THE RETAIL UNIT

14 September 2006

New York State Department of Law
120 Broadway, 23rd Floor
New York, New York, 10271

Attention: Investment Protection Bureau
Real Estate Financing Section

Re: Condominium Offering Plan for
High Line 23 Condominium
517 West 23rd Street
New York, New York, 10011

The undersigned certifies as follows:

The Sponsor of the condominium offering plan for the captioned property retained our firm to prepare Schedule B which includes projections of common charges payable by the owner of the Retail Unit.

Our experience in this field includes the following: we are a licensed real estate broker and our principal, directly or in association with other New York City management firms, has been engaged in the business of managing residential properties in the New York City and adjacent areas including cooperatives and condominiums for more than 25 years. This included management of more than 10,000 residential units in over 20 properties for varying periods of approximately one to fifteen years.

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

We have prepared the Schedule as it impacts upon the commercial unit 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 for common charges payable by the owner of the Retail Unit appear reasonable and adequate under existing circumstances to meet the anticipated operating expenses fairly attributable to such commercial units for the projected first year of condominium operation, and

that the allocation of common charges attributable to the Retail Unit also reflects special or exclusive use or availability or exclusive control of particular common areas.

We certify that the estimates in Schedule B for the common charges payable by the owner of the Retail Unit:

(i) set forth in detail the projected common charges for the commercial/storage units for the first year of condominium operation;

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

(iii) do not omit any material fact;

(iv) do not contain any untrue statement of material fact;

(v) do not contain any fraud, deception, concealment, or suppression;

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

(vii) do 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 the statement made.

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

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

PLATINUM PROPERTIES
OF NEW YORK LTD.

Elizabeth A. Hurley, President

Sworn to before me this 14
day of September, 2006.

Notary Public

CAROLYN E. WOODS
NOTARY PUBLIC DISTRICT OF COLUMBIA
My Commission Expires May 14, 2008

DOCUMENT 9

OPINION ON A MARKET RATE MANAGEMENT FEE

TO: New York State Department of Law
Real Estate Financing Section Investment Protection Bureau

FROM: Platinum Properties Of New York Ltd.

RE: **"Property":** Highline 23 Condominium
515 West 23rd Street, New York, New York 10011

"Sponsor": 23 Highline, LLC

"Offering Plan": The Condominium Offering Plan for the captioned Property

DATE: October 23, 2006

The Sponsor of the Condominium Offering Plan for the captioned Property has retained us to render the subject opinion on a current market rate management fee for the Property. The definitions of the terms contained in the Condominium Offering Plan shall apply when such terms are used in this opinion without express definition.

A. Opinion On Current Market Rate Management Fee

We have reviewed Schedule B containing projections of income and expenses for first year of condominium operation of the Property and have read the summary of the proposed management agreement set forth in the Offering Plan as well as the proposed **"Management Agreement"** to be given by the Condominium Board to Alf Naman Real Estate Advisors Ltd.

In our opinion, the current market rate fee to manage the Property and to perform the duties and services for the term set forth in the proposed Management Agreement is approximately $15,000 for the projected first year of condominium operation of the Property.

B. Experience

Our above opinion is based, and given in reliance, on our knowledge of current market conditions and on our principal's experience in the residential management business. We are a licensed real estate broker and our principal has been engaged in the business of managing residential properties in New York City, including cooperatives and condominiums, for more than 25 years.

We are not owned or controlled by, and have no financial or beneficial interest in, nor any family, employment or other business relationship with, Sponsor or Sponsor's principal, other than our fee for services rendered in connection with this opinion and related certifications and another opinion we are giving for inclusion in the Offering Plan.

We understand that this letter will be reproduced in the Condominium Offering Plan and we hereby consent to such use.

Very truly yours,
Platinum Properties Of New York Ltd.

Signature: Elizabeth A. Hurley
Name: Elizabeth A. Hurley
Title: President