

41 BOND



CONDOMINIUM OFFERING PLAN

41 BOND CONDOMINIUM

A PLAN FOR CONDOMINIUM OWNERSHIP OF PREMISES KNOWN AS

41 BOND STREET
NEW YORK, NEW YORK 10012
(7 Units)

Total Purchase Price of All 7 Units\$ 48,325,000.00

Working Capital Fund.....\$ 83,333.34 (1)

(1) This fund will be established by contributions of purchasers and by Sponsor with respect to Unsold Units and is subject to diminution for closing adjustments).

The actual cash proceeds from this offering may be significantly greater or less than the amount shown, depending on the actual purchase price received for each of the Units. (See the section of the Plan entitled "Changes in Prices and Units" for a discussion of Sponsor's right to change the prices of these Units.)

SPONSOR:

DDG 41 NOHO LLC
c/o DDG Partners LLC
250 Hudson, 10th Floor
New York, NY 10013

SELLING AGENT:

DDG 41 NOHO LLC
c/o DDG Partners LLC
250 Hudson, 10th Floor
New York, NY 10013

Date of Approval: March 16, 2011. The term of the initial offering of this Plan commenced on March 16, 2011 and expires on March 15, 2012 unless extended by an amendment duly filed.

THIS PLAN CONTAINS SPECIAL RISKS TO PURCHASERS. SEE PAGE 1

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

BECAUSE SPONSOR IS RETAINING THE UNCONDITIONAL RIGHT TO RENT RATHER THAN SELL UNITS, THIS PLAN MAY NOT RESULT IN THE CREATION OF A CONDOMINIUM IN WHICH A MAJORITY OF THE UNITS ARE OWNED BY OWNER-OCCUPANTS OR INVESTORS UNRELATED TO THE SPONSOR - SEE SPECIAL RISKS SECTION OF THE PLAN.

TABLE OF CONTENTS
PART I

	<u>Page</u>
SPECIAL RISKS	1
INTRODUCTION	12
DEFINITIONS	16
DESCRIPTION OF PROPERTY AND IMPROVEMENTS	20
LOCATION AND AREA INFORMATION	26
SCHEDULE A - PRICES OF UNITS	28
SCHEDULE B - PROJECTED BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION	31
COMPLIANCE WITH REAL PROPERTY LAW SECTION 339(i).....	44
CHANGES IN PRICES AND UNITS	46
PROCEDURE TO PURCHASE	47
ASSIGNMENT OF AGREEMENTS	51
EFFECTIVE DATE	52
TERMS OF SALE	53
CLOSING COSTS AND ADJUSTMENTS	55
RIGHTS AND OBLIGATIONS OF SPONSOR	58
CONTROL BY SPONSOR	66
CONDOMINIUM BOARD AND SUMMARY OF BY-LAWS	68
RIGHTS AND OBLIGATIONS OF UNIT OWNERS AND THE CONDOMINIUM BOARD	72
REAL ESTATE TAXES - DEDUCTIONS TO UNIT OWNERS AND TAX STATUS OF CONDOMINIUM	84
OPINION OF COUNSEL.....	89
MANAGEMENT AGREEMENT, CONTRACT AND LEASES	97
WORKING CAPITAL FUND	98
IDENTITY OF PARTIES.....	99
REPORTS TO UNIT OWNERS	102
DOCUMENTS ON FILE.....	102
SPONSOR'S STATEMENT OF BUILDING CONDITION	102
NO RESERVATION OF AIR OR DEVELOPMENT RIGHTS.....	102
GENERAL	103

PART II

	Exhibit	Page
DESCRIPTION OF PROPERTY AND SPECIFICATIONS	1	107
UNIT FLOOR PLANS	2A	127
SITE PLAN	2B	141
LOCATION PLAN	2C	145
PURCHASE AGREEMENT	3	149
POWER OF ATTORNEY	4	179
FORM OF UNIT DEED	5	185
DECLARATION OF CONDOMINIUM	6	201
CONDOMINIUM BY-LAWS	7	243
SPECIAL COUNSEL'S INCOME TAX AND 339-I OPINION	8	297
PRIOR OPINION LETTER AND DECLARATORY RULING	9	305
CERTIFICATIONS:		
SPONSOR AND SPONSOR'S PRINCIPAL.....	10	319
SPONSOR'S ARCHITECT	11	323
SPONSOR'S EXPERT CONCERNING ADEQUACY OF BUDGET	12	327
ESCROW AGREEMENT	13	331
APPLICATION FOR DETERMINATION.....	14	339
FORM OF CONSTRUCTION AGREEMENT	15	345

PART I
SPECIAL RISKS

1. **EVENTS OF DEFAULT**

IN ACCORDANCE WITH THE PURCHASE AGREEMENT, A PURCHASER HAS THIRTY (30) DAYS TO CURE A DEFAULT UNDER THE PURCHASE AGREEMENT. TIME IS OF THE ESSENCE TO CURE THE DEFAULT WITHIN THE THIRTY (30) DAY PERIOD. IF A PURCHASER FAILS TO CURE A DEFAULT WITHIN THE NOTICE PERIOD, SPONSOR MAY, AT ITS OPTION, (I) CANCEL SUCH PURCHASE AGREEMENT AND RETAIN THE DOWNPAYMENT, TOGETHER WITH INTEREST EARNED THEREON, AS LIQUIDATED DAMAGES, IN WHICH EVENT ALL RIGHTS, OBLIGATIONS AND LIABILITIES OF SPONSOR AND PURCHASER SHALL WHOLLY CEASE AND TERMINATE OR (II) BRING AN ACTION AGAINST THE PURCHASER FOR SPECIFIC PERFORMANCE.

A PURCHASER WILL RECEIVE AT LEAST THIRTY (30) DAYS PRIOR NOTICE OF THE CLOSING DATE FOR THE UNIT, WHICH NOTICE MAY BE WAIVED BY PURCHASER. NOTWITHSTANDING THE FOREGOING, WITH RESPECT TO ALL PURCHASE AGREEMENTS IN EFFECT AT THE TIME THE PLAN IS DECLARED EFFECTIVE, SPONSOR SHALL GIVE PURCHASERS NOT LESS THAN THIRTY (30) DAYS NOTICE OF CLOSING OF TITLE, WHICH NOTICE MAY BE WAIVED IN WRITING BY A PURCHASER. IN THE EVENT THAT THE PURCHASER FAILS TO CLOSE TITLE ON THE DESIGNATED DATE OR OTHERWISE FAILS TO PERFORM ANY OF ITS OBLIGATIONS UNDER THIS PURCHASE AGREEMENT, THEN, FOLLOWING THIRTY (30) DAYS NOTICE OF SUCH DEFAULT, SPONSOR SHALL HAVE THE REMEDIES SET FORTH ABOVE OR SPONSOR MAY APPROVE A REQUEST FROM THE PURCHASER TO ADJOURN THE CLOSING OF TITLE TO SUCH UNIT. IN THE EVENT SPONSOR ELECTS NOT TO BRING AN ACTION FOR SPECIFIC PERFORMANCE AS A RESULT OF THE FAILURE OF THE PURCHASER TO CLOSE ON THE DATE SPECIFIED BY SPONSOR, OR IF SPONSOR APPROVES PURCHASER'S REQUEST TO ADJOURN THE CLOSING DATE, THEN (A) PURCHASER SHALL PAY SPONSOR INTEREST AT A RATE OF SIXTEEN (16%) PERCENT PER ANNUM ON THE TOTAL PURCHASE PRICE LESS THE AMOUNT OF MONIES THERETOFORE PAID ON ACCOUNT THEREFOR, COMPUTED FROM THE ORIGINAL CLOSING DATE SET FORTH IN THE NOTICE TO CLOSE, UNTIL THE TRANSACTION IS ACTUALLY CLOSED AND (B) ALL APPORTIONMENTS BETWEEN SPONSOR AND PURCHASER SHALL BE MADE AS OF THE CLOSING DATE SET FORTH IN THE NOTICE TO CLOSE. PURCHASER SHALL ALSO REIMBURSE SPONSOR FOR ANY ADDITIONAL COSTS INCURRED BY SPONSOR AS A RESULT OF PURCHASER'S DELAY. (SEE THE SECTION TITLED *PROCEDURE TO PURCHASE*, AT PART I OF THE PLAN FOR FURTHER DETAILS.)

2. **CONTROL BY SPONSOR**

THIS OFFERING PLAN PROVIDES THAT AT THE FIRST ANNUAL MEETING OF THE CONDOMINIUM, ALL UNIT OWNERS, INCLUDING SPONSOR AND SPONSOR-DESIGNEES SHALL ELECT A NEW THREE (3) MEMBER CONDOMINIUM BOARD, TO BE ELECTED BY THE UNIT OWNERS (OR DESIGNATED BY SPONSOR AS THE CASE MAY BE). SPONSOR MAY HAVE VOTING CONTROL OF THE CONDOMINIUM BOARD IF SPONSOR AND SPONSOR-DESIGNEES AS UNIT OWNERS OF UNSOLD UNITS ARE ABLE TO CAST SUFFICIENT VOTES TO ESTABLISH SUCH CONTROL. NOTWITHSTANDING THE FOREGOING, SPONSOR AND SPONSOR-DESIGNEES SHALL NOT CONTROL THE CONDOMINIUM BOARD AFTER THE PERIOD ENDING ON THE EARLIER OF: (I) THE

CLOSING OF TITLE WITH PURCHASERS UNDER THE PLAN TO UNITS HAVING AT LEAST FIFTY PERCENT OF THE AGGREGATE COMMON INTERESTS APPERTAINING TO ALL UNITS OFFERED UNDER THE PLAN, OR (II) FIVE (5) YEARS AFTER THE FIRST CLOSING. SPONSOR SHALL ALSO HAVE THE RIGHT TO DESIGNATE ONE MEMBER OF THE CONDOMINIUM BOARD REPRESENTING THE UNIT OWNERS FOR SO LONG AS SPONSOR OWNS AT LEAST ONE UNSOLD UNIT. (SEE SECTION TITLED *CONDOMINIUM BOARD AND SUMMARY OF BY-LAWS* AT PART I FOR FURTHER DETAILS.)

IN ADDITION, THIS OFFERING PLAN PROVIDES THAT UNTIL SPONSOR AND SPONSOR-DESIGNEES CONVEY TITLE TO ALL UNITS, BUT IN NO EVENT LATER THAN FIVE (5) YEARS AFTER THE DATE OF THE FIRST UNIT CLOSING, SPONSOR HAS THE RIGHT TO VETO ANY ACTION OF THE CONDOMINIUM BOARD TO (I) MAKE ANY ADDITION, ALTERATION, IMPROVEMENT OR CHANGE IN OR TO THE COMMON ELEMENTS, ANY UNIT OR THE BUILDING, (II) ASSESS ANY COMMON CHARGES OR SPECIAL OR GENERAL ASSESSMENTS FOR THE CREATION OF, ADDITION TO OR REPLACEMENT OF ALL OR PART OF A RESERVE, CONTINGENCY OR SURPLUS FUND, (III) HIRE OR REPLACE ANY EMPLOYEE, (IV) ENTER INTO ANY SERVICE OR MAINTENANCE CONTRACT, (V) BORROW MONEY ON BEHALF OF THE CONDOMINIUM, (VI) EXERCISE A RIGHT OF FIRST REFUSAL TO LEASE OR PURCHASE A UNIT, OR (VII) AMEND THE BY-LAWS; PROVIDED HOWEVER, THAT SPONSOR MAY NOT VETO ANY ACTION DESCRIBED IN ITEMS (I) THROUGH (VII) ABOVE IF (X) SUCH ACTION IS NECESSARY TO ENABLE THE CONDOMINIUM BOARD TO COMPLY WITH LAWS, RULES OR REGULATIONS OF ANY GOVERNMENTAL AUTHORITY HAVING JURISDICTION OVER THE CONDOMINIUM AND (Y) NO OTHER ALTERNATIVE IS AVAILABLE AFTER A DISCUSSION OF THE ALTERNATIVES AT A MEETING AT WHICH SPONSOR (OR ITS REPRESENTATIVE) IS PRESENT, AND FURTHER PROVIDED THAT SPONSOR'S VETO IS DELIVERED BY WRITTEN NOTICE WITHIN TEN (10) BUSINESS DAYS AFTER SPONSOR HAS NOTICE OF THE PROPOSED ACTION. (SEE THE SECTION TITLED *CONTROL BY SPONSOR* AT PART I FOR FURTHER DETAILS.)

3. SPONSOR'S RIGHT TO LEASE UNITS.

SPONSOR HAS RESERVED THE RIGHT, FREELY AND WITHOUT RESTRICTION, TO LEASE VACANT UNITS TO PURCHASERS AND NON-PURCHASERS AT ANY TIME, BOTH BEFORE AND AFTER THE FIRST CLOSING. SPONSOR'S RIGHT TO RENT OR LEASE ANY UNSOLD UNIT WILL NOT BE SUBJECT TO ANY RIGHT OF THE FIRST REFUSAL IN FAVOR OF THE CONDOMINIUM BOARD TO LEASE SUCH UNIT FROM SPONSOR. BECAUSE SPONSOR IS RETAINING THE UNCONDITIONAL RIGHT TO RENT RATHER THAN SELL UNITS, THIS PLAN MAY NOT RESULT IN THE CREATION OF A CONDOMINIUM IN WHICH A MAJORITY OF THE UNITS ARE OWNED BY OWNER-OCCUPANTS OR INVESTORS UNRELATED TO THE SPONSOR. (SEE SECTION TITLED *CONTROL BY SPONSOR* AT PART I FOR FURTHER DETAILS.)

4. SPONSOR'S EXISTING LOAN; INTENT TO SELL UNITS.

SPONSOR HAS OBTAINED ACQUISITION AND CONSTRUCTION LOANS FROM BANK OF SMITHTOWN ("LENDER") IN THE AGGREGATE AMOUNT OF \$16,400,000 AND SECURED THE SAME WITH MORTGAGES ON THE PROPERTY. LENDER HAS AGREED, UPON ACCEPTANCE OF THE OFFERING PLAN FOR FILING, AND IN THE ABSENCE OF AN EVENT OF DEFAULT UNDER THE LOAN DOCUMENTS, TO SUBORDINATE THE LIEN OF ITS MORTGAGE TO THE DECLARATION OF THE CONDOMINIUM AND TO RELEASE EACH

CONDOMINIUM UNIT FROM THE LIEN OF ITS MORTGAGE PROVIDED THAT NET PROCEEDS FROM THE INITIAL UNIT CLOSINGS ARE REMITTED TO LENDER FROM SPONSOR IN REPAYMENT OF THE OUTSTANDING CONSTRUCTION LOANS. SPONSOR CURRENTLY INTENDS TO THAT THIS PROJECT GO FORWARD ON A "SALE" BASIS AND INTENDS TO SELL ALL OF THE CONDOMINIUM UNITS OFFERED HEREBY, AND DOES NOT INTEND TO LEASE ANY SUCH UNITS UNLESS THERE IS A SIGNIFICANT DECLINE IN MARKET CONDITIONS FOR THE SALE OF SUCH UNITS IN EXCESS OF 25% FROM THE PRICES USED TO DECLARE THE PLAN EFFECTIVE. IN THE EVENT MARKET CONDITIONS RECOVER AFTER SUCH DECLINE AND LEASING OF UNITS, SPONSOR SHALL USE REASONABLE EFFORTS TO SELL UNITS AS THEY BECOME VACANT. SPONSOR IS NOT OBLIGATED TO OFFER FOR SALE ANY UNIT REGARDLESS OF WHETHER SUCH UNIT IS LISTED ON SCHEDULE A, AND SPONSOR MAY, IF IT CHOOSES, AFTER AN AMENDMENT IS DULY FILED, WITHHOLD ONE OR MORE OF THE OFFERED UNITS FOR OCCUPANCY BY THE PRINCIPALS OR EMPLOYEES OF SPONSOR OR FOR FUTURE SALE. (SEE THE SECTION TITLED *CHANGES IN PRICES AND UNITS*, AT PART I FOR FURTHER DETAILS.)

5. NO MORTGAGE FINANCING CONTINGENCY

THE PURCHASE AGREEMENTS DO NOT CONTAIN A MORTGAGE FINANCING CONTINGENCY. ALTHOUGH A PURCHASER MAY OBTAIN FINANCING FROM A LENDING INSTITUTION OR ANY OTHER SOURCE, THE OBLIGATION TO PURCHASE A UNIT PURSUANT TO THE AGREEMENT SHALL NOT BE CONTINGENT UPON OBTAINING FINANCING FOR SUCH PURCHASE. NEITHER SPONSOR NOR THE SELLING AGENT MAKES ANY REPRESENTATIONS AS TO THE TERMS OR AVAILABILITY OF ANY MORTGAGE FINANCING. PROSPECTIVE PURCHASERS ARE, THEREFORE, ADVISED TO FINALIZE THEIR FINANCING ARRANGEMENTS BEFORE SIGNING AN AGREEMENT. HOWEVER, PROSPECTIVE PURCHASERS SHOULD BE AWARE THAT EVEN IF A LOAN COMMITMENT IS OBTAINED, ITS TERM MAY BE FIXED, AND IT COULD EXPIRE BEFORE THE CLOSING DATE AND A PURCHASER WOULD HAVE TO CLOSE WITHOUT FINANCING OR RISK LOSING SUCH PURCHASER'S DOWNPAYMENT. IF PURCHASER IS UNABLE TO OBTAIN A MORTGAGE, AND CANNOT PURCHASE THE UNIT WITHOUT A MORTGAGE SUCH PURCHASER SHALL HAVE DEFAULTED UNDER THE PURCHASE AGREEMENT AND SHALL FORFEIT ITS DOWNPAYMENT AND SPONSOR SHALL HAVE ALL OTHER RIGHTS AND REMEDIES HEREUNDER AND AT LAW. IF SPONSOR AGREES TO A MORTGAGE FINANCING CONTINGENCY, THEN (I) THE PURCHASE AGREEMENT SHALL BE CONTINGENT UPON THE ISSUANCE OF A LOAN COMMITMENT, NOT UPON THE FUNDING OF SUCH LOAN BY THE LENDING INSTITUTION, AND THE WITHDRAWAL BY SUCH LENDING INSTITUTION OF ITS LOAN COMMITMENT AFTER THE CONTINGENCY PERIOD FOR ANY REASON, INCLUDING BUT NOT LIMITED TO, A CHANGE IN PURCHASER'S FINANCIAL CONDITION OR AN INABILITY TO OBTAIN AN EXTENSION OF SUCH COMMITMENT, SHALL NOT RELIEVE A PURCHASER OF ITS OBLIGATIONS UNDER THE PURCHASE AGREEMENT AND (II) IF A PURCHASER IS UNABLE TO OBTAIN A MORTGAGE COMMITMENT, SPONSOR HAS CERTAIN RIGHTS TO OBTAIN A MORTGAGE COMMITMENT ON SUCH PURCHASER'S BEHALF. (SEE THE SECTION TITLED *PROCEDURE TO PURCHASE*, AT PART I FOR FURTHER DETAILS.)

6. RISK OF LOSS

IF A PURCHASER IS PERMITTED TO LEASE OR OCCUPY A UNIT BEFORE THE CLOSING OF TITLE THERETO AND BEFORE SUCH CLOSING THE UNIT IS DAMAGED BY CASUALTY OR OTHERWISE, SUCH PURCHASER SHALL ASSUME THE RISK OF LOSS AND THE

OBLIGATION TO REPAIR THE DAMAGE AND CLOSE TITLE. (SEE THE SECTION TITLED *PROCEDURE TO PURCHASE*, AT PART I OF THE PLAN FOR FURTHER DETAILS.)

7. SPONSOR'S ABILITY TO PERFORM

NO BOND OR OTHER SECURITY HAS BEEN FURNISHED TO SECURE SPONSOR'S OBLIGATIONS UNDER THE PLAN. SPONSOR IS PRESENTLY CAPABLE OF PERFORMING ITS OBLIGATIONS; HOWEVER, THE FUTURE ABILITY OF SPONSOR TO PERFORM ITS OBLIGATIONS WILL DEPEND UPON ITS FINANCIAL CONDITION AT THE TIME, WHEN AND IF IT IS CALLED UPON TO PERFORM. NO WARRANTY IS MADE THAT SPONSOR WILL BE FINANCIALLY ABLE TO PERFORM ANY OR ALL OF SUCH OBLIGATIONS. SPONSOR'S LIABILITY IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED IN THE PLAN IS LIMITED TO THE NET PROCEEDS FROM THE SALE OF UNITS AFTER PAYMENT OF, OR REASONABLE RESERVE FOR, ANY LIABILITIES OF SPONSOR ARISING OUT OF THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED IN THE PLAN, PROVIDED THAT SUCH LIMITATION SHALL NOT APPLY TO ANY VIOLATION OF ARTICLE 23-A OF THE GENERAL BUSINESS LAW. IN THE EVENT SPONSOR IS UNABLE TO PERFORM ITS OBLIGATIONS UNDER THE PLAN, SALES OF UNITS WILL CEASE, THE PLAN WILL BE AMENDED AND RESCISSION WILL BE OFFERED TO ALL PURCHASERS THEN UNDER CONTRACT. (SEE THE SECTION TITLED *RIGHTS AND OBLIGATIONS OF SPONSOR*, AT PART I OF THE PLAN FOR FURTHER DETAILS.)

8. SECTION 421-A TAX EXEMPTION

APPLICATION WILL BE MADE BY SPONSOR FOR PARTIAL EXEMPTION FROM REAL ESTATE TAXES ATTRIBUTABLE TO UNITS PURSUANT TO SECTION 421-A OF THE NEW YORK REAL PROPERTY TAX LAW. THERE CAN BE NO ASSURANCE THAT SUCH APPLICATION WILL BE GRANTED. IF THE AFOREMENTIONED APPLICATION IS NOT GRANTED, THERE WILL BE NO PARTIAL EXEMPTION FROM REAL ESTATE TAXES ON UNITS. SUCH EXEMPTION, IF GRANTED, WILL BE FOR A LIMITED PERIOD OF 10 YEARS AND WILL DECREASE PROGRESSIVELY DURING SUCH PERIOD. (SEE *REAL ESTATE TAX EXEMPTION BENEFITS* IN PART I, AND THE DECLARATORY RULING IN PART II FOR FURTHER DISCUSSION.)

9. DOWNPAYMENTS INSURED TO \$250,000

ALL DOWNPAYMENTS MADE BY PURCHASERS WILL BE PLACED IN THE SPECIAL ESCROW ACCOUNT OF THE ESCROW AGENT AT BANK OF AMERICA, 345 PARK AVENUE, NEW YORK, NEW YORK 10152. PURCHASERS ARE FURTHER ADVISED THAT (I) IF A PURCHASER MAKES A DOWNPAYMENT IN EXCESS OF \$250,000 FOR THE PURCHASE OF A UNIT, SUCH DOWNPAYMENT WILL NOT BE FEDERALLY INSURED IN EXCESS OF \$250,000; AND (II) WHILE THE DOWNPAYMENT IS IN THE NON-INTEREST BEARING CHECKING PORTION OF THE MASTER ESCROW ACCOUNT, THE DOWNPAYMENT MAY NOT BE FULLY FEDERALLY INSURED EVEN IF THE DOWNPAYMENT DOES NOT EXCEED \$250,000. FUNDS DRAWN ON OUT-OF-STATE OR FOREIGN BANKS WILL NOT BE ACCEPTED IN PAYMENT OF THE PURCHASE FOR A UNIT UNLESS OTHERWISE AGREED BY SPONSOR. THE PURCHASE AGREEMENT ALSO PROVIDES THAT PURCHASER SHALL BE OBLIGATED TO REIMBURSE SPONSOR FOR ANY LEGAL FEES AND DISBURSEMENTS INCURRED BY SPONSOR IN DEFENDING SPONSOR'S RIGHTS UNDER THE AGREEMENT OR, IN THE EVENT PURCHASER DEFAULTS UNDER THE PURCHASE AGREEMENT BEYOND ANY APPLICABLE GRACE PERIOD, IN CANCELING THE AGREEMENT OR OTHERWISE ENFORCING

PURCHASER'S OBLIGATIONS THEREUNDER. PLEASE REFER TO THE SECTION ENTITLED *PROCEDURE TO PURCHASE* AND TO THE PURCHASE AGREEMENT SET FORTH IN FULL IN PART II OF THE PLAN FOR FURTHER DISCUSSION OF THE FOREGOING. (SEE THE SECTION TITLED *PROCEDURE TO PURCHASE*, AT PART I FOR FURTHER DETAILS.)

10. CERTAIN TAXES TO BE BORNE BY PURCHASERS

UNDER THIS OFFERING NEW YORK STATE REAL PROPERTY TRANSFER TAX AND NEW YORK CITY REAL PROPERTY TRANSFER TAX APPLICABLE TO THE SALE OF A UNIT WILL BE PAID BY THE PURCHASER. FOR PURPOSES OF CALCULATING THE TAXES PAYABLE, THE AMOUNTS OF SUCH TAXES WILL BE INCLUDED IN THE CONSIDERATION SUBJECT TO SUCH TAX. IT IS CUSTOMARY IN REAL ESTATE TRANSACTIONS, OTHER THAN CONDOMINIUM OFFERINGS, FOR SELLERS TO PAY THESE TAXES. IN A CONDOMINIUM OFFERING, EITHER THE SELLER OR THE PURCHASER CAN PAY THESE TRANSFER TAXES. UNDER THIS OFFERING PLAN AND THE PURCHASE AGREEMENT, PURCHASERS ARE REQUIRED TO PAY THESE TAXES AS A CLOSING COST. THE NEW YORK STATE TRANSFER TAX IS AT THE RATE OF \$2.00 PER EACH \$500.00 OF CONSIDERATION OR PART THEREOF. THE NEW YORK CITY REAL PROPERTY TRANSFER TAX IS AT THE RATE OF 1% OF THE PURCHASE PRICE FOR THE UNIT IF THE PURCHASE PRICE IS LESS THAN \$500,000 OR 1.425% IF THE PURCHASE PRICE IS \$500,000 OR MORE. (SEE THE SECTION TITLED *CLOSING COSTS AND ADJUSTMENTS*, AT PART I FOR FURTHER DETAILS.)

11. CERTAIN RIGHTS OF SPONSOR

IN CERTAIN INSTANCES, SPONSOR, ANY SPONSOR-DESIGNEE, AND ANY PARTNER OF ANY ENTITY AFFILIATED DIRECTLY OR INDIRECTLY WITH SPONSOR, ARE NOT REQUIRED TO OBTAIN CONDOMINIUM BOARD APPROVAL OR MEET REQUIREMENTS IMPOSED UPON OTHER UNIT OWNERS. THESE INSTANCES INCLUDE, WITHOUT LIMITATION, THE RIGHT TO USE A UNIT AS A MODEL AND DISPLAY, "FOR SALE," "FOR RENT," "FOR LEASE" OR SIMILAR SIGNS, THE RIGHT TO TRANSFER OR LEASE A UNIT WITHOUT OFFERING THE CONDOMINIUM BOARD THE RIGHT OF FIRST REFUSAL OR PAYING A FEE THEREFOR, THE RIGHT TO ALTER A UNIT WITHOUT OBTAINING THE PRIOR CONSENT OF THE CONDOMINIUM BOARD (BUT ONLY IN ACCORDANCE WITH THE OTHER TERMS OF THIS OFFERING PLAN), THE RIGHT TO PERFORM STRUCTURAL OR NONSTRUCTURAL ALTERATIONS BETWEEN UNITS OWNED BY SPONSOR AND COMBINE UNITS OWNED OR CONTROLLED BY SPONSOR, SUBJECT TO THE TERMS AND CONDITIONS OF THIS OFFERING PLAN AND IN COMPLIANCE WITH REQUIREMENTS OF LAW, AND THE RIGHT TO AMEND THE CONDOMINIUM DOCUMENTS FOR CERTAIN PURPOSES, INCLUDING AMENDING THE DECLARATION WITHOUT A VOTE FOR THE PURPOSE OF FILING THE FLOOR PLANS AS REQUIRED BY SECTION 339-P OF THE CONDOMINIUM ACT FOR AS LONG AS SPONSOR OR ANY SPONSOR-DESIGNEE OR ANY PARTNER OF ANY ENTITY AFFILIATED DIRECTLY OR INDIRECTLY WITH SPONSOR OWNS TITLE TO ONE OR MORE UNITS, THE RULES AND REGULATIONS OF THE CONDOMINIUM, THE BY-LAWS OR DECLARATION MAY NOT BE AMENDED IN A MANNER WHICH WOULD, IN THE SOLE DISCRETION OF SPONSOR OR ANY SPONSOR-DESIGNEE, OR ANY PARTNER OF ANY ENTITY AFFILIATED DIRECTLY OR INDIRECTLY WITH SPONSOR, ADVERSELY AFFECT SPONSOR OR SPONSOR-DESIGNEE OR ANY PARTNER OF ANY ENTITY AFFILIATED DIRECTLY OR INDIRECTLY WITH SPONSOR IN ANY WAY, UNLESS SPONSOR OR EACH SPONSOR-DESIGNEE OR EACH PARTNER OF ANY ENTITY AFFILIATED DIRECTLY OR INDIRECTLY WITH SPONSOR GIVES ITS PRIOR WRITTEN CONSENT TO

SUCH AN AMENDMENT. (SEE THE SECTION TITLED *RIGHTS AND OBLIGATIONS OF UNIT OWNERS AND THE CONDOMINIUM BOARD*, AT PART I FOR FURTHER DETAILS.)

12. CERTAIN RESTRICTIONS ON UNIT OWNER MORTGAGE LOANS

PURSUANT TO EXISTING LAW AND REGULATIONS SPONSOR MAY DECLARE THE PLAN EFFECTIVE BY SELLING A MINIMUM OF FIFTEEN (15%) OF THE UNITS IN THE BUILDING OFFERED UNDER THE PLAN. EVEN IF THE PLAN IS DECLARED EFFECTIVE WITH A MINIMUM NUMBER OF SALES, IT IS POSSIBLE THAT THE SPONSOR MAY BE ABLE TO CONVERT THE BUILDING TO A CONDOMINIUM REGIME WITH FEWER THAN THE MINIMUM NUMBER OF SALES, IF PURCHASERS COUNTED TOWARDS EFFECTIVENESS DO NOT ULTIMATELY PURCHASE A UNIT. PURCHASERS SHOULD NOTE THAT IN THE CURRENT REAL ESTATE MARKET, BANKS AND OTHER LENDERS ARE IMPOSING VARIOUS RESTRICTIONS ON RESIDENTIAL MORTGAGE LOANS FOR CONDOMINIUM UNITS. SUCH RESTRICTIONS MAY INCLUDE REQUIRING THAT A CERTAIN PERCENTAGE (SUCH AS 35% OR 50%) OF THE UNITS IN A BUILDING BE SOLD BEFORE THE LENDER WILL CONSIDER MAKING A LOAN. THUS IT MAY BE POSSIBLE FOR A PURCHASER TO EXPERIENCE DIFFICULTY OBTAINING A LOAN IN A BUILDING WHERE THE PERCENTAGE OF UNITS PURCHASED IS LOWER THAN A LENDER'S PARTICULAR SALES MINIMUM. EVEN ONCE A BUILDING UNDERGOES CONVERSION TO A CONDOMINIUM REGIME, LENDERS MAY STILL IMPOSE MINIMUM SALES REQUIREMENTS BEFORE GRANTING A LOAN. IT THEN MAY BE DIFFICULT FOR A PURCHASER TO RESELL A UNIT IF PROSPECTIVE BUYERS ARE UNABLE TO OBTAIN A LOAN DUE TO SUCH MINIMUM SALES REQUIREMENTS. (SEE THE SECTION TITLED *PROCEDURE TO PURCHASE*, AT PART I FOR FURTHER DETAILS.)

13. SPONSOR'S OBLIGATION WITH RESPECT TO THE BUILDING.

AS MORE FULLY SET FORTH IN THE SECTION OF THE PLAN ENTITLED *RIGHTS AND OBLIGATIONS OF SPONSOR*, SPONSOR IS OBLIGATED TO CONSTRUCT THE BUILDING IN ACCORDANCE WITH ALL APPLICABLE CODES AND FILED BUILDING PLANS AND SPECIFICATIONS AS WELL AS THE PROVISIONS OF THE PLAN. THE HOUSING MERCHANT IMPLIED WARRANTY LAW (GENERAL BUSINESS LAW ARTICLE 36-B) IS NOT APPLICABLE TO THIS OFFERING. SPONSOR IS NOT MAKING ANY EXPRESS OR IMPLIED WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE, MERCHANTABILITY OR HABITABILITY. UNLESS CAUSED BY A VIOLATION OF AN APPLICABLE CODE WITH REGARD TO THE VENTILATION SYSTEM OR OTHER APPLICABLE CODE, THERE IS NO WARRANTY AS TO ODORS. UNLESS CAUSED BY A CODE VIOLATION, THERE IS NO WARRANTY WITH RESPECT TO MOLD, MILDEW, SPORES, FUNGI OR OTHER TOXINS. THERE IS NO WARRANTY AS TO VIEW OR LIGHT QUALITY. THE SPONSOR'S OBLIGATION, REGARDLESS OF ANY LIMITATIONS IN THE WARRANTY, IS TO CONSTRUCT THE PREMISES IN ACCORDANCE WITH ALL APPLICABLE CODES AND FILED PLANS AND SPECIFICATIONS SHALL BE RESOLVED IN FAVOR OF THE LATTER. SPONSOR HAS NOT GIVEN AND PURCHASER HAS NOT RELIED ON OR BARGAINED FOR ANY SUCH WARRANTIES. IN NO EVENT WILL SPONSOR BE LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES (WHETHER BASED ON NEGLIGENCE, BREACH OF CONTRACT, WARRANTY, OR OTHERWISE). IN THE EVENT OF ANY CONFLICT BETWEEN THE FOREGOING DISCLAIMERS AND SPONSOR'S OBLIGATIONS TO CONSTRUCT THE BUILDING IN ACCORDANCE WITH ALL APPLICABLE CODES AND FILED BUILDING PLANS AND SPECIFICATIONS AS WELL AS THE PROVISIONS OF THE PLAN, SPONSOR'S OBLIGATIONS TO CONSTRUCT THE BUILDING IN ACCORDANCE WITH ALL APPLICABLE

CODES AND FILED BUILDING PLANS AND SPECIFICATIONS AS WELL AS THE PROVISIONS OF THE PLAN WILL CONTROL. SEE THE SECTION ENTITLED *RIGHTS AND OBLIGATIONS OF SPONSOR* UNDER THE SUBSECTION ENTITLED "*SPONSOR'S OBLIGATIONS WITH RESPECT TO THE BUILDING*" IN PART I OF THE PLAN FOR FURTHER DISCUSSION.

14. CONDITION OF UNITS AT SALE

PURCHASERS SHOULD BE AWARE THAT ALTHOUGH A VALID TEMPORARY OR PERMANENT CERTIFICATE OF OCCUPANCY FOR THE BUILDING WILL BE ISSUED PRIOR TO CLOSING, UNITS WILL BE DELIVERED TO PURCHASERS AS DESCRIBED IN THE DESCRIPTION OF PROPERTY AND SPECIFICATIONS. ALL OF THE UNITS ARE CURRENTLY VACANT. (SEE *THE DESCRIPTION OF PROPERTY AND SPECIFICATIONS* AT PART II FOR FURTHER DETAILS.)

15. PURCHASER'S OBLIGATION TO INSTALL CHILD WINDOW SAFETY GUARDS.

EACH UNIT OWNER SHALL NOTIFY THE MANAGING AGENT IN WRITING WHEN A CHILD OR CHILDREN UNDER THE AGE OF ELEVEN (11) YEARS LIVES OR RESIDES IN THE UNIT. EACH UNIT OWNER SHALL, AT SUCH UNIT OWNER'S EXPENSE, BUT SUBJECT TO COMPLIANCE WITH APPLICABLE LAW, INSTALL THE REQUIRED WINDOW GUARDS IN THE UNIT THAT AS REQUIRED BY NEW YORK STATE AND/OR NEW YORK CITY LAW, INCLUDING, BUT NOT LIMITED TO, HEALTH CODE SECTION 131.15, AND SHALL NOT REMOVE THE SAME UNTIL PERMITTED BY APPLICABLE LAW. (SEE THE SECTION ENTITLED *PROCEDURE TO PURCHASE* FOR FURTHER DISCUSSION.)

16. UNIT 4/5.

UNIT 4/5, A DUPLEX UNIT CONSISTING OF THE ENTIRE FOURTH AND FIFTH FLOOR OF THE BUILDING, IS BEING OFFERED FOR SALE BY SPONSOR, BUT IS SUBJECT TO AN EXISTING OPTION HELD BY ESSEX ILLIQUID LLC, AN EQUITY OWNER OF SPONSOR (THE "INVESTOR") TO DESIGNATE THE PURCHASER OF UNIT 4/5 PURSUANT TO AN AGREEMENT WITH SPONSOR. IN THE EVENT THAT THE INVESTOR EXERCISES ITS OPTION, UNIT 4/5 WILL BE PURCHASED BY SUCH PURCHASER AS THE INVESTOR ELECTS AND OCCUPIED BY SUCH PARTY AS A RESIDENCE. (SEE THE SECTION TITLED *DESCRIPTION OF PROPERTY AND IMPROVEMENTS* AT PART I FOR FURTHER DETAILS.)

17. UNIT 1 LANDSCAPED YARD.

THE LANDSCAPED YARD ADJACENT TO UNIT 1 SHALL BE USED AND MAINTAINED BY THE UNIT 1 OWNER AT THE UNIT 1 OWNER'S EXPENSE AS A FIRST-CLASS GARDEN IN KEEPING WITH THE CHARACTER, DESIGN AND NATURE OF THE BUILDING AND OF OTHER LUXURY CONDOMINIUM BUILDINGS IN MANHATTAN. THERE SHALL BE NO PERMANENT STRUCTURES ERECTED IN THE LANDSCAPED YARD OTHER THAN A PERGOLA WITHOUT THE PRIOR WRITTEN APPROVAL OF THE BOARD, WHICH APPROVAL SHALL NOT BE UNREASONABLY WITHHELD, CONDITIONED OR DELAYED. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING RESTRICTION, THE FOLLOWING STRUCTURES ARE EXAMPLES OF STRUCTURES THAT SHALL NOT BE PERMITTED: SWINGS, SWINGSETS, SLIDES, PLAYSETS, POOLS, PLAYING COURTS OF ANY KIND, CHILDREN'S CLIMBING STRUCTURES, AND ANY OTHER STRUCTURE NOT IN KEEPING WITH THE NATURE AND DESIGN OF A FIRST-CLASS GARDEN. NOTWITHSTANDING THE FOREGOING, DINING TABLES WITH ANCILLARY SEATING FOR OUTSIDE DINING MAY BE

MAINTAINED IN THE LANDSCAPED YARD, FOR USE BY THE UNIT 1 OWNER AND ITS GUESTS. EXCEPT AS SET FORTH ABOVE, AND SUBJECT TO THE LIMITED REVIEW RIGHTS OF THE CONDOMINIUM BOARD WITH RESPECT TO CONFIRMING COMPLIANCE WITH THE PLAN, DECLARATION AND BY-LAWS, THE CONDOMINIUM BOARD WILL HAVE NO RIGHT TO RESTRICT OR LIMIT ANY USES OF THE LANDSCAPED YARD WHICH ARE PERMITTED BY LAW AND APPLICABLE ZONING ORDINANCES. (SEE THE SECTION OF THE PLAN ENTITLED *DESCRIPTION OF PROPERTY AND IMPROVEMENTS* FOR FURTHER DISCUSSION.)

18. DELAY IN CLOSING.

BASED UPON THE CURRENT CONSTRUCTION SCHEDULE, SPONSOR CONTEMPLATES THAT, UNLESS DELAYED BY WEATHER, CASUALTY, LABOR DIFFICULTIES, LATE DELIVERIES OR INABILITY TO OBTAIN MATERIALS, GOVERNMENTAL RESTRICTIONS, OR OTHER EVENTS BEYOND ITS REASONABLE CONTROL, CONSTRUCTION OF THE BUILDING WILL BE SUFFICIENTLY COMPLETED TO PERMIT CLOSINGS OF UNITS TO BEGIN ON OR ABOUT AUGUST 1, 2011 - JULY 31, 2012. IF THE PROJECTED FIRST UNIT CLOSING DATE IS DELAYED BY TWELVE (12) MONTHS OR MORE, A RIGHT TO RESCIND WILL BE OFFERED IN AN AMENDMENT TO ALL PURCHASERS, WITH NOT LESS THAN FIFTEEN (15) DAYS TO EXERCISE SUCH RIGHT. TIME SHALL BE OF THE ESSENCE WITH RESPECT TO PURCHASER'S RIGHT TO EXERCISE SUCH RESCISSION RIGHT. (SEE THE SECTION TITLED *PROCEDURE TO PURCHASE* AT PART I FOR FURTHER DETAILS.)

19. NO RESERVE FUND.

THE CONTINGENCY PROVIDED FOR IN THE PROJECTED BUDGET FOR THE FIRST YEAR OF CONDOMINIUM OPERATION (SCHEDULE B) IS INTENDED TO PROVIDE A FUND FOR UNANTICIPATED EXPENSES NOT INCLUDED IN THE BUDGETS AND, FOR INCREASES IN OPERATING EXPENSES ABOVE THE AMOUNTS PROJECTED. NO OTHER RESERVE FUND FOR CAPITAL EXPENDITURES HAS BEEN ESTABLISHED EXCEPT AS EXPRESSLY SPECIFIED IN THE PROJECTED BUDGET, AS TO WHICH SPONSOR MAKES NO REPRESENTATIONS THAT SUCH AMOUNT SHALL BE SUFFICIENT TO MEET THE COST OF ANY MAJOR CAPITAL REPAIRS OR REPLACEMENTS WHICH MAY BE REQUIRED. THE CONTINGENCY IS NOT INTENDED AND MAY NOT BE SUFFICIENT TO MEET THE COST OF ANY MAJOR CAPITAL REPAIRS OR REPLACEMENTS WHICH MAY BE REQUIRED. IF FUNDS ARE REQUIRED TO MEET SUCH COSTS, IT MAY BE NECESSARY TO INCREASE COMMON CHARGES OR INSTITUTE A SPECIAL ASSESSMENT. SEE THE SECTION OF THE PLAN ENTITLED *WORKING CAPITAL FUND* FOR FURTHER DISCUSSION.

20. POWER OF ATTORNEY.

EACH PURCHASER WILL BE OBLIGATED TO ENTER INTO A POWER OF ATTORNEY AT THE CLOSING OF TITLE TO THE UNIT (THE "POWER OF ATTORNEY"). THE FORM OF POWER OF ATTORNEY SET FORTH IN PART II OF THE PLAN, GRANTS BROAD POWERS TO THE CONDOMINIUM BOARD AND THE RESIDENTIAL BOARD TO ENTER INTO AGREEMENTS AFFECTING THE COMMON ELEMENTS. THE POWER OF ATTORNEY ALSO GRANTS TO SPONSOR THE RIGHT TO AMEND THE CONDOMINIUM DECLARATION WITH RESPECT TO UNSOLD UNITS. PLEASE REFER TO THE FORM OF POWER OF ATTORNEY SET FORTH IN ITS ENTIRETY IN PART II OF THE PLAN.

21. TERRACES; BALCONIES.

TERRACES AND BALCONIES APPURTENANT TO CERTAIN UNITS, AS DESCRIBED IN SCHEDULE A AND THE FLOOR PLANS SET FORTH IN PART II OF THE PLAN, WILL BE LIMITED COMMON ELEMENTS AVAILABLE FOR THE EXCLUSIVE USE OF SAME SUBJECT TO THE RIGHT OF THE CONDOMINIUM BOARD TO REGULATE ITS USE. HOWEVER, THE COSTS AND EXPENSES OF ANY STRUCTURAL REPAIRS OR REPAIRS OR REPLACEMENTS CAUSED BY THE NEED FOR SUCH STRUCTURAL REPAIRS TO ANY TERRACE OR BALCONY (UNLESS CAUSED BY ITS UNIT OWNER), SHALL BE CHARGED TO ALL UNIT OWNERS AS COMMON EXPENSE. COOLING TOWERS AND OTHER MECHANICAL EQUIPMENT NECESSARY FOR THE MAINTENANCE AND OPERATION OF THE BUILDING AND THE UNITS WILL BE LOCATED ON THE ROOF. THE CONDOMINIUM BOARD WILL BE RESPONSIBLE FOR ENSURING THAT THE MECHANICAL EQUIPMENT IS OPERATED IN ACCORDANCE WITH LAW, INCLUDING REQUIREMENTS GOVERNING ACCEPTABLE LEVELS OF NOISE AND ODOR EMISSIONS. SPONSOR IS NOT RESPONSIBLE FOR, NOR CAN IT MAKE ANY GUARANTEES REGARDING, THE LEVEL OF NOISE OR ODOR EMISSIONS. SPONSOR IS NOT RESPONSIBLE FOR, NOR CAN IT MAKE ANY GUARANTEES REGARDING, THE LEVEL OF NOISE OR ODORS RESULTING FROM THE OPERATION OF THE BUILDING OR THE UNITS OR THE DEGREE OF PRIVACY WHICH WILL BE AFFORDED TO UNIT OWNERS ON THEIR TERRACES OR BALCONIES. PLANTS MAINTAINED ON BALCONIES/TERRACES OR ROOF SURFACE SHALL BE CONTAINED IN BOXES OF WOOD LINED WITH METAL OR OTHER MATERIAL IMPERVIOUS TO DAMPNES AND STANDING ON SUPPORTS AT LEAST TWO (2") INCHES FROM THE BALCONY/TERRACE OR ROOF

SURFACE, AND IF ADJOINING THE WALL AT LEAST THREE (3") INCHES FROM SUCH WALL. SUITABLE WEEP HOLES MUST BE PROVIDED IN THE BOXES TO DRAW OFF WATER. IN SPECIAL LOCATIONS, SUCH AS THE CORNER ABUTTING A PARAPET WALL, PLANTS MAY BE CONTAINED IN MASONRY OR HOLLOW TILE WALLS WHICH WILL BE AT LEAST THREE (3") INCHES FROM THE PARAPET AND FLASHING, WITH THE FLOOR OF DRAINAGE TILES AND SUITABLE WEEP HOLES AT THE SIDES TO DRAW OFF WATER. IT WILL BE THE RESPONSIBILITY OF THE UNIT OWNER TO MAINTAIN THE CONTAINERS IN GOOD CONDITION, AND THE DRAINAGE TILES AND WEEP HOLES IN OPERATING CONDITION. SEE THE SECTION OF THE PLAN ENTITLED *DESCRIPTION OF PROPERTY AND IMPROVEMENTS* FOR FURTHER DISCUSSION.

22. CERTIFICATE OF OCCUPANCY

CLOSING WILL NOT TAKE PLACE, AND NO INDIVIDUAL UNIT WILL BE SOLD UNTIL A PERMANENT OR TEMPORARY CERTIFICATE OF OCCUPANCY HAS BEEN OBTAINED FOR THE PREMISES. IN THE EVENT A CLOSING OCCURS AFTER THE ISSUANCE OF A TEMPORARY CERTIFICATE OF OCCUPANCY, BUT PRIOR TO THE ISSUANCE OF A PERMANENT CERTIFICATE OF OCCUPANCY, THEN IT WILL REMAIN THE OBLIGATION OF THE SPONSOR, AT ITS OWN COST AND EXPENSE, TO OBTAIN A PERMANENT CERTIFICATE OF OCCUPANCY WITHIN TWO (2) YEARS FROM THE DATE OF ANY SUCH CLOSING. SEE THE SECTION OF THE PLAN ENTITLED *TERMS OF SALE* FOR FURTHER DISCUSSION.

23. LANDMARK STATUS

THE BUILDING HAS BEEN DESIGNATED AN INDIVIDUAL "LANDMARK" UNDER, AND IS SUBJECT TO THE LANDMARK PRESERVATION LAW (HEREAFTER, "LANDMARK LAW"). PURSUANT TO THE LANDMARK LAW, IF THE BOARD OR ANY UNIT OWNER DESIRES TO MAKE ANY ALTERATION, ADDITION, IMPROVEMENT OR REPAIR IN/OR TO THE BUILDING OR A UNIT (OTHER THAN CERTAIN ORDINARY REPAIRS AND MAINTENANCE AS DEFINED IN SECTION 302 OF THE LANDMARK LAW) THAT AFFECTS ANY EXTERIOR ARCHITECTURAL FEATURE OF THE BUILDING, THEN, IN ADDITION TO OBTAINING ANY NECESSARY APPROVAL OR CONSENT UNDER THE CONDOMINIUM DOCUMENTS, SUCH PARTY MUST FIRST OBTAIN THE APPROVAL OF A CERTIFICATE OF APPROPRIATENESS OR A CERTIFICATE OF NO EFFECT (AS APPLICABLE) FROM THE LANDMARKS PRESERVATION COMMISSION OF THE CITY OF NEW YORK (HEREAFTER, "COMMISSION" OF "LANDMARKS COMMISSION"). IF THE PROPOSED ALTERATION, ADDITION, IMPROVEMENT OR REPAIRS IS INTERIOR, IS OF SUFFICIENT SCOPE TO REQUIRE A BUILDING OR WORK PERMIT, AND WILL NOT AFFECT ANY EXTERIOR ARCHITECTURAL FEATURE OF THE BUILDING, A SUBMISSION TO THAT EFFECT TO THE COMMISSION WILL ISSUE A "CERTIFICATE OF NO EFFECT". THE ISSUANCE OF SUCH CERTIFICATE IS A COMMON OCCURRENCE AND IS TYPICALLY ISSUED ON A MINISTERIAL BASIS. SEE THE SECTION OF THE PLAN ENTITLED *DESCRIPTION OF PROPERTY AND IMPROVEMENTS* FOR FURTHER DISCUSSION

24. WOOD FLOORS

THE UNITS ARE BEING DELIVERED WITH WOOD FLOORS. WOOD IS A NATURAL PRODUCT AND EXPANDS AND CONTRACTS WITH WEATHER CONDITIONS, WHICH CAUSES THE FLOORS APPEARANCE TO CHANGE. MOREOVER, IN ORDER TO MAINTAIN

THE QUALITY OF THE FLOOR THE HUMIDITY LEVEL WITHIN THE UNIT SHOULD BE MAINTAINED ACCORDING TO THE MANUFACTURERS' RECOMMENDATIONS AND THE FLOORS SHOULD NOT BE WASHED WITH WATER. ANY STONE FINISHES IN THE UNITS SHALL NOT BE SEALED BY THE SPONSOR AND MUST BE SEALED BY THE UNIT OWNER AND REGULARLY RESEALED IN ACCORDANCE WITH THE MANUFACTURER'S RECOMMENDATIONS. SEE THE SECTION OF THE PLAN ENTITLED *DESCRIPTION OF PROPERTY AND IMPROVEMENTS* FOR FURTHER DISCUSSION.

25. FIREPLACES

UNIT OWNERS SHOULD BE ADVISED THAT FIREPLACES ARE NOT USABLE FOR WOOD FIRES. SEE THE SECTION OF THE PLAN ENTITLED *DESCRIPTION OF PROPERTY AND IMPROVEMENTS* FOR FURTHER DISCUSSION.

26. ROOF

THERE IS AN AMERICAN HYDROTECH SYSTEM OR APPROVED EQUAL FOR THE ROOF AND A 20 YEAR WATERTIGHT WARRANTY COVERING EVERY COMPONENT IN THE SYSTEM. SEE THE SECTION OF THE PLAN ENTITLED *DESCRIPTION OF PROPERTY AND IMPROVEMENTS* FOR FURTHER DISCUSSION.

27. MEASUREMENT

THE SQUARE FOOT AREA OF THE UNITS SET FORTH IN THE FLOOR PLANS, SCHEDULE A TO THE OFFERING PLAN AND SCHEDULE B TO THE DECLARATION ARE APPROXIMATE AND WERE OBTAINED BY USING THE METHOD CUSTOMARILY USED IN NEW YORK CITY TO MEASURE RENTAL, COOPERATIVE AND CONDOMINIUM APARTMENTS. THE UNITS WERE MEASURED FROM THE EXTERIOR SIDE OF THE EXTERIOR WALLS (PERIMETER COLUMNS AND MECHANICAL PIPES/DUCTS/SHAFTS ARE NOT DEDUCTED) TO THE MIDPOINT OF THE INTERIOR WALLS AND PARTITIONS SEPARATING ONE UNIT FROM ANOTHER UNIT, OR SEPARATING A UNIT FROM PUBLIC CORRIDORS, STAIRS, ELEVATORS OTHER MECHANICAL EQUIPMENT LOCATED WITHIN A UNIT SHALL NOT BE CONSIDERED A PART OF SUCH UNIT. AS IS CUSTOMARY IN NEW YORK CITY, THESE SQUARE FOOT AREAS EXCEED THE USEABLE FLOOR AREA OF EACH UNIT. MEASURED VERTICALLY, EACH UNIT WILL CONSIST OF THE VOLUME FROM THE TOP OF THE CONCRETE FLOOR SLAB BELOW (LOCATED UNDER THE FINISHED FLOORING AND SUB-FLOOR MATERIALS) TO THE UNDERSIDE OF THE CONCRETE SLAB ABOVE. HOWEVER, THE BOARD, SPONSOR AND SPONSOR'S DESIGNEE WILL EACH HAVE AN EASEMENT TO INSTALL AND MAINTAIN PIPES, CONDUITS, WIRES, DUCTS AND OTHER FACILITIES IN THE SPACE BETWEEN THE UNDERSIDE OF EACH SUCH FLOOR SLAB AND THE TOP SURFACE OF EACH UNIT'S FINISHED CEILING, WITHOUT ANY NEED TO OBTAIN THE CONSENT OF ANY UNIT OWNER WITH RESPECT TO THE SAME. THE CLEARANCE BETWEEN THE TOP OF THE CONCRETE FLOOR SLAB AND THE BOTTOM OF THE FINISHED CEILING IN THE UNITS IS INDICATED IN THE DESCRIPTION OF PROPERTY AND SPECIFICATIONS, BUT CERTAIN UNITS AND AREAS WITHIN OTHER UNITS MAY HAVE CLEARANCES OF LESS THAN INDICATED TO ACCOMMODATE FACILITIES LOCATED ABOVE THE SAME OR OTHERWISE TO RESPECT TO FIELD CONDITIONS. SEE THE SECTION OF THE PLAN ENTITLED *DESCRIPTION OF PROPERTY AND IMPROVEMENTS* FOR FURTHER DISCUSSION.

INTRODUCTION

(1) Nature of the Transaction

DDG 41 NOHO LLC, a New York limited liability company, having an address at c/o DDG Partners LLC, 250 Hudson Street, 10th Floor, New York, NY 10013 (the "Sponsor"), hereby presents this offering plan (this "Plan") for condominium ownership of the land (the "Land") together with the building erected thereon known as and having a street address of 41-43 Bond Street, New York, New York 10012 (the "Building") (the Land, the Building and appurtenances thereto are being referred to herein as the "Property") pursuant to the terms of Article 9-B of the Real Property Law of the State of New York (the "Condominium Act"). The condominium will be known as "41 BOND CONDOMINIUM" and is referred to herein as the "Condominium." The Condominium will consist of seven (7) residential units (collectively, the "Units") located on floors cellar to nine (9). Each Unit is located on a single floor other than Unit 1, which is located in a portion of the cellar and the first floor, Unit 4/5, which is located on floors four (4) and five (5) of the Building, and the Penthouse Unit, which is located on floors eight (8) and nine (9) of the Building. Sponsor acquired the Land on September 9, 2009 from 41-43 Bond Street LLC.

All capitalized terms without definitions are defined below under the subheading *Certain Definitions*.

(2) The Offering Plan

The purpose of this Plan is to set forth all of the material terms of this offering. This Plan contains all of the detailed terms of the transaction. The Plan is presented in two parts, which together constitute the entire Plan. Part I sets forth a general description of the Plan and Part II contains most of the basic documents necessary to create the Condominium and to otherwise effectuate the provisions of the Plan. Also included in Part II is a detailed physical description of the Property and certifications of Sponsor, Sponsor's architect and Sponsor's condominium budget expert. In addition, Sponsor has filed with the Department of Law Exhibits to the Plan which are presented as Parts A (Certifications), B (General) and C (Engineering). The Plan, including all Schedules set forth herein, and Parts A, B and C of the Exhibits constitute the entire offer of Sponsor. Copies of the Plan and the Exhibits will be available for inspection by prospective purchasers at a reasonable charge at Sponsor's office.

This Plan may be amended from time to time when an amendment is filed with the Department of Law. Any such amendment will be served on all purchasers who have executed and delivered Purchase Agreements to the Sponsor and are not in default and any other offerees as may be required by applicable law or regulation.

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

(3) The Offer

Sponsor hereby offers all of the Units for sale under the Plan.¹ The purchase prices, estimated Common Charges and estimated real estate taxes for each of the Units are listed below in the Section entitled *Schedule A- Purchase Prices and Related Information* (hereinafter referred to as "Schedule A").

THE PRICES CONTAINED IN THIS PLAN HAVE BEEN SET BY SPONSOR WITHOUT ARMS LENGTH NEGOTIATION AND ARE NOT SUBJECT TO APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENTAL AGENCY.

For further details concerning the Closing of Title to the Units, the costs and adjustments with respect thereto, and the time periods which must elapse before closings may occur, see the Sections entitled *Effective Date*, *Closing of Title to Units*, *Closing Costs and Adjustments* and *Rights and Obligations of Sponsor*.

This offering is made to individuals over the age of eighteen (18) years, corporations, partnerships, trust, estates and other business entities.

(4) Features of Condominium Ownership

The ownership of a residential condominium unit is similar, in many respects, to the ownership of a private home. Each Unit Owner will own fee title to his Unit and will be entitled to the exclusive possession thereof. In addition, each Unit Owner will own, in common with every other Unit Owner, an undivided percentage interest in all parts of the Property other than the Units themselves (the "Common Elements"). As more fully set forth in the Declaration, the Common Elements are comprised of: (i) portions of the Property serving and benefiting all Units, generally, including, for example, the Land, the Buildings, lobby, foundations and supports of the Building, these Common Elements being more specifically designated as "General Common Elements" and (ii) portions of the Building servicing and benefiting certain Units, exclusively, such as roof terraces, these Common Elements being more specifically designated as "Limited Common Elements."

Subject to certain conditions contained in the By-Laws, each Unit Owner may freely mortgage his Unit with such lender and in such amount as he chooses (See the Section entitled *Rights and Obligations of Unit Owners and the Condominium Board*). Each Unit is separate and is not subject to the lien of any mortgage placed by other Unit Owners on their respective Units.

Each Unit will be taxed as a separate tax lot for real estate tax and assessment purposes and no Unit Owner will be responsible for the payment of, nor will his Unit be subjected to, any lien arising from the non-payment of taxes on any other Unit. An estimate of the real estate taxes and assessments that will be payable for each Unit during the first year of condominium operation of the Property subsequent to the First Closing is set forth in Schedule A. The estimated real estate taxes for each Unit assumes that the New York City taxing authority will allocate real estate taxes among Units in proportion to their respective Common Interests. As more fully set forth under *Real Estate Tax Exemption Benefits*, below, Sponsor shall apply for a partial exemption from real estate taxes pursuant to Section 421-A of the

¹ Sponsor reserves the right by amendment to exclude from the offering hereunder and retain for its own account or the account of any designee of Sponsor any of the Unsold Units. Such Unsold Units may be used by Sponsor and its designees for any lawful purpose, and may be leased for such rents and on such terms and conditions that Sponsor or its designee and any tenant may agree upon. Any of such Unsold Units may be subsequently sold only by prior amendment to the Plan. (See "Rights and Obligations of Sponsor," below).

New York Real Property Tax Law.

A Unit Owner may occupy his Unit only for residential purposes and such other purposes as are described in the Section entitled *Rights and Obligations of Unit Owners and the Condominium Board*.

With certain exceptions, any sale or lease a Unit will be subject to a right of first refusal in favor of the Condominium Board of the Condominium (the "Condominium Board") to acquire or lease in whole or in part of such Unit or to produce a third party to do so, on the same terms as were offered to the owner of such Unit (See the Section entitled *Rights and Obligations of Unit Owners and the Condominium Board* under the subheading *Sales and Leases of Units* for further discussion). The Condominium Board shall have no right to approve or disapprove purchasers, and there is no limit on the number of individuals that may purchase for investment rather than for personal occupancy so there may always be a substantial number of purchasers who are non-residents.

Each Unit Owner may decorate the interior of his Unit in any way that he desires, subject to compliance with the Condominium's By-Laws and the Rules and Regulations made in accordance therewith, and will be solely responsible for the cost of maintenance and interior painting of his Unit. (See the Sections entitled *Rights and Obligations of Unit Owners and the Condominium Board* and *Condominium Board and Summary of By-Laws* for further discussion).

The Condominium Board (in which the operation of the Condominium will be vested) will, from time to time, assess all Unit Owners, in proportion to their respective percentage interests in the Common Elements or as otherwise set forth in Schedule B, *Budget for the First Year of Condominium Operation*, charges (the "Common Charges") for, among other things, the cost and expense of operating, maintaining and repairing the Common Elements (the "Common Expenses"). Assessment for a Common Expense will be based upon the Unit's Common Interest. Each Unit Owner will be solely responsible for the payment of all Common Charges assessed against such Unit Owner. Except as otherwise noted in the Footnotes to Schedule B, water charges and sewer rents will not be separately assessed to Unit Owners by the City of New York and will be paid by the Condominium Board and included in the Common Expenses (see the Sections entitled *Rights and Obligations of Unit Owners and the Condominium Board* and *Condominium Board and Summary of By-Laws* for further discussion).

The undivided percentage interest of each Unit in the Common Elements (the "Common Interest" of such 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 the common elements for exclusive or shared use and the overall dimension of the particular Unit pursuant to the terms of Section 339-i(1)(iv) of the Condominium Act. The cost of operating the Condominium will be borne entirely by Unit Owners in proportion to their respective Common Interests. See Schedule B for more details. Unit Owners will have no interest in any rents, net profits or revenues derived from the rental or use of any Unit owned by another. The aggregate Common Interest of all Units equals 100%. The Common Interest is the basis for determining a Unit Owner's share of any distribution upon termination of the Condominium. Each Unit's Common Interest and estimate of the Common Charges that will be payable by the Unit owner during the first year of condominium operation of the Property subsequent to the First Closing as required by Section 339(i) and (m) of the Condominium Act are set forth in Schedule A.

The Declaration of the Condominium is set forth in Part II.

(5) Contents of Part II

The agreement to purchase a Unit is called a "Purchase Agreement," the general form of which is

set forth in Part II. The terms of sale, as well as the procedure to purchase a Unit, are summarized in the Section entitled *Procedure to Purchase*.

A detailed description of the physical condition of the Property is set forth in Part II.

The salient provisions of the Declaration, which is the document that establishes condominium ownership of the Property, and the By-Laws of the Condominium (the "By-Laws"), which govern the operation of the Condominium and to which are annexed the Rules and Regulations of the Condominium (the "Rules and Regulations"), are summarized in the Sections entitled *Rights and Obligations of Unit Owners* and the *Condominium Board and Condominium Board and Summary of By-Laws* and are set forth in their entirety in Part I.

Floor plans of the Units are set forth in Part II of the Plan. The floor plans are only an approximation of the dimensions and layout of a Unit. Each Unit should be carefully inspected by the Purchaser prior to purchase to determine its actual dimensions, layout and physical condition.

The opinion of counsel to Sponsor concerning certain tax consequences of this Plan as to both the Condominium and the Unit Owners is summarized in the Section entitled *Taxes - Deductions to Unit Owners and Tax Status of the Condominium* and is set forth in its entirety in Part II. A declaratory ruling from the New York City Department of Housing preservation & Development concerning the proposed 421-A tax exemption is annexed hereto and summarized in the Section entitled *Real Estate Tax Exemption Benefits* and is set forth in its entirety in Part II.

Each Unit Owner will be required to give a Power of Attorney to the Condominium Board and to Sponsor at the Closing of Title. The form of the Power of Attorney and the form of deed that Sponsor will issue to purchasers of Units are set forth in Part II.

PARTS I AND II CONSTITUTE THE ENTIRE OFFERING PLAN. ALL DOCUMENTS REFERRED TO IN THIS OFFERING PLAN ARE IMPORTANT. PROSPECTIVE PURCHASERS ARE ADVISED TO READ THE ENTIRE OFFERING PLAN IN ORDER TO EVALUATE THE OFFERING PROPERLY AND THOROUGHLY. IT IS SUGGESTED THAT PROSPECTIVE PURCHASERS CONSULT THEIR OWN ATTORNEY OR FINANCIAL ADVISOR AND PROVIDE HIM WITH A COPY OF THE OFFERING PLAN BEFORE AGREEING TO PURCHASE. EACH PROSPECTIVE PURCHASER HAS THE OPPORTUNITY TO INSPECT HIS UNIT AND THE BUILDING PRIOR TO SIGNING A PURCHASE AGREEMENT.

DEFINITIONS

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

Building:

The building situated on the Land in which are located the Units of the Condominium.

By-Laws:

The By-Laws governing the operation of the Condominium, the form of which is set forth as Exhibit 7 in Part II hereof.

City Register's Office:

The New York County Office of the Register of the City of New York.

Closing Notice:

A written notice of the time and place in the Borough of Manhattan of the Closing of Title to a Unit subject to a Purchase Agreement. The Closing Notice shall be given at least fifteen (15) days prior to the date of closing including a reasonable opportunity for the Purchaser to examine his Unit and the Property prior to the Closing of Title, provided that with respect to the First Unit Closing, Sponsor shall give Purchasers not less than thirty (30) days notice of Closing of Title, which notice may be waived in writing by a Purchaser.

Closing of Title:

The date upon which a Unit and its appurtenant Common Interest is conveyed pursuant to a Purchase Agreement. At Closing of Title there shall be the conveyance of title to a Unit from Sponsor to the Purchaser by the delivery to the Purchaser of a deed, upon payment by the Purchaser to Sponsor of the balance of the purchase price for such Unit.

Common Charges:

The assessments payable to the Condominium Board by the Unit Owners for the purpose of meeting Common Expenses.

Common Elements:

The Land and all parts of the Building, other than the Units themselves, being comprised of the General Common Elements and the Limited Common Elements.

Common Expenses:

The costs and expenses in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the Common Elements. Common Expenses shall be General Common Expenses attributable to all Unit Owners.

Common Interest:

The proportionate undivided interest, expressed as a numerical percentage, in the Common Elements, appurtenant to each Unit as determined in accordance with the Declaration. The total of the Common Interest percentages appurtenant to all Units equals 100%. The Common Interest is the basis of determining, among other things, a Unit Owner's (a) undivided ownership interest in the Common Elements; (b) liability for a share of the Common Expenses and (c) share of any distributions upon termination of the Condominium.

Condominium:

41 Bond Condominium.

Condominium Board:

The unincorporated association comprised of the Unit Owners or their designees which will manage the affairs of the Condominium in accordance with the By-Laws.

Counsel to Sponsor:

Goldfarb & Fleece LLP, 345 Park Avenue, New York, New York 10154.

Declaration:

The instrument creating the Condominium, the form of which is set forth as Exhibit 6 in Part II hereof.

Down Payment:

The deposit made by a Purchaser in connection with the execution of a Purchase Agreement in accordance with the provisions of the Plan.

Effective Date:

The date upon which Sponsor has declared this Plan effective pursuant to the provisions of the GBL.

Facilities:

All personal property and fixtures now or hereafter existing, on or under the Land or the Building and either existing for the common use of the Units or the Unit Owners or necessary for, or convenient to, the existence, maintenance, or safety of the Property.

Filing Date:

The date a letter is issued by the Department of Law accepting this Plan or an amendment to this Plan, as the case may be, for filing.

First Closing or First Unit Closing:

The Closing of Title with respect to the first Unit to be conveyed pursuant to a Purchase Agreement under this Plan.

First Year's Budget:

The Section of this Plan entitled *Schedule B-Budget for the First Year of Condominium Operation*. The First Year's Budget is sometimes referred to herein as "Schedule B".

Floor Plans:

The floor plans of the Building which are certified by Sponsor's architect as accurate copies of the Plans as filed with the Department of Buildings and approved by the Real Property Assessment Department of The City of New York and City Register's Office.

General Common Elements:

Those portions of the Common Elements which are available for common use by all Unit Owners.

General Common Expenses:

All costs and expenses to be incurred generally by the Unit Owners in connection with the repair, maintenance, replacement, restoration and operation of the General Common Elements.

Initial Control Period:

The period ending on the earlier of (i) the Closing of Title with Purchasers under this Plan to Units having at least 50% of the aggregate Common Interests appertaining to all Units, or (ii) five (5) years after the First Closing.

Installations:

All fixtures, machinery, equipment, furnishings, appliances, installations and other personal property contained in the Unit at the time in question.

Land:

The land located in the Borough of Manhattan on the Tax Map of the Real Property Assessment Department of The City of New York as Block 529, Lots 29 and 30 and known by the street address 41-43 Bond Street, New York, New York, and to be known as 41 Bond Street, New York, New York, as more particularly described in the Declaration.

Limited Common Elements:

Means those portions of the Common Elements which serve or benefit exclusively one or more specified Units to the exclusion of all other Unit Owners. The Limited Common Elements consist of those portions of the Building (other than the Units) that are for the use of one or more specified Units to the exclusion of all other Units, as more particularly described in the Declaration.

Managing Agent: The Managing Agent or manager of the Building at the time in question.

Penthouse Unit: The Unit located on the floors eight (8) and nine (9) of the Building.

Permitted Encumbrances:

Such encumbrances to the title of a Unit, subject to which each Purchaser agrees to accept title to his Unit, as more particularly itemized on Schedule B of the Unit Deed, the form of which is set forth as Exhibit 5 to Part II hereof.

Permitted Mortgage:

A mortgage of a Unit or Units permitted to be placed thereon pursuant to the provisions of the By-Laws.

Plans and Specifications:

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

Property:

The Land, the Building, and the appurtenances thereto.

Purchase Agreement:

The agreement to purchase a Unit pursuant to the Plan, the general form of which is set forth as Exhibit 3 in Part II of this Plan.

Purchaser:

A purchaser of a Unit under a Purchase Agreement.

Rules and Regulations:

The rules and regulations of the Condominium set forth in the By-Laws set forth as Exhibit 7 in Part II hereof.

Schedule A:

The Section of this Plan entitled *Schedule A-Price of Units*.

Schedule B:

The Section of this Plan entitled *Schedule B-Projected Budget for the First Year of Condominium Operation*. Schedule B is sometimes referred to herein as the "First Year's Budget."

Sponsor:

DDG 41 NOHO LLC, a limited liability company duly organized and existing under the laws of the State of New York with offices at c/o DDG Partners LLC, 250 Hudson Street, 10th Floor, New York, New York 10013, or any of its successors, designees, or assigns.

Title Company:

Royal Abstract of New York LLC or such other title insurance company as Sponsor may designate.

Unit:

Means any space designated as a Unit in the Declaration, consisting generally of a Unit and its Common Interest. All such Units are collectively referred to as the "Units."

Unit Owner:

Means any Unit Owner. All Unit Owners are collectively referred to as the "Unit Owners."

Unsold Unit:

Means any Unit owned by Sponsor, its designees or affiliates or any successor in interest to the Sponsor, other than any Unit purchased by and for the use of Sponsor or its designee, until such time as same have been sold. All Unsold Units are collectively referred to as the "Unsold Units".

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

DESCRIPTION OF THE PROPERTY AND IMPROVEMENTS

The following is a general description of the Property, including the Building, the Units and the Common Elements. Reference should be made to the *Description of Property* set forth as Exhibit 1 in Part II of this Plan for a more detailed description of the Property.

(1) The Building

The Building is newly constructed and situated at and known as 41-43 Bond Street in the Borough of Manhattan, City, County and State of New York. The Land has a total area of approximately 4,724.22 square feet. The Building is located in the NoHo Historic District, whose name derives from "North of HOuston Street". The district extends from north of Houston St. to East 9th St., and east from Broadway and Mercer St. to Lafayette St. and the west side of Cooper Square. It consists of approximately 125 buildings and contains a number of buildings that represent NYC's history from the early 1850s to the 1910s, when this section was a major retail center. The ornate stores and loft buildings in Noho often contain marble, cast-iron, limestone, brick, and terra-cotta façades. In addition, the district is home to early-nineteenth-century houses and institutional buildings, turn-of-the-century office buildings, as well as twentieth-century commercial structures.

(2) The Units

Detailed descriptions of the Units are set forth in the Declaration, as well as in the Description of Property and Specifications, which may be found in Part II of this Plan.

The existing size, layout and approximate dimensions of Units are depicted on the Floor Plans set forth in Part II of this Plan. However, such floor plans are subject to the rights of Sponsor to change the number of rooms in, as well as the size, layout and dimensions of, Unsold Units, and the rights to include stairs between Unsold Units. Sponsor shall have no liability or responsibility to purchasers, nor shall any purchaser be entitled to any reduction in, or credit against, the Purchase Price or otherwise be relieved from performing his obligations under the Purchase Agreement, by reason of any variance in the Floor Plans which does not materially and adversely affect the use and enjoyment of a Unit. See also the Section entitled *Changes in Prices and Units*.

The square foot area of the Units set forth in the Floor Plans, Schedule A to the Offering Plan and Schedule B to the Declaration are approximate and were obtained by using the method customarily used in New York City to measure rental, cooperative and condominium apartments. The units were measured from the exterior side of the exterior walls (perimeter columns and mechanical pipes/ducts/shafts are not deducted) to the midpoint of the interior walls and partitions separating one unit from another Unit, or separating a unit from public corridors, stairs, elevators other mechanical equipment located within a Unit shall not be considered a part of such Unit. As is customary in New York City, these square foot areas exceed the useable floor area of each Unit. Measured vertically, each Unit will consist of the volume from the top of the concrete floor slab below (located under the finished flooring and sub-floor materials) to the underside of the concrete slab above. However, the Board, Sponsor and Sponsor's designee will each have an easement to install and maintain pipes, conduits, wires, ducts and other facilities in the space between the underside of each such floor slab and the top surface of each Unit's finished ceiling, without any need to obtain the consent of any Unit Owner with respect to the same. The clearance between the top of the concrete floor slab and the bottom of the finished ceiling in the Units is indicated in the Description of Property and Specifications, but certain Units and areas within other Units may have clearances of less than indicated to accommodate facilities located above the same or otherwise to respect to field conditions.

Each Unit includes, and the respective Unit Owner shall be responsible for: (i) any other entrance doors to such Unit; (ii) the interior walls, partitions and plastered ceilings within such Unit; (iii) all window panes, casements and frames located within such Unit; (iv) all equipment, fixtures and appliances (including, without limitation, lighting and electrical fixtures, heating and cooling equipment, plumbing facilities, sinks, bathtubs, waterclosets, fireplaces, refrigerators, ovens, ranges, dishwashers and any other appliances within to such Unit; (v) all other Facilities affixed, attached, or appurtenant to such Unit and benefiting only that Unit. The foregoing is not intended to imply that all such items are being provided with a Unit. See the Description of Property and Specifications, at Part II hereof.

Each Unit is being offered in its condition described in the *Description of Property and Specifications*. Neither Sponsor, the Managing Agent, nor the Condominium Board will be obligated to make any repairs or improvements to any of the Units, except as may be set forth in this Plan.

The Units will be delivered to Purchasers in the condition described in the Description of Property and Specifications (see Exhibit 1 of Part II of the Plan).

It is anticipated that Purchasers/Unit Owners may retain construction professionals with respect to the performance of interior finishing and decorating to their Units, including, but not limited to architects, engineers, general contractors and subcontractors. Sponsor has not recommended or referred any such professionals, nor will Sponsor be responsible for the performance of work by such persons. The By-Laws and Rules and Regulations of the Condominium and Condominium construction agreement contain certain provisions relating to the timing and performance of alterations in the Condominium. Sponsor shall have no responsibility for the performance of work by any construction professional who is retained directly by Purchasers/Unit Owners in connection with interior alterations or decorations to their Units.

Purchasers recognize that both Sponsor and other Unit Owners will have ongoing construction for a period of time resulting in many contractors being at the Building and noise being produced. The Managing Agent in conjunction with the Condominium Board shall be responsible for adopting appropriate procedures for construction in the Building, subject to Sponsor's rights under this Plan.

Terraces appurtenant to certain Units, as described in Schedule A and the Floor Plans set forth in Part II of the Plan, and the landscaped yard adjacent to Unit 1 will be Limited Common Elements available for the exclusive use of same as a Limited Common Element (subject to the right of the Condominium Board to regulate its use and to access the same in order to maintain or repair General or Limited Common Elements), and the Unit Owner shall be responsible for all normal maintenance, repairs and replacements thereto. The cost and expense of any structural or extraordinary repairs or replacements to any roof terrace which are General Common Elements (unless caused by the Unit Owner) shall be charged to all Unit Owners as a General Common Expense. Cooling towers and other mechanical equipment necessary for the maintenance and operation of the Building and the Units will be located on the roof. The Condominium Board will be responsible for ensuring that the mechanical equipment is operated in accordance with law, including requirements governing acceptable levels of noise and odor emissions. Sponsor is not responsible for, nor can it make any guarantees regarding, the level of noise or odor emissions. Sponsor is not responsible for, nor can it make any guarantees regarding, the level of noise or odors resulting from the operation of the building or the units or the degree of privacy which will be afforded to Unit Owners on their terraces. See the Section of the Plan entitled *Description of Property and Improvements* for further discussion.

Unit 4/5, a duplex Unit consisting of the entire fourth and fifth floors of the Building, is being offered for sale by Sponsor, but is subject to an existing option held by Essex Illiquid LLC, an equity owner of Sponsor (the "Investor") to designate the purchaser of Unit 4/5 pursuant to an agreement with Sponsor. In the event that the Investor exercises its option, Unit 4/5 will be purchased by such Purchaser as the Investor elects and occupied by such party as a residence.

The landscaped yard adjacent to Unit 1 shall be used and maintained by the Unit 1 Owner at the Unit 1 Owner's expense as a first-class garden in keeping with the character, design and nature of the building and of other luxury condominium buildings in Manhattan. There shall be no permanent structures erected in the landscaped yard other than a pergola without the prior written approval of the Board, which approval shall not be unreasonably withheld, conditioned or delayed. Without limiting the generality of the foregoing restriction, the following structures are examples of structures that shall not be permitted: swings, swingsets, slides, playsets, pools, playing courts of any kind, children's climbing structures, and any other structure not in keeping with the nature and design of a first-class garden. Notwithstanding the foregoing, dining tables with ancillary seating for outside dining may be maintained in the landscaped yard, for use by the Unit 1 Owner and its guests. Except as set forth above, and subject to the limited review rights of the Condominium Board with respect to confirming compliance with the Plan, Declaration and By-laws, the Condominium Board will have no right to restrict or limit any uses of the landscaped yard which are permitted by law and applicable zoning ordinances.

(3) The Common Elements

(a) The General Common Elements:

As more fully set forth in the Declaration, the General Common Elements consist of the Land and all parts of the Property, and all apparatus and installations now existing or hereafter constructed in the Building or on the Property, either existing for the common use of the Units or the Unit Owners or

necessary for, or convenient to, the existence, maintenance, or safety of the Property.

(b) The Limited Common Elements:

As more fully set forth in the Declaration, the Limited Common Elements consist of all portions of the Land and Building (other than the Units) that are for the use of one or more specified Units to the exclusion of all other Units. Without intending to limit the generality of the foregoing in any respect, the Limited Common Elements include any landscaped yard or any roof terrace (as shown on the Floor Plans) to which there is or can be a direct and exclusive access from the interior of a Unit (which shall be for the exclusive use of such Unit).

Rights and Obligations with respect to Limited Common Elements:

- i. The Unit Owners cannot build additional living area as of right and require a variance from the Board of Standards and Appeals and the Landmarks Preservation Committee. All applications for a variance must be reviewed by the Condominium Board. If any application for a variance is opposed by the Condominium Board, it may be denied.
- ii. Pursuant to the By-Laws, Sponsor, the Condominium Board and the Managing Agent will have unlimited access to all areas of the roofs and terraces of the Building for the purpose of making inspections and repairs.
- iii. Pursuant to the By-Laws, Sponsor, the Condominium Board and the Managing Agent will have reasonable access to the valves/pipes/equipment above the ceiling and in the floors of all Units.
- iv. Pursuant to the By-Laws, under normal circumstances, the Condominium Board has financial responsibility for the repair or replacement of the main roof or common elements in or passing through any Unit. Any roof deck and planters will be removed and replaced at the cost of the Unit Owners.
- v. Any Unit Owner (other than Sponsor) wishing to perform alterations in a Unit or on a roof will be subject to the provisions of the construction agreement adopted by the Condominium Board. The Condominium Board has the authority to regulate many aspects of construction, including, but not limited to the following: the contractor permitted to work at the Building, the time periods during which work is permitted; the manner in which construction debris will be handled; measures which must be taken to prevent compromising the security of the building during construction; the interruption of building services during construction; and liability insurance requirements for contractors during construction.

Each Unit Owner has the right to use and enjoy the General Common Elements jointly with all other Unit Owners. Each Unit Owner whose Unit has appurtenant thereto a Limited Common Element has the exclusive right to use and enjoy such Limited Common Element. The Common Elements cannot be divided or partitioned except as provided in the New York Condominium Act. A Unit Owner's interest in the Common Elements shall not be separated from the Unit to which it appertains. For a further

description of the Common Elements, see the Description of Property and Specifications of the Building and the Declaration set forth in Part II of this Plan.

(4) Services and Facilities for the Units

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

a. Elevator Service

The one (1) automatic passenger/service elevator serving Floors Cellar, 1, 2, 3, 4, 5, 6, 7 and 8, which will be in operation twenty-four (24) hours a day.

b. Mail

The entrance lobby will include a mailbox for each Unit Owner. Incoming mail will be delivered to the Building and inserted into the mailboxes by the United States Postal Service.

c. Building Personnel

There will initially be one superintendent on duty in the Building 40 hours per week at a salaried rate of \$24.00 per hour. The superintendent will not be a resident of the Building, however, the superintendent's name, address and telephone number will be posted in a conspicuous place in the Building and the superintendent will be available to respond to emergency situations. The superintendent's services will conform to the requirements of all applicable laws. The Building will be staffed by doormen 24 hours, seven days a week at a salaried rate of \$18.00 per hour.

d. Refuse Disposal

There will be a trash chute in the Building for general refuse. Refuse and recyclables will be loaded into containers in the cellar and will be taken by the superintendent and readied for curb-side pickup by the New York City Sanitation Department.

e. Cable Television Service/Internet Service

The charges for primary connections and subsequent monthly fees related to cable television service will be determined by, and payable directly to, the company which is the provider to the Building. Inasmuch as the provider may not install wiring in the Building until a certain percentage of the Units are occupied, Sponsor makes no representation that cable television service will be available to any Unit Owner upon its initial occupancy of a Unit.

f. Telephone.

The charges for primary connections and subsequent monthly fees related for telephone service will be determined by, and payable directly to, the company which is the provider to the Building. Every Unit Owner will be required to pay their associated telephone charges and initial charges. Sponsor makes no representation that telephone service will be available to any Unit Owner upon its initial occupancy of a Unit.

Neither Sponsor, Managing Agent nor the Condominium Board will in any event be liable for the availability, interruption, discontinuance or quality of any of the foregoing services, including, without

limitation, any service provided by any outside company or person, or for any injury to person or damage to property resulting from any act or omission of such unrelated company or persons or their employees or agents other than Sponsor, Sponsor's employees, the Managing Agent or Condominium Board. All determinations with respect to the continuance of any of the above-mentioned services, if initially made available, will be made by the Condominium Board, which, until the first annual meeting of Unit Owners, will be controlled by Sponsor (see the Section titled *Control by Sponsor*).

(5) Fire Protection System

The Building is classified as a Class 1B (Non-Combustible) structure. Sprinklers are installed as required by the New York City Building Code. A smoke detector/carbon monoxide detector is installed within each Unit.

(6) Security Procedures

The Condominium Board is vested with the responsibility of devising and carrying out security procedures with respect to the Building. Such procedures may be adopted and from time to time changed by the Condominium Board as the Board, in its discretion, determines to be appropriate to secure the Building. It is anticipated that the security procedures will be as follows:

To the extent not manned by a doorman, all entrances to the Building will be locked. The Unit Owners, the Managing Agent, the Sponsor and the superintendent being the only persons authorized to have keys. Prospective Purchasers will be accompanied by a representative of the Sponsor at all times that such prospective Purchaser is in the Building. A security closed circuit TV system will be provided in the Building. An intercom system communicating between the front door/lobby and all Units will be provided. A closed circuit security television system recording/monitoring public entrance doors within the Building will be provided.

No representation, guarantee or warranty is made, nor assurance given, that the security systems and procedures of the Building will prevent personal injury, or damage to or loss of personal property. While Unsold Units are being offered for sale or lease by Sponsor or its designee, there will be a greater number of visitors to the Building than would otherwise be the case. No representation is being made and no assurance is given as to when such selling or leasing activity will terminate. Neither Sponsor or its designee, nor Managing Agent shall be liable or responsible for any personal injury or for any loss or damage to personal property which results from the failure of the Building's security system and procedures, provided that any such failure is not caused by the negligence of the Sponsor or its designee, the Managing Agent or their respective agents.

All determinations with respect to the continuance of services and facilities will be made by the Condominium Board, which, until the expiration of the Initial Control Period, will be controlled by Sponsor.

(7) Landmark Preservation District.

The Building has been designated an individual "landmark" under, and is subject to the Landmark Preservation Law (hereafter, "Landmark Law"). Pursuant to the Landmark Law, if the Board or any Unit owner desires to make any alteration, addition, improvement or repair in/or to the Building or a Unit (other than certain ordinary repairs and maintenance as defined in Section 302 of the Landmark Law) that affects any exterior architectural feature of the Building, then, in addition to obtaining any necessary approval or consent under the Condominium Documents, such party must first obtain the approval of a Certificate of Appropriateness or a Certificate of No Effect (as applicable) from the

Landmarks Preservation Commission of the City of New York (hereafter, "Commission" of "Landmarks Commission"). If the proposed alteration, addition, improvement or repairs is interior, is of sufficient scope to require a building or work permit, and will not affect any exterior architectural feature of the Building, a submission to that effect to the Commission will issue a "Certificate of No Effect". The issuance of such certificate is a common occurrence and is typically issued on a ministerial basis.

LOCATION AND AREA INFORMATION

1. Location and Services

The Condominium is located at 41-43 Bond Street in Noho, a neighborhood characterized by its diversity. It is one of the top-rated residential neighborhoods in the city. 41 Bond is located just blocks from Helmut Lang, Chanel, Prada, J. Crew and Bloomingdales. Notable restaurants such as, Il Buco, Butter, Sarafina Downtown, Bond St., Bowery Bar, and Indochine as well as important cultural venues such as the Public Theater, are all within a short walking distance and give further evidence to the innovative and eclectic nature of the neighborhood. Known world-wide for its loft-style atmosphere, restaurants and retail, the Soho-Noho area has been transformed into both a destination and home to celebrities and notable artists.

Surrounding Area, Shopping, Museums, Theatre and Parks

New York City is the leading cultural center of the world, with the finest universities, museums, libraries, theaters and cultural institutions, attracting millions of national and international tourists. New York City is the nation's center for communications, publishing, advertising, the stock market and other financial services, visual and performing arts and the fashion industry.

Transportation

New York City is served by three major airports: LaGuardia, Kennedy International and Newark International. Passenger railroad service is provided from Pennsylvania Station, located at Seventh Avenue and 33rd Street, and from Grand Central Station, located at Lexington Avenue and 42nd Street. Public transportation is readily available. Transportation to and from the Condominium, and through New York City, is available by taxi, limousine private automobile, subway (the "6" and "F" lines) or bus. A number of commercial parking garages are located nearby.

Medical, Educational and Religious Facilities

A number of excellent medical centers, such as Cabrini Medical Center, located at 227 E. 19th Street, New York, New York, and Beth Israel Medical Center, located at 16 1st Ave., New York, New York are readily accessible.

Private schools, public schools and parochial schools on the elementary, junior high school and high school levels are located within a short distance of the Condominium. There are many colleges available in the New York City area.

There are houses of worship of most major denominations in the vicinity of the Building.

Municipal Services

The City of New York will provide water, sanitation, snow removal, road maintenance, police and fire services to the Building. The local fire station is Engine 33/Ladder 9, located at 42 Great Jones Street, New York; New York. The local police station is the 9th Precinct located at 321 East 5th Street is renovated.

Mailing Address

The mailing address for the Units will be 41 Bond Street, New York, New York 10012.

Zoning

The Condominium is in Zoning District M1-5B.

General

Sponsor makes no representations to the continued existence of any of the named establishments. Additionally, no representation is made that future construction in the neighborhood surrounding the Condominium will not result in the obstruction of the views from any window.

2. **Adjoining Property**

Sponsor owns no other property in the immediate vicinity of the Building.

Schedule A

41 BOND CONDOMINIUM PRICES OF UNITS

Schedule of Purchase Price And Other Financial Details For Each Unit For the First Year of Condominium Operation
(August 1, 2011 to July 31, 2012)

Unit	Square Footage	Purchase Price	% Interest in Common Elements	Projected Common Charges		Projected Real Estate Taxes with 421-A Benefits		Projected Real Estate Taxes without 421-A Benefits		Total of Projected Common Charges and Real Estate Taxes with 421-A Benefits		Total of Projected Common Charges and Real Estate Taxes without 421-A Benefits	
				Monthly	Annually	Monthly	Annually	Monthly	Annually	Monthly	Annually	Monthly	Annually
1	3,381	\$6,150,000	9.68%	\$4,031.28	\$48,375.32	\$425.58	\$5,107.01	\$4,601.58	\$55,219	\$4,456.86	\$53,482.32	\$8,632.86	\$103,594.32
2	2,617	\$5,025,000	11.67%	\$4,862.89	\$58,354.63	\$513.07	\$6,156.90	\$2,474.67	\$29,696	\$5,375.96	\$64,511.52	\$7,337.56	\$88,050.72
3	2,617	\$5,250,000	11.91%	\$4,964.30	\$59,571.62	\$523.63	\$6,283.52	\$2,574.83	\$30,898	\$5,487.93	\$65,855.16	\$7,539.13	\$90,469.56
4/5	5,234	\$11,300,000	24.22%	\$10,090.87	\$130,894.42	\$1,064.84	\$12,778.08	\$5,149.48	\$61,795	\$11,155.71	\$133,868.52	\$15,240.35	\$182,884.20
6	2,617	\$6,050,000	13.62%	\$5,674.21	\$68,090.54	\$598.81	\$7,185.69	\$2,850.25	\$34,203	\$6,273.02	\$75,272.24	\$8,524.46	\$105,293.52
7	2,625	\$6,500,000	13.93%	\$5,806.05	\$69,672.63	\$612.44	\$7,349.24	\$2,982.67	\$35,792	\$6,418.49	\$77,021.88	\$8,788.72	\$105,464.52
Penthouse	2,700	\$8,050,000	14.97%	\$6,237.07	\$74,844.83	\$658.16	\$7,897.93	\$4,726.25	\$56,715	\$6,895.23	\$82,742.76	\$10,963.32	\$131,559.84
Totals	21,791	\$48,325,000	100.00%	\$41,666.67	\$500,000.00	\$4,396.53	\$52,758.37	\$25,359.83	\$304,318	\$46,063.20	\$552,758.40	\$67,026.50	\$804,318.00

Unit 1 also has 1,734 square feet of limited common element terrace space and landscaped yard.

Units 2, 3, 6 and 7 each also have 145 square feet of limited common element balcony space.

Unit 4/5 also has 290 square feet of limited common element balcony space.

The Penthouse Unit also has 145 square feet of limited common element balcony space, and 1,382 square feet of limited common element terrace space.

NOTES TO SCHEDULE A

1. The estimates contained in this Schedule A were computed by Sponsor's budget expert on the assumption that the first year of operation of the Condominium will be August 1, 2011 through July 31, 2012 and are based on such expert's estimate of the receipts and expenses of the condominium for the project year. (See Schedule B in Part I of the Plan.) The actual first year of operation of the Condominium may be earlier or later than such year. Sponsor expects that the First Unit Closing will occur on or about August 1, 2011. The actual first year of operation of the Condominium may be earlier or later than such year. If the actual or anticipated date of the First Unit Closing is to be delayed to a date more than six (6) months after the commencement of the budget year August 1, 2011 through July 31, 2012, the Plan will be amended to include a revised budget disclosing current projections. If such amended projections exceed the original projections by twenty-five percent (25%) or more, Sponsor shall offer all Purchasers who entered into Purchase Agreement prior to review of the revised budget the right to rescind and a reasonable period of time that is not less than fifteen (15) days after the date of presentation to exercise such right.

2. Reference is made to the Floor Plans set forth as Exhibit 2A of Part II hereof for the layout of each Unit (See "Definitions" above). Square footage calculations are based on the definition of the Unit set forth in Article 6 of the Declaration. Any floor plan or sketch shown to a prospective Purchaser is only an approximation of the dimensions and layout of a typical Unit and, thus, may not be exactly duplicated. Accordingly, each Unit should be inspected prior to purchase to determine its actual dimensions, layout and physical condition. Each of the Units, as listed on Schedule A hereto, have been measured in the manner as set forth more particularly in the Declaration, and as is currently customary in New York. The square foot area for each Unit listed on Schedule A exceeds the useable floor areas for each such Unit. If not completed, prospective Purchasers may inspect the blueprints on file in the office of the Selling Agent to verify the accuracy of the floor plans.

3. Offering prices are negotiable. Sponsor reserves the right to change prices for any Unit from time to time without notice and without consent of the Condominium Board. No such change will be made other than pursuant to a duly filed amendment to the Plan, except that Sponsor reserves the right to reduce purchase prices at any time during the offering without filing a prior amendment to the Plan if such a reduction in the purchase price is the result of an individually negotiated transaction. If an individually negotiated transaction results in an increase in purchase price for a Unit or Units, Sponsor will file an amendment to the plan that reflects any individual change in the price prior to entering into a Purchase Agreement at such increased price (see Section titled *Changes in Prices and Units*). In addition to paying the purchase price, each Purchaser will be responsible at closing for certain other expenses as explained in the Section titled *Closing Costs and Adjustments*. While general guidelines to certain expenses to be paid by each Purchaser are approximated in such Section, Sponsor is unable to approximate the total amounts which will be incurred by a Purchaser because these will vary according to such factors as the cost and size of a particular Unit, whether mortgage financing is obtained, and Purchaser's attorney's fees. Purchasers are advised to consult with their attorney as to the exact closing costs they will incur when purchasing their Unit.

4. The percentage of Common Interest allocated to each Unit is based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, overall dimensions of the particular Unit, and the approximate proportion that the floor area of the Unit at the date of the Declaration bears to the then aggregate floor area of all Units. These allocations are made pursuant to the Condominium Act, Section 339-i(1)(iv). The aggregate Common Interest of all Units equals 100%.

5. These estimates are based upon the *Projected Budget for First Year of Condominium Operation* which was prepared for the year commencing August 1, 2011 and which appears in Section B to this Offering Plan. The actual first year of operation may be earlier or later than that year. In addition to these estimated Common Charges, each Unit Owner will be responsible for paying: (i) mortgage payments under any loan or loans obtained to finance the acquisition of his or her Unit; (ii) the cost of electricity, gas and water supplied to his or her Unit, including, electricity necessary to circulate heat and air conditioning; (iii) the cost of painting and decoration of his or her Unit; (iv) the cost of interior repairs to and the normal maintenance of his or her Unit and any Limited Common Elements, including but not limited to, repairs to and maintenance of the exposed face of all walls, ceilings and floors and all kitchen and bathroom fixtures and appliances installed therein by the Sponsor pursuant to this Offering Plan as well as plumbing and electrical systems exclusively serving such Unit (whether or not inside walls, ceilings or floors); and (v) the cost of any insurance that he or she obtained covering (a) furniture, belongings, equipment and other personal property and (b) liability to others for personal injury or property damage as a result of occurrences in his or her Unit or Limited Common Elements.

6. The aggregate real estate taxes attributable to the Residential Units during the first year of Condominium operation are expected to be approximately \$304,318. This amount is based on a 2010/2011 tax rate of 13.353 per \$100 of assessed valuation and the \$2,281,261 projected assessed valuation attributable to the Residential Units. The estimated tax is based on the assumption that there will not be any change in the taxable status of the Property. The estimated tax is based on the assumption that there will not be any change in the taxable status of the Property. IT IS POSSIBLE THAT A UNIT MAY BE REASSESSED BY THE CITY OF NEW YORK AS A RESULT OF WORK PERFORMED IN A UNIT BY A UNIT OWNER. SPONSOR MAKES NO WARRANTIES THAT THE ASSESSED VALUE OF THE PROPERTY OR THE TAX RATE WILL NOT BE CHANGED.

7. The real estate tax estimates for each Unit were calculated on the assumption that the real estate taxes payable with respect to each Unit will be allocated in proportion to each Unit's projected selling price. There is no assurance that the New York City tax authorities will allocate taxes between the Units in said proportion. SPONSOR HAS BASED ITS ESTIMATE OF REAL ESTATE TAXES FOR THE FIRST YEAR OF CONDOMINIUM OPERATION ON THE ESTIMATE OF SPONSOR'S PROFESSIONAL REAL ESTATE APPRAISER. SPONSOR MAKES NO REPRESENTATION THAT THE DETERMINATION BY NEW YORK CITY OF ASSESSED VALUE OF THE PROPERTY OR THE TAX RATE FOR THE FIRST OR SUBSEQUENT YEARS OF CONDOMINIUM OPERATION WILL CONFORM TO THE FIGURES SET FORTH IN SCHEDULE A. Under existing law, and assuming no changes therein, the projected amount deductible for income tax purposes will generally include the amounts paid by each Unit Owner for real estate taxes and, in the event a Unit Owner mortgages his Unit, finance charges or interest paid by such Unit Owner in connection with such mortgage indebtedness. These amounts may vary in subsequent years due to changes in interest rate on any mortgage loan obtained by the Unit Owner, any refinancing of such mortgage, the allocation of constant debt service payments between interest and principal, changes in the assessed valuation of the Unit, the real property tax rate or the method of assessing real property or such other changes as may otherwise affect deductions (see the Section titled *Taxes--Deductions to Unit Owners and Tax Status of Condominium* at Part I, for further details).

SCHEDULE B

FOLLOWS THIS PAGE

41 BOND CONDOMINIUM
PROJECTED BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION
AUGUST 1, 2011 - JULY 31, 2012

Income:

			PROJECTED
TYPE OF INCOME			TOTAL
(1)	Residential Unit Common Charges		500,000

(2) General Common Charges - Total Income 500,000

Expenses:

			PROJECTED
TYPE OF EXPENSE			TOTAL
(3)	Labor		282,304
(4)	Gas - Heating, Hot Water & Cooking		26,938
(5)	Electricity		23,497
(6)	Water Charges & Sewer Rents		14,652
(7)	Service Contracts		35,000
(8)	Repairs, Maintenance & Supplies		10,000
(9)	Insurance		14,306
(10)	Management Fees		18,000
(11)	Legal Fees & Audit Fees		8,000
(12)	Administrative Expenses		5,000
(13)	Miscellaneous Expenses (Permits, Fees, Taxes)		5,000
(14)	Contingency		12,303
(15)	10% Reserve		45,000

Total Expense: 500,000

Net Difference: 0

Footnotes to 41 Bond Condominium Budget

PROJECTED INCOME

(1) Residential Unit Common Charges \$500,000

The amount of Common Charges is the estimated income needed to pay Common expenses attributable to the Common elements of the Condominium. The residential Common charges for individual units are based on percentage of interest in the Common Elements appurtenant to the units. The Residential Units will make up 100% of the Common Interest in the Condominium.

(2) Total Projected Income \$500,000

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

In the event the projected commencement date of the first year of Condominium operation is to be delayed more than six (6) months from the anticipated date of the First Closing, the Plan will be amended to include a revised budget disclosing the then current budget projections. Sponsor will not declare the plan effective if any material changes to the budget are not yet disclosed in an amendment to the plan.

If the Common Charges in the revised budget projections exceed the earlier projections by twenty-five percent (25%) or more, the Sponsor will offer all purchasers the right to rescind their Purchase Agreements and have their Deposits refunded to them, whether or not the Sponsor offers to guarantee the earlier budget projections.

PROJECTED EXPENSES

(3) Labor \$282,304

The figure shown includes wages, workers' compensation and disability insurance, payroll taxes and payroll processing. It also includes pay for five (5) paid sick days and seven (7) paid holidays. Additionally, one week vacation and provision for basic health insurance for the single employee have been provided. The Condominium staff will consist of 1 full-time, Superintendent, working forty (40) hours per week at a salaried

Footnotes to 41 Bond Condominium Budget

rate of \$24.00 per hour, and 24/7 Doorman staff, working 168 hours per week at a salaried rate of \$18.00 hour. The figures below assume non-unionized employees. Additional cost associated with the first year of operation are provided for in the labor cost.

Wage and Payroll Tax Details:

SUPERINTENDENT / DOORMEN

Total annual wages	\$223,872
FICA	\$ 17,126
FUTA	\$ 336
SUI	\$ 1,135
Disability	\$ 174
MTA Transit Tax	\$ 761
Workers' compensation (estimated)	\$ 9,000
Health Insurance (estimated)	\$ 27,250
Payroll Processing	\$ 2,650
TOTAL	\$282,304

<u>GRAND TOTAL COST FOR ALL LABOR:</u>	<u>\$282,304</u>
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(4) Gas - Heating, Hot Water, Domestic	\$ 26,938
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The heating system of the building consists of modular, condensing type, natural gas-fired hot water boilers and via hydronic radiant piping. Building heating is accomplished via gas fired hot water boilers, and heating hot water circulation system located in the roof level mechanical room, and which serve the entire building. Heat will be distributed within the residential units via radiant floor. A 4-zone controller with radiant manifolds and radiant tubing embedded in the floor construction distributes and controls heat in each Residential Unit. The common areas are heated via electric heaters to include basement utility rooms, stairwell and elevator machine room. All heating equipment is per the NYS Energy conservation Construction Code - the minimum indoor comfort temperature of 72 degrees F can be achieved when the minimum outdoor temperature of 13 degrees F is reached. The variable refrigerant flow (VRF)

Footnotes to 41 Bond Condominium Budget

heat pump system will also serve as a supplementary heating system for the residential units. The VRF system with a backup electric coil will provide the heating for the Lobby.

The system will be comprised of three (3) gas fired boilers, manufactured by Hydrotherm Model KN-4 (or equal) with Burnham or equal burners, controlled via boiler controls includes supply water temperature sensor; reset based on outside air temperature and boiler lead lag controls provided by Hydrotherm or equal. Zone control will be manufactured by Wells Radiant and zone valves and actuator as manufactured by Belimo (or equal respectively). Heating of the units will be via radiant floor system with radiant tubing embedded in floor construction with circulating hot water to radiant floor loops. All radiant elements will have shut-off valves, zone control valves and all piping will be insulated with piping insulation per NYS Energy Code.

Gas will be master metered for the building with two (2) house meters. One is for cooking gas, gas for dryers and fire places and the other is tracking gas consumption for building heat and domestic hot water heating.

The estimated annual cost for gas consumption for heating is 8538 therms at \$1.25/therm totaling \$13,083/year (incl. 16% taxes). The estimated annual cost for gas consumption for domestic hot water is 5797 therms at \$1.25/therm totaling \$8,406/year (incl. 16% taxes). The estimated annual cost for gas consumption for cooking, dryer, fireplace is 300 therms per unit totaling \$3,000. A 10% cost contingency has been added to address all or part of cost inflation that may occur in the unit cost of natural gas.

Actual consumption estimates for heating and hot water gas usage on the above described components have been provided by Plus Group Consulting Engineering, pllc, 210 West 29th Street, 9th Floor, New York, NY 10001 in a letter dated August 11, 2010.

(5) Electricity

\$ 23,497

Electricity will be master metered for common power, lighting and HVAC, and sub-metered for each Residential Unit. The estimated cost of electric consumption is based on use of the following electrical equipment; Lighting in service corridors & outdoors, Exhaust fans, motor driven equipment, Electric heaters/AC equipment, Elevators, Cooling tower.

Footnotes to 41 Bond Condominium Budget

The estimated annual cost for gas consumption for electricity is 87,688 KWH at \$0.21/KWH totaling \$21,361/year (incl. 16% taxes), to which a 10% cost contingency has been added to address all or part of cost inflation that may occur in the unit cost of electricity.

Actual consumption estimates for electricity usage on the above described components have been provided by Plus Group Consulting Engineering, pllc, 210 West 29th Street, 9th Floor, New York, NY 10001 in a letter dated August 11, 2010.

(6) Water Charges & Sewer Rents

\$ 14,652

The charges for water and sewer services provided to the Building (including the Residential Units and in the common areas of the Building) will be levied on the basis of Master City Meter and borne by the Residential Unit Owners as a common expense. The charges for water and sewer service provided to the balance of the building will be levied on the basis of metered usage and the cost of the same will be borne by the Residential Unit owners as a common expense.

The estimated annual cost for water / sewer consumption is 1503 Hundred Cubic Feet (HCF) of water at a cost of \$2.95/HCF, plus an equivalent amount for sewer usage at a cost of 159% of the water cost, to which a 10% cost contingency has been added to address all or part of cost inflation that may occur in the unit cost of natural gas.

Actual consumption estimates for water and sewer usage on the above described components have been provided by Plus Group Consulting Engineering, pllc, 210 West 29th Street, 9th Floor, New York, NY 10001 in a letter dated August 11, 2010.

(7) Service Contracts

\$ 35,000

This figure is intended to cover service contracts for repair and maintenance of the following systems in the Condominium as well as a contingency for those not initially entered into at the time of construction (HVAC equipment service for individual units is a Unit Owner responsibility):

Exterminating:	\$ 1,000
Elevator:	\$ 15,000
Compactor:	\$ 1,500

Footnotes to 41 Bond Condominium Budget

Boiler: (allowance)	\$ 5,000
Sprinkler System:	\$ 500
C/S Sprinkler Monitoring:	\$ 2,579
Landscape Irrigation:	\$ 5,000

Estimates on the service contracts above were provided by the following sources:

Exterminating service estimate proposal provided by Evins Pest Control, P.O. Box 405, 22 Roosevelt Avenue, Roslyn, NY 11576.

Cooling Tower & Water Treatment service estimate proposal provided by Lazar Mechanical Corp., 49 Market Street, New York, NY 10002.

Elevator service estimate proposal provided by Slade Elevator Corp., 1101 Bristol road, Summit, NJ 07092.

Sprinkler system service estimate proposal provided by VIP Fire Sprinklers, Inc., 700 Columbia Street, Bldg. 301A, Brooklyn, NY 11231.

C/S Sprinkler monitoring service estimate proposal provided by AFA Protective Systems, 519 Eighth Avenue, New York, NY 10018.

Landscape Irrigation service estimate proposal provided by Future Green Studio, Corp., 487 6th Avenue, Suite #4R, Brooklyn, NY 11215.

(8) Repairs, Maintenance & Supplies **\$ 10,000**

Repairs & maintenance cover general repairs to the building structures as a whole, and in particular to the buildings' equipment and machinery. This includes but is not limited to repairs to carpentry, doors & windows, electrical systems, floors, intercom, ironworks, masonry, paint & plaster, plumbing and roofing. This figure only covers the cost of maintaining the common elements, as each unit owner shall be responsible for the cost of interior maintenance, repairs, decoration and painting of their respective units, including the appliances. During the first year of operation major repairs are not expected to be necessary, as all materials and systems listed above will be completely new, and many will be covered by warranties during the first year of Condominium operation.

Footnotes to 41 Bond Condominium Budget

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

(9) Insurance \$ 14,306

This projection is based on the estimates of the annual premiums which were provided DeWitt Stern Group, Insurance Brokers, 420 Lexington Avenue, Suite 2700, New York, NY 10170 on September 8, 2010, and payable on the coverage listed below:

<u>BUILDING</u>	\$12,500,000
Special Form	Included
Co-Insurance	Waived
Replacement Cost	Included
25% Extended Replacement Cost Real Property: Building	
	\$ 3,125,000
Agreed Amount	Included
Terrorism	Included
 <u>PERSONAL PROPERTY</u>	 \$ 50,000
 <u>LOSS OF INCOME (MAINTENANCE FEES)</u>	 Actual Loss Sustained with 12 month cap
 <u>EARTHQUAKE</u>	 \$ 5,000,000
 <u>FLOOD (RISING WATERS)</u>	 \$ 5,000,000
 <u>BACKUP OF SEWERS AND DRAINS AND UNDERGROUND WATER MAINS</u>	 Included
 <u>SPECIAL PROPERTY PROVISIONS</u>	
Loss to Undamaged Portion of Building	Included in Building limit
Demolition and Increased Cost of Construction	
Blanket Sub-Limit	\$ 5,000,000
 <u>DEDUCTIBLES</u>	
Flood	\$ 10,000
Earthquake	\$ 10,000
Seepage - Interior	\$ 10,000
Underground Water Main	\$ 2,500
Backup of Sewers and Drains	\$ 2,500

Footnotes to 41 Bond Condominium Budget

All Other	\$	2,500
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COMMERCIAL GENERAL LIABILITY COVERAGES

General Aggregate Limit per Location	\$	2,000,000
Products & Completed Operations	\$	2,000,000
Each Occurrence Limit	\$	1,000,000
Personal & Advertising Injury Liability	\$	1,000,000
Non-Owned & Hired Automobile Liability	\$	1,000,000
Damage to Rented Premises	\$	1,000,000
Medical Payments	\$	5,000
Employee Benefits Liability	\$	1,000,000

TERMS AND CONDITIONS

Volunteers as Additional Insureds	Included
Unit Owners & Families as Additional Insureds (Excluding their own unit)	Included
Blanket Contractual Liability	Included
Employees as Additional Insureds	Included
Host Liquor Law Liability	Included

CRIME COVERAGES

Employee Dishonesty	\$	250,000
Depository Forgery	\$	250,000
Managing Agent Rider	Included	
Computer Fraud	\$	250,000
Funds Transfer	\$	250,000
Deductible	\$	2,500

BOILER & MACHINERY COVERAGES

"Comprehensive Form"

Property Damage Limit	Up to Building Limit
Loss of Income	Included
Deductible - Property Damage	\$ 2,500
Deductible - Loss of Income	12 Hrs

UMBRELLA LIABILITY COVERAGE

Excess Liability Limit	\$200,000,000
Directors and Officers	Included
Mold	Excluded

Footnotes to 41 Bond Condominium Budget

DIRECTORS & OFFICERS LIABILITY

Limit	\$ 1,000,000
Retention	\$ 2,500
Managing Agent Rider Included	

PREMIUM SUMMARY

Package	\$ 11,306
Umbrella	\$ 1,000
Directors & Officers	\$ 2,000
TOTAL	\$ 14,306

PROPOSED COMPANIES

Commercial Package	Clermont Specialty Managers, Ltd.
Umbrella	Distinguished Programs
D & O	Travelers

The above mentioned coverage and the annual premium therefore are based on estimates made by Dewitt Stern Group, Inc., 420 Lexington Avenue, New York, NY 10170.

The proposal will provide "replacement cost coverage" for the building. In the opinion of the above named insurance broker, the foregoing insurance is sufficient to restore the buildings in the event of a covered loss, however, it is not intended to take the place of a professional appraiser's estimate in determining the actual replacement cost.

The insurance policy will also be on terms that provide: (a) that each Unit Owner is an insured party as to common areas only; and (b) that there will be no cancellation of the policy without notice to the Board and the Unit Owners. To the extent available at commercially reasonable rates, the insurance policy will also provide a waiver of subrogation. DeWitt Stern Group, Inc., has informed sponsor that waivers of invalidity and a waiver of pro-rata reduction are not available at commercially reasonable rates.

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

Section 339-bb of the New York Real Property Law provides that in charging insurance premiums to Unit Owners, consideration may be

Footnotes to 41 Bond Condominium Budget

given to the higher premium rates on some units than others.

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

(10) Management Fees **\$ 18,000**

The Condominium will be managed by Andrews Building Corp., having principal offices at 666 Broadway, 12th Floor, New York, NY 10012. The period of the initial management agreement shall be for one year at an annual fee of \$18,000, payable in equal monthly installments of \$1,500.00.

(11) Legal Fees & Audit Fees **\$ 8,000**

A certified public accountant will be responsible for auditing the Condominium's books and records and preparing the requisite audited financial statements. In addition the accountant will be responsible for filing federal, state and city income tax returns. A written quote for these services has been obtained from TBD, CPA, PC, . The amount set aside for these services is \$4,500.

Legal fees of \$3,500 will also be set aside, both to engage counsel on retainer and to cover miscellaneous legal matters which may arise during the first year of operation.

(12) Administrative & Miscellaneous Expenses **\$ 5,000**

Administrative and miscellaneous costs cover photocopying, faxing, postage, messenger services as required. Bank fees and charges are also included. Various permits and/or inspections by city and state agencies may be required throughout the year. In addition, there may be unforeseeable fees, corporate and other taxes, or licensing expenses which the Condominium may be required to pay.

Footnotes to 41 Bond Condominium Budget

(13) Miscellaneous Expenses (Permits, Fee, Taxes) \$ 5,000

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

(14) Contingency \$ 12,303

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

(15) 10% Reserve \$ 45,000

Provided to fund future capital repair expenses for the Condominium.

ANDREWS
BUILDING
CORPORATION

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

COMPLIANCE WITH SECTION 339 (i)(1)(iv)

January 24, 2011

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

Re: *41 Bond Condominium, New York, New York*

Gentlemen:

I have reviewed the percentage of common interest allocated to each Unit as shown on Schedule A, for inclusion in the above referenced Offering plan for the subject property, which has been prepared by the Sponsor of 41 Bond Condominium. In accordance with Section 339-i (1)(iv) of the Condominium Act, the percentage interest in the Common Elements allocated to each Unit has been determined upon the floor space, subject to the location of such space and the additional factors of relative value to other space in the condominium, the uniqueness of the unit, the availability of common elements for exclusive or shared use, and the overall dimensions of the particular unit.

In my opinion, therefore, the Condominium Plan and the allocation of percentage interest in the Common Elements in the Land and Building at 41 Bond Condominium, New York, New York, attributable to each Unit conforms to Section 339-i (1)(iv) of the New York Real Property Law.

Andrews Building Corporation is a licensed real estate brokerage and management firm. I have had extensive experience in the preparation of Offering Plans as well as the sale of Condominium Units. I therefore believe I have sufficient qualifications, knowledge, and expertise to write this opinion.

I have no financial or other beneficial interest in Sponsor; I will not participate in the profits derived from this Condominium conversion; and I am not the Selling Agent for the Sponsor.

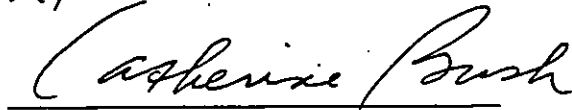
41 Bond Condominium
January 24, 2011
Page 2

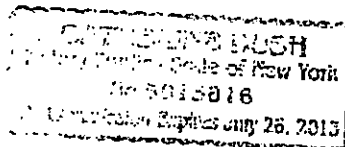
You have advised me of your intention to incorporate this letter in the Plan, and I hereby consent to such inclusion.

Very Truly Yours,
ANDREWS BUILDING CORP.


By: Stuart Smolar
Executive Director

Sworn to before me this
24 day of January, 2011


Notary Public



CHANGES IN PRICES AND UNITS

Sponsor reserves the right, at any time and from time to time before and after the recording of the Declaration, without prior notice and without the consent of the Condominium Board, any Unit Owner or mortgagee, to change the price, including, without limitation, the manner of payment thereof, and other terms of sale of any Unit, except that no such change with respect to any Unit for which a Purchase Agreement is then in effect may be made without the consent of the Purchaser. No material change to the Offering Plan will be made other than pursuant to a duly filed amendment to the Plan, except that Sponsor reserves the right to reduce purchase prices or the allocation of closing costs at any time during the offering without filing a prior amendment to the Plan if such reduction in the purchase price does not constitute a general offering but is rather the result of an individually negotiated transaction. In the event that Sponsor increases the purchase price of a Unit pursuant to the preceding sentence, it will file an amendment with the Department of Law to reflect such individual change prior to entering into the Purchase Agreement therefor. If any such change is made, a Purchaser of a Unit affected thereby may pay more or less than other Purchasers under this Plan for similar Units, but this will not affect any prior or subsequent sale of Units that are not the subject of such change.

In order to meet the possible varying demand for number and type of Units, or to meet particular requirements of prospective purchasers, or for any other reason, Sponsor, for itself and its designees, reserves the right (except to the extent prohibited by law) at any time and from time to time, before and after the recording of the Declaration, without prior notice and without the consent of the Condominium Board, any Unit Owner or mortgagee, to (i) change the layout of, or number of rooms in, any Unsold Unit; (ii) change the size and/or number of Unsold Units by subdividing one or more of such Units into two or more separate Units, combining separate Unsold Units (including those resulting from such subdivision or otherwise) into one or more Units, altering any boundary walls between one or more Unsold Units, or otherwise, including the use of any portion of the Common Elements adjacent to such Unsold Units to the extent only that such Common Elements are not required to be maintained as Common Elements based upon such alterations; and (iii) if appropriate, reapportion among the Unsold Units affected by any such change, their Common Interests. In the event of any change pursuant to either subparagraph (ii) or (iii) above, such change shall be disclosed in a duly filed amendment to this Plan. No such change, including any change in the size, layout, percentage of Common Interest or amount or quality of Common Elements directly affecting or servicing a Unit, will be made with respect to any Unit for which a Purchase Agreement is then in effect without default by Purchaser, the Purchaser consents to such change (which consent shall not be unreasonably withheld with respect to de minimis changes in the foregoing. If Sponsor, pursuant to the provisions hereof, makes a change which affects a Unit or Units, as the case may be, an amendment to the Plan will be filed after such change has been made.

The Common Interest of a Unit may change if there is a change in the total square foot area of such Unit.

After the Declaration is recorded, no change may be made in the number of Units or number of rooms within a Unit, nor may the size of any Unit be changed by subdivision or combination or alteration of boundary walls, or otherwise, nor may the Common Interest of any Unit be changed, unless in each such event the Declaration and the Floor Plans are amended and such amendments are duly recorded. No increase in a Unit's Common Interest after the recording of the Declaration will be made without obtaining the prior consent of the Unit Owners whose Units are subject to such increase. As more particularly provided in the Declaration, Sponsor or its designee has the right to amend the Declaration, or to cause the Condominium Board to do so, to the extent required, in order to reflect changes to Unsold Units. To the extent permitted by law, in no event shall the Common Interest of any Unit be changed solely as a result of the use of any Common Elements if such Common Elements are not required to be

maintained as Common Elements based upon permitted alterations of the boundary walls between any Unit and any Common Elements adjacent to such Unit.

It should be noted that so long as the layout and dimensions of a Unit conform substantially to the Floor Plans, a Purchaser will not be excused from purchasing his Unit and will not have any claim against Sponsor as a result of a slight deviation from the Floor Plans. All material changes in the Floor Plans will be disclosed by a duly filed amendment to this Plan.

Sponsor is not obligated to offer any Unit for sale regardless of whether such Unit is listed on Schedule A and Sponsor may, if it chooses, after filing an amendment, withhold one or more Units for occupancy by the principals or employees of Sponsor, or for future sale.

PROCEDURE TO PURCHASE

A person desiring to purchase a Unit will be required to execute a Purchase Agreement in triplicate in the form set forth as Exhibit 3 to Part II of the Plan.

At the time of acquisition of a Unit and as a condition thereof, the new Unit Owner shall be required to execute, acknowledge and deliver a Unit Owner's Power of Attorney in favor of the Condominium Board and Sponsor, in the form set forth in Part II of this Plan, in accordance with Article 14 of the Declaration.

The Building is currently being constructed. Based upon the current construction schedule, Sponsor contemplates that, unless delayed by weather, casualty, labor difficulties, late deliveries or inability to obtain materials, governmental restrictions, or other events beyond its reasonable control, construction of the Building will be sufficiently completed to permit closings of Units to begin on or about August 1, 2011. If the projected First Unit Closing date is delayed by twelve (12) months or more, a right to rescind will be offered in an amendment to all Purchasers, with not less than fifteen (15) days to exercise such right. TIME SHALL BE OF THE ESSENCE WITH RESPECT TO PURCHASER'S RIGHT TO EXERCISE SUCH RESCISSION RIGHT.

At the time he or she executes a Purchase Agreement, a Purchaser is required to make an initial downpayment equal to the sum of ten (10%) percent of the purchase price (the "Downpayment").

Each payment of the Downpayment shall be made by a check ("Permitted Check") which is either (a) drawn on a bank in the City of New York which is a member of the New York Clearing House Association or (b) a bank check drawn on a bank organized in accordance with the laws of the United States of America or any state thereof. All Permitted Checks for any portion of the Downpayment shall be made payable to the direct order of "Goldfarb & Fleece LLP, as escrow agent". Sponsor reserves the right to refuse any check for a Downpayment which is not a Permitted Check. All Permitted Checks delivered by Purchasers are subject to collection. If such checks are returned for insufficient funds or any other reason, such return shall be deemed to be a default under the Purchase Agreement and, upon such return, Sponsor shall have the right, among others, to deem such Purchase Agreement to be cancelled and of no further force and effect. AT THE CLOSING OF TITLE, THE BALANCE OF THE PURCHASE PRICE MUST BE PAID BY BANK CHECK PAYABLE TO THE ORDER OF SPONSOR. Notwithstanding the foregoing, Sponsor may in such notice direct that Purchaser pay all or a portion of the balance of the purchase price to such party or parties as Sponsor may designate; however, in no event shall a Purchaser be required to deliver more than five (5) bank checks totaling the balance of the purchase price. Such five (5) checks do not include bank checks required for costs and expenses of the Purchaser or Purchaser's mortgage loan other than the purchase price. All checks for the balance of the

Purchaser Price must be drawn on a bank or trust company which is a member of the New York City Clearing House Association or any successor organization. Any expenses or adjustments payable to Sponsor in excess, in the aggregate, of \$200 will be paid by unendorsed bank check drawn on a bank which is a member of the New York Clearing House Association. Sponsor reserves the right to accept, in payment of the balance of the Purchase Price, checks other than those included in the preceding sentence.

The Downpayment made by Purchaser will be placed, within five business days after the full execution and delivery of this Agreement in a segregated special escrow account of Sponsor's attorneys, Goldfarb & Fleece LLP, the Escrow Agent, whose address is 345 Park Avenue, New York, New York 10154 and whose telephone number is (212) 891-9100. The signatories on this account authorized to withdraw funds are the following partners of Goldfarb & Fleece LLP: Sidney A. Migdon, Steven Shore, Neal A. Weinstein, and Marc J. Becker. The name of the account is Goldfarb & Fleece LLP Attorney Trust Account, located at Bank of America, 345 Park Avenue, New York 10017. This bank is currently covered by federal bank deposit insurance to a maximum of \$250,000 per individual deposit. It is a special risk of this offer that any Downpayment in excess of \$250,000 will not be federally insured in excess of \$250,000. The account will be interest-bearing and, unless Purchaser defaults, interest will be credited to Purchaser at closing. The interest rate to be earned will be the prevailing rate for these accounts, which currently is .02% regardless of the amount deposited. Interest will begin to accrue within five (5) business days of delivery of the Downpayment. Within ten (10) business days after delivery of the Downpayment, Escrow Agent will notify Purchaser that the Downpayment has been deposited into the escrow account and will provide the account number and the initial interest rate. If Purchaser does not receive notice of such deposit within fifteen (15) business days after the tender of the Downpayment, Purchaser may cancel the purchase and rescind so long as the right to rescind is exercised within ninety (90) days after tender of the Downpayment. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the escrowed funds were timely deposited and requisite notice was timely mailed to the Purchaser in conformity with the Attorney General's regulations. Escrow Agent will hold funds in escrow until otherwise directed in:

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

If there is no written agreement between the parties to release the escrowed funds, (which shall be given by both Sponsor and Purchaser at the closing of title to the Unit if the Closing occurs), Escrow Agent will not pay the funds to Sponsor until Escrow Agent has given Purchaser written notice of not fewer than ten (10) business days. Thereafter, the funds may be paid to Sponsor, unless Purchaser has already made application to the Department of Law pursuant to the dispute resolution provisions of the Attorney General regulations and has so notified Escrow Agent in accordance with such provisions. Sponsor will not object to the release of the escrowed funds to:

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

Purchaser and the Escrow Agent may apply to the Attorney General in the event of a dispute for a determination on the disposition of the Downpayment and any interest thereon. Sponsor

must avail itself of this procedure if there is a dispute which needs to be resolved. A form for this purpose is attached as Exhibit 14 at Part II hereof and Exhibit A to the Purchase Agreement set forth as Exhibit 3 to Part II of the Plan. The party applying for a determination must send all other parties a copy of the application. Pending the determination of the Attorney General to grant or deny the application, Sponsor, Purchaser, and Escrow Agent shall abide by any interim directive issued by the Attorney General. A copy of the Escrow Agreement which incorporates the terms of the Attorney General's regulations is set forth as Exhibit 13 at Part II hereof and is also available for review as one of the Part B Exhibits to the Plan. Escrow Agent will maintain all records concerning the escrow account for seven (7) years after the release of funds. Any provision of any agreement, whether oral or in writing, by which Purchaser purports to waive or indemnify any obligation of Escrow Agent is absolutely void. The provisions of the Attorney General's regulations concerning escrow/trust funds shall prevail over any conflicting or inconsistent provision in the Plan or in a Purchase Agreement. The Office of the Attorney General may perform random reviews and audits of any records involving escrow accounts to determine compliance with statute and regulation. Purchaser shall not be obligated to pay any legal or other expense of Sponsor in connection with the establishment, maintenance or defense of obligations arising from the handling or disposition of trust funds. Nothing contained herein shall diminish or impair the Sponsor's statutory obligation to each Purchaser pursuant to GBL Section 352-h and Section 71a(3) of the State of New York Lien Law to hold in trust all deposits, advances or payments made in connection with the offer until consummation of the transaction with such Purchaser; and consummation of the Plan does not relieve Sponsor of its obligations pursuant to such Lien Law provisions. Funds from the escrow account remain the property of the Purchaser until employed in connection with the consummation of the transaction. Such funds shall not be a part of the estate of the Sponsor or the Escrow Agent upon any bankruptcy, incapacity or death of Sponsor or Escrow Agent.

If the Plan is withdrawn or abandoned (as described in the Section titled *Effective Date*), all Downpayments, with accrued interest thereon, will be fully returned to the Purchasers within twenty (20) days. In addition, if the closing under a Purchase Agreement does not occur solely as a result of the default by Sponsor, the Downpayment, with interest accrued thereon, will be fully refunded to the Purchaser.

Purchase Agreements shall not be assigned or inure to the benefit of any successors or assigns of Purchasers, without Sponsor's prior written consent. In addition, prior to the Closing of Title to a Unit, the Purchase Agreement prohibits a Purchaser from advertising or otherwise offering, promoting or publicizing the availability of the Unit for sale or lease.

If Purchaser defaults under the Purchase Agreement, Sponsor shall notify Purchaser in writing of such default and advise Purchaser that he or she has thirty (30) days from the mailing date within which to cure such default. **TIME IS OF THE ESSENCE FOR PURCHASER TO CURE ANY DEFAULT UNDER THE PURCHASE AGREEMENT WITHIN THE THIRTY DAY PERIOD.** If such default is not cured within the thirty (30) day period, Sponsor, at its option, may either (i) cancel such Purchase Agreement and retain the downpayment, together with interest earned thereon, made by Purchaser as liquidated damages, in which event all rights, obligations and liabilities of Sponsor and the Purchaser shall wholly cease and terminate or (ii) bring an action against the Purchaser for specific performance. A Purchaser will receive at least thirty (30) days notice of the closing date (which notice may be waived by Purchaser) and in the event that the Purchaser fails to close title on the designated date or otherwise fails to perform any of his other obligations under his Purchase Agreement, then, following thirty (30) days notice of such default, Sponsor shall have the remedies set forth in the preceding sentence and the additional right to approve a request from the Purchaser to adjourn the Closing of Title to such Unit. Notwithstanding the foregoing, with respect to all Purchase Agreements in effect at the time the Plan is declared effective, Sponsor shall give Purchasers not less than thirty (30) days notice of Closing of Title, which notice may be waived in writing by a Purchaser. In the event Sponsor elects not to cancel the

Purchase Agreement as a result of the failure of the Purchaser to close on the date specified by Sponsor, or if Sponsor approves Purchaser's request to adjourn the closing date, then (a) Purchaser shall pay Sponsor interest at a rate of sixteen (16%) percent per annum on the total purchase price (but not on the downpayment theretofore paid on account therefor), computed from the original closing date set forth in notice to close until the transaction is actually closed and (b) all apportionments between Sponsor and Purchaser shall be made as of the closing date set forth in the notice to close. Purchaser shall also reimburse Sponsor for any additional costs incurred by Sponsor as a result of Purchaser's delay including, but not limited to, Common Charges that Sponsor was obligated to pay the Condominium Board as a result of an unauthorized delay in closing by a Purchaser.

The Closing of Title under the Purchase Agreement shall be held at such place in the Borough of Manhattan and at such hour as Sponsor may designate to Purchaser. The Closing of Title to each Unit shall be held at such time and place, pursuant to the applicable Purchase Agreement, as Sponsor may designate to the Purchaser on not less than thirty (30) days prior notice. This notice may be waived in writing by a Purchaser. Any closing taking place outside Manhattan at Purchaser's request shall be on the condition that Sponsor's attorneys shall be paid an hourly travel fee by such Purchaser.

The installation of any window safety guards in any unit that may be required by law shall be the sole responsibility of the Purchaser of any Unit.

From and after the Closing of Title to each Unit, the Purchaser will become obligated for the payment of the Unit's Common Charges, real estate taxes and assessments (including water charges and sewer rent), and all other expenses with respect to his Unit whether or not he has taken possession of his Unit.

The risk of loss to the Unit by fire or other casualty until the Closing of Title is assumed by Sponsor (unless and until the Purchaser takes possession of same pursuant to written agreement, at which time such risk shall be assumed by the Purchaser), but without any obligation or liability by Sponsor to repair or restore the Unit. In the event of damage or destruction of a Unit due to fire or other casualty prior to the Closing of Title and the election by Sponsor to repair or restore the Unit, the Purchase Agreement shall continue in full force and effect, and the Purchaser shall not have the right to reject title or receive a credit against, or abatement in, the purchase price. In such event, Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration, and any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss shall, subject to the rights of the Condominium Board and other Unit Owners, belong entirely to Sponsor. In the event of damage or destruction of the Unit by fire or other casualty prior to the Closing of Title, and if Sponsor notifies the Purchaser that it does not elect to repair or restore the Unit, or if the Unit Owners do not resolve to make such repairs or restoration pursuant to the By-Laws (see *Rights and Obligations of Condominium Board and Summary of By-Laws*), the Purchase Agreement shall be deemed cancelled and of no further force or effect and Sponsor shall return to the Purchaser all sums deposited thereunder, whereupon the parties shall be released and discharged from all obligations and liability thereunder and under this Plan, except that if the Purchaser is then in default under the Purchase Agreement (beyond the applicable grace period, if any), Sponsor shall retain all such sums as and for liquidated damages.

Purchasers shall be afforded not less than three (3) days to review this Plan, including all filed amendments, prior to executing a Purchase Agreement. Purchasers who have not had an opportunity to review this Offering Plan and any filed amendments for a least three (3) days prior to executing a Purchase Agreement shall be given seven (7) days, after delivering an executed Purchase Agreement, together with the required Downpayment, to rescind the Purchase Agreement and have the full Downpayment refunded promptly. Such rescission must be in writing, addressed and sent to Sponsor, and be postmarked or hand delivered by midnight of the 7th day subsequent to Purchaser's executing and delivering such Purchase Agreement. Purchasers who execute a Purchase Agreement after having had an opportunity to review

this Offering Plan and any filed amendments for not less than three (3) days prior to executing a Purchase Agreement shall not be permitted the aforementioned time period to rescind for any reason. The Purchase Agreement sets forth in detail the terms of sale with respect to each Unit and should be read carefully by each prospective Purchaser. A complete copy of the form of Purchase Agreement for Units is set forth as Exhibit 3 to Part II of the Plan.

The Purchaser's obligation to purchase a Unit pursuant to the Purchase Agreement may, at Sponsor's election, be contingent on the Purchaser obtaining a mortgage loan commitment for a specified portion of the purchase price from an Institutional Lender as defined in Real Property Law § 274-a. Any written commitment which conforms to the financial terms set forth in the Purchase Agreement shall be deemed to have met the contingency in the Purchase Agreement whether or not conditioned upon any factors other than an appraisal satisfactory to the Institutional Lender.

If there exists or occurs any conflict between the Plan and the Purchase Agreement, the provisions of the Plan shall control.

Purchasers should note that in the current real estate market, banks and other lenders are imposing various restrictions on loans. Such restrictions may include requiring that a certain percentage (such as 35% or 50%) of the Units in a building be sold before the lender will consider making a loan. Thus it may be possible for a purchaser to experience difficulty obtaining a loan in a building where the percentage of units purchased is lower than a lender's particular sales minimum. Even once a building has been submitted to a condominium regime, lenders may still impose minimum sales requirements before granting a loan. It then may be difficult for a purchaser to resell a unit if prospective buyers are unable to obtain a loan due to such minimum sales requirements.

Purchase Agreements will not be binding on Sponsor until approved and executed by it and Sponsor will have thirty (30) days after the delivery by the Purchaser of an executed Purchase Agreement and the Downpayment within which to accept or reject such Purchase Agreement. Sponsor reserves the right to request thorough identification and financial information concerning any prospective Purchaser, subject to the requirements of law. If a Purchase Agreement is not accepted by Sponsor within the aforesaid thirty (30) day period, the Purchase Agreement shall be deemed to have been rejected and cancelled and all sums theretofore deposited thereunder shall be promptly returned to the Purchaser.

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

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

ASSIGNMENT OF AGREEMENTS

Purchase Agreements may not be assigned by Purchasers without the prior written consent of the Sponsor. Such consent may be withheld by the Sponsor at its sole discretion. Any proposed assignment by a Purchaser in violation of the Purchase Agreement will be voidable at the option of the Sponsor. The Sponsor's refusal to consent to an assignment will not entitle a Purchaser to cancel the Purchase Agreement nor give rise to any claim for damages against the Sponsor.

EFFECTIVE DATE

The offering by Sponsor under this Plan is contingent upon the Plan being declared effective, by Sponsor duly filing an appropriate amendment to the Plan or by service of written notice to all Purchasers, in compliance with the relevant conditions and time periods set forth herein or imposed by the Attorney General's regulations.

The First Unit Closing may not occur until the amendment to the Plan declaring the plan effective has been accepted for filing by the Department of Law.

The Plan may be declared effective, at Sponsor's option, when Purchase Agreements have been executed and are in effect with respect to two (2) Units, which represents at least fifteen (15%) percent of the Units offered under the Plan. The Plan must, however, be declared effective when Purchase Agreements have been executed and are in effect with respect to six (6) Units, which represents at least eighty (80%) percent of the Units offered under the Plan.

The Plan will not be declared effective based on Purchase Agreements: (i) signed by Purchasers who have been granted a right of rescission that has not yet expired or been waived; or (ii) if the Purchaser was not afforded the protections required by Section 20.3(o)(10) of Part 20 of the NYCRR; or (iii) 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, a shareholder or a limited partner; except that such a Purchaser other than the Sponsor or a principal of the Sponsor may be included if the Sponsor has submitted proof satisfactory to the Office of the Attorney General establishing that the Purchaser is bona fide.

The Plan may be withdrawn or abandoned by Sponsor for any reason whatsoever at any time prior to its being declared effective. Purchasers will be notified in writing, by registered or certified mail, in the event the Plan is abandoned or withdrawn. In the event the Plan is withdrawn or abandoned, all Downpayments will be returned to the Purchasers, with interest, if any, earned thereon, within twenty (20) days following such withdrawal or abandonment. Upon the return of the Downpayment, and such interest, if any, the Purchase Agreement of said defaulting Purchaser will be null and void and Sponsor will have no further obligation or liability to such Purchaser under the Plan or the Purchase Agreement.

Purchasers will be notified in writing by Sponsor when the Plan is declared effective. Within three (3) business days after service of such notice to Purchasers, Sponsor will submit to the Department of Law an amendment to the Plan to indicate that it has been declared effective, which amendment will be accompanied by an affidavit of service of such notice on all Purchasers (who shall be identified by name, address, Unit purchased, purchase price exclusive of extra features and total purchase price). If requested, Sponsor will submit to the Department of Law copies of all Purchase Agreements (together with any amendments or modifications thereto) within five (5) business days after such request is made.

Once the Plan has been declared effective by amendment that has been submitted to and accepted for filing by the Department of Law, it may not thereafter be abandoned or withdrawn, except that prior to the First Unit Closing, the Plan may, at the option of Sponsor, be withdrawn in the event of (i) the existence of one or more defects in title affecting any one or more Units, which cannot be cured without litigation or cannot be cured for less than one-half of one percent (.5%) of the total purchase price of all Units, (ii) substantial damage or destruction of the building by fire or other casualty which cannot be cured for less

than one-half of one percent (.5%) of the total purchase price of all Units, or (iii) the taking of any material portion of the Property by condemnation or eminent domain. The amounts set forth above for the basis of abandonment after effectiveness shall exclude any attorneys 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 the Sponsor or are a matter of public record.

In the event the Plan is withdrawn or abandoned, all Downpayments will be returned to the Purchasers, with interest, if any, earned thereon, within twenty (20) days following such withdrawal or abandonment. Upon the return of the Downpayment, and such interest, if any, the Purchase Agreement of said defaulting Purchaser will be null and void and Sponsor will have no further obligation or liability to such Purchaser under the Plan or the Purchase Agreement.

TERMS OF SALE

The Closing of Title to each Unit shall be held at such time and place, pursuant to the applicable Purchase Agreement, as Sponsor may designate to the Purchaser on not less than thirty (30) days' prior notice. Notwithstanding the foregoing, with respect to all Purchase Agreements in effect at the time the Plan is declared effective, Sponsor shall give Purchasers not less than thirty (30) days notice of Closing of Title, which notice may be waived in writing by a Purchaser. The Closing of Title to each Unit shall take place only after or concurrently with the following events:

1. The recording or filing, as required by law, of the Declaration and exhibits thereto in accordance with Section 339-p of the New York Condominium Act;

2. The delivery to the Purchaser of written notice of the time and place in the Borough of Manhattan of the Closing of Title to his Unit (the "Closing Notice"). At the closing, each Purchaser will be required to sign and deliver to Sponsor an inspection statement substantially in the form set forth as Exhibit B to the Purchase Agreement wherein the Purchaser acknowledges the condition in which he has received his Unit;

3. The submission to, and acceptance for filing by, the Department of Law of an amendment to the Plan declaring the Plan effective and that Sponsor has complied with all the requirements of this Section;

4. The execution and delivery by Sponsor of a bargain and sale deed with covenant against grantor's acts ("Unit Deed"), conveying title to the Unit and its appurtenant Common Interest, free and clear of all liens, encumbrances and other title exceptions other than the Permitted Encumbrances. The Unit Deed will be substantially in the form set forth as Exhibit 5 in Part II of the Plan.

5. The assignment by Sponsor to the Purchaser of the right to proceed under any existing assignable warranties covering appliances, equipment or fixtures installed in his Unit, and the assignment by Sponsor to the Condominium Board of the right to proceed under any existing assignable warranties covering appliances, equipment or fixtures installed in the Common Elements;

6. The execution and delivery by the Purchaser of the Power of Attorney, the form of which is set forth as Exhibit 4 in Part II of the Plan. The Power of Attorney provides that the Purchaser appoint the Board of Managers of 41 Bond Condominium as attorney-in-fact (a) to acquire in their own names, as members of the Board of Managers, or in the name of their designee, corporate or otherwise, on behalf of all owners of Units in the Condominium, in accordance with their respective Common Interests,

(1) any Unit whose owner desires to abandon or sell the same, together with the undivided interest in the Common Elements appurtenant thereto, (2) the interest of such Unit Owner in any other Units theretofore acquired by the Board of Managers, or its designee, on behalf of all Unit Owners, or the proceeds of sale or lease thereof, if any, and the rights and privileges appurtenant thereto, (3) the interest of such Unit Owner in all other assets of the Condominium as defined in the Declaration or any Unit, which shall be the subject of a foreclosure or other judicial sale; or to lease any Unit whose owner desires to rent the same, at such price or on such rental, as the case may be, and on such terms as said attorney-in-fact shall deem proper, and thereafter to convey, sell, lease or mortgage (but not to vote the votes appurtenant thereto) and to otherwise deal with any such Units so acquired by it, or to sublease any Unit so leased by it on such terms as said attorney-in-fact may determine, and (b) to execute, acknowledge and deliver (1) any declaration or other instrument affecting the Condominium that the Board of Managers deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution, or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Condominium or (2) any consent, covenant, restriction, easement, or declaration, or any amendment thereto, affecting the Condominium or the Common Elements, that the Board of Managers deems necessary or appropriate.

7. Substantial completion of all construction work on the Building (but excluding interior work on the other Units);

8. The issuance of a temporary or permanent certificate of occupancy for the Building which provides for residential occupancy of the Unit, as the case may be, or, alternatively, the issuance of a temporary or permanent certificate of occupancy for the Unit being conveyed which provides for residential occupancy of such Unit. If, at the time of Closing of Title to a Unit, Sponsor has only obtained a temporary certificate of occupancy, then Sponsor shall retain in the special escrow account required by General Business Law Section 352-e(2)(b) an amount, as determined by Sponsor's Architect, which is sufficient in such architect's opinion to cover the cost for such Unit or the Building, as the case may be, of obtaining a permanent certificate of occupancy covering that Unit (excluding any work being performed by such Unit Owner). Such escrow amount shall be released to Sponsor or its designee upon the obtaining of a permanent certificate of occupancy covering such Unit. Alternatively, Sponsor shall have the options of either depositing with an escrow agent an unconditional, irrevocable letter of credit in the amount determined by Sponsor's Architect or posting a surety bond in the amount so determined. Sponsor shall complete construction necessary to obtain a permanent certificate of occupancy for the entire Building or for all individual Units that have been sold within two (2) years subsequent to the First Unit Closing or prior to the expiration of the temporary certificate of occupancy, as may be renewed, replaced or extended, provided, however, that Sponsor shall be relieved of this obligation and shall be entitled to obtain a return of any letter of credit or escrow posted if Sponsor is unable to obtain a permanent certificate of occupancy as a result of the failure of the Department of Buildings of New York City, or of a successor body of similar function, to issue the same after completion of Sponsor's work, or as a result of work being performed by Unit Owners in their Units, provided Sponsor's Architect certifies in writing that Sponsor has completed all work necessary to obtain the permanent certificate of occupancy. In the interim, Sponsor will continue to renew, replace or extend the temporary certificate of occupancy which is permitted by Law for a period of two (2) years. Thereafter, violations may be issued by the Department of Buildings and fines imposed.

9. Discharging all duly recorded liens affecting the Unit being conveyed and its undivided Common Interest, and recording a partial release which releases such Unit and its undivided Common Interest from such lien, if any, as required by Section 339-r of the Condominium Act;

The existing mortgagee has consented to the formation of a condominium and shall deliver releases for each individual Unit from the existing mortgages at the closing of such Unit.

CLOSING COSTS AND ADJUSTMENTS

1. General Costs

In addition to Purchaser's own legal fees, each Purchaser will pay the following closing costs, expenses and adjustments at the Closing of Title to Purchaser's Unit. SUCH COSTS AND CATEGORIES ARE ONLY ESTIMATED AND ARE SUBJECT TO CHANGE WITHOUT NOTICE.

- (a) If Purchaser elects to obtain title insurance, Sponsor recommends that Purchaser order such insurance from Kensington Vanguard. The cost of title insurance will vary depending on the purchase price of the Unit but the premium for such insurance is statutorily regulated in New York State and does not vary between title insurance companies. As of the date of this Offering Plan, title insurance rates as quoted by Royal Abstract are as follows: \$2,326 for the first \$500,000 of insurance and an additional \$3.68 for each additional \$1,000 or fraction thereof. Royal Abstract is not affiliated with Sponsor. Purchasers are free to use any title insurance company they choose. Purchasers of Units are required to take title subject to any matters Royal Abstract shall be willing to insure by affirmative insurance or otherwise, regardless of the title company such Purchaser elects to insure with.
- (b) Recording fee of approximately \$75.00 for recording the Unit Deed and the Power of Attorney.
- (c) New York State Transfer Tax and New York City Real Property Transfer Tax computed as follows:
 - (i) Subtract the applicable tax rate(s)(City and/or State) from 100%;
 - (ii) Divide the applicable tax rate(s) by the difference obtained under subparagraph (i);
 - (iii) Multiply the result by the purchase price (exclusive of the tax liability the Purchaser is assuming).

The foregoing computation can also be shown as follows:

$$\text{Tax Liability} = \frac{\text{tax rate}}{(100\% - \text{tax rate})} \times \text{Purchase Price}$$

The New York State Transfer Tax is at the rate of \$2.00 per each \$500.00 of consideration or part thereof. The New York City Real Property Transfer Tax is at the rate of 1% of the purchase price for the Unit if the purchase price is less than \$500,000 or 1.425% if the purchase price is \$500,000 or more. Purchasers should be aware that the City of New York has taken the position that the purchase of two (2) units by the same purchaser from the same seller within the same condominium is a

Commercial transaction. Accordingly, such transactions will be subject to New York City Real Property Transfer Tax at the Commercial rates of 1.425% if the purchase price of the Unit is less than \$500,000 and 2.625% if the purchase price of the Unit is \$500,000 or more.

It is customary in real estate transactions, other than condominium transactions, for sellers to pay these taxes. In condominium transactions, either the seller or the purchaser can pay these transfer taxes. The obligation is assumed by a purchaser if such obligation is imposed on the purchaser by the terms of the sale. Under this Offering Plan and the Purchase Agreement, Purchasers are required to pay these taxes as a closing cost.

- (d) The so-called New York State "Mansion Tax" pursuant to Article 31 of the Tax Law, currently 1% of the consideration for conveyances of One Million (\$1,000,000) Dollars or more.
- (e) Contribution to Working Capital Fund (hereinafter defined) in the amount of two (2) months Common Charges per Unit payable to the Condominium Board.
- (f) If a mortgage loan is obtained from a lending institution, Purchaser will be responsible for the following costs, if any:
 - (i) Legal fees of the lending institution's attorney;
 - (ii) Mortgage title insurance policy costs for a mortgage title insurance policy naming the lending institution as the insured, if applicable. Mortgage title insurance rates as quoted by Royal Abstract as of the date of this Offering Plan are as follows: \$604 for the first \$100,000 of insurance, \$3.36 per thousand for each additional \$1,000 or fraction thereof of insurance up to \$500,000 and \$3.06 for each additional \$1,000 or fraction thereof above \$500,000. If fee title insurance is obtained the Purchaser will be entitled to a simultaneous discount for mortgage title insurance of 70%;
 - (iii) Mortgage recording tax of 2.05% of the amount of the mortgage less \$25 for mortgages in the amount of less than \$500,000.00. The mortgage recording tax for mortgages in excess of \$500,000.00 is 2.175% less \$25. Purchaser will pay Sponsor at closing a sum equal to the partial mortgage tax credit pursuant to Section 339-ee(2) of the Condominium Act. For further description, please see the discussion of the Mortgage Tax Credit in the next Subsection 3;
 - (iv) Recording fee of approximately \$60.00 for recording the mortgage; and
 - (v) Commitment fee, origination fee, appraisal fee, application fee, credit fee, and other closing costs and expenses, if any, charged by the lending institution.
- (g) Legal fee of Sponsor's closing attorneys for coordinating the closing in the amount of \$2,500 per Unit payable to Goldfarb & Fleece LLP, plus, if Purchaser is financing a portion of the purchase an additional \$1,000 for coordination with Purchaser's lending institution. All closings must take place in Manhattan unless

otherwise arranged in advance with Sponsor's attorneys who will charge an hourly travel fee of \$185.00 for all closings outside Manhattan. If Purchaser adjourns a scheduled closing date on less than 24 hours prior notice, and such adjournment is not as a result of an action by Sponsor, or if a Purchaser fails to appear at the location and at the time scheduled for closing, Purchaser shall pay to Goldfarb & Fleece LLP a cancellation fee of \$150.

Example of Unit Closing Costs to be paid by Purchaser for a Unit sold for \$7,500,000:

Purchase Price to Sponsor	\$7,500,000
NYC Transfer Tax to NYC (grossed up) =	\$108,825
NYS Transfer Tax to NYS (grossed up) =	\$30,547
NYS "Mansion Tax" of 1% (grossed up) =	\$76,368
Reimbursement of Working Capital (2 months) = \$1,665 (2) =	\$3,330
Legal Fee to Sponsor's Counsel	\$2,500
Fee Title Insurance Premium	\$20,074
Estimated recording costs	\$150

2. Adjustments

At the Closing of Title to each Unit, adjustments will be made between Sponsor and the Purchaser as of midnight preceding the closing date with respect to (a) real estate taxes and assessments, if any (including water charges and sewer rents if separately assessed) on the basis of the period for which assessed; provided, however, that if the Units have not been separately assessed for such payments, the Purchaser will pay his share of said payments in proportion to said Purchaser's Common Interest, (b) Common Charges for the month in which title closes, and (c) accrued or prepaid rent and any other charges pursuant to an interim lease, if any, covering the Purchaser's Unit.

In the event that the Units have not been separately assessed for real estate tax purposes prior to the First Unit Closing, Sponsor shall place in a special escrow account at Bank of America, 345 Park Avenue, New York, New York an amount equal to the unpaid real estate taxes which will be payable with respect to the Property for the period which expires on the earlier to occur of (a) the date which is six (6) months after the First Unit Closing or (b) the date on which the Units are separately assessed. Sponsor will pay the real estate taxes with respect to the Property from said special escrow account as and when such taxes become due and payable, and Sponsor will be reimbursed for such payments by the Condominium Board or individual Unit Owners at Closing. Until separate tax bills are issued with respect to each Unit, all Unit Owners will pay to the Condominium Board their proportionate shares (based on Common Interests) of the real estate taxes with respect to the Units.

Each Purchaser will be required to reimburse the Sponsor, at closing for such Purchaser's pro rata share of the Condominium's insurance policy (as described in the footnotes to Schedule B) for the first year of operation of the Condominium, the premium for which will be prepaid by the Sponsor prior to the first Closing of Title to a Unit. The amount of reimbursement will vary depending on the Unit's Percentage Interest in the Common Elements and the date of Closing of Title to the Unit. The actual reimbursement will be determined by multiplying the amount of prepaid premium by the Unit's Percentage Interest in Common Elements, and then multiplying the resulting per diem rate by the number of days remaining in the relevant covered period.

3. Mortgage Tax Credit

Section 339-ee(2) of the Condominium Act provides as follows:

"In the event the proceeds of a construction mortgage were applied to construction of a unit of a condominium submitted to the provisions of the Condominium Act, or in the event that a unit submitted to the provisions of the Condominium Act was subject to a blanket mortgage, and a mortgage tax was duly paid on such construction or blanket mortgage in accordance with article eleven of the tax law, then, as each unit is first conveyed, there shall be allowed a credit against the mortgage tax that would otherwise be payable on a purchase money mortgage, said credit to be in the amount resulting from the product of the purchaser's pro-rata percentage of interest in the common elements and the mortgage tax already paid on the construction or blanket mortgage."

If Sponsor has paid a mortgage recording tax for a construction loan mortgage on the Property and a mortgage tax credit becomes available, pursuant to the above Section of the Condominium Act, such credit shall inure to the benefit of Sponsor. Accordingly, at closing, each Purchaser electing mortgage financing shall pay the full amount (but not in excess thereof) of the mortgage recording tax chargeable on the entire amount being financed. The amount equal to the mortgage tax credit will be paid to Sponsor and the balance for the mortgage recording tax.

RIGHTS AND OBLIGATIONS OF SPONSOR

1. Sponsor's Obligations With Respect to the Building

No bond or other security has been furnished to secure the performance of Sponsor's obligations. At the time this Offering Plan is accepted for filing, Sponsor will be financially capable of performing Sponsor's obligations. However, the subsequent ability of Sponsor to perform its obligations will depend upon Sponsor's financial condition at that time. The project is being financed from Sponsor's own funds and with loans from Lender in the aggregate amount of \$16,500,000. Lender has approved the submission of this offering plan, and has agreed to subordinate its mortgage to the declaration and release each condominium unit from the lien of its mortgage provided that net proceeds from the initial unit closings are remitted to lender from Sponsor in repayment of the outstanding construction loans. Sponsor is not otherwise obligated to offer for sale any Unit regardless of whether such Unit is listed on Schedule A, and Sponsor may, if it chooses, after an amendment is duly filed, withhold one or more of the offered units for occupancy by the principals or employees of Sponsor or for future sale.

Sponsor shall have the following obligations pursuant to this Offering Plan which shall be performed in accordance with the practice of the industry:

- (a) Sponsor will pay or cause to be paid all sums properly due to contractors, subcontractors and material men, and all others involved in the construction of the Units and Common Elements, for (i) the authorized and proper work performed and (ii) fixtures, material and equipment supplied or installed.
- (b) At its own cost, Sponsor will diligently and expeditiously complete the construction of the Units and Common Elements substantially in accordance with the plans and specifications described herein. Sponsor will pay for such work and materials and discharge or bond all mechanic's liens which may be filed as a result of the construction of the Units or Common Elements. With respect to any of the materials specified in the Floor Plans, the Description of Property and Specifications or elsewhere in this Offering Plan, Sponsor reserves the right to

substitute materials of substantially similar or better quality and design. Sponsor intends to use the materials, fixtures, appliances and other equipment described in this Offering Plan and in the architectural plans on file, but, due to the possible unavailability of materials and supplies or for any other reason, Sponsor reserves the right to substitute materials, fixtures, appliances and equipment of substantially similar or better quality and design for any of those set forth in the plans and specifications or otherwise in this Offering Plan.

- (c) Sponsor reserves the right, without altering the total amount of space contained in the Building, to change the size, interior layout and location of any Unit or the number of Units, provided such changes are made in accordance with the Section titled *Changes in Prices and Units*.

Changes will be made in the size or number of Units, their respective percentage of Common Interest or in the amount or quality of Common Elements, except as otherwise provided herein, only with the consent of all Unit owners directly affected, and by amendment to this Offering Plan and also by amendment to the Declaration, if the Declaration was filed prior to such change. However, Sponsor shall not be obligated to obtain the consent of the Condominium Board or any Unit Owner for changes made prior to the execution of a Purchase Agreement for the affected Unit or Units so long as such changes are made by amendment to this Offering Plan and to the Declaration.

Changes to the size, layout or percentage of the Common Interest of a Unit for which a Purchase Agreement has been executed by Purchaser and Sponsor and delivered to Purchaser, or changes in the amount or quality of Common Elements directly affecting or servicing a Unit for which a Purchase Agreement has been executed by Purchaser and Sponsor and delivered to Purchaser, shall be made only with the written consent of such Purchaser (which consent shall not be unreasonably withheld), provided, however, that such Purchaser's consent shall only be required if (i) Purchaser is not then in default and (ii) there is a change in the percentage of Common Interest or a material change in the amount or quality of Common Elements directly affecting or servicing such Unit or in the size or layout of such Unit.

Notwithstanding the foregoing, such changes may be made by Sponsor provided (i) all directly affected Unit Owners consent (not to be unreasonably withheld) in writing to such change and (ii) all directly affected Purchasers (x) who are still contract vendees, (y) who are not then in default and (z) who have not consented in writing to such changes are given the right, for thirty (30) days from the date of mailing or date of personal delivery to terminate their Purchase Agreement for the affected Unit and receive from Sponsor a return of the Downpayment.

- (d) At its sole cost and expense, Sponsor will obtain, prior to the closing of a particular Unit, the issuance of a temporary or permanent certificate of occupancy for the Building or the Unit being conveyed. If, at the time of closing of a particular Unit, Sponsor has only obtained a temporary certificate of occupancy covering the Unit being conveyed, then Sponsor shall retain in the special escrow account required by General Business Law Section 352-e(2)(b) an amount, as determined by an architect chosen by Sponsor, which is sufficient in

such opinion to cover the cost for such Unit of obtaining a permanent certificate of occupancy covering that Unit. Such escrow amount shall be released to Sponsor or its designee upon the obtaining of a permanent certificate of occupancy covering such Unit. Sponsor shall complete construction and obtain a permanent certificate of occupancy for the entire project within two (2) years subsequent to the First Unit Closing or prior to the expiration of the temporary certificate of occupancy, as the same may be renewed, replaced or extended, provided that Sponsor will be excused from obtaining such certificate of occupancy if Sponsor is unable to obtain same as a result of the failure of the Department of Buildings of New York City, or of a successor body of similar function, to issue the same, provided Sponsor's Architect certifies in writing that Sponsor has completed all work necessary to obtain the permanent certificate of occupancy. Although it is possible to be unable to obtain a permanent certificate of occupancy, it is highly unlikely. In the interim, Sponsor would continue to renew, replace or extend the temporary certificate of occupancy which is permitted by Law for a period of two (2) years. Thereafter, violations may be issued by the Department of Buildings and fines imposed.

- (e) Sponsor will pay all expenses incurred prior to the establishment of the Condominium in connection with its operation and will bear and pay all costs and expenses incurred in connection with the creation of the Condominium, whenever such costs or expenses are incurred, or in connection with the sale of all of the Units held or owned by Sponsor. Except as otherwise provided in this Offering Plan, Sponsor will pay all selling expenses of Sponsor, including, but not limited to, advertising and printing costs, architects' fees, attorneys' fees in connection with preparing this Plan, organization costs, brokerage and selling agents' fees and commissions, engineer's fees, appraisal and surveying fees and costs.
- (f) Sponsor will pay all Common Charges, special assessments and other expenses allocable to any Units owned by Sponsor, so long as Sponsor shall continue to own such Units. If any holder of Unsold Units fails to fulfill his obligations with respect to the payment of Common Charges, special assessments and other expenses as aforesaid, Sponsor will become liable for such obligations. However, as set forth in this Offering Plan, where a Purchaser has caused an unauthorized delay in Closing of Title, Sponsor shall be entitled to reimbursement by such Purchaser of Common Charges during such unauthorized delay.
- (g) Prior to the First Unit Closing, all liens affecting the Property shall be paid and satisfied or bonded, or at the closing of each Unit, the Unit being conveyed and its appurtenant Common Interest shall be released from any remaining liens by partial release which will be duly recorded.
- (h) Sponsor will correct or cause to be corrected patent defects in the construction of the Building and the Units or in the installation or operation of any mechanical equipment therein but only if such patent defects are due to substantially improper workmanship or material substantially and materially at variance with the architectural plans and specifications, provided and on condition that (i) as to any Unit, Sponsor is notified of such defects in writing by the Unit Owner by

certified mail within ten (10) days from the earlier of the Closing of Title to such Unit or the execution and delivery of any lease to or at the direction of the Purchaser of such Unit, or (ii) as to the Common Elements, Sponsor is notified by the Condominium Board within two (2) months from the First Unit Closing. If any defect in the Common Elements can only be detected after said two-month period by occupancy of a particular Unit, Sponsor will correct said defect in the construction of the Common Elements or in the installation or operation of any mechanical equipment therein due to improper workmanship or materials substantially and materially at variance with the architectural plans and specifications if notified by the Condominium Board within ten (10) days from the earlier of the Closing of Title to that particular Unit or the execution and delivery of any lease to or at the direction of the Purchaser of that particular Unit.

Sponsor will also correct or cause to be corrected latent defects in the construction of the Building and the Units or in the installation or operation of any mechanical equipment therein but only if such latent defects are due to substantially improper workmanship or material substantially and materially at variance with the architectural plans and specifications, provided and on condition that Sponsor is notified of such defects (i) as to any Unit, in writing by the Unit Owner within one (1) year from the earlier of the Closing of Title to such Unit or the execution and delivery of any lease to or at the direction of the Purchaser of such Unit, or (ii) by the Condominium Board with respect to Common Elements within one (1) year after the First Unit Closing.

Sponsor, in its sole discretion, shall select the method of correcting any defect. On three (3) days notice from Sponsor (or reasonable notice in the case of emergency), the Condominium Board and/or the Unit Owner in question shall allow Sponsor, Sponsor's contractors and/or the Managing Agent access to the Building or the Unit in question on any weekday which is not celebrated as a federal or state holiday to inspect and/or correct such defect. The quality of construction shall be comparable to local standards customary in the particular trade and in accordance with the Plans and Specifications.

Sponsor shall be deemed to have discharged any obligation it may have with respect to patent or latent defects, as the case may be, if (i) Sponsor is not notified within the time periods specified herein or (ii) the Condominium Board and/or the Unit Owner in question prevents Sponsor, Sponsor's contractors and/or the Managing Agent access to the Building or the Unit in question as provided herein, or (iii) Sponsor shall have corrected the defect in accordance with the practice of the industry as determined by Sponsor's general contractor or architect or engineer, in their sole discretion.

NOTWITHSTANDING THE FOREGOING, SPONSOR SHALL NOT BE RESPONSIBLE FOR CORRECTING OR REPAIRING ANY DEFECTS IN CONSTRUCTION OR DEFECTS IN THE INSTALLATION OR OPERATION OF ANY APPLIANCES (INCLUDING, WITHOUT LIMITATION, KITCHEN APPLIANCES), EQUIPMENT OR FIXTURES INCLUDED AS ORIGINAL EQUIPMENT IN A UNIT AS PROVIDED IN THE DESCRIPTION OF PROPERTY AND SPECIFICATIONS WITH RESPECT TO WHICH ASSIGNABLE WARRANTIES OR OTHER UNDERTAKINGS (HOWEVER

DENOTED) FROM MANUFACTURERS, CONTRACTORS, MATERIAL MEN, OR OTHERS, ARE ASSIGNED TO EITHER PURCHASER OR THE CONDOMINIUM BOARD. THE HOUSING MERCHANT IMPLIED WARRANTY LAW (GENERAL BUSINESS LAW ARTICLE 36-B) IS NOT APPLICABLE TO THIS OFFERING. In addition, in no event shall Sponsor be responsible for correcting or repairing any of the following (to the extent applicable to the construction of the Unit as described in the Description of Property and Specifications): (i) any condition resulting from normal wear and tear or natural deterioration or from the normal settling or shifting of the Building, (ii) defects of an insubstantial nature, such as, without limitation, partial or total death of any trees, shrubs, bushes or other landscape improvements, nail pops, ridging on sheet rock walls, discoloration or shrinkage, door or window sticking due to weather, door warpage including, without limitation, warpage of the main entrance door within reasonable tolerances of doors of similar size, material and weight, slight scratches in formica, porcelain, marble or tile surfaces, bath tile grouting, adjustment of bi-fold doors, walls not square, electrical plates not straight, slight separation between base and floor, (iii) normal settlement and deflection or any consequential damage resulting therefrom including, without limitation, cracks in concrete roof pavers, or concrete cracks which do not impair the structural soundness of the Building, (iv) variations in floor levels, (v) ceiling imperfections, (vi) painting defects, (vii) alignment of bathroom finishes, (viii) air infiltration from windows, (ix) normal plumbing, heating and air conditioning noises, (x) normal floor noises and creaking, (xi) carpet or floor discoloring or stretching, (xii) variations in width, length or tone of wood flooring, variation in shading of marble, (xiii) repair of chips, scratches, mars, breaks or other defects in windows and window sashes, sliding glass doors, shower doors, electrical fixtures and globes, painted surfaces, sinks, tubs, basins, kitchen cabinets and countertops, vanity tops and cabinets, ceramic tile, marble, saddles, appliances, woodwork and doors, mirrors, hardware, appliance cabinets and flooring, (xiv) subsequent to the Unit closing, paint touch-ups, repairs of dented appliances, or replacement of fluorescent light ballasts, (xv) salting or color variation in exterior colored mortar and deep colored brick, (xvi) ponding and/or controlled drainage on the roof surface, or (xvii) cracks in pressure treated wood or redwood used or intended for use outside the Building. Sponsor shall be obligated to repair abnormal scratches in formica, porcelain, marble or tile surfaces by filling the formica or refinishing the porcelain, marble or tile but Sponsor shall not be obligated to replace such formica, porcelain marble or tile surfaces. Except as expressly set forth in this subparagraph (h), Sponsor has no obligation to correct or repair any other defect or conditions in the Units, Common Elements or the Building or any other installations, apparatus, fixtures and appurtenances. The foregoing sets forth the entire obligation of Sponsor to correct any defects and none other shall be implied. Nothing contained herein shall be construed to render Sponsor liable for consequential or incidental damages (whether based on breach of contract, warranty, or otherwise), whether foreseeable or not, all of which are excluded from the coverage of this subparagraph (h), it being intended that Sponsor's sole obligations pursuant to this section of this Offering Plan shall be to repair or replace, at Sponsor's option, any defective item of construction (arising as a result of substantial and material defects in material or as a result of improper workmanship) subject to the terms and conditions (and within the time limits) set

forth in this section of this Offering Plan. The Housing Merchant Implied Warranty Law (General Business Law Article 36-B) is not applicable to this offering. Sponsor is not making any express or implied warranties of fitness for a particular purpose, merchantability or habitability. There is no warranty as to sound transmission. Unless caused by a violation of an applicable code with regard to the ventilation system or other applicable code, there is no warranty as to odors. Unless caused by a code violation, there is no warranty with respect to mold, mildew, spores, fungi or other toxins. There is no warranty as to view or light quality. The Sponsor's obligation, regardless of any limitations in the warranty, is to construct the premises in accordance with all applicable codes and filed plans and specifications shall be resolved in favor of the latter. Sponsor has not given and Purchaser has not relied on or bargained for any such warranties. In no event will Sponsor be liable for incidental or consequential damages (whether based on negligence, breach of contract, warranty, or otherwise). In the event of any conflict between the foregoing disclaimers and Sponsor's obligations to construct the Building in accordance with all applicable codes and filed building plans and specifications as well as the provisions of the Plan, Sponsor's obligations to construct the Building in accordance with all applicable codes and filed building plans and specifications as well as the provisions of the Plan will control.

Any warranty provided by Sponsor pursuant to this subparagraph (h) is a limited warranty and the sole warranty made by Sponsor - there are no warranties which extend beyond the face hereof.

Time shall be of the essence with respect to all of the time periods set forth in this subparagraph (h).

- (i) Notwithstanding any provision to the contrary herein, Sponsor shall not be obligated to correct, and not be liable to any Purchaser as a result of, (i) any insubstantial variations from the plans and specifications or the description of the Building or a Unit set forth in this Offering Plan or (ii) variations from the plans and specifications or description of the Building or a Unit set forth in this Offering Plan which are neither in violation of applicable building codes, nor require approval of any governmental authority having jurisdiction, provided such variations are of substantially similar or better quality.
- (j) Sponsor shall deliver to the Condominium Board a set of architectural or as-built plans within a reasonable period of time after completion of construction of the Building.
- (k) Prior to the First Unit Closing, Sponsor shall procure on behalf of and at the expense of the Condominium the insurance policy or policies provided for in Schedule B.
- (l) Sponsor shall keep copies of this Offering Plan, Schedules and documents referred to in this Offering Plan on file at Sponsor's offices for six (6) years from the date the Declaration is recorded.

- (m) In accordance with Section 339-p of the Condominium Act, a registered architect or licensed professional engineer shall certify within reasonable tolerances that the Floor Plans filed with the recording of the Declaration are a substantially accurate copy of portions of the plans of the Building as filed with and approved by the municipal or other governmental subdivision having jurisdiction over the issuance of permits for the Building.
- (n) Sponsor shall be obligated to defend any suits or proceedings arising out of its acts or omissions. Sponsor shall indemnify the Condominium and the Unit Owners with respect to any claims arising prior to the First Closing and/or arising out of Sponsor's acts or omissions.
- (o) Sponsor shall not be liable for or obligated to defend any suits, proceedings or claims (i) as to any Unit arising out of any occurrence taking place on or after the earlier of the Closing of Title to such Unit or the leasing thereof to, or at the direction of, any Purchaser, or (ii) as to the Common Elements, arising out of any occurrence taking place on or after the date of the recording of the Declaration, except suits, proceedings or claims arising out of acts or omissions of Sponsor or representations made by Sponsor in this Offering Plan. Sponsor shall not be liable for or obligated to defend any suits, proceedings or claims arising out of any occurrence which was prior to the date of the First Unit Closing except suits, proceedings or claims arising out of acts or omissions of Sponsor or agents of Sponsor.

The obligations and rights of Sponsor set forth in the above subparagraphs (a), (e), (f), (h), (j), (l), (m) and (n) may be performed subsequent to closing and shall survive delivery of the Unit Deed.

2. Other obligations of Sponsor

- (a) Sponsor, Sponsor-designees and any partner of any entity affiliated directly or indirectly with Sponsor reserves the right to use or occupy any Unsold Units itself or to offer all or any Unsold Units for lease prior to execution of a Purchase Agreement. Purchasers of any such Units will be purchasing Units that have been previously occupied. Prior to the execution of a Purchase Agreement, Sponsor, the Sponsor-designee or the partner of any entity affiliated directly or indirectly with Sponsor, whoever holds title to such Unit, will notify the Purchaser of such Unit that was previously occupied of such occupancy and will set forth the condition in which such Unit will be delivered (including outstanding warranties, if any). Purchaser shall purchase such Unit "as is" and neither Sponsor nor any other offeror of such Unit shall be obligated to decorate, refurbish or in any way repair such Unit. Any such lease will provide, however, among other things, that an uncured default by the Purchaser under a Purchase Agreement in effect with respect to the Unit so rented will constitute a default under the lease entitling Sponsor, at its sole option, to immediately terminate such lease and obtain possession of the Unit so leased. In addition, each Purchase Agreement may provide that an uncured default by the Purchaser under any lease with respect to the Unit which is the subject of the Purchase Agreement will constitute a default under the Purchase Agreement entitling Sponsor, at its sole option, to immediately terminate such Purchase Agreement.

- (b) During the time the principals of Sponsor control the Condominium Board, it is within their sole power to enforce the obligations of Sponsor pursuant to this Offering Plan. Therefore, Sponsor agrees that during such period Sponsor will, in its capacity as the Condominium Board, enforce such obligations then required to do so by a resolution duly passed by a majority of the Unit Owners, excluding Sponsor, at a special meeting of the Unit Owners called for such purpose.

3. Sponsor's Rights of Access

As a condition to selling Units pursuant to this Offering Plan, Sponsor reserves to itself, Sponsor-designees and any partner of any entity affiliated directly or indirectly with Sponsor, and each of their successors, assigns, invitees, contractors, agents, employees and tenants, any and all easements and rights of access, in and to Units, Common Elements and Limited Common Elements consistent with the purposes of this Offering Plan and Sponsor's rights and obligations thereunder. Without in any way limiting the generality of rights reserved in the foregoing sentence, the rights reserved to Sponsor shall include the following:

- (a) The right to maintain any vacant and Unsold Unit(s) as general, sales and/or leasing office(s) and/or model Unit(s) and to maintain personnel at the Property;
- (b) The right to post signs, and to conduct other activities connected with promotion, sales or leasing, such as displaying vacant Units or leased Units, Common Elements and Limited Common Elements to prospective Purchasers or lessees and inspection thereof by such Purchasers or lessees;
- (c) The right of access in and to Units, Common Elements and Limited Common Elements for purposes of inspection, construction, repair, refurbishment, correction, alterations, finishing, servicing but not limited to garbage collection and similar work;
- (d) The right to show vacant or leased Units;
- (e) Utility and other easements for the benefit of Unit Owners, Common Elements and Limited Common Elements.

Sponsor, Sponsor-designees and any partner of any entity affiliated directly or indirectly with Sponsor shall exercise all rights of access so as to limit, to the extent practicable, unnecessary interference with use of the Property by Unit Owners. Sponsor, Sponsor-designees and any partner of any entity affiliated directly or indirectly with Sponsor agree to repair damage directly attributable to and caused by Sponsor, Sponsor-designees and any partner of any entity affiliated directly or indirectly with Sponsor or its agents as a result of exercising such rights of access.

4. Sponsor's Right to Perform Alterations

Sponsor or Sponsor-designees or any partner of any entity affiliated directly or indirectly with Sponsor shall have the right, without the consent of the Condominium Board, other Unit Owners or Permitted Mortgagees (hereinafter defined), to (i) make alterations, additions or improvements, structural and nonstructural, ordinary and extraordinary, interior and exterior, in, to and upon any Unit owned by it; (ii) change the layout or number of rooms in such Units; (iii) change the size and/or number of Units by subdividing a Unit, combining separate Units (including those resulting from such subdivision or otherwise) into one or more Units or altering the boundary walls between Units; and (iv) reapportion among such Units affected by such change their Appurtenant Interests, provided, however, that in each instance the Sponsor or Sponsor-designee or partner of any entity affiliated directly or indirectly with Sponsor shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold the Condominium Board and all other Unit Owners harmless from any liability arising therefrom.

5. Enforcing Sponsor's Obligations

Only the Condominium Board acting on behalf of the Unit Owners shall have the right to enforce the obligations of Sponsor set forth in this section. Notwithstanding the foregoing, individual Unit Owners shall have the right to enforce Sponsor's obligations only if either (i) the Condominium Board fails to take reasonable action to enforce such obligations within 90 days following the giving of notice of such claim by a Unit Owner to the Condominium Board or (ii) the applicable statute of limitations with respect to any claim by a Unit Owner which would otherwise be enforceable by the Condominium Board will expire during such ninety (90) day period.

6. Miscellaneous

Sponsor shall not voluntarily dissolve or terminate until all Units have been sold and Sponsor has complied with its obligations pursuant to this Offering Plan, such compliance to be determined solely by Sponsor. The dissolution or liquidation of Sponsor at such time will not affect Sponsor's obligations under this Offering Plan. In the event of the dissolution or liquidation of the Sponsor or the transfer of twenty percent (20%) or more of the total number of Units in the condominium, the principal of the Sponsor will provide financially responsible entities or individuals who will assume the status and all of the obligations of the Sponsor for those Units under the Offering Plan, applicable laws or regulations.

Sponsor makes no other representation or warranty except as provided in this section. However, nothing herein shall be construed to limit any rights which Purchasers may otherwise have pursuant to this Offering Plan, Article 23-A of the General Business Law, and Part 20 of the Regulations promulgated by the Attorney General.

CONTROL BY SPONSOR

Title to all Units which have not been sold by the time of the First Unit Closing will remain with Sponsor or Sponsor-designee(s) until such Units shall thereafter be sold to Purchasers. The Board of Managers shall not have a right of first refusal or the right to impose any charge as to any sales or leases by Sponsor, Sponsor-designees or any partner of any entity affiliated directly or indirectly with Sponsor.

Sponsor shall have the right to vote all of the Common Interests attributable to Units owned by Sponsor. At all elections held during the Initial Control Period, Sponsor may control the Condominium Board. The Initial Control Period means the period ending on the earlier of (i) the Closing of Title with Purchasers under this Plan to Units having at least 50% of the aggregate Common Interests appertaining to all Units, or (ii) five (5) years after the First Unit Closing. After the Initial Control Period the majority of the Condominium Board shall be owner-occupants or members of owner-occupants households that are unrelated to Sponsor and Sponsor's principals.

After the Initial Control Period, Sponsor as owner of Unsold Units, shall have the right to designate one member, for so long as Sponsor owns at least one Unsold Unit.

So long as Sponsor shall continue to own one Unsold Unit, the Condominium Board may not, without Sponsor's prior written consent: (i) make any addition, alteration, or improvement or change in or to the Common Elements or to any Unit; (ii) assess any Common Charges or Special or General Assessments for the creation or replacement of, or the addition to, all or any part of a reserve, contingency, or surplus fund; (iii) increase the number, increase the compensation or change the type of employees from that described in the First Year's Budget set forth in the Plan; (iv) enter into any service or maintenance contracts for work not covered in the First Year's Budget set forth in the Plan; (v) borrow money on behalf of the Condominium; (vi) exercise any right of first refusal to purchase or lease a Unit; or (vii) amend the By-Laws.

In no event will the limitations imposed herein continue for more than five (5) years from the First Unit Closing. Sponsor may not veto any action described in items (i) through (vii) above if (y) such action is necessary to enable the Condominium Board or Unit Owners to comply with any laws, rules or regulation of any governmental authority having jurisdiction over the Condominium; and (z) no other alternative is available after a discussion of the alternatives at a meeting at which Sponsor is present, and further provided that Sponsor's veto is delivered by written notice within twenty (20) days after Sponsor has notice of the proposed action, which notice shall specifically state in bold capital letters that Sponsor has twenty (20) days in which to respond or shall be deemed to have approved such action.

Members of the Condominium Board will serve without compensation. All officers of the Condominium shall also serve without compensation.

Any member of the Board may be removed from office with or without cause. The members of the Condominium Board designated by Sponsor and Sponsor-designees may be removed with cause by any member of the Condominium Board acting pursuant to the By-Laws, and without cause only by Sponsor and Sponsor-designees and only Sponsor and Sponsor-designees shall have the right to designate a replacement.

An officer may be removed, without cause, by an affirmative vote of a majority of the members of the Condominium Board at a meeting called for such purpose.

Notwithstanding anything to the contrary set forth above, in the event the regulations promulgated by the New York State Department of Law governing vacant condominiums are amended to provide that a Sponsor can elect a majority of its designated board members for a period in excess of five years, or if such regulations are finally determined to be unenforceable by a court of competent jurisdiction, provided that such Sponsor has a sufficient number of votes to cast a majority of the votes of the Unit Owners, then the aforesaid restrictions concerning Sponsor's rights to elect a majority of the Condominium Board shall no longer be effective and Sponsor shall have the same rights to vote its Common Interests as any other Unit Owner.

Within thirty (30) days after the Initial Control Period or the occurrence of any event set forth above, the applicable number of members of the Condominium Board representing the Unit Owners which were designated by Sponsor shall resign and their replacement shall be filled by a majority vote of the members of the Condominium Board representing the Unit Owners at any regular meeting of the Condominium Board or at a special meeting thereof called for such purpose.

Nothing contained herein shall be deemed to limit the right of Sponsor to cast its votes for members of the Condominium Board who are not nominated or designated by Sponsor. The number of members of the Condominium Board representing the Unit Owners may not be increased without the consent of Sponsor as owner of the Unsold Units for so long as there remains one Unsold Unit.

Until Sponsor no longer designates a majority of the members of the Condominium Board, Sponsor will through its control of the Condominium Board have control of the maintenance and operation of, and the services to be provided by, the Condominium and will determine the Common Charges to be paid by all Unit Owners.

Sponsor has reserved the right, freely and without restriction, to lease vacant units to Purchasers and non-purchasers at any time, both before and after the first closing. Sponsor's right to rent or lease any Unsold Unit will not be subject to any right of the first refusal in favor of the Condominium Board to lease such Unit from Sponsor. Because Sponsor is retaining the unconditional right to rent rather than sell Units, this Plan may not result in the creation of a Condominium in which a majority of the Units are owned by owner-occupants or investors unrelated to the Sponsor.

CONDOMINIUM BOARD AND SUMMARY OF BY-LAWS

(1) Condominium Board

The affairs of the Condominium shall be governed by the Condominium Board, which shall consist initially of three members, all of whom are to be designated by Sponsor. At the first meeting of the Unit Owners, which will be held within approximately six months after the First Closing, the three-member Condominium Board shall resign in favor of a new three-member Condominium Board, to be elected by Unit Owners at such meeting. The Unit Owners shall be entitled (subject to the Sponsor's designation rights set forth herein) collectively to elect the members of the Condominium Board. Thereafter, elections to the Condominium Board shall be held at the regular annual meeting of the Unit Owners held in May of each succeeding year. (See the subheading titled *Meetings and Votes of the Unit Owners* for a further discussion.)

The term of office of each of the three members of the Condominium Board shall be one year. At the expiration of the terms of office of each member of the Condominium Board, such member's successor shall be elected to serve for a term of one year and shall continue to serve said term until a successor has been elected and qualified or until his earlier resignation or removal. No member of the Condominium Board (except for members designated by Sponsor) shall be elected to a successive term in office after having served three one year terms.

All members of the Condominium Board shall be either: (a) individual Unit Owners; (b) individual Permitted Mortgagees; (c) officers, directors, shareholders, partners, principals, employees or beneficiaries of corporations, partnerships, fiduciaries, or other entities that are Unit Owners or Permitted Mortgagees; or (d) adult Family Members of any of the foregoing. However, members elected or designated by Sponsor need not be Unit Owners. Other than members elected or designated by Sponsor,

no member shall continue to serve on the Condominium Board after he ceases to be a Unit Owner or an interested party in a Unit Owner, as described above.

Members of the Condominium Board are subject to removal, with or without cause, by vote of Unit Owners owning a majority of the Common Interests attending a meeting at which a quorum is present. However, members elected or designated by Sponsor may only be removed by Sponsor, who alone will have the right to elect or designate a replacement.

All members of the Condominium Board shall serve without compensation.

(2) Powers and Duties of the Condominium Board

The Condominium Board shall have all of the powers and duties necessary for the administration of the affairs of the Condominium (subject to the limitations set forth in the By-Laws), including, without limitation, the following: (a) operation, care, upkeep and maintenance of the Common Elements; (b) determination of the Common Charges required for the affairs of the Condominium, including, without limitation, the operation and maintenance of the Property; (c) collection of the Common Charges from the Unit Owners; (d) employment and dismissal of the personnel necessary for the maintenance and operation of the Common Elements; (e) adoption and amendment of the Rules and Regulations covering the details of the operation and use of the Property (subject to a right of the Unit Owners to overrule the Condominium Board as provided in the By-Laws); (f) maintaining bank accounts on behalf of the Condominium and designating the signatories required therefor (which shall at no time be less than two) and that each check drawn on such account shall need at least two signatories; (g) purchasing, leasing, or otherwise acquiring in the name of the Condominium Board or its designees, on behalf of all Unit Owners, Units offered for sale or lease or surrendered by their owners to the Condominium Board, (h) purchasing Units at foreclosure or other judicial sales, in the name of the Condominium Board or its designee, on behalf of all Unit Owners; (i) selling, leasing, mortgaging, or otherwise dealing with (but not voting the votes appurtenant to) Units acquired by, and subleasing Units leased by, the Condominium Board or its designee, on behalf of all Unit Owners; (j) obtaining and renewing insurance for the Property, including the Units; (k) making repairs, additions and improvements to, or alterations of, the Property and repairing and restoring the Property after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings; (l) enforcing obligations of the Unit Owners; (m) levying fines against the Unit Owners for violations of the Rules and Regulations (no fine may exceed \$25 for any one violation, but, for each day a violation continues after notice, it shall be considered a separate violation); (n) borrowing money on behalf of the Condominium when required in connection with the operation, care, upkeep, and maintenance of the Common Elements (provided, however, that (i) the consent of at least 51% of all Unit Owners (including Sponsor, if Sponsor then owns any Unsold Units), in aggregate Common Interests, shall be required for borrowing in excess of \$10,000 in any one fiscal year, with respect to the General Common Elements, and (ii) the consent of at least 51% of all Unit Owners (including Sponsor, if Sponsor then owns any Unsold Unit), in aggregate Common Interests, shall be required for borrowing in excess of \$10,000 in any one fiscal year with respect to the Common Elements and/or the Limited Common Elements or the purchase of Units, and (iii) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interests in the Common Elements without the consent of the Unit Owner); and (o) adjusting and settling insurance claims and executing and delivering releases in connection therewith.

The Condominium Board shall be responsible for maintaining and repairing the Common Elements as set forth in the Declaration and in the By-Laws. Any decision of the Condominium Board solely affecting the Units may only be made with the consent of the members of the Condominium Board designated or elected by the Unit Owners. The initial members of the Condominium Board are

anticipated to be John C. Keeler, Joseph A. McMillan Jr., and Christopher J. Prokop. The initial officers of the Condominium Board are anticipated to be Christopher J. Prokop, as president and treasurer, Joseph A. McMillan Jr., as vice president and John C. Keeler as secretary.

So long as Sponsor shall continue to collectively own one Unsold Unit, the Condominium Board may not, without Sponsor's prior written consent: (i) make any addition, alteration, or improvement or change in or to the Common Elements or to any Unit; (ii) assess any Common Charges or Special or General Assessments for the creation or replacement of, or the addition to, all or any part of a reserve, contingency, or surplus fund; (iii) increase the number, increase the compensation or change the type of employees from that described in the First Year's Budget set forth in the Plan; (iv) enter into any service or maintenance contracts for work not covered in the First Year's Budget set forth in the Plan; (v) borrow money on behalf of the Condominium; (vi) exercise any right of first refusal to purchase or lease a Unit; or (vii) amend the By-Laws.

(3) Officers of the Condominium

The principal officers of the Condominium shall consist of the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Condominium Board at its annual meeting. The Condominium Board may also appoint additional officers. All officers shall serve without compensation from the Condominium. None of the officers need be Unit Owners until the five-member Condominium Board is elected at the first meeting of the Unit Owner. Thereafter, both the President, Vice President and the Treasurer must be members of the Condominium Board and Unit Owners (or officers, directors, shareholders, partners, employees, or beneficiaries (or members of their family) of corporations, partnerships, fiduciaries, or mortgagees that are Unit Owners), except if such officers are members of the Condominium Board designated by Sponsor. Any officer may be removed, with or without cause, by vote of a majority of the Condominium Board at a meeting called for such purpose.

(4) Meetings and Votes of the Unit Owners

Except for the first meeting, the Unit Owners shall hold annual meetings after the issuance of the annual report for the Condominium. At each annual meeting, the Unit Owners shall elect successors to the members of the Condominium Board whose term of office expires as of such meeting. In addition, special meetings of Unit Owners may be held from time to time, pursuant to the By-Laws, whenever necessary for the affairs of the Condominium.

Each Unit Owner shall be entitled to cast one vote at all meetings of the Unit Owners for each percentage of Common Interest attributable to the Unit(s) owned by him, except that, when voting for the election of members of the Condominium Board, each Unit Owner: (i) shall be entitled to one vote for each percentage of Common Interest attributable to his Unit per member to be elected; and (ii) shall not have the right to cumulate his votes in favor of any one or more members to be elected. The presence, in person or by proxy, of Unit Owners having 40% of the votes of all Unit Owners shall constitute a quorum at all meetings of the Unit Owners, and unless otherwise provided, the decision of the Unit Owners casting a majority of the votes of the Unit Owners at a meeting at which a quorum shall be present shall be binding upon all of the Unit Owners. However elections of members of the Condominium Board shall be determined by plurality vote.

(5) Liability of the Condominium Board and the Unit Owners

The members of the Condominium Board will have no liability to Unit Owners for errors of judgment, negligence, or otherwise, except that individual members will be liable for their own bad faith,

willful misconduct or gross negligence. The Condominium Board may contract or effect other transactions with any member thereof, with any Unit Owner, with Sponsor, or with any affiliate of any of them at competitive rates without incurring any liability for self-dealing.

Every contract made by the Condominium Board, by any officer of the Condominium, or by the Resident Manager or Managing Agent of the Building shall state (if obtainable) that: (a) it is made only as agent for all Unit Owners, in the case of a contract relating to the General Common Elements, and the members of the Condominium Board or such officer, Resident Manager or Managing Agent shall have no personal liability thereon (except in their capacities as Unit Owners), and (b) the liability of any Unit Owner with respect to such contract shall be limited, in the case of contracts relating to the General Common Elements, to (i) such proportionate share of the total liability thereunder as the Common Interest of such Unit Owner bears to the aggregate Common Interests of all Unit Owners.

All Unit Owners shall severally indemnify each member of the Condominium Board against any liability or claim, contractual or otherwise relative to the General Common Elements, except those arising out of the bad faith or willful misconduct of such member or that are contrary to law or the terms of the Declaration or the By-Laws. However, the liability of any Unit Owner on account of such indemnification will be limited to such proportionate share thereof as the Common Interest of such Unit Owner bears to the aggregate Common Interests of all Unit Owners.

All Unit Owners shall severally indemnify each member of the Condominium Board against any liability or claim, contractual or otherwise relative to the Limited Common Elements, except those arising out of the bad faith or willful misconduct of such member or that are contrary to law or the terms of the Declaration or the By-Laws.

(6) Reports to Unit Owners

An annual report of the receipts and expenditures of the Condominium and a balance sheet as of the end of such period, certified by an independent certified public accountant, shall be submitted by the Condominium Board to all Unit Owners within four months after the end of each fiscal year of the Condominium which shall be the calendar year.

(7) Amendments to the Condominium Documents

Generally, subject to certain exceptions and provided that any required consent of the Mortgage Representatives is obtained, any provisions of the Declaration, the By-Laws, or the Rules and Regulations may be amended, modified, added to, or deleted by the affirmative vote of at least 66 2/3% of all Unit Owners, in number and aggregate Common Interests. However, for so long as Sponsor is the owner of one or more Units, the Declaration, the By-Laws and the Rules and Regulations may not be amended or modified so as to adversely affect Sponsor without the prior written consent of Sponsor. The provisions of the By-Laws relating to the use of Units or each Unit's Common Interest may not be amended without the prior consent of every Unit Owner affected by such amendment.

**RIGHTS AND OBLIGATIONS OF UNIT OWNERS AND
THE CONDOMINIUM BOARD**

(1) Sales and Leases of Units

Each Unit Owner (other than Sponsor with respect to Unsold Units) may sell or lease in whole or in part his Unit, provided, however, that such Unit Owner first gives the Condominium Board written notice of his intention to do so, which notice shall be accompanied by a fully executed copy of the contract of sale or lease, as the case may be, containing all of the terms offered by the prospective bona fide purchaser or lessee. The Condominium Board, on behalf of all Unit Owners, shall have the exclusive right to elect to purchase the Unit within thirty (30) business days after receipt of such notice of sale, or to elect to lease the Unit in whole or in part within fifteen (15) business days after receipt of such notice of lease, on the same terms set forth in said contract or lease, all as more specifically set forth in Article 7 of the By-Laws. If the Condominium Board does not notify the Unit Owner of its election to purchase or lease in whole or in part the Unit, such Unit Owner will have sixty (60) days thereafter to consummate the sale or lease in accordance with the terms stated in the contract of sale or lease appended to such notice, failing which the Unit Owner will again be required to first offer the same to the Condominium Board as provided above, but not more often than once in any twelve month period, unless the Condominium Board, in its sole discretion, waives this limitation for good cause shown. The Condominium Board may not discriminate against any person on the basis of race, creed, color, national origin, sexual orientation, age, disability, marital status or other grounds prohibited by law.

The Condominium Board may not exercise its option to purchase or lease any Unit in whole or in part unless the owners of fifty-one (51%) percent of Units (excluding Units owned by Sponsor) affirmatively vote in favor thereof, in person or by proxy, at a meeting of Unit Owners at which a quorum is present, or by written consent of fifty-one (51%) percent of Units (excluding Units owned by Sponsor) in lieu of a meeting, if an assessment is not required. If approval is given, the Condominium Board may assess each Unit Owner (other than the Selling Unit Owner), in proportion to his Common Interest, an amount necessary to effectuate the purchase or lease.

Notwithstanding the foregoing, any Unit Owner may sell or lease his Unit in whole or in part to his spouse, adult child, parent, grandparent, parent-in-law, adult niece, adult nephew, or adult sibling, or may convey his Unit by gift, devise it by will, or have it pass by intestacy, without complying with the restrictions described above, provided, however, that each succeeding Unit Owner shall be bound by, and his Unit shall be subject to, such restrictions, and further provided, however, that if the succeeding Unit Owner is an infant or a person judicially declared incompetent of managing his affairs, then such Unit shall be held by the personal representative of such infant or incompetent. In addition, any Unit Owner that is not a natural person may sell, lease in whole or in part, or convey its Unit to a related or controlled entity as more particularly set forth in Article 7 of the By-Laws.

The foregoing restrictions upon the sale and lease of Units in whole or in part shall not apply to Sponsor with respect to any Unsold Units or to Units acquired by a mortgagee in foreclosure or by deed in lieu of foreclosure; the Owners of these Units shall be free to sell or lease in whole or in part without first offering to sell or lease to the Condominium Board. Sponsor reserves the right, freely and without restriction, to rent or lease vacant Units in whole or in part to purchasers and non-purchasers at any time, both before and after the First Closing. Sponsor reserves the right to rent vacant Units in whole or in part and not market such Units for sale and, accordingly, Unit Owners may reside in the same Building with individuals who are not Unit Owners but are tenants to whom Sponsor or its designee have rented vacant Units at any time after the Filing Date of this Plan.

Each conveyance of a Unit by a Unit Owner shall include, as part of the property to be conveyed,

such Unit Owner's: (i) Common Interest; (ii) undivided interest in any Unit or Units acquired by the Condominium Board from Unit Owners (or the proceeds received at a foreclosure or other judicial sale of a Unit); and (iii) undivided interest in any other assets of the Condominium. In addition, title to a Unit may not be conveyed unless all unpaid Common Charges and liens against such Unit (other than Permitted Mortgages which permit such conveyance) are paid and satisfied at or prior to closing. At the time of acquisition of a Unit and as a condition thereof, the new Unit Owner shall be required to execute, acknowledge and deliver a Unit Owner's Power of Attorney in favor of the Condominium Board and Sponsor, in the form set forth in Part II of this Plan, in accordance with Article 14 of the Declaration. The Managing Agent may impose a processing fee on Unit Owners other than Sponsor in connection with the conveyance or leasing of a Unit in whole or in part.

The lease for any Unit in whole or in part (other than the Unsold Units) shall be in the form of apartment lease then approved by the Real Estate Board of New York, Inc., except for such changes thereto as are provided in the By-Laws or recommended by counsel to the Condominium Board.

(2) Mortgage of Units

Each Unit Owner may mortgage his Unit, provided that, with respect to Units other than the Unsold Units, the conditions with respect thereto set forth in Article 8 of the By-Laws are first complied with. As more fully set forth in said Article 8, these conditions include the requirements that: (a) the mortgage be substantially in the form of a mortgage used by an institutional lender; (b) the Condominium Board is notified in writing of the making of such mortgage and is given a copy thereof, and (c) the Unit Owner making such mortgage is not in arrears for Common Charges and first satisfies all other unpaid liens against his Unit, other than first mortgages placed on his Unit in compliance with Article 8 of the By-Laws ("Permitted Mortgages"). Sponsor, as the owner of Unsold Units shall have the right to mortgage the Unsold Units without any restriction or limitation, except as set forth in such mortgage.

(3) Common Charges: Assessment, Collection and Lien for Nonpayment

The Condominium Board will prepare and distribute to all Unit Owners, at least annually, a budget setting forth its projection of the Common Expenses for the coming fiscal year of the Condominium. Such Common Expenses will include, among other things: (a) all costs and expenses in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition, or improvement to, the Common Elements; (b) water charges and sewer rents in connection with the Building; (c) real estate taxes and assessments levied with respect to the Property (until the same are separately assessed to individual Units); and (d) amounts for such other items as the Condominium Board may deem proper (such as amounts for reserves, to make up deficits for prior years, to prepay indebtedness of the Condominium, or to purchase or lease Units). Based upon such budget, the Condominium Board will promptly determine, and advise each Unit Owner of, the Common Charges payable by such Unit Owner during the ensuing fiscal year, which Common Charges shall represent a portion of the projected Common Expenses of the Condominium assessed to such Unit Owner.

Pursuant to the terms of Article 6 of the By-Laws, the Condominium Board has the right to revise its projection of the Common Expenses at any time and from time to time during any fiscal year of the Condominium. Any such revision may result in an increase or decrease in the amount of Common Charges payable by Unit Owners during such fiscal year. However, no such revision shall have a retroactive effect on the amount of Common Charges payable by Unit Owners prior to the date of such new determination.

Unless otherwise determined by the Condominium Board, Common Charges will be payable in monthly installments, in advance, on the first day of each month. No Unit Owner will be relieved from liability for the payment of his Common Charges by waiving the use of any of the Common Elements or

by mere abandonment of his Unit. No Unit Owner, however, will be liable for the payment of any part of the Common Charges assessed against his Unit subsequent to a permissible sale, transfer, or other conveyance by him of such Unit.

Any Unit Owner may, by conveying his Unit, without consideration, to the Condominium Board and complying with certain conditions set forth in the By-Laws in connection therewith, exempt himself from Common Charges thereafter accruing. Such conditions include the payment of all Common Charges and assessments then due and payable with respect to his Unit and such Unit being free and clear of all liens and encumbrances other than Permitted Mortgages.

On a resale of any Unit, the purchaser of such Unit shall be required to pay unpaid Common Charges assessed against such Unit prior to his acquisition, except that a Permitted Mortgagee acquiring title to a mortgaged Unit or a purchaser at a mortgage foreclosure sale shall not be liable, and such mortgaged Unit shall not be subject to a lien, for the payment of any Common Charges assessed subsequent to the recording of such mortgage and prior to the acquisition of title to such Unit by the mortgagee or a purchaser at a mortgage foreclosure sale. In the event that the Condominium Board forecloses its statutory lien on any Unit for unpaid Common Charges and the net proceeds of the foreclosure sale shall not be sufficient to pay such unpaid Common Charges, or if such Unit is acquired by a mortgagee or purchaser at a mortgage foreclosure sale, then, in either event, the defaulting Unit Owner shall remain personally liable for the balance of such unpaid Common Charges.

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

(4) Restrictions on the Use of Units

As more fully set forth in the Declaration and in the By-Laws, each Unit shall be used only as a residence or for home occupation as permitted under residential use, and not more than one family may occupy a Unit at any one time except if such Unit has been divided in accordance with Law, the Declaration, the By-Laws and the Rules and Regulations to permit occupancy of a portion thereof as a separate dwelling (it should be noted that such Unit would remain a single condominium unit - there would not be a creation of two (2) condominium units). Sponsor may, without obtaining the consent of the Condominium Board or the other Unit Owners: (a) allow any Unit owned by Sponsor to be used as a professional or business office or for any other purpose, provided that the nature and manner of such use complies with Law and the user of such Unit complies with all applicable governmental regulations, and (b) use any one or more of such Units as model Units and sales or promotion offices in connection with the sale or rental of the Unsold Units or apartments owned by Sponsor or its principals located in the vicinity of the Building or for any other purpose, subject only to compliance with Law.

A Unit owned or leased by a corporation, partnership, limited liability company fiduciary, or other entity may be occupied only by an officer, director, stockholder, or employee of such corporation, or by a partner or employee of such partnership, by a member of such limited liability company or by said

fiduciary (including officers, directors, stockholders, or employees of corporate fiduciaries), or by the beneficiary of said fiduciary, or by a principal or employee of such other entity, respectively, or by members of the immediate family, guests or domestic employees of any of the foregoing. However, the foregoing restrictions shall not apply to Unsold Unit.

The landscaped yard adjacent to Unit 1 shall be used and maintained by the Unit 1 Owner at the Unit 1 Owner's expense as a first-class garden in keeping with the character, design and nature of the building and of other luxury condominium buildings in Manhattan. There shall be no permanent structures erected in the landscaped yard other than a pergola without the prior written approval of the Board, which approval shall not be unreasonably withheld, conditioned or delayed. Without limiting the generality of the foregoing restriction, the following structures are examples of structures that shall not be permitted: swings, swingsets, slides, playsets, pools, playing courts of any kind, children's climbing structures, and any other structure not in keeping with the nature and design of a first-class garden. Notwithstanding the foregoing, dining tables with ancillary seating for outside dining may be maintained in the landscaped yard, for use by the Unit 1 Owner and its guests. Except as set forth above, and subject to the limited review rights of the Condominium Board with respect to confirming compliance with the Plan, Declaration and By-laws, the Condominium Board will have no right to restrict or limit any uses of the landscaped yard which are permitted by law and applicable zoning ordinances.

No nuisance, or immoral, improper, offensive, or unlawful use, shall be allowed in the Building or any portion thereof. No portion of a Unit, other than the entire Unit, may be rented, unless such Unit has been divided in accordance with Law, the Declaration, the By-Laws and the Rules and Regulations to permit occupancy of a portion thereof as a separate dwelling (it should be noted that such Unit would remain a single condominium unit - there would not be a creation of two (2) condominium units), and no transient tenants may be accommodated therein for a period of less than one (1) year. All valid laws, zoning laws, zoning ordinances and regulations of governmental bodies having jurisdiction thereof, relating to any portion of the Property, shall be complied with at the sole expense of the respective Unit Owners or the Condominium Board, whoever shall have the obligation to maintain or repair such portion of the Property. The Rules and Regulations of the Condominium, which govern the use of all of the Units, may be amended from time to time by the Condominium Board, provided that copies of such amendments are furnished to each Unit Owner prior to the time that they become effective.

(5) Repairs to, and Maintenance of, Units and Common Elements

Generally, all painting, decorating, maintenance, repairs and replacements, whether structural or non-structural, ordinary or extraordinary:

(a) in or to any Unit shall be performed by the owner of such Unit at such Unit Owner's sole cost and expense;

(b) in or to the General Common Elements shall be performed by the Condominium Board as a General Common Expense;

(c) in or to the Limited Common Elements shall be performed either by the Condominium Board as a General Common Expense, if involving structural or extraordinary maintenance, repair or replacement, or by the Unit Owner having direct and exclusive access thereto at such Unit Owner's sole cost and expense, if involving painting, decorating and non-structural ordinary maintenance, repairs and replacements.

Notwithstanding the foregoing, however, all maintenance, repairs and replacements to the Common Elements, whether structural or non-structural, ordinary or extraordinary, that are necessitated by the negligence, misuse, or abuse of a Unit Owner, will be made at the Unit Owner's sole cost and expense.

Rules and Regulations require 80% of the floor area of each Unit (except for kitchens, bathrooms, closets and foyers) other than an Unsold Unit is to be covered with rugs, carpeting, or other equally effective noise-reducing material.

The By-Laws require that each Unit, all Limited Common Elements appurtenant thereto, if any, and all portions of the Common Elements be kept in first-class condition by the Unit Owner or the Condominium Board, whichever is responsible for the maintenance thereof. The By-Laws further require that those public or other areas of the Building that are exposed to public view (whether the same are required to be maintained by a Unit Owner or by the Condominium Board) be kept in good appearance in conformity with the dignity and character of the Building by such Unit Owner or the Condominium as the case may be. In the event that any Unit Owner fails to keep his Unit or its appurtenant Limited Common Elements, if any, in such condition, the Condominium Board may, at the expense of such Unit Owner, enter his Unit and/or its appurtenant Limited Common Elements, if any, to perform such acts as are necessary to cure such default. (See the subheading below entitled *Rights of Access* for a further discussion.)

(6) Alterations and Improvements of Units and Common Elements

No Unit Owner (except Sponsor, as described in the following paragraph and the Unit Owners, as described in the next following paragraph) may make any structural alteration, addition, or improvement, in or to his Unit or its appurtenant Limited Common Elements, if any, or divide such unit into separate Units without the prior written approval of the Condominium Board. Such approval may be denied or may be conditioned, in the discretion of the Condominium Board, upon the execution of an agreement by such Unit Owner, in form and substance satisfactory to the Condominium Board, setting forth the terms and conditions upon which such alteration, addition, or improvement, may be made. The Condominium Board may impose charges upon the Unit Owner to reimburse the Condominium for architectural, engineering, legal and other fees incurred in reviewing the Unit Owner's request for approval and in monitoring the work until completion. Except as otherwise provided by the By-Laws, no Unit Owner may make any alteration, addition, or improvement, in or to the Common Elements.

Sponsor shall have the right, without the approval of the Condominium Board, the Managing Agent, other Unit Owners, or representatives of holders of mortgages on Units to: (a) make alterations, additions, improvements, or repairs in or to any Unsold Unit or its appurtenant Limited Common Elements, if any, whether structural or non-structural, interior or exterior, ordinary or extraordinary, and (b) subdivide Unsold Units, combine Unsold Units and change the boundary walls of Unsold Units.

Except to the extent prohibited by Law and only in accordance with the Declaration, the By-Laws and the Rules and Regulations, the Unit Owners shall have the right to change the size of their Unit by dividing it to permit occupancy of a portion thereof as a separate dwelling (it should be noted that such Unit would remain a single condominium unit - there would not be a creation of two (2) condominium units) provided that: (i) all such work by the Unit Owner shall be made in compliance with Law, including but not limited to, all zoning requirements, Building Department requirements and rent regulation requirements; (ii) the Condominium Board shall be given advanced notice of all such work; (iii) the Unit Owner (other than Sponsor) shall sign the form of construction agreement required by the Condominium Board; (iv) the work by such Unit Owner will not have an adverse effect on any other Unit or on the Common Elements; and (v) no separate condominium unit shall be created. All of the work necessary to accomplish such division of a Unit shall be governed by the provisions of this Article 12 of the Declaration and the provisions of Section 5.2 of the By-Laws.

At the request of a Unit Owner (including Sponsor with respect to Unsold Units), the Condominium Board will execute any application or other document required to be filed with any governmental authority having or asserting jurisdiction in connection with any addition, alteration, improvements or

repair proposed to be made by such Unit Owner, at which time such Unit Owner shall indemnify and hold harmless the Condominium Board, the Managing Agent and the other Unit Owners from any expense or liability by virtue of the execution of the application or such other documents and the making of the addition, alteration, improvement, or repair by such Unit Owner.

Generally, all alterations, additions, or improvements in or to the Common Elements will be made by the Condominium Board, and the cost and expenses thereof will be charged to the Unit Owners as a General Common Expense if relating to the General Common Elements or to structural or extraordinary maintenance, repairs or replacements to the Limited Common Elements.

The cost of snow removal from walks shall be a General Common Expense. All maintenance and repairs to the Common Elements shall be performed by employees of the Condominium or by independent contractors.

Whenever, in the judgment of the Condominium Board, and/or the Limited Common Elements shall require additions, alterations, or Improvements costing more than \$25,000 at any one time, in any fiscal year, such additions, alterations, or improvements shall not be made unless the same have been approved by Unit Owners (including Sponsor, if Sponsor then owns any Unsold Unit) owning 50% or more of the aggregate Common Interests at a duly constituted Unit Owner's meeting (or in writing without a meeting) and by the representatives of institutional mortgagees of Units, if any, appointed pursuant to the By-Laws (the "Mortgage Representatives"). If approved, the Condominium Board may, in its discretion, assess each Unit Owner his pro rata share of the cost of such additions, alterations, or improvements, according to his Common Interest as part of the Common Charges.

Any additions, alterations, or improvements costing \$25,000 or less, at any one time, in any fiscal year, whether affecting the General Common Elements or the Limited Common Elements, may be made by the Condominium Board without the approval of the Unit Owners or the Mortgage Representatives, if any, and the cost thereof shall constitute a General Common Expense.

Notwithstanding the foregoing, no additions, alterations, or improvements shall be made to the Common Elements, regardless of the cost thereof, unless the consent of Sponsor (so long as Sponsor shall own one (1) Unsold Unit) is first obtained. In no event will the limitations imposed in the preceding sentence continue for more than five years from the First Closing.

Sponsor will not withhold consent to any addition, alteration or improvement to the Common Elements if such addition, alteration or improvement is required by Law.

(7) Insurance

The Condominium Board is required to obtain and maintain, to the extent obtainable, multi-peril insurance policies with extended coverage, vandalism and malicious mischief endorsements, insuring the entire Building (including each Unit and the bathroom and kitchen fixtures installed therein on the date of recording the Declaration and all service machinery contained therein, but not including appliances, fixtures, improvements, or any furniture, furnishings, or other personal property supplied or installed by the Unit Owners or tenants of Unit Owners) and covering the interests of the Condominium, the Condominium Board, all of the Unit Owners and the holders of all Permitted Mortgages (the "Permitted Mortgagees"), as their respective interests may appear, in an amount sufficient to avoid any defense based on co-insurance or other insurance of or any invalidity arising from any acts of the insured and of pro-rata reduction of liability but in no event greater than the full replacement value of the Building exclusive of foundation and footings, without deduction for depreciation. Each of such policies shall contain a New York Standard Mortgagee clause in favor of each Permitted Mortgagee, which shall provide that the loss proceeds, if any, thereunder shall be payable to such Permitted Mortgagee as its interest may appear,

subject, however, to the loss payment provisions in favor of the Condominium Board and the Insurance Trustee (hereinafter defined) as set forth below. The cost of all such insurance shall be paid by the Condominium Board and shall be borne by the Unit Owners as part of the Common Charges.

The proceeds of all such policies of physical damage insurance shall be payable to the Condominium Board, in the event of a loss amounting to \$500,000 or less, and to the Insurance Trustee, if the loss shall amount to more than \$500,000. Such proceeds shall be applied for the purpose of repairing, restoring, or rebuilding the Building, unless otherwise determined by Unit Owners. In no event shall such proceeds be paid to the holder of any mortgage placed by a Unit Owner on his Unit unless, in accordance with the provisions of Section 5.5 of the By-Laws, there shall be a determination not to rebuild the Building. The Insurance Trustee shall be a bank or trust company, having an office in the City and State of New York, designated by the Condominium Board in accordance with the By-Laws.

All policies of physical damage insurance shall contain if possible, waivers of subrogation and of any defense based on co-insurance or on invalidity arising from any acts of the insured and of pro-rata reduction of liability, and shall provide that such policies may not be canceled or substantially modified without at least ten days prior written notice to the Condominium Board and all other insureds who may have requested such notice, including Permitted Mortgagees. Duplicate originals or certificates of insurance of all policies of insurance and of all renewals thereof together with proof of payment of premiums, shall be on file at the office of the Managing Agent. Copies thereof shall be delivered to any Unit Owner or Permitted Mortgagee on written request thereof.

The Condominium Board shall also be required to obtain and maintain, to the extent obtainable: (a) fidelity insurance covering all officers and employees of the Condominium and of the Managing Agent (if any) who handle Condominium funds; (b) public liability insurance as to personal injury and property damage in such limits and amounts as the Condominium Board may from time to time determine, covering each member of the Condominium Board, the Managing Agent or manager (if any) and each of the Unit Owners; (c) rent insurance in an amount equal to the Common Charges for one year; (d) worker's compensation and New York State disability benefits insurance; (e) boiler and machinery insurance; (f) water damage legal liability insurance; (g) elevator liability and collision insurance; (h) officers' and directors' insurance; and (i) such other insurance as the Condominium Board may from time to time determine. Such public liability insurance will also cover cross-liability claims of one insured against another. However, such insurance will not cover the individual liability of a Unit Owner arising from any occurrence within his own Unit. The Condominium Board shall review such limits once each year.

Any insurance maintained by the Condominium Board may provide for such deductible amounts as the Condominium Board may determine. The premiums for all such insurance referred to above shall be paid by the Condominium Board and shall be borne by all Unit Owners, as part of the Common Charges.

Under the terms of the By-Laws, Unit Owners are required to carry other insurance for their own benefit as follows: (a) separate insurance on the contents (i.e., furniture and other personal property and belongings) and any improvements in his Unit, in such amount as will be adequate to insure against loss by reason of fire or other casualty, and (b) liability insurance against claims for personal injury or property damage resulting from occurrences in his Unit or its appurtenant Limited Common Elements, if any, including water damage legal liability insurance.

(8) Repair or Restoration After Fire or Other Casualty

Except as set forth in the next paragraph, in the event that the Building or any part thereof is damaged or destroyed by fire or other casualty, the Condominium Board will arrange for the prompt repair and restoration thereof (including any damage to Units but excluding appliances, fixtures, furniture, furnishings, or other personal property supplied or installed by the Unit Owners or tenants of Unit Owners and any improvements made therein by Unit Owners). If the insurance proceeds are insufficient to cover the cost of repairs or restorations, the Condominium Board may assess all Unit Owners for such deficit as a General Common Expense if relating to the General Common Elements. Any surplus insurance proceeds shall be paid to all Unit Owners in proportion to their respective Common Interests, if relating to the General Common Elements and/or the Limited Common Elements, except that no payment shall be made to a Unit Owner until there has first been paid, out of his share of such funds, such amounts as may be necessary to discharge unpaid liens on his Unit (other than mortgages that are not Permitted Mortgages) in the order of priority of such liens.

If 75% or more of the Building is destroyed or substantially damaged and if 75% or more of all Unit Owners of such destroyed Building, in Common Interests, do not promptly resolve to proceed with the repair or restoration thereof, the Building will not be repaired and shall be subject to an action for partition instituted by any Unit Owner or lienor, as if owned in common, in which case the net proceeds of the resulting sale, together with the net proceeds of insurance policies, shall be divided among all Unit Owners in proportion to their respective Common Interests to the extent allocated to destroyed or damaged portions of the General Common Elements, and/or the Limited Common Elements, provided, however, that no payment shall be made to a Unit Owner until there has first been paid, out of his share of such funds, such amounts as may be necessary to discharge all unpaid liens on his Unit (other than mortgages that are not Permitted Mortgages) in the order of the priority of such liens. If Sponsor is then a Unit Owner, it will have the right to vote at any meeting of Unit Owners called for the purpose of deciding whether or not to proceed with the restoration or repair of the Building.

(9) Units Acquired by the Condominium Board

All Units acquired or leased by the Condominium Board or its designee shall be held by the Condominium Board or its designee on behalf of all Unit Owners. Any rent, purchase price, closing costs and closing adjustments payable in connection therewith shall be assessed against all Unit Owners as a Common Expense. No Units held by the Condominium Board or its designee shall carry voting rights.

(10) Rights of Access

As more fully set forth in the By-Laws, the Condominium Board, the Managing Agent, a Resident Manager and other persons authorized by the Condominium Board, will have a right of access (including the right of forced entry if required in the discretion of the party seeking such entry) to any Unit for the purposes, among others, of making inspections of, or removing violations of governmental laws or regulations against, any part of the Property, curing defaults committed by the owner of such Unit under the Condominium Documents, or correcting any conditions originating in any Unit and threatening another Unit or any Common Element. In addition, Sponsor and its contractors, subcontractors, agents and employees will have a right of access to each Unit and to all of the Common Elements for purposes of performing alterations and repairs in or about Unsold Units and in fulfilling Sponsor's obligations under this Plan, provided that access to any Unit may not be exercised in such a manner as will unreasonably interfere with the use of such Unit for its permitted purposes.

(11) Self-Help

In the event that any Unit Owner fails to maintain or repair his Unit or any Limited Common Elements appurtenant to such Unit, if any, or in the event of any breach of the Condominium Documents, then, as set forth in Article 9 of the By-Laws, the Condominium Board shall have certain rights to perform such maintenance or repairs, or to cure such breach, at such Unit Owner's expense.

(12) Compliance with the Terms of the Declaration, the By-Laws and the Rules and Regulations

Each Unit Owner must strictly comply with the provisions of the Condominium Documents, as the same may be amended, modified, deleted, or added to from time to time pursuant to the terms thereof. Failure to strictly comply is grounds for an action for damages, injunctive relief, or removal from occupancy, or all of them. The By-Laws, together with such Rules and Regulations, will be recorded with the Declaration in the City Register's Office.

(13) Mechanic's Liens

Under the provisions of the Condominium Act, no lien of any nature may arise or be created against the Common Elements except with the unanimous consent of all Unit Owners. A lien for labor performed in, or materials supplied to, a Unit may be filed against the Unit of an owner who has expressly required or consented to the performance of such work or the supplying of such materials, but may not be filed against the Unit of any other owner who has not expressly required or consented to the same, except in the case of emergency repairs. No labor performed in, or materials furnished to, the Common Elements shall be the basis for a lien thereon, but all Common Charges received by the Condominium Board shall constitute trust funds for the purpose of paying the costs of labor performed or materials furnished at the request, or with the consent, of the Condominium Board or the Managing Agent.

(14) Termination of the Condominium

The Condominium shall continue (unless terminated by casualty loss, condemnation, or eminent domain as provided in the By-Laws) until such time as the Property shall be withdrawn from the provisions of the Condominium Act as a result of the vote to do so of at least 80% of all Unit Owners, both in number and in aggregate Common Interests. In addition, the written consent of the Mortgage Representatives, if any, shall be required before such vote is effective. Sponsor will not vote the aggregate Common Interest appurtenant to Unsold Units for such withdrawal, unless at least 80%, both in number and in aggregate Common Interests, of all other Unit Owners (excluding Sponsor), elect to withdraw, at which time Sponsor may choose to vote its Common Interest either in favor of or against withdrawal from condominium ownership, as it sees fit. In the event of withdrawal, the Property shall be subject to an action for partition by any Unit Owner or any lienor as if owned in common, in which event the net proceeds of the sale resulting therefrom shall be divided among all Unit Owners in proportion to their respective Common Interests after first applying the share of the net proceeds of such sale otherwise payable to any Unit Owner to the payment of any liens on his Unit, in the order of priority of such liens.

(15) Easements

In order to facilitate the operation and maintenance of the Property and the sale or leasing of Units therein, each of the Units will be subject to certain easements including easements in favor of Sponsor. These easements are set forth in detail in the Declaration set forth in Part II of this Plan and a summary of these easements are set forth below.

Each Unit shall have, in common with all other Units: (a) an easement to use, maintain, repair, alter and replace all pipes, wires, ducts, vents, cables, conduits, public utility lines and other Common Elements located in other Units or elsewhere on the Property and serving such Unit; and (b) an easement for the continuance of any encroachment by such Unit on any other Unit or on any Common Elements

existing, or that may come into existence, as a result of (i) the settling or shifting of the Building; (ii) any alteration or repair to the Common Elements made by, or with the consent of, the Condominium Board; or (iii) any repair or restoration of the Building (or any portion thereof) or of any Unit after damage by fire or other casualty or any taking by condemnation or eminent domain proceedings of all or any portion of any Unit or the Common Elements, so that any such encroachment may remain so long as the Building or the affected Unit or Common Elements shall stand. Each Unit shall be subject to the aforesaid easements in favor of all other Units. In addition, each Unit shall have, and shall be subject to, easements of subjacent support and necessity in favor of such Unit or in favor of other Units and the Common Elements.

Sponsor and its successors, assigns, invitees, licensees, contractors, employees, agents and tenants shall each have an easement to install (including the attachment to the existing roofing system in a manner which shall not impair the existing roof warranty and is in all respects in compliance with law), utilize, operate, maintain, repair, alter, rebuild, restore and replace satellite dishes and similar equipment on the General Common Element roof with the consent of the Penthouse Unit Owner and any such satellite equipment shall be the exclusive property of and be available for the exclusive use of Sponsor.

Each Unit shall have an easement for the exclusive use, alone or in common with one or more other specified Units, of its appurtenant Limited Common Elements. See the Section entitled *Description of the Property* under the subheading entitled "The Common Elements" for a full discussion of the nature of the Limited Common Elements and their use.

The Condominium Board shall have an easement and a right of access to each Unit and to the Common Elements to inspect the same, to remove violations therefrom and to install, operate, maintain, repair, alter, rebuild, restore and replace any of the Common Elements located in, over, under, through, adjacent to, or upon the same, and each Unit and the Common Elements shall be subject to such easement and right of access. The Condominium Board and the Sponsor shall have an easement and right of access across the portions of the Units as may be necessary to reach the General Common Elements. The easements and the rights of access granted in this paragraph shall be exercised in such a manner as will not unreasonably interfere with the use of the Units for their permitted purposes. Such entry shall be permitted on not less than one day's notice, except that no such notice shall be necessary in the event of repairs or replacements immediately necessary or required for the preservation or safety of the Building, for the safety of the occupants of the Building or other persons, or to avoid the suspension of any necessary service in the Building.

Sponsor (so long as Sponsor owns one (1) Unsold Unit), the Condominium Board on behalf of all Unit Owners shall have the right to have and or grant such additional easements, including electric, gas, telephone, water, sewer, drainage, or other utility easements or to relocate any existing utility easements as Sponsor, or the Condominium Board, as the case may be, shall deem necessary or desirable for the proper operation and maintenance of the Building, or any portion thereof, or for the general health or welfare of the Unit Owners, provided that such additional utilities or the relocation of existing utilities will not prevent or unreasonably interfere with the use of the Units for their permitted purposes. Access to any Unit or to the Common Elements in such a manner shall not unreasonably interfere with the use of the affected Units for dwelling or permitted business purposes.

Sponsor for so long as it shall own any Unsold Unit, shall have an easement for ingress and egress through all of the Common Elements and access to the Common Elements in order to make alterations, additions, or improvements, whether structural or non-structural, interior or exterior, ordinary or extraordinary, in, to and upon Unsold Units.

Sponsor and prospective purchasers and tenants of Unsold Units shall have an easement on and through the Common Elements for all purposes relating to the sale and rental of such Unsold Units,

without being subject to any charge or fee therefor. Sponsor may use its Unsold Units and the Common Elements (at any one or more places designated by Sponsor, including but not limited to, the residential lobby and corridors) for sales, renting, or display purposes, including placing "for sale" or "for rent" signs and other signs and promotional materials, of such size and content as Sponsor shall determine, in, on, about and adjacent to the exterior walls of the Building, without charge or fee of any kind, provided, however, that such usage shall be in accordance with applicable law, rules and regulations.

REAL ESTATE TAX EXEMPTION BENEFITS

Sponsor, through its counsel, Seiden & Schein, P.C., has obtained a Declaratory Ruling from the New York City Department of Housing Preservation and Development ("HPD"), dated August 28, 2009 (the "Prior Opinion Letter") regarding the eligibility of the Building for tax benefits pursuant to Section 421-a of the Real Property Tax Law ("Section 421-a").

The Prior Opinion Letter concludes that, based on information provided by Sponsor, the Property will be exempt from real estate taxes, other than assessments for local improvements, upon any increase in assessment over the prior assessed value, for the construction period or three (3) years, whichever is earlier, and ten (10) years after the completion of construction (see below for further explanation). The prior assessed value is the lower of the actual or transitional assessed value of the land and building (if any) during the tax year prior to the commencement of construction. A copy of the Prior Opinion Letter follows this section of the Plan. Real estate taxes based on the prior assessed value may be higher or lower depending on the tax rate in effect in a given tax year. As construction is expected to commence in the 2009-2010 tax year, the 421-a real estate taxes (also known as the "mini-tax") will be based on the assessed value of the Property during the prior tax year, which was \$395,105.

In connection with the Section 421-a benefits, irrevocable 421-a negotiable certificates of eligibility are to be purchased by Sponsor and, if necessary, the requisite number of additional irrevocable negotiable certificates will be purchased for the number of Units for which exemption will be claimed.

There is no guaranty or assurance that the criteria for continued availability of Section 421-a benefits for the Units will be satisfied or that a Preliminary and/or Final Certificate of Eligibility will be issued by HPD. If, for any reason, Sponsor's application for a Preliminary and/or Final Certificate of Eligibility is not approved, the Units will be subject to full taxation and will receive no benefits under Section 421-a. See Schedule A for projected monthly real estate taxes for each Unit with and without benefits under Section 421-a.

Prospective purchasers should note that the real estate taxes that will be payable by the Unit Owners for future years will vary in accordance with the amounts of the Unit's assessed valuation and of the real estate tax rate. In this regard, prospective purchasers should note that, assuming the partial exemption from real estate taxes pursuant to Section 421-a is maintained, the real estate taxes payable by the Unit Owners will in any event increase periodically over the ten years of condominium ownership as an integral part of the Section 421-a program. The ten year exemption from taxation consists of two years of full building value increase being exempt, followed by two years of exemption from 80 percent of such increase in taxation, followed by two years of exemption from 60 percent of such increase in taxation, followed by two years of exemption from 40 percent of such increase in taxation, followed by two years of exemption from 20 percent of such increase in taxation.

Benefit Years

% of Exemption

2	100%
3	80%
4	80%
5	60%
6	60%
7	40%
8	40%
9	20%
10	20%
11	0%

Sponsor will keep all records required by HPD and will make them available to HPD whenever requested to do so. Upon recording of the Condominium Declaration, Sponsor will make all tax benefit documents available to the Board of Managers for inspection and copying for the life of the benefits and Sponsor will file all applications and timely comply with all procedures required to properly process and maintain the tax benefits. If no condominium plan is declared effective by the Attorney General within 15 months from the date of issuance of a Final Certificate of Eligibility, the owner of the Project will submit the newly created units in the Project to the requirements and jurisdiction of rent stabilization as regulated by the New York State Division of Housing and Community Renewal.

See Prior Opinion Letter at Part II.

The Sponsor, however, does not warrant or guarantee the terms of the exemption described herein. The actual amount and duration of any tax exemption granted to the building can only be determined by the New York City Department of Housing Prevention and Development after all construction is completed. Purchasers are referred to Schedule A for further information.

**NO GOVERNMENTAL AGENCY HAS PASSED ON THE AMOUNT OF TAX
EXEMPTION TO BE GRANTED TO THE BUILDING. WORK
PERFORMED IN A UNIT AFTER CLOSING MAY INCREASE THE ASSESSMENT
AND, ACCORDINGLY, THE REAL ESTATE TAXES FOR SUCH UNIT**

In the event that the building for any reason does not receive a tax exemption in the approximate amount set forth herein, the purchaser will pay an increase in taxes to cover the cost of real estate taxes or would pay increased taxes directly. Prospective purchasers are advised to consult with counsel concerning the effects of tax exemption. It must be borne in mind that this estimate is based on the assumption that the fundamental real property tax policy of the City of New York will remain the same throughout this period.

The Sponsor anticipates that construction of the building will not be completed prior to 2011 and that the 421-a tax exemption, if granted, will be effective thereafter as set forth in Prior Opinion Letter in Part II.

TAXES - DEDUCTIONS TO UNIT OWNERS AND TAX STATUS OF CONDOMINIUM

The following discussion of certain income tax consequences of the ownership of Units was prepared by the Sponsor based, in part, upon the income tax Opinion of Goldstick, Weinberger, Feldman & Grossman, P.C., a copy of which is set forth in the following section of this Plan.

GOLDSTICK, WEINBERGER, FELDMAN & GROSSMAN, P.C. IS SPECIAL TAX COUNSEL TO SPONSOR AND NOT TO THE UNIT OWNERS. EACH PURCHASER SHOULD CONSULT HIS OWN TAX COUNSEL AS TO THE TAX CONSEQUENCES OF UNIT OWNERSHIP.

A Unit Owner will own his Unit and its appurtenant interest in the Common Elements in fee simple. Therefore, each Unit Owner may mortgage his Unit and become individually liable for the payment of any finance charges or interest on such mortgage indebtedness. Also, each Unit will be taxed as a separate tax lot for real estate tax purposes.

In the opinion of Goldstick, Weinberger, Feldman, & Grossman, P.C., , an individual Unit Owner will, for federal income tax purposes, be entitled to a deduction for mortgage interest and real estate taxes in the year paid or accrued under Section 163 and 164 of the Code, respectively. Rev. Rul. 64-31, 1964-1 Cum. Bull. 300. This is subject to the proviso that, under Section 461(g) of the Code, no deduction will be allowed to a cash basis taxpayer in the year of payment for prepaid interest (other than points paid in certain cases).

A taxpayer generally is entitled to a deduction for federal income tax purposes for interest paid with respect to a principal and one secondary residence (a "qualified residence") to the extent that the interest is attributable to indebtedness which is secured by the qualified residence and which 1. is incurred in acquiring, constructing or substantially improving the qualified residence (or which constitutes a refinancing thereof, to the extent that such indebtedness does not exceed the amount of the refinanced debt) ("acquisition indebtedness"), up to a maximum of \$1,000,000.00 for any period (\$500,000.00 in the case of a married individual filing a separate return), or 2. is any indebtedness other than acquisition indebtedness up to the excess of the fair market value of any one qualified residence over the amount of acquisition indebtedness with respect to such residence ("home equity indebtedness"), but not to exceed \$100,000.00 (\$50,000.00 in the case of married individual filing a separate return) in the aggregate for all qualified residences of the taxpayer in any period. Accordingly, an owner of a Unit who itemizes deductions and uses his Unit as a qualified residence will be entitled, under current law, to deduct from his gross income for federal income tax purposes, subject to an overall limitation on itemized deductions as set forth in Section 68 of the Code, interest paid or accrued by him on (i) acquisition indebtedness incurred with respect to his Unit to the extent that such indebtedness, when added to the amount of acquisition indebtedness incurred with respect to a second qualified residence (if any), does not exceed \$1,000,000.00 (\$500,000.00 in the case of a married individual filing a separate return) and (ii) home equity indebtedness with respect to his Unit to the extent that such indebtedness, when added to the amount of home equity indebtedness incurred with respect to a second qualified residence (if any), does not exceed \$100,000.00 (\$50,000.00 in the case of a married individual filing a separate return). Since the rules and limitations regarding the deductibility of home mortgage interest are complex, Purchasers are

urged to consult their tax advisers regarding the application of such rules and limitations to them, as well as regarding the deductibility of interest with respect to their Units for federal alternative minimum tax purposes (which at present is subject to rules different than those described above for regular tax purposes). In addition, Purchasers should consult their tax advisers regarding potential limitations on the deductibility of points and prepaid interest, if any, on their mortgage loans and on the overall limitation on the allowance of itemized deductions.

In addition, the deductions for interest will only be available to those taxpayers who elect to itemize their deductions and whose aggregate itemized deductions exceed the standard deduction.

It is also the opinion of Goldstick, Weinberger, Feldman, & Grossman, P.C., opinion that each individual Unit Owner will, for New York State and New York City income tax purposes, be entitled to the same deduction which is allowed for federal income tax purposes for the mortgage interest and real estate taxes paid during the taxable year. Section 615 of the State Tax Law; Section T46-115.0 of the City Code. However, certain individual taxpayers may not be able to utilize the deductions herein discussed, in whole or in part, if they are subject to the Alternative Minimum Tax.

Until the Units are separately billed for real property taxes, the by-laws provide for collection thereof in accordance with each Unit Owner's percentage of Common Interest. Such payments are to be made into a special escrow account for the purpose of paying such taxes, and accordingly, inasmuch as such payment is necessary because the property interest of each Unit Owner would be lost if the taxes were unpaid and the property foreclosed upon, such payment will be deductible. See L. L. Powell, 26 TCM 161 (1967). See also D. G. Peters, 29 TCM 1440 (1970).

Common Charges

Pursuant to the Plan, the Condominium Board will govern the affairs of the Condominium. Presently, the exact tax status of the Condominium is not clear. The federal income tax consequences to the Condominium and the Unit Owners upon receipt by the Condominium of the Common Charges from the Unit Owners and receipts from other sources will depend upon whether the Condominium is treated as a conduit, or is treated as an association taxable as a corporation or qualifies and elects to be treated under Section 528 of the Code.

Section 528 of the Code provides that condominium associations, when qualified, may be treated as partially tax-exempt for federal income tax purposes.

The exemption provided by Section 528 of the Code is available only if the following requirements are met:

ii) The organization must be organized and operated to provide for the acquisition, construction, management, maintenance and care of the association property.

iii) Sixty (60%) percent or more of the organization's gross income for the taxable year must be membership dues, fees, or assessments received from residential condominium unit owners. Since the Plan currently provides that 100.00% of the Common Interest is to be allocated to Units, this requirement will be met.

iv) Ninety (90%) percent or more of the organization's expenditures for the taxable year must be for the acquisition, construction, management, maintenance and care of the condominium.

v) No part of the net earnings may inure to the benefit of any private individual except through the rebate of excess assessments or indirectly through the acquisition, management and maintenance of association property.

vi) The organization must elect exempt status for the taxable year. Such election must be made for each year that the organization desires to be treated as a Section 528 organization. Treas. Reg. Section 1.528-8.

vii) Substantially all of the units are used by individuals for residences. [Substantially all of the units will be considered used by individuals for residences if at least eighty-five (85%) percent of the total square footage of all units is used, or is intended to be used by individuals for residential purposes or purposes auxiliary to residential use, such as storage rooms, laundry and maintenance areas. Treas. Reg. Section 1.5284(b)].

Absent the application of Code Section 528, the present state of federal law is unclear as to the precise tax status of the Condominium. The By-Laws of the Condominium provide that the Condominium Board will act as the agent of the Unit Owners. Accordingly, for federal income tax purposes, the Condominium may take the position that since it simply acts as agent for the Unit Owners, it is not a separate taxable entity.

The Condominium would be a mere conduit for receipts and payments of Unit Owners for whom it acts as an agent. In such a case, the Unit Owners would include in their gross income and be taxed on all income earned by the Condominium, less the expenses incurred in earning such income. However, Common Charges would not be considered income to the Condominium. See Rev. Rul. 70604, 1970-2 C.B. 9; Lake Petersberg Assoc., 33 TCM 259 (1974).

However, the Internal Revenue Service may contend that for purposes of those matters administered through the Condominium Board, such as the assessment and expenditure of Common Charges, the Unit Owners through the Condominium Board constitute an association taxable as a corporation. In such event, such association may be deemed subject to the federal corporate income tax (and therefore to New York State and New York City corporate income taxes) on the portion of the Common Charges which is deemed to constitute gross income of such association, to the extent that such portion (together with any income earned from other sources, such as interim investments of funds by such association) exceeds the current expenses paid or incurred through the Condominium Board which are deductible for federal income tax purposes.

In this connection, published rulings indicate that Common Charges which are assessed by the Condominium Board and designated for use solely to make specified capital improvements and which are maintained in a separate bank account should not constitute gross income to such Board, either because it is deemed to receive and hold such Common Charges as agent for the Unit Owners from whom the assessments were collected, Rev. Rul. 75-370, 1975-2 Cum. Bull. 25, or because the assessed Common Charges are deemed to be nontaxable contributions to the capital of the association. Rev. Rul. 75-371, 1975-2 Cum. Bull. 25 [cf. Concord Village, Inc., 65 T.C. 14 (1975)].

However, if treated as contributions to the capital of the association, it should be noted that when such amounts (together with any other funds accumulated by the association) are expended for capital improvements, the Internal Revenue Service may contend that the capital expenditures benefit the Unit Owners, and that each Unit Owner should therefore be subject to tax on his pro-rata share of the amounts expended.

In the event that the Condominium Board is required to pay any federal, New York State or New York City income tax, and the Condominium Board makes an additional assessment in order to meet this tax liability, it should be noted that the additional amount collected through such assessment may itself be subject to tax. See Old Colony Trust Co. v. Commissioner, 279 U.S. 716 (1929); Rev. Rul. 74-75, 1974-I Cum. Bull. 19.

Compliance With Real Property Law Section 339(i)

The Declaration of the 41 Bond Street Condominium sets forth that the Common Interest of each Unit has been determined on the basis of floor space and additional factors of relative value to the other space in the condominium, the uniqueness of the Unit, availability of Common Elements (as defined in the Declaration) for exclusiveness or shared use and the overall dimension of the particular Unit, which is a method of allocation permitted by Real Property Law Section 339(i)(1)(iv). Based upon our review of the Plan including the Declaration of Condominium, the accuracy of the measurements of approximate floor area of Units prepared by Sponsor's architect, the opinion of Andrews Building Corporation and Section 339-i of the Real Property Law, we are of the opinion that the allocation of common interests to each Unit in the Condominium complies with Section 339-i of the Real Property Law.

This opinion is not a guarantee; it is based on existing rules of law applied to the facts and documents referred to above. No assurances can be given that the tax laws upon which counsel bases this opinion will not change. In no event will Sponsor, Sponsor's counsel, the Condominium Board, the selling agent or any other person be liable if there are changes in the facts on which counsel relied in issuing this opinion or if there are changes in the applicable statutes, regulations, case law or Internal Revenue Service rulings on which counsel relied which cause 1. the Condominium to cease to meet the requirements of the Code, the City Code or the State Code and 2. Unit Owners not to be entitled to income tax deductions.

EACH PURCHASER SHOULD CONSULT HIS OR HER OWN TAX COUNSEL AS TO THE TAX CONSEQUENCES OF THE PLAN AND OF UNIT OWNERSHIP.

No warranties are made that the Internal Revenue Service, the New York State Department of Taxation and Finance, or the Finance Administration of the City of New York will allow any of the aforementioned deductions or that the tax laws, or the regulations or rulings issued thereunder, or any judicial interpretation thereof upon which Goldstick, Weinberger, Feldman & Grossman, P.C. has based its income tax opinion will not change. In no event will Sponsor, Goldstick, Weinberger, Feldman & Grossman, P.C., the Selling Agent, the Managing Agent, or any other person connected with this offering be liable if, on account of any future changes of law or interpretations thereof, it is held that the Unit Owners, or any of them, are not entitled to such income tax deductions. In addition, none of the aforesaid make any warranties with respect to the tax consequences of this Plan or the tax consequences of ownership of any Units offered under the Plan, and no one has been authorized to make such warranties. Please consult "Special Counsel's Income Tax Opinion" in Part II for further discussion.

OPINION OF COUNSEL

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c/o DDG Partners, LLC
250 Hudson Street, 10th fl
New York, New York 10013

Re: 41 Bond Condominium Plan
Premises: 41 Bond Street, New York, NY ("Plan")

Dear Sirs:

You have requested our opinion concerning i) the availability of certain deductions for Federal, New York State and New York City income tax purposes (but not for purposes of the New York City earnings tax on non-residents) to individuals who purchase Residential Units for residential use ("Residential Unit Owners") under the Plan and ii) the treatment for such income tax purposes of the Common Charges paid or borne by individual residential Unit Owners.

In this connection, we have reviewed the Plan, relevant sections of the Internal Revenue Code of 1986, as amended ("Code"), the New York State Tax Law ("State Tax Law"), the New York City Administrative Code ("City Code"), the Regulations promulgated thereunder and such other material as we deem relevant. Except where otherwise indicated, the terms used in this opinion have the same meanings as in the Plan.

Article 1. Deductibility of Mortgage Interest and Real Estate Taxes

A Residential Unit Owner will own his Residential Unit and its appurtenant interest in the Common Elements in fee simple. Therefore, each Residential Unit Owner may mortgage his Residential Unit and become individually liable for the payment of any finance charges or interest on such mortgage indebtedness. Also, each Unit will be taxed as a separate tax lot for real estate tax purposes.

In our opinion, an individual Residential Unit Owner will, for federal income tax purposes, be entitled to a deduction for mortgage interest and real estate taxes in the year paid or accrued under Section 163 and 164 of the Code, respectively. Rev. Rul. 64-31, 1964-1 Cum. Bull. 300. This is subject to the proviso that, under Section 461(g) of the Code, no deduction

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will be allowed to a cash basis taxpayer in the year of payment for prepaid interest (other than points paid in certain cases).

A taxpayer generally is entitled to a deduction for federal income tax purposes for interest paid with respect to a principal and one secondary residence (a "qualified residence") to the extent that the interest is attributable to indebtedness which is secured by the qualified residence and which i) is incurred in acquiring, constructing or substantially improving the qualified residence (or which constitutes a refinancing thereof, to the extent that such indebtedness does not exceed the amount of the refinanced debt) ("acquisition indebtedness"), up to a maximum of \$1,000,000.00 for any period (\$500,000.00 in the case of a married individual filing a separate return), or ii) is any indebtedness other than acquisition indebtedness up to the excess of the fair market value of any one qualified residence over the amount of acquisition indebtedness with respect to such residence ("home equity indebtedness"), but not to exceed \$100,000.00 (\$50,000.00 in the case of married individual filing a separate return) in the aggregate for all qualified residences of the taxpayer in any period. Accordingly, an owner of a Residential Unit who itemizes deductions and uses his Residential Unit as a qualified residence will be entitled, under current law, to deduct from his gross income for federal income tax purposes, subject to an overall limitation on itemized deductions as set forth in Section 68 of the Code, interest paid or accrued by him on (i) acquisition indebtedness incurred with respect to his Residential Unit to the extent that such indebtedness, when added to the amount of acquisition indebtedness incurred with respect to a second qualified residence (if any), does not exceed \$1,000,000.00 (\$500,000.00 in the case of a married individual filing a separate return) and (ii) home equity indebtedness with respect to his Residential Unit to the extent that such indebtedness, when added to the amount of home equity indebtedness incurred with respect to a second qualified residence (if any), does not exceed \$100,000.00 (\$50,000.00 in the case of a married individual filing a separate return). Since the rules and limitations regarding the deductibility of home mortgage interest are complex, Purchasers are urged to consult their tax advisers regarding the application of such rules and limitations to them, as well as regarding the deductibility of interest with respect to their Residential Units for federal alternative minimum tax purposes (which at present is subject to rules different than those described above for regular tax purposes). In addition, Purchasers should consult their tax advisers regarding potential limitations on the deductibility of points and prepaid interest, if any, on their mortgage loans and on the overall limitation on the allowance of itemized deductions.

In addition, the deductions for interest will only be available to those taxpayers who elect to itemize their deductions and whose aggregate itemized deductions exceed the standard deduction.

It is also our opinion that each individual Residential Unit Owner will, for New York State and New York City income tax purposes, be entitled to the same deduction which is allowed for federal income tax purposes for the mortgage interest and real estate taxes paid during the taxable year. Section 615 of the State Tax Law; Section T46-115.0 of the City Code. However, certain individual taxpayers may not be able to utilize the deductions herein discussed, in whole or in part, if they are subject to the Alternative Minimum Tax.

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Until the Units are separately billed for real property taxes, the by-laws provide for collection thereof in accordance with each Unit Owner's percentage of Common Interest. Such payments are to be made into a special escrow account for the purpose of paying such taxes, and accordingly, inasmuch as such payment is necessary because the property interest of each Unit Owner would be lost if the taxes were unpaid and the property foreclosed upon, such payment will be deductible. See L. L. Powell, 26 TCM 161 (1967). See also D. G. Peters, 29 TCM 1440 (1970).

Article II. Common Charges

Pursuant to the Plan, the Condominium Board will govern the affairs of the Condominium. Presently, the exact tax status of the Condominium is not clear. The federal income tax consequences to the Condominium and the Unit Owners upon receipt by the Condominium of the Common Charges from the Unit Owners and receipts from other sources will depend upon whether the Condominium is treated as a conduit, or is treated as an association taxable as a corporation or qualifies and elects to be treated under Section 528 of the Code.

Section 528 of the Code provides that condominium associations, when qualified, may be treated as partially tax-exempt for federal income tax purposes.

The exemption provided by Section 528 of the Code is available only if the following requirements are met:

(a) The organization must be organized and operated to provide for the acquisition, construction, management, maintenance and care of the association property.

(b) Sixty (60%) percent or more of the organization's gross income for the taxable year must be membership dues, fees, or assessments received from residential condominium unit owners. Since the Plan currently provides that 100.00% of the Common Interest is to be allocated to residential Units, this requirement will be met.

(c) Ninety (90%) percent or more of the organization's expenditures for the taxable year must be for the acquisition, construction, management, maintenance and care of the condominium.

(d) No part of the net earnings may inure to the benefit of any private individual except through the rebate of excess assessments or indirectly through the acquisition, management and maintenance of association property.

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(e) The organization must elect exempt status for the taxable year. Such election must be made for each year that the organization desires to be treated as a Section 528 organization. Treas. Reg. Section 1.528-8.

(f) Substantially all of the units are used by individuals for residences. [Substantially all of the units will be considered used by individuals for residences if at least eighty-five (85%) percent of the total square footage of all units is used, or is intended to be used by individuals for residential purposes or purposes auxiliary to residential use, such as storage rooms, laundry and maintenance areas. Treas. Reg. Section 1.5284(b)].

Absent the application of Code Section 528, the present state of federal law is unclear as to the precise tax status of the Condominium. The By-Laws of the Condominium provide that the Condominium Board will act as the agent of the Unit Owners. Accordingly, for federal income tax purposes, the Condominium may take the position that since it simply acts as agent for the Unit Owners, it is not a separate taxable entity.

The Condominium would be a mere conduit for receipts and payments of Unit Owners for whom it acts as an agent. In such a case, the Unit Owners would include in their gross income and be taxed on all income earned by the Condominium, less the expenses incurred in earning such income. However, Common Charges would not be considered income to the Condominium. See Rev. Rul. 70604, 1970-2 C.B. 9; Lake Petersberg Assoc., 33 TCM 259 (1974).

However, the Internal Revenue Service may contend that for purposes of those matters administered through the Condominium Board, such as the assessment and expenditure of Common Charges, the Unit Owners through the Condominium Board constitute an association taxable as a corporation. In such event, such association may be deemed subject to the federal corporate income tax (and therefore to New York State and New York City corporate income taxes) on the portion of the Common Charges which is deemed to constitute gross income of such association, to the extent that such portion (together with any income earned from other sources, such as interim investments of funds by such association) exceeds the current expenses paid or incurred through the Condominium Board which are deductible for federal income tax purposes.

In this connection, published rulings indicate that Common Charges which are assessed by the Condominium Board and designated for use solely to make specified capital improvements and which are maintained in a separate bank account should not constitute gross income to such Board, either because it is deemed to receive and hold such Common Charges as agent for the Unit Owners from whom the assessments were collected, Rev. Rul. 75-370, 1975-2 Cum. Bull. 25, or because the assessed Common Charges are deemed to be nontaxable contributions to the capital of the association. Rev. Rul. 75-371, 1975-2 Cum. Bull. 25 [cf. Concord Village, Inc., 65 T.C. 14 (1975)].

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However, if treated as contributions to the capital of the association, it should be noted that when such amounts (together with any other funds accumulated by the association) are expended for capital improvements, the Internal Revenue Service may contend that the capital expenditures benefit the Unit Owners, and that each Unit Owner should therefore be subject to tax on his pro-rata share of the amounts expended.

In the event that the Condominium Board is required to pay any federal, New York State or New York City income tax, and the Condominium Board makes an additional assessment in order to meet this tax liability, it should be noted that the additional amount collected through such assessment may itself be subject to tax. See Old Colony Trust Co. v. Commissioner, 279 U.S. 716 (1929); Rev. Rul. 74-75, 1974-1 Cum. Bull. 19.

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

This opinion is not a guarantee; it is based on existing rules of law applied to the facts and documents referred to above. No assurances can be given that the tax laws upon which counsel bases this opinion will not change. In no event will Sponsor, Sponsor's counsel, the Condominium Board, the selling agent or any other person be liable if there are changes in the facts on which counsel relied in issuing this opinion or if there are changes in the applicable statutes, regulations, case law or Internal Revenue Service rulings on which counsel relied which cause i) the Condominium to cease to meet the requirements of the Code, the City Code or the State Code and ii) Unit Owners not to be entitled to income tax deductions.

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

The Declaration of the 41 Bond Condominium sets forth that the Common Interest of each Unit has been determined on the basis of floor space and additional factors of relative value to the other space in the condominium, the uniqueness of the Unit, availability of Common Elements (as defined in the Declaration) for exclusiveness or shared use and the overall dimension of the particular Unit, which is a method of allocation permitted by Real Property Law Section 339(i)(1)(iv). Based upon our review of the Plan including the Declaration of Condominium, the accuracy of the measurements of approximate floor area of Units prepared by

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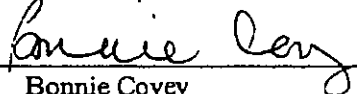
Sponsor's architect, the opinion of Andrews Building Corporation and Section 339-i of the Real Property Law, we are of the opinion that the allocation of common interests to each Unit in the Condominium complies with Section 339-i of the Real Property Law.

This opinion is not a guarantee; it is based on existing rules of law applied to the facts and documents referred to above. No assurances can be given that the tax laws upon which counsel bases this opinion will not change. In no event will Sponsor, Sponsor's counsel, the Condominium Board, the selling agent or any other person be liable if there are changes in the facts on which counsel relied in issuing this opinion or if there are changes in the applicable statutes, regulations, case law or Internal Revenue Service rulings on which counsel relied which cause i) the Condominium to cease to meet the requirements of the Code, the City Code or the State Code and ii) Unit Owners not to be entitled to income tax deductions.

We consent to the filing of this opinion as an exhibit to the Plan and to the reference to our name under the caption "Taxes-Deductions to Unit Owner and Tax Status of Condominium" in the Plan.

Very truly yours,

GOLDSTICK, WEINBERGER, FELDMAN
& GROSSMAN, P.C.

By: 

Bonnie Covey

BC/cd

MANAGEMENT AGREEMENT, CONTRACTS AND LEASES

Management Agreement

It is presently contemplated that, prior to the First Closing, the Condominium Board will enter into a management agreement with Andrews Building Corporation ("Managing Agent") for an initial term of one year, subject to the right of the Condominium Board to cancel same, without cause at any time upon at least 30 days prior written notice, and the right of Managing Agent to cancel the same, without cause at any time upon at least 60 days prior written notice. Thereafter, the management agreement will be automatically renewed from on a yearly basis until canceled by either party on thirty (30) days prior written notice.

The Managing Agent will receive a stated annual fee of \$18,000 per annum, payable in equal monthly installments. However, the Managing Agent will be entitled to additional fees for certain special services performed by it. All such fees will be paid by the Condominium Board and will be charged to all Unit Owners as a Common Expense. The duties and services to be rendered by the Managing Agent include, among others: billing and collecting Common Charges; causing the Common Elements to be maintained, repaired and altered in the manner deemed advisable by the Condominium Board, except that the approval of the Condominium Board is necessary for any expenditure of over \$2,500.00 for any one item of ordinary repairs or alterations (other than emergency repairs); contracting for necessary services for the Common Elements (such as utility, exterminator, elevator and fuel oil services), as authorized by the Condominium Board; purchasing all supplies necessary properly to maintain and operate the Common Elements; checking all bills received in connection with the operation of the Common Elements and causing all such bills and other expenses to be paid; supervising, hiring and discharging employees, which duty may be delegated by the Managing Agent to one or more persons in its general employ; rendering monthly statements of receipts and disbursements to the Condominium Board; maintaining payroll records and filing withholding tax statements for employees; maintaining accurate sets of books for the Condominium (other than books of account to be maintained by the Condominium's accountants) and orderly files of rent records, insurance policies, leases, receipted bills, and the like; preparing and submitting to the Condominium Board, on an annual basis, operating budgets setting forth the anticipated income and expenses for the ensuing year; and sending notices, preparing agendas and attending meetings of the Condominium Board and Unit Owners.

All disbursements incurred by the Managing Agent in performance of its duties will be reimbursed by the Condominium Board and charged to the Unit Owners as a Common Expense. In addition, the Condominium Board will indemnify the Managing Agent against any claims or liabilities in connection with acts properly performed by it pursuant to the instructions of the Condominium Board or for personal injury or property damage not resulting from the Managing Agent's gross negligence or willful failure to comply with its obligations under the management agreement. The Managing Agent's contract is not assignable without the consent of the Condominium Board.

All members of the Condominium Board, officers and employees of the Condominium and officers and employees of the Managing Agent (during the term of the management agreement) will be bonded at all times from and after the First Closing under fidelity bonds in favor of the Condominium in the amount of \$250,000.00 for each loss. The cost of the bonds will be borne by the Condominium Board and charged to the Unit Owners as a Common Expense, and has been provided for in the estimate of Common Charges contained in the First Year's Budget.

Other Agreements

Upon commencement of condominium operation, the Property will be subject to the then existing

agreements affecting the Building (see footnotes to Schedule B for details of the agreements in effect or proposed at the date of presentation of the Plan).

Sponsor has reserved the right, prior to the First Closing, to modify, renew or replace the existing agreements or to enter into new agreements that will be binding on the Condominium Board provided Sponsor may not enter into any binding service, maintenance or concession agreement for longer than two (2) years, unless same contains a provision permitting the Condominium Board to cancel the agreement from and after the second anniversary of the First Closing, upon giving not less than ninety days prior written notice.

WORKING CAPITAL FUND

At the time of the first Closing of Title to each Unit to a bona fide Purchaser, such Purchaser shall pay an amount equal to two months of Common Charges to the Condominium Board for its working capital (the "Working Capital Fund"). This fund is to be used for payment by the Condominium Board of any net closing adjustment expenses owed to Sponsor at the First Unit Closing. The amount of the net closing adjustment owed to Sponsor will be paid to Sponsor by the Condominium Board, without interest, by applying the sum paid by each Purchaser at the Closing of Title to each Unit to the terms of a non-interest bearing note due on the first anniversary of the First Unit Closing to be executed by the Condominium Board at the First Unit Closing. Sponsor may direct purchasers to make their checks payable directly to Sponsor until the promissory note is paid in full. If the promissory note is not fully paid by the due date from such payments, the Condominium Board will pay the note in full from its general funds. The Condominium Board will be entitled to prepay the note, in full only, at any time and without penalty. Sponsor will waive any net adjustments in its favor which would reduce the Working Capital Fund below zero after making provision for the amount of monies that would be generated by the payment of two months common charges for each Unit in the Building. If the result of the closing adjustments is a net credit in favor of the Condominium, or if any amounts remain after the promissory note has been fully paid, such amounts in the Working Capital Fund may be held or used at any time for working capital, to make repairs or for such other appropriate purposes permitted under the Declaration and the By-Laws as will be determined by the Condominium Board in its sole discretion.

No provision has been made for any Working Capital Fund other than the above. If additional funds are required, it may be necessary to increase Common Charges or make Special Assessments on Unit Owners. The contingency provided for in the projected budget for the first year of condominium operation (Schedule B) is intended to provide a fund for unanticipated expenses not included in the budgets and, for increases in operating expenses above the amounts projected. No other reserve fund for capital expenditures has been established except as may be set forth in the projected budget. The contingency is not intended and may not be sufficient to meet the cost of any major capital repairs or replacements which may be required. If funds are required to meet such costs, it may be necessary to increase common charges or institute a special assessment.

For such period as Sponsor retains control of the Condominium Board, the Working Capital Fund shall not be used to reduce estimated Common Charges.

NEITHER THE DEPARTMENT OF LAW NOR ANY OTHER GOVERNMENTAL AGENCY HAS PASSED UPON THE ADEQUACY OF THE WORKING CAPITAL FUND.

Reserve Fund

This plan does not provide for the establishment of a reserve fund except as may be set forth in the projected budget, as to which Sponsor makes no representations that such amount shall be sufficient to meet the cost of any major capital repairs or replacements which may be required. It is not anticipated that the Building will require capital expenditures of a material nature within five (5) years following the First Unit Closing.

IDENTITY OF PARTIES

1. **Sponsor**

The Sponsor is **DDG 41 NOHO LLC**. Sponsor was formed on August 19, 2009 pursuant to the Limited Liability Company Act of the State of New York. The sole managing member of Sponsor is DDG Partners LLC, a Delaware limited liability company, and the remaining members of Sponsor are Essex Illiquid LLC, Adakin Rebond LLC, Prokop Partners LLC, John C. Keeler, Joseph A. McMillan Jr., and Christopher J. Prokop. All of the foregoing have an address at 250 Hudson Street, 10th Floor New York, New York 10013. Neither Sponsor nor entities affiliated with Sponsor have offered for sale, within the past five (5) years, cooperative or condominium interests in New York other than condominium offering plans for 233 East 17th Street, New York, New York, which completely sold out in 2008; 191-193 Luquer Street, Brooklyn, New York, which completely sold out in 2006; and 114 4th Place, Brooklyn, New York, 11231, which has 50% of the units offered in contract as of October 2010.

Principal of Sponsor

Joseph A. McMillan, Jr., John C. Keeler, and Christopher J. Prokop are principals of Sponsor under this Offering Plan. The aforementioned principals all have an office located at c/o DDG Partners LLC, 250 Hudson Street, 10th Floor New York, New York 10013. The principals of Sponsor have not offered for sale, within the past five (5) years, cooperative or condominium interests in New York other than condominium offering plans for 233 East 17th Street, New York, New York, which completely sold out in 2008; 191-193 Luquer Street, Brooklyn, New York, which completely sold out in 2006; and 114 4th Place, Brooklyn, New York, 11231, which has 50% of the units offered in contract as of October 2010. Joseph A. McMillan, Jr. is the Chief Executive Officer of DDG Partners LLC, the managing member of Sponsor. Christopher J. Prokop is the Chief Operating Officer of DDG Partners LLC. John C. Keeler is the General Counsel of DDG Partners LLC, and Peter G. Guthrie is the Head of Design and Construction. The senior management of DDG has in excess of a combined 65 years of experience in real estate, finance, development, investment management, property management, design, and construction, and has successfully executed several dozens of projects around the northeast and selected other markets.

2. Managing Agent

The Managing Agent for the Condominium is Andrews Building Corporation, a New York corporation having an office at 666 Broadway, New York, New York 10012. Andrews Building Corporation is not an affiliate of Sponsor. Andrews Building Corporation currently manages more than 3,000 residential apartments in approximately 130 New York City buildings, including, but not limited to, the 75 Ludlow Street Condominium, located at 75 Ludlow Street, New York, New York, the Atalanta Condominium, located at 215 N. Moore Street, New York, New York, the Blue Condominium, 105 Norfolk Street, New York, New York and Julliard Condominium, located at 18 Leonard Street, New York, New York. Andrews Building Corporation is a licensed New York real estate broker. The budget expert has no financial interest in the Property, in Sponsor, in the Condominium, or in any other party interested in this transaction, except for its fees for services rendered in connection with the same.

3. Sales Agent. Sponsor shall be the sales agent for the Condominium.

4. Attorneys

Counsel to Sponsor

Goldfarb & Fleece LLP represents Sponsor in connection with this Plan and has represented, and will continue to represent, Sponsor in connection with the transfer of the Units. Goldfarb & Fleece LLP prepared Part I of this Offering Plan, together with the Declaration, the By-Laws, and the forms of Purchase Agreement, Unit Owners' Power of Attorney and Unit Deed contained in Part II of this Offering Plan. Robert Zimmerman and Nathan Nudelman of the firm primarily drafted these documents. Goldfarb & Fleece LLP's offices are located at 345 Park Avenue, New York, New York 10154. The fees of said firm in connection with the preparation of this offering plan are being paid by Sponsor. Goldfarb & Fleece LLP has not represented the Condominium or Unit Owners in connection with this Plan. At the first annual meeting of Unit Owners, the Condominium shall select independent counsel.

421-A Tax Counsel to Sponsor

SEIDEN & SCHEIN, P.C., has been retained by Sponsor as 421-A tax counsel in connection with this Plan, and obtained the declaratory ruling as to 421-A benefits as included in this Plan. This firm prepared the "421-A Tax Opinion" set forth above. Seiden & Schein's offices are located at 570 Lexington Avenue, 14th floor, New York, New York 10022., Counsel to Sponsor has not undertaken any responsibility for the business or financial terms of this Plan and make no representations with respect to this Plan.

Special Tax Counsel to Sponsor

Goldstick, Weinberger, Feldman & Grossman, P.C. has been retained by Sponsor as special tax counsel in connection with this Plan and prepared the "Attorney's Income Tax Opinion" set forth above. Goldstick, Weinberger Feldman & Grossman P.C. offices are located at 261 Madison Avenue, New York, New York, New York 10016. Counsel to Sponsor has not undertaken any responsibility for the business or financial terms of this Plan and make no representations with respect to this Plan.

5. Architects

H. Thomas O'Hara Architect, PLLC having an office address at 135 West 36th Street New York, NY 10018 has prepared all plans and has supervised the design of the Building. This firm prepared the Plans and Specifications with respect to the Building.

H. Thomas O'Hara Architect, PLLC prepared the Description of Property and Specifications set forth as Exhibit 1 of Part II of the Plan. H. Thomas O'Hara Architect, PLLC has no financial interest in the Property, in Sponsor, in the Condominium, or in any other party interested in this transaction, except for its fees for services rendered in connection with the same.

6. Budget Expert

Andrews Building Corporation, the Managing Agent, has been engaged as budget expert under this Plan. This firm signed the "Certification of Sponsor's Expert Concerning the Adequacy of the Budget" attesting to the accuracy of "Schedule B - Projected Budget for the First Year of Condominium Operation" set forth above, after investigating the facts therein and the facts underlying the budget. This certification is reproduced at Part II of this Plan. Andrews Building Corporation has been an experienced real estate broker and property manager since 1987. The budget expert has no financial interest in the Property, in Sponsor, in the Condominium, or in any other party interested in this transaction, except for its fees for services rendered in connection with the same

7. Designation of Secretary of State

Sponsor, is qualified to do business in New York. The agent for receipt of services of process in the state of New York is: c/o DDG Partners LLC, 250 Hudson Street, 10th Floor, New York, NY 10013.

REPORTS TO UNIT OWNERS

All Unit Owners will be entitled to receive, annually, from the Condominium at the expense of the Condominium, copies of the following:

- A. An annual audited financial statement prepared by an independent certified public accountant within four (4) months of the end of each fiscal year.
- B. Notice of the holding of the annual meeting of Unit Owners for the purpose of electing a Condominium Board and conducting such other business as may lawfully come before such meeting.
- C. A copy of the proposed annual budget of the Condominium thirty days prior to the date set for adoption thereof by the Condominium Board, while Sponsor is in control of the Condominium Board, shall be certified by the budget expert.

The aforesaid dates may be changed at a later time pursuant to the By-Laws.

DOCUMENTS ON FILE

In accordance with Section 352-e (9) of the General Business Law, copies of this Offering Plan and all exhibits or documents referred to herein shall be available for inspection by prospective purchasers and by any person who shall have purchased securities offered by this Plan or shall have participated in the offering of such securities, at the office of the Sponsor's attorneys, Goldfarb & Fleece, 345 Park Avenue, New York, New York 10154, and shall remain available for such inspection for a period of six years from the date this Plan is filed.

SPONSOR'S STATEMENT OF BUILDING CONDITION

The Sponsor makes the following representations concerning the description and condition of the building and its improvements (including size of the parcel of land on which it stands and other information relating thereto). With reference to the Sponsor's preparation of such material, Sponsor consulted with H. Thomas O'Hara Architect, PLLC, architects and commissioned a report from him. Their report is set forth in Part II, which report the Sponsor adopts in full.

The property is offered to purchasers in its newly constructed condition, as set forth herein. Neither the Sponsor nor the Condominium will have any obligation to make any repairs or improvements or do any other work except any specifically set forth in this Plan.

The Sponsor will on or prior to the First Unit Closing cure or cause to be cured all violations of record against the property, eliminate all dangerous and hazardous conditions and comply with all work orders, if any, from mortgagees.

NO RESERVATION OF AIR OR DEVELOPMENT RIGHTS

Sponsor has not reserved air or development rights with respect to the Building. Current zoning does not permit the adding of additional living space on the Building. To the extent additional construction on the roof is permitted by zoning, any such right may only be exercised by a Unit Owner with the express approval of the Condominium Board.

GENERAL

Each Unit Owner shall be required to comply with and abide by the Declaration, the By-Laws and the Rules and Regulations of the Condominium made in accordance therewith and to pay the Common Charges levied by the Condominium Board. Such obligations shall be enforceable by the Condominium Board by foreclosure of the statutory lien against the Unit for the amount of any such unpaid Common Charges or by suit to collect the same by action for damages, by injunction or by other appropriate relief.

1. There are no lawsuits or other legal proceedings pending which could materially affect this offering, the Purchasers of Units, the Property, Sponsor's capacity to perform all its obligations under this Offering Plan, the Condominium or the operation thereof. Sponsor is not reserving the right to transfer air or development rights.

2. To the best of Sponsor's knowledge, the Property has not been the subject of any prior public offering.

3. The Declaration and By-Laws of the Condominium are made part of this Offering Plan.

4. Annexed to the By-Laws are the Rules and Regulations of the Condominium which shall apply until amended by the Condominium Board.

5. This Offering Plan contains an accurate summary of the pertinent provisions of the various documents referred to herein and copies thereof are on file with Sponsor for inspection purposes. Any information, data or representation not referred to in this Offering Plan and not contained in the various documents mentioned herein must not be relied upon. This Offering Plan does not omit any material fact or contain any untrue statement of a material fact. No person has been authorized by Sponsor to make any oral or written representation which is not expressly contained herein.

6. Sponsor hereby represents that neither it, nor any of its agents, will refuse to sell or offer or will otherwise discriminate against any person or persons by reason of their race, religion, color or place of national origin in the sale, transfer or lease of Units described in this Offering Plan.

7. A Purchaser who is not in default under his Purchase Agreement shall be afforded a right of rescission if there is a substantial amendment to this Offering Plan that adversely affects such Purchaser. Such right of rescission must be exercised by written notice within fifteen (15) days after receipt of the amendment. Sponsor will return the Downpayment promptly to any Purchaser entitled to rescind who exercises such right in accordance herewith. Differing purchase prices for similar Units which result from individual negotiations of decreased prices or an increase in purchase price pursuant to a duly filed amendment, or an increase in the total projected budget by less than 25%, shall not be deemed substantial adverse amendments.

8. Sponsor anticipates that the First Unit Closing will occur by August 1, 2011. If the projected First Unit Closing date is delayed by twelve (12) months or more, a right to rescind will be offered in an amendment to all Purchasers, with not less than fifteen (15) days to exercise such right.

9. The Plan may be withdrawn or abandoned by Sponsor for any reason whatsoever at any time prior to its being declared effective. Purchasers will be notified in writing, by registered or certified mail, in the event the Plan is abandoned or withdrawn. In the event the Plan is withdrawn or abandoned, all Downpayments will be returned to the Purchasers, with interest, if any, earned thereon, within twenty (20) days following such withdrawal or abandonment. Upon the return of the Downpayment, and such interest, if any, the Purchase Agreement of said defaulting Purchaser will be null and void and Sponsor will have no further obligation or liability to such Purchaser under the Plan or the Purchase Agreement.

10. This Offering Plan may not be changed or modified orally.

DDG 41 NOHO LLC

Sponsor

New York, New York

PART II

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EXHIBIT 1

DESCRIPTION OF PROPERTY AND
SPECIFICATIONS

41 Bond Street Condominium

A. Location of Property

1. Address: 41 Bond Street
New York, N. Y. 10012
2. Block No.: 529
Lot No.: 29
Map No.: 12C
3. Zoning District: M1-5B
4. Permissible Uses: Commercial and Office Buildings
(Use variance granted by BSA for Residential)

B. Status of Construction

1. Class of Construction: The Building will be classified as Class 1B (Non-Combustible) and will conform to all applicable regulations of the Building Code of the City of New York ("Building Code"). The building will comply with Local Law 58/87 for handicap accessibility requirements. The plans were filed under application #110009188 with the Department of Buildings.
2. Status of Construction: 50 % at 07/27/10.
3. Certificate of Occupancy: After completion of construction, a Certificate of Occupancy will be issued for the building. The sponsor will obtain a temporary Certificate of Occupancy for each residential unit prior to the closing of each residential unit.

C. Site

1. The total lot area is 4,724.222 square feet.
2. The Building will be the only structure on the property. The Building, located mid-block on the south side of Bond Street will be used primarily for residential purposes including 7 Residential Units and no Commercial Units.
3. The property fronts Bond Street between Bowery and Lafayette. This street is paved with granite cobbles and is owned and maintained by the City of New York, and conforms to code.
 - i) All curbs will be new, and approved by the City of New York.
 - ii) The streets are presently pitched to drain through existing and new cast iron catch basins into the New York City storm water drainage system.
 - iii) No streetlights exist.

4. Drives, Sidewalks, Ramps:

- i) The sidewalks on the property shall be new-sloped concrete and will conform to code.
- ii) The sidewalk and street drainage is described in Section (3)(ii).

D. Utilities

1. All utilities will enter the building below grade from Bond Street.
2. Electricity: Provided by Consolidated Edison individually metered to tenants plus a meter for common areas. The fire pump will be provided with a service tap ahead of all main switches as per codes and to meet utility requirements. The fire alarm system will also be provided with a service tap ahead of all main switches.
3. Natural Gas: Gas service shall be supplied via a new 3" Con Edison gas main entering the building from Bond Street. Any gas consumed for cooking, dryers and fire places shall be metered by a single Con Edison meter and borne by the Residential Unit Owners as a common expense. Any gas consumed for heating (to the boilers and roof top heating/ventilation units) and domestic hot water heating shall be metered by a single Con Edison meter and borne by the Residential Unit Owners as a common expense.
4. Steam: There will be no steam service provided.
5. Water: Potable water shall be supplied from the New York City public water system via a new 3" water service from Bond Street. The service is metered at the point of entry with a single Master City Meter. Fire Protection Systems shall be supplied from the New York City public water system via a new 6" fire service from Bond Street. Water service provided to the Building (including the Residential Units and in the common areas of the Building) will be levied on the basis of Master City Meter and borne by the Residential Unit Owners as a common expense.
6. Sewer: New 8" combined building sewers exit the building into the NYC DEP combined storm/sewer system on Bond Street. Sewer service from the Building (including the Residential Units and in the common areas of the Building) will be levied on the basis of Master City Meter and borne by the Residential Unit Owners as a common expense.
7. Telephone: Telephone service is provided by Verizon or other service provider. Each Unit owner is required to pay its associated telephone charges including activation costs.
8. Cable Television: Cable television service is provided by Time Warner or other service provider. Each Unit owner is required to pay its associated cable television charges including activation costs.

E. Sub-Soil Conditions

1. Geotechnical report indicates that bedrock is estimated to be at 85 feet below grade and groundwater at approximately 40 feet below grade.

F. Landscaping Enclosures

1. Grass cover: Will be provided in the Rear Yard.
2. Plantings: Will be provided in the Rear Yard and at the Entry Level in the front of the building.
3. Trees: Will be provided in the Rear Yard & at street planters.
4. Fencing, Gates: Six foot tall Cedar Fencing will be provided along the Rear Property Line. An aluminum terrace divider will be provided at the roof top level between the private and mechanical areas.
5. Garden Wall: None.
6. Retaining Walls, Pools and Fountains: Concrete wall and concrete stair with bluestone treads to rear garden shall act as retaining walls.

G. Building Height

1. Total Height: 106 feet at Bond Street, 117 feet at south +/- from average curb level to the top of slab at Penthouse roof level.
2. Cellar: There is one cellar, the cellar floor-to-floor height is 10'-8".
3. Number of Floors above Grade:
There are 9 stories above grade, floors 1-9, Main Roof / Penthouse duplex and Bulkhead.
4. Equipment Rooms: Equipment located within bulkhead on roof.
5. Parapet/Railing Assemblies:
The parapet and/or railing assemblies extend a minimum of 3' -6" above the finished roofs.

H. Occupancy

Not Required.

I. Structural System

1. Structural System: The building structure is cast-in-place concrete frame.
2. Exterior Walls: Bluestone on steel stud framing at street facade. Glass window wall with bluestone accent frames & concrete board rainscreen. at garden facade.
3. Windows: All operable windows will be wood with double layer insulated glass with a Low E coating and thermally broken manufactured Walch. A combination of the following series will be used for the Walch windows: Walchfenster04 FIX, Walchfenster04 WF, Walchfenster04 SKF & Walchfenster04 DF. The Walch windows in the front of the building will be awning reversible operation. The rear window wall will consist of Skyframe Series 2 Sliding glass & Aluminum doors and fixed Insulated Glass units by St. Gobain & stainless steel supports.

4. The R-value of the exterior walls is minimum 11.
5. Parapets and Copings: The parapets are concrete board rainscreen on block. Copings are anodized aluminum; they shall be a minimum of 3'-6" above the finished roof.
6. Chimneys and Caps: All flues are terminated min 3'-0" above the adjacent elements, and provided with a sheet metal cap in conformance with the New York City Dept. of Building requirements. The purpose of the chimneys is to provide the necessary draft and capacity to exhaust the products of combustion from the boilers and domestic hot water heaters to the outside air.
7. Terraces:
 - i) The terrace will be finished with 2' x 2' precast concrete pavers and gravel or equal.
 - ii) Balustrades: None
 - iii) Railings: None.
 - iv) Copings: Bluestone
 - v) Soffits: Concrete board rainscreen.
 - vi) PH Terrace Doors: At the Eighth Floor are by Walch and are an out swing door, not sliding doors. The Eighth Floor terrace doors have the same make up as the Walchfenster 04 series. At the Ninth Floor the terrace doors consist of Skyframe Series 2 Sliding glass and aluminum doors and fixed insulated glass units by St. Gobain.
 - vii) A private terrace is located at the 9th floor roof. The remainder of the roof is occupied by various mechanical equipment.
 - viii) Balconies are located on floors 2 – 8 and they will be finished with 2' x 2' precast concrete pavers or equal.
8. Exterior Entrance:
 - i) Exterior Doors and Frames: Painted steel and Glass.
 - ii) Vestibules: Main Lobby.
 - iii) Railings: N/A.
 - v) Lighting: Area Lighting will be provided at building entrances.
9. Service Entrance:
 - i) Doors and Frames: Painted finish steel and Glass.
 - ii) Canopies: Painted finish steel and Glass or equal.
10. Roof and Roof Structures: Spec to be Duro-last.
 - i) Material: Monolithic waterproofing membrane 50 mil Duro-Last membrane.
 - ii) Insulation: 2" "Styrofoam" R-20 Insulation Board with R-value of minimum 19 or approved equal. Such R-values are standard and customary in new construction.
 - iii) Surface Finish: 2'x2' precast concrete pavers and gravel, or equal & planting.

- iv) Bond of Guarantee: Duro-Last, 20 Year Watertight Warranty covering every component in the system.
- v) Flashing Material: zinc or anodized aluminum.
- vi) Drains: There are multiple roof drains provided, adequate for area drainage of the roof, which are connected to internal leaders. The roof drains are duco cast iron, and are piped to cast iron roof leaders located within the building envelope.
Adequate drains are also provided for each residential terrace.
- vii) Bulkheads: Stair, elevator and mechanical bulkhead exterior walls will consist of a 8" cavity wall: open joint rainscreen and a nominal 6" interior concrete block.

11. Yards and Courts:

- i) Rear yard – bluestone pavers, sod plantings & gravel.

12. Interior Stairs:

- i) Stairs 1 through 4 are egress stairs. Stair 1 services the ground through roof. Stair 2 services the cellar through the roof. Stairs 3 and 4 service the cellar and ground floor.
- ii) Enclosure: Egress stairs will be enclosed with 2 hour rated block partitions and painted along with 2 hour rated shaftwall construction.
- iii) Stair Construction: All egress stairs will be cast-in-place concrete construction unless otherwise noted.
- iv) Guard Rails: Painted steel.
- v) Units 1, 4 and 8 will have convenience stairs. The stair in Unit 1 is to be a straight traditional stair (not spiral); the stair is to be steel, wood and glass. The stair in Unit 4 is an L shaped stair (not spiral); the stair is to be steel and glass. The stair in Unit 8 is a semi-curved/straight stair (not spiral); is to be steel and wood.

13. Interior Doors and Frames:

- i) Unit Entrances: The apartment entrances shall be hollow metal and will meet the New York City Building Code requirement. The apartment interior doors shall be solid core wood doors with solid wood frames.
- ii) Corridor Doors and Frames: All doors and frames shall be hollow-metal and will meet the New York City Building Code requirements.
- iii) Stair Doors and Frames: All doors and frames shall be hollow-metal and will meet the New York City Building Code requirements.
- iv) Roof Doors and Frames: These doors and frames shall be hollow-metal and will meet the New York City Building Code requirements.

14. Elevators:

- i) There will be one passenger elevator (PE #1) servicing the Residential Units.
- iii) The elevator manufacturer will be Holister Whitney or approved equal.

- iv) The elevator shall have a capacity as follows:
PE #1 2500# Capacity.
 - v) The type of operation for PE #1 will be as follows:
Simplex Selective Collective.
 - vi) The elevator type of controls will be Microprocessor variable voltage – variable frequency.
PE #1= Motion Control, Elevator Controls, Computerized Elev. Controls.
 - vii) The elevator will have stops at floors as follows:
PE #1: Floors – Cellar ground, 1st Floor, 2nd Floor, 3rd Floor, 4th Floor, 5th Floor, 6th Floor, 7th Floor & 8th Floor.
 - viii) The elevator speeds are as follows:
PE #1: 350 FPM.
 - ix) The elevator machine types will be as follows:
PE #1: Geared Traction.
 - x) The Elevator doors will be as follows:
PE #1: Single Panel Side Sliding.
 - xi) The elevator machine rooms are located as follows:
PE #1: Overhead at Roof Level.
 - xii) Elevator Machine Room is adequately insulated and isolated
15. Elevator Cabs (PE #1)
- i) The elevators cab will be manufactured by Holister Whitney with ESI controls.
 - ii) Finishes: Floors - White oak wood; Walls – Millwork paneling.
 - iii) Ceiling: Millwork paneling.
 - iv) Alarm & Intercom System: An electric signal bell will be provided in the elevator shaft at the lobby and under the elevator cab platform. The bell will be connected to the alarm and stop button in the cab operating panel.
 - v) Fireman Service Phase I & II.
16. Exterior Fire Escapes
- i) Fire escapes: None

J. Auxiliary Facilities

1. Refuse Disposal

- i) Incinerators: None.
- ii) Compactors: There will be one refuse chute and compactor servicing the residential units. The compactor shall be Royal-Pak or approved equal, located in the cellar.
- iii) Approvals: None required.
- iv) Storage Location: The compacted bags will be stored in the Compactor Room at cellar.
- v) Building personnel collect compacted refuse and deposit compacted

refuse curbside for pick up by NYC Department of Sanitation.

2. Amenities

- i) All Residential Units will have an individual clothes washer / dryer. Model number: WM2801HWA LG washer; DLGX2802W LG dryer or equal.

K. Plumbing & Drainage Fire Protection

(1) Water Supply;

- (i) A 3" domestic cold water service with a curb valve is connected to the street water main in Bond Street. The service line is extended to the Water Meter Room located in the cellar. The service is supplied with a meter assembly and backflow preventer.
- (ii) The water pressure is to be boosted by means of a new automatic duplex constant pressure booster system located in the cellar. The new booster system shall contain duplex pumps, a pneumatic pressure tank and automatic pressure controls to maintain water pressure within code required limits.
- (iii) The residential metered cold water supply is extended to a backflow preventer. The cold water supply serves the duplex domestic water booster pumps.
- (iv) Domestic water shall be distributed throughout the building via new mains, branches and risers.
- (v) Domestic hot water for the Building shall be provided by duplex indirect water heaters using boiler water as source of heat.
- (vi) The hot water piping system is a up-feed supply. The cold water piping system is a up-feed supply. The end of each hot water riser is provided with a hot water circulation riser and extends and connects to the hot water circulation distribution main.
- (vii) The hot water circulation distribution main collects all the circulation risers and extends back to the hot water heaters.
- (viii) The hot water circulation main is equipped with a circulation pump.
- (ix) The domestic hot water temperature to all fixtures will be 110 deg. F.
- (x) Flow conservation devices are provided on all water supplies to all showers.
- (xi) Backflow preventers and vacuum breakers are provided as required to protect the domestic water supply.
- (xii) Air chambers are provided at the top of all risers and throughout the piping systems to prevent water hammer.
- (xiii) The cold, hot and hot water circulation piping 2" and less is copper Type 'L' with 95-5 solder joints. Piping 2-1/2" and larger is copper Type 'L' with silver brazed joints.
- (xiv) The cold water service is ductile iron, cement lined and combined fire standpipe/sprinkler service is ductile iron, cement lined.
- (xv) All water risers are provided with valves.
- (xvi) Expansion compensators and loops are provided on hot and hot water circulation piping systems.
- (xvii) The water pressure in the cold, hot and hot water systems to fixtures are limited to 85 psig by means of a pressure reducing valve.

- (xviii) Water conservation plumbing fixtures are provided.
- (xix) 30 psi at all fixtures from duplex constant pressure booster system located in cellar.

(2) Fire Protection System;

- (i) A 6" sprinkler service from Bond Street serves an automatic fire pump. The fire pump capacity is 500 GPM and is provided with a jockey pump to maintain pressure in the systems.
- (ii) The fire protection system is a single zone system.
- (iii) The automatic fire pump supplies combined fire standpipe and sprinkler riser located in the stairs. The riser will serve each floor. The pipe material is Black Iron, Schedule 40, rolled grooved and threaded.
- (iv) Sprinklers are provided throughout the building except for residential toilet rooms and clothes closets. In addition, the refuse chute on every other floor starting with the top floor is provided with a sprinkler head, and on each vestibule chute area a head is provided. The entire building protected with a wet sprinkler system. The sprinkler system is supplied from the combined fire standpipe and sprinkler system.
- (v) The fire pump system provides adequate water pressure to serve the refuse chute sprinkler heads and the entire wet sprinkler system.
- (vi) Approved type sprinkler heads are used in the refuse chute. Upright, pendent, sidewall and flush type heads are provided in all other areas. In all unfinished area without ceilings, bronze type heads are provided. In all finished areas with hung ceiling, the heads are flush type concealed heads with plates. Approved sidewall type heads are also provided in residential units. The sprinkler system is designed for light and ordinary hazard occupancy.
- (vii) The secondary source of water supply is not required for a J-2 occupancy.
- (viii) Hose racks, hoses and nozzles: New 2 1/2" hose valves shall be provided on each floor. Hoses with New York City approved nozzles shall be stored in a locked cabinet in the building lobby as per NYC Code for J-2 occupancies.
- (ix) Siamese connection: A combination standpipe/sprinkler Siamese connection is located at Bond Street.

(3) Water Storage Tank; N/A

(4) Water Pressure;

- (i) Domestic water pressure is maintained by a duplex booster water pump system to provide a minimum of 30 psi at all fixtures.

(2) Sanitary Sewage System;

- (i) A complete sanitary drainage system conveys all soil and waste from plumbing fixtures, drains and equipment with connection to public combined sewer. The sanitary system is designed for gravity flow through vented branches, stacks and building drains. Drainage piping to fixtures located in the cellar area flow by gravity to a duplex 75 gpm each sewage ejector. The ejector discharge pipe connects on the downstream side of the building's sanitary house trap.

- (ii) Sanitary piping above ground is cast iron piping with no-hub fitting and galvanized steel pipe. Piping below grade is cast iron service weight pipe hub and spigot.
 - (iii) The 8" combination sanitary and storm drainage flows to the Bond Street city public sewer system.
- (3) Permits Required. Permits and approvals to be delivered on closing by the developer for;
- (i) Plumbing, water and gas.
 - (ii) Sprinkler.
 - (iii) Standpipe.
- (4) Storm Drainage System;
- (i) A complete storm water drainage system designed for gravity flow conveys storm water drainage from the building roof and all paved areas.
 - (ii) In the elevator pit a submersible sump pump equipped with oil sensor is provided.
 - (iii) An independent storm house sewer connects and combines with the sanitary house sewer at the foundation wall and connects to the public combined sewer in Bond Street. There are no catch basins on the site.
 - (iv) There is at least one (1) drain for each roof or paved drainage area.
 - (v) The piping material above the floor is cast iron with no-hub joints are galvanized steel. Piping below the cellar slab is cast iron. Sewage ejector discharge piping are galvanized steel pipe.
- (8) Insulation:
- (i) Insulate water piping, valves with 4 lb. density fiberglass one piece molded sectional pipe covering. Maximum K factor: 0.23 at 75°F mean.
 - (ii) Fire retardant all service jacket on pipe insulation. Maximum flame spread and Smoke rating 25/50.
 - (iii) Valves and fittings: premolded fiberglass fittings or radical mitered segments of pipe insulation taped on, insulating cement, fiberglass reinforcing cloth, and mastic.
Vapor seal insulation on CW piping. Thickness same as required on piping.
 - (iv) CW piping: ½ in. thick fiberglass sectional pipe covering with vapor barrier jacket.
No staples permitted.
 - (v) HW (and HWR) piping: 1 in. fiberglass sectional pipe covering.
 - (vi) Provide sweat proofing on drainage piping, as noted, for insulation on CW piping, using the next larger diameter covering over hubs for horizontal storm water drains and drainage piping from ice maker floor drains, provide between fixture and stack.

L. Heating

(1) Method;

- (i) The heating system of the building consists of modular, condensing type, natural gas-fired hot water boilers and via hydronic radiant piping.

(2) Heating:

(i) Building heating is accomplished via gas fired hot water boilers, and heating hot water circulation system located in the at roof level mechanical room, and which serve the entire building. Heat will be distributed within the residential units via radiant floor. A multi-zone controller with radiant manifolds and radiant tubing embedded in the floor construction distributes and controls heat in each Residential Unit. The common areas are heated via electric heaters to include basement utility rooms, and elevator machine room. All heating equipment is per the NYS Energy Conservation Construction Code - the minimum indoor comfort temperature of 72 degrees F. can be achieved when the minimum outdoor temperature of 13 degrees F. is reached. The variable refrigerant flow (VRF) heat pump system will also serve as a supplementary heating system for the residential units. The VRF system with a backup electric coil will provide the heating for the Lobby.

(ii) Number of heating boilers and description:

Three (3) gas fired boilers for the entire building. The equipment is located in the Boiler Room.

(iii) Manufacturer and age of boiler(s): The three (3) new boilers, Hydrotherm Model KN-4 as manufactured by Hydrotherm or equal.

(iv) Manufacturer and age of burners: New burner, supplied with boiler by Burnham or equal.

(v) Type of controls: Controlled via boiler controls includes supply water temperature sensor; reset based on outside air temperature and boiler lead lag controls provided by Hydrotherm or equal.

Zone controller manufactured by Watts Radiant and zone valves and actuator as manufactured by Belimo actuators provide zone control for each residential unit or equal.

(vi) Radiators, piping, insulation, valves, and pumps: Heating of the Units will be via radiant floor system with radiant tubing embedded in floor construction with circulating hot water to radiant floor loops. All radiant floor elements will have shut-off valves, zone control valves and all piping will be insulated with piping insulation per NYS Energy Code.

(3) Gas supply:

(i) Type: Natural Gas - Utility supplied from street (Con Edison).

(ii) Meters: Two house meters. One is tracking cooking gas, gas for dryers and fire places and other is tracking gas consumption for building heat and domestic hot water heating

(iii) Piping: Black steel piping, Schedule 40.

(4) Heating of Public Space;

- (i) The heating of public spaces: The building Lobby is heated by VRF heat pump with electric backup coil.

M. Gas Supply

- (1) Type- Gas service is provided for cooking ranges, dryers, fire places, and boilers.
- (2) Meters- There will be one (1) common meter for apartment gas cooking ranges, dryers and fire places there will be one (1) meter for building heating and domestic hot water heating via boilers.
- (3) Piping - material is black steel pipe. Schedule 40 with threaded malleable iron fittings.

N. Air Conditioning

(1) Type of System: Each Residential unit is provided with variable refrigerant flow (VRF) heat pumps to provide cooling and heating. The condensing unit is located on roof and the evaporator units are located in ceiling in each residential unit.

Condensing units have internal vibration isolation, as well as neoprene-pad mounts.

Dedicated VRF heat pump is provided with condensing unit located on roof and the evaporator units are located in ceiling to serve common spaces such as Lobby. The Elevator Machine Room is provided with wall mounted evaporator units.

All cooling equipment is designed as per the NYS Energy Conservation Construction Code; the minimum indoor comfort temperature of 75 degrees F. can be achieved when the maximum outdoor temperature of 89 degrees F. is reached.

(2) Manufacturer & Capacities: The manufacturer of the variable volume refrigerant flow (VRF) heat pumps is Daikin. The capacities offerings for outdoor and indoor units are tabulated below.

Outdoor Units

Daikin (Model #)	Daikin Outdoor Unit Capacities
RXYQ144PATJ	144,000 Btuh
RXYQ108PATJ	108,000 Btuh
RXYQ96PATJ	96,000 Btuh
RXYQ72PATJ	72,000 Btuh
RXYMQ36PVJU	36,000 Btuh
RXS12DAVJU	12,000 Btuh
RXS15OVJU	15,000 Btuh

Indoor Units

Daikin (Model #)	Daikin Outdoor Unit Capacities
FXMQ18PVJU	18,000 Btuh
FXMQ48PVJU	48,000 Btuh
FXMQ36PVJU	36,000 Btuh
FTXS12HVJU	12,000 Btuh
FXMQ12PVJU	12,000 Btuh
FXMQ24PVJU	24,000 Btuh
FXMQ07PVJU	7,500 Btuh
FXTQ18PAVJU	18,000 Btuh
FTXS15HVJU	15,000 Btuh

(o) *Ventilation.*

(1) Kitchens are equipped with a hood and are vented directly through a shaft. Bathrooms and dryers are exhausted to the roof. One (1) variable speed exhaust fan will draw air from the kitchens; one (1) exhaust fan will draw air from the bathrooms. The gas service and meter room is provided with passive ventilation as required by code. The boiler room is provided with exhaust for ventilation as required by code. The trash room is provided with cooling only.

(2) Dryers are exhausted to the roof directly through a shaft. One (1) variable speed exhaust fan will draw air from the dryers

O. FirePlace

Gas-fired fireplaces are to be provided. Make and model to be Montigo Fireplace #H38PRC. Hearth to be bluestone & sheetrock or equal and screening to be glass. The surrounds and apron are to be bluestone & sheetrock.

P. Electrical

(1) Electric service will be provided by Con Edison Co. at 208/120V, 3-phase, 4-wire and ground to the service end box located within the building electrical room.

(2) Service: Con Ed will provide 1,500 amps per phase per half hour for house (common loads) and residential units' electrical requirements.

(3) Residential Unit Service;

- (i) Electric service to apartments will be 200 amp, 208/120V, 3-phase, 4-wire.
- (ii) Electric service will be supplied to each residential unit and is individually and directly metered by Con Edison.
- (iii) 200 amp, 208/120V, 3phase, 12-pole load center in electric room and 100 amp, 208/120V, 3 phase 30-pole sub-panel in each residential unit will be provided. A separate 50amp 208/120V 3 phase riser to the roof from their electric service is provided for each apartment's air conditioning needs.
- (iv) 4th & 5th floors have one 400amp 208/120v 3 phase meter & panel in electric room.

The main service equipment is fusible switches as required by code; 800 amp or larger ampere switches are bolted pressure switches for service use. Main fuses vary in rating. The size of fuses is to suit the loads served.

(4) Adequacy,

- (i) All residential units are designed with the proper number of wall receptacles, switches, appliance receptacles, etc. as required by the National Electrical Code and NYC Amendments.
 - (ii) Switches and lighting fixtures are provided in bathrooms, walk-in closets, foyers and kitchens, switched receptacles are provided in bedrooms, and living rooms. Fixtures are incandescent type in foyers, dining areas, and walk-in closets and kitchens. Apartment corridor lights are compact fluorescent.
 - (iii) 20 amps, 120V circuits are provided to handle lighting and general purpose receptacles.
 - (iv) 20 amps, 120V circuits are provided in the kitchen area for 120V kitchen appliances. Each appliance outlet above counter will be ground-fault circuit-interrupter type.
 - (v) 20 amps, 120V circuits in the bedrooms area are provided with arc-fault type circuit breakers in the apartment load centers.
 - (vi) 208V, 3-phase service is provided to all motors ½ hp and larger and 120V, 1-phase for smaller motors.
 - (vii) 20 amps, 120V single phase circuit for dishwashing machines and 50 amps, 208V single phase circuit for ovens are provided.
 - (viii) 20 amps, 120V single phase circuits are provided for washer and gas dryer units.
 - (ix) Receptacles are provided in all rooms (average five (5) per room). Ground-fault circuit-interrupter type receptacles are provided in bathrooms adjacent to the wash basin.
- A. Combination carbon monoxide smoke detectors are provided within the immediate vicinity (15 feet) outside of each sleeping area and within each sleeping area of the apartment units and hard wired at 120 volt to the electrical load center in the apartment. These detectors will also have battery back up and built in sounders, as required by code.

Q. Telephone System and Television Facilities

(1) Telephone/Internet

- (i) Verizon or Time Warner shall install and maintain telephone and internet service entering the Main Distribution Frame room at the basement level.
- (ii) Every Unit Owner will be required to pay their associated telephone charges and initial charges for activating individual outlets in the Unit.
- (iii) The telephone charges with respect to the public areas of the Building (such as the concierge's desk, resident manager's office, maintenance offices and shops, etc.) will be borne by all Unit Owners as a common expense.

(2) Cable Television

- (i) Verizon or Time Warner shall install and maintain cable entering the Main Distribution Frame room at the basement level.
- (ii) Every Residential Unit Owner who desires to obtain such service will be required to pay the cable company for activating the wiring in their. Thereafter, the Unit Owner will be required to pay a monthly service charge to such service provider, which will vary depending upon the services subscribed to by the Unit Owner.

Intercommunication and/or door signal systems, security closed circuit TV

- (1) An intercom system communicating between the front door/lobby and all individual residential units will be provided.
- (2) A closed circuit security television system recording/monitoring public entrance doors within the residential building will be provided.

R. Public Area Lighting

- (1) All lighting in the common areas except the vestibule and lobby is ceiling and/or wall mounted incandescent or fluorescent fixtures. Lighting for the vestibule and lobby is pendant ceiling mounted chandeliers and ceiling mounted fluorescent cove lighting.
- (2) Lighting in cellar mechanical spaces and storage rooms is industrial type fluorescent lighting with integral emergency battery packs providing at least 90 minutes of backup time.
- (3) System smoke and heat detectors are provided in areas where required by the NYC Building Code and authority having jurisdiction. These detectors will be connected to the building's sprinkler alarm control panel, which will transmit the signal to the central office.
- (4) Inspections;
 - (i) Conducted concurrently with construction with final sign-off at the issuance of the Certificate of Occupancy:
 - (a) NYC Department of Buildings.
 - (b) Elevator.
 - (c) Mechanical and Plumbing
 - (d) Boiler.
 - (e) Compactor.
 - (h) Electrical.
 - (i) Fire Department.

S. Garage

None

T. Swimming Pool

None.

U. Communication and Security Service

A closed circuit TV system shall provide security at selected areas with monitors at the concierge station.

V. Violations

All violations shall be cleared prior to the issuance of the permanent Certificate of Occupancy.

<u>Violation Number:</u>	<u>Date:</u>
111-721-21Y	
002-66061J	10/08/2010
002-657-25Z	11/05/2010
002-660-70L	10/25/2010
382-130-36H	10/18/2010
042710C0301WW	04/27/2010
348-019-86R	09/29/2009
348-01987Z	
000-262-547L	
177-038-566	08/20/2010

W. Residential Unit Information

1. There will be 7 Residential Units.
2. Ceiling heights in the Residential Units may range between 8'-6" and 11'-0" and varying from floor to floor. Ceiling heights in foyers, kitchens, powder rooms and bathrooms will be approximately 8'-0" to 10'-0". Ceiling heights in the public corridors will be approximately 8'-0". At beam drops and/or where there are concealed mechanical pipes or ducts or dropped ceilings, heights may be lower than the above stated heights and may also vary from room to room.
3. Finish Schedule: (All of the below or equal shall be provided)

All Apartments:

Flooring: Admonter Classic White Oak (Rustic)

Walls: Gypsum wallboard, primed and painted white

Ceilings: Gypsum wallboard, primed and painted white

Baseboard, Door and Window Trim: Painted wood with reveal

Typical Kitchen:

Kitchen Cabinetry: Custom white cabinets with white Caesarstone countertop or equivalent

Typical Bathroom:

Floors: Ceramic tile.

Walls: Ceramic tile, gypsum wallboard, primed and painted white

Ceiling: Gypsum wallboard, primed and painted white

Shower: Ceramic tile floor/Walls over rubber shower liner

Lobby & Vestibule:

Floors: Bluestone pavers

Walls: Bluestone, Concrete board, gypsum wallboard, primed and painted white

4. Fixture Schedule: (All of the below or equal shall be provided)**Kitchen**

Kitchen Refrigerator: Sub-Zero BI-36 U/O

Kitchen Dishwasher: Bosch 24" Integra 500 Series #SHX45P05UC

Kitchen Stove: Wolf Range R366

Kitchen Range Hood: Gaggenau AH 900 791

Kitchen Microwave: Sharp under-counter microwave #KB-6525 PW

Kitchen Faucet: Dornbracht #20815892 + 27718970

Kitchen Sink: Houzer NVS-5100

Kitchen Garbage Disposal: Insinkerator Evolution Coverage Control

Laundry Room:

LG Steam Washer #WM2801HWA

LG Steam Dryer (Gas) #DLGX2802W

Typical Powder Room

Water Closets: Toto Carolina Toilet # MS884114

Lavatories: Duravit Washbasins (Scola) # 068560

Faucet: Hansgrohe Lavatory Mixer (Axor Uno) #38000XX1

Typical Bathroom

Water Closets: Toto Carolina Toilet # MS884114

Lavatories: Duravit Washbasins (Scola) # 068560

Faucet: Hansgrohe Lavatory Mixer (Axor Uno) #38000 XX1

Bathtubs: Duravit D code #700095

Bath/Shower Controls: Dornbracht #36905892

Bath Spout: Axor Uno Tub Spout #38410XX1

Showerhead: Dornbracht #28508979

Master Bathroom

Water Closets: Toto Carolina Toilet # MS884114

Lavatories: Kohler Kathryn under counter lavatory K-2297

Faucet: Dornbracht #22513892

Bathtubs: WetStyle #BBE01

Bath spout / Controls/Hand Shower: Dornbracht #25 133892

Shower Controls: Dornbracht #36416979 + 2x 36310892

Hand Shower: Dornbracht #27802892

Showerhead: Dornbracht #28579970

5. Light Fixtures: Ambient Lighting shall be provided in Foyers, Living Rooms, Bathrooms, Kitchens and Closets.

6. All construction within the units and/or roof terraces by Residential Unit Owners shall be subject to approval by the condominium board and subject to the provisions of Title 26, and Title 27 of the Administrative Code of New York City.

X. Substitutions

The Sponsor reserves the right to substitute manufacturers, materials, appliances, fixtures, finishes and equipment of equal or better quality than those set forth in this report.

Y. Safety and Warning Devices

1. Apartment Smoke/Carbon monoxide Detection System.
2. Each apartment will contain a combination smoke/carbon monoxide detector located in the immediate vicinity (15 feet) of the sleeping areas and within each sleeping area. The detectors are wired to a 120-volt local power supply and are self-contained with their own sounding device.
3. A smoke detection and sprinkler alarm system (life safety system) shall be installed complete with water flow and tamper switches and central station reporting. Smoke detectors are to be installed in all mechanical rooms (electrical, gas meter room, telephone room, compactor room, elevator machine room, and chiller/pump room) and in all elevator shafts connected to the building smoke detection and sprinkler alarm system.

Z. Additional Information

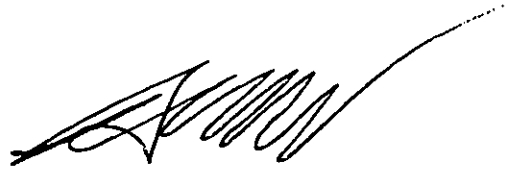
Dimension of Units:

The square foot area of the Units set forth in the floor plans, Schedule A to the Offering Plan and Schedule B to the Declaration are approximate and were obtained by using the method customarily used in New York City to measure rental, cooperative and condominium apartments. The units were measured from the exterior side of the exterior walls (perimeter columns and mechanical pipes/ducts/shafts are not deducted) to the midpoint of the interior walls and partitions separating one Unit from another Unit, or separating a Unit from public corridors, stairs, elevators and other mechanical equipment spaces or any Common Elements or Limited Common Elements. Any common elements located within a unit shall not be considered a part of such unit. As is customary in New York City, these square foot areas exceed the useable floor area of each Unit.

Measured vertically, each Unit will consist of the volume from the top of the concrete floor slab below (located under the finished flooring and sub-floor materials) to the underside of the concrete slab above. However, the Board, Sponsor and Sponsor's designee will each have an easement to install and maintain pipes, conduits, wires, ducts and other facilities in the space between the underside of each such floor slab and the top surface of each Unit's finished ceiling, without any need to obtain the consent of any Unit Owner with respect to the same. The clearance between the top of the concrete floor slab and the bottom of the finish ceiling in the Units is indicated in section X., but certain Units and areas within other

Units may have clearances of less than indicated in section X. to accommodate facilities located above the same or otherwise to respond to field conditions.

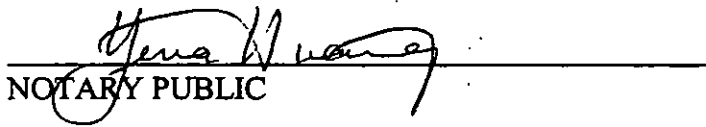
"To the best of my Knowledge, belief and professional judgment these plans and specification are in compliance with the Energy Conservation Construction Code of New York State, Using Chapter 8."



H. Thomas O'Hara, AIA

Sign before me this 10th day.

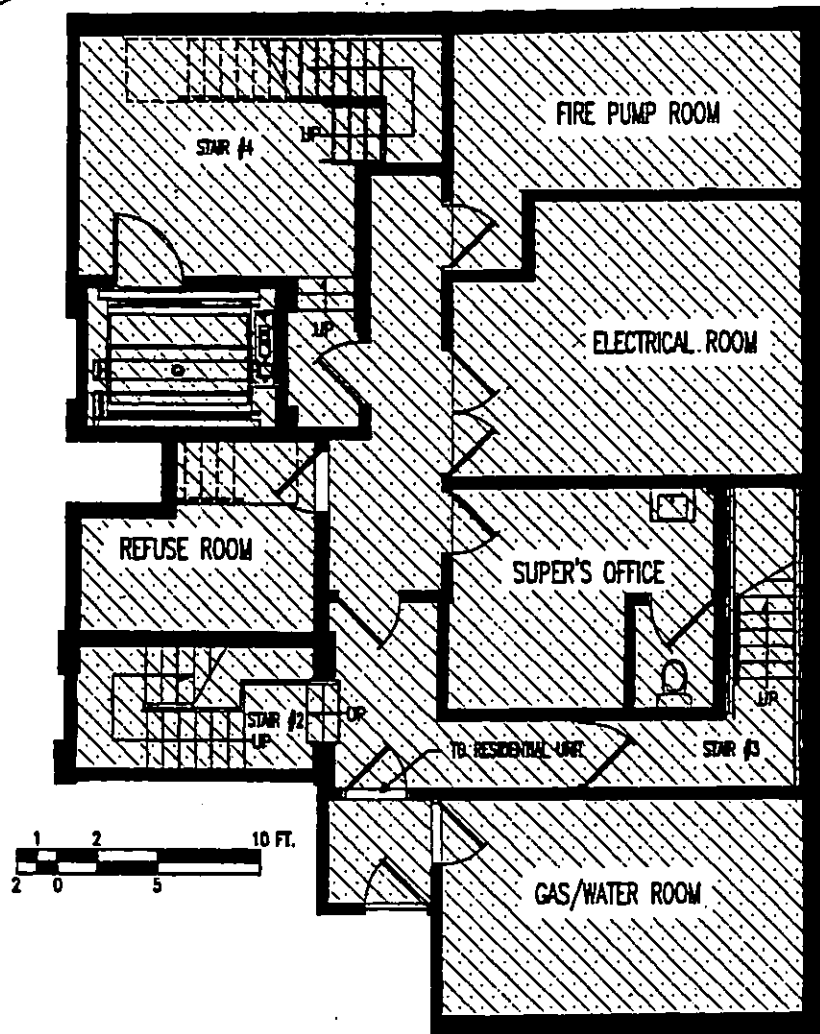
of February 20 11


NOTARY PUBLIC

YENA HUANG
NOTARY PUBLIC-STATE OF NEW YORK
No. 01HU6145819
Qualified in Queens County
My Commission Expires May 15, 2014

EXHIBIT 2A

UNIT FLOOR PLANS



Bond Street

General
Common ElementLimited
Common Element

41 Bond Street Cellar

All dimensions are approximate and subject to normal construction variations and tolerances. Dimensions are maximum overall unless noted. We reserve the right to make changes due to unforeseen conditions in accordance with the offering plan.

H. THOMAS O'HARA

ARCHITECT, PLLC

370 7th Avenue
New York, NY 10001
212 695 3117
212 695 3118 : fax

project:

41 Bond Street

drawing title:

Cellar

project number:

0903

date:

08/02/10

scale:

AS NOTED

drawn by:

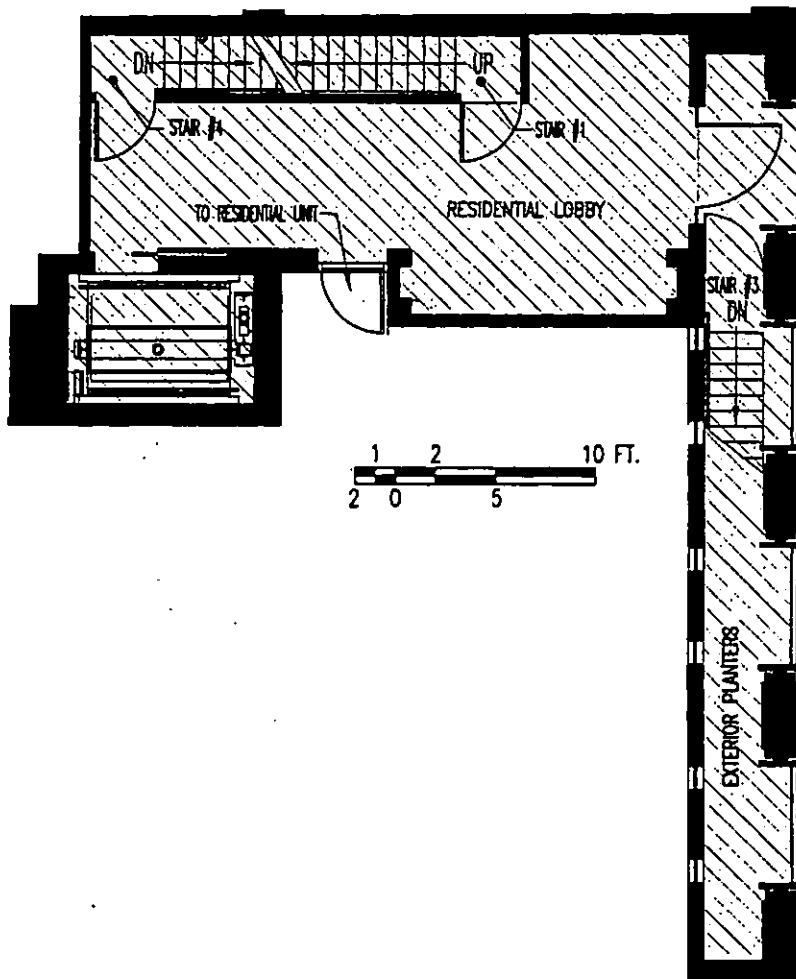
JAC

checked by:

JPM

drawing number:

CELLAR



Bond Street

General
Common ElementLimited
Common Element

41 Bond Street Residential Lobby

All dimensions are approximate and subject to normal construction variances and tolerances. Dimensions are maximum overall subtract counts. We reserve the right to make changes due to unforeseen conditions in accordance with the offering plan.

H. THOMAS O'HARA

ARCHITECT, PLLC

370 7th Avenue
New York, NY 10001
212 695 3117
212 695 3118 : fax

project:

41 Bond Street

drawing title:

Residential Lobby

project number:

0903

date:

08/02/10

made:

AS NOTED

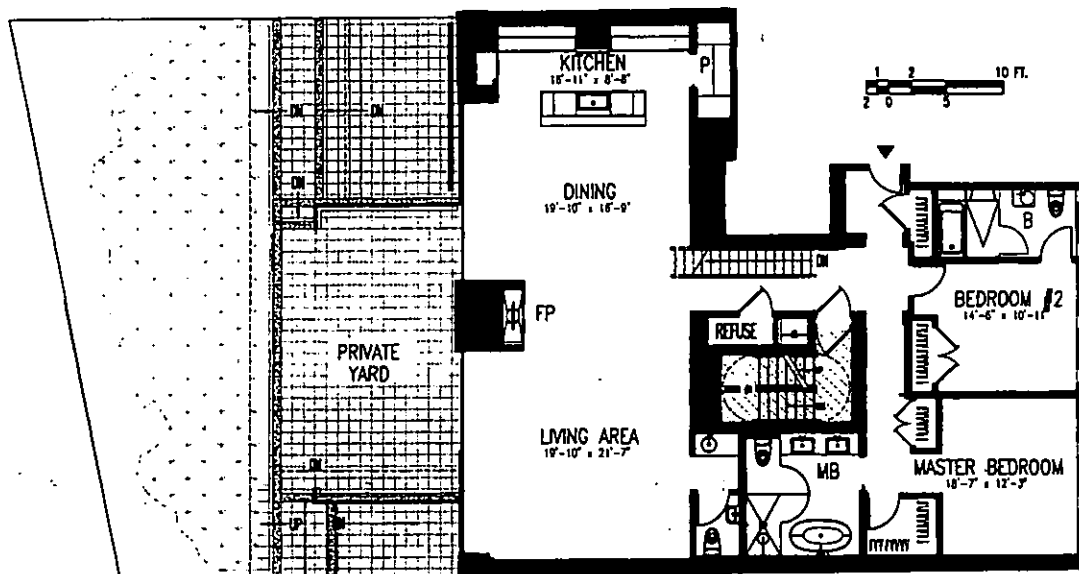
drawn by: checked by:

JMC

JPM

drawing number:

Lobby



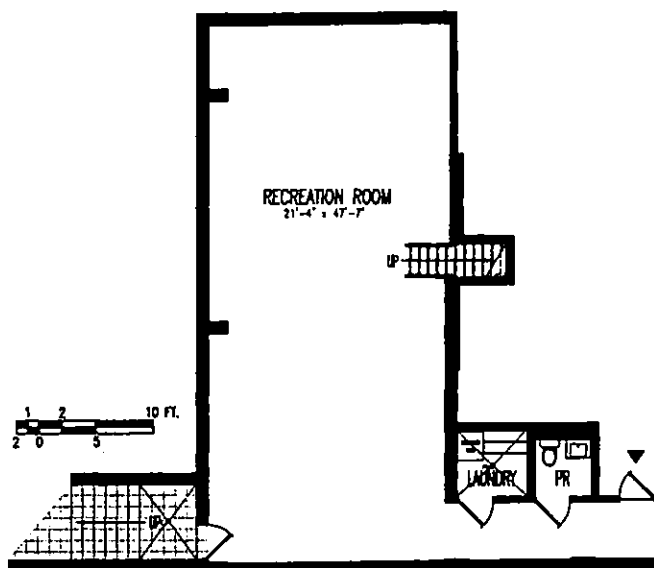
Bond Street



41 Bond Street

Residence 1 - Upper Level

2 Bedroom 2 & 1/2 Baths



10 FT.

- | | |
|--|---------------------------|
| | General
Common Element |
| | Limited
Common Element |
| | Landscaped
Yard |



Bond Street



41 Bond Street

Residence 1 - Lower Level

1/2 Bath

All dimensions are approximate and subject to normal construction variances and tolerances. Dimensions are maximum overall subarea cutouts. We reserve the right to make changes due to unforeseen conditions in accordance with the offering plan.

H. THOMAS O'HARA

ARCHITECT, PLLC

370 7th Avenue
New York, NY 10001
212 695 3117
212 695 3118 : fax

project:

41 Bond Street

drawing title:

Residence 1

project number:

0903

date:

08/02/10

scale:

AS NOTED

drawn by:

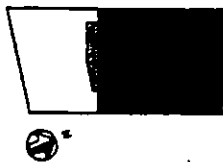
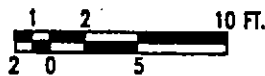
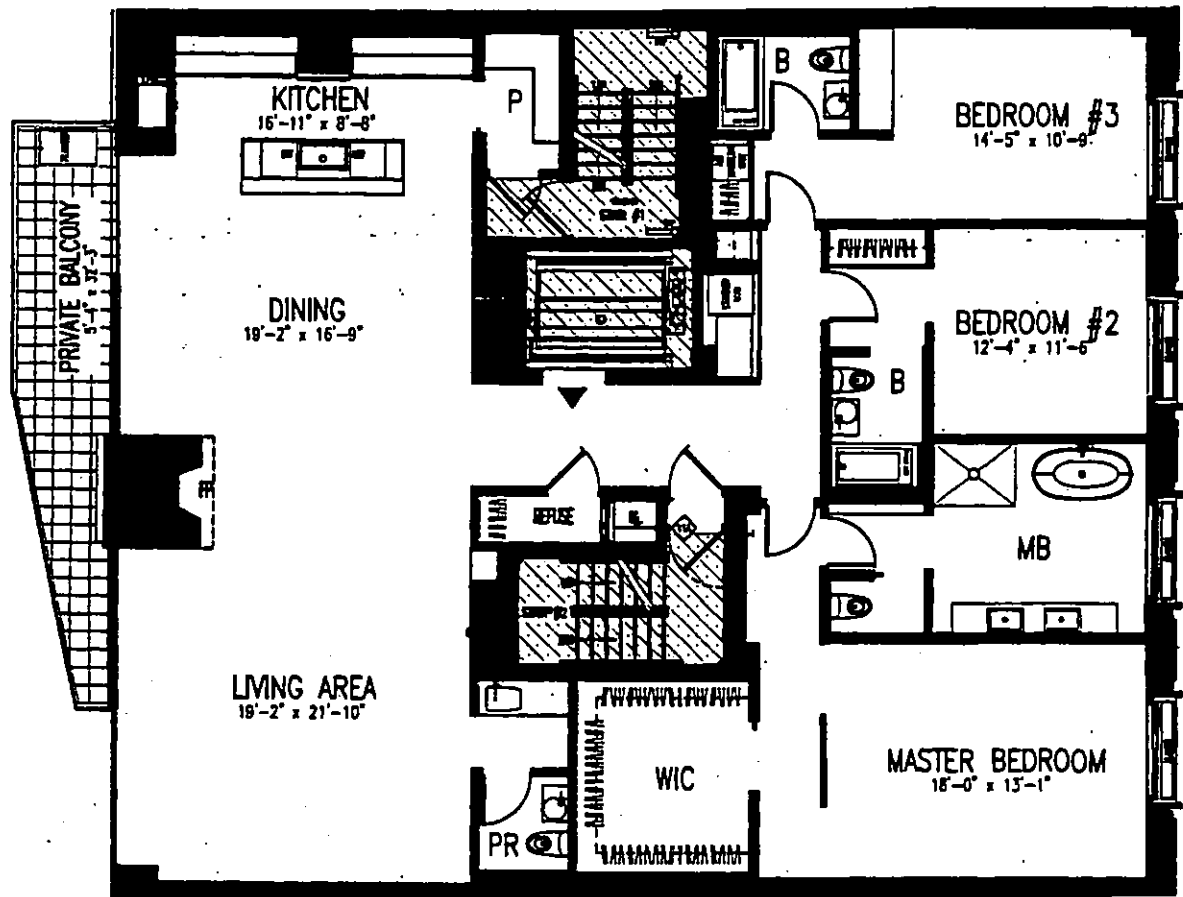
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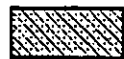
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drawing number:

1



Bond Street

General
Common ElementLimited
Common Element

41 Bond Street

Residence 2

3 Bedroom 3-1/2 Baths

All dimensions are approximate and subject to normal construction variances and setbacks. Dimensions are maximum overall subject matter. We reserve the right to make changes due to unknown conditions in accordance with the offering plan.

H. THOMAS O'HARA

ARCHITECT, PLLC

370 7th Avenue
New York, NY 10001
212 695 3117
212 695 3118 : fax

project:

41 Bond Street

drawing title:

Residence 2

project number:

0903

date:

02/02/10

scale:

AS NOTED

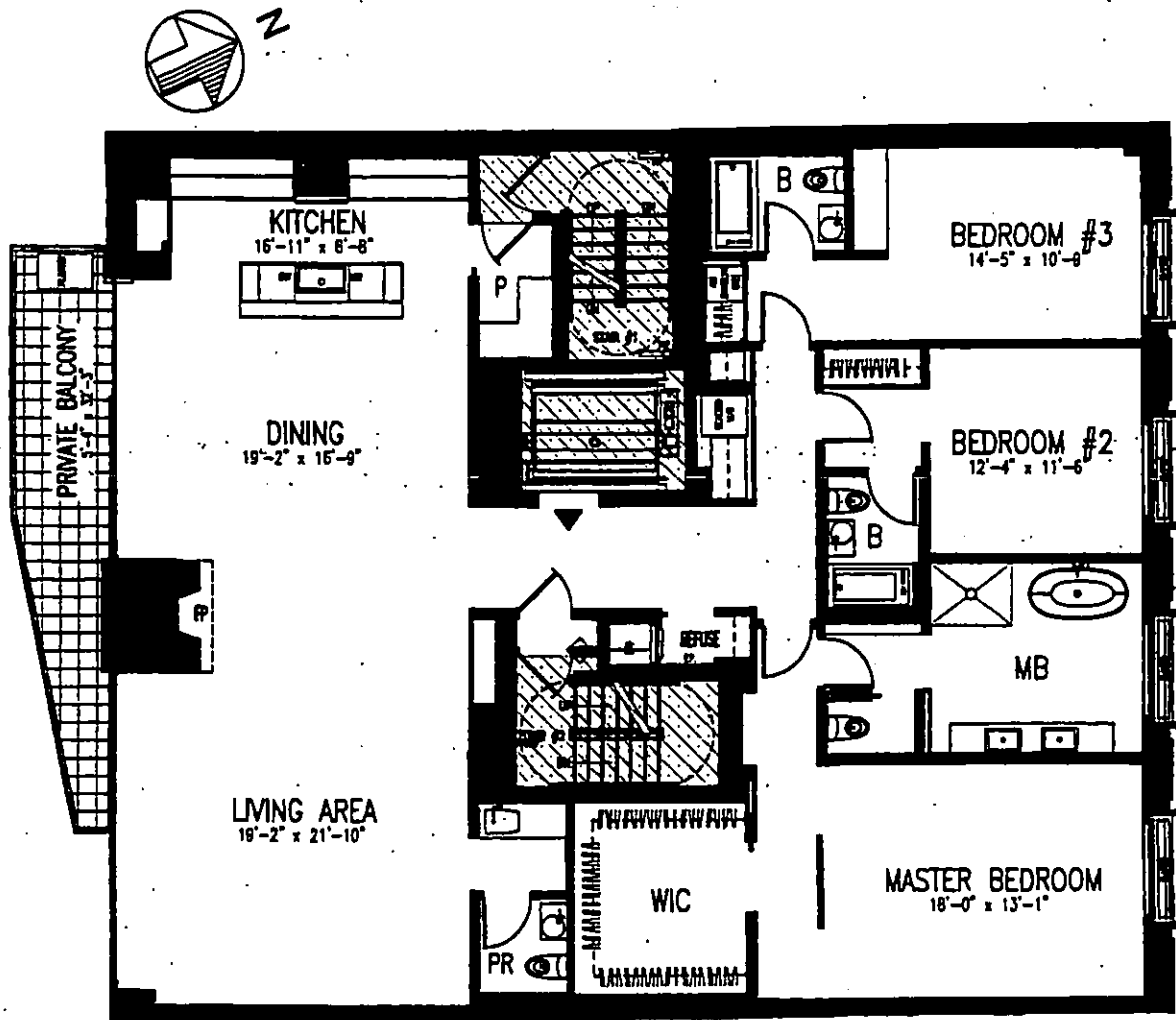
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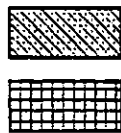
2



1 2 3 4 5 10 FT.



Bond Street



General
Common Element

Limited
Common Element

41 Bond Street
Residence 3
3 Bedrooms 3-1/2 Baths

All dimensions are approximate and subject to actual construction variances and tolerances. Dimensions are maximum overall without encroachments. We reserve the right to make changes due to unforeseen conditions in accordance with the offering plan.

H. THOMAS O'HARA

ARCHITECT, PLLC

370 7th Avenue
New York, NY 10001
212 695 3117
212 695 3118 : fax

project:

41 Bond Street

drawing title:

Residence 3

project number:

0903

date:

08/02/10

scale:

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drawn by:

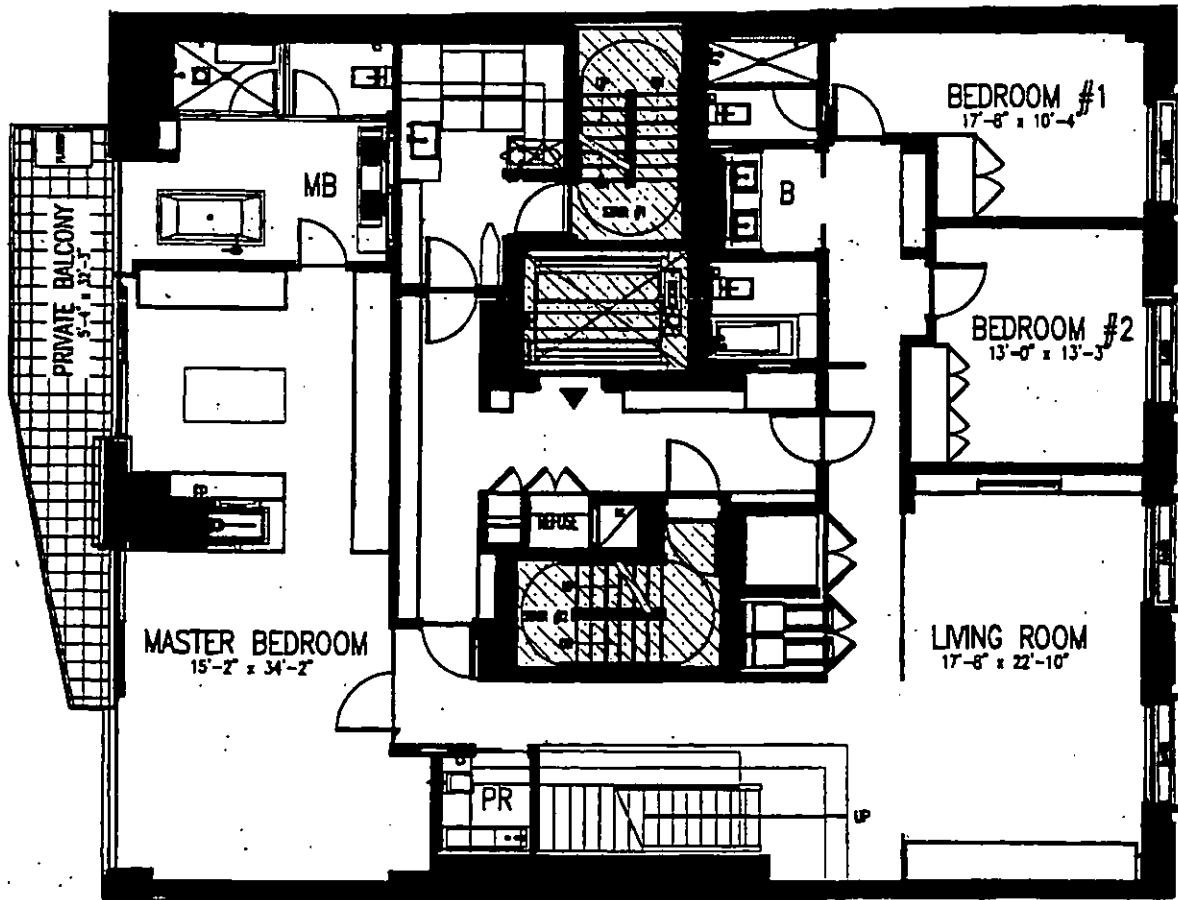
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checked by:

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drawing number:

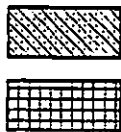
3



1 2 10 FT.
2 0 5



Bond Street



General
Common Element
Limited
Common Element

41 Bond Street

Residence 4-5 Lower Level

4 Bedroom (3) Baths & (2) 1/2 Baths

All dimensions are approximate and subject to normal construction variances and tolerances. Dimensions are maximum overall interior casings. We reserve the right to make changes due to unforeseen conditions in accordance with the offering plan.

H. THOMAS O'HARA

ARCHITECT, PLLC

370 7th Avenue
New York, NY 10001
212 693 3117
212 693 3118 : fax

project:

41 Bond Street

drawing title:

Residence 4-5

paper number:

0903

date:

08/02/10

scale:

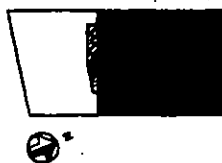
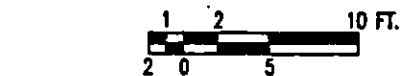
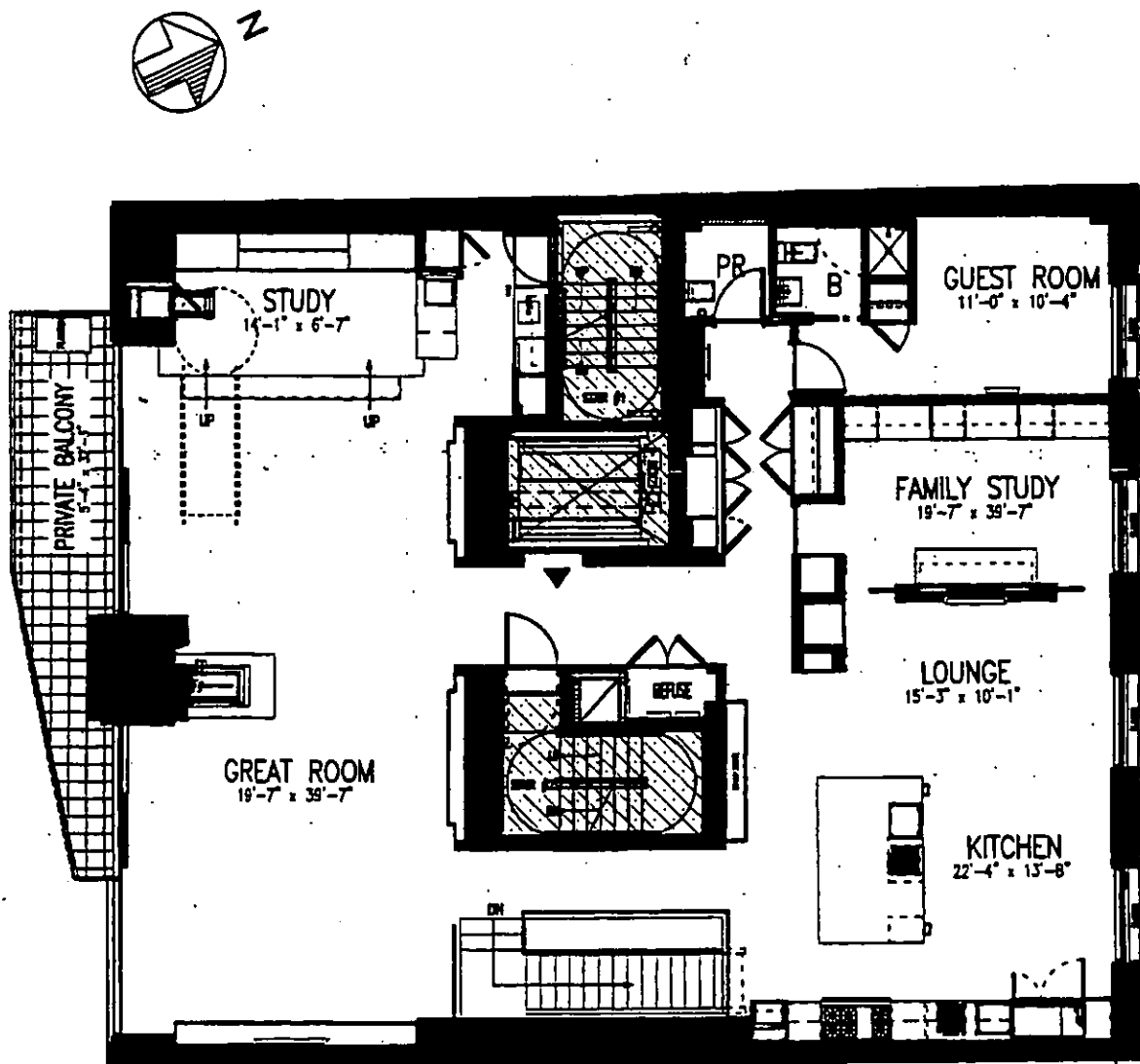
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drawn by:

JMC JPU

drawing number:

Lower



Bond Street

	General Common Element
	Limited Common Element

41 Bond Street

Residence 4-5 Upper Level

4 Bedroom (3) Baths & (2) 1/2 Baths

All dimensions are approximate and subject to normal construction variances and tolerances. Dimensions are provided overall unless noted. We reserve the right to make changes due to construction conditions in accordance with the offering plan.

H. THOMAS O'HARA

ARCHITECT, PLLC

370 7th Avenue
New York, NY 10001
212 695 3117
212 695 3118 : fax

project:

41 Bond Street

drawing title:

Residence 4-5

project number:

0303

date:

08/02/10

scale:

AS NOTED

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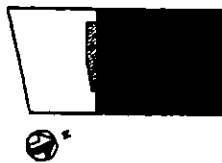
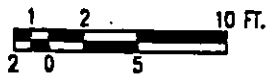
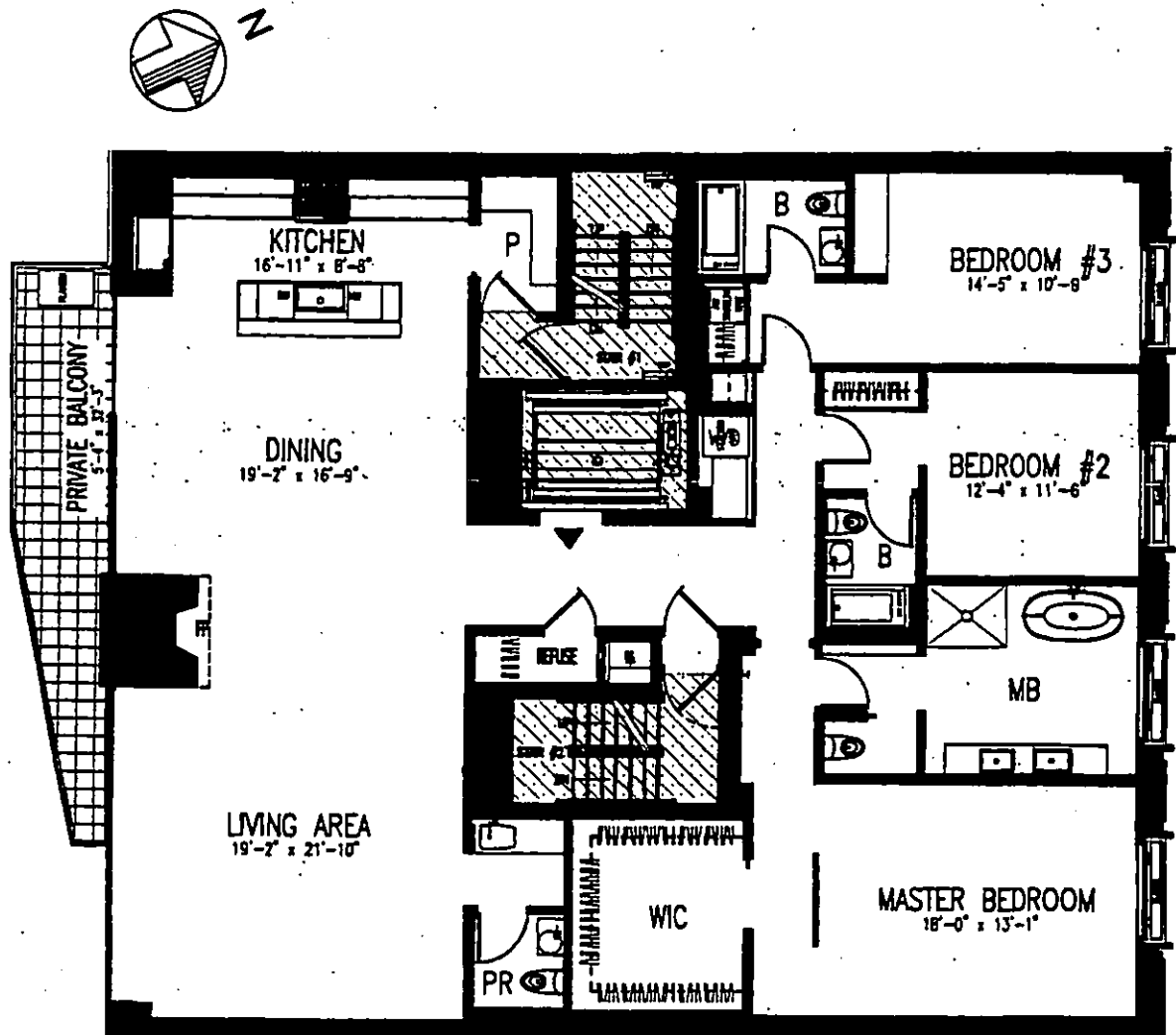
JMC

checked by:

JPM

drawing number:

Upper



Bond Street

General
Common ElementLimited
Common Element

41 Bond Street
Residence 6
3 Bedroom 3-1/2 Baths

All dimensions are approximate and subject to normal construction variations and tolerances. Dimensions are given in overall exterior corners. We reserve the right to make changes due to unforeseen conditions in accordance with the offering plan.

H. THOMAS O'HARA

ARCHITECT, PLLC

370 7th Avenue
New York, NY 10001
212 695 3117
212 695 3118 : fax

project:

41 Bond Street

drawing title:

Residence 6

project number:

0003

date:

08/02/10

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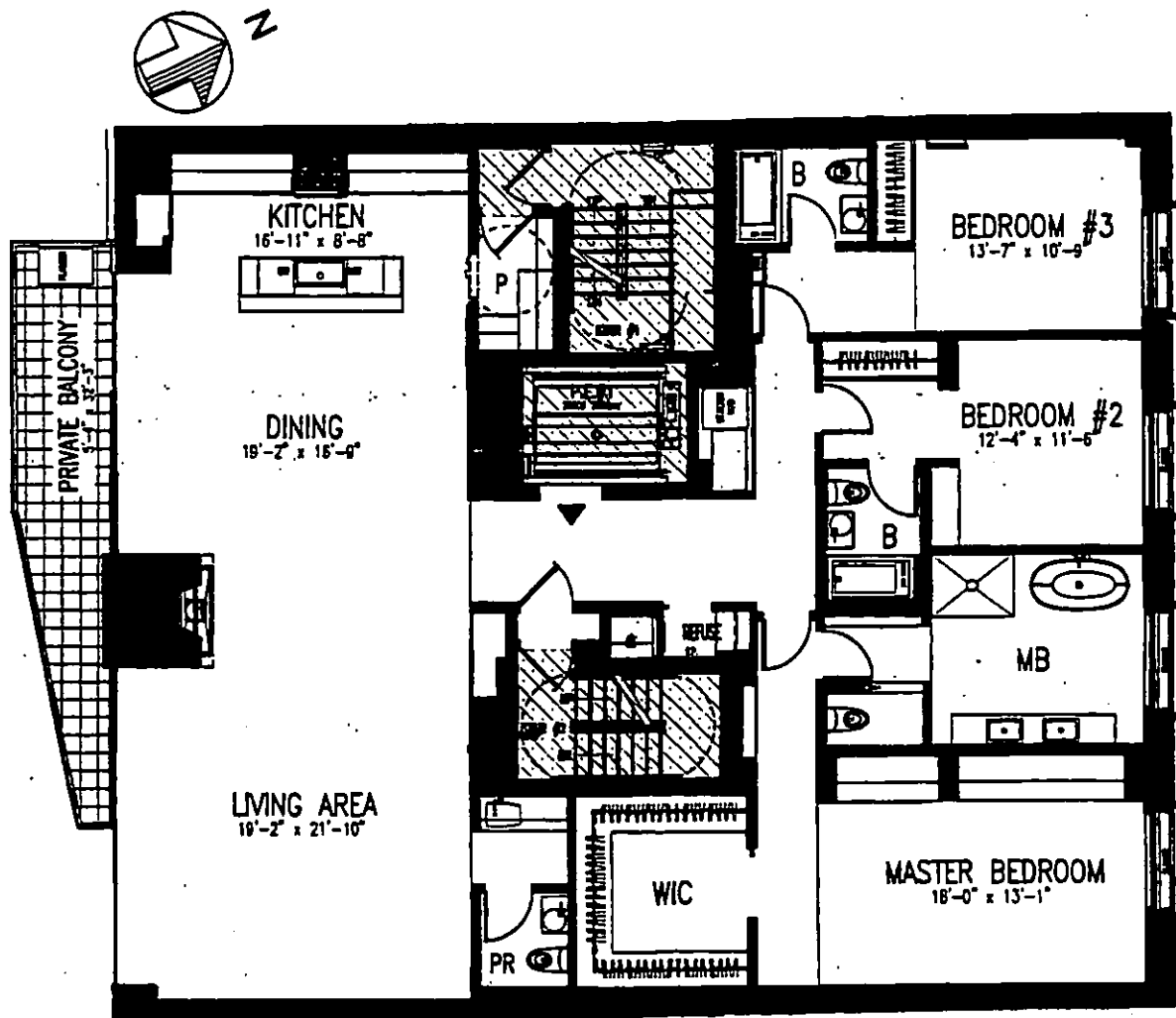
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checked by:

JPH

drawing number:

6



Bond Street

General
Common ElementLimited
Common Element

41 Bond Street
Residence 7
3 Bedrooms 3-1/2 Baths

All dimensions are approximate and subject to normal construction variances and tolerances. Dimensions are maximum overall unless noted. We reserve the right to make changes due to unforeseen conditions in accordance with the offering plan.

H. THOMAS O'HARA

ARCHITECT, PLLC

370 7th Avenue
New York, NY 10001
212 693 3117
212 693 3118 : fax

project:

41 Bond Street

drawing title:

Residence 7

project number:

0003

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08/02/10

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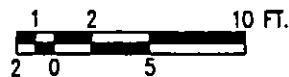
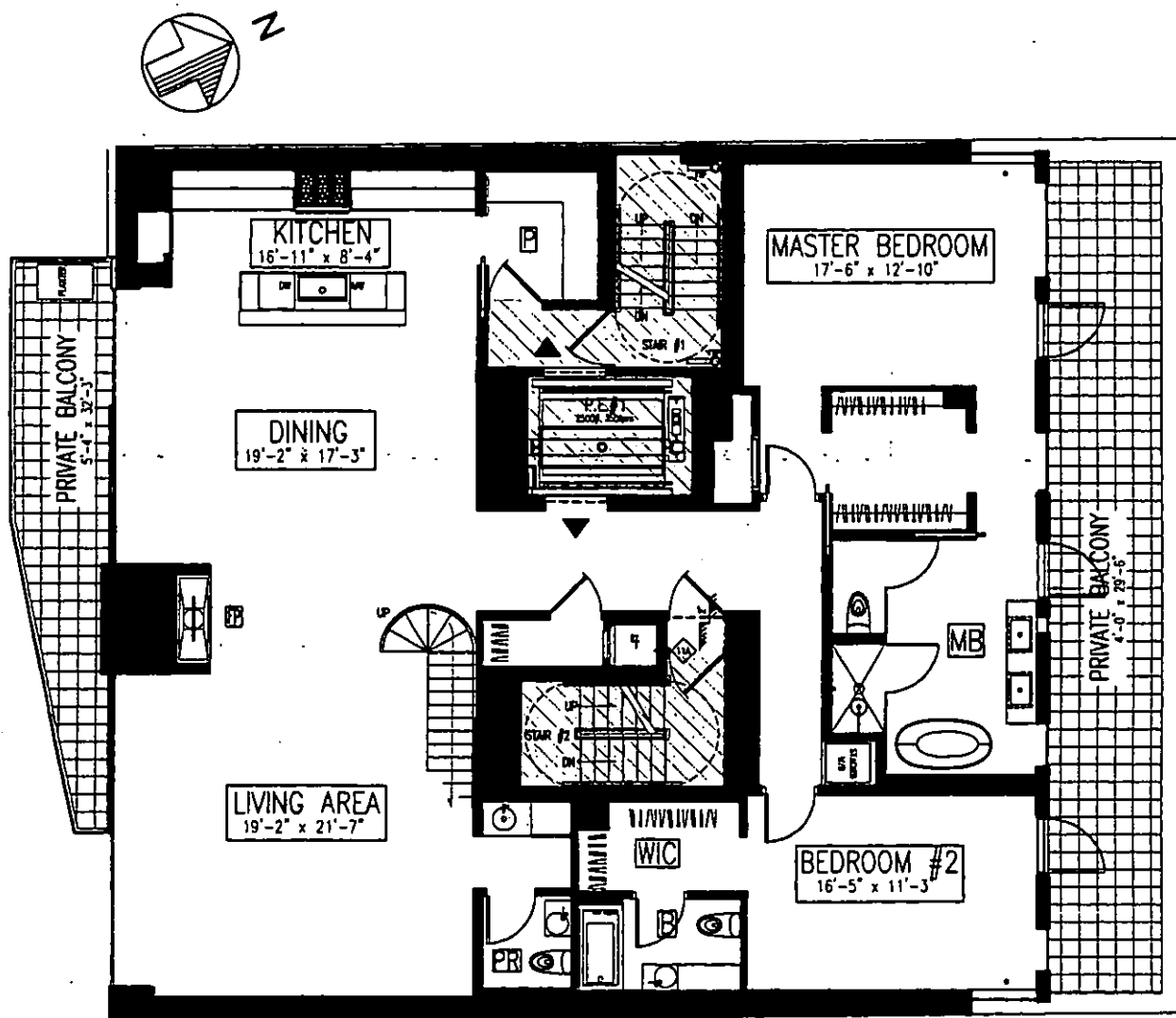
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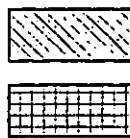
JFM

drawing number:

7



Bond Street

General
Common ElementLimited
Common Element

41 Bond Street

Residence PH - Lower Level

2 Bedrooms (2) Baths & (2) 1/2 Baths

All dimensions are approximate and subject to normal construction variances and tolerances. Dimensions are maximum overall subtract cutouts. We reserve the right to make changes due to unforeseen conditions in accordance with the offering plan.

H. THOMAS O'HARA

ARCHITECT, PLLC

370 7th Avenue
New York, NY 10001
212 693 3117
212 693 3118 : fax

project:

41 Bond Street

drawing title:

Residence PH

project number:

0903

date:

08/02/10

scale:

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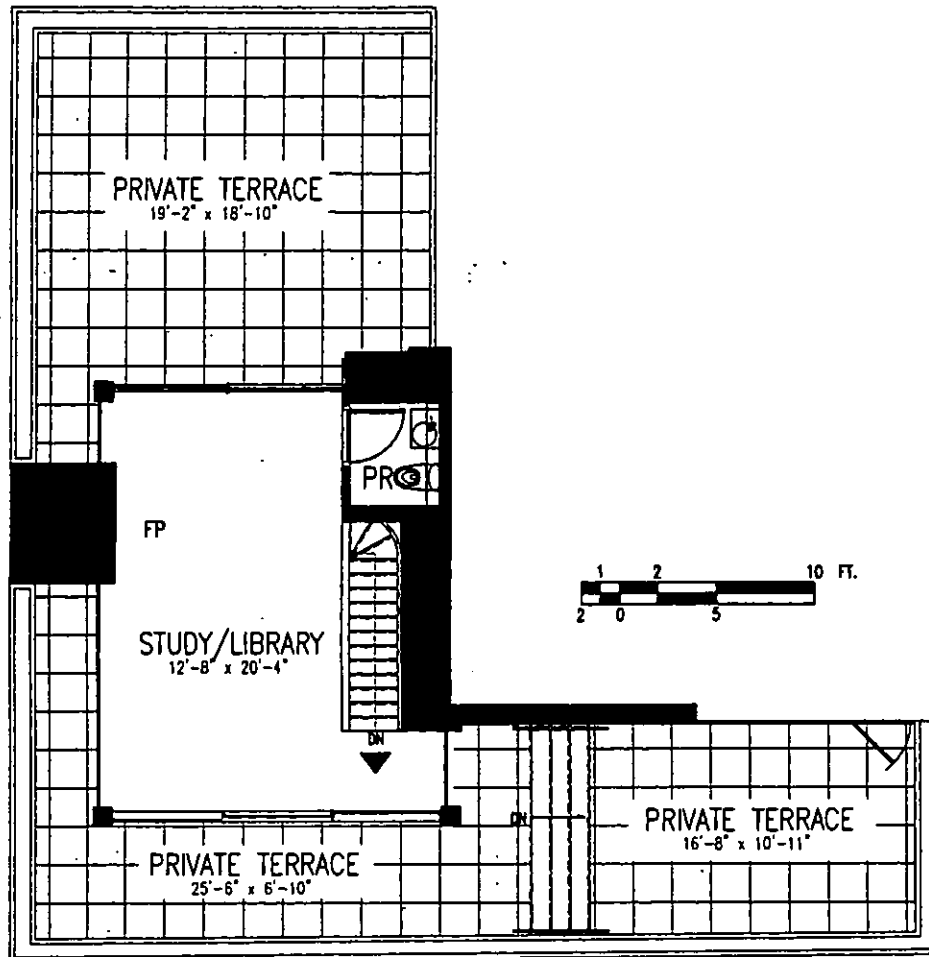
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checked by:

JPM

drawing number:

LOWER



41 Bond Street
 Residence PH - Upper Level
 2 Bedrooms (2) Baths & (2) 1/2 Baths

All dimensions are approximate and subject to normal construction variances and tolerances. Dimensions are maximum overall subarea contours. We reserve the right to make changes due to unforeseen conditions in accordance with the offering plan.

H. THOMAS O'HARA

ARCHITECT, PLLC

370 7th Avenue
 New York, NY 10001
 212 695 3117
 212 695 3118 : fax

project:

41 Bond Street

drawing title:

Residence PH

project number:

0903

date:

08/02/10

made:

AS NOTED

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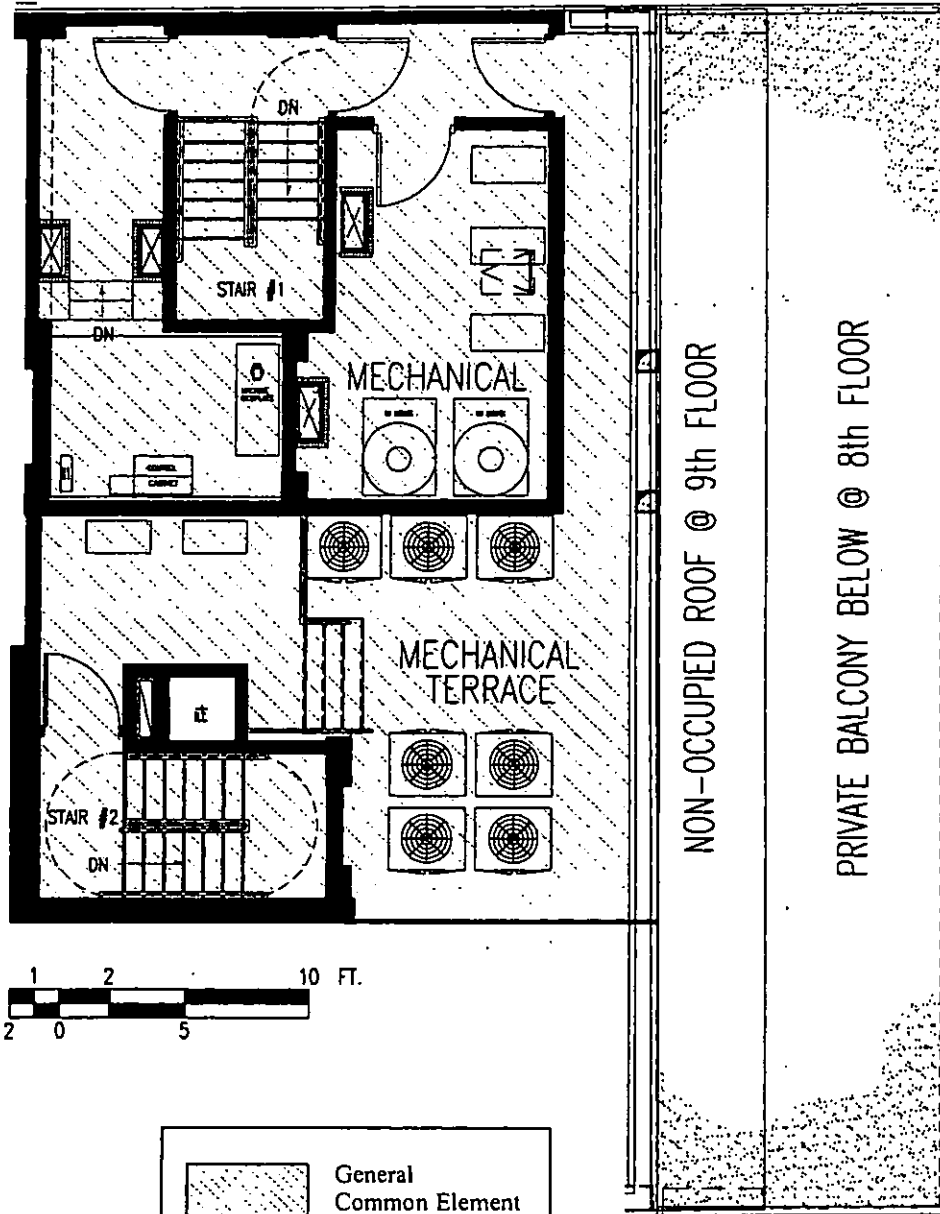
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checked by:

JPM

drawing number:

UPPER



41 Bond Street
Mechanical Space @ 9th Floor

All dimensions are approximate and subject to normal construction variances and tolerances. Dimensions are maximum overall subtract cutouts. We reserve the right to make changes due to unforeseen conditions in accordance with the offering plan.

H. THOMAS O'HARA

ARCHITECT, PLLC

370 7th Avenue
New York, NY 10001
212 695 3117
212 695 3118 : fax

project:

41 Bond Street

drawing title:

Mechanical Space

project number:

0903

date:

08/02/10

scale:

AS NOTED

drawn by:
JMC

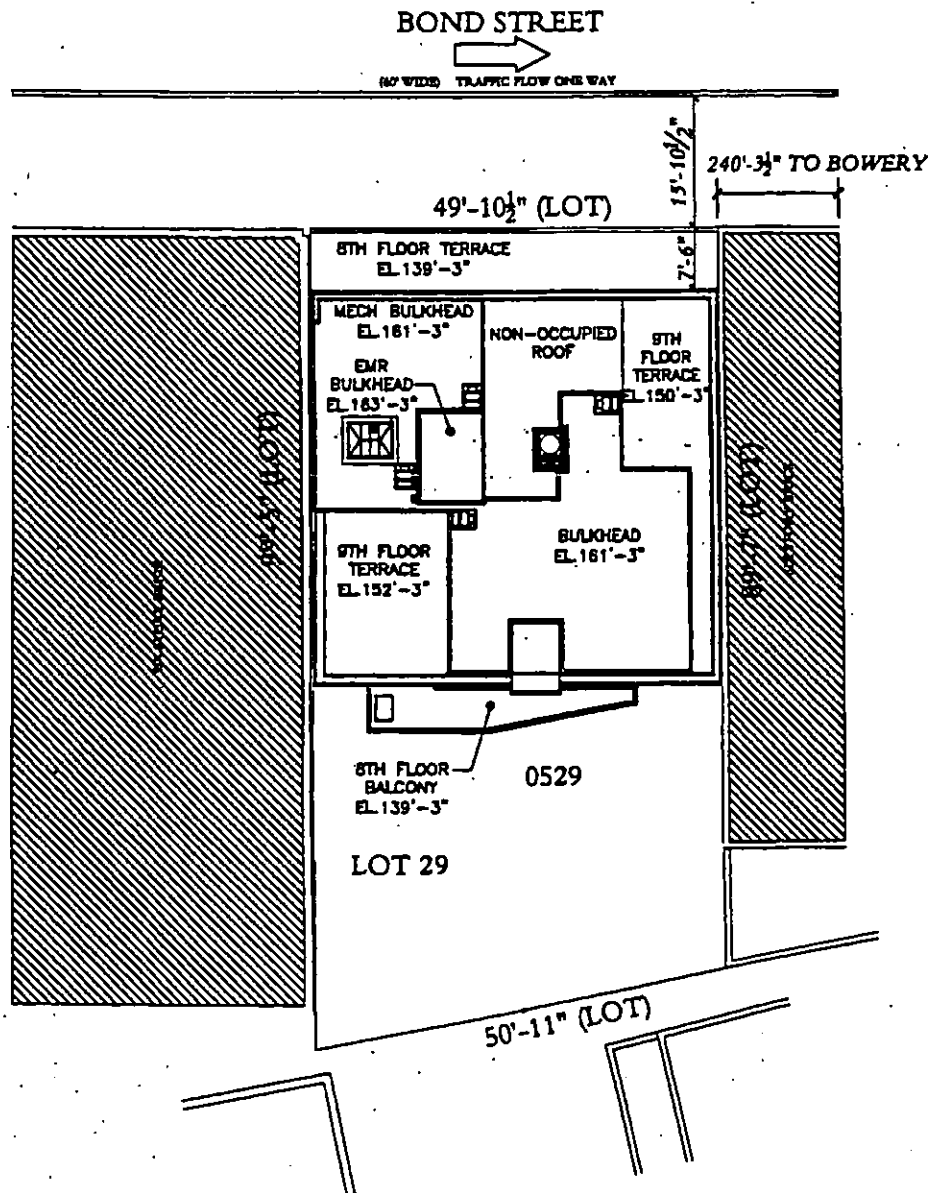
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JPM

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MECH

EXHIBIT 2B

SITE PLAN



41 Bond Street Site Plan



Bond Street

All dimensions are approximate and subject to normal construction variances and tolerances. Dimensions are maximum overall cabinet sizes. We reserve the right to make changes due to interference conditions in accordance with the offering plan.

H. THOMAS O'HARA

ARCHITECT, PLLC

370 7th Avenue
New York, NY 10001
212 695 3117
212 695 3118 : fax

project:

41 Bond Street

drawing title:

Site Plan

project number:

0903

date:

08/02/10

scale:

AS NOTED

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JAC

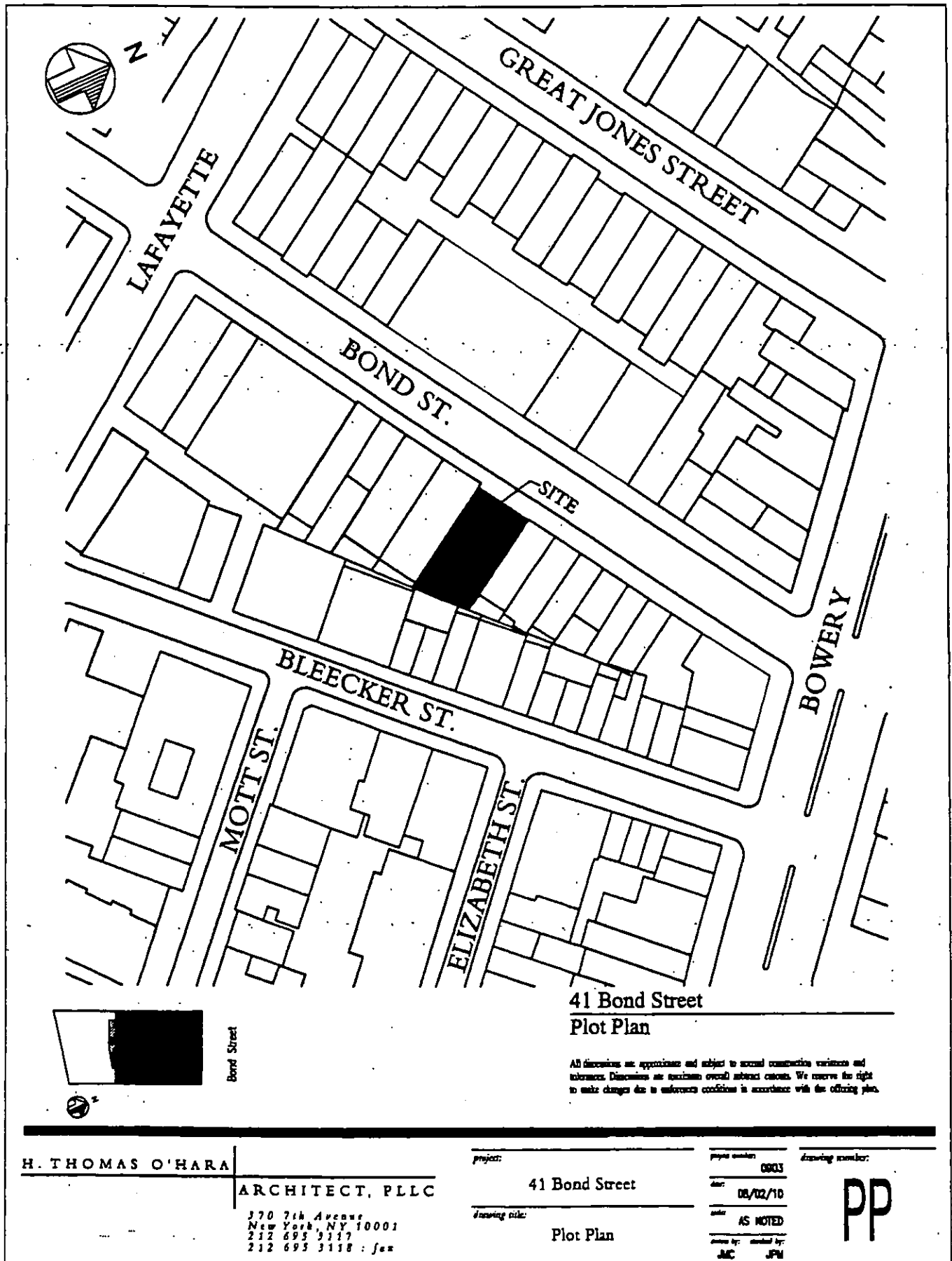
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EXHIBIT 2C
LOCATION PLAN



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EXHIBIT 3

PURCHASE AGREEMENT

PURCHASE AGREEMENT

UNIT NUMBER __

OF

41 BOND CONDOMINIUM

41 Bond Street

New York, New York 10012

(to be executed in triplicate)

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THIS AGREEMENT is made as of the ____ day of _____ 2011, between DDG 41 NOHO LLC, a New York limited liability company, having an office at /o DDG Partners LLC, 250 Hudson, 10th Floor, New York, New York 10013 ("Seller") and _____ having an address at _____ ("Purchaser").

W I T N E S S E T H

1. **The Plan.** Purchaser acknowledges having received, at least three (3) days prior to the time of execution of this Purchase Agreement by Purchaser, and read or having received and waived the reading of, a copy of the Offering Plan for the 41 Bond Condominium and any amendments thereto which have been filed with the Department of Law of the State of New York prior to the date hereof (hereinafter collectively referred to as the "Plan"). If Purchaser has not had an opportunity to review the Plan and all filed amendments for at least three (3) days prior to executing this Purchase Agreement, Purchaser has seven (7) days, after delivering this Purchase Agreement, together with required Downpayment, to rescind this Purchase Agreement and have the full Downpayment refunded promptly. Such rescissions must be in writing, addressed to Seller (as set forth in Section 24 hereof) and be postmarked or hand delivered by midnight of the seventh (7th) day after Purchaser delivers an executed Purchase Agreement to Seller. Delivery by Purchaser of the executed Purchase Agreement shall be deemed to have occurred on the date of personal delivery or on the fifth day after the date of mailing. The Plan, including all documents set forth in Part II thereof, is incorporated herein by reference and made a part hereof with the same force and effect as if set forth at length. Purchaser hereby adopts, accepts and approves the Plan (including the Declaration, By-Laws and the Rules and Regulations contained therein) and agrees to abide, and be bound by, the terms and conditions thereof, as well as all amendments to the Plan duly filed by Seller (including, without limitation, amendments involving any changes, modifications, or updating of the estimated Common Charges, the estimated real estate taxes to be paid by Purchaser, or "Schedule B - Projected Budget for the First Year of Condominium Operation"). Any such amendments shall neither excuse Purchaser from performing Purchaser's obligations hereunder nor entitle Purchaser to any offset or credit against the Purchase Price and may be made by Seller without Purchaser's consent or approval. In the event of a material adverse amendment, Purchaser shall be given the right to rescind this Agreement. In the event of any inconsistency or conflict between the provisions of this Agreement and those contained in the Plan, the provisions of the Plan shall govern and be binding. Purchaser acknowledges having had full opportunity to examine all documents, and investigate all statements, made herein and in the Plan.

2. **Definitions.** Terms used herein which are also used in the Plan shall have the same meanings herein as therein unless the context otherwise requires.

3. **The Unit.** Seller agrees to sell and convey, and Purchaser agrees to purchase, the unit designated as Unit No. ____ ("Unit") in the Declaration, together with a _____ (

%) undivided interest in the Common Elements appurtenant thereto, upon and subject to the terms and conditions set forth herein.

4. Purchase Price.

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

(a) \$ _____, constituting the down payment ("Downpayment") in the amount of ten (10%) percent of the Purchase Price by check (subject to collection); and

(b) \$ _____, constituting the balance of the Purchase Price, is due on the delivery of the deed as hereinafter provided and must be paid by Purchaser's unendorsed certified personal check or official unendorsed cashier's check or, at Seller's option, by wire to an account designated by Seller prior to Closing, in any event drawn on a bank that is a member of the New York Clearing House Association and made payable to Seller. Notwithstanding the foregoing, Seller may, by notice to Purchaser, direct that Purchaser pay all or a portion of the balance of the Purchase Price (plus any amount financed) to such party or parties as Seller may designate; provided, however, in no event shall Purchaser be required to deliver more than five (5) certified or bank checks totaling the balance of the Purchase Price (plus any amount financed). Purchaser may be required to bring additional certified or bank checks to pay costs and expenses of the closing other than payment of the balance of the Purchase Price.

4.2 The check called for by subparagraph 4.1(a) shall be (a) drawn on a bank in the City of New York which is a member of the New York Clearing House Association or (b) a cashier's check or an unendorsed certified check drawn on a bank organized in accordance with the laws of the United States of America or any state thereof ("Permitted Checks"). All Permitted Checks for the Downpayment shall be made payable to the direct order of "Goldfarb & Fleece LLP, as escrow agent".

4.3 If any check tendered by Purchaser to Seller is returned for insufficient funds or any other reason, such return shall be deemed to be a default by Purchaser under this Agreement and shall entitle Seller to exercise any and all of the remedies set forth herein.

4.4 Purchaser's payment of the balance of the Purchase Price and acceptance of a deed to the Unit shall constitute Purchaser's recognition that Seller has satisfactorily performed those obligations stated in the Plan and this Agreement to be performed by Seller prior to closing. However, nothing herein contained shall excuse Seller from performing those obligations (if any) expressly stated herein or in the Plan to be performed subsequent to the closing.

5. Closing of Title.

5.1 The closing of title shall be held at such place in the Borough of Manhattan and on such day and hour as Seller may designate to Purchaser on not less than thirty (30) days prior notice. This notice period may be waived by Purchaser. Such date shall be no earlier than thirty (30) days after the date on which written notice is given to Purchaser that the plan has been declared effective (unless Purchaser and Seller shall agree on an earlier Closing Date). Seller, from time to time, may adjourn such date and hour on written notice to Purchaser. If adjourned, Seller shall fix a new date and time for title closing and shall give Purchaser not less than ten (10) days' prior written notice of the new scheduled date and time for closing. Any closing taking place outside Manhattan at Purchaser's request shall be on the condition that Seller's attorneys shall be paid an hourly travel fee by Purchaser.

5.2 The closing of title shall occur only after or concurrently with compliance with the prerequisites set forth under "Closing of Title to Units" in Part I of the Plan.

5.3 The term "Closing Date" or "closing of title" or words of similar import, whenever used herein, shall mean the date designated by Seller on which the deed to the Unit is to be delivered to Purchaser and the Purchase Price is to be paid in full or any adjourned date fixed by Seller pursuant to subsection 5.1 hereof.

6. Delivery of the Deed and the Power of Attorney to the Board of Managers.

6.1 At the closing of title, Seller shall deliver to Purchaser a bargain and sale deed with covenants against grantor's acts conveying title to the Unit to Purchaser. The deed shall be substantially in the form set forth in the Plan and shall be executed and acknowledged by Seller in form for recording.

6.2 At the closing of title and simultaneously with the delivery of the deed conveying the Unit to Purchaser, Purchaser shall execute, acknowledge and deliver a power of attorney in favor of the Board of Managers, prepared by Seller, and substantially in the form set forth in Part II of the Plan.

6.3 The deed and power of attorney to the Board of Managers shall be delivered to the representative of the title company insuring Purchaser's title (or if no such representative is present, then to Seller's attorney) for recording in the New York County office of the Register of The City of New York (the "City Register's Office"). After being recorded, the deed shall be returned to Purchaser and the power of attorney shall be sent to the Board of Managers.

7. Marketable Title.

7.1 Seller agrees to convey to Purchaser the Unit free and clear of all liens and encumbrances other than those set forth in the Plan, specifically in the Section entitled "Closing

of Title to Units" at Part I, thereof, and Exhibits submitted in connection therewith and any mortgages obtained by Purchaser.

7.2 Notwithstanding the above, the existence of unpaid taxes or liens or objections to title of any kind at the time of closing of title shall not constitute an objection to title, provided that Royal Abstract of New York LLC, as agent for Chicago Title Insurance Company shall be willing to insure (i) against collection of same from Unit if it is a lien, or (ii) if such objection is not a lien that same will not be enforced against the Unit. The parties agree that Seller may pay and discharge any liens and encumbrances upon the Unit or the Property, not permitted by the Plan or this Agreement, out of the monies to be paid by Purchaser at the time of closing of title.

8. Closing Adjustments.

8.1 At closing, Seller and Purchaser shall apportion, as of midnight of the day preceding the closing, the following:

- (a) Real estate taxes and assessments, if any (including water charges and sewer rents if separately assessed), on the basis of the fiscal or calendar year which assessed;
- (b) Common Charges for the month in which title closes (based on the number of days in the month in which title closing occurs); and
- (c) Accrued rent and any other charges pursuant to an interim lease, if any, covering the Unit (based on the number of days in the month in which title closing occurs).

8.2 If the Unit has been separately assessed but the closing of title occurs before the tax rate is fixed, adjustment of taxes shall be based upon the latest tax rate applied to the most recent applicable assessed valuation. Installments for tax assessments due after the delivery of the deed, if any, shall be paid by Purchaser and shall not be considered a defect in title. If the Unit has not been separately assessed as of the Closing Date for the then current tax period, the adjustment under subsection 8.1(a) hereof shall be based upon the assessment for the Property and the percentage interest in the Common Elements appurtenant to the Unit. The "Customs in Respect of Title Closing" recommended by The Real Estate Board of New York, Inc., as amended to date, shall apply to the adjustments and other matters therein mentioned except as otherwise provided herein. The provisions of Articles 8 and 9 shall survive the closing of title hereunder and any miscalculation or error at closing in computing any adjustment or payment obligation shall be promptly corrected and appropriate payment or refund made.

9. Purchaser's Closing Costs.

Purchaser shall pay the following costs and expenses at the time of closing of title:

9.1 If Purchaser elects to obtain fee title insurance, Purchaser will pay a premium therefor at rates set forth in the section of the Plan entitled "Closing Costs and Adjustments";

9.2 A fee for recording the deed and the power of attorney in the amount set forth in the Section of the plan entitled "Closing Costs and Adjustments";

9.3 If, in connection with this purchase, Purchaser has dealt with any broker except any broker who has been engaged in writing by Seller, then Purchaser will be required to pay any commission due such broker;

9.4 The New York City transfer tax of 1% if the Purchase Price is less than \$500,000 and 1.425% of the Purchase Price if \$500,000 or greater. Purchasers should be aware that the City of New York has taken the position that the purchase of two (2) units by the same purchaser from the same seller within the same condominium is a commercial transaction. Accordingly, such transactions will be subject to New York City Real Property Transfer Tax at the commercial rates of 1.425% if the purchase price of the Unit is less than \$500,000 and 2.625% if the purchase price of the Unit is \$500,000 or more;

9.5 \$2.00 per \$500 of the Purchase Price or any fraction of \$500 for New York State Real Estate Transfer Tax;

9.6 The so-called New York State "Mansion Tax" pursuant to Article 31 of the Tax Law, currently 1% of the consideration for conveyances of One Million (\$1,000,000) Dollars or more;

9.7 An amount equal to two month's Common Charges, representing Purchaser's contribution to the initial working capital of the Condominium (If Seller has funded the working capital fund prior to closing, Seller may direct Purchaser to make such check payable directly to Seller); and

9.8 Legal fee of Seller's closing attorneys in the amount of \$2,500 per Unit payable to Goldfarb & Fleece LLP, plus, if Purchaser is financing a portion of the purchase, an additional \$1,000 for coordination with Purchaser's lending institution. All closings must take place in Manhattan unless otherwise arranged in advance with Seller's attorneys who will charge an hourly travel fee of \$85 for all closings outside Manhattan. If Purchaser adjourns a scheduled closing date on less than 24 hours prior notice, and such adjournment is not as a result of an action by Seller, or if a Purchaser fails to appear at the location and at the time scheduled for closing, Purchaser shall pay to Goldfarb & Fleece LLP a cancellation fee of \$150.

9.9. If Purchaser obtains a loan to finance any portion of the Purchase Price, either from Seller or from another Permitted Mortgagee, which loan ("Mortgage Loan") is to be secured by a mortgage covering the Unit, Purchaser shall pay:

(a) To Seller, a sum equal to any partial mortgage tax credit to which Purchaser may be entitled in connection with the recording of any document evidencing the Mortgage Loan pursuant to Section 339-ee(2) of the New York Condominium Act, which sum will be paid to Seller in reimbursement for the mortgage tax previously paid by Seller, if any, in connection with the Mortgage (as defined in the Plan);

(b) An amount equal to the premium for any mortgage title insurance required by Purchaser's lender;

(c) A fee for recording the mortgage securing such Mortgage Loan (at the same rate as given above for recording the deed and Power of attorneys);

(d) Any mortgage recording tax which may be due and payable in connection therewith (at the date of this Plan, the tax is 2.05% of the face amount of the Mortgage Loan less \$25 for mortgages of less than \$500,000 and 2.175% of the face amount of the Mortgage Loan less \$25 for mortgages of \$500,000.00 or more);

(e) Deposits for Common Charges, Real Estate Taxes, any assessments, water charges and sewer rents (if separately assessed) and if required by the lender; and

(f) All costs and expenses in connection with such Mortgage Loan in amounts determined by the lender.

Any expenses or adjustments payable to Seller in excess, in the aggregate of \$200 will be paid by unendorsed certified, tellers or bank check drawn on a bank which is a member of the New York Clearinghouse Association. Purchaser shall also be required to pay those costs more particularly described in Section I of the Plan entitled "Closing Costs and Adjustments". The provisions of this Article 9 shall survive the closing of title hereunder.

Purchaser will be required to reimburse Seller at closing for such Purchaser's pro rata share of the Condominium's insurance policy (as described in the Footnotes to Schedule B of the Plan) for the first year of operation of the Condominium, the premium for which will be prepaid by Seller prior to the first closing of title to a unit. The amount of reimbursement will vary depending on the Unit's percentage interest in the Common Elements and the date of closing of title to the unit. The actual reimbursement will be determined by multiplying the amount of prepaid premium by the Unit's percentage interest in the Common Elements, and then multiplying the resulting per diem rate by the number of days remaining in the relevant covered period.

10. Deposit Monies to be Held in Trust. The Downpayment made by Purchaser will be placed, within five business days after the full execution and delivery of this Agreement in a segregated special escrow account of Seller's attorneys, Goldfarb & Fleece LLP, the Escrow Agent, whose address is 345 Park Avenue, New York, New York 10154 and whose telephone

number is (212) 891-9100. The signatories on this account authorized to withdraw funds are all partners of Goldfarb & Fleece LLP. The account shall be held in an attorney trust account located at Bank of America, N.A., 345 Park Avenue, New York, New York 10154, which bank is currently covered by federal bank deposit insurance to a maximum of \$250,000 per individual deposit. The account will be interest-bearing and, unless Purchaser defaults, interest will be credited to Purchaser at closing. The interest rate to be earned will be the prevailing rate for these accounts which currently is .7%, regardless of the amount deposited. Interest will begin to accrue within five business days of delivery of the Downpayment. The check for the Downpayment shall be made payable to or endorsed to the order of "Goldfarb & Fleece LLP, as escrow agent". Within ten business days after delivery of the Downpayment, the escrow agent will notify Purchaser that the Downpayment has been deposited into the Escrow Account and will provide the account number and the initial interest rate. If Purchaser does not receive notice of such deposit within fifteen business days after the delivery of the Downpayment, Purchaser may cancel this Agreement and rescind so long as the right to rescind is exercised within ninety days after tender of the Downpayment. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the escrowed funds were timely deposited and requisite notice was timely mailed to Purchaser in conformity with the Attorney General's regulations. Escrow Agent will hold funds in escrow until otherwise directed in:

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

If there is no written agreement between the parties to release the escrowed funds, (which shall be given by both parties at the closing of title to the Unit if the closing occurs), the Escrow Agent will not pay the funds to Seller until the Escrow Agent has given Purchaser written notice of not fewer than ten business days. Thereafter, the funds may be paid to Seller unless Purchaser has already made application to the Department of Law pursuant to the dispute resolution provisions of the Attorney General regulations and has so notified the Escrow Agent in accordance with such provisions. Seller will not object to the release of the escrowed funds to:

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

Purchaser and the Escrow Agent may apply to the Attorney General in the event of a dispute for a determination on the disposition of the Downpayment and any interest thereon.

Seller must avail itself of this procedure if there is a dispute which needs to be resolved. A form for this purpose is attached as Exhibit A hereto. The party applying for a determination must send all other parties a copy of the application. Pending the determination of the Attorney General to grant or deny the application, Seller Purchaser, and Escrow Agent shall abide by any interim directive issued by the Attorney General. A copy of the escrow agreement which incorporates the terms of the Attorney General's regulations is available for review as one of the Part B Exhibits to the Plan. Escrow Agent will maintain all records concerning the escrow account for seven years after the release of funds. Any provision of any agreement, whether oral or in writing, by which Purchaser purports to waive or indemnify any obligation of Escrow Agent is absolutely void. The provisions of the Attorney General's regulations concerning escrow/trust funds shall prevail over any conflicting or inconsistent provision in the Plan or in a purchase agreement. Purchaser shall not be obligated to pay any legal or other expense of Seller in connection with the establishment, maintenance or defense of obligations arising from the handling or disposition of trust funds.

11. Binding Effect of Plan, Declaration, By-Laws and Rules and Regulations.

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

12. Agreement Subject to Mortgage. No encumbrance shall arise against the Building or the Unit as a result of this Agreement or any monies deposited hereunder. This Agreement shall not be recorded and any purported recordation hereof by Purchaser shall constitute a default hereunder. In furtherance and not in limitation of the provisions of the preceding sentence, Purchaser agrees that the provisions of this Agreement (but not the deposit monies held in trust hereunder) are and shall be subject and subordinate to the lien of any mortgage, including, but not limited to, any construction or building loan mortgage, heretofore or hereafter made, any advances heretofore or hereafter made thereon and any payments or expenses already made or incurred or which hereafter may be made or incurred, pursuant to the terms thereof, to the full extent thereof without the execution of any further documents by Purchaser. This subordination shall apply whether such advances are voluntary or involuntary and whether made in accordance with any schedule of payments or accelerated by virtue of the right of the lender to make advances before they become due in accordance with the schedule of payments. Seller shall, at its option, either satisfy such mortgage or obtain a release of the Unit and its undivided interest in the Common Elements from the lien of such mortgage on or prior to the Closing Date unless Purchaser either assumes such mortgage or consents to the continuation of the lien thereof. The existence of any mortgage or mortgages encumbering the Property, or portions thereof, other than the Unit and its undivided interest in the Common Elements, shall not constitute an objection to title or excuse Purchaser from completing payment of the Purchase Price or performing all of his other obligations hereunder or be the basis of any claim against, or liability of, Seller, provided that any such mortgage is subordinated to the Declaration or the Unit and its undivided interest in the Common Elements is released from the lien of such mortgage at closing. Should Seller fail to satisfy or obtain a release of such mortgages, or in the event Seller's

interest in the Unit is the subject of foreclosure at or prior to the closing of title to the Unit, Purchaser's remedies shall be limited to termination of this Agreement and return of the deposit monies (with interest, if any, earned thereon) held in trust and Purchaser will have no claim against Seller for specific performance or otherwise.

13. Default by Purchaser. If Purchaser shall fail to pay any portion of the Purchase Price when due, fails to close title on the date, hour and place specified by Seller pursuant to Section 5 hereof or fails to perform any of Purchaser's other obligations hereunder such failure shall constitute a default by Purchaser. Seller shall notify Purchaser in writing of such default and advise Purchaser that he has thirty (30) days after personal delivery of such notice within which to cure such default. **TIME IS OF THE ESSENCE FOR PURCHASER TO CURE ANY DEFAULT UNDER THIS PURCHASE AGREEMENT WITHIN SUCH THIRTY DAY PERIOD.** If such default is not cured within the written notice period, Seller may, at its option, either (i) cancel such Purchase Agreement and retain the Downpayment, together with interest earned thereon, as liquidated damages, in which event all rights, obligations and liabilities of Seller and Purchaser shall wholly cease and terminate or (ii) bring an action against Purchaser for specific performance. Purchaser will receive at least thirty (30) days prior written notice of the Closing Date and in the event that Purchaser fails to close on the designated date or otherwise fails to perform any of his other obligations under this Purchase Agreement, then, following thirty (30) days' prior written notice of such default, Seller shall have the remedies set forth in the preceding sentence and the additional right to approve a request from Purchaser to adjourn the closing of title to such Unit. In the event Seller elects not to cancel this Purchase Agreement as a result of the failure of the Purchaser to close on the date specified by Seller, or if Seller approves Purchaser's request to adjourn the Closing Date, then (a) Purchaser shall pay Seller interest at a rate of Sixteen (16%) percent per annum on the Purchase Price (excluding the Downpayment previously paid on account) computed from the original Closing Date set forth in the notice to close until the transaction is actually closed and (b) all apportionments between Seller and Purchaser shall be made as of the Closing Date set forth in the notice to close. Purchaser shall reimburse Seller for any additional costs incurred by Seller as a result of Purchaser's delay including, but not limited to, Common Charges that Seller was obligated to pay the Board of Managers as a result of an unauthorized delay in closing by Purchaser. In the event Seller elects to cancel this Purchase Agreement, the amount specified in Section 4.1(a) of this Purchase Agreement shall be paid over to the Seller as and for liquidated damages and thereafter this Purchase Agreement shall become null and void. In the event that Seller shall so elect to cancel this Purchase Agreement, Seller shall certify to its attorneys, Goldfarb & Fleece, that title has not closed because of Purchaser's default, that a notice to cure was delivered to Purchaser and Purchaser failed to cure the default within thirty (30) days of such notice and that Seller has elected to cancel this Purchase Agreement by reason thereof, and if Goldfarb & Fleece has been authorized by Seller and Purchaser shall thereupon notify the holder of sums paid by Purchaser hereunder, set forth in Section 10 hereof, to pay over to Seller as liquidated damages the Downpayment, and interest earned thereon, and upon such payment being made each of the parties hereto shall be relieved of any further liabilities or obligations hereunder. If such authorization is not executed by Seller and Purchaser Seller shall utilize the dispute resolution

provisions set forth in Section 10 hereof. If this Purchase Agreement shall be cancelled by Seller pursuant to the provisions of this Section 13, Seller may sell the Unit to any third party and shall be under no obligations to account to Purchaser for any part of the proceeds of such sale. Goldfarb & Fleece may conclusively rely upon the truth and accuracy of the facts contained in Seller's and Purchaser's authorization and the authority of the person or persons executing the same and shall have no liability as a result of such reliance.

14. Seller's Inability to Convey the Unit. If Seller is unable to deliver title to the Unit to Purchaser in accordance with the provisions of this Agreement and the Plan, Seller shall not be obligated to bring any action or proceeding or otherwise incur any cost or expense of any nature whatsoever in excess of \$500 to render title marketable and Seller shall not otherwise incur any liability in connection therewith. If Seller notifies Purchaser of its refusal to remedy the defect in title and provided Purchaser is not in default hereunder, Purchaser's sole remedy shall be to either (a) take title to the Unit subject to such title defect (without any abatement in, or credit against, the Purchase Price, or any claim or right of action against Seller for damages or otherwise) or (b) terminate this Agreement. If Purchaser elects to terminate this Agreement, Seller shall, within twenty (20) days after receipt of notice of termination from Purchaser, return to Purchaser the Downpayment deposited hereunder, with interest accrued thereon, and upon making such payment, this Agreement shall be null and void and neither party shall have any further rights, obligations or liability to or against the other hereunder and the parties shall be released and discharged from all obligation and liability under this Agreement and the Plan. The foregoing option to terminate must be exercised by notice of Purchaser in writing to Seller within ten (10) days after the giving of Seller's notice of its refusal to remedy the title defect, failing which it shall be conclusively deemed that Purchaser elected the first option above to acquire title subject to the title defect. Subject to the foregoing, Seller shall give, and Purchaser shall accept, such title as any title insurance company that is a member of the New York Board of Title Underwriters will approve and insure, provided that the only liens, encumbrances and conditions affecting title shall be those enumerated in Exhibit C to this Purchase Agreement (the "Permitted Encumbrances").

15. Closing Contingent on Plan Being Declared Effective.

15.1 The respective obligations of Purchaser and Seller hereunder are contingent upon the Plan being declared effective. The Plan shall not be declared effective except in accordance with the prerequisites set forth in the Plan, as same may be amended from time to time. Purchaser understands and agrees that the Seller shall have the right to abandon the Plan at any time prior to its being declared effective or thereafter, in certain limited cases set forth in the Plan (see the section in the Plan entitled "Effective Date" for full details). The Plan will be abandoned or deemed abandoned if it has not been declared effective within the time limits prescribed in the Plan. The Seller shall notify Purchaser in writing when the Plan becomes effective or by a duly filed amendment if it is abandoned.

15.2 If the Plan is abandoned or if, after being declared effective the Plan shall not be consummated for any reason, this Agreement shall be deemed cancelled and all monies paid by Purchaser hereunder, together with the interest earned thereon, shall be returned to Purchaser within twenty (20) days, except if Purchaser is in default beyond applicable periods of grace. After the funds are so disbursed, Purchaser and Seller shall have no claim against each other in connection with this Agreement or the Plan, and all of same shall be released and discharged from all liabilities and obligations hereunder and under the Plan.

16. Appliances and Equipment. Reference is made to Part II of the Plan for the manufacturer and model number or specifications of the appliances and equipment to be installed in the Unit as well as other construction details of the Unit. Purchaser acknowledges and agrees that Seller has the right to substitute other appliances and equipment in place of those listed above and in the Plan provided only that the substitutions are of substantially equivalent or better quality and design.

The Unit is being sold unfurnished, without window blinds or shades and will contain only the appliances and equipment described above and in the Plan. Furniture, wall coverings, furnishings, decorations and the like in or about any model Unit are for display purposes only and are not included in this sale. Any floor plans or sketches shown to Purchaser (including those contained in the Plan) are only approximations of the Unit's dimensions and arrangement, and Purchaser should not rely thereon.

There will be no modifications or extras unless agreed to in writing by the parties. All modifications and alterations must be approved by Seller in writing and, if approved, shall be performed by Seller at Purchaser's expense (payable in the manner to be set forth in an addendum to this Agreement or separate agreement).

17. Construction.

17.1 The construction of the Building and construction of the Unit, including the materials, equipment and fixtures to be installed therein, shall be substantially in accordance with the Plan and the architectural "plans and specifications" (defined in the Plan), subject to the right reserved by Seller to modify and amend the Plan and the "plans and specifications" in order to substitute materials, equipment or fixtures of equal or better quality and design, provided only that the approval of any governmental authorities having jurisdiction thereover and the construction lender, if any, are first obtained (if required). The issuance of a final Certificate of Occupancy for the Building shall be deemed presumptive evidence that the Building and the Unit have been fully completed in accordance with the Plan and the "plans and specifications." However, nothing herein contained shall excuse Seller from its obligations set forth in the Plan in the section entitled "Rights and Obligations of Sponsor."

17.2 The construction of the Building and construction of the Unit and the correction of any defects in construction to the extent required under the Plan are the sole responsibility of the

Seller. Purchaser acknowledges and agrees that Seller will not be liable for, and will have no obligation to correct, certain variations from the Plan and "plans and specifications" as indicated in the Plan in "Rights and Obligations of Sponsor" and will only be responsible to correct any construction defects to the extent, and on the terms and conditions, set forth in "Rights and Obligations of Sponsor."

18. Acceptance of Condition of Property. Purchaser shall accept title (without abatement in, or credit against, the Purchase Price) notwithstanding the failure to complete (a) minor details of the Unit or the Building, (b) other Units or (c) the public areas of the Building which do not prevent Purchaser's use of the Unit. (In no event will the provision of the foregoing sentence be in derogation of Seller's obligations as set forth in the Plan under "Rights and Obligations of Sponsor".) At least ten (10) days before the balance of the Purchase Price is to be paid, the Seller shall notify Purchaser that the Unit is ready for inspection. Upon receipt of the notice, Purchaser shall promptly arrange an appointment with the Seller to inspect the Unit before the lapse of such ten (10) day period. Purchaser or his duly authorized agent shall attend such inspection and shall complete, date and sign the Inspection Statement (in the form set forth as Exhibit B to this Agreement) and deliver same to the Seller at the conclusion of the inspection. Failure of Purchaser either to arrange such appointment or to inspect the Unit within ten (10) days of receipt of said notice or to so sign and deliver the completed Inspection Statement, shall not excuse Purchaser from paying the balance of the Purchase Price when due and shall constitute Purchaser's full acceptance of the Unit. However, nothing herein shall relieve Seller of its obligations as set forth in the "Rights and Obligations of Seller".

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

19.1 The risk of loss to the Unit by fire or other casualty until the closing of title is assumed by Seller (unless and until Purchaser enters into a lease for same or takes possession of same, at which time such risk shall be assumed by Purchaser), but without any obligation or liability by Seller to repair or restore the Unit. In the event of damage or destruction of a Unit due to fire or other casualty prior to closing of title and the election by Seller to repair or restore the Unit, this Agreement shall continue in full force and effect, and Purchaser shall not have the right to reject title or receive a credit against, or abatement in, the Purchase Price. In such event, Seller shall be entitled to a reasonable period of time within which to complete the repair or restoration. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss shall, subject to the rights of the Board and other Unit Owners, belong entirely to Seller and if such proceeds are paid to Purchaser, Purchaser shall promptly upon receipt thereof turn them over to Seller. The provisions of the preceding paragraph shall survive the closing of title hereunder.

19.2 In the event of damage or destruction of the Unit by fire or other casualty prior to the closing of title, and if Seller notifies Purchaser that it does not elect to repair or restore the Unit or, if the Unit Owners do not resolve to make such repairs or restoration pursuant to the By-Laws, this Agreement shall be deemed cancelled and of no further force or effect and Seller shall return to Purchaser all sums deposited hereunder, whereupon the parties shall be released and discharged from all obligations and liability hereunder and under the Plan, except that if Purchaser is then in default hereunder (beyond the applicable grace period, if any), Seller shall retain all such sums as and for liquidated damages subject to Paragraph 10 hereof.

20. No Representations. Purchaser acknowledges that he has not relied upon any architect's plans, sales plans, selling brochures, advertisements, representations, warranties, statements or estimates of any nature whatsoever, whether written or oral, made by Seller, or otherwise, including, but not limited to, any relating to the description or physical condition of the Property, the Building or the Unit, or the size or the dimensions of the Unit or the rooms therein contained or any other physical characteristics thereof, the services to be provided to Unit Owners, the estimated Common Charges allocable to the Unit, the estimated real estate taxes on the Unit, the right to any exemption from real estate taxes or income tax deduction for real estate taxes or mortgage interest paid by Purchaser, the right to any income tax credit with respect to the purchase of the Unit, or any other data, except as herein or in the Plan specifically represented; Purchaser having relied on his own examination and investigation thereof. No person has been authorized to make any representations on behalf of Seller except as herein or in the Plan specifically set forth. No oral representations or statements shall be considered a part of this Agreement. Any claim based upon the condition of the Building, the Units and their equipment or appliances or the Common Elements shall be made in accordance with the Section of the Plan entitled "Rights and Obligations of Sponsor". Purchaser agrees (i) to purchase the Unit, without offset or any claim against, or liability of, Seller, whether or not any layout or dimension of the Unit or any part thereof, or of the Common Elements, as shown on the floor plans on file in Seller's office and filed in the City Register's Office, is accurate or correct, provided the layouts and dimensions conform substantially to such Floor Plans and (ii) that Purchaser shall not be relieved of any of his obligations hereunder by reason of any minor inaccuracy or error in such Floor Plans. The provisions of this Article 20 shall survive the closing of title hereunder.

21. Broker. Purchaser warrants and represents to Seller that there is no broker or sales agent [OTHER THAN _____] with whom Purchaser has dealt in connection with this transaction. Purchaser agrees that should any claim be made against Seller for commissions by any broker, sales agent or other person or entity, on account of any acts of Purchaser or Purchaser's representatives, Purchaser will indemnify and hold Seller free and harmless from and against any and all liabilities, losses, costs, damages and expenses in connection therewith, including reasonable legal fees and disbursements. The provisions of this Article 21 shall survive the closing of title hereunder.

22. Agreement May Not Be Assigned by Purchaser. This Agreement shall not inure to the benefit of any assignee of Purchaser other than an assignee approved in writing by Seller and an assignment of this Agreement by Purchaser without Seller's written consent, shall, at Seller's option, be deemed a default by Purchaser subject to the remedies set forth in Article 13 hereof. Seller's refusal to consent to an assignment for any reason shall not entitle Purchaser to cancel this Agreement or give rise to any claim for damages against Seller. Purchaser agrees that prior to the closing of title to the Unit, Purchaser shall not advertise, offer, promote or publicize to availability of the Unit for sale or lease.

23. Binding Effect. This Agreement shall not be binding on Purchaser or Seller until a fully executed copy hereof has been furnished to Purchaser. If this Agreement is not accepted by Seller within thirty (30) days from the date submitted by Purchaser by the furnishing to Purchaser of a fully executed copy, this Agreement shall be deemed to have been rejected and cancelled and the Downpayment paid on the execution hereof shall be promptly returned to the Purchaser. Seller reserves the right to request thorough identification and financial information concerning any prospective purchaser, subject to requirements of law. Seller has the right, without incurring any liability, to reject this Agreement without cause or explanation to Purchaser. This Agreement may not be rejected due to Purchaser's sex, race, creed, color, national origin, ancestry, disability, marital status or other ground prescribed by law.

24. Notices. Any notice, request or other communication hereunder or under the Plan shall be in writing and sent, postage prepaid, by registered or certified mail, return receipt requested, to Purchaser at the address given at the beginning of this Agreement, and to Seller at the address given at the beginning of this Agreement, with a copy in the same manner to Goldfarb & Fleece LLP, 345 Park Avenue, New York, New York 10154, Attention: Robert Zimmerman, Esq., or to such other address as either party may hereafter designate to the other in writing. Except as otherwise expressly provided herein, the date of mailing shall be deemed to be the date of the giving of notice, except that the date of actual receipt shall be deemed to be the date of the giving of any notice of change of address. Purchaser specifically agrees that any notice to be given by Seller may be given by Seller's counsel.

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

26. Liability of Seller.

26.1 Seller shall not have any liability to Purchaser or others with respect to any of Seller's obligations under this Agreement, under the Plan, or otherwise in excess of the net proceeds paid to Seller from the sale of all Unsold Units after payment of, or reserve for, any liabilities, costs, or expenses of Seller arising out of the promulgation of the Plan, the offering of the Units for sale and the consummation of the transactions contemplated in the Plan. Nothing contained herein shall violate the General Obligations Law, the General Business Law or Part 20 of the Regulations issued by the Department of Law.

26.2 Seller shall be excused from performing any obligation or undertaking provided for in this Agreement for so long as such performance is prevented, delayed, or hindered by an act of God, fire, flood, explosion, war, riot, sabotage, inability to procure or, general shortage of, energy, labor, equipment, facilities, materials, or supplies in the open market, failure of transportation, strike, lock-out, action of labor unions or any other cause (whether similar or dissimilar to the foregoing) not within the reasonable control of Seller. Seller's time to perform such obligation or undertaking shall be tolled for the length of the period during which such performance was excused.

27. **Further Assurances.** Either party shall execute, acknowledge and deliver to the other party such instruments, and take such other actions, in addition to the instruments and actions specifically provided for herein, as such other party may reasonably request in order to effectuate the provisions of this Agreement or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

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

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

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

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

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

33. Plan Controls. If there exists or occurs any conflict between the Plan and this Agreement, the provisions of the Plan shall control.

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

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

36. Successors and Assigns. The provisions of this Agreement shall bind and enure to the benefit of Seller and its successors and assigns and shall bind and enure to the benefit of Purchaser and Purchaser's heirs, legal representatives, successors and permitted assigns as set forth in Paragraph 22 hereof.

37. No Oral Changes. This Agreement cannot be changed or terminated orally. ANY CHANGES OR ADDITIONAL PROVISIONS MUST BE SET FORTH IN A RIDER ATTACHED HERETO OR IN A SEPARATE WRITTEN AGREEMENT SIGNED BY THE PARTIES.

38. Transfer Tax Return. At closing, Seller and Purchaser shall each duly complete and sign before a Notary Public the transfer tax returns required to be filed with The City of New York or State of New York. The transfer tax returns shall be delivered at closing to the representative of Purchaser's title insurance company (or, if none, to Seller's attorney) for filing with the proper government officer.

39. Internal Revenue Service Reporting Requirement. Each party shall execute, acknowledge and deliver to the other party such instruments, and take such other actions as such other party may reasonably request in order to comply with IRC § 6045(e), as amended, or any successor provision or any regulations promulgated pursuant thereto, insofar as the same requires reporting of information in respect of real estate transactions. The provisions of the paragraph 39 shall survive the Closing. The parties designate Purchaser's attorney or the attorney representing Purchaser's lending institutions as the attorney responsible for reporting this information as required by law. Seller agrees to deliver to Purchaser at closing an affidavit confirming that Seller is not a "foreign person", as that term is defined for purposes of the Foreign Investments in Real Property Tax Act, Internal Revenue Code Section 1445, as amended, and the regulations promulgated thereunder.

40. **Advertising of Unit.** Purchaser agrees that prior to the closing of title to the Unit, Purchaser shall not advertise, offer, promote or publicize the availability of the Unit for sale or lease. After the closing of title, for so long as Seller owns any Unsold Units, Purchaser shall not advertise, promote or publicize the availability of the Unit for sale or lease at prices lower than those being advertised or promoted by Seller for similar or less desirable Unsold Units. The provisions of this paragraph shall survive the closing of title to the Unit.

41. **Smoke Detector and Carbon Monoxide Detector Affidavits.** Seller shall deliver at Closing, affidavits in compliance with state and local requirements to the effect that there is installed in the Unit a smoke detector alarm device and a carbon monoxide detector alarm device.

42. **Confidentiality.** Seller and Purchaser (including but not limited to their respective attorneys, accountants, lenders, investors, partners and principals) shall each keep the terms of this Agreement confidential and shall not make any public announcements or disclosures with respect to the subject matter hereof without the prior written consent of the other party, except to the extent required by law or in connection with a dispute between the parties hereto.

[SIGNATURE OF FOLLOWING PAGE]

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

PURCHASER:

SELLER:

DDG 41 NOHO LLC

Name:

By: _____

Social Security Number:

Name:

Title:

Date Submitted: _____, 20__

Date Accepted: _____, 20__

EXHIBIT A

AG DISPUTE RESOLUTION FORMS

APPLICATION TO THE ATTORNEY GENERAL
FOR A DETERMINATION OF 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 Downpayments 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. This project is:
 - ☐ a conversion of occupied premises
 - ☐ newly constructed or rehabilitated
 - ☐ vacant (as is)
6. The project is structured as:
 - ☐ a cooperative
 - ☐ a condominium
 - ☐ a homeowners association

[] a timeshare
[] other:

7. Name and Address of Seller:
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 of which subscription or purchase agreement was signed:

(c) Date(s) of Downpayment(s):

(d) Total amount of Downpayment(s):

(e) names and address 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: _____

EXHIBIT B

INSPECTION STATEMENT

DDG 41 NOHO LLC
 41 Bond Street
 New York, New York 10012

Re: The 41 Bond Street Condominium: Unit#

Gentlemen:

As a result of my/our final inspection, please be advised that except as otherwise noted, I/we found the Unit to be in good condition.

ADJUSTMENT AND/OR REPAIRS

<u>Number</u>	<u>Item</u>	<u>Date Completed</u>	<u>Signature</u>
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.			
12.			
13.			
14.			

Seller agrees to complete all exception items within a reasonable period of time following closing to title to the Unit, acts of God, strike, delay of materials, etc., permitting.

Seller's representation that it will complete all exception items within a reasonable period time following closing shall survive closing of title to the Unit.

I/we understand that to prevent pilferage, certain items such as medicine cabinet doors, showers heads, toilet seats, kitchen cabinets, knobs, mechanical chimes, will be installed just prior to my/or date of moving. I/we agree and I/we will sign off each items requiring readjustment or repairs as it is completed.

Purchaser's Signature

Seller's Representative

Exhibit C

Permitted Encumbrances

1. Building restrictions and zoning and other regulations, resolutions and ordinances and any amendments thereto now or hereafter adopted.
2. Any state of facts which an accurate survey and inspection of the Property would show, provided such facts would not prevent use of the Unit for residential purposes.
3. Restrictive Covenants set forth in that certain deed from [REDACTED] and [REDACTED] his wife, to [REDACTED] dated March 31, 1831 and recorded April 4, 1831 in Liber 271, page 495 and deed made by [REDACTED] and [REDACTED] his wife, to [REDACTED] dated April 30, 1825 and recorded May 4, 1825 in Liber 192 page 21.
4. The terms, burdens, covenants, restrictions, conditions, easements and rules and regulations, all as set forth in the Declaration, the By-Laws and the Rules and Regulations, the Power of Attorney from the Grantee to the Condominium Board, and the Floor Plans; as all of the same may be amended from time to time.
5. Consents by the Grantor 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 Property may abut.
6. Any easement or right of use in favor of any utility company for construction, use, maintenance or repair of utility company for construction, use, maintenance or repair of utility lines, wires, terminal boxes, mains, pipes, cables, conduits, poles and other equipment and facilities on, under and across the Property.
7. Revocability of licenses for vault space, if any, under the sidewalks and streets.
8. Encroachments of stoops, areas, cellar steps or doors, trim, copings, retaining walls, bay windows, balconies, sidewalk elevators, fences, fire escapes, cornices, foundations, footings and similar projections, if any, on, over, or under the Property or the streets or sidewalks abutting the Property, and the rights of governmental authorities to require the removal of any such projections and variations between record lines of the Property and retaining walls and the like, if any.
9. The lien of any unpaid Common Charges, real estate tax, water charges or sewer rent, or vault charges, provided the same are adjusted at the closing of title.
10. The lien of any unpaid assessment payable in installments (other than assessments levied by the Condominium Board), except that the Grantor shall pay all such assessments due prior to the Closing Date (with the then current installment to be apportioned as the Closing Date) and the Grantee shall pay all assessments due from and after the Closing Date.
11. Any declaration or other instruments affecting the Property which the Grantor deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any

other public authority, applicable to the demolition, construction, alteration, repair or restoration of the Buildings.

12. Any encumbrances as to which a New York Board of Title Underwriters member title insurance company would be willing, in a fee policy issued by it to the Grantee, to insure the Grantee that such encumbrances (a) will not be collected out of the Unit if it is a lien or (b) will not be enforced against the Unit if it is not a lien.
13. Any other encumbrance, covenant, easement, agreement, or restriction against the Property other than a mortgage or other lien for the payment of money, which does not prevent the use of the Unit for residential purposes.
14. Any lease covering the Unit made from the Grantor to the Grantee.
15. Any violation against the Property (other than the Unit) which is the obligation of the Condominium Board, or another Unit Owner to correct.
16. Unit Owner's Power of Attorney as required by the Declaration of Condominium from this proposed insured to the members of the Board of Managers of The 41 Bond Street Condominium and their successors in office.
17. Sidewalk violations, if any.

EXHIBIT 4

POWER OF ATTORNEY

UNIT OWNER'S POWER OF ATTORNEY

The undersigned, _____ and _____, the Owners of Unit No. _____, in the Condominium known as 41 Bond Condominium, located at 41 Bond Street, Borough of Manhattan, County, City and State of New York, consisting of the property submitted to the provisions of Article 9-B of the Real Property Law of the State of New York pursuant to Declaration dated _____, 200__ and recorded in the New York Office of the Register of the City of New York on _____, 200__ in Reel _____ at Page _____ and shown on the Floor Plans on file in said office as Map No. _____, does hereby nominate, constitute and appoint the persons who may from time to time constitute the Board of Managers of the 41 Bond Condominium jointly, true and lawful attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, (A) to acquire in their own names, as members of the Board of Managers, or in the name of their designee, corporate or otherwise, on behalf of all owners of Units in the Condominium, in accordance with their respective Common Interests, (1) any Unit whose owner desires to abandon or sell the same, together with the undivided interest in the Common Elements appurtenant thereto, (2) the interest of such Unit Owner in any other Units theretofore acquired by the Board of Managers, or its designee, on behalf of all Unit Owners, or the proceeds of sale or lease thereof, if any, and the rights and privileges appurtenant thereto, (3) the interest of such Unit Owner in all other assets of the Condominium as defined in the aforementioned Declaration or any Unit, which shall be the subject of a foreclosure or other judicial sale; or to lease any Unit whose owner desires to rent the same, at such price or on such rental, as the case may be, and on such terms as said attorney-in-fact shall deem proper, and thereafter to convey, sell, lease or mortgage (but not to vote the votes appurtenant thereto) and to otherwise deal with any such Units so acquired by it, or to sublease any Unit so leased by it on such terms as said attorney-in-fact may determine, and (B) to execute, acknowledge and deliver (a) any declaration or other instrument affecting the Condominium that the Board of Managers deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution, or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Condominium or (b) any consent, covenant, restriction, easement, or declaration, or any amendment thereto, affecting the Condominium or the Common Elements, that the Board of Managers deems necessary or appropriate. The undersigned also grant to the Board of Managers an easement and right of access to each Unit.

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

The undersigned does hereby nominate, constitute and appoint DDG 41 NOHO LLC, a New York limited liability company, having an office at c/o DDG Partners LLC, 250 Hudson Street, 10th Floor, New York, New York 10013 ("Sponsor") as attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, to amend from time to time the Declaration, the By-laws and the Rules and Regulations of the Condominium, or any of said documents,

when such amendment (1) shall be required to reflect any changes in Unsold Units and/or the reapportionment of the Common Interest of the affected Unsold Units resulting therefrom made by Sponsor or its designee in accordance with Article 16 of the Declaration or (2) shall be required by (a) an institutional lender procured by Sponsor to make a mortgage loan secured by a mortgage on any Unit, (b) any governmental agency having regulatory jurisdiction over the Condominium, or (c) any title insurance company selected by Sponsor to insure title to any Unit, provided, however, that any amendment made pursuant to the terms of this paragraph shall not (i) change the Common Interest of the undersigned's Unit, (ii) require a material, physical modification to the undersigned's Unit, or (iii) adversely affect the priority or validity of the lien of any purchase money mortgage or any mortgage held by an institutional lender covering the undersigned's Unit unless the undersigned (in the event described in subdivision (i) or (ii) of this paragraph) or the holder of such mortgage (in the event described in subdivision (iii) of this paragraph) shall consent thereto by joining in the execution of such amendment. The terms, covenants and conditions contained in and the powers granted pursuant to this paragraph shall remain in full force and effect until such time as Sponsor or Sponsor-designees shall cease to own any Units in the Condominium. The undersigned also grant to Sponsor, for so long as Sponsor shall own any Unsold Units, an easement for ingress and egress through all of the Common Elements and access to the Common Elements in order to make alterations, additions, or improvements, whether structural or non-structural, interior or exterior, ordinary or extraordinary, in, to and upon Unsold Units.

This Power of Attorney shall be irrevocable.

All capitalized terms in this Power of Attorney shall have the same meaning as in the Declaration or the By-Laws of the Condominium.

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

UNIT OWNER(S)

UNIFORM FORM CERTIFICATE OF ACKNOWLEDGMENT
(Within New York State)

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

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

(Signature and Office of individual taking acknowledgment)

UNIFORM FORM CERTIFICATE OF ACKNOWLEDGMENT
(Outside of New York State)

State, District of Columbia, Territory,
Possession or Foreign Country
_____)ss.:

On the _____ day of _____ in the year _____, before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(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), 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, and that such individual made such appearance before the undersigned in the _____. (Insert the city or other political subdivision and the state or country or other place the acknowledgment was taken.)

(Signature and office of individual taking acknowledgment)

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EXHIBIT 5

FORM OF UNIT DEED

FORM OF UNIT DEED

RESIDENTIAL UNIT DEED

41 BOND CONDOMINIUM

TO

Premises: 41 Bond Street
Unit: ____
Section: ____
Block: ____
Lot: ____
County: New York

RECORD AND RETURN BY MAIL TO:

THIS PAGE INTENTIONALLY LEFT BLANK

THIS INDENTURE, made the _____ day of _____, 200____, by and between DDG 41 NOHO LLC, a New York limited liability company, having an office at /o DDG Partners LLC, 250 Hudson Street, 10th Floor, New York, New York 10013 (hereinafter referred to as the "Grantor") and _____ (having an office) (residing) at _____ (hereinafter referred to as the "Grantee").

WITNESSETH:

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

The Condominium Unit (hereinafter referred to as the "Unit") known as Unit No. ____ in the _____ building (hereinafter referred to as the "Building") known as the 41 BOND CONDOMINIUM and by the street number 41 Bond Street, Borough of Manhattan and City and State of New York, said Unit being designated and described as Unit No. ____ in a certain declaration dated _____, 200____, made by Grantor pursuant to Article 9-B of the Real Property Law of the State of New York (hereinafter referred to as the "Condominium Act"), establishing a plan for condominium ownership of the Building and the land (hereinafter referred to as the "Land") upon which the Building is situate (which Land is more particularly described in Exhibit A of said declaration), which declaration was recorded in the New York County office of the Register of The City of New York on _____, 200____, in Reel ____, Page ____ (which declaration is referred to as the "Declaration"). This Unit is also designated at Tax Lot ____ in Block ____ of Section ____ of the Borough of Manhattan on the Tax Map of the Real Property Assessment Department of the City of New York and on the floor plans of the Building, certified by _____, on _____, 200____, and filed with the Real Property Assessment Department of the City of New York on _____, 200____ as Condominium Plan No. _____;

Together with an undivided ____% interest in the Common Elements (as such term is defined in the Declaration);

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

Together with, and subject to, the rights, obligations, easements, restrictions and other provisions set forth in the Declaration and the By-Laws of the 41 BOND CONDOMINIUM, as the same may be amended from time to time (hereinafter referred to as 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;

SUBJECT also to such other liens, agreements, covenants, easements, restrictions and other matters as pertain to the Unit and/or the Land (the "Property") as more particularly described in Exhibit B attached hereto and made a part hereof (the "Permitted Exceptions").

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

the Grantee, forever.

If any provision of the Declaration or the By-Laws is invalid under, or would cause the Declaration or the By-Laws to be insufficient to submit the Property to the provisions of the Condominium Act, or if any provision that is necessary to cause the Declaration or the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from the Declaration or the By-Laws, or if the Declaration or the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the applicable provisions of Article 17 of the Declaration shall control.

Except as otherwise specifically permitted by the Condominium Board (as such term is defined in the Declaration) or provided in the Declaration or in the By-Laws, the Unit is intended for residential use only.

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

The Grantor, in compliance with Section 13 of the Lien Law of the State of New York, covenants that the Grantor will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund for the purpose of paying the cost of the 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.

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

If the Grantor is a corporation, this conveyance is made in the regular course of business actually conducted by the Grantor.

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

[Signature Page Immediately Follows]

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

DDG 41 NOHO LLC

By: _____

Name:

Title:

Grantee

Grantee

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

On the ____ day of _____, 20____, before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

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

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

EXHIBIT A
DESCRIPTION OF LAND
TO BE ATTACHED

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DESCRIPTION SHEET

As to Lot 29:

ALL THAT CERTAIN plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, City, County and State of New York, on the southerly side of Bond Street, known as 41 Bond Street and designated on a "Map of Ground in the Eighth Ward of the City of New York belonging to [REDACTED]" compiled by Edward Doughty, Civil Surveyor; on the 22nd day of February, 1825 and recorded in the Register's Office, City and County of New York, in Liber 189 of conveyances page 466, as Lot No. 6, which lot is bounded and described as follows:

Northeasterly in front by Bond Street;

Southwesterly in the rear by land now or late of [REDACTED];

Northwesterly by Lot No. 7 and

Southeasterly by Lot No. 5 on said Map.

Containing in breadth in front on Bond Street, 25 feet and in the rear 25 feet 5 1/2 inches; in length on the northwesterly side 99 feet 5 inches and in length on the southeasterly side 94 feet 6 inches, be said dimensions, more or less.

The westerly wall of the front building and the easterly wall of the front and rear buildings being party walls.

BEING AND INTENDED TO BE the same premises as those more particularly bounded and described as follows:

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

BEGINNING at a point in the southerly line of Bond Street, distant 265 feet 2 3/4 inches westerly from the corner formed by the intersection of the westerly line of Bowery with the southerly line of Bond Street;

RUNNING THENCE southerly along a line forming an angle of 90 degrees 28 minutes 00 seconds on its westerly side with the southerly line of Bond Street, 94 feet 7 3/4 inches;

continued.....

DESCRIPTION SHEET
(continued)

THENCE westerly along a line forming an angle of 100 degrees 57 minutes 00 seconds on its northerly side with the preceding course, 25 feet 9 1/8 inches (25 feet 5 1/2 inches, Triborough Survey*);

THENCE northerly along a line forming an angle of 78 degrees 59 minutes 00 seconds (79 degrees 36 minutes 00 seconds, Triborough Survey*) on its easterly side with the preceding course, 99 feet 8 3/4 inches (99 feet 5 inches, Triborough Survey*) to a point in the southerly line of Bond Street;

THENCE easterly along the southerly line of Bond Street, 25 feet 2 inches (24 feet 11 1/4 inches, Triborough Survey*) to the point or place of BEGINNING.

* Refers to an architectural survey made by Triborough Surveying dated 3/30/07 and redated by Fehringer Surveying P.C. on 6/12/09.

For information only: Said premises are known as 41 Bond Street, New York, New York and designated as Section 2 Block 529 Lot 29 as shown on the Tax Map of the City of New York, County of New York.

continued.....

DESCRIPTION SHEET
(continued)

As to Lot 30:

ALL THAT CERTAIN plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, City, County and State of New York, on the southerly side of Bond Street, known as 43 Bond Street and designated on a "Map of Ground in the Eighth Ward of the City of New York belonging to [REDACTED]" compiled by Edward Doughty, Civil Surveyor, on the 22nd day of February, 1825 and recorded in the Register's Office, City and County of New York, in Liber 189 of conveyances page 466, as Lot No. 5, which lot is bounded and described as follows:

Northeasterly in front by Bond Street;

Southwesterly in the rear by land now or late of [REDACTED];

Northwesterly by Lot No. 6; and

Southeasterly by Lot No. 4 on said Map.

Containing in breadth in front on Bond Street, 25 feet and in the rear 25 feet 5 1/2 inches; in length on the northwesterly side 94 feet 6 inches; and in length on the southeasterly side 89 feet 7 inches; be said dimensions, more or less.

The westerly walls of the front and rear buildings being party walls.

BEING AND INTENDED TO BE the same premises as those more particularly bounded and described as follows:

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

BEGINNING at a point in the southerly line of Bond Street, distant 240 feet 3 1/2 inches westerly from the corner formed by the intersection of the westerly line of Bowery with the southerly line of Bond Street;

RUNNING THENCE southerly along a line forming an angle of 89 degrees 29 minutes 30 seconds on its easterly side with the southerly line of Bond Street, 89 feet 7 1/4 inches;

continued.....

DESCRIPTION SHEET
(continued)

THENCE westerly along a line forming an angle of 100 degrees 54 minutes 30 seconds on its northerly side with the preceding course, 25 feet 5 1/2 inches;

THENCE northerly along a line forming an angle of 79 degrees 03 minutes 00 seconds on its easterly side with the preceding course, 94 feet 7 3/4 inches to a point in the southerly line of Bond Street;

THENCE easterly along the southerly line of Bond Street, 24 feet 11 1/4 inches to the point or place of BEGINNING.

For information only: Said premises are known as 43 Bond Street, New York, New York and designated as Section 2 Block 529 Lot 30 as shown on the Tax Map of the City of New York, County of New York.

EXHIBIT B**PERMITTED EXCEPTIONS**

1. Building restrictions and zoning and other regulations, resolutions and ordinances and any amendments thereto now or hereafter adopted.
2. Any state of facts which an accurate survey and inspection of the Property would show, provided such facts would not prevent use of the Unit for residential purposes.
3. Restrictive Covenants set forth in that certain deed from [REDACTED] and [REDACTED] his wife, to [REDACTED] dated March 31, 1831 and recorded April 4, 1831 in Liber 271, page 495 and deed made by [REDACTED] and [REDACTED] his wife, to [REDACTED] dated April 30, 1825 and recorded May 4, 1825 in Liber 192 page 21.
4. The terms, burdens, covenants, restrictions, conditions, easements and rules and regulations, all as set forth in the Declaration, the By-Laws and the Rules and Regulations, the Power of Attorney from the Grantor to the Condominium Board, and the Floor Plans; as all of the same may be amended from time to time.
5. Consents by the Grantor 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 Property may abut.
6. Any easement or right of use in favor of any utility company for construction, use, maintenance or repair of utility company for construction, use, maintenance or repair of utility lines, wires, terminal boxes, mains, pipes, cables, conduits, poles and other equipment and facilities on, under and across the Property.
7. Revocability of licenses for vault space, if any, under the sidewalks and streets.
8. Encroachments of stoops, areas, cellar steps or doors, trim, copings, retaining walls, bay windows, balconies, sidewalk elevators, fences, fire escapes, cornices, foundations, footings and similar projections, if any, on, over, or under the Property or the streets or sidewalks abutting the Property, and the rights of governmental authorities to require the removal of any such projections and variations between record lines of the Property and retaining walls and the like, if any.
9. The lien of any unpaid Common Charges, real estate tax, water charges or sewer rent, or vault charges, provided the same are adjusted at the closing of title.
10. The lien of any unpaid assessment payable in installments (other than assessments levied by the Condominium Board), except that the Grantor shall pay all such assessments due prior to the Closing Date (with the then current installment to be apportioned as the Closing Date) and the Grantee shall pay all assessments due from and after the Closing Date.
11. Any declaration or other instruments affecting the Property which the Grantor deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the demolition, construction, alteration, repair or restoration of the Buildings.

12. Any encumbrances as to which a New York Board of Title Underwriters member title insurance company would be willing, in a fee policy issued by it to the Grantee, to insure the Grantee that such encumbrances (a) will not be collected out of the Unit if it is a lien or (b) will not be enforced against the Unit if it is not a lien.
13. Any other encumbrance, covenant, easement, agreement, or restriction against the Property other than a mortgage or other lien for the payment of money, which does not prevent the use of the Unit for residential purposes.
14. Any lease covering the Unit made from the Grantor to the Grantee.
15. Any violation against the Property (other than the Unit) which is the obligation of the Condominium Board, or another Unit Owner to correct.
16. Unit Owner's Power of Attorney as required by the Declaration of Condominium from this proposed insured to the members of the Board of Managers of The 41 Bond Street Condominium and their successors in office.
17. Sidewalk violations, if any.

EXHIBIT 6

DECLARATION OF CONDOMINIUM

DECLARATION

**Establishing a Plan for Condominium Ownership
of the Premises known as the 41 Bond Condominium and
having a street address at
41 Bond Street
New York, New York
Pursuant to Article 9-B of the Real Property Law
of the State of New York**

Name: 41 BOND CONDOMINIUM

Sponsor:
**DDG 41 NOHO LLC
c/o DDG Partners LLC
250 Hudson, 10th Floor
New York, NY 10013**

Date of Declaration: _____, 2011

Prepared by/Record and Return:

**GOLDFARB & FLEECE LLP
Attorneys at Law
345 Park Avenue
New York, New York 10154
Attn: Robert Zimmerman
(212) 891-9100**

**The land affected by the within instrument
lies in Section 2, Block 529, Tax Lots 29 and 30,
now known as Lots _____ on the
Tax Map of the Borough of Manhattan,
County of New York, City and State of New York**

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**DECLARATION
OF
41 BOND CONDOMINIUM**
(Pursuant to Article 9-B of the Real
Property Law of the State of New York)

DDG 41 NOHO LLC, a New York limited liability company, having an office at /o DDG Partners LLC, 250 Hudson, 10th Floor, New York, NY 10013 ("Sponsor"), does hereby declare as follows:

PART I

Article 1

Definitions

All capitalized terms used in this Declaration that are not otherwise defined in the Articles hereof shall have the meanings set forth in Exhibit C annexed hereto, unless the context in which the same are used shall otherwise require. All capitalized terms used in this Declaration that are defined in any of the Articles hereof shall have the meanings ascribed to them in such Articles, unless the context in which the same are used shall otherwise require. Each of the said capitalized terms shall be applicable to singular and to plural nouns, as well as to verbs of any tense.

Article 2

Submission of the Property

Sponsor hereby submits the Property to the provisions of the Condominium Act and, pursuant thereto, does hereby establish a regime for the condominium ownership of the Property as more particularly set forth herein and in the By-Laws.

Article 3

Name of Condominium

The Condominium shall be known as the **41 BOND CONDOMINIUM**.

Article 4

The Land

Included in the Property is the Land, more particularly described in Exhibit A annexed hereto. As of the date hereof, Sponsor owns the Land in fee simple absolute.

Article 5

The Property and the Building

Included in the Property is the building and improvements located thereon (the "Building"). The Building consists of seven (7) residential units (collectively, the "Units") located on floors cellar to nine (9). Each Unit is located on a single floor other than Unit 1, which is located in a portion of the cellar and the first floor, Unit 4/5, which is located on floors four (4) and five (5) of the Building, and the Penthouse Unit, which is located on floors eight (8) and nine (9) of the Building. The Building is a cast-in-place concrete frame and the exterior walls are bluestone on steel stud framing at the street façade; with glass window wall at the garden façade.

Article 6

The Units

(a) Exhibit B annexed hereto sets forth the following data with respect to each Unit necessary for the proper identification thereof: (i) its designation number; (ii) its tax lot number; (iii) its approximate location in the Building; (iv) its approximate area; (v) the number of rooms contained therein; (vi) the portions of the Common Elements to which such Unit has immediate access; and (vii) the Common Interest appurtenant to such Unit. The precise location of each Unit within the Building is shown on the Floor Plans.

(b) The units were measured from the exterior side of the exterior walls (perimeter columns and mechanical pipes/ducts/shafts are not deducted) to the midpoint of the interior walls and partitions separating one unit from another Unit, or separating a unit from public corridors, stairs, elevators other mechanical equipment located within a Unit shall not be considered a part of such Unit. As is customary in New York City, these square foot areas exceed the useable floor area of each Unit. Measured vertically, each Unit will consist of the volume from the top of the concrete floor slab below (located under the finished flooring and sub-floor materials) to the underside of the concrete slab above.

(c) Each Unit includes, and the respective Unit Owner shall be responsible for: (i) any entrance doors to such Units; (ii) the interior partitions, plastered ceilings affixed, attached, or appurtenant to such Units; (iii) all window panes, casements and frames located within or opening from, such Units; (iv) all equipment, fixtures and appliances (including, without limitation, lighting and waterclosets, refrigerators, ovens, ranges, dishwashers and any other appliances) affixed, attached, or appurtenant to such Units; and (v) all other Facilities affixed, attached, or appurtenant to such Units and benefitting only those Units.

(d) Notwithstanding anything contained in this Article 6 to the contrary, each Unit Owner shall have the right, exercisable at any time and from time to time, to install, at such Unit Owner's sole cost and expense, such decorations, fixtures and coverings (including, without limitation, painting, finishing, wall papering, carpeting, pictures, mirrors, shelving and lighting fixtures) on the surfaces of the walls, ceilings and floors that face the interior of such Unit Owner's Unit and to a depth of one inch behind such surfaces for the purposes of installing nails, screws, bolts and the like, and to alter or remove interior walls, in whole or in part, in order to change such Unit's layout, or to improve the Unit, provided that no such installation, alteration, removal or change shall impair the structural or mechanical integrity of such Unit or of the Building or violate Law.

Article 7

The Common Elements

(a) The Common Elements consist of the entire Property, including the Land and all parts of the Building and improvements thereon other than the Units. The Common Elements are comprised of the General Common Elements, and the Limited Common Elements, which are described in paragraphs (b) and (c) of Article 7, respectively.

(b) The General Common Elements consist of the Land and those rooms, areas, corridors and other portions of the Building (other than the Units), as well as those Facilities therein, either currently or hereafter existing for the common use of the Units or of the Unit Owners or necessary for, or convenient to, the existence, maintenance, management, operation, or safety of the Property. Without intending to limit the generality of the foregoing in any respect, the General Common Elements include:

(i) the Land (including the landscaping) and any improvements therein, together with all easements, rights and privileges appurtenant thereto;

(ii) all foundations, columns, beams, supports, girders, exterior walls, building façade, interior walls, partitions, floors, roofs, and ceilings in, on, or under the Building, to the extent that the same are not expressly included as a part of a Unit pursuant to the terms of

Article 6 hereof or as part of a Limited Common Element pursuant to the terms of paragraph (c) of this Article 7;

(iii) all floors and ceilings, all sidewalks, curbs, hallways, stairwells, corridors, common mechanical and electrical spaces, landings and stairs, service entrances, lobbies, vestibules, basements and cellars, yards, storage spaces, entrances to, and exits from, the Building, to the extent that the same are not expressly included as part of the Limited Common Elements pursuant to the terms of paragraph (c) below or a Unit pursuant to the terms of Article 6 hereof;

(iv) sprinkler system, standpipes, hoses and hose racks, water towers, tower supports and associated equipment;

(v) any piping, electrical conduit, sewer lines, vent stacks and ventilation ducts which serve multiple Units or any of the General Common Elements;

(vi) all central and appurtenant installations and Facilities for services such as power, light, television, telephone, intercom, gas, sewer, plumbing, drainage, hot and cold water distribution, heat, ventilation, air-conditioning, garbage disposal, master and cable television and other mechanical and electrical systems, which service multiple Units and/or both the General Common Elements and the Limited Common Elements;

(vii) all parts of the Property, and all apparatus and installations now existing or hereafter constructed in the Building or on the Property, either existing for the common use of the Units or the Unit Owners or necessary for, or convenient to, the existence, maintenance, or safety of the Property; and

(viii) all ventilation ducts, electrical conduit and cable lines, piping, sewer lines and gas piping and incoming gas main and other equipment;

(ix) all windows situated within the Building, stair doors to corridors within the Building and the intercom system servicing the Building, to the extent not a part of a Unit;

(x) all masonry walls, partitions, floors and ceilings in, on or under the Building, separating a Unit from another Unit and/or a Limited Common Element and that portion of all such masonry walls, partitions, floors and ceilings separating a Unit from a General Common Element or, from the midpoint of any such wall, partition, floor or ceiling to the boundary line of such General Common Element;

(xi) all central and appurtenant installations for services such as heat, power, light, television, telephone, gas, sewer, plumbing, drainage, ventilation, hot and cold water, garbage disposal, and other mechanical and electrical systems, including all pipes, ducts, wires, cables and conduits used in connection therewith;

(xii) the elevator servicing the Building and its respective shafts, pits and machine rooms);

(xii) staircases from the subcellar to the roof and all portions of the roof and roof bulkheads except that portion designated as Limited Common Element or forming a part of a Unit;

(xiv) all interior portions of the Building including, but not limited to, all passages and corridors, mechanical and other rooms, areas and spaces, to the extent that the same are not expressly included as part of the General Common Elements pursuant to the terms of paragraph (b) above or the Limited Common Elements pursuant to the terms of paragraph (c) below or a Unit pursuant to the terms of Article 6 hereof;

(xv) the following areas located on the first floors: the residential lobby and entrance and mailboxes; and

(xvi) the elevator pit, super's office, elevator control room, electrical room and pump room, the gas/water meter room, and the pump rooms located in the cellar.

(c) The Limited Common Elements consist of all portions of the Land and Building (other than the Units) that are for the use of one or more specified Units to the exclusion of all other Units. Without intending to limit the generality of the foregoing in any respect, the Limited Common Elements include the landscaped yard adjacent to the Unit 1 private yard, the Penthouse Unit's roof terrace, and any roof terrace or balcony (as shown on the Floor Plans) to which there is or can be direct and exclusive access from the interior of a Unit (which shall be for the exclusive use of such Unit).

(d) The Common Elements shall remain undivided, and no Unit Owner or any other Person shall bring, or shall have the right to bring, any action for partition or division thereof, except as is expressly permitted pursuant to the terms of Article 15 hereof and Section 5.5 of the By-Laws.

Article 8

Determination of Common Interest

The undivided percentage interest of each Unit in the Common Elements (the "Common Interest" of such 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.

Article 9

Use of Units

(a) As more particularly set forth in the By-Laws, each Unit may be used only as a residence or for home occupation use as permitted under residential use, and not more than one family may occupy a Unit at one time except if such Unit has been divided in accordance with Law, this Declaration, the By-Laws and the Rules and Regulations to permit occupancy of a portion thereof as a separate dwelling (it should be noted that such Unit would remain a single condominium unit - there would not be a creation of two (2) condominium units). A Unit owned or leased by an individual, corporation, partnership, fiduciary, or any other entity may be occupied by said individual, or by an individual officer, director, stockholder, or employee of such corporation, or by an individual partner or employee of such partnership, or by said individual fiduciary (including directors, officers, stockholders, or employees of corporate fiduciaries and partners or employees of partnership fiduciaries), or by the individual beneficiary of said fiduciary, or by an individual principal or employee respectively, or by Family Members, guests or domestic employees of any of the foregoing (and nothing contained in this sentence shall be deemed to prohibit the exclusive occupancy of any Unit by such Family Members, guests, or domestic employees); however, the foregoing restrictions shall not apply to Unsold Units. So long as there remain Unsold Units upon the prior written consent of Sponsor any Unit may be used as a professional office or for any other purposes, provided, however, that such use is permitted by Law and the Unit Owner complies with all applicable governmental regulations. Units may be leased only in accordance with this Declaration, the By-Laws and the Rules and Regulations.

(b) Notwithstanding the foregoing or anything contained in the By-Laws or the Rules and Regulations to the contrary, Sponsor may, without the consent of the Condominium Board or other Unit Owners: (i) grant permission for the use of any Unsold Unit as a professional office or for any other purpose, provided, however, that such use is permitted by Law, does not violate the then existing certificate of occupancy for the Building and the user complies with all applicable governmental regulations; (ii) use any Unsold Units as model units and offices for the selling, renting, management, operation and promotion of the Unsold Units for any other purpose, subject only to compliance with Law; and (iii) lease any Unsold Units to third parties for their occupancy.

(c) The landscaped yard adjacent to Unit 1 shall be used and maintained by the Unit 1 Owner at the Unit 1 Owner's expense as a first-class garden in keeping with the character, design and nature of the building and of other luxury condominium buildings in Manhattan. There shall be no permanent structures erected in the landscaped yard other than a pergola without the prior

written approval of the Condominium Board, which approval shall not be unreasonably withheld, conditioned or delayed. Without limiting the generality of the foregoing restriction, the following structures are examples of structures that shall not be permitted: swings, swingsets, slides, playsets, pools, playing courts of any kind, children's climbing structures, and any other structure not in keeping with the nature and design of a first-class garden. Notwithstanding the foregoing, dining tables with ancillary seating for outside dining may be maintained in the landscaped yard, for use by the Unit 1 Owner and its guests. Except as set forth above, and subject to the limited review rights of the Condominium Board with respect to confirming compliance with the Plan, Declaration and By-laws, the Condominium Board will have no right to restrict or limit any uses of the landscaped yard which are permitted by law and applicable zoning ordinances.

Article 10

Easements for the Enjoyment of Common Elements

(a) Subject to the terms of the By-Laws and the Rules and Regulations, Sponsor, the Unit Owners, all other permitted tenants and occupants of the Building, the Managing Agent, the Condominium Board and all officers, partners, employees, agents, guests, invitees and licensees of the foregoing shall have, in common with all of the others an easement for ingress and egress through, as well as for the use and enjoyment of, all of the General Common Elements, and the General Common Elements shall be subject to such easement. Without limiting the foregoing, Sponsor, the Unit Owners, all other permitted tenants and occupants of the Building, the Managing Agent, the Condominium Board and all officers, partners, employees, agents, guests, invitees and licensees of the foregoing shall have, in common with all of the others, an easement for ingress and egress through such portions of the Units as are necessary to gain access to General Common Elements. Notwithstanding the foregoing, however, no Person shall use or enjoy the General Common Elements except in accordance with the reasonable purposes for which they are intended and without encroaching upon there rights of other Persons to do so.

(b) Each Unit Owner whose Unit has one or more appurtenant Limited Common Elements shall have an exclusive easement for the use thereof. The Units having the same are indicated on Exhibit B.

(c) Notwithstanding anything to the contrary contained in paragraph (a) or (b) hereof, Sponsor and his successors, assignees, invitees, licensees, contractors, employees, agents and tenants shall have an easement in, over, under, through and upon the Common Elements to use the same, without being subject to any fee or charge, for all purposes and activities in connection with the sale or renting of Unsold Units or apartments owned by Sponsor or its principals in the vicinity of the Building and shall have the right to use any one or more Unsold Units as sales,

rental and/or management offices and/or as model units. Such Unsold Units shall remain Units within the meaning of this Declaration, the By-Laws and the Condominium Act, and shall not comprise a part of the Common Elements. In addition, Sponsor shall have the right, to the extent permitted by Law, to use one or more portions of the Common Elements (including but not limited to, lobbies and corridors), as designated by Sponsor in its sole discretion, without being subject to any fee or charge, for all purposes and activities in connection with the sale or renting of Unsold Units, which right shall include, without limitation, the right to place "for sale," "for rent" and other signs and promotional materials, of such size and content as Sponsor shall determine, in, on, about and adjacent to the exterior walls of the Building.

(d) Sponsor and its successors, assigns, invitees, licensees, contractors, employees, agents and tenants shall each have an easement to install (including the attachment to the existing roofing system in a manner which shall not impair the existing roof warranty and is in all respects in compliance with law), utilize, operate, maintain, repair, alter, rebuild, restore and replace satellite dishes and similar equipment on the General Common Element roof and any such satellite equipment shall be the exclusive property of and be available for the exclusive use of Sponsor.

Article 11

Other Easements

(a) Subject to the terms of the By-Laws and to the Rules and Regulations, each Unit Owner shall have, in common with all other Unit Owners, an easement to use any of the Common Elements, and all pipes, wires, ducts, cables, conduits, public utility lines and all other utility distribution systems, whether or not Common Elements, located in, over, under, through, adjacent to, or upon any other Unit or the Common Elements to the extent that such Common Element and utility distribution system serves, or is necessary to the service of, his Unit, and each Unit and all of the Common Elements shall be subject to such easement. In addition, the Condominium Board shall have an easement and a right of access to each Unit and to the Common Elements to inspect the same, to remove violations therefrom and to install, operate, maintain, repair, alter, rebuild, restore and replace any of the Common Elements located in, over, under, through, adjacent to, or upon the same, and each Unit and the Common Elements shall be subject to such easement and right of access. The easements and the rights of access granted in this paragraph shall be exercised in such a manner as will not unreasonably interfere with the use of the Units for their permitted purposes. Such entry shall be permitted on not less than one day's notice, except that no such notice shall be necessary in the event of repairs or replacements immediately necessary or required for the preservation or safety of the Building, for the safety of the occupants of the Building or other persons, or to avoid the suspension of any necessary service in the Building.

(b) Sponsor for so long as it shall own any Unsold Unit and the Condominium Board, on behalf of all Unit Owners, shall have the right to grant such additional electric, gas, steam, cable television, telephone, water, storm drainage, sewer and other utility easements in, or to relocate any existing utility easements to, any portion of the Property as Sponsor or the Condominium Board, as the case may be, shall deem necessary or desirable for the proper operation and maintenance of the Building or any portion thereof or for the general health or welfare of the owners, tenants and occupants of the appropriate Units, provided, however, that the granting of such additional utility easements, or the relocation of existing utility easements, shall not unreasonably interfere with use of the Units for their permitted purposes. Any utility company, as well as its officers, employees and agents, shall have a right of access to each Unit and to the Common Elements in furtherance of such easement. However, such right of access shall be exercised in such a manner as will not unreasonably interfere with the use of the Units for their permitted purposes.

(c) Sponsor for so long as it shall own any Unsold Unit, shall have an easement for ingress and egress through all of the Common Elements and access to the Common Elements in order to make alterations, additions, or improvements, whether structural or non-structural, interior or exterior, ordinary or extraordinary, in, to and upon Unsold Units.

(d) Each Unit and the Common Elements shall have easements of subjacent support and necessity, and the same shall be subject to such easements in favor of all of the other Units and the Common Elements.

(e) Intentionally Omitted.

(f) If (i) any portion of the Common Elements now encroaches upon any Unit or upon any other portion of the Common Elements, (ii) any Unit now encroaches upon any other Unit or upon any portion of the Common Elements, or (iii) any such encroachment shall hereafter occur as a result of (x) the settling or shifting of the Building, (y) any repair or alteration made to the Common Elements in accordance with the terms of this Declaration and the By-Laws by, or with the consent of, the Condominium Board or by Sponsor (z) any repair or restoration made to the Building or any portion thereof, to any Unit, or to the Common Elements in accordance with the terms of this Declaration and the By-Laws after damage by fire or other casualty or after any taking by condemnation or eminent domain proceedings, then in any such event, a valid easement shall exist for such encroachment and for the maintenance of the same for so long as the Building or the affected Unit or Common Elements shall stand.

(g) In addition to the specific easements set forth in this Article 11 and in Article 10 hereof, the Property and every portion thereof shall be subject to all easements and rights of access prescribed in the Condominium Act, and easements of record or in any agreements made

with the City of New York or with any utility companies in effect prior to the recording of this Declaration.

(h) The user of any easement granted in Articles 10 and 11 shall have the responsibility of repairing any damage resulting therefrom. No fee or charge may be imposed by the Condominium Board or Unit Owners for any easement granted herein.

Article 12

Alterations, Additions, Improvements and Changes to Unsold Units

Except to the extent prohibited by Law, Sponsor shall have the right, without the consent or approval of the Condominium Board, the Unit Owners, the Selling Agent, the Managing Agent, or the Mortgage Representatives, if any, to:

(i) make alterations, additions or improvements, whether structural or non-structural, interior or exterior, ordinary or extraordinary, in, to and upon Unsold Units and its appurtenant Limited Common Elements, if any;

(ii) change the layout of, or number of rooms in, any Unsold Units;

(iii) change the size and/or number of Unsold Units by (w) subdividing one or more Unsold Units into two or more separate Units, (x) combining two or more separate Unsold Units (including, without limitation, those resulting from such subdivision or otherwise) into one or more Units, (y) altering the boundary walls of any Unsold Units, or (z) otherwise; and

(iv) if appropriate, reapportion among the Unsold Units affected by such change in size or number pursuant to the preceding clause (iii) their respective Common Interests; provided, however, that, with respect to any such alteration, addition, improvement or change in, to, of, or upon an Unsold Unit:

(1) no physical modification shall be made to any other Unit, and the Common Interest or interior dimensions of any other Unit, shall not be changed by reason thereof, unless the owner of such other affected Unit shall consent thereto;

(2) Sponsor shall comply with Law;

(3) such alteration, addition, improvement or change shall not jeopardize the soundness or structural integrity of any part of the Building or the safety of any tenant or other persons at the Property.

Notwithstanding the foregoing, however, the aggregate amounts of the Common Interests of all the Units shall always remain at 100%, and no reapportionment of the Common Interest appurtenant to any Unit, as the case may be, shall be made unless there is first delivered to the Condominium Board a written certification stating that the new Common Interest of the affected Unit has been based upon the factors set forth in Article 8 hereof. The certification referred to in the preceding sentence shall be delivered, at Sponsor's election, by Sponsor, the Selling Agent, the Managing Agent, or any other Person reasonably acceptable to the Condominium Board. The provisions of this Article 12 may not be added to, amended, modified or deleted without the prior written consent of Sponsor. Notwithstanding the foregoing, however, the aggregate amounts of the Common Interests of all the Units shall always remain at 100%.

Article 13

Acquisition of Units by the Condominium Board

If (i) any Unit Owner surrenders its Unit, together with its Appurtenant Interests, to the Condominium Board pursuant to the terms of the By-Laws or of Section 339-x of the Condominium Act, or (ii) the Condominium Board, pursuant to the terms of the By-Laws or otherwise, either (x) acquires or leases a Unit, together with its Appurtenant Interests, or (y) purchases a Unit, together with its Appurtenant Interests, at a foreclosure or other similar sale, then, in any such event, title or the leasehold estate, as the case may be, in and to such Unit and such Appurtenant Interests shall be held by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective Common Interests. Any lease or sublease of any Unit leased or subleased by the Condominium Board or its designee shall be held by the Condominium Board or such designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective Common Interests.

Article 14

Power of Attorney to Sponsor and the Condominium Board

- (a) Each Unit Owner, by acceptance of a deed or otherwise succeeding to title to a

Unit, shall be deemed to have irrevocably nominated, constituted and appointed as such Unit Owner's attorney-in-fact, coupled with an interest and with power of substitution, (i) Sponsor, to amend the Condominium Documents pursuant to the terms of Article 18 hereof or to otherwise enforce its rights under the By-Laws and (ii) the Persons who shall from time to time constitute the Condominium Board, jointly, to:

(w) employ counsel for purposes of protesting the New York City real property tax assessments with the Tax Commission and instituting tax certiorari proceedings on behalf of the Unit Owners for the reduction of the assessed valuation of their Units, such Unit Owners agreeing not to protest said assessments and bring such tax certiorari proceedings at their own initiative and on their own behalf;

(x) acquire or lease any Unit, together with its Appurtenant Interests whose owner desires to sell, convey, transfer, assign, lease, or surrender the same or acquire any Unit, together with its Appurtenant Interest that becomes the subject of a foreclosure or other similar sale, in the name of the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners;

(y) convey, sell, lease, mortgage or otherwise deal with (but not to vote the Common Interest appurtenant to) any Unit so acquired or to sublease any Unit so leased; and

(z) execute, acknowledge and deliver (1) any declaration or other instrument affecting the Condominium that the Condominium Board deems necessary or appropriate to comply with any Law applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Condominium or (2) any consent, covenant, variance, restriction, easement or declaration, or any amendment thereto, affecting the Condominium or the Common Elements that the Condominium Board deems necessary or appropriate or as may be required under this Declaration or the By-Laws or (3) any tax protests and tax certiorari proceedings affecting Units.

(b) In confirmation of the foregoing power of attorney, each Unit Owner, upon the request of either Sponsor or the Condominium Board, shall duly execute, acknowledge and deliver to the requesting party, for recording in the Register's Office, a Unit Owner's Power of Attorney in the form set forth in Exhibit E to this Declaration.

Article 15

Termination of Condominium

The Condominium shall continue until terminated by (i) casualty loss, condemnation or eminent domain, as more particularly provided in the By-Laws or (ii) withdrawal of the Property from the provisions of the Condominium Act by a vote of at least 80% of all Unit Owners, both in number and in aggregate Common Interests. No such vote under clause (ii) in the preceding sentence shall be effective without the written consent of the Mortgage Representative, if any, which consent shall not be unreasonably withheld or delayed. Sponsor will not vote the aggregate Common Interest appurtenant to the Unsold Units for such withdrawal unless at least 80%, both in number and in aggregate Common Interests, of all other Unit Owners (excluding Sponsor) so elect for such withdrawal, at which time Sponsor may choose to vote either in favor of or against withdrawal from condominium ownership, as it sees fit. In the event that said withdrawal is authorized as aforesaid, but only in such event, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all Unit Owners in proportion to their respective Common Interests, provided, however, that no payment shall be made to a Unit Owner until there has first been paid, out of such Unit Owner's share of such net proceeds, all liens on the Unit Owners Unit, in the order of priority of such liens.

Article 16

Covenant of Further Assurances

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

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

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

Article 17

Covenants to Run With the Land

(a) All provisions of this Declaration, the By-Laws and the Rules and Regulations, including, without limitation, the provisions of this Article 17, shall, to the extent applicable and unless otherwise expressly herein or therein provided to the contrary, be perpetual and be construed to be covenants running with the Land and with every part thereof and interest therein, and all of the provisions thereof shall be binding upon, and shall inure to the benefit of, the owner of all or any part thereof, or interest therein, and his heirs, executors, administrators, legal representatives, successors and assigns, but the same are not intended to create, nor shall they be construed as creating, any rights in, or for the benefit of, the general public. All present and future owners, tenants and occupants of Units shall be subject to, and shall comply with, the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time. The acceptance of a deed or conveyance, the entering into a lease, or the entering into occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such owner, tenant, or occupant, and all of such provisions shall be deemed and taken to be covenants running with the Land and shall bind any person having, at any time, any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed, conveyance, or lease.

(b) If any provision of this Declaration or of the By-Laws is invalid under, or would cause this Declaration or the By-Laws to be insufficient to submit the Property to, the provisions of the Condominium Act, such provision shall be deemed deleted from this Declaration or the By-Laws, as the case may be, for the purpose of submitting the Property to the provisions of the Condominium Act, but shall nevertheless be valid and binding upon, and shall inure to the benefit of, the owners of the Property and their heirs, executors, administrators, legal

representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under the other applicable Law to the extent permitted under such applicable Law with the same force and effect as if, immediately after the recording of this Declaration or the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land. If any provision that is necessary to cause this Declaration or the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from this Declaration or the By-Laws, then such provision shall be deemed included as a part of this Declaration or the By-Laws, as the case may be, for the purpose of submitting the Property to the provisions of the Condominium Act.

(c) Subject to the terms of paragraph (b) of this Article 17, if this Declaration or the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the provisions of this Declaration or the By-Laws shall nevertheless be valid and binding upon, and shall inure to the benefit of, the owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under the other applicable Law to the extent permitted under such applicable Law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land.

Article 18

Amendments to this Declaration

(a) Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions, or deletions affecting Sponsor or any Unsold Units, any provision of this Declaration may be amended, modified, added to, or deleted by the vote of at least 66-2/3% of all Unit Owners, in number and aggregate Common Interest, taken in accordance with the provisions of the By-Laws. Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions affecting Sponsor and/or any Unsold Units, no amendment, modification, addition or deletion pursuant to the preceding sentence shall be binding or effective without the written consent of (i) the Mortgage Representatives, if any, which consent shall not be unreasonably withheld or delayed and/or (ii) any Permitted Mortgagee of either any Unsold Unit (which consent shall not be unreasonably withheld or delayed unless the amendments, modifications, additions or deletions would adversely affect the rights or increase the obligations of the Unsold Unit Owner under this Declaration). No such amendment, modification, addition, or deletion shall be effective until recorded in the Register's Office. Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions affecting Sponsor and/or any

Unsold Units any such amendment, modification, addition or deletion shall be executed by the Condominium Board as attorney-in-fact for the Unit Owners, which power shall be deemed to be coupled with an interest, and the Condominium Board is hereby authorized by the Unit Owners so to act as their attorney-in-fact. Subject to the rights of Sponsor under Articles 9, 10, 11, 12, 13, 14 and 15 of this Declaration, Articles 9, 10, 11, 12, 13, 14 and 15 of this Declaration may not be amended, modified, added to, or deleted unless (in addition to the consent, if required, of the Mortgage Representatives, if any, as set forth above) 75%, in number and aggregate Common Interests of all Unit Owners affected thereby approve such amendment, modification, addition, or deletion in the manner set forth above.

(b) Sponsor shall have the right, at its sole cost and expense and without the vote or consent of any other Unit Owners, the Condominium Board, or the Mortgage Representatives (if any), to execute, acknowledge and record (or, at Sponsor's sole option, to require the Condominium Board or any other Unit Owners to execute, acknowledge and record) in the Register's Office and elsewhere, if required by Law, one or more amendments to this Declaration (including, without limitation, to Exhibit B hereto), together with such documents, plans and maps as Sponsor deems appropriate to effectuate the same:

(i) to reflect any changes in Unsold Units and/or the reapportionment of the Common Interest of the affected Unsold Units resulting therefrom made by Sponsor in accordance with the terms of Article 12 hereof; or

(ii) required by (x) an Institutional Lender designated by Sponsor to make a loan secured by a mortgage on any Unit, (y) any governmental agency having regulatory jurisdiction over the Condominium, or (z) any title insurance company selected by Sponsor to insure title to any Unit.

provided, however, that any amendment made pursuant to the terms of subparagraph (i), (ii) or (iii) of this paragraph shall not (1) change the Common Interest of any Unit other than a Unit owned by Sponsor, or (2) require a material, physical modification of any Unit other than a Unit owned by Sponsor, or (3) adversely affect the priority or validity of the lien of any purchase money mortgage or any mortgage held by an Institutional Lender unless the owner of such affected Unit (in the event described in subparagraph (1) or (2) of this paragraph) or the holder of such mortgage (in the event described in subparagraph (3) of this paragraph) shall consent thereto by joining in the execution of such amendment.

(c) Any amendment to this Declaration may be executed; (i) if on behalf of Sponsor pursuant to the terms of paragraph (b) hereof, by any principal of Sponsor or (ii) if on behalf of the Unit Owners or by the Condominium Board, by any Vice President and the Secretary or an

Assistant Secretary of the Condominium. If the Amendment requires the approval of a specific percentage of Unit Owners pursuant to the terms of this Declaration or the By-Laws, then there shall be attached to such amendment an original executed Secretary's Certificate, certifying that the requisite number and percentage of Unit Owners approved the amendment at a duly constituted meeting or (when permitted in this Declaration or the By-Laws) in writing without a meeting, in which Certificate shall be described the number and percentage of Unit Owners so consenting and (if voted upon at a meeting) the date and time of the meeting.

(d) Notwithstanding anything contained in the Condominium Documents to the contrary, but subject to any limitation imposed by the Condominium Act, no amendment to the Condominium Documents shall be adopted for so long as Sponsor owns any Unit if the same would (i) unreasonably interfere with the sale, lease, or other disposition of a Unit owned by Sponsor; (ii) abridge, modify, suspend, eliminate, or otherwise affect any right, power, easement, privilege, or benefit granted to Sponsor, or (iii) impose any discriminatory charge or fee against Sponsor.

(e) The provisions of this Article 18 may not be modified, amended, added to, or deleted, in whole or in part, without the consent of Sponsor if the same relate to Sponsor.

Article 19

Consents of Sponsor

Whenever the consent, approval, satisfaction, or permission of Sponsor is required under this Declaration or the By-Laws, such consent, approval, satisfaction, or permission shall not be required when Sponsor no longer owns any Units.

Article 20

Persons to Receive Service

For the period during which Sponsor is in control of the Board of Managers, Goldfarb & Fleece LLP, 345 Park Avenue, New York, New York 10154, the Managing Agent, or any successor thereof, is hereby designated to receive service of process in any action that may be brought against the Condominium. After Sponsor relinquishes control of the Board of Managers, notice of process in any action which may be brought against the Condominium shall be served on the person holding the office of President of the Board of Managers of the Condominium, 41 Bond Street, New York, New York 10012.

Article 21

Incorporation by Reference

The terms, covenants, conditions, descriptions and other information contained in (i) the property description annexed hereto as Exhibit A; (ii) the description of the Units annexed hereto as Exhibit B; (iii) the table of definitions, annexed hereto as Exhibit C; (iv) the By-Laws annexed hereto as Exhibit D; (v) the Unit Owner's Power of Attorney annexed hereto as Exhibit E; and the Floor Plans are, by this reference, each incorporated herein and made a part of this Declaration as if the same were set forth at length in the text hereof.

Article 22

Waiver

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

Article 23**Severability**

Subject to the provisions of paragraph (b) and (c) of Article 17 hereof, if any provisions of the Condominium Documents is invalid or unenforceable as against any Person or under certain circumstances, the remainder of the Condominium Documents and the applicability of such provision to other Persons or circumstances shall not be affected thereby. Each provision of the Condominium Documents shall, except as otherwise provided herein, be valid and enforced to the fullest extent permitted by Law. Any conflict between any provision of the Condominium Documents and the Condominium Act, or any questions regarding the interpretation of any of the Condominium Documents, shall be governed by the Condominium Act.

Article 24**Successors and Assigns**

The rights and/or obligations of Sponsor as set forth herein shall inure to the benefit of, and shall be binding upon, any successor or assignee of Sponsor or, with consent of Sponsor, any transferee of all of the Unsold Units. The purchaser of all of the then Unsold Units at a foreclosure sale of any existing mortgage of Sponsor shall be deemed a successor of Sponsor as set forth in the preceding sentence. Subject to the foregoing, Sponsor shall have the right, at any time, in its sole discretion, to assign or otherwise transfer its interest therein, whether by merger, consolidation, lease, assignment, or otherwise.

Article 25**Gender**

A reference in this Declaration to any one gender, masculine or feminine, includes the other one, and the singular includes the plural and vice-versa, unless the context otherwise requires.

Article 26**Captions**

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

* * * * *

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

Sponsor:

DDG 41 NOHO LLC

By: _____

Name:

Title:

STATE OF NEW YORK)
COUNTY OF) ss.:

On the ____ day of _____ in the year _____ before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(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 on behalf of which the individual(s) acted, executed the instrument.

Signature and Office of individual taking acknowledgment

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

On the ____ day of _____ in the year _____ before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(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 on behalf of which the individual(s) acted, executed the instrument.

Signature and Office of individual taking acknowledgment

EXHIBIT A
TO THE DECLARATION OF
THE 41 BOND CONDOMINIUM
DESCRIPTION OF THE LAND

DESCRIPTION SHEET

As to Lot 29:

ALL THAT CERTAIN plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, City, County and State of New York, on the southerly side of Bond Street, known as 41 Bond Street and designated on a "Map of Ground in the Eighth Ward of the City of New York belonging to [REDACTED] compiled by Edward Doughty, Civil Surveyor, on the 22nd day of February, 1825 and recorded in the Register's Office, City and County of New York, in Liber 189 of conveyances page 466, as Lot No. 6, which lot is bounded and described as follows:

Northeasterly in front by Bond Street;

Southwesterly in the rear by land now or late of [REDACTED]

Northwesterly by Lot No. 7 and

Southeasterly by Lot No. 5 on said Map.

Containing in breadth in front on Bond Street, 25 feet and in the rear 25 feet 5 1/2 inches; in length on the northwesterly side 99 feet 5 inches and in length on the southeasterly side 94 feet 6 inches, be said dimensions, more or less.

The westerly wall of the front building and the easterly wall of the front and rear buildings being party walls.

BEING AND INTENDED TO BE the same premises as those more particularly bounded and described as follows:

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

BEGINNING at a point in the southerly line of Bond Street, distant 265 feet 2 3/4 inches westerly from the corner formed by the intersection of the westerly line of Bowery with the southerly line of Bond Street;

RUNNING THENCE southerly along a line forming an angle of 90 degrees 28 minutes 00 seconds on its westerly side with the southerly line of Bond Street, 94 feet 7 3/4 inches;

continued.....

DESCRIPTION SHEET
(continued)

THENCE westerly along a line forming an angle of 100 degrees 57 minutes 00 seconds on its northerly side with the preceding course, 25 feet 9 1/8 inches (25 feet 5 1/2 inches, Triborough Survey*);

THENCE northerly along a line forming an angle of 78 degrees 59 minutes 00 seconds (79 degrees 36 minutes 00 seconds, Triborough Survey*) on its easterly side with the preceding course, 99 feet 8 3/4 inches (99 feet 5 inches, Triborough Survey*) to a point in the southerly line of Bond Street;

THENCE easterly along the southerly line of Bond Street, 25 feet 2 inches (24 feet 11 1/4 inches, Triborough Survey*) to the point or place of BEGINNING.

* Refers to an architectural survey made by Triborough Surveying dated 3/30/07 and redated by Fehringer Surveying P.C. on 6/12/09.

For information only: Said premises are known as 41 Bond Street, New York, New York and designated as Section 2 Block 529 Lot 29 as shown on the Tax Map of the City of New York, County of New York.

continued.....

DESCRIPTION SHEET
(continued)

As to Lot 30:

ALL THAT CERTAIN plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, City, County and State of New York, on the southerly side of Bond Street, known as 43 Bond Street and designated on a "Map of Ground in the Eighth Ward of the City of New York belonging to [REDACTED]" compiled by Edward Doughty, Civil Surveyor, on the 22nd day of February, 1825 and recorded in the Register's Office, City and County of New York, in Liber 189 of conveyances page 466, as Lot No. 5, which lot is bounded and described as follows:

Northeasterly in front by Bond Street;

Southwesterly in the rear by land now or late of [REDACTED]

Northwesterly by Lot No. 6; and

Southeasterly by Lot No. 4 on said Map.

Containing in breadth in front on Bond Street, 25 feet and in the rear 25 feet 5 1/2 inches; in length on the northwesterly side 94 feet 6 inches; and in length on the southeasterly side 89 feet 7 inches; be said dimensions, more or less.

The westerly walls of the front and rear buildings being party walls.

BEING AND INTENDED TO BE the same premises as those more particularly bounded and described as follows:

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

BEGINNING at a point in the southerly line of Bond Street, distant 240 feet 3 1/2 inches westerly from the corner formed by the intersection of the westerly line of Bowery with the southerly line of Bond Street;

RUNNING THENCE southerly along a line forming an angle of 89 degrees 29 minutes 30 seconds on its easterly side with the southerly line of Bond Street, 89 feet 7 1/4 inches;

continued.....

DESCRIPTION SHEET

(continued)

THENCE westerly along a line forming an angle of 100 degrees 54 minutes 30 seconds on its northerly side with the preceding course, 25 feet 5 1/2 inches;

THENCE northerly along a line forming an angle of 79 degrees 03 minutes 00 seconds on its easterly side with the preceding course, 94 feet 7 3/4 inches to a point in the southerly line of Bond Street;

THENCE easterly along the southerly line of Bond Street, 24 feet 11 1/4 inches to the point or place of BEGINNING.

For information only: Said premises are known as 43 Bond Street, New York, New York and designated as Section 2 Block 529 Lot 30 as shown on the Tax Map of the City of New York, County of New York.

EXHIBIT B
TO THE DECLARATION OF
41 BOND CONDOMINIUM
DESCRIPTION OF THE UNITS

TO BE PROVIDED PRIOR TO THE RECORDATION OF DECLARATION

EXHIBIT C
TO THE DECLARATION OF
41 BOND CONDOMINIUM

DEFINITIONS

(1) "Appurtenant Interest" shall mean, with respect to any Unit, the undivided interest of the owner thereof, pursuant to the terms of Section 339-x of the Condominium Act, in and to: (i) the Common Elements; (ii) any other Units owned or leased at the time in question by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners; (iii) any proceeds of the sale or lease of Units of the nature described in subdivision (ii) above; and (iv) any other assets of the Condominium.

(2) "Building" shall mean the building situated on the Land and any structures attached thereto.

(3) "By-Laws" shall mean the By-Laws of the Condominium, which are annexed as Exhibit D to the Declaration, as the same may be amended from time to time pursuant to the terms thereof.

(4) "Closing of Title" shall mean the date upon which a Unit and its appurtenant Common Interest are conveyed pursuant to a Purchase Agreement.

(5) Intentionally Omitted.

(6) "Common Charges" shall mean the charges allocated and assessed by the Condominium Board to the Unit Owners, pro-rata in accordance with their respective Common Interests (except as otherwise provided in the Declaration or in the By-Laws or in the First Year's Budget), to meet the General Common Expenses.

(7) "Common Elements" shall mean the General Common Elements and the Limited Common Elements, and shall consist of all parts of the Property other than the Units.

(8) "Common Expenses" shall mean all costs and expenses to be incurred generally by the Unit Owners pursuant to the Declaration and/or the By-Laws in connection with: (i) the repair, maintenance, replacement, restoration and operation of, and any alteration, addition, or improvement to, the Common Elements; (ii) the establishment and/or maintenance of a general

operating reserve, or a reserve fund for working capital, for replacements with respect to the Common Elements, or to make up any deficit in the Common Charges for any prior year(s); and (iii) generally, the conduct of the affairs of the Condominium. Common Expenses shall include General Common Expenses attributable to all Unit Owners.

(9) "Common Interest" shall mean the proportionate undivided interest, expressed as a numerical percentage, in the Common Elements, appertaining to each Unit, as determined in accordance with the Declaration. The Common Interest attributable to each Unit is set forth on Exhibit B annexed to this Declaration.

(10) "Condominium" shall mean the condominium, which was established pursuant to the terms of the Declaration and is to be governed pursuant to the terms of the By-Laws.

(11) "Condominium Act" shall mean Article 9-B of the Real Property Law of the State of New York, as the same may be amended from time to time.

(12) "Condominium Board" shall mean the governing body of the Condominium, whose members shall be selected pursuant to the terms of Articles 2 and 4 of the By-Laws.

(13) "Condominium Documents" shall mean the Declaration, the By-Laws and the Rules and Regulations.

(14) "Declaration" shall mean the declaration executed by Declarant for the purposes of submitting Property to the provisions of the Condominium Act and establishing a regime for the condominium ownership thereof.

(15) "Facilities" shall mean all personal property and fixtures now or hereafter existing in, on, or under the Land or the Building and either existing for the common use of the Units or the Unit Owners or necessary or convenient for the existence, maintenance, or safety of the Property. For purposes of illustrating the broad scope of such term and without intention to limit the generality of the foregoing in any respect, the term "Facilities" shall include all systems, equipment, apparatus, convectors, radiators, heaters, converters, heat exchangers, mechanisms, devices, machinery, induction units, fan coil units, motors, pumps, controls, tanks, tank assemblies, installations, condensers, compressors, fans, dampers, blowers, thermostats, thermometers, coils, vents, sensors, shut off valves, other valves, gongs, panels, receptacles, outlets, relays, alarms, sprinkler heads, electric distribution facilities, wiring, wireways, switches, switchboards, circuit breakers, transformers, fittings, siamese connections, hoses, plumbing fixtures, lighting fixtures, other fixtures, bulbs, signs, antennae, telephones, intercom equipment, playground equipment, meters, meter assemblies, scaffolding, piping, lines, ducts, conduits, cables, risers, mains, shafts, pits, flues, locks, hardware, racks, screens, strainers, traps, drains,

catch basins, leaders, filters, incinerators, canopies, closets, cabinets, doors, railings, copings, steps, furniture, mirrors, furnishings, appurtenances, urns, baskets, mail chutes, mail boxes, carpeting, tiles, floor coverings, draperies, window coverings, wallpaper, wallcoverings, trees, shrubbery, flowers, plants, horticultural tubs and horticultural boxes.

(16) "Family Members" shall mean the spouse, children (natural and adopted), stepchildren, grandchildren, siblings, nieces, nephews, parents, parents-in-law and grandparents of a Unit Owner who reside in such Unit Owner's Unit.

(17) "First Closing" shall mean the first date upon which title to a Unit is conveyed to a purchaser pursuant to a Purchase Agreement pursuant to the terms of the Plan.

(18) "First Year's Budget" shall mean the Section of the Plan entitled "Schedule B - Budget for First Year of Condominium Operation."

(19) "Floor Plans" shall mean the floor plans of the Units certified by a professional engineer or licensed architect and filed in the Register's Office simultaneously with the recording of the Declaration, together with any supplemental floor plans thereto.

(20) "General Common Elements" shall mean those certain portions of the Land and Building (other than the Units), as well as those Facilities therein, either existing for the common use of the Units or the Unit Owners or necessary for, or convenient to, the existence, maintenance, or safety of the Property, as more particularly described in paragraph (b) of Article 7 of the Declaration.

(21) "General Common Expenses" shall mean all costs and expenses to be incurred generally by the Unit Owners pursuant to the Declaration and/or the By-Laws in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition, or improvement to, the General Common Elements.

(22) "Initial Control Period" shall mean the period ending on the earlier of: (i) the closing of title with purchasers under the Plan to Units having at least fifty (50%) percent of the aggregate Common Interests appertaining to all Units, or (ii) five (5) years after the First Closing.

(23) "Institutional Lender" shall mean (i) a savings bank, savings and loan association, bank or trust company, insurance company, real estate investment trust, mortgage trust, or a group of lenders which shall include one of the foregoing, or (ii) a federal, state, municipal, teacher's or union employee, welfare, pension or retirement fund or system, or (iii) Sponsor.

(24) "Institutional Mortgage" shall mean any first mortgage covering one or more Units that is a Permitted Mortgage and the initial holder of which is either Sponsor or an Institutional Lender.

(25) "Insurance Trustee" shall mean a bank or a trust company, in either event having both an office in the City of New York and a capital surplus and undivided profits of \$500,000,000 or more, from time to time appointed to serve as such by the Condominium Board.

(26) "Land" shall mean all that certain tract, plot, piece and parcel of land situate, lying and being in the City and State of New York, as more particularly described in Exhibit A to the Declaration.

(27) "Law" shall mean the laws and ordinances of any or all of the Federal, New York State, New York City, County and Borough governments, the rules, regulations, orders and directives of any or all departments, subdivisions, bureaus, agencies, or offices thereof or of any other governmental, public, or quasi-public authorities having jurisdiction over the Property and/or the Condominium and/or the direction of any public officer pursuant to law.

(28) "Limited Common Elements" shall mean those certain portions of the Land and Building (other than the Units) existing for the use of Unit Owners of one or more specified Units to the exclusion of all other Unit Owners, as more particularly described in paragraph (c) of Article 7 of the Declaration.

(29) Intentionally Omitted.

(30) Intentionally Omitted.

(31) "Majority of Unit Owners" shall mean those Unit Owners having more than 50% of the total authorized votes of all Unit Owners (determined in accordance with the terms of Section 4.8 of the By-Laws) who are present, in person or by proxy, and voting at any duly constituted meeting of the Unit Owners at which a quorum is present.

(32) "Managing Agent" shall mean any Person employed by the Condominium Board pursuant to paragraph (C) Section 2.6 of the By-Laws, who shall undertake to perform the duties and services that the Condominium Board shall direct and who shall have whatever powers the Condominium shall delegate, subject to the limitations contained in paragraph (D) of Section 2.6 of the By-Laws.

(33) "Mortgage Representatives" shall mean the representatives of the holders of all mortgages encumbering Units, designated by the holders of Institutional Mortgages in accordance with the terms of paragraph (B) of Section 8.6 of the By-Laws.

(34) "Penthouse Unit" shall mean the Unit designated as the Penthouse in the Declaration together with its appurtenant Common Interest and Limited Common Interest.

(35) "Penthouse Unit Owner" shall mean any owner of the Penthouse Unit at the time in question.

(36) "Permitted First Mortgage" shall mean a Permitted Mortgage that is a first mortgage lien against a Unit.

(37) "Permitted First Mortgagee" shall mean any holder of a Permitted First Mortgage.

(38) "Permitted Mortgage" shall mean any mortgage covering one or more Units that is placed thereof in compliance with the terms contained in Article 8 of the By-Laws.

(39) "Permitted Mortgagee" shall mean any holder of a Permitted Mortgage at the time in question.

(40) "Person" shall mean any natural person, partnership, corporation, trust, estate, fiduciary, unincorporated association, syndicate, joint venture, organization, government or any department or agency thereof, or any other entity.

(41) "Plan" shall mean that certain condominium offering plan relating to the Property, as accepted for filing by the Department of Law of the State of New York pursuant to Section 352-e of the General Business Law of the State of New York and any amendments thereto.

(42) "Plans and Specifications" shall mean the plans and specifications for the Building which (to the extent required by law) are filed with, and approved by, the Department of Buildings of The City of New York and which plans and specifications may, from time to time, have been amended or changed, or may hereafter be amended or changed in accordance with the provisions of the Plan.

(43) "Property" shall mean the Land, the Building (and any structures attached thereto), all the improvements erected or to be erected on the Land, all easements, rights and appurtenances pertaining thereto and all other property, real, personal, or mixed, used or intended to be used in connection therewith.

(44) "Register's Office" shall mean the office of the Register of the City of New York of the County in which the Property is located.

(45) "Rules and Regulations" shall mean the rules and regulations of the Condominium, which are annexed as an addendum to the By-Laws, as any of the same may be amended, modified, added to, or deleted from time to time pursuant to the terms of the By-Laws, provided that they are not in conflict with the terms of the Condominium Act, the Declaration, or the By-Laws.

(46) "Selling Agent" shall mean any Person employed by Sponsor in connection with the sale, renting, management, operation and/or promotion of the Units.

(47) "Special Assessments" shall mean the charges allocated and assessed by the Condominium Board to the Unit Owners, pro-rata in accordance with their respective Common Interests (except as otherwise provided in the Declaration or in the By-Laws), in accordance with paragraph (C) of Section 6.1 of the By-Laws.

(48) "Sponsor" shall mean the "Sponsor," as such term is defined in the preamble to the Declaration or any of Sponsor's successors or assigns.

(49) "Unit" shall mean any of the seven "Units", as such term is defined in the Condominium Act, located in the Building, which Units are more particularly described in Articles 5 and 6 of, and Exhibit B to, the Declaration and in the Floor Plans, as same may be increased.

(50) "Unit Owner" shall mean any Person who holds fee title, of record, to one or more Units at the time in question.

(51) ""Unit Owners" shall mean the Unit Owners (including Sponsor, if Sponsor owns any Unsold Unit) at the time in question.

(52) "Unsold Unit" shall mean any Unit owned by Sponsor at the time in question.

EXHIBIT D
TO THE DECLARATION OF
41 BOND CONDOMINIUM

BYLAWS

TO BE PROVIDED PRIOR TO THE RECORDATION OF DECLARATION

EXHIBIT 7

CONDOMINIUM BY-LAWS

**BY-LAWS
OF
41 BOND CONDOMINIUM**

Prepared by:

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INDEX TO BY-LAWS

ARTICLE 1

GENERAL

Section 1.1	Purpose	6
Section 1.2	Definitions	6
Section 1.3	Applicability of By-Laws	6
Section 1.4	Application of By-Laws	6
Section 1.5	Principal Office of the Condominium	6

ARTICLE 2

CONDOMINIUM BOARD

Section 2.1	General.....	6
Section 2.2	Status of the Condominium Board	6
Section 2.3	Principal Office of the Condominium Board.....	7
Section 2.4	Powers and Duties of the Condominium Board	7
Section 2.5	Certain Limitations on the Powers of the Condominium Board	10
Section 2.6	Exercise and Delegation of Powers and Duties	12
Section 2.7	Number, Election and Qualification of Members.....	12
Section 2.8	Term of Office of Members.....	12
Section 2.9	Removal and Resignation of Members.....	13
Section 2.10	Vacancies.....	13
Section 2.11	Organizational Meeting of the Condominium Board	13
Section 2.12	Regular Meetings of the Condominium Board.....	14
Section 2.13	Special Meetings of the Condominium Board.....	14
Section 2.14	Waiver of Notice of Meetings	14
Section 2.15	Quorum of the Condominium Board	14
Section 2.16	Conduct of Meetings	14
Section 2.17	Decisions by the Condominium Board.....	14
Section 2.18	Compensation of Members.....	14
Section 2.19	Common or Interested Members of the Condominium Board	15
Section 2.20	Liability of the Condominium Board	15

ARTICLE 3

OFFICERS

Section 3.1	General.....	16
Section 3.2	President	16
Section 3.3	Vice President.....	16
Section 3.4	Secretary	16
Section 3.5	Treasurer	16
Section 3.6	Election, Term of Office and Qualification of Officers.....	17

Section 3.7	Removal and Resignation of Officers.....	17
Section 3.8	Vacancies.....	17
Section 3.9	Compensation to Officers.....	17
Section 3.10	Liability of the Officers of the Condominium.....	17

ARTICLE 4

UNIT OWNERS

Section 4.1	Annual Meetings of the Unit Owners.....	18
Section 4.2	Special Meetings of the Unit Owners.....	18
Section 4.3	Place of Meetings	18
Section 4.4	Notice of Meetings	18
Section 4.5	Quorum of the Unit Owners	18
Section 4.6	Conduct of Meetings	19
Section 4.7	Order of Business	19
Section 4.8	Voting.....	19
Section 4.9	Election of Members of the Condominium Board.....	20
Section 4.10	Action Without a Meeting	21
Section 4.11	Title to Units.....	21
Section 4.12	Contractual Liability of Unit Owners	21

ARTICLE 5

OPERATION OF THE PROPERTY

Section 5.1	Maintenance and Repairs.....	21
Section 5.2	Alterations, Additions, Improvements or Repairs in and to Units	23
Section 5.3	Alterations, Additions or Improvements to the Common Elements.....	24
Section 5.4	Insurance.....	25
Section 5.5	Casualty or Condemnation	27
Section 5.6	Use of the Property	29
Section 5.7	Use of the Units	30
Section 5.8	Use of the Common Elements	31
Section 5.9	Rights of Access	32
Section 5.10	Modification of the Rules and Regulations	32
Section 5.11	Real Estate Taxes.....	33
Section 5.12	Gas.....	33
Section 5.13	Electricity.....	33
Section 5.14	Water Charges and Sewer Rents.....	33
Section 5.15	Vault Charges	33
Section 5.16	Compliance with the Applicable Laws.....	33
Section 5.17	Records and Audits.....	34

ARTICLE 6

COMMON CHARGES

Section 6.1	Determination of Common Expenses and Fixing of Common Charges.....	34
Section 6.2	Payment of Common Charges.....	35
Section 6.3	Statement of Common Charges.....	36
Section 6.4	Default in Payment of Common Charges.....	36

ARTICLE 7

SELLING AND LEASING OF UNITS

Section 7.1	General.....	38
Section 7.2	Right of First Refusal	38
Section 7.3	Acceptance of Offer.....	39
Section 7.4	Failure to Accept Offer.....	40
Section 7.5	Termination of, and Exceptions to, the Right of First Refusal	40
Section 7.6	No Severance of Ownership.....	41
Section 7.7	Payment of Common Charges.....	42
Section 7.8	Power of Attorney	42
Section 7.9	Gifts and Devises, Etc.	42

ARTICLE 8

MORTGAGING OF UNITS

Section 8.1	General.....	42
Section 8.2	Restrictions on Mortgaging	42
Section 8.3	Notice of Unpaid Common Charges and Default.....	43
Section 8.4	Performance by Permitted Mortgagees	44
Section 8.5	Examination of Book.....	44
Section 8.6	Consent of Mortgagees; Designation of Mortgage Representatives.....	44
Section 8.7	Prohibition on Leasing.....	44

ARTICLE 9

CERTAIN REMEDIES

Section 9.1	Self Help.....	44
Section 9.2	Abatement and Enjoinment	44
Section 9.3	Remedies Cumulative.....	44
Section 9.4	Costs and Expenses	44

ARTICLE 10

ARBITRATION

Section 10.1	Procedure.....	45
--------------	----------------	----

Section 10.2	Variation by Agreement	45
Section 10.3	Binding Effect.....	45
Section 10.4	Costs and Expenses	45

ARTICLE 11

NOTICES

Section 11.1	General.....	46
Section 11.2	Waiver of Service of Notice	46

ARTICLE 12

AMENDMENTS TO BY-LAWS

Section 12.1	General.....	46
Section 12.2	Special Amendments	47

ARTICLE 13

FURTHER ASSURANCES

Section 13.1	General.....	48
Section 13.2	Failure to Deliver or Act.....	48

ARTICLE 14

MISCELLANEOUS

Section 14.1	Inspection of Documents	49
Section 14.2	Waiver	49
Section 14.3	Conflict.....	49
Section 14.4	Severability.....	49
Section 14.5	Successors and Assigns	49
Section 14.6	Gender	49
Section 14.7	Captions.....	49

ADDENDUM

Rules and Regulations	50
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ARTICLE 1

GENERAL

Section 1.1 Purpose. The purpose of these By-Laws is to set forth the rules and procedures concerning the conduct of the affairs of the Condominium. The Condominium covers the Property, which consists of: (i) the Land, which is more particularly described in Exhibit A to the Declaration; (ii) the Building, which includes, without limitation, the Units, the Common Elements and all easements, rights and appurtenances belonging thereto, and all other property, real, personal or mixed, intended for use in connection therewith and (iii) 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 1.2 Definitions. All capitalized terms used in these By-Laws that are not otherwise defined in any of the Articles hereof shall have the meanings set forth in Exhibit C to the Declaration, unless the context in which the same are used shall otherwise require. All capitalized terms used in these By-Laws that are defined in any of the Articles hereof shall have the meanings ascribed to them in such Articles, unless the context in which the same are used shall otherwise require. Each of the aforescribed capitalized terms shall be applicable to singular and to plural nouns, as well as to verbs of any tense.

Section 1.3 Applicability of By-Laws. These By-Laws are applicable to the Property and to the use and occupancy thereof.

Section 1.4 Application of By-Laws. All present and future Unit Owners, mortgagees, lessees, sublessees and occupants of Units, and employees 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 amended from time to time. The acceptance of a deed or other instrument of conveyance, or the succeeding to title to, or the execution of a lease or sublease for, or the act of occupancy of, a Unit shall constitute an agreement that the provisions of the Declaration, these By-Laws and the Rules and Regulations, as each of the same may be amended from time to time, are accepted, ratified and will be complied with.

Section 1.5 Principal Office of the Condominium. The principal office of the Condominium 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.

ARTICLE 2

CONDOMINIUM BOARD

Section 2.1 General. As more particularly set forth in Sections 2.4, 2.5 and 2.6 hereof, the affairs of the Condominium shall be governed by the Condominium Board. In exercising its powers and performing its duties under the Declaration and these By-Laws, the Condominium Board shall act as, and shall be, the Agent of the Unit Owners, subject to, and in accordance with, the terms of the Declaration and these By-Laws.

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 Condominium Board.

(A) The Condominium Board shall have all of the powers and duties necessary for, or incidental to, the administration of the affairs of the Condominium, provided, however, that the Condominium Board shall not have such powers and duties that by Law, or pursuant to the terms of the Declaration and these By-Laws, may not be delegated to the Condominium Board by the Unit Owners. Without intention to limit the generality of the foregoing in any respect, the Condominium Board shall have the following specific powers and duties:

(i) to operate, maintain, repair, restore, add to, improve, alter and replace the Common Elements, including, without limitation, as the Condominium Board shall deem necessary or proper in connection therewith: (a) the purchase and leasing of supplies, equipment and material and (b) the employment, compensation and dismissal of personnel;

(ii) to acquire, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of the Unit Owners, all rights, titles and interests in real and personal property deemed necessary or proper by the Condominium Board for the use in connection with the ownership and operation of the Property as a condominium;

(iii) to maintain complete and accurate books and records with respect to the finances and the operation of the Condominium, including without limitation: (a) detailed accounts, in chronological order, of receipts and expenditures affecting the Property; (b) detailed books of account of the Condominium Board; (c) other financial records, as well as other books of account of the Condominium, as may be required to be kept pursuant to the terms of these By-Laws; and (d) minutes and other records of all meetings held pursuant to the terms of these By-Laws;

(iv) to adopt a budget for the Condominium for each fiscal year thereof, setting forth, without limitation: (a) a detailed accounting of the anticipated Common Expenses for the ensuing fiscal year and (b) a detailed projection of all sources and amounts of income necessary to discharge the same;

(v) to approve the amount and the means and methods of payment of, and collection of, the Common Charges and Special Assessments from the Unit Owners;

(vi) to borrow money on behalf of the Condominium when required in connection with the operation, care, upkeep, maintenance, repair, restoration, improvement, alteration and replacement of the Common Elements, provided, however, that: (a) with respect to the operation, maintenance, repair, restoration, improvement, alteration and replacement of the General Common Elements, the affirmative consent of at least 50%, in aggregate Common Interests, of all Unit Owners (including Sponsor, if Sponsor then owns any Unsold Units) shall be required for the borrowing of any sum in excess of \$25,000 in any one fiscal year (regardless of the balance of any loans outstanding from previous fiscal years); (b) with respect to the operation, care, upkeep, maintenance, repair, restoration, improvement, alteration and replacement of the Limited Common

Elements or the purchase of Units, the affirmative consent of at least 50%, in aggregate Common Interests, of all Unit Owners (including Sponsor, if Sponsor then owns any Unsold Unit) shall be required for the borrowing of any sum in excess of \$25,000 in any one fiscal year (regardless of the balance of any loans outstanding from previous fiscal years); (c) no lien to secure repayment of any sum borrowed may be created on any Unit or its Appurtenant Interests without the consent of the owner of such Unit; and (d) the documentation executed in connection with any such borrowing shall provide that, if any sum borrowed by the Condominium Board pursuant to this subparagraph (vi) shall not be repaid by the Condominium Board, any Unit Owner who pays to the creditor thereunder such proportion of the then outstanding indebtedness represented or secured thereby as such Unit Owner's Common Interest, bears to the aggregate Common Interests of all Unit Owners, shall be entitled to obtain from the creditor a release of any judgment or other lien that the said creditor shall have filed, or shall have the right to file, against such Unit Owner's Unit;

(vii) to open and maintain bank accounts on behalf of the Condominium and to designate the signatories required therefor which shall at no time be less than two and that each check drawn on such account shall need at least two signatures;

(viii) to use the Common Charges and Special Assessments collected from Unit Owners, as well as all other funds held by the Condominium Board or received in connection with the operation of the Property, for the administration of the Condominium, including, without limitation: (a) the payment of Common Expenses and (b) the making of restorations, additions, alterations and improvements to the General Common Elements and the Limited Common Elements, respectively;

(ix) to obtain insurance for the Property, including the Units, pursuant to the terms of Section 5.4 hereof;

(x) to adjust and settle claims under insurance policies obtained pursuant to the terms of Section 5.4 hereof, and to execute and deliver releases upon such adjustment and settlement on behalf of: (a) all Unit Owners (except as otherwise provided herein); (b) all holders of mortgages and other liens on Units; and (c) all holders of any other interest in the Property;

(xi) to make, or to contract with others for the making of, repairs, maintenance, additions and improvements to, and alterations, restorations and replacements of, the Property after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings, all in accordance with the terms of these By-Laws;

(xii) to obtain and keep in force fidelity bonds or insurance coverage, in amounts deemed appropriate by the Condominium Board, but in no event less than \$250,000, for: (a) all members of the Condominium Board; (b) all officers and employees of the Condominium; and (c) the Management Agent, and the premiums on all such fidelity bonds shall constitute a part of the Common Expenses;

(xiii) to accept the surrender of any Unit pursuant to the terms of paragraph (C) of Section 6.2 hereof, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of all Unit Owners;

(xiv) to purchase, lease, or otherwise acquire Units offered for sale or lease by their owners, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of all Unit Owners;

(xv) to purchase Units at foreclosure or other judicial sales, in the name of the Condominium Board or its designee, corporate or otherwise and on behalf of all Unit Owners;

(xvi) to sell, lease, mortgage and otherwise deal with Units acquired by, and to sublease Units leased by, the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, provided, however, that the Condominium Board or its designees shall in no event be entitled to vote the votes appurtenant to any such Unit;

(xvii) to adopt and amend the Rules and Regulations and to levy and authorize collection of fines against Unit Owners for violations of the same;

(xviii) to enforce by legal means the terms, covenants and conditions contained in the Condominium Documents and to bring or defend against any proceedings that may be instituted on behalf of, or against, the Unit Owners;

(xix) to incorporate, to the extent and in the manner provided in the Condominium Act, provided, however, that: (a) the certificate of incorporation and by-laws of any such resulting corporation shall conform as closely as practicable to the terms of the Declaration and these By-Laws and (b) the terms of the Declaration and these By-Laws shall prevail in the event of any inconsistency or conflict between the terms thereof and the terms of such certificate of incorporation and by-laws;

(xx) to organize corporations to act as the designees of the Condominium Board in acquiring title to and in acquiring rights, titles and interests in real and personal property for use in connection with the ownership and operation of the Property as a condominium;

(xxi) to execute, acknowledge and deliver: (a) any declaration (including a declaration of single zoning lot) or other instrument affecting the Property that the Condominium Board deems necessary or appropriate to comply with any law applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Building and (b) any consent, covenant, restriction, easement or declaration affecting the Property that the Condominium Board deems necessary or appropriate or that is required by the terms of the Declaration or these By-Laws;

(xxii) to prepare, execute, acknowledge and record on behalf of all Unit Owners, as their attorney-in-fact, coupled with an interest, a restatement of the Declaration or these By-Laws, whenever, in the Condominium Board's estimation, it is advisable to consolidate and restate all amendments, modifications, additions and deletions theretofore made to the same;

(xxiii) to prepare, execute, acknowledge and institute protests of real property tax assessments and tax certiorari proceedings with respect to the Units, provided that each such Unit Owner reimburses the Condominium Board and indemnifies the Condominium Board from and against all claims, costs and expenses (including, without limitation, reasonable attorneys' fees); and

(xxiv) to carry out any other duties imposed upon the Condominium Board pursuant to the Declaration and these By-Laws.

(B) 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 a permitted lessee or other permitted occupant.

Section 2.5 Certain Limitations on the Powers of the Condominium Board.

(A) Notwithstanding anything to the contrary contained in these By-Laws, so long as Sponsor shall continue to own one Unsold Unit, the Condominium Board may not, without Sponsor's prior written consent:

- (i) make any addition, alteration, improvement or change in or to the Common Elements or to any Unit, regardless of the cost thereof, unless the same shall be required by law;
- (ii) assess any Common Charges or Special or General Assessments for the creation or replacement of, or the addition to, all or any part of a reserve, contingency, or surplus fund;
- (iii) borrow money on behalf of the Condominium;
- (iv) exercise any right of first refusal to purchase or lease a Unit; or
- (v) amend the By-Laws.

In no event will the limitations imposed herein continue for more than five (5) years from the First Closing. Sponsor may not veto any action described in items (i) through (vii) above if (y) such action is necessary to enable the Condominium Board or Unit Owners to comply with any laws, rules or regulations of any governmental authority having jurisdiction over the Condominium; and (z) no other alternative is available after a discussion of the alternatives at a meeting at which Sponsor is present, and further provided that Sponsor's veto is delivered by written notice within twenty (20) days after Sponsor has notice of the proposed action, which notice shall specifically state in bold capital letters that Sponsor has 20 days in which to respond or shall be deemed to have approved such action.

(B) Notwithstanding anything to the contrary contained in these By-Laws, the Condominium Board shall not take any of the following actions unless all members thereof shall approve the same in writing or by vote at a duly constituted meeting called for such purpose;

- (i) increase the number, or change the type, of employees from those hired at the time of recording the Declaration;
- (ii) provide for new or additional services from those being provided at the time of recording the Declaration;
- (iii) impose any Common Charge or Special Assessment for the purpose of making any capital or major improvement, alteration, or addition to the Common Elements or to any Unit, unless required by Law; or
- (iv) establish any reserves, including, without limitation, a reserve for contingencies, repairs, improvements, or replacements, other than a reserve for contingencies to be used within a period of twelve months from the date such reserve is established, not exceeding 5% of the budgeted operating expenses for the ensuing twelve months of operation.

Section 2.6 Exercise and Delegation of Powers and Duties.

(A) Any act within the power of the Condominium Board to perform, and deemed necessary or desirable to be performed by the Condominium Board, shall be performed by the Condominium Board or shall be performed on its behalf and at its direction by the agents, employees, or designees of the Condominium Board.

(B) The Condominium Board may appoint an Executive Committee by duly adopted resolution, which Executive Committee shall have, and may exercise, all of the powers of the Condominium Board, subject to both the exceptions and limitations as the Condominium Board may from time to time deem appropriate, during the intervals between the meetings of the Condominium Board. 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 perform such duties and services as the Condominium Board shall direct, each of which committees shall have, and may exercise, all of the powers delegated to it in its enabling resolution, subject, however, to the exceptions and limitations contained in paragraph (D) of this Section 2.6. The Executive Committee and each other committee shall consist of at least two of the three members of the Condominium Board.

(C) The Condominium Board may employ a Managing Agent to serve at a compensation approved by the Condominium Board and to perform such duties and services as the Condominium Board shall direct. Subject to the exceptions and limitations contained in paragraph (D) of this Section 2.6, the Condominium Board may delegate to the Managing Agent any of the Powers granted to the Condominium Board in these By-Laws.

(D) Notwithstanding anything to the contrary contained in this Section 2.6, the Executive Committee and the Managing Agent shall neither have nor be entitled to exercise, and the Condominium Board shall not delegate to either of them or to any other committee, the powers or duties described in subparagraphs (ii), (iv), (v), (vi), (xiii), (xiv), (xv), (xvi) and (xvii) of paragraph (A) of Section 2.4 hereof. In addition, neither the Managing Agent nor any of the committees described in Subsection (B) of this Section 2.6 shall have, or be entitled to exercise, any of the powers of the Condominium Board, except to the extent permitted by Law.

Section 2.7 Number, Election and Qualification of Members. Until the first annual meeting of the Unit Owners held pursuant to the terms of Section 4.1 hereof, the Condominium Board shall consist of three (3) individuals whom are to be designated from time to time by Sponsor. From and after the first annual meeting of the Unit Owners and for so long as Sponsor owns at least one Unsold Unit, the Condominium Board shall consist of three individuals, elected by the Unit Owners (or designated by the Sponsor as the case may be) pursuant to the terms of Section 4.9 hereof. Except for members designated or elected by Sponsor pursuant to the terms of this Section 2.7 or of Section 2.10 or 4.9 hereof, all members of the Condominium Board shall be either (i) individual Unit Owners; (ii) individual Permitted Mortgagees; (iii) officers, directors, shareholders, partners, principals, employees, or beneficiaries of corporations, partnerships, fiduciaries, limited liability companies or any other entities that are Unit Owners or Permitted Mortgagees; or (iv) adult Family Members of any of the foregoing. However, no Unit Owner may be elected to serve on the Condominium Board if the Condominium Board has perfected a lien against such Unit Owner's Unit and the amount necessary to release such lien has not been paid at the time of such election, or to serve on the Condominium Board so long as such lien remains unpaid.

Section 2.8 Term of Office of Members. The term of office of the three members of the Condominium Board designated by Sponsor prior to the first annual meeting of the Unit Owners shall expire when the three individuals to be elected at such meeting are so elected and qualified or designated, as the case may be. The term of office of each of the three individuals elected and qualified and designated, as the case may be, at the first annual meeting of the Unit Owners pursuant to the terms of 4.9 hereof shall be fixed at one year. Notwithstanding anything to the contrary contained in this Section 2.8, however, each member of the Condominium Board shall serve until his successor shall be elected and qualified. Except for members of the Condominium Board designated by Sponsor, no member of the Condominium Board shall be elected to a successive term in office after serving three (3) one-year terms.

Section 2.9 Removal and Resignation of Members.

(A) Any member of the Condominium Board who was elected thereto either by the Unit Owners, pursuant to the terms of Section 4.9 hereof, or by the Condominium Board, pursuant to the terms of Section 2.10 hereof, may be removed from office, with or without cause, by a vote of a Majority of Unit Owners. Any member of the Condominium Board who was designated as such or elected by Sponsor pursuant to the terms of Section 2.7, 2.10, or 4.9 hereof, may be removed, with or without cause, only by Sponsor. If any member of the Condominium Board who was designated by Sponsor is removed, his successor shall also be designated by Sponsor. Any member of the Condominium Board whose proposed removal is to be acted upon at a meeting of the Unit Owners shall be given prior written notice thereof and an opportunity to be present and heard thereat.

(B) Any member of the Condominium Board may resign his membership at any time by giving written notice thereof to the Condominium Board and, with respect to members of the Condominium Board designated as such by Sponsor, to Sponsor. In addition, any member of the Condominium Board who shall cease to be qualified for membership pursuant to the terms of Section 2.7 hereof shall be deemed to have resigned his membership effective as of the date upon which such qualification shall cease.

Section 2.10 Vacancies.

(A) Any vacancy on the Condominium Board that is caused by the removal, resignation, or death of a member who was elected thereto by the Unit Owners shall be filled by an individual who is qualified to be a member pursuant to the terms of Section 2.7 hereof and who is elected by a vote of the majority of the members of the Condominium Board then in office. A special meeting of the Condominium Board shall be held for the purpose of filling any such vacancy promptly after the occurrence thereof, and the election held thereat shall be effective to fill such vacancy even if the number of members present at such meeting shall not constitute a quorum.

(B) Any vacancy on the Condominium Board that is caused by the removal, resignation, or death of a member who was designated as such or elected by Sponsor shall be filled by an individual designated by Sponsor.

(C) Each member of the Condominium Board who is elected thereto or designated as such to fill a vacancy pursuant to the terms of paragraph (A) or (B), respectively, of this Section 2.10 shall serve as a member of the Condominium Board for the remainder of the term of the member he replaced and until his successor shall be selected and qualified at the appropriate annual meeting of the Unit Owners pursuant to the terms of Section 4.9 hereof.

Section 2.11 Organizational Meeting of the Condominium Board. The first meeting of the Condominium Board following each annual meeting of the Unit Owners shall be held within ten days of such annual meeting, at such time and place as shall be both fixed informally by a majority of the members of the Condominium Board and designated by the Secretary in a written notice given to all members thereof by personal delivery, mail, or overnight delivery service not later than five business days prior to such date. At such meeting, the officers of the Condominium Board shall be elected.

Section 2.12 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 members thereof, provided that at least four such meetings shall be held during each fiscal year. Written notice of all regular meetings of the Condominium Board shall be given by the Secretary to each member thereof by personal delivery, mail or overnight delivery service at least five business days prior to the day named for such meeting.

Section 2.13 Special Meetings of the Condominium Board. The President may call a special meeting of the Condominium Board whenever he deems the same to be necessary or desirable. However, the President shall call such a meeting upon the written request of two or more members of the Condominium Board. Written notice of all special meetings shall be given by the Secretary to each member thereof by personal delivery, mail, or overnight delivery service at least three business days prior to the day named for such meeting, which notice shall state the time, place and purpose of the meeting.

Section 2.14 Waiver of Notice of Meetings. Any member of the Condominium Board may, at any time, waive notice of any meeting thereof in writing, and such waiver shall be deemed equivalent to the giving of notice. Attendance by a member of the Condominium Board at any meeting thereof shall constitute a waiver by him of notice of the time and place thereof. If all of the members of the Condominium Board are present at any meeting thereof, no notice of such meeting shall be required and any business may be transacted at such meeting.

Section 2.15 Quorum of the Condominium Board. For purposes of all meetings of the Condominium Board, a majority of the members thereof shall constitute a quorum for the transaction of business. In connection therewith, one or more members of the Condominium Board may participate in any meeting thereof by means of a conference telephone or similar communications equipment permitting all individuals participating in the meeting to hear each other at the same time, and such participation shall constitute presence at such a meeting for all purposes. If, at any meeting of the Condominium Board, there shall be less than a quorum present, a majority of the members of the Condominium Board 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 2.16 Conduct of Meetings. 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 actions and proceedings occurring thereat. 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 Condominium Board, shall govern the conduct of the meetings of the Condominium Board unless the same shall be in conflict with the terms of the Declaration, these By-Laws, or the Condominium Act.

Section 2.17 Decisions by the Condominium Board. Except as otherwise provided in the Declaration or these By-Laws, the vote of majority of the members of the Condominium Board present at a meeting thereof at which a quorum is present shall constitute the decision of the Condominium Board. Alternatively, any decision that is required or permitted to be made by the Condominium Board may be made without a meeting thereof if all of the members of the Condominium Board shall individually or collectively consent in writing to such decision, and all such written consents shall be duly filed by the Secretary of the Condominium in the minutes of the Condominium Board.

Section 2.18 Compensation of Members. No member of the Condominium Board shall receive any compensation from the Condominium for acting as such.

Section 2.19 Common or Interested Members of the Condominium Board. Each member of the Condominium Board shall perform his duties, and shall exercise his powers, in good faith and with a view to the interests of the Condominium. To the extent permitted by Law, no contract or other transaction between the Condominium Board and either (i) and of its members or (ii) any corporation, partnership, fiduciary, firm, association, or other entity in which any of the members of the Condominium Board are officers, directors, employees, partners, fiduciaries, beneficiaries, or principals, or are otherwise interested, pecuniarily or otherwise, shall be deemed either void or voidable because either (a) any such member of the Condominium Board was present at the meeting or meetings of the Condominium Board

during which such contract or transaction was discussed, authorized, approved, or ratified, or (b) the vote of any such member was counted for such purpose, provided, however, that either:

(x) the fact thereof is disclosed to, or known by, the Condominium Board or a majority of the members thereof and noted in the minutes thereof, and the Condominium Board shall authorize, approve, or ratify such contract or transaction in good faith by a vote of a majority of the entire Condominium Board, less that number of such members; or

(y) the fact thereof is disclosed to, or known by, a Majority of Unit Owners, and a Majority of Unit Owners shall authorize, approve, or ratify such contract or transaction.

Any such member of the Condominium Board may be counted in determining the presence of a quorum of any meeting the Condominium Board that authorized, approves, or ratifies any such contract or transaction, but no such member shall be entitled to vote thereat to authorize, approve, or ratify such contract or transaction.

Section 2.20 Liability of the Condominium Board.

(A) The members of the Condominium Board shall have no liability to the Unit Owners for errors of judgment, negligence, or otherwise, except that each member of the Condominium Board shall be liable thereto for his own bad faith, willful misconduct or gross negligence. In connection therewith, members of the Condominium Board designated as such by Sponsor shall not be deemed either to be in bad faith or to have committed willful misconduct or gross negligence by reason of any self-dealing in connection with any contract made, or other transaction entered into, between the Condominium Board and Sponsor or its agents, provided that any compensation paid, or to be paid, to Sponsor or its agents in connection with any such contract or transaction is disclosed in the Plan or an amendment thereto or is at competitive rates for goods sold or services rendered in the Borough in which the Property is located.

(B) Every contract made, and other document executed, by or on behalf of the Condominium Board, any committee thereof, or the Managing Agent shall expressly state (if obtainable and in addition to the limitation of liability of the officers of the Condominium and the Unit Owners pursuant to the terms of Section 3.10 and 4.12 hereof, respectively) that the same is made or executed by or on behalf of the Condominium Board, such committee, or the Managing Agent solely as agent for the Unit Owners, in the case of a contract or other document relating to the General Common Elements, and that the members of the Condominium Board or such committee or the Managing Agent shall have no liability thereon, except to the extent of their liability, if any, as Unit Owners pursuant to the terms of Section 4.12 hereof.

(C) Neither the Condominium Board nor any member thereof shall be liable for either:

(i) 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

(ii) any injury, loss, or damage to any individual or property, occurring in or upon either a Unit or the Common Elements, and either (a) caused by the elements, by any Unit Owner, or by any other Person; (b) resulting from electricity, water, snow, or ice that may leak or flow from a Unit or any portion of the Common Elements; or (c) arising out of theft or otherwise.

(D) The Unit Owners shall jointly and severally indemnify and hold each member of the Condominium Board harmless from and against any claim or liability to others arising from his acts or omissions relative to the General Common Elements as, or by reason of the fact that such individual is or was, a member of the Condominium Board, except, however, to the extent that such claim or liability shall

be due to, or shall arise out of, the bad faith or willful misconduct of such member. The Unit Owners shall jointly and severally indemnify and hold each member of the Condominium Board harmless from and against any claim or liability to others arising from his acts or omissions relative to the Limited Common Elements as, or by reason of the fact that such individual is or was, a member of the Condominium Board, except, however, to the extent that such claim or liability shall be due to, or shall arise out of, the bad faith or willful misconduct of such member.

ARTICLE 3

OFFICERS

Section 3.1 General. The principal officers of the Condominium shall be the President, the Vice President, the Secretary and the Treasurer. The Condominium Board may appoint an Assistant Treasurer, an Assistant Secretary and such other officers as in its discretion may be necessary or desirable. All agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed, upon the direction of the Condominium Board, by any two officers of the Condominium or by such lesser number of officers or by such other Person or Persons as may be designated from time to time by the Condominium Board.

Section 3.2 President. The President shall be the chief executive officer of the Condominium and shall preside at all meetings of the Unit Owners and of the Condominium Board. The President shall have all of the general powers and duties that are incident to the office of president of a stock corporation organized under the Business Corporation Law of the State of New York (hereinafter referred to as the "BCL"), including but not limited to, the power to appoint the members of all committees created by the Condominium Board from amongst the Unit Owners from time to time as he may decide, in his discretion, are appropriate to assist in the conduct of the affairs of the Condominium.

Section 3.3 Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If both the President and the Vice President are unable to act, the Condominium Board shall appoint some other member of the Condominium Board to act in the place of the President on an interim basis. The Vice President shall also perform such other duties as shall be imposed upon him from time to time by the Condominium Board or by the President.

Section 3.4 Secretary. The Secretary shall keep the minutes of all meetings of the Unit Owners and of the Condominium Board. The Secretary shall have charge of such books and papers as the Condominium Board shall direct and, in general, shall perform all of the duties that are incident to the office of secretary of a stock corporation organized under the BCL.

Section 3.5 Treasurer. The Treasurer shall have the care and custody of the funds and securities of the Condominium and shall be responsible for keeping full and accurate financial records and books of account thereof, showing all receipts and disbursements necessary for the preparation of all required financial data. The Treasurer shall be responsible for the deposit of all funds and other securities in the name of the Condominium Board or in the name of the Managing Agent in such depositories as may from time to time be designated by the Condominium Board and, in general, shall perform all of the duties incident to the office of the treasurer of a stock corporation owed under the BCL.

Section 3.6 Election, Term of Office and Qualification of Officers. Each of the officers of the Condominium shall be elected annually by a majority vote of the Condominium Board taken at the organizational meeting of each new Condominium Board, and shall serve at the pleasure of the Condominium Board. The President, Vice President, and the Treasurer shall be elected from amongst the

members of the Condominium Board. Such officers need not be Unit Owners and need not have any interest in the Condominium if they are designated by Sponsor. Such officers must be Unit Owners if they are elected by the Unit Owners. The other officers of the Condominium Board need not be Unit Owners and need not have any interest in the Condominium.

Section 3.7 Removal and Resignation of Officers. any officer of the condominium may be removed from office, with or without cause, by an affirmative vote of a majority of the members of the Condominium Board. In addition, any officer may resign at any time by giving written notice to the Condominium Board. Finally, if the President, Vice President, or the Treasurer of the Condominium shall cease to be or shall be suspended as a member of the Condominium Board during his term of office, such officer shall be deemed to have resigned his office effective upon the date which his membership shall cease.

Section 3.8 Vacancies. Any vacancy in an office shall be filled by a majority vote of the Condominium Board at any regular meeting of the Condominium Board or at a special meeting thereof called for such purpose.

Section 3.9 Compensation. No officer of the Condominium shall receive any compensation from the Condominium for acting as such.

Section 3.10 Liability of the Officers of the Condominium.

(A) The officers of the Condominium shall have no liability to the Unit Owners for errors of judgment, negligence, or otherwise except that each officer of the Condominium shall be liable thereto for his own bad faith, willful misconduct or gross negligence. In addition, every contract made, and other document executed, by one or more officers or other Persons on behalf of the Condominium shall expressly state (if obtainable and in addition to the limitation of liability of the members of the Condominium Board and the Unit Owners pursuant to the terms of Sections 2.20 and 4.12 hereof, respectively) that the same is made or executed by such officers or Persons on behalf of the Condominium solely as agent for the Unit Owners, in the case of a contract or other document relating to the General Common Elements, or the Limited Common Elements, and that such officers or Persons shall have no liability thereon, except to the extent of their liability, if any, as Unit Owners pursuant to the terms of Section 4.12 hereof.

(B) None of the officers of the Condominium shall be liable for any injury, loss, or damage to any individual or property, occurring in or upon either a Unit or the Common Elements, and either (a) caused by the elements, by any Unit Owner, or by any other Person; (b) resulting from electricity, water, snow, or ice that may leak or flow from a Unit or any portion of the Common Elements; or (c) arising out of theft or otherwise.

(C) The Unit Owners shall jointly and severally indemnify and hold each officer of the Condominium harmless from and against any claim or liability to others arising from his acts or omissions relative to the General Common Elements as, or by reason of the fact that such individual is or was, an officer of the Condominium, except, however, to the extent that such claim or liability shall be due to, or shall arise out of, the bad faith or willful misconduct of such officer. The Unit Owners shall jointly and severally indemnify and hold each officer of the Condominium harmless from and against any claim or liability to others arising from his acts or omissions relating to the Limited Common Elements as, or by reason of the fact that such individual is or was, a member of the Condominium Board, except, however, to the extent that such claim or liability shall be due to, or shall arise out of, the bad faith or willful misconduct of such member.

ARTICLE 4

UNIT OWNERS

Section 4.1 Annual Meetings of the Unit Owners. The first annual meeting of the Unit Owners shall be held approximately six months after the First Closing, at which meeting the incumbent three-member Condominium Board shall resign and a successor three member Condominium Board shall be elected by the Unit Owners, as provided in both this Article 4 and in Article 2 hereof. Thereafter, annual meetings of the Unit Owners shall be held after the issuance of the annual financial report of the Condominium. At each such subsequent meeting, the Unit Owners shall elect successors to the members of the Condominium Board whose term of office expires on the day of such meeting and shall transact such other business as may properly come before such meeting.

Section 4.2 Special Meetings of the Unit Owners. The President shall call a special meeting of the Unit Owners whenever so directed by a duly adopted resolution of the Condominium Board or upon receipt by the Secretary of a petition calling for such a meeting signed by unit Owners having, in the aggregate, not less than 40% of the Common Interests of all Unit Owners. Each such resolution or petition shall set forth, in reasonable detail, the purposes for calling such a meeting, and no business shall be transacted at such special meeting except business reasonably related to such stated purposes.

Section 4.3 Place of Meetings. Meetings of the Unit Owners shall be held at the principal office of the Condominium or at such other suitable and convenient place in the Borough in which the Property is located as may be designated by the Condominium Board.

Section 4.4 Notice of Meetings.

(A) The Secretary of the Condominium shall give notice of each annual or special meeting of the Unit Owners to all Unit Owners then of record entitled to vote at such meeting, which notice shall set forth the purpose, time and place of such meeting. Such notice may be given to any Unit Owner by personal delivery, mail, or overnight delivery service addressed to his address at the Property, not less than ten nor more than thirty business days prior to the day fixed for the meeting. Any Unit Owner may designate an address for the giving of notice other than such Unit Owner's address at the Property by giving written notice thereof to the Secretary of the Condominium not less than ten days prior to the giving of notice of the applicable meeting.

(B) If the business to be conducted at any meeting of the Unit Owners shall include the consideration of a proposed amendment to the Declaration or to these By-Laws, the notice of such meeting shall be mailed to all Unit Owners at least thirty days prior to the day fixed for such meeting and shall be accompanied by a copy of the text of such proposed amendment.

Section 4.5 Quorum of the Unit Owners. Except as otherwise provided in these By-Laws, the presence, in person or by proxy, of Unit Owners owning Units to which 40% or more of the aggregate Common Interests appertain shall constitute a quorum at all meetings of the Unit Owners. If, at any meeting of the Unit Owners, there shall be less than a quorum present, a majority of the Unit Owners 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.

Section 4.6 Conduct of Meetings. The President shall preside at all meetings of the 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 transaction and proceedings occurring thereat. The then current edition of Robert's Rules of Order, or any other rules of procedure acceptable to a majority of the Unit Owners present at any meeting, in person or by proxy, shall govern the

conduct of the meetings of the Unit Owners, unless the same shall be in conflict with the terms of the Declaration, these By-Laws, or the Condominium Act. All votes of the Unit Owners shall be tallied by the persons appointed by the presiding officer of the meeting.

Section 4.7 Order of Business. The order of business at all meetings of the Unit Owners shall be as follows:

- (i) Roll call;
- (ii) Proof of notice of meeting;
- (iii) Reading of the minutes of the preceding meeting (unless waived);
- (iv) Reports of officers of the Condominium;
- (v) Reports of members of the Condominium Board;
- (vi) Reports of committees;
- (vii) Election of inspectors of election (when so required);
- (viii) Election of members of the Condominium Board (when so required);
- (ix) Unfinished business; and
- (x) New business.

Section 4.8 Voting.

(A) Subject to the terms of Section 4.9 hereof, each Unit Owner (including Sponsor for so long as Sponsor shall own Unsold Units) shall be entitled to cast one vote at all meetings of the Unit Owners for each percentage of Common Interest attributable to such Unit Owner's Unit(s).

(B) Notwithstanding the terms contained in paragraph (A) hereof, no Unit Owner may vote at any meeting of the Unit Owners if the Condominium Board has perfected a lien against such Unit Owner's Unit and the amount necessary to release such lien has not been paid at the time of such meeting. In addition, neither the Condominium Board nor any designee thereof shall be entitled to vote the Common Interest appurtenant to any Unit owned by the Condominium Board or such designee. The Common Interests of all Units whose owners are precluded from voting pursuant to the terms of this paragraph (B) will be excluded when computing the aggregate Common Interests of all Unit Owners for voting purposes.

(C) A fiduciary shall be the voting member with respect to a Unit owned in a fiduciary capacity. In addition, if two or more Persons own a Unit, they shall designate one Person amongst them to vote the Common Interest appurtenant to their Unit in a writing given to the Secretary of the Condominium, 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 under one ballot without division, and the concurrence of all such Persons shall be conclusively presumed if any one of them purports to vote such Common Interest 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 appurtenant to such Unit shall be counted solely for the purpose of determining whether a quorum is present for such voting.

(D) The owner(s) of any Unit may designate any Person to act as a proxy on his behalf. The designation of any such proxy shall be made in a writing both signed and dated by the designer and delivered to the Secretary of the Condominium at or before the appointed time for the meeting(s) during which the same is to be effective. Any such designation shall be revocable at any time upon written notice given to the Secretary of the Condominium; however, no revocation of such designation shall be effective with respect to any votes cast by such proxy prior to the receipt of such revocation notice by the Secretary of the Condominium or, if such revocation is made at a meeting of the Unit Owners during which the Secretary of the Condominium is not in attendance, by the individual acting as the secretary of such meeting, except with respect to the designation of a Permitted Mortgagee to act as the proxy of its mortgagor(s), no designation to act as a proxy shall be effective for a period in excess of six months after the date hereof.

Section 4.9 Election of Members of the Condominium Board.

(A) When voting for members of the Condominium Board, each Unit Owner (including Sponsor for so long as Sponsor shall own Unsold Units) shall be entitled to cast one vote for each percentage of Common Interest attributable to his Unit(s) per member to be elected by the Unit Owners. However, nothing contained herein shall be deemed either to permit any Unit Owner to cumulate the votes attributable to the ownership of any one Unit in favor of any one member to be elected. In addition, the terms of paragraphs (B), (C), and (D) of Section 4.8 hereof shall apply to all elections of members of the Condominium Board.

(B) All elections of members of the Condominium Board shall be by written ballot, and each ballot cast shall state: (i) the name of the voting Unit Owner and, if such ballot is cast by proxy, the name of the proxy; (ii) the designation number(s) of the Unit(s) owned by the voting Unit Owner; (iii) the percentage of the Common Interest(s) appurtenant to such Unit(s); and (iv) the names of the candidates for whom such ballot is cast (the number of which names shall not exceed the number of members to be elected). Any ballot that is not cast in conformity with this paragraph (B) shall not be counted. All election ballots shall be retained in the records of the Condominium, appropriately segregated by election for a period of two years.

(C) Subject to the terms of paragraph (D) of this Section 4.9, all elections of members of the Condominium Board shall be determined by plurality vote of Unit Owners present, in person or by proxy, at a duly convened meeting.

(D) Sponsor shall have the right to designate one member of the Condominium Board representing the Unit Owners for so long as Sponsor owns at least one Unsold Unit.

Nothing contained herein shall be construed to prevent Sponsor from casting its votes for members of the Condominium Board who were not designated by Sponsor. Notwithstanding anything to the contrary set forth above, in the event the regulations promulgated by the New York State Department of Law governing new construction or vacant property to condominium ownership are amended to provide that a Sponsor can elect a majority of its designated board members for a period in excess of five years, or if such regulations are finally determined to be unenforceable by a court of competent jurisdiction, provided that such Sponsor has a sufficient number of votes to cast a majority of the votes of the Unit Owners, then the aforesaid restrictions concerning Sponsor's rights to elect a majority of the Condominium Board shall no longer be effective and Sponsor shall have the same rights to vote its Common Interests as any other Unit Owner.

(E) Within thirty (30) days after the Initial Control Period the members of the Condominium Board representing the Unit Owners which were designated by Sponsor shall resign and their replacement

shall be filled by a majority vote of the members of the Condominium Board representing the Unit Owners at any regular meeting of the Condominium Board or at a special meeting thereof called for such purpose. After the Initial Control Period the majority of the Condominium Board shall be owner-occupants or members of owner-occupants households that are unrelated to Sponsor and Sponsor's principals.

Section 4.10 Action Without a Meeting. Any action required or permitted to be taken by the Unit Owners at a duly constituted meeting may be taken without such a meeting if the number of Unit Owners sufficient (both in absolute number and in aggregate Common Interests whenever applicable) to approve such an action at a duly constituted meeting of the Unit Owners pursuant to the Declaration or to these By-Laws consent in writing to the adoption of a resolution approving such action. All written consents given by Unit Owners pursuant to this Section 4.10 shall be retained in the records of the Condominium together with a true copy of the resolutions to which they relate.

Section 4.11 Title to Units. Title to any Unit may be taken by any Person or by any two or more Persons as joint tenants, tenants in common, or tenants by the entirety, as may be appropriate.

Section 4.12 Contractual Liability of Unit Owners. Every contract made by the Condominium Board, by any officer of the Condominium, or by any superintendent or Managing Agent of the Building shall state (if obtainable and in addition to the limitation of liability of the members of the Condominium Board and the officers of the Condominium pursuant to the terms of Sections 2.20 and 3.10 hereof, respectively) that the liability of any Unit Owner with respect thereto shall be limited to: (i) such proportionate share of the total liability thereunder as the Common Interest of such Unit Owner bears to the aggregate Common Interests of all Unit Owners, in the case of a contract relating to the General Common Elements, and/or the Limited Common Elements, and (ii) such Unit Owner's interest in his Unit and its Appurtenant Interests, unless otherwise provided by law.

ARTICLE 5

OPERATION OF THE PROPERTY

Section 5.1 Maintenance and Repairs.

(A) Except as otherwise provided in the Declaration or in these By-Laws, all painting, decorating, maintenance, repairs and replacements, whether structural or non-structural, ordinary or extraordinary:

(i) in or to any Unit and all portions thereof (including, but not limited to, the interior walls, ceilings and floors in the Unit, kitchen and bathroom fixtures and appliances, windows, and their frames, sills and sashes, all entrance doors and their frames and saddles, exposed plumbing, gas and heating fixtures and equipment, air conditioning units, lighting and electrical fixtures and any Common Elements incorporated therein pursuant to paragraph (B) of Section 5.8 hereof, but excluding any other Common Elements contained therein) shall be performed by the owner of such Unit at such Unit Owner's cost and expense; and

(ii) in or to the General Common Elements (other than any General Common Elements incorporated into one or more Units pursuant to the terms of Paragraph (B) of Section 5.8 hereof) shall be performed by the Condominium Board as a General Common Expense;

(iii) in or to the Limited Common Elements (other than any Limited Common Elements incorporated into one or more Units) shall be performed (a) by the Condominium Board as a Common Expense, if involving structural or extraordinary maintenance, repairs, or replacements (including, but not limited to, the repair of any leaks that are not caused by the acts or omissions of the Unit Owner having direct and exclusive access thereto), or (b) by the Unit Owner having direct and exclusive access thereto at such Unit Owner's sole cost, and expense, if involving non-structural ordinary maintenance, repairs or replacements.

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. All painting, decorating, maintenance, repairs and replacements performed hereunder or otherwise, whether by or at the behest of a Unit Owner or the Condominium Board, shall be performed in such a manner as shall not unreasonably disturb or interfere with any Unit Owners or the tenants and occupants of any Units.

(B) Notwithstanding anything to the contrary provided in paragraph (A) of this Section 5.1, if any painting, decorating, maintenance, repairs, or replacements to the Property or any part thereof, whether structural or nonstructural, ordinary or extraordinary, is necessitated by the negligence, misuse, or abuse of (i) any Unit Owner, the entire cost and expense thereof shall be borne by such Unit Owner, or (ii) the Condominium Board, the entire cost and expense thereof shall be borne by the Condominium as a General Common Expense attributable to all Unit Owners if relating to the General Common Elements and/or the Limited Common Elements, except, in all events, to the extent that such cost and expense is covered by the proceeds of any insurance maintained pursuant to the terms of these By-Laws. Similarly, each Unit Owner shall be responsible for any and all damage to any Unit or the Common Element resulting from such Unit Owner's failure to maintain, repair, or replace his Unit or any portion thereof as required herein.

(C) Each Unit and all portions of the Common Elements shall be kept in first-class condition, order and repair (and free of snow, ice and accumulation of water with respect to any roof, or other part of the Property exposed to the elements) by the Unit Owner or the Condominium Board, whichever is responsible for the maintenance thereof as set forth herein, and such Unit Owner or the Condominium Board, as the case may be, shall promptly make or perform, or cause to be made or performed, all maintenance work (including, without limitation, painting, repairs and replacements) that is necessary in connection therewith. In addition, the public areas of the Building and those residential areas exposed to public view shall be kept in good appearance, in conformity with the dignity and character of the Building, by (i) the Condominium Board, with respect to such parts of the Building required to be maintained by it, and (ii) each Unit Owner, with respect to the interior and exterior surfaces of windows and shades, venetian or other blinds, drapes, curtains or other window decorations in or appurtenant to his Unit.

(D) Notwithstanding anything to the contrary set forth in this Section or the Declaration, the Sponsor shall have the right, at its sole cost and expense, to perform work to the General Common Elements to effectuate its rights under Article 10 of the Declaration. To the extent the Sponsor performs work pursuant to this Section 5.1(D), the Condominium Board shall cooperate and, at the Condominium Board's sole cost and expense, shall execute all applications, authorizations, and other instruments reasonably required to enable Sponsor to obtain the permits, authorizations, approvals and certificates necessary to perform such work or obtain approval for such change in use.

(E) Sponsor (so long as Sponsor owns one (1) Unsold Unit) and the Condominium Board on behalf all Unit Owners shall have the right to have and or grant such additional easement, including electric, gas, telephone, water, sewer, drainage, or other utility easements or to relocate any existing utility easements as Sponsor or the Condominium Board, as the case may be, shall deem necessary or desirable for the proper operation and maintenance of the Building, or any portion thereof, or for the general health or welfare of the Unit Owners, provided that such additional utilities or the relocation of existing utilities

will not prevent or unreasonably interfere with the use of the Units for their permitted purposes. Access to any Unit or to the Common Elements in such a manner shall not unreasonably interfere with the use of the affected Units for dwelling or permitted business purposes.

(F) Because the Building is located in a historic district, any work on the exterior of this Building requires the approval of the Landmarks Preservation Commission. Without the prior approval of the Landmarks Preservation Commission, neither a Unit Owner nor the Condominium Board may change the exterior of the Building and any changes or alterations to the facade, windows, terraces, exterior signage, storefronts or installations on the roofs of the Buildings may be prohibited.

Section 5.2 Alterations, Additions, Improvements, or Repairs in and to Units.

(A) Subject to the terms of paragraph (B) of this Section 5.2, no Unit Owner shall make any structural alteration, addition or improvement, in or to his Unit or its appurtenant Limited Common Elements, including dividing such Unit into separate Units, without the prior written approval of the Condominium Board. Prior to, and as a condition of, the granting of any such approval, the Condominium Board may, at its sole option, require the Unit Owner to procure and agree to maintain during the course of such work such insurance as the Condominium Board may reasonably prescribe and to execute an agreement, in form and substance satisfactory to the Condominium Board, setting forth the terms and conditions under which such alteration, addition, or improvement, may be made, including, without limitation, the indemnity referred to in paragraph (D) hereof and the days and hours during which any such work may be done. The Condominium Board may impose charges upon the Unit Owner to reimburse the Condominium in connection with Owner's request for approval and in monitoring the work performed until completion. Notwithstanding anything to the contrary set forth above, no Unit Owner may replace the windows in a Unit without the prior approval of the Condominium Board with respect to the type and manufacture of said windows and without complying the requirements of the New York City Department of Buildings, the Landmark Commission or other governmental agency having jurisdiction thereover, and no Unit Owner may color or paint the interior or exterior glass surface of any windows in the Unit.

(B) Notwithstanding anything to the contrary contained in paragraph (A) of this Section 5.2, however, Sponsor shall have the right, pursuant to the terms of Article 12 of the Declaration, to (i) make any alterations, additions, improvements, or repairs in or to any Unsold Unit or its appurtenant Limited Common Elements, whether structural or nonstructural, interior or exterior, ordinary or extraordinary, and (ii) subdivide, combine and change the boundary walls of Unsold Units, and combine Unsold Units, all without the approval of the Condominium Board. Furthermore, except to the extent prohibited by Law and only in accordance with the Declaration, these By-Laws and the Rules and Regulations, the Unit Owners shall have the right to change the size of their Unit by dividing it to permit occupancy of a portion thereof as a separate dwelling (it should be noted that such Unit would remain a single condominium unit - there would not be a creation of two (2) condominium units) provided that: (i) all such work by the Unit Owner shall be made in compliance with Law, including but not limited to, all zoning requirements, Building Department requirements and rent regulation requirements; (ii) the Condominium Board shall be given advanced notice of all such work; (iii) the Unit Owner shall sign the form of alteration agreement required by the Condominium Board; (iv) the work by such Unit Owner will not have an adverse effect on any other Unit or on the Common Elements; and (v) no separate condominium unit shall be created. All of the work necessary to accomplish such division of a Unit shall be governed by the provisions of Article 12 of the Declaration and the provisions of this Section 5.2.

(C) All alterations, additions, improvements and repairs by Unit Owners shall be made in compliance with Law, including but not limited to, all zoning requirements, Building Department requirements and rent regulation requirements. In connection therewith, the Condominium Board shall execute applications to any departments of the City of New York, or to any other governmental agencies having jurisdiction thereof, for any and all permits required in connection with the making of alterations,

additions, improvements, or repairs in or to a Unit provided that, with respect to all such work of a structural nature to a Unit or its appurtenant Limited Common Elements (but other than that of the nature described in paragraph (B) hereof), the same was approved by the Condominium Board pursuant to the terms of paragraph (A) hereof.

(D) Neither the Condominium Board nor any Unit Owner (other than the Unit Owner(s) making any alterations, improvements, additions, or repairs, or causing any of the same to be made, in or to his, or their Unit(s) and appurtenant Common Elements) shall incur any liability, cost, or expense either (i) in connection with the preparation, execution, or submission of the applications referred to in paragraph (C) hereof; (ii) to any contractor, subcontractor, materialman, architect, or engineer on account of any alterations, improvements, additions, or repairs made or caused to be made by any Unit Owner; or (iii) to any Person asserting any claim for personal injury or property damage arising therefrom. Any Unit Owner(s) making any alterations, improvements, additions, or repairs, or causing any of the same to be made, in or to his or their Unit(s) and appurtenant Common Elements, shall agree (in a writing executed and delivered to the Condominium Board, if the Condominium Board shall so request), and shall be deemed to agree (in the absence of such writing), to indemnify and hold the Condominium Board, the members of the Condominium Board, the officers of the Condominium, the Managing Agent and all other Unit Owners harmless from and against any such liability, cost and expense.

(E) Except to the extent prohibited by Law and only in accordance with the Declaration, the By-Laws and the Rules and Regulations, the Unit Owners shall have the right to change the size of their Unit by dividing it to permit occupancy of a portion thereof as a separate dwelling (it should be noted that such Unit would remain a single condominium unit - there would not be a creation of two (2) condominium units) provided that: (i) all such work by the Unit Owner shall be made in compliance with Law, including but not limited to, all zoning requirements, Building Department requirements and rent regulation requirements; (ii) the Condominium Board shall be given advanced notice of all such work; (iii) the Unit Owner shall sign the form of alteration agreement required by the Condominium Board; (iv) the work by such Unit Owner will not have an adverse effect on any other Unit or on the Common Elements; and (v) no separate condominium unit shall be created. All of the work necessary to accomplish such division of a Unit shall be governed by the provisions of this Article 12 of the Declaration and the provisions of Section 5.2 of the By-Laws.

Section 5.3 Alterations, Additions, or Improvements to the Common Elements. Except as otherwise provided in the Declaration or in these By-Laws, all necessary or desirable alterations, additions, or improvements in or to any of the Common Elements shall be made by the Condominium Board, and the cost and expense thereof shall constitute a General Common Expense attributable to all Unit Owners, if relating to the General Common Elements and/or the Limited Common Elements. Notwithstanding the foregoing, however, whenever the cost and expense of such alterations, additions, or improvements would, in the judgment of the Condominium Board, exceed \$25,000 with respect to either the General Common Elements and/or the Limited Common Elements, at any one time, in any fiscal year, such proposed alterations, additions or improvements shall not be made unless first approved by the Unit Owners, (including Sponsor if Sponsor then owns any Unsold Unit) owning 50% of the aggregate Common Interests, at a duly constituted meeting of the Unit Owners or the Unit Owners, as applicable, and by the Mortgage Representatives, if any. Except as otherwise provided in the Declaration and in these By-Laws, all such alterations, additions, or improvements costing \$25,000 or less, in any fiscal year may be made as aforesaid without the approval of either the Unit Owners or any Mortgage Representatives. Notwithstanding the foregoing, no additions, alterations, or improvements shall be made to the General Common Elements, regardless of the cost thereof, unless the consent of Sponsor (so long as Sponsor shall own any Unsold Units) is first obtained. In no event will the limitations imposed in the preceding sentence continue for more than five years from the First Closing.

Section 5.4 Insurance.

(A) If the same shall be obtainable, the Condominium Board shall obtain, and shall maintain in full force and effect, special multi-peril insurance policies including fire with extended "all risk" coverage, replacement cost coverage and agreed valuation, vandalism and malicious mischief endorsements, insuring the entire Building (including each Unit and the bathroom and kitchen fixtures installed therein by Sponsor on the date of recording the Declaration and all service machinery contained therein, but not including appliances, fixtures, improvements or any furniture, furnishings, decorations, belongings, or other personal property supplied or installed by Unit Owners or the tenants of Unit Owners, and covering the interests of the Condominium, the Condominium Board, all of the Unit Owners and all Permitted Mortgagees, as their interest may appear. Each of the said policies shall contain, to extent obtainable:

(i) waivers of (a) subrogation, (b) any defense based upon co-insurance or other insurance, (c) invalidity arising out of any acts of the insured and (d) pro rata reduction of liability;

(ii) a provision that any adjustment of loss will be made by the Condominium Board and that all proceeds thereof shall be paid to either the Condominium Board or the Insurance Trustee, as provided in Section 5.5 hereof;

(iii) a New York standard mortgagee clause in favor of each Permitted Mortgagee, which shall provide that the proceeds thereof shall be paid to such Permitted Mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Condominium Board and the Insurance Trustee set forth in subparagraph (ii) above and in Section 5.5 hereof; and

(iv) a provision that such policy may not be either canceled or substantially modified except upon at least thirty (30) days' prior written notice to the Condominium Board and all insureds who may have requested such notice, including Permitted Mortgagees.

Duplicate originals or certificates of insurance of all such policies and of all renewals thereof, together with proof of payment of premiums, shall be on file at the office of the Managing Agent. Copies thereof shall be delivered to any Unit Owner or Permitted Mortgagee on written request thereof.

(B) The Condominium Board shall also obtain and maintain, to the extent practicable:

(i) comprehensive general liability insurance, covering all claims for personal injury or property damage arising out of any occurrence on the Property and listing as coinsureds (a) the Condominium Board and each member thereof, (b) the Managing Agent or manager (if any), (c) each officer and employee of the Condominium and (d) each Unit Owner (except, however, that such insurance shall not cover any liability of a Unit Owner arising from occurrences within his own Unit or its Limited Common Elements, if any);

(ii) rent insurance (but the cost of same shall be attributable to the Unit Owner requesting same;

(iii) worker's compensation and New York State disability benefits insurance;

(iv) boiler and machinery insurance;

(v) water damage legal liability insurance;

(vi) elevator liability and collision insurance;

- (vii) officers and directors liability insurance;
- (viii) fidelity bonds or other fidelity insurance;
- (ix) condominium contents but not the contents of individual Units;
- (x) non-ownership automobile liability;
- (xi) commercial umbrella insurance;
- (xii) plate glass insurance; and
- (xiii) such other insurance as the Condominium Board shall from time to time determine.

Each of the aforementioned policies of insurance shall also cover cross-liability claims of one insured against another.

(C) All policies of insurance to be maintained by the Condominium Board shall contain such limits as the Condominium Board shall from time to time determine, provided, however, that:

- (i) with respect to insurance policies maintained by the Condominium Board pursuant to paragraph (A) hereof, the coverage shall be in an amount equal to not less than eighty percent of the full replacement cost of the Building, exclusive of footings and foundations, without deduction for depreciation, as approved by a fire insurance company, a qualified insurance broker, or another qualified source;
- (ii) with respect to insurance policies maintained by the Condominium Board pursuant to subparagraph (i) of paragraph (B) hereof, such policies shall contain single limits of not less than \$1,000,000 in the aggregate; and
- (iii) with respect to insurance policies maintained by the Condominium Board pursuant to subparagraph (ii) of paragraph (B) hereof, the coverage shall be in an amount equal to the aggregate of all of the Unit Owners' Common Charges for one year.

Any insurance policies maintained by the Condominium Board may also provide for such deductible amounts as the Condominium Board shall determine. The Condominium Board shall review the limits of each insurance policy, as well as the amount of any deductible sum thereunder, at least once each year.

(D) The cost of all insurance maintained by the Condominium Board pursuant to this Section 5.4, together with the fees and disbursements of any Insurance Trustee appointed by the Condominium Board pursuant to the terms of these By-Laws, shall be borne by the Unit Owners as a General Common Expense.

(E) A Unit Owner other than Sponsor shall, at the Unit Owner's own cost and expense, obtain and keep in full force and effect (a) comprehensive personal liability insurance against any and all claims for personal injury, death or property damage (including, but not limited to, loss due to water damage) occurring in, upon, or from the Unit or any part thereof, with minimum combined single limits of liability of \$300,000 for bodily injury or death arising out of any one occurrence including \$300,000 for damage to property and (b) tenant's "all-risk" property insurance in respect of property damage occurring in, upon, or from the Unit or any part thereof (including, but not limited to appropriate coverage for additions, alterations, improvements and betterments and loss due to water damage). The limits of liability set forth

in (a) and (b) above may be increased by the Condominium Board from time to time. The insurance required above shall be written in form reasonably satisfactory to the Condominium Board by good and solvent insurance companies of recognized standing, admitted to do business in the State of New York. Upon ten (10) days' written notice from the Condominium Board or the Managing Agent, the Unit Owner shall deliver to the Condominium Board a duplicate original of the aforesaid policies, certificates evidencing such insurance or such other confirmation satisfactory to the Condominium Board. To the extent either party is insured for loss or damage to property, each party will look to their own insurance policies for recovery. The Condominium Board is not required to obtain or maintain any insurance with respect to any personal property contained in a Unit.

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

Section 5.5 Casualty or Condemnation.

(A) In the event that either (i) the Building or any part thereof is damaged or destroyed by fire or other casualty ("Casualty Loss") or (ii) the General Common Elements and/or the Limited Common Elements or any part thereof is taken in condemnation or by eminent domain ("Taking"), the net insurance proceeds payable under the insurance policies maintained by the Condominium Board pursuant to the terms of Section 5.4 hereof by reason of such Casualty Loss or the net condemnation awards receivable by reason of such Taking, as the case may be, shall be payable either to the Condominium Board, if the same shall be \$2,000,000 or less in the aggregate, or to the Insurance Trustee, if the same shall exceed \$2,000,000 in the aggregate. In either instance, all such monies actually received ("Trust Funds") shall be held in trust for the benefit of all Unit Owners, with respect to the portion thereof allocated to a Casualty Loss to or Taking of the General Common Elements, the Limited Common Elements and the Units, and their Permitted Mortgagees and shall be disbursed pursuant to the terms of this Section 5.5. Notwithstanding anything to the contrary contained either in this paragraph (A) or elsewhere in this Section 5.5, however, no Unit Owner whose Unit, its appurtenant Common Elements, if any, or any portion thereof are taken in condemnation or by eminent domain (whether or not all or a part of the Common Elements are contemporaneously taken) shall be deemed to have waived whatever rights that he may have to pursue a separate claim against the condemning authority by reason thereof.

(B) Subject to the terms of paragraph (D) hereof, the Condominium Board shall arrange for the prompt repair or restoration ("Work") of: (i) in the event of a Casualty Loss, the portion(s) of the Building (including all Units and the bathroom and kitchen fixtures installed therein by Sponsor on the date of recording the Declaration and all service machinery contained therein, but not including appliances, fixtures, improvements made therein by a Unit Owner, or any furniture, furnishings, decorations, belongings, or other personal property supplied or installed by either Unit Owners or the tenants of Unit Owners) affected by such Casualty Loss or (ii) in the event of a Taking, the portion(s) of the Common Elements or the Units affected by such Taking. If, pursuant to the immediately preceding sentence, Work is to be performed in or to Units, Common Elements that service or enclose Units and other Common Elements, or any combination of the foregoing, the Work shall be performed to the extent practicable, first in or to the Units, next in or to the Common Elements that service or enclose Units and then in or to the balance of the Common Elements. Each Unit Owner whose Unit, its appurtenant Common Elements, if any, or any portion thereof, shall be the subject of all or part of any Work shall have the right, subject to the terms of Section 5.2 hereof, to supervise any redecorating of his Unit or of such Common Elements, if any.

(C) In the event that Work shall be performed pursuant to the terms of paragraphs (B) and (D) of this Section 5.5, the Condominium Board or the Insurance Trustee, as the case may be, shall disburse

the Trust Funds to the contractors engaged in the Work in appropriate progress payments. If the Trust Funds shall be less than sufficient to discharge the cost and expense of performing the Work, the Condominium Board shall levy a Special Assessment against all Unit Owners for the amount of such deficiency in proportion to their respective Common Interests, for Work to the General Common Elements or the Limited Common Elements, and all proceeds of such Special Assessment shall become part of the Trust Funds. If, conversely, the Trust Funds shall prove to be more than sufficient to discharge the cost and expense of performing the Work, such excess shall be paid to all Unit Owners in proportion to their respective Common Interests with respect to Work to the General Common Elements or the Limited Common Elements, except that no payment shall be made to a Unit Owner until there has first been paid, out of such Unit Owner's share of such excess, such amounts as may be necessary to reduce unpaid liens on the Unit Owner's Unit (other than mortgages that are not Permitted Mortgages) in the order of priority of such liens. Notwithstanding the foregoing, however, in the event that the Unit Owners are assessed pursuant to the terms of the second sentence of this paragraph (C) for any projected deficiency in the amount of the Trust Funds available to the Condominium Board and, after the payment of all costs and expenses incurred in connection with the Work, any portion of the Trust Funds remaining unspent, such excess Trust Funds shall, to the extent of such Special Assessment, be deemed to be, and shall constitute, an unspent Special Assessment and shall be paid to the Unit Owners so assessed in proportion to their respective Common Interests, with respect to Work to the General Common Elements or the Limited Common Elements, free of any claim of any lienor (including without limitation, any Permitted Mortgagee).

(D) If either 75% or more of the Building is destroyed or substantially damaged by fire or other casualty or 75% or more of the Common Elements are taken in a Taking, the Work shall not be performed unless 75% or more of all Unit Owners (including Sponsor if Sponsor shall then own any Units), in aggregate Common Interests, shall promptly resolve to proceed with the same. In the event that a sufficient number of Unit Owners shall so resolve, the Work shall be performed pursuant to the terms of paragraphs (B) and (C) hereof. Conversely, in the event that a sufficient number of Unit Owners shall either fail or refuse to so resolve, the Work shall not be performed and the Property shall be subject to an action for partition by any Unit Owner or lienor, as if owned in common, in which event the net proceeds of the resulting sale, together with any Trust Funds, shall be paid to all Unit Owners in proportion to their respective Common Interest, to the extent allocated to destroyed or damaged portions of the General Common Elements, the Limited Common Elements, except that no payment shall be made to a Unit Owner until there first has been paid, out of such Unit Owner's share of such funds, such amounts as may be necessary to pay off unpaid liens on the Unit Owner's Unit (other than mortgages that are not Permitted Mortgages) in the order of priority of such liens. If Sponsor is then a Unit Owner, it will have the right to vote at any meeting of Unit Owners called for the purpose of deciding whether or not to proceed with the restoration or repair of the Building.

(E) In the event that the damage resulting from a Casualty Loss shall (i) render one or more Units wholly or partially unusable for the purposes permitted herein and in the Declaration or (ii) destroy the means of access to one or more Units, the installments of Common Charges otherwise payable by the owner of any Unit so affected thereby shall proportionately abate until such Unit shall again be rendered usable for such purposes and/or until the means of access thereto shall be restored, as the case may be. Notwithstanding the foregoing, however, if such Casualty Loss shall be caused by the act, the omission to act, or the negligence of the owner of a Unit so affected thereby, by a Family Member of such Unit Owner, or by a tenant or other occupant of such Unit, such installments of Common shall abate only to the extent any proceeds of rent insurance actually collected by the Condominium Board with respect to such Unit.

(F) If (i) a portion of any Unit shall be taken in condemnation or by eminent domain and (ii) the Condominium shall not be terminated by reason of a simultaneous Taking pursuant to the terms of paragraph (D) hereof, the Common Interest, appurtenant to such Unit shall be adjusted in proportion that the total floor area of such Unit and its appurtenant Limited Common Elements, if any, after such Taking

bears to the total floor area of such Unit and its appurtenant Limited Common Elements, if any, prior to such Taking. The Condominium Board shall promptly prepare and record an amendment to the Declaration reflecting the new Common Interest appurtenant to such Unit, which amendment shall be executed by the owner of such Unit together with the holders of record of any liens thereon (or, in lieu of execution by such Unit Owner and, the same may execute a consent to such amendment in recordable form). Following the Taking of a portion of a Unit and the recording of the aforementioned amendment to the Declaration, the votes appurtenant to such Unit shall be based upon the new Common Interest of such Unit, and, in the event of a Taking of an entire Unit, the right to vote appurtenant to such Unit shall wholly terminate. In either event, the Common Interests of the other or remaining Units shall be adjusted accordingly and reflected in an amendment to the Declaration duly executed and acknowledged by the Condominium Board and the owners of, together with the holders of record of all liens upon, all of the other remaining Units.

(G) As used in this Section 5.5, the terms:

(i) "Prompt repair or restoration" shall mean that the Work is to be commenced not more than either: (a) sixty days after the date upon which the Insurance Trustee notifies the Condominium Board that it has received Trust Funds sufficient to discharge the estimated cost and expense of the Work, or (b) ninety days after the date upon which the Insurance Trustee notifies the Condominium Board that it has received Trust Funds insufficient to discharge the estimated cost and expense of the Work, or (c) in the event that the Trust Funds are payable to the Condominium Board pursuant to the terms of paragraph (A) of this Section 5.5, sixty days after the date upon which the Condominium Board notifies the Unit Owners that it has received the Trust Funds, whether or not the same are sufficient to discharge the cost and expense of the Work; and

(ii) "Promptly resolve" shall mean that a resolution shall be duly made not more than sixty days after the date upon which the Condominium Board notifies the Unit Owners that it has received the Trust Funds and that the same are or are not sufficient to discharge the estimated cost and expense of the Work, as the case may be.

(H) Any dispute that may arise under this Section 5.5 between Unit Owners or between any Unit Owner(s) and the Condominium Board shall be resolved by arbitration pursuant to the terms of Article 10 hereof.

Section 5.6 Use of the Property.

(A) No nuisance shall be allowed on the Property, nor shall any use or practice be allowed that either is a source of annoyance to its residents or interferes with the peaceful possession or proper use of the Property by its residents or occupants. No immoral, improper, offensive, or unlawful use shall be made of the Property or any portion thereof, and all Laws relating to any portion of the Property shall be complied with at the sole cost and expense of the respective Unit Owners or the Condominium, whoever shall have the obligation to maintain or repair such part of the Property.

(B) Nothing shall be done or kept in any Unit or in any of the Common Elements that would increase the rate of insurance for the Property, except upon the prior written consent of the Condominium Board. No Unit Owner shall permit anything to be done or kept in a Unit or in the Common Elements that will result in the cancellation of insurance on the Property or the contents thereof, or that would be in violation of any Law. No waste shall be committed in the Common Elements.

(C) Nothing shall be done in any Unit or in, on, or to the Common Elements that will impair the structural integrity of the Property or will structurally change the Building, except as is otherwise

provided in the Declaration or in these By-Laws. In no event shall interior partitions contributing to the support of any Unit or the Common Elements be altered or removed.

Section 5.7 Use of the Units.

(A) In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, the use of Units shall be restricted to, and shall be in accordance with, the terms contained in the balance of this Section 5.7.

(B) Subject to the terms of paragraphs (C) and (D) of this Section 5.7, each Unit shall be used only as a residence or for home occupation use as permitted under residential use, and not more than one family may occupy a Unit at any one time except if such Unit has been divided in accordance with Law, the Declaration, these By-Laws and the Rules and Regulations to permit occupancy of a portion thereof as a separate dwelling (it should be noted that such Unit would remain a single condominium unit - there would not be a creation of two (2) condominium units). A Unit owned or leased by an individual, corporation, partnership, limited liability company, fiduciary, or any other entity may be occupied only by said individual, or by an officer, director, Stockholder, or employee of such corporation, or by a partner or employee of such partnership, or by a member or manager of such limited liability company or by a fiduciary (including directors, officers, stockholders, or employees of corporate fiduciaries and partners and employees of partnership fiduciaries), or by the beneficiary of said fiduciary, or by an individual principal or employee of such other entity, respectively, or by the Family Members, guests and domestic employees of any of the foregoing (and nothing herein contained shall be deemed to prohibit the exclusive occupancy of any Unit by such Family Members, guests or domestic employees). Notwithstanding the foregoing, Sponsor (or, when there are no longer any Unsold Units, the Condominium Board) may, in its sole discretion, permit Persons other than those set forth above to occupy a Unit. In no event, however, shall a portion of a Unit (as opposed to the entire Unit) be sold, conveyed, leased, or subleased unless such Unit has been divided in accordance with Law, the Declaration, these By-Laws and the Rules and Regulations to permit occupancy of a portion thereof as a separate dwelling (it should be noted that such Unit would remain a single condominium unit - there would not be a creation of two (2) condominium units), and no transient occupant (other than a guest permitted under this paragraph (B)) may be accommodated therein for a period of less than one (1) year.

(C) The Condominium Board may, in its sole discretion, consent to the use of a Unit as a professional or business office or for any purpose other than that set forth in paragraph (B) hereof, provided that the nature and manner of such use complies with Law and does not violate the then existing Certificate of Occupancy covering the Building, and subject to consent by Unit Owners holding at least 66 2/3% of the Common Interest. Any such consent shall be in writing and shall be personal to such Unit Owner. Any lessee of, or successor in title to, such Unit Owner shall be required to obtain the prior written consent of the Condominium Board before using such Unit for any purpose other than that set forth in paragraph (B) hereof.

(D) Notwithstanding anything to the contrary contained in this Section 5.7, Sponsor may, without the consent of either the Condominium Board or the Unit Owners:

(i) grant permission for the use of any Unsold Unit as a professional or business office or for any other purpose, provided that the nature and manner of such use complies with Law and the user thereof complies with all applicable governmental regulations; and

(ii) use any one or more Unsold Units as models and offices for the sales, promotions, rental, management and operation of the Unsold Units or for any other purpose, subject only to compliance with Law.

Section 5.8 Use of the Common Elements.

(A) Subject to the terms of paragraphs (B) and (C) of this Section 5.8, the Common Elements (including, without limitation, the electrical, heating, gas, plumbing and other mechanical systems and equipment of the Building and the Facilities) may be used only for the furnishing of the services and facilities, and for the other uses, for which they are reasonably suited and capable. In addition, no furniture, packages, or objects of any kind shall be placed in the lobbies, vestibules, public halls, stairways, public elevators, or any other part of the Common Elements (except for those areas designated as storage areas) without the prior written consent of the Condominium Board. The residential lobbies, vestibules, public halls, stairways and public elevators shall be used only for normal passage through them.

(B) The owner or owners of any two or more Units, which Units are the only Units serviced or benefited by any General Common Element adjacent or appurtenant to such Units (for example, that portion at the end of any residential hallway that is directly adjacent to any such Units located on opposite sides of such hallway) shall, with the consent of the Condominium Board (which consent shall not be unreasonably withheld or delayed), have the right to use such General Common Elements exclusively, as if it were a part of such Units (including the right, in the above example of a portion of a hallway, to enclose such portion), and no amendment to the Declaration or reallocation of Common Interests shall be made by reason thereof. In such event, however, such owner or owners shall, at his or their sole cost and expense, both (i) operate, maintain and repair such General Common Element for so long as such owner or owners exercise such exclusive right of use and (ii) restore such General Common Element to its original condition, reasonable wear and tear excepted, after such owner or owners cease to exercise such exclusive right of use.

(C) The terms of paragraph (A) of this Section 5.8 shall not apply to Sponsor for so long as there are any Unsold Units. Sponsor shall have the right, without charge or limitation, to: (i) erect and maintain signs, of any size or content determined by Sponsor on or about any portion of the Common Elements chosen by Sponsor including, without limitation, on the exterior walls of the Building or adjacent to the main residential entrances thereof, (ii) have its employees, contractors, subcontractors and sales agents present on the Property; and (iii) do all this necessary or appropriate, including the use of the Common Elements (such as lobbies, corridors, former carriage room and the like), to sell, lease, manage, or operate Unsold Units, to complete any work or repairs to the Building expressly undertaken by Sponsor and to comply with Sponsor's obligations under the Plan and the Condominium Documents. In no event, however, shall Sponsor be entitled to use any Common Elements in such a manner as will unreasonably interfere with the use of any Unit for its permitted purposes, or be in violation of applicable laws, rules or regulations.

Section 5.9 Rights of Access.

(A) Subject to the rights of existing tenants and other occupants of Unsold Units each Unit Owner shall grant to the Condominium Board, to the Managing Agent or manager (if any) or to any other Person authorized by any of the foregoing a right of access (including the right of forced entry if required in the discretion of the party seeking such entry) to his Unit and its appurtenant Common Elements, if any, for the Purposes of:

(i) making inspections of, or removing violations noted or issued by any governmental authority against, the Common Elements or any other part of the Property;

(ii) curing defaults hereunder or under the Declaration or violations of the Rules and Regulations committed by such Unit Owner or correcting any conditions originating in his Unit and threatening another Unit or all or a portion of the Common Elements;

(iii) Performing maintenance, installations, alterations, repairs, or replacements to the mechanical or electric services, or other portions of the Common Elements located within his Unit or elsewhere in the Building;

(iv) reading, maintaining, or replacing utility meters relating to the Common Elements, to his Unit, or to any other Unit; or

(v) correcting any condition that violates the provisions of any Permitted Mortgage encumbering another Unit.

Except in cases of emergency (that is, a condition requiring repairs or replacement immediately necessary for the preservation or safety of the Building or for the safety of the occupants of the Building or other individuals, or required to avoid the suspension of any necessary service in the Building), the foregoing rights of access shall be exercised only upon not less than one day's advance notice and only in such a manner as will not unreasonably interfere with the Units and their respective appurtenant Common Elements. In cases of emergency, however, such rights of access may be exercised immediately, without advance notice and whether or not the Unit Owner is present.

(B) Each Unit Owner shall grant a right of access to his Unit and its appurtenant Common Elements, if any, and the Condominium Board shall grant rights of access to the Common Elements, to Sponsor and its contractors, subcontractors, agents and employees for the purpose of fulfilling Sponsor's as set forth in the Plan or in any amendment thereto, provided that access thereto shall not be exercised, with respect to any Unit and its appurtenant Common Elements, if any, in such a manner as will unreasonably interfere with the use of such Unit and its appurtenant Common Elements, if any, for their permitted purposes.

Section 5.10 Modification of the Rules and Regulations. The Condominium Board shall have the right to amend, modify, add to, or delete any of the Rules and Regulations from time to time, provided, however, that any such amendment, modification, addition, or deletion may be overruled by a vote of Unit Owners holding at least 66 2/3% of the Common Interest. Copies of the text of any amendments, modifications, additions, or deletions to the Rules and Regulations shall be furnished to all Unit Owners not less than thirty days prior to the effective date thereof.

Section 5.11 Real Estate Taxes. Unless and until real estate taxes are billed directly to Unit Owners by the City Collector, the Condominium Board shall promptly pay such taxes as a General Common Expense and Unit Owners shall pay their respective pro rata share of such real estate taxes with respect to the Property in the proportion that the Common Interest of such Units bears to the total Common Interests with appropriate adjustments to take into account the differing tax rates for commercial as opposed to residential property. In the event of a proposed sale of any Unit, the Condominium Board (for so long as the Condominium Board is still paying such real estate taxes, shall, upon the written request of the selling Unit Owner, execute and deliver to the purchaser of such Unit, or to such purchaser's title company, a letter agreeing to promptly pay all such real estate taxes affecting such Owner's Unit to the date of the closing of title to such Unit.

Section 5.12 Gas. To the extent that gas for the individual Units is separately metered and billed directly to Unit Owners by the utility company the cost of such gas shall be paid directly by such Unit Owners to the utility company. To the extent that the gas for Unit Owners is not separately metered for such Unit Owners, the cost and expense of such gas as well as the cost and expense of gas serving or benefitting the Common Elements shall be: (i) considered part of the expense of maintaining such Unit and/or Common Element, (ii) paid by the Condominium Board, and (iii) charged to the Unit Owners as a General Common Expense.

Section 5.13 Electricity. To the extent that electricity for the individual Units is separately metered and billed directly to Unit Owners by the utility company the cost of such electricity shall be paid directly by such Unit Owners to the utility company. To the extent that the electricity for Unit Owners is not separately metered for such Unit Owners, the cost and expense of such electricity as well as the cost and expense of electricity serving or benefitting the Common Elements shall be: (i) considered part of the expense of maintaining such Unit and/or Common Element, (ii) paid by the Condominium Board, and (iii) charged to the Unit Owners as a General Common Expense.

Section 5.14 Water Charges and Sewer Rents. To the extent that water charges and sewer rents for the individual Units are separately metered and billed directly to Unit Owners the cost of such water charges and sewer rents shall be paid directly by such Unit Owners to the City Collector. To the extent that the water charges and sewer rents for Unit Owners are not separately metered for such Unit Owners, the cost and expense of such water and sewer charges as well as the cost and expense of water and sewer charges serving or benefitting the Common Elements shall be: (i) considered part of the expense of maintaining such Unit and/or Common Element, (ii) paid by the Condominium Board, and (iii) charged to the Unit Owners as a General Common Expense.

Section 5.15 Vault Charges. All license fees, and all periodic taxes and charges, for vaults or other protrusions, if any, beyond the building line shall be paid by the Condominium Board as a General Common Expense.

Section 5.16 Compliance with the Applicable Laws. The Condominium Board shall operate the Property at the same level of services as those supplied on the date of recording the Declaration in accordance with the applicable laws, except for those services that are the obligation of Sponsor to provide to the Unsold Units pursuant to the terms of the Declaration or these By-Laws. The Condominium Board shall not impose any charge or fee upon the tenants or occupants of the Unsold Units for using the Common Elements.

Section 5.17 Records and Audits.

(A) The Treasurer of the Condominium, or the Managing Agent 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, which records and books of account shall include, without limitation, (i) a listing of all receipts of and expenditures by the Condominium Board and the Managing Agent and (ii) a separate listing for each Unit, setting forth, among other things, the amount of each assessment of Common Charges and Special Assessments levied against such Unit, the date when due, the amounts paid thereof and the balance, if any, remaining unpaid, as well as all Permitted Mortgages having an interest in such Unit.

(B) Within four months after the end of each fiscal year of the Condominium, the Condominium Board shall submit to each Unit Owner, and, if so requested, to any Permitted Mortgagee, an annual report of the receipts and expenditures of the Condominium prepared and certified by an independent certified public accountant. The cost of preparing and distributing each such report shall be borne by the Condominium Board as a General Common Expense.

ARTICLE 6

COMMON CHARGES

Section 6.1 Determination of Common Expenses and Fixing of Common Charges.

(A) From time to time, but not less frequently than once a year, the Condominium Board shall: (i) prepare and adopt a budget for the Condominium, subject, in all respect, to the limitations set forth in Section 2.5 hereof; (ii) determine the aggregate amount of Common Charges necessary to be charged to the Unit Owners in order to meet the Common Expenses; and (iii) allocate and assess such Common Charges amongst the Unit Owners, pro rata, in accordance with their respective Common Interests (except as otherwise provided in the Declaration or in these By-Laws or the First Year's Budget). The Condominium Board shall advise all Unit Owners promptly thereafter in writing of the amount of Common Charges payable by each of them, not later than ten days next preceding the date upon which the first installment of newly-determined Common Charges is due, shall furnish copies of the budget (in a reasonably itemized form) upon which such Common Charges are based to all Unit Owners and to their respective Permitted Mortgagees. The Condominium Board may, at its sole discretion, from time to time increase or decrease the amount of Common Charges allocated to the Units and payable by the Unit Owners and may modify its prior determination of the Common Expenses for any fiscal year so as to increase or decrease the amount of Common Charges payable for such fiscal year or portion thereof; however, no such revised determination of Common Expenses shall have a retroactive effect on the amount of Common Charges payable by Unit Owners for any period prior to the date of such new determination.

(B) The failure or delay of the Condominium Board to prepare or adopt a budget or to determine the Common Expenses for any fiscal year or portion thereof shall not be deemed a waiver or modification in any respect of the covenants and provisions hereof or a release of any Unit Owner from the obligation to pay Common Charges. In such event, the Common Charges that were computed on the basis of the Common Expenses last determined for any fiscal year or portion thereof shall continue thereafter to be the Common Charges payable by the Unit Owners until a new determination of the Common Expenses shall be made.

(C) In addition to the foregoing duty to determine the amount of and assess Common Charges, the Condominium Board shall have the right, subject, in all respects, to the limitations contained in Section 2.5 hereof, to levy Special Assessments to meet the Common Expenses. All Special Assessments relative to the General Common Elements and all Special Assessments relative to the Limited Common Elements shall be levied against all Unit Owners in proportion to their respective Common Interests. Special Assessments may be payable either in one lump sum or in installments, as the Condominium Board shall determine, provided, however, that the Condominium Board shall give each such Unit Owner not less than fifteen days' written notice prior to the date upon which such Special Assessment, or the first installment thereof, shall be due and payable, which notice shall set forth, in reasonable detail, the nature and purpose thereof. The Condominium Board shall have all rights and remedies for the collection of Special Assessments as are provided herein for the collection of Common Charges (including, without limitation, the provisions of Section 6.4 hereof).

(D) The excess of all rents, profits and revenues derived from the rental or use of any space forming a part of, or included in, any General Common Element or Limited Common Element remaining after the deduction of all expenses incurred in connection with generating the same shall be collected by the Condominium as agent for and on behalf of the Unit Owners, and applied against the General Common Expenses attributable to the General Common Elements or the Limited Common Elements, as appropriate, for the fiscal year in which collected. In the event that such net rents, profits and revenues, together with the Common Charges and any Special Assessments collected from the Unit Owners, for any year of operation shall exceed the Common Expenses for such year, then such excess shall be applied by the Condominium Board against the General Common Expenses attributable to the General Common Elements or the Limited Common Elements, depending on whether the excess relates to the General Common Elements or the Limited Common Elements, for the next succeeding year(s) of operation, and no Unit Owner shall be entitled to a distribution of any portion of such excess unless the Condominium

Board shall determine to distribute all or part of such excess to all Unit Owners pro rata, in proportion to their respective Common Interests.

(E) Common Expenses shall include real estate taxes on the Property until the Units are separately assessed. Unit Owners shall pay their respective pro rata share of all real estate taxes with respect to the Property in the proportion that the Common Interest of such Units bears to the total Common Interests.

Section 6.2 Payment of Common Charges.

(A) All Unit Owners (including Sponsor with respect to Unsold Units for so long as the same are owned thereby) shall be obligated to pay Common Charges and Special Assessments assessed by the Condominium Board pursuant to the terms of Section 6.1 hereof at such time or times (but not less than annually) as the Condominium Board shall determine. Unless otherwise determined by the Condominium Board, Common Charges shall be payable in installments on the first day of every month in advance. To the extent permitted by Law, the Condominium Board shall have a lien on each Unit, on behalf of all Unit Owners, for unpaid Common Charges and Special Assessments assessed against such Unit. Such lien, however, shall be subordinate, to the extent required by Law, to any liens for real estate taxes assessed against such Unit and any sums unpaid on a first mortgage recorded against the Unit.

(B) No Unit Owner shall be liable for the payment of any part of the Common Charges and any Special Assessments assessed against his Unit subsequent to a sale, transfer, or other conveyance by him of such Unit, together with its Appurtenant Interests, made in compliance with the terms of Article 7 hereof. A purchaser or other successor-in-title to the owner of a Unit shall be liable for the payment of all Common Charges and any Special Assessments accrued and unpaid against such Unit prior to his acquisition thereof, except that, to the extent permitted by Law, a Permitted First Mortgagee acquiring title to a mortgaged Unit or a purchaser at a mortgage foreclosure sale held with respect to a Permitted First Mortgage shall not be liable, and such mortgaged Unit shall not be subject to a lien, for the payment of any Common Charges and Special Assessments assessed subsequent to the recording of such Permitted First Mortgage and prior to the acquisition of title to such Unit by the Permitted First Mortgagee or by such purchaser. However, in the event of a foreclosure of a Permitted First Mortgage (whether by sale, deed in lieu of foreclosure, or otherwise), the defaulting Unit Owner shall remain fully liable for the payment of all unpaid Common Charges and Special Assessments that accrued prior to such foreclosure or sale. Any excess proceeds from such foreclosure or sale shall be paid directly to the Condominium Board in payment of all unpaid Common Charges and Special Assessments. In the case of a Unit, any remaining unpaid Common Charges and Special Elements that are not collected from such foreclosure or sale or from the defaulting Unit Owner shall be deemed a General Common Expense, collectible from all those who are Unit Owners at the time that the same is levied.

(C) Subject to the terms and conditions contained in these By-Laws, any Unit Owner may convey his Unit, together with its Appurtenant Interests, to the Condominium Board or to its designee, corporate or otherwise, on behalf of all Unit Owners, without being compensated therefor, and, in such event, be exempt from the payment of Common Charges and Special Assessments thereafter accruing, provided, however, that: (i) all Common Charges and any Special Assessments then due and payable with respect to such Unit have been paid; (ii) such Unit is free and clear of all liens and encumbrances other than a Permitted First Mortgage and the statutory lien for unpaid Common Charges and Special Assessments; and (iii) no violation of any provision of the Condominium Documents then exists with respect to such Unit.

(D) No Unit Owner shall be exempted from liability for the payment of Common Charges or Special Assessments by waiving the use or enjoyment of any or all of the Common Elements or by abandoning his Unit (except with respect to a conveyance of the same to the Condominium Board),

without compensation, pursuant to the terms of paragraph (C) hereof. Except as expressly provided to the contrary in paragraph (E) of Section 5.5 hereof, no Unit Owner shall be entitled to a diminution or abatement in the Common Charges or Special Assessments payable thereby for any inconvenience or discomfort arising from: (i) the failure or interruption of any utility or other services; (ii) the making of repairs or improvements to the Common Elements or any Unit (including, without limitation, such Unit) pursuant to the terms of Section 5.1, 5.2 or 5.3 hereof; or (iii) any action taken by the Condominium Board or the officers of the Condominium to comply with Law.

Section 6.3 Statement of Common Charges. The Condominium Board shall promptly provide a written statement of unpaid Common Charges due from any Unit Owner upon its receipt of a written request therefor from such Unit Owner. In addition, each Unit Owner shall be permitted to examine the books of account of the Condominium at reasonable times on business days, but not more frequently than once a month.

Section 6.4 Default in Payment of Common Charges.

(A) The Condominium Board shall take prompt action to collect any Common Charges due to the Condominium Board that remain unpaid for more than fifteen days after the due date for the payment thereof. In connection therewith, the Condominium Board shall have the right and obligation to cause liens for all sums due and owing to the Condominium Board to be filed in the Register's Office pursuant to the terms of Section 339-z of the Condominium Act, to cause such liens to be foreclosed in the manner provided in Section 339-aa of the Condominium Act and/or to institute all other proceedings 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 paragraph (B) hereof. A suit to recover a money judgment for unpaid Common Charges, however, shall be maintainable without foreclosing or waiving the lien securing such charges.

(B) In the event that any Unit Owner shall fail to make prompt payment of Common Charges, such Unit Owner shall be obligated to pay: (i) interest thereon at the highest rate chargeable to individuals pursuant to Law, to be computed from the due date thereof until paid in full, together with all costs and expenses paid or incurred by the Condominium Board, the Managing Agent, or the manager (if any) in connection with collecting such unpaid Common Charges with interest as aforesaid and/or in foreclosing the aforementioned lien, including, without limitation, reasonable attorneys' fees and disbursements and court costs; (ii) a late charge in such amount as may be determined by the Condominium Board from time to time, to be computed from the due date thereof until paid in full. In addition, if the Condominium Board shall bring an action to foreclose the aforementioned lien, the defaulting Unit Owner will be required to pay a reasonable rental for the use of his Unit, and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. All such interest, costs and expenses and rentals shall be added to and shall constitute Common Charges payable by such Unit Owner.

(C) In any action brought by the Condominium Board to foreclose a lien on a Unit because of unpaid Common Charges, the Condominium Board shall have, on behalf of all Unit Owners, the power to purchase such Unit at the foreclosure sale thereof and to acquire, hold, lease, mortgage, convey, or otherwise deal with such Unit (but not to vote the votes appurtenant to the same). In the event that the net proceeds received on such foreclosure (after deduction of all legal fees and disbursements, advertising costs, brokerage commissions, court costs and other costs and expenses paid or incurred in connection therewith) shall be insufficient to satisfy the defaulting Unit Owner's to the Condominium, such Unit Owner shall remain liable for the deficit. Any surplus on such foreclosure sale shall be paid to the defaulting Unit Owner after first paying all liens on such Unit Owner's Unit in the order of priority of such liens.

(D) (i) For the purposes of this Section (D), "Non-Occupying Unit Owner" shall mean a Unit Owner who does not occupy the Unit.

(ii) If a Non-Occupying Unit Owner rents his Unit to a rental tenant and then fails to make payments due for Common Charges, Assessments or late fees for such unit within sixty (60) days of the expiration of any grace period after they are due, such Non-Occupying Unit Owner shall remain liable for such payments and upon notice in accordance with subdivision (iii) of this section, all rental payments from the tenant shall be directly payable to the condominium.

(iii) If the Common Charges, Assessments or late fees due for any Unit have not been paid in full, 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 Unit Owner providing that, commencing immediately and until such time as all payments for Common Charges, Assessments or late fees are made current, all rental payments due subsequent to the issuance of such notice are to be made payable to the Condominium at the address listed on the notice. 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. At such time as payments for Common Charges, Assessments and late fees from the Non-Occupying Unit Owner are once again current, notice of such fact shall be given within three business days to the rental tenant and Non-Occupying Unit Owner. Thereafter all rental payments shall be made payable to the Non-Occupying Unit Owner or a designated agent. A Non-Occupying Unit Owner who disputes the Condominium Board's claim to rental payments pursuant to this section 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 (30) days of the date that such Board receives notice that such owner seeks to dispute such claim.

(iv) Nothing in this section shall limit any rights of Unit Owners or of the Condominium Board existing hereunder or under any other law or agreement.

(v) Payment by a rental tenant to the Condominium made in connection with this section shall relieve that rental tenant from the obligation to pay such rent to the Non-Occupying Unit Owner and shall be an absolute defense in any non-payment proceeding commenced by such Non-Occupying Unit Owner against such tenant for such rent.

ARTICLE 7

SELLING AND LEASING OF UNITS

Section 7.1 General. Subject to the terms of Section 7.5 hereof, no Unit Owner may sell or lease all or part of his Unit except in compliance with the applicable provisions of this Article 7. Any purported sale or lease consummated with default with the applicable terms hereof shall be voidable at the sole election of the Condominium Board, and, if the Condominium Board shall so elect, the selling or leasing Unit Owner shall be deemed to have authorized and empowered the Condominium Board to institute legal proceedings to eject the purported purchaser (in the event of a unauthorized sale) or to evict the purported tenant (in the event of a unauthorized leasing) in the name of the said Unit Owner as the owner or landlord, as the case may be. The said Residential Owner shall reimburse the Condominium Board for all costs and expenses paid or incurred in connection with such proceedings, including, without limitation, reasonable attorneys' fees and disbursements and court costs.

Section 7.2 Right of First Refusal.

(A) Subject to the terms of Sections 7.5 and 7.9 hereof, any contract to sell a Unit together with its Appurtenant Interests and any lease of all or part of a Unit ("Sale Agreement or Lease Agreement") shall contain the following language: "THIS AGREEMENT AND THE RIGHTS AND OF THE PARTIES HEREUNDER ARE HEREBY MADE EXPRESSLY SUBJECT TO THE RIGHTS IF ANY, OF THE CONDOMINIUM BOARD OF THE CONDOMINIUM WITH RESPECT TO THE TRANSACTION EMBODIED HEREIN PURSUANT TO THE TERMS OF SECTIONS 7.2 AND 7.3 OF THE BY-LAWS OF THE CONDOMINIUM, AS THE SAME MAY HAVE BEEN AMENDED." Promptly after any such bona fide contract of sale or lease shall be fully executed, the Unit Owner executing the same ("Offeree Unit Owner") shall send written notice thereof to the Condominium Board by certified or registered mail, return receipt requested, which notice shall be accompanied by a fully executed, original counterpart of the contract of sale or the lease, as the case may be, containing all of the terms offered in good faith by the prospective purchaser or tenant ("Outside Offerer").

(B) The sending of the notice referred to in paragraph (A) of this Section 7.2 shall constitute an offer by the Offeree Unit Owner to sell his Unit, together with its Appurtenant Interests, or to lease all or part of his Unit, as the case may be, to the Condominium Board or to its designee, corporate or otherwise, on behalf of all Unit Owners, subject, however, to any variance therefrom provided in Section 7.3 hereof. The giving of such notice shall further constitute a representation and warranty by the Offeree Unit Owner to the Condominium Board, on behalf of all Unit Owners, that such Offeree Unit Owner believes the Sale Agreement or Lease Agreement to be bona fide in all respects. Thereafter, upon the written demand of the Condominium Board, the Offeree Unit Owner shall submit to the Condominium Board, in writing, such further information with respect to the Outside Offerer and the Sale Agreement or Lease Agreement as the Condominium Board may reasonably request.

(C) The Condominium Board may elect, by sending written notice thereof to the Offeree Unit Owner by certified or registered mail not later than thirty business days (in the event of a proposed sale) and fifteen business days (in the event of a proposed lease) after receipt of the notice referred to in paragraph (A) hereof together with such further information as may have been requested pursuant to the terms of paragraph (B) hereof, to purchase such Unit together with its Appurtenant Interests or to lease all or part of such Unit, as the case may be (or to cause the same to be purchased or leased by its designee, corporate or otherwise) on behalf of all Unit Owners upon the same terms and conditions as were contained in the Sale Agreement or Lease Agreement and stated in the response(s) by the Offeree Unit Owner to any requests for additional information pursuant to the terms of paragraph (B) hereof. Notwithstanding anything to the contrary contained herein, however, the Condominium Board shall not exercise any option set forth in this Section 7.2 to purchase or lease all or part of any Unit without the prior approval of 25% in number of all Unit Owners. The Condominium Board may not discriminate against any person on the basis of race, creed, color, national origin, sex, age, disability, marital status or other grounds prohibited by law.

Section 7.3 Acceptance of Offer.

(A) . In the event that the Condominium Board shall elect, within the time and in the manner provided in Section 7.2 hereof, to purchase a Unit together with its Appurtenant Interests, to lease all or part of such Unit, or to cause the same to be purchased or leased by its designee, title shall close or a lease shall be executed, in either event in accordance with the terms of the Sale Agreement or Lease Agreement, at the office of the attorneys for the Condominium Board within forty-five days after the day upon which the Condominium Board shall give notice of its election to accept such offer.

(B) If such Unit and its Appurtenant Interests are to be purchased by the Condominium Board or its designee on behalf of all Unit Owners, such purchase may be made from the funds deposited in the capital and/or expense accounts of the Condominium. If the funds in such accounts are insufficient to

effectuate such purchase, the Condominium Board may levy a Special Assessment against each Unit (other than the Offeree Unit Owner) in accordance with the terms of Paragraph (C) of Section 6.1 hereof and/or the Condominium Board may, in its discretion, finance the acquisition of such Unit; provided, however, that no such financing may be secured by an encumbrance on or a hypothecation of any portion of the Property other than the Unit to be purchased together with its Appurtenant Interests. In addition, if the Outside Offeror was to assume or to take title to the Unit subject to the Offeree Unit Owner's existing mortgage or mortgages pursuant to the Sale Agreement, the Condominium Board may purchase the Unit and assume or take title thereto subject to such mortgage or mortgages as the case may be. At the closing of title, the Offeree Unit Owner shall convey the Unit, together with its Appurtenant Interests, to the Condominium Board or to its designee, on behalf of all Unit Owners, by deed in the form required by Section 399-O of the Condominium Act with all tax and/or documentary stamps affixed at the expense of the Offeree Unit Owner, who shall also pay all other transfer taxes arising out of such sale (including, if applicable, the New York State Documentary Stamp Tax and the New York City Real Property Transfer Tax) notwithstanding any terms of the Sale Agreement to the contrary. Real estate taxes, mortgage interest (if applicable) and Common Charges shall be apportioned between the Offeree Unit Owner and the Condominium Board or its designee as of the costing date, notwithstanding any terms of the Sale Agreement to the contrary. Thereafter, such Unit shall be held, so long as the same is owned by the Condominium Board or its designee, on behalf of all Unit Owners, as tenants-in-common, and all such Unit Owners shall be deemed to have waived all rights of partition with respect to such Unit and the entire Property, as herein provided.

(C) In the event that all or part of such Unit is to be leased by the Condominium Board or its designee on behalf of all Unit Owners, the Offeree Unit Owner shall execute and deliver to the Condominium Board or such designee a lease covering all or part of such Unit by and between the Offeree Unit Owner, as landlord, and the Condominium Board or such designee as tenant. Such lease shall be in the then current form of apartment lease recommended by the Real Estate Board of New York, Inc., and shall contain all of the terms and conditions of the Lease Agreement not in conflict with such form of lease, including, without limitation, the rental and term provided for therein. Notwithstanding anything to the contrary set forth hereinabove or in the Lease Agreement, however such lease shall expressly provide that the Condominium Board or such designee may enter into a sublease of the premises demised thereunder without consent of the landlord.

Section 7.4 Failure to Accept Offer.

(A) In the event that the Condominium Board shall fail to accept an offer made pursuant to the terms of Section 7.2 hereof within the respective times set forth in paragraph (C) thereof, the Offeree Unit Owner shall be free to consummate the transaction embodied in the Sale Agreement or Lease Agreement within sixty days after (i) notice of refusal is sent to the Offeree Unit Owner by the Condominium Board or (ii) the expiration of the period within which the Condominium Board or its designee might have accepted such offer, as the case may be. If the Offeree Unit Owner shall fail to consummate the transaction embodied in the Sale Agreement or Lease Agreement within such sixty-day period, then, should the Offeree Unit Owner thereafter elect to sell such Unit together with its Appurtenant Interests or to lease all or part of such Unit, the Offeree Unit Owner shall be required again to comply with all of the terms and provisions of Section 7.2, 7.3 and 7.4 hereof, but not more often than once in any twelve-month period, except the Condominium Board shall have the right to waive this for good cause shown, in its sole discretion.

(B) Any deed of a Unit and its Appurtenant Interests to an Outside Offeror shall expressly provide that the acceptance thereof by the grantee shall constitute an 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 herein.

(C) Each lease of all or part of a Unit to an Outside Offeror shall be in the then current form of apartment lease recommended by the Real Estate Board of New York, Inc., subject to such modifications as may be approved in writing by the Condominium Board. Notwithstanding the foregoing, however, each such lease shall be consistent with the Condominium Documents and shall expressly provide that:

(i) such lease may not be amended, modified, or extended without the prior written consent of the Condominium Board in each instance;

(ii) the tenant thereunder shall not assign his interest in such lease or sublet the premises demised thereunder or any part thereof without the prior written consent of the Condominium Board in each instance; and

(iii) the Condominium Board shall have the power to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the landlord thereunder in the event of (a) a default by the tenant in the performance of its obligations under such lease or (b) a foreclosure of the lien granted by Section 339-z of the Condominium Act.

Section 7.5 Termination of, and Exceptions to, the Right of First Refusal.

(A) A certificate executed and acknowledged by the Secretary of the Condominium or the Managing Agent, stating that the provisions of Section 7.2 hereof have been met by a Unit Owner or that the right of first refusal provided for therein has been duly released or waived by the Condominium Board and that, as a result thereof, the rights of the Condominium Board thereunder have terminated, 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 a certificate, the Unit to which the same shall relate, together with its Appurtenant Interests, may be sold, conveyed, or leased free and clear of the terms and conditions contained in Section 7.2 hereof. The Condominium Board shall furnish or cause the Managing Agent to furnish without charge, such certificate upon written request to any Unit Owner in respect to whom the provisions of Sections 7.2 hereof have, in fact, been terminated. In no event, however, shall the right of first refusal described in Section 7.2 hereof be deemed released or waived by the Condominium Board (as opposed to satisfied pursuant to the express terms of Section 7.2, 7.3 and 7.4 hereof) in the absence of the certificate that has been duly executed, acknowledged and issued by the Secretary of the Condominium or the Managing Agent as aforesaid.

(B) The terms and conditions contained in Section 7.2, 7.3 and 7.4 hereof shall not apply with respect to any sale, lease, or conveyance of a Unit together with its Appurtenant Interests, by:

(i) the Unit Owner thereof to any of his adult Family Members, to any combination of the same, or to a trust for the benefit of any of them provided, however, that if the succeeding Unit Owner is an infant or a person judicially declared incompetent of managing his affairs, then such Unit shall be held by the personal representative of such infant or incompetent, or, in the case of a Unit Owner that is not an individual, to any entity or individual that owns more than fifty percent of the legal and beneficial interests of such Unit Owner or to any entity with respect to which such Unit Owner (individual or otherwise) owns more than fifty percent of the legal and beneficial interest thereof;

(ii) Sponsor with respect to the Unsold Units;

(iii) the Condominium Board;

(iv) any proper officer conducting the sale of a Unit in connection with the foreclosure of a mortgage or other lien covering such Unit or delivering a deed in lieu of such foreclosure; or

(v) any Permitted Mortgagee or his nominee, who has acquired title to any Unit at any foreclosure sale of his Permitted Mortgage or by deed in lieu thereof delivered in a bona fide transaction,

provided, however, that each succeeding Unit Owner shall be bound by, and his Unit shall be subject to, all of the terms and conditions of this Article 7.

Section 7.6 No Severance of Ownership. No Unit Owner shall execute any deed or other instrument conveying title to his Unit without including therein its Appurtenant Interests, it being the intention to prevent any severance of such combined ownership. Any deed or other instrument purporting to affect one 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 Appurtenant Interests of any Unit may be sold, conveyed, or otherwise disposed of, except as part of a sale, conveyance, or other disposition of the Unit to which such interests are appurtenant or as part of a sale, conveyance, or other disposition of such part of the Appurtenant Interests of all Units. Nothing contained in this Section 7.6, however, shall prohibit the lease of all or part of any Unit without the simultaneous lease of its Appurtenant Interests.

Section 7.7 Payment of Common Charges. No Unit Owner shall be permitted to convey or lease all or part of his Unit unless he shall have paid in full to the Condominium Board all unpaid Common Charges and Special Assessments theretofore assessed against such Unit and shall have satisfied all unpaid liens, other than that of the Permitted Mortgages, levied against such Unit. However, where the payment of such unpaid Common Charges and/or Special Assessments is made by the grantee or provided for out of the proceeds of the sale, a sale may take place notwithstanding the foregoing.

Section 7.8 Power of Attorney. At the time of acquiring title to a Unit and as a condition thereof, the new Unit Owner shall duly execute, acknowledge and deliver to the representative of his title insurance company (or, if no such representative is present, to Sponsor in the case of a Unit, or, if Sponsor is not then the owner of any Unsold Unit, to the Condominium Board) for recording in the Register's Office, the Unit Owner's Power of Attorney required in Article 14 of the Declaration, in the form set forth as Exhibit E to the Declaration.

Section 7.9 Gifts and Devises, Etc. Any Unit Owner shall be free to convey or transfer his Unit, together with its Appurtenant Interests, by gift, or to devise the same by will or to have the same pass by intestacy, without restriction, provided, however, that each succeeding Unit Owner shall be bound by, and his Unit shall be subject to, the provisions of this Article 7.

ARTICLE 8

MORTGAGING OF UNITS

Section 8.1 General. Each Unit Owner shall have the right to mortgage his Unit, subject only to the terms and conditions contained in Section 8.2 hereof. Any Unit Owner who mortgages his Unit, or the holder of such mortgage, shall supply the Condominium Board with the name and address of his mortgagee and shall file a conformed copy of the note and mortgage with the Condominium Board. Any Unit Owner who satisfies a mortgage covering his Unit shall so notify the Condominium Board and shall file a conformed copy of the satisfaction of mortgage with the Condominium Board. The Secretary of the Condominium shall maintain such information in a book entitled "Mortgages of Units." The terms and conditions contained in this Section 8.1, however, shall not apply to Sponsor, the Owner of Unsold Units.

Section 8.2 Restrictions on Mortgaging.

(A) No Unit Owner shall be permitted to mortgage, pledge, or hypothecate his Unit unless and until he shall have paid in full to the Condominium Board all unpaid Common Charges and Special Assessments theretofore assessed against such unit and shall have satisfied all unpaid liens, except the liens of Permitted Mortgages levied against such Unit.

(B) No Unit Owner shall execute any mortgage or other document mortgaging, pledging, or hypothecating title to his Unit without including therein its Appurtenant Interests, 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.

(C) Any mortgage covering a Unit shall be substantially in the form used by any Institutional Lender.

(D) Any mortgage covering a Unit shall be made by an Institutional Lender, Sponsor or by a Unit Owner providing purchase money financing in connection with the sale of his Unit.

Section 8.3 Notice of Unpaid Common Charges and Default. Whenever requested in writing by a Permitted Mortgagee, the Condominium Board shall promptly report to such Permitted Mortgagee any default by his mortgagor(s) in the payment of Common Charges or Special Assessments or in the observance or performance of any of the provisions of the Condominium Documents as to which the Condominium Board has knowledge then exists. The Condominium Board shall, when giving notice to a Unit Owner of any such default, also send a copy of such notice to his Permitted Mortgagee, if so requested. However, the Condominium Board shall have no liability for any failure, through oversight or negligence, in notifying a Permitted Mortgagee of any default by his mortgagor under the Condominium Documents, provided that (i) the Condominium Board shall advise such Permitted Mortgagee of the default promptly after discovering such failure and (ii) if the Condominium Board shall foreclose a lien on such mortgagor's Unit pursuant to the terms of Section 6.4 hereof by reason of such default, the Condominium Board shall pay to such Permitted Mortgagee any net proceeds of any foreclosure sale of such Unit (after retaining all sums due and owing to the Condominium Board pursuant to the Condominium Documents) or such lesser sum as shall be due and owing to such Permitted Mortgagee.

Section 8.4 Performance by Permitted Mortgagee. Any sum of money to be paid or any act to be performed by a Unit Owner pursuant to the terms of the Condominium Documents may be paid or performed by his Permitted Mortgagee, and the Condominium Board shall accept such Permitted Mortgagee's payment or performance with the same force and effect as if the same were paid or performed by such Unit Owner.

Section 8.5 Examination of Books. Each Permitted Mortgagee shall be permitted to examine the books of account of the Condominium at reasonable times on business days, but not more frequently than once a month.

Section 8.6 Consent of Mortgagees: Designation of Mortgage Representatives.

(A) Except as otherwise expressly provided for herein or in the Declaration, 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 his mortgagor. 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, of any are designated pursuant to the terms of paragraph (B) of this Section 8.6, shall be deemed binding upon the holders of all mortgages encumbering Units.

(B) 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 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 a Mortgage Representative pursuant to the terms of this paragraph (B) shall be effective until any successor Mortgage Representative is 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 (which are not Institutional Mortgages) shall be entitled to participate in the designation of Mortgage Representatives, but all holder 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 8.7 Prohibition on Leasing. No Unit Owner shall be permitted to lease its Unit if such Unit Owner's Permitted Mortgagee prohibits leasing.

ARTICLE 9

CERTAIN REMEDIES

Section 9.1 Self Help. If any Unit Owner shall violate or breach any of the provisions of the Condominium Documents on his part to be observed or performed, including, without limitation, any breach of his obligation to paint, decorate, maintain, repair, or replace his Unit or its appurtenant Limited Common Elements, if any, pursuant to the terms of Article 5 hereof, and shall fail to cure such violation or breach within five (5) days after receipt of written notice of the same from the Condominium Board, the Managing Agent, or any manager (or, with respect to any violation or breach of the same not reasonably susceptible to cure within such period, commence such cure within such five (5) day period and, thereafter, to prosecute such cure with due diligence to completion), the Condominium Board shall have the right to enter such Unit Owner's Unit and/or its appurtenant Limited Common Elements, if any, and summarily to abate, remove, or sure such violation or breach without thereby being deemed guilty or liable in any manner of trespass. In addition, in the event that the Condominium Board shall determine that the abatement, removal, or cure of any such violation or breach is immediately necessary for the preservation or safety of the Building or for the safety of the occupants of the Building or other individuals or is required to avoid suspension of any necessary service in the Building, the Condominium Board may take such action immediately, without prior notice and without allowing the said Unit Owner any period of time within which to cure or to commence to cure such violation or breach.

Section 9.2 Abatement and Enjoinment.

(A) In the event that any Unit Owner shall violate or breach any of the provisions of the Condominium Documents on his part to be observed or performed, the Condominium Board shall have the right to enjoin, abate, or remedy the continuance or repetition of any such violation or breach by appropriate proceedings brought either at law or in equity.

(B) The violation or breach of any of the terms of the Condominium Documents with respect to any rights, easements, privileges, or licenses granted to Sponsor shall give such party the right to

enjoin, abate, or remedy the continuation or repetition of any such violation or breach by appropriate proceedings brought either at law or in equity.

Section 9.3 Remedies Cumulative. The remedies specifically granted to the Condominium Board or to Sponsor in this Article 9 or elsewhere in the Condominium Documents shall be cumulative, shall be in addition to all other remedies obtainable at law or in equity and may be exercised at one time or at different times, concurrently or in any order, in the sole discretion of the Condominium Board or Sponsor, as the case may be. Further, the exercise of any remedy shall not operate as a waiver, or preclude the exercise, of any other remedy.

Section 9.4 Costs and Expenses. All sums of money expended, and all costs and expenses incurred, by (i) the Condominium Board in connection with the abatement, enjoinder, removal, or cure of any violation, breach, or default committed by a Unit Owner pursuant to the terms of Section 9.1 or paragraph (A) of Section 9.2 hereof or (ii) Sponsor in connection with any abatement, enjoinder, or remedy of any violation or breach of the Condominium Documents pursuant to the terms of paragraph (B) of Section 9.2 hereof, shall be immediately payable by (a) in the event set forth in subparagraph (i) hereof, such Unit Owner to the Condominium Board or (b) in the event set forth in subparagraph (ii) hereof, the offending party (i.e., the Condominium Board or the Unit Owner) to Sponsor, as the case may be, which amount shall, in either event, bear interest (to be computed from the date expended) at the rate of two percent per month (but in no event in excess of the maximum rate chargeable to such Unit Owner pursuant to Law). All sums payable by a Unit Owner to the Condominium Board pursuant to the terms of this Section 9.4 shall, for all purposes hereunder, constitute Common Charges payable by such Unit Owner.

ARTICLE 10

ARBITRATION

Section 10.1 Procedure. Any matter required or permitted to be determined by arbitration pursuant to the terms of the Condominium Documents shall be submitted for resolution by a single arbitrator in a proceeding held in the City of New York in accordance with the then existing rules of the American Arbitration Association or successor organization thereto. In the event that the American Arbitration Association shall not then be in existence and has no successor organization, any such arbitration shall be held in the City of New York before one arbitrator appointed, upon the application of any party, by any Justice of the highest court of appellate jurisdiction then located in the City of New York. The decision of the arbitrator so chosen shall be given within ten (10) days after his selection or appointment. Any arbitrator appointed or selected in connection with any arbitration to be conducted hereunder shall be a member of a law firm having at least five (5) members whose principal office is located in the City of New York.

Section 10.2 Variation by Agreement. The parties to any dispute required or permitted to be resolved by arbitration pursuant to the terms of the Condominium Documents may, by written agreement, vary any of the terms of Section 10.1 hereof with respect to the arbitration of such dispute or may agree to resolve their dispute in a manner, including, without limitation, 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."

Section 10.3 Binding Effect. The decision in any arbitration conducted pursuant to the terms of Sections 10.1 and 10.2 hereof shall be binding upon all of the parties thereto and may be entered in any court of appropriate jurisdiction.

Section 10.4 Costs and Expenses.

(A) The fees, costs and expenses of the arbitrator shall be borne by the losing party in the arbitration or, if the position of neither party to the dispute shall be substantially upheld by the arbitrator, such fees, costs and expenses shall be borne equally by the disputants. Each disputant shall also bear the fees and expenses of his counsel and expert witnesses.

(B) All costs and expenses paid or incurred by the Condominium Board in connection with any arbitration held hereunder, including, without limitation, the fees and expenses of counsel and expert witnesses, shall constitute General Common Expenses, to be borne by all Unit Owners, if such arbitration relates solely to the Units, generally, or to the General Common Elements or the Limited Common Elements.

ARTICLE 11

NOTICES

Section 11.1 General. All notices required to be given hereunder (except for notices of regular annual or special meetings of the Unit Owners and except all meetings of the Condominium Board) shall be sent by registered or certified mail, return receipt requested, postage prepaid addressed:

(i) if to the Condominium Board, to the Condominium Board at its principal office as set forth in Section 1.5 hereof, with a copy sent by regular first class mail to the Managing Agent (if any) at its principal office address as aforesaid;

(ii) if to a Unit Owner other than Sponsor, to such Unit Owner at his address at the Property;

(iii) if to Sponsor, to Sponsor at its principal office as set forth in the Plan;

(iv) if to a Permitted Mortgagee, to such Permitted Mortgagee at its latest address designated in writing to the Condominium Board.

Any of the foregoing parties may change the address to which notices are to be sent, or may designate additional addresses for the giving of notice, by sending written notice to the other parties as aforesaid. All notices sent pursuant to the terms of this Section 11.1 shall be deemed given when mailed in the State of New York, provided, however, that notices of change of address, notices designating additional addresses and notices deposited in a United States Postal Service depository located outside of the State of New York shall be deemed to have been given when received.

Section 11.2 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 Persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE 12

AMENDMENTS TO BY-LAWS

Section 12.1 General.

(A) Subject to the terms of paragraph (B) hereof and subject, further, to any provisions contained in the Declaration or these By-Laws with respect to any amendments ("Special Amendments") affecting or in favor of Sponsor, any Unsold Unit(s), and/or any Permitted Mortgagee, any provision of these By-Laws may be amended, modified, added to, or deleted by the affirmative vote of not less than sixty-six and two-thirds (66-2/3%) percent in aggregate Common Interest of all Unit Owners either taken at a duly constituted meeting thereof or given in writing without a meeting as provided in Section 4.10 hereof. Each duly adopted amendment, modification, addition, or deletion hereof or hereto shall be effectuated in an instrument executed and recorded in the Register's Office by or on behalf of the Condominium Board as attorney-in-fact of all Unit Owners, which power-of-attorney shall be deemed irrevocable and coupled with an interest. Attached to each such instrument shall be an original, executed Secretary's Certification, certifying that the requisite number and percentage (where applicable) of Unit Owners approved the amendment, modification, addition, or deletion set forth therein either at a duly constituted meeting of Unit Owners or in writing without a meeting pursuant to the terms of Section 4.10 hereof, in which Secretary's Certification there shall be described the number and percentage (where applicable) of Unit Owners approving the same and, if voted at a meeting, the date, time and place of such meeting. No such amendment, modification, addition, or deletion shall be effective unless and until such an instrument shall be duly recorded in the Register's office.

(B) Notwithstanding anything to the contrary contained in paragraph (A) hereof, but still subject to any provision contained in the Declaration or these By-Laws with respect to Special Amendments:

(i) the Common Interest, appurtenant to any Unit, as set forth in the Declaration, shall not be altered without the consent of the Unit Owner thereof, except as otherwise provided in paragraph (E) of Section 5.5 hereof;

(ii) no amendment, modification, addition, or deletion agreed to pursuant to the terms of paragraph (A) hereof shall be effective without the prior written consent of the Mortgage Representatives, if any, provided, however, that no such consent shall be unreasonably withheld or delayed; and

(iii) the terms of Section 5.7 hereof may not be amended, modified, added to, or deleted unless (in addition to the consent, if required, of the Mortgage Representatives as provided above) not less than 80% in number and in aggregate Common Interests of all Unit Owners affected thereby shall approve such amendment, modification, addition or deletion in writing.

Section 12.2 Special Amendments.

(A) Any amendment, modification, addition, or deletion of or to any of the provisions of these By-Laws that, pursuant to the terms of the Declaration or these By-Laws, may be effected by Sponsor without the consent of the Condominium Board or the Unit Owners shall be embodied in an instrument executed and recorded in the Register's Office by Sponsor as attorney-in-fact of both the Condominium Board and all Unit Owners, which power-of-attorney shall be deemed to be irrevocable and coupled with an interest. Attached to each such instrument shall be an original, executed Certification by Sponsor certifying that the amendment, modification, addition, or deletion set forth therein was effectuated by Sponsor pursuant to the terms of the Declaration and/or these By-Laws, in which Certification there

shall be set forth the Article and/or Section of the Declaration or these By-Laws pursuant to which the same was effectuated. No such amendment, modification, addition, or deletion shall be effective unless and until such an instrument shall be duly recorded in the Register's Office.

(B) Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition, or deletion of or to these By-Laws shall be effective in any respect against Sponsor, any Unsold Unit, or the holder of any present mortgage, pledge, lien, or security agreement covering any Unsold Unit unless and until Sponsor, and/or such holder in the case of an Unsold Unit (as the case may be) shall consent to the same in writing.

(C) Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition, or deletion of or to Section 5.4 or 5.5, paragraph (B) of Section 6.2, subparagraph (iv) or (v) of paragraph (B) of Section 7.5 or Article 8 hereof shall be effective with respect to the holder of any Permitted Mortgage theretofore made unless and until such Permitted Mortgagee shall have given its written consent thereto.

ARTICLE 13

FURTHER ASSURANCES

Section 13.1 General. Any Person that is subject to the terms of these By-Laws, whether such Person is a Unit Owner, a lessee or sublessee of a Unit Owner, an occupant of a Unit, a member of a Condominium Board, an officer of the Condominium, or otherwise, shall, at the expense of any other Person requesting the same, execute, acknowledge and deliver to such other Person such instruments, in addition to those specifically provided for herein, and take such other action as such other Person may reasonably request in order either to effectuate the provisions of these By-Laws or any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

Section 13.2 Failure to Deliver or Act.

(A) If any Unit Owner or other Person that is subject to the terms of these By-Laws fails to execute, acknowledge, or deliver any instrument, or fails or refuses, within ten days after request therefor, to take any action that such Unit Owner or Person is required to execute, acknowledge and deliver or to take pursuant to these By-Laws, then the Condominium Board is hereby authorized, as attorney-in-fact for such Unit Owner or other Person, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of such Unit Owner or other Person, and such document or action shall be binding on such Unit Owner or other Person.

(B) If the Condominium Board, any Unit Owner, or other Person that is subject to the terms of these By-Laws fails to execute, acknowledge, or deliver any instrument, or fails or refuses, within ten (10) days after request therefor, to take any action that the Condominium Board, such Unit Owner, or Person is required to execute, acknowledge and deliver or to take pursuant to these By-Laws at the request of Sponsor, as the case may be, then the Sponsor is hereby authorized, as attorney-in-fact for the Condominium Board, such Unit Owner, or other Person, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of the Condominium Board, such Unit Owner, or other Person, and such document or action shall be binding on the Condominium Board, such Unit Owner, or other Person. The Condominium Board shall not unreasonably withhold or delay its consent or approval with respect to any matter contained in these By-Laws which requires the consent or approval of the Condominium Board.

ARTICLE 14

MISCELLANEOUS

Section 14.1 Inspection of Document. Copies of the Declaration, these By-Laws, the Rules and Regulations and the Floor Plans, as the same may be amended from time to time, shall be maintained at the office of the Condominium Board and shall be available for inspection by Unit Owners and their authorized agents during reasonable business hours.

Section 14.2 Waiver. No provision contained in these By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breaches that may occur.

Section 14.3 Conflict. 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 or of the Condominium Act, the provision contained in the Declaration or in the Condominium Act shall control.

Section 14.4 Severability. If any provision of these By-Laws is invalid or unenforceable as against any Person or under certain circumstances, the remainder of these By-Laws and the applicability of such provision to other Persons or circumstances shall not be affected thereby. Each provision of these By-Laws shall, except as otherwise provided herein, be valid and enforced to the fullest extent provided by Law.

Section 14.5 Successors and Assigns. The rights and/or obligations of Sponsor as set forth herein shall inure to the benefit of, and shall be binding upon, any successor or assignee of Sponsor or, with the consent of Sponsor, any transferee of all of the then Unsold Units.

Section 14.6 Gender. A reference in these By-Laws to any one gender, masculine or feminine, includes the other one, and the singular includes the plural, and vice-versa, unless the context otherwise requires.

Section 14.7 Captions. The index hereof and the captions herein inserted are included only as a matter of convenience and for reference, and in no way define, limit, or describe the scope of these By-Laws or the intent of any provision hereof.

ADDENDUM TO THE BY-LAWS
RULES AND REGULATIONS

1. The sidewalks, entrance passages, public halls, elevators, vestibules, corridors and stairways of or appurtenant to the Building shall not be obstructed or used for any purpose other than egress to and ingress from the Units.

2. No velocipedes, bicycles, scooters, or similar vehicle shall be taken into or from the Building other than the elevator designated by the Condominium Board or the Managing Agent for such purpose, and no baby carriages or any of the above-mentioned vehicles shall be allowed to stand in the public halls, passageways, or other public areas of the Building.

3. All service and delivery persons will be required to use the entrance to the Building designated by the Condominium Board or the Managing Agent.

4. No article (including, but not limited to, garbage cans, bottles or mats) shall be placed or stored in any of the halls or on any of the staircases or fire tower landings of the Building, nor shall any fire exit thereof be obstructed in any manner.

5. No clothes, sheets, blankets, laundry, or other articles of any kind shall be hung on or out of a Unit.

6. No refuse from the Units shall be sent to the cellar of the Building, except at such times and in such manner as the Condominium Board or the Managing Agent may direct. Nothing shall be hung or shaken from any doors, windows, or placed upon the window sills, of the Building, and no Unit Owner shall sweep or throw, or permit to be swept or thrown, any dirt, debris or other substance therefrom.

7. There shall be no playing or lounging in the entrances, passages, public halls, elevators, vestibules, corridors, stairways, or fire towers of the Building.

8. The Condominium Board or the Managing Agent may, from time to time, curtail or relocate any portion of the Common Elements devoted to storage or service purposes in the Building.

9. Nothing shall be done or kept in any Unit or in the Common Elements that will increase the rate of insurance of the Building, or the contents thereof. No Unit Owner shall permit anything to be done or kept in his Unit or in the Common Elements that will result in the cancellation of insurance on the Building, or the contents thereof, or that would be in violation of any Law. No Unit Owner or any of his Family Members, agents, servants, employees, licensees, or visitors shall, at any time, bring into or keep in his Unit any inflammable, combustible, or explosive fluid, material, chemical, or substance, except as shall be necessary an appropriate for the permitted uses of such Unit.

10. There shall be no barbecuing in the Units, in their appurtenant Limited Common Elements, if any, or in the Common Elements except as may be permitted by law.

11. No Unit Owner shall make, cause, or permit any unusual, disturbing, or objectionable noises or odors to be produced upon or to emanate from his Unit or its appurtenant Limited Common Elements, if any, or permit anything to be done therein that will interfere with the rights, comforts, or conveniences of the other Unit Owners. No Unit Owner shall play upon or suffer to be played upon any musical instrument, or shall operate or permit to be operated a phonograph, radio, television set, or other loudspeaker in such Unit Owner's Unit or its appurtenant Limited Common Elements, 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 Unit Owner practice or suffer to be practiced either vocal or instrumental music between the hours of 10:00 P.M. and the following 9:00 A.M. No construction, repair work, or other installation involving noise shall be conducted in any Unit except on weekdays (not including legal holidays) and only between the hours of 8:00 A.M. and 5:00 P.M., unless such construction or repair work is necessitated by an emergency.

12. No bird, reptile, or animal shall be permitted, raised, bred, kept, or harbored in, on or about the Building unless, in each instance, the same shall have been expressly permitted in writing by the Condominium Board or the Managing Agent. Any such consent, if given, shall be revocable at any time by the Condominium Board or the Managing Agent in their sole discretion. In no event shall any bird, reptile, or animal be permitted in any public elevator of the Building, other than the elevator designated by the Condominium Board or the Managing Agent for that purpose, or in any of the public portions of the Building, unless carried or on lease. No pigeons or other birds or animals shall be fed from the window sills, or other public portions of the Building, or on the sidewalk or street adjacent to the Building.

13. No group tour or exhibition of any Unit or its contents shall be conducted, nor shall any auction sale be held in any Unit, without the consent of the Condominium Board or the Managing Agent in each instance. In the event that any Unit shall be used for home occupation purposes in conformance with the Declaration and the By-Laws, no patients, clients, or other invitees shall be permitted to wait in any lobby, public hallway, or vestibule.

14. Unless expressly authorized by the Condominium Board in each instance, not less than 80% of the floor area of each Unit (excluding only kitchens, pantries, bathrooms, closets and foyers) must be covered with rugs, carpeting, or equally effective noise-reducing material.

15. No window guards or other window coverings or decorations shall be used in or about any Unit, except such as shall have been approved in writing by the Condominium Board or the Managing Agent, which approval shall not be unreasonably withheld or delayed, and in accordance with Law. In no event, however, shall any windows of any Unit be colored or painted..

16. No ventilator or air conditioning device shall be installed in any Unit or its appurtenant Limited Common Elements, if any, without the prior written approval of the Condominium Board, which approval may be granted or refused in the sole discretion of the Condominium Board.

17. No radio or television aerial shall be attached to or hung from the exterior of the Building, and 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 other part of the Building, except such as are permitted pursuant to the terms of Declaration and/or the By-Laws or shall have been approved in writing by the Condominium Board or the Managing Agent. Nothing shall be projected from any window of a Unit without similar approval.

18. All radios, television, or other electrical equipment of any kind or nature installed or used in each Unit shall fully comply with all rules, regulations, requirements, or recommendations of the New York Board of Fire Underwriters and the public authorities having jurisdiction, and the Unit Owner alone shall be liable for any damage or injury caused by any radio, television, or other electrical equipment.

19. Water-closets and other apparatus in the Building shall not be used for any purpose other than those for which they were designed, and no sweepings, rubbish, rags or any other article shall be thrown into same. Any damage resulting from misuse of any water-closets or other apparatus in a Unit shall be repaired and paid for by the owner of such Unit.

20. Each Unit Owner shall keep his Unit and its appurtenant Limited Common Elements, if any, in a good state of preservation, condition, repair and cleanliness in accordance with the terms of the By-Laws.

21. The agents of the Condominium Board or the Managing Agent, and any contractor or workman authorized by the Condominium Board or the Managing Agent, may enter any room or Unit at any reasonable hour of the day, on at least one day's prior notice to the Unit Owner, for the purpose of inspecting such Unit for the presence of any vermin, insects, or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects, or other pests; however, such entry, inspection and extermination shall be done in a reasonable manner so as not to unreasonably interfere with the use of such Unit for its permitted purposes.

22. The Condominium Board or the Managing Agent may retain a pass-key to each Unit. If any lock is altered or a new lock is installed, the Condominium Board or the Managing Agent shall be provided with a key thereto immediately upon such alteration or installation. If the Unit Owner is not personally present to open and permit an entry to his Unit at any time when an entry therein is necessary or permissible under these Rules and Regulations or under the By-Laws, and has not furnished a key to the Condominium Board or the Managing Agent, then the Condominium Board or Managing Agent or their agents (but, except in an emergency, only when specifically authorized by an officer of the Condominium or an officer of the Managing Agent) may forcibly enter such Unit without liability for damages or trespass by reason thereof (if, during such entry, reasonable care is given to such Unit Owner's property).

23. If any key or keys are entrusted by a Unit Owner, by any Family Member thereof, or by his agent, servant, employee, licensee, or visitor to an employee of the Condominium or of the Managing Agent, whether for such Unit Owner's Unit or an automobile, trunk, or other item of personal property, the acceptance of the key shall be at the sole risk of such Unit Owner, and neither the Condominium Board nor the Managing Agent shall (except as provided in Rule 22 above) be liable for injury, loss, or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

24. Unit Owners and their respective Family Members, guests, servants, employees, agents, visitors, or licensees shall not at any time or for any reason whatsoever, enter upon, or attempt to enter upon, the roof of the Building unless such roof is part of a lawful terrace.

25. No occupant of the Building shall send any employee of the Condominium or of the Managing Agent out of the Building on any private business.

26. Any consent or approval given under these Rules and Regulations may be amended, modified, added to, or repealed at any time by resolution of the Condominium Board. Further, any such consent or approval may, in the discretion of the Condominium Board or the Managing Agent, be conditional in nature.

27. Complaints regarding the service of the Condominium shall be made in writing to the Condominium Board or to the Managing Agent.

EXHIBIT E

**TO THE DECLARATION OF
41 BOND CONDOMINIUM**

POWER OF ATTORNEY

TO BE PROVIDED PRIOR TO THE RECORDATION OF DECLARATION

EXHIBIT 8

SPECIAL COUNSEL'S INCOME TAX AND 339-I OPINION

GOLDSTICK, WEINBERGER, FELDMAN & GROSSMAN, P.C.**ATTORNEYS AT LAW**

7 PENN PLAZA 5 NEW YORK, NEW YORK 10001

(212) 687-3440

TELECOPIER (212) 818-0625

November 1, 2010

DDG41 NOHO LLC
c/o DDG Partners, LLC
250 Hudson Street, 10th fl
New York, New York 10013

Re: 41 Bond Street Condominium Plan
Premises: 41 Bond Street, New York, NY ("Plan")

Dear Sirs:

You have requested our opinion concerning i) the availability of certain deductions for Federal, New York State and New York City income tax purposes (but not for purposes of the New York City earnings tax on non-residents) to individuals who purchase Residential Units for residential use ("Residential Unit Owners") under the Plan and ii) the treatment for such income tax purposes of the Common Charges paid or borne by individual residential Unit Owners.

In this connection, we have reviewed the Plan, relevant sections of the Internal Revenue Code of 1986, as amended ("Code"), the New York State Tax Law ("State Tax Law"), the New York City Administrative Code ("City Code"), the Regulations promulgated thereunder and such other material as we deem relevant. Except where otherwise indicated, the terms used in this opinion have the same meanings as in the Plan.

Article I. Deductibility of Mortgage Interest and Real Estate Taxes

A Residential Unit Owner will own his Residential Unit and its appurtenant interest in the Common Elements in fee simple. Therefore, each Residential Unit Owner may mortgage his Residential Unit and become individually liable for the payment of any finance charges or interest on such mortgage indebtedness. Also, each Unit will be taxed as a separate tax lot for real estate tax purposes.

In our opinion, an individual Residential Unit Owner will, for federal income tax purposes, be entitled to a deduction for mortgage interest and real estate taxes in the year paid or accrued under Section 163 and 164 of the Code, respectively. Rev. Rul. 64-31, 1964-1 Cum. Bull. 300. This is subject to the proviso that, under Section 461(g) of the Code, no deduction

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will be allowed to a cash basis taxpayer in the year of payment for prepaid interest (other than points paid in certain cases).

A taxpayer generally is entitled to a deduction for federal income tax purposes for interest paid with respect to a principal and one secondary residence (a "qualified residence") to the extent that the interest is attributable to indebtedness which is secured by the qualified residence and which i) is incurred in acquiring, constructing or substantially improving the qualified residence (or which constitutes a refinancing thereof, to the extent that such indebtedness does not exceed the amount of the refinanced debt) ("acquisition indebtedness"), up to a maximum of \$1,000,000.00 for any period (\$500,000.00 in the case of a married individual filing a separate return), or ii) is any indebtedness other than acquisition indebtedness up to the excess of the fair market value of any one qualified residence over the amount of acquisition indebtedness with respect to such residence ("home equity indebtedness"), but not to exceed \$100,000.00 (\$50,000.00 in the case of married individual filing a separate return) in the aggregate for all qualified residences of the taxpayer in any period. Accordingly, an owner of a Residential Unit who itemizes deductions and uses his Residential Unit as a qualified residence will be entitled, under current law, to deduct from his gross income for federal income tax purposes, subject to an overall limitation on itemized deductions as set forth in Section 68 of the Code, interest paid or accrued by him on (i) acquisition indebtedness incurred with respect to his Residential Unit to the extent that such indebtedness, when added to the amount of acquisition indebtedness incurred with respect to a second qualified residence (if any), does not exceed \$1,000,000.00 (\$500,000.00 in the case of a married individual filing a separate return) and (ii) home equity indebtedness with respect to his Residential Unit to the extent that such indebtedness, when added to the amount of home equity indebtedness incurred with respect to a second qualified residence (if any), does not exceed \$100,000.00 (\$50,000.00 in the case of a married individual filing a separate return). Since the rules and limitations regarding the deductibility of home mortgage interest are complex, Purchasers are urged to consult their tax advisers regarding the application of such rules and limitations to them, as well as regarding the deductibility of interest with respect to their Residential Units for federal alternative minimum tax purposes (which at present is subject to rules different than those described above for regular tax purposes). In addition, Purchasers should consult their tax advisers regarding potential limitations on the deductibility of points and prepaid interest, if any, on their mortgage loans and on the overall limitation on the allowance of itemized deductions.

In addition, the deductions for interest will only be available to those taxpayers who elect to itemize their deductions and whose aggregate itemized deductions exceed the standard deduction.

It is also our opinion that each individual Residential Unit Owner will, for New York State and New York City income tax purposes, be entitled to the same deduction which is allowed for federal income tax purposes for the mortgage interest and real estate taxes paid during the taxable year. Section 615 of the State Tax Law; Section T46-115.0 of the City Code. However, certain individual taxpayers may not be able to utilize the deductions herein discussed, in whole or in part, if they are subject to the Alternative Minimum Tax.

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Until the Units are separately billed for real property taxes, the by-laws provide for collection thereof in accordance with each Unit Owner's percentage of Common Interest. Such payments are to be made into a special escrow account for the purpose of paying such taxes, and accordingly, inasmuch as such payment is necessary because the property interest of each Unit Owner would be lost if the taxes were unpaid and the property foreclosed upon, such payment will be deductible. See L. L. Powell, 26 TCM 161 (1967). See also D. G. Peters, 29 TCM 1440 (1970).

Article II. Common Charges

Pursuant to the Plan, the Condominium Board will govern the affairs of the Condominium. Presently, the exact tax status of the Condominium is not clear. The federal income tax consequences to the Condominium and the Unit Owners upon receipt by the Condominium of the Common Charges from the Unit Owners and receipts from other sources will depend upon whether the Condominium is treated as a conduit, or is treated as an association taxable as a corporation or qualifies and elects to be treated under Section 528 of the Code.

Section 528 of the Code provides that condominium associations, when qualified, may be treated as partially tax-exempt for federal income tax purposes.

The exemption provided by Section 528 of the Code is available only if the following requirements are met:

(a) The organization must be organized and operated to provide for the acquisition, construction, management, maintenance and care of the association property.

(b) Sixty (60%) percent or more of the organization's gross income for the taxable year must be membership dues, fees, or assessments received from residential condominium unit owners. Since the Plan currently provides that 100.00% of the Common Interest is to be allocated to residential Units, this requirement will be met.

(c) Ninety (90%) percent or more of the organization's expenditures for the taxable year must be for the acquisition, construction, management, maintenance and care of the condominium.

(d) No part of the net earnings may inure to the benefit of any private individual except through the rebate of excess assessments or indirectly through the acquisition, management and maintenance of association property.

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(e) The organization must elect exempt status for the taxable year. Such election must be made for each year that the organization desires to be treated as a Section 528 organization. Treas. Reg. Section 1.528-8.

(f) Substantially all of the units are used by individuals for residences. [Substantially all of the units will be considered used by individuals for residences if at least eighty-five (85%) percent of the total square footage of all units is used, or is intended to be used by individuals for residential purposes or purposes auxiliary to residential use, such as storage rooms, laundry and maintenance areas. Treas. Reg. Section 1.5284(b)].

Absent the application of Code Section 528, the present state of federal law is unclear as to the precise tax status of the Condominium. The By-Laws of the Condominium provide that the Condominium Board will act as the agent of the Unit Owners. Accordingly, for federal income tax purposes, the Condominium may take the position that since it simply acts as agent for the Unit Owners, it is not a separate taxable entity.

The Condominium would be a mere conduit for receipts and payments of Unit Owners for whom it acts as an agent. In such a case, the Unit Owners would include in their gross income and be taxed on all income earned by the Condominium, less the expenses incurred in earning such income. However, Common Charges would not be considered income to the Condominium. See Rev. Rul. 70604, 1970-2 C.B. 9; Lake Petersberg Assoc., 33 TCM 259 (1974).

However, the Internal Revenue Service may contend that for purposes of those matters administered through the Condominium Board, such as the assessment and expenditure of Common Charges, the Unit Owners through the Condominium Board constitute an association taxable as a corporation. In such event, such association may be deemed subject to the federal corporate income tax (and therefore to New York State and New York City corporate income taxes) on the portion of the Common Charges which is deemed to constitute gross income of such association, to the extent that such portion (together with any income earned from other sources, such as interim investments of funds by such association) exceeds the current expenses paid or incurred through the Condominium Board which are deductible for federal income tax purposes.

In this connection, published rulings indicate that Common Charges which are assessed by the Condominium Board and designated for use solely to make specified capital improvements and which are maintained in a separate bank account should not constitute gross income to such Board, either because it is deemed to receive and hold such Common Charges as agent for the Unit Owners from whom the assessments were collected, Rev. Rul. 75-370, 1975-2 Cum. Bull. 25, or because the assessed Common Charges are deemed to be nontaxable contributions to the capital of the association. Rev. Rul. 75-371, 1975-2 Cum. Bull. 25 [cf. Concord Village, Inc., 65 T.C. 14 (1975)].

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However, if treated as contributions to the capital of the association, it should be noted that when such amounts (together with any other funds accumulated by the association) are expended for capital improvements, the Internal Revenue Service may contend that the capital expenditures benefit the Unit Owners, and that each Unit Owner should therefore be subject to tax on his pro-rata share of the amounts expended.

In the event that the Condominium Board is required to pay any federal, New York State or New York City income tax, and the Condominium Board makes an additional assessment in order to meet this tax liability, it should be noted that the additional amount collected through such assessment may itself be subject to tax. See Old Colony Trust Co. v. Commissioner, 279 U.S. 716 (1929); Rev. Rul. 74-75, 1974-1 Cum. Bull. 19.

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

This opinion is not a guarantee; it is based on existing rules of law applied to the facts and documents referred to above. No assurances can be given that the tax laws upon which counsel bases this opinion will not change. In no event will Sponsor, Sponsor's counsel, the Condominium Board, the selling agent or any other person be liable if there are changes in the facts on which counsel relied in issuing this opinion or if there are changes in the applicable statutes, regulations, case law or Internal Revenue Service rulings on which counsel relied which cause i) the Condominium to cease to meet the requirements of the Code, the City Code or the State Code and ii) Unit Owners not to be entitled to income tax deductions.

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

The Declaration of the 41 Bond Condominium sets forth that the Common Interest of each Unit has been determined on the basis of floor space and additional factors of relative value to the other space in the condominium, the uniqueness of the Unit, availability of Common Elements (as defined in the Declaration) for exclusiveness or shared use and the overall dimension of the particular Unit, which is a method of allocation permitted by Real Property Law Section 339(i)(1)(iv). Based upon our review of the Plan including the Declaration of Condominium, the accuracy of the measurements of approximate floor area of Units prepared by

GOLDSTICK, WEINBERGER, FELDMAN & GROSSMAN, P.C.

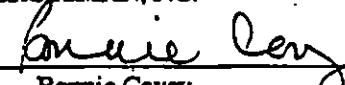
Sponsor's architect, the opinion of Andrews Building Corporation and Section 339-i of the Real Property Law, we are of the opinion that the allocation of common interests to each Unit in the Condominium complies with Section 339-i of the Real Property Law.

This opinion is not a guarantee; it is based on existing rules of law applied to the facts and documents referred to above. No assurances can be given that the tax laws upon which counsel bases this opinion will not change. In no event will Sponsor, Sponsor's counsel, the Condominium Board, the selling agent or any other person be liable if there are changes in the facts on which counsel relied in issuing this opinion or if there are changes in the applicable statutes, regulations, case law or Internal Revenue Service rulings on which counsel relied which cause i) the Condominium to cease to meet the requirements of the Code, the City Code or the State Code and ii) Unit Owners not to be entitled to income tax deductions.

We consent to the filing of this opinion as an exhibit to the Plan and to the reference to our name under the caption "Taxes-Deductions to Unit Owner and Tax Status of Condominium" in the Plan.

Very truly yours,

**GOLDSTICK, WEINBERGER, FELDMAN
& GROSSMAN, P.C.**

By: 

Bonnie Covey

BC/cd

EXHIBIT 9

PRIOR OPINION LETTER AND DECLARATORY RULING

SEIDEN & SCHEIN, P.C.
ATTORNEYS AT LAW

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570 LEXINGTON AVENUE, 14TH FLOOR
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SPECIAL COUNSEL:
ELISE J. KESSLER

OF COUNSEL:
DAVID F. YAHNER

February 3, 2011

DDG 41 Noho LLC
250 Hudson Street
New York, NY 10013

Re: 41 Bond Street
Block: 529, Lots: 29 & 30 (to be merged into Lot 30 and further
subdivided into condominium tax lots) (the "Project")
New York, NY 10012
421-a Mini-tax Projections

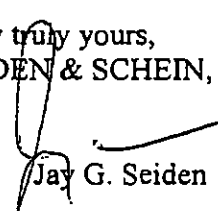
To Whom It May Concern:

You have asked us to project the taxes of the condominium tax lots at this Project with 421-a tax exemption benefits in place. Upon approval and implementation of 421-a benefits, the tax liabilities of the Project's condominium tax lots will be based upon each condominium's assessed value in the tax year prior to commencement of construction (the "Prior AV"). The Prior AV of Lots 29 & 30 is approximately \$395,105.

Please be advised that, assuming the Department of Finance apportions the Prior AV and the AV for subsequent tax years according to each to-be-formed condominium tax lot's percentage of interest in the common elements, and assuming the 421-a PCE and FCE are issued, we are projecting that the taxes due in the first post-construction year of 421-a benefits will be approximately:

Unit	% Interest in Common Elements	Prior AV	Property Tax ¹
1	9.68%	\$38,246.16	\$5,107.01
2	11.67%	\$46,108.75	\$6,156.90
3	11.91%	\$47,057.01	\$6,283.52
4/5	24.22%	\$95,694.43	\$12,778.08
6	13.62%	\$53,813.30	\$7,185.69
7	13.93%	\$55,038.13	\$7,349.24
Penthouse	14.97%	\$59,147.22	\$7,897.93
Total	100.00%	\$395,105.00	\$52,758.37

Very truly yours,
SEIDEN & SCHEIN, P.C.

By:  Jay G. Seiden

¹ The above calculations assume a Class 2 property tax rate of 13.353%. This tax rate is from the 2010/2011 tax year and is subject to change in the 2011/2012 and subsequent tax years.



**Department of
Housing Preservation
& Development**

nyc.gov/hpd

Office of Development
Housing Incentives
100 Gold Street
New York, N.Y. 10038

RAFAEL E. CESTERO
Commissioner
HOLLY M. LEIGHT
Deputy Commissioner
MIRIAM COLÓN
Assistant Commissioner

August 28, 2009

Jay G. Seiden, Esq.
Seiden & Schein, P.C.
570 Lexington Avenue
New York, NY 10022
Phone: (212) 935-1400; Fax: (212) 593-4545

Re: 41-43 Bond Street
Block 529, Lots 29 and 30
Borough of Manhattan
Declaratory Ruling No. 2099 (§421-a)

Dear Mr. Seiden:

I am writing in response to your request dated July 14, 2009, as supplemented by later submissions, for a declaratory ruling pursuant to §6-05(g) of Chapter 6 of Title 28 of the Rules of the City of New York (the "Rules") regarding the eligibility of a construction project (the "Project") at the above referenced site (the "Site") for tax benefits pursuant to §421-a of the Real Property Tax Law ("§421-a"),¹ §§11-245, 11-245.1, and 11-245.1-b of the Administrative Code,² and the Rules.³

I. Eligibility Requirements

To be eligible for §421-a tax benefits, the Project must comply with each of the eligibility requirements set forth in §421-a, the Administrative Code, and the Rules. The application of these requirements to the Project is discussed in detail below. Capitalized terms not defined herein have the respective meanings given in the Rules.

A. Location Requirements

1. Geographic Exclusion Area Limitation

Real Property Tax Law §421-a and §6-09(b)(1) of the Rules provide that multiple dwellings that commence construction on or after July 1, 2008 in the

¹ As amended by Chapters 618, 619 and 620 of the Laws of 2007 and Chapter 15 of the Laws of 2008.

² As added or amended by Local Law No. 58 of 2006.

³ Including amendments effective May 23, 2009.

EPJ
8/28/09



Jay G. Seiden, Esq.
 41-43 Bond Street
 Declaratory Ruling No. 2099
 Page 2

Geographic Exclusion Area described in §§6-02(c)(10)(iv) and 6-09(a) of the Rules are eligible for §421-a tax benefits only if affordable units are created in accordance with the requirements of §421-a(7) or if Negotiable Certificates are purchased. See also, §6-02(b)(1) of the Rules. In accordance with Administrative Code §11-245(d), to determine whether construction commences on or after July 1, 2008, construction shall be deemed to have commenced on the date immediately following the issuance by the Department of Buildings ("DOB") of a building or alteration permit for a multiple dwelling (based upon architectural, plumbing and structural plans approved by DOB) on which the excavation and the construction of initial footings and foundations commences in good faith as certified by an architect or professional engineer licensed in New York State, provided that the construction of such multiple dwelling has been completed without undue delay, as certified by such architect or professional engineer.

Based on the information you have provided, the Project is located in the Geographic Exclusion Area described in §6-02(c)(10)(iv) of the Rules. See also, Real Property Tax Law §421-a(7)(a)(ii). You state and we assume that construction will commence on or after July 1, 2008. Accordingly, the Project will be subject to the restrictions applicable to the Geographic Exclusion Area as defined in §6-09(a) of the Rules.

You have advised us that the owner will purchase Negotiable Certificates generated by a Written Agreement with the Department entered into prior to December 28, 2006 pursuant to §6-08(b)(4) of the Rules. Accordingly, the Project will satisfy the Geographic Exclusion Area limitation requirement of §6-09(b)(1)(iii) of the Rules. A copy of a Written Agreement with the Department that meets the requirements of §6-08 of the Rules or the Negotiable Certificates issued pursuant to §6-08 of the Rules must be presented when filing an application for a certificate of eligibility pursuant to the Rules. See §6-09(b)(3)(i)(B) of the Rules.

2. Public and Private Park Limitation

Paragraphs (5) and (6) of §6-02(c) of the Rules bar §421-a benefits for projects situated on land mapped as a public park (with certain exceptions) or utilized for ten (10) or more consecutive years immediately prior to October 1, 1971 as a private park (as defined in §6-02(c)(6) of the Rules). You state and we assume that the Site does not fall within either category.

B. Site Requirements

Section 6-02(f) of the Rules states that for a project to be eligible for §421-a benefits, the land on which it is located must have been "vacant, predominantly vacant, under-utilized, or improved with a non-conforming use on the operative date." "Operative Date" means, in the case of the Project, thirty-six (36) months prior to the Commencement of Construction.

Under §6-02(f)(3)(A)(b) of the Rules, land is under-utilized if, on the Operative Date, it was improved with a residential building or buildings whose Aggregate Floor Area ("AFA") was no greater than seventy percent (70%) of the AFA of the new building or buildings.

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 8/28/09

Jay G. Seiden, Esq.
41-43 Bond Street
Declaratory Ruling No. 2099
Page 3

Under §6-02(f)(3)(G)(a)(1) and (2)(i and ii) of the Rules, where Commencement of Construction occurred on or after October 30, 2002, land in Manhattan south of or adjacent to either side of 110th Street is under-utilized if, on the Operative Date, it was improved with a non-residential building or buildings, each of which contained no more than the permissible floor area ratio ("FAR") for non-residential buildings in the zoning district in question, and an FAR which was fifty percent (50%) or less of the maximum FAR for residential buildings in such zoning district, or if the land was not zoned to permit residential use on the Operative Date, had a FAR which was fifty percent (50%) or less of the FAR of the residential building which replaces such non-residential building.

You indicate that the Commencement of Construction occurred on June 24, 2009 in the 2008/2009 fiscal year.⁴ Accordingly, the Operative Date occurred on June 24, 2006 in the 2005/2006 fiscal year.

Lot 29

You have submitted a zoning analysis prepared by H. Thomas O'Hara, a registered architect, dated July 13, 2009 and revised August 26, 2009, along with a copy of the zoning map for lot 29 and relevant pages from the Zoning Resolution. In addition, you have provided a survey of lot 29 dated February 17, 1994, prepared by Louis J. Stone, a licensed land surveyor, of Earl B. Lovell- S.P. Belcher, Inc. as well as architectural plans by Mr. O'Hara approved by the New York City Department of Buildings on June 19, 2009. You have also provided a copy of certificate of occupancy no. 13396, issued by the Department of Buildings on December 7, 1927 for lot 29, which indicates that the lot was improved with a four-story non-residential building.

Mr. O'Hara indicates that on the Operative Date, lot 29 was improved with a non-residential building. In addition, Department of Finance records indicate that in the 2005/2006 fiscal year, lot 29 was improved with a non-residential building designated as tax class 4. Mr. O'Hara further indicates that on the Operative Date, lot 29 was located in a M1-5B zoning district in which the permissible FAR for non-residential buildings was 5.0 and residential use was not allowed. The New York City Board of Standards and Appeals Resolution dated January 13, 2009 (Calendar No. 190-08-BZ) granted a variance to permit a residential building with a maximum FAR of 5.0. Based upon Mr. O'Hara's analysis, the relationship of the FAR of the existing building on lot 29 to the permissible non-residential FAR in the 2005/2006 fiscal year and the maximum residential FAR allowed is as follows:

Lot Number	Area of Lot (square feet)	Floor Area of Existing Building (square feet)	FAR of Existing Building	Permissible Non-Residential FAR	Maximum Residential FAR	Ratio of Existing to Maximum Residential FAR
29	2,425	6,010	2.48	5.0	5.0	49.6%

⁴ Fiscal year refers to the 365 day New York City year for budget and tax purposes from July 1 through June 30. For example, both September 27, 2008 and February 25, 2009 fall in fiscal year 2008/2009.

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8/28/09

Jay G. Seiden, Esq.
41-43 Bond Street
Declaratory Ruling No. 2099
Page 4

Accordingly, on the Operative Date, this portion of the Site qualifies as under-utilized for the purposes of the Rules, since lot 29 was improved with a non-residential building which did not contain more than the permissible FAR for a non-residential building in the zoning district in which it was located and which had an FAR that was less than fifty percent (50%) of the permissible FAR for a residential building allowed under the Board of Standards and Appeals Resolution dated January 13, 2009 (Calendar No. 190-08-BZ) in such zoning district.

Lot 30

Department of Finance records indicate that lot 30 was improved with a residential building, classified as tax class 2, in the 2005/2006 fiscal year. Mr. O'Hara indicates that on the Operative Date lot 30 was improved with a residential building as follows:

Lot Number	Area of Lot (square feet)	Ratio of Area of Lot to Total Area of Site (4,724 square feet)	Portion of AFA of Proposed Project (24,469 square feet) Attributed to Lot (square feet)	AFA of the Existing Building (square feet)	Ratio of AFA of Existing Building to Portion of Total Project AFA Attributed to Lot
30	2,299	48.7%	11,907	5,925	49.8%

Accordingly, Lot 30 qualifies as under-utilized for the purposes of the Rules, because it was improved on the Operative Date with a residential building whose AFA was no greater than seventy percent (70%) of the AFA of the new building attributable to the lot.

The Site

Based on the above, lots 29 and 30 qualify as under-utilized. Accordingly, the Site qualifies as eligible for the purposes of the Rules.

C. Project Requirements

1. New Multiple Dwelling

Section 6-02(b) of the Rules provides that a project is eligible for §421-a benefits only if it is a "new multiple dwelling" and §421-a(1)(c) provides that a "new multiple dwelling" includes new residential construction and the concurrent conversion, alteration or improvement of a pre-existing building or structure provided that (i) for all tax lots now existing or hereafter created, not more than forty-nine percent (49%) of the floor area of the multiple dwelling consists of the pre-existing building or structure that was converted, altered or improved, and (ii) for certain geographical areas of Manhattan, the new residential construction or the concurrent conversion, alteration or improvement of the pre-existing building or structure must be aided by a governmental grant, loan or subsidy.

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 41-43 Bond Street
 Declaratory Ruling No. 2099
 Page 5

Furthermore, §11.245.1-b(c) and §6-09(b)(5)(i) of the Rules provide that no §421-a benefits will be conferred for a multiple dwelling that commences construction on or after December 28, 2007 and contains fewer than four dwelling units as set forth in the certificate of occupancy, unless the construction of such multiple dwelling is carried out with Substantial Governmental Assistance pursuant to a Program for the Development of Affordable Housing.

You state and we assume that the Project will contain four or more dwelling units, that it commenced pursuant to a new building permit based upon architectural, plumbing and structural plans approved by DOB, and that upon completion it will be a new Multiple Dwelling. We further assume that it will be constructed on land that was entirely vacant and unimproved as of the Commencement of Construction. Accordingly, the Project will meet the requirements set forth above.

2. Not Used as a Hotel or for Single Room Occupancy

Paragraphs (3) and (4) of §6-02(c) of the Rules deem any building or portion thereof which is used as a Hotel or for Single Room Occupancy ineligible for §421-a benefits. You state and we assume that no such use of the Project will occur.

D. Construction Requirements

1. Room Count and Unit Distribution Requirements

Section 6-02(e)(2) of the Rules requires that in a project containing more than one hundred (100) dwelling units, not less than ten percent (10%) of the dwelling units shall contain at least 4½ rooms and, in addition, not less than fifteen percent (15%) of the dwelling units shall contain at least 3½ rooms. The number of rooms shall be computed in accordance with the definition of "Room Count" in §6-01(c) of the Rules.

You state and we assume that the Project will contain eight (8) dwelling units. Accordingly, the Project is not subject to this requirement.

2. Class A Unit Replacement

Section 6-02(e)(3) of the Rules requires that a project with more than twenty (20) dwelling units contain at least five (5) dwelling units for each Class A dwelling unit in existence one month prior to the Commencement of Construction.

Because the Project will contain only eight (8) dwelling units, the Project is not subject to this requirement.

E. Limitation on Other Real Estate Tax Benefits

Section 421-a(2)(c)(i) provides that a Multiple Dwelling shall be eligible for tax benefits pursuant to that section only if "exemption from taxes is not availed of concurrently under any other

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Jay G. Seiden, Esq.
 41-43 Bond Street
 Declaratory Ruling No. 2099
 Page 6

law." Section 6-02(c)(1) of the Rules provides a limited exception for condominium units which are not taxed by reason of the exempt status of the owner.

You state and we assume that the Project will comply with this requirement and that the Project will not receive real estate tax benefits under any other State or local law.

F. Timing Requirements

1. Project Commencement

Section 421-a(2)(a)(iv)(a) and §421-a(2)(c)(ii) require that Commencement of Construction occur before December 28, 2010. You state and we assume that Commencement of Construction occurred on June 24, 2009 and that the Project has complied with this requirement.

2. Application Timing

Sections 6-05(b) and 6-05(d) of the Rules impose specific timing requirements for filing applications for preliminary and final certificates of eligibility. You state and we assume that the Project will comply with these requirements.

G. Additional Requirements

1. Multiple Dwelling Registration

Section 6-05(d)(1)(vii) of the Rules provides that any building for which §421-a benefits are conferred must be registered with HPD in accordance with the provisions of article two of subchapter four of the Housing Maintenance Code. You state and we assume that the Project will comply with this requirement.

2. Energy Star Certification Requirement

Section 11.245.8 and §6-05(d)(1)(viii) of the Rules provide that, for any building for which §421-a benefits are conferred, certain household appliances that are newly installed or replaced must be certified as Energy Star, unless an appropriately-sized Energy Star appliance is not manufactured. You state and we assume that the Project will comply with this requirement.

3. Prevailing Wage Requirement

Section 421-a(8) provides that a Multiple Dwelling that commences construction on or after December 28, 2007 shall be eligible for tax benefits pursuant to that section only if "all building services employees regularly employed at the building, whether employed directly by the applicant or its successors, or through a property management company or a contractor, shall receive the applicable prevailing wage for the duration of the building's tax exemption." To be covered by this provision, such building service employees must perform work in connection with the care or maintenance of such building and be regularly scheduled to work for at least eight hours per week. Pursuant to §421-a(8)(c)(i

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241
 8/28/09

Jay G. Seiden, Esq.
 41-43 Bond Street
 Declaratory Ruling No. 2099
 Page 7

and ii), these requirements shall not apply to projects containing less than fifty (50) dwelling units or to multiple dwellings where HPD certifies that at initial occupancy at least fifty percent (50%) of the dwelling units in the multiple dwelling are affordable to individuals or families with a gross household income at or below one hundred twenty five percent (125%) of the area median income. Cf. §6-05(d)(1)(ix) of the Rules.

You state and we assume that the Project will consist of eight (8) Class A dwelling units. Therefore, the Project will not be subject to this prevailing wage requirement.

4. Geographic Exclusion Area Filing Requirements

Section 6-09(b)(3) of the Rules imposes specific requirements for filing applications for preliminary and final certificates of eligibility for projects that commence construction on or after July 1, 2008 in the Geographic Exclusion Area described in §6-02(c)(10)(iv) of the Rules. You state and we assume that the Project will comply with these requirements.

H. Condominium/Cooperative Requirement

Section 6-05(d)(1)(iii) of the Rules requires that for units owned as condominiums or by a cooperative corporation, the owner must provide a statement that if the prospective cooperative or condominium plan has not been declared effective for filing at a time fifteen months after the issuance of a final certificate of eligibility, such owner will register these rental units with the New York State Division of Housing and Community Renewal within fifteen days after such fifteen month period, or if the building is not occupied, an affidavit stating that the owner shall register all units as they become occupied. You state and we assume that the Project will be owned as condominiums and that it will comply with this requirement.

I. Community Board Notice Requirement

Section 6-03 of the Rules requires that a §421-a application for a project containing more than twenty (20) dwelling units be submitted to the community board in the area in which the project is located. Since the Project will contain only eight (8) dwelling units, the Project is not subject to this requirement.

J. Rent Limitations

Section 6-04 of the Rules imposes a cap on the initial monthly rent which may be charged in a project receiving §421-a benefits. You indicate that the residential units will be owned as condominiums. Therefore, this rental cap requirement will not pertain to the Project provided that the condominium plan is declared effective for filing within fifteen months after the issuance of a final certificate of eligibility.

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 41-43 Bond Street
 Declaratory Ruling No. 2099
 Page 8

II. Duration of Tax Benefits

Sections 6-02(d) and 6-09(b)(7) of the Rules establish the duration of the §421-a partial tax exemption.

Section 6-09(b)(7)(i) of the Rules states that for a project that commences construction on or after July 1, 2008 in the Geographic Exclusion Area described in §6-02(c)(10)(iv) of the Rules, a ten (10) year post-construction exemption (as more particularly described therein) is available if such project is located in the borough of Manhattan south of or adjacent to either side of 110th Street and has purchased negotiable certificates for a specified number of units in the Geographic Exclusion Area; provided that such negotiable certificates were generated by a Written Agreement with the Department entered into prior to December 28, 2007 pursuant to §6-08(b)(4) of the Rules.

As noted above, you have advised us that the Project owner will purchase Negotiable Certificates generated by a Written Agreement with the Department entered into prior to December 28, 2006 pursuant to §6-08(b)(4) of the Rules. Accordingly, the Project will be eligible for a ten (10) year post-construction partial tax exemption pursuant to §6-09(b)(7)(i) of the Rules.

III. Reduction of Benefit for Excess Commercial, Community Facilities, and Accessory Use Space

Section 6-06(b) of the Rules provides that the tax exemption granted by §421-a will be reduced if the Project's Floor Area of Commercial, Community Facilities, and Accessory Use Space exceeds twelve percent (12%) of Aggregate Floor Area.

The Project's Floor Area of Commercial, Community Facilities, and Accessory Use Space and a resulting decrease in benefits, if any, will be determined in accordance with the Rules based on the building plans for the Project as built.

IV. Conclusion

Based on the information provided by you and the assumptions stated herein, we conclude that the Project will be eligible for a construction period partial tax exemption and a ten (10) year post-construction partial tax exemption, as provided by §421-a.⁵

V. Scope of this Letter

Except as specifically stated herein, this letter is based solely upon the information provided by you and the assumptions stated herein, and we have not verified any of your statements or claims or investigated the accuracy of our assumptions. The Project must satisfy all statutory and regulatory requirements of §421-a in effect at the time of issuance of the certificate of eligibility in order to be

⁵ Based on your representations that the Project will purchase Negotiable Certificates generated by a Written Agreement with the Department entered into prior to December 28, 2006 pursuant to §6-08(b)(4) of the Rules and that it commenced construction prior to July 1, 2009, the Project will comply with the requirements of §421-a(12) and will not be subject to the provisions of §421-a(9) imposing an exemption cap on such Project.

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8/28/09

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41-43 Bond Street
Declaratory Ruling No. 2099
Page 9

eligible for benefits, and we cannot render a final determination regarding eligibility until all documentation required for a certificate of eligibility has been provided to us, reviewed and approved.

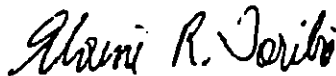
We confirm that an application for a preliminary certificate of eligibility for this Project was filed with this Office on August 17, 2009 and assigned docket number TEO9589. We have not reviewed that application and express no opinion as to whether the Project is eligible for a §421-a partial tax exemption based upon the application submitted.

This letter relates only to the Project and the specific facts and circumstances thereof. It may not be used or relied upon in connection with any other application or project.

Each page of this letter is imprinted with the Tax Incentives raised seal, which is initialed and dated in blue ink.

In order to expedite processing, please include a copy of this letter when you apply for §421-a benefits.

Very truly yours,



Elaine R. Toribio
Director, Tax Incentive Programs

cc: Nancy Batterman, Deputy General Counsel
Ronald Sinacori, 421 Program Director

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EXHIBIT 10

CERTIFICATION - SPONSOR AND SPONSOR'S PRINCIPAL

EXHIBIT A-1

CERTIFICATION BY SPONSOR AND SPONSOR'S PRINCIPAL

Re: 41 Bond Street
New York, New York

We are the Sponsor, members of Sponsor and the Principals of the Sponsor of the Condominium offering plan ("Offering Plan") with respect to the premises ("Premises") known as 41 Bond Street, in the Borough of Manhattan, City, County and State of New York

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 which may be applicable.

We have read the entire Offering Plan, investigated the facts set forth therein together with the underlying facts upon which the Offering Plan is based, and exercised due diligence to form a basis for making this certification. We jointly and severally certify that the Offering Plan does, and that any documents submitted hereafter by us which amend or supplement the Offering Plan will:

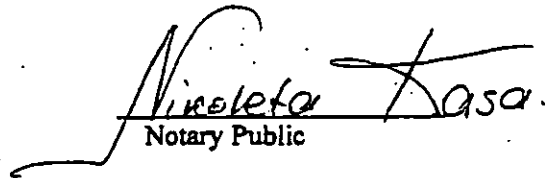
- (i) set forth the detailed terms of the transaction and be complete, current and accurate;
- (ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;
- (iii) not omit any material fact;
- (iv) not contain any untrue statement of material fact;
- (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 is unwarranted by existing circumstances; and
- (vii) not contain any representation or statement which is false and which we (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth, or (d) did not have adequate knowledge concerning the representations or statements made.

This certification is made upon penalty of perjury for the benefit of all persons to whom this offer is made.

We understand that violations are subject to the civil and criminal penalties of the General Business Law and the Penal Law of the State of New York.

ACKNOWLEDGMENT

As to _____
Sworn to before me this
17th day of November, 2010


Notary Public

NIKOLETA KASA
Notary Public, State of New York
No. 01KA6084788
Qualified in New York County
Commission Expires 3/12/2011

EXHIBIT 11

CERTIFICATION - SPONSOR'S ARCHITECT

H. THOMAS O'HARA ARCHITECT, PLLC
370 7TH Avenue, Suite 220
New York, NY, 10001
212. 695. 3117

**CERTIFICATION OF SPONSOR'S
ARCHITECT PURSUANT TO SEC 20.4(c)
OF THE REGULATIONS ISSUED PURSUANT
TO GENERAL BUSINESS LAW, ARTICLE 23-A, AS AMENDED**

New York State Department of Law
120 Broadway, 23rd floor
New York, New York 10271
Attn: Real Estate Financing Bureau

Re: 41-43 Bond Street
New York, New York

The undersigned certifies as follows:

The Sponsor of the offering plan for condominium ownership at the referenced property retained our firm to prepare a report describing the construction and/or renovation of the property (the "Report"). We prepared the architectural plans and specifications approved by the Department of Buildings dated October 22, 2010 and prepared the Report dated February 10, 2011, a copy of which is intended to be incorporated into the offering plan so that prospective purchasers may rely on the Report.

I am a registered architect in the state in which the Property is located.

I understand that I am responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Attorney General, in Part 20, insofar as they are applicable to this Report.

I have read the entire Report and investigated the facts set forth in the Report and the facts underlying it 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.

I certify that, the Report and all documents prepared by me based on my visual inspection:

- (i) Sets forth in narrative form the physical condition of the entire property as it will exist upon completion of construction, provided the construction is in accordance with the plans and specifications that I have prepared;
- (ii) In my 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 construction, provided that construction is in accordance with the plans and specifications that I prepared;
- (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;
- (vii) Do not contain any representation or statement which is false, where I: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representations or statement made.

I further certify that I am not owned or controlled by and have no beneficial interest in the Sponsor and that my compensation for preparing this Report is not contingent on the conversion of the property to a condominium or on the profitability or price of the offering. The statement is not intended as a guarantee or warranty of the physical condition of the property.

H. THOMAS O'HARA ARCHITECT, PLLC

By:

Name: H. Thomas O'Hara, Jr. AIA
 Title: Managing Member

Sworn to before me this
10th Day of February 2011

Yena Huang
 Notary Public

00261002.1

YENA HUANG
 NOTARY PUBLIC-STATE OF NEW YORK
 No. 01HU6145819
 Qualified in Queens County
 My Commission Expires May 15, 2014

EXHIBIT 12

CERTIFICATION - SPONSOR'S EXPERT CONCERNING ADEQUACY
OF BUDGET

**ANDREWS
BUILDING
CORPORATION**

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

**CERTIFICATION BY EXPERT OF THE ADEQUACY OF SCHEDULE B
PURSUANT TO SECTION 20.4 (d)**

January 19, 2011

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

Re: *41 Bond Condominium
New York, New York*

Dear Sirs:

The Sponsor of the Condominium Offering Plan for the captioned property, has retained this firm to review Schedule B, containing projections of income and expenses of the first year of condominium operation. Our experience in this field includes management of the operation of comparable condominium and cooperative and rental properties in Manhattan for over 23 years. Andrews Building Corporation is a licensed real estate brokerage and management firm actively involved in the management of over 200 cooperative, condominium, and rental properties since 1987.

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

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

I certify that the projections in Schedule B appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.

I certify that Schedule (s):

- (i) set forth in detail the projected income and expenses for the first year of condominium operation;
- (ii) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;
- (iii) does not omit any material fact;

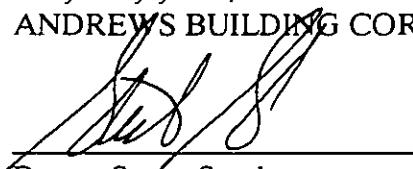
41 Bond Condominium
Page 2

- (iv) does not contain any untrue statement of a material fact;
- (v) does not contain any fraud, deception, concealment, or suppression;
- (vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) does not contain any representation or statement which is false, where we:
 - (a) knew the truth;
 - (b) with reasonable effort could have known the truth;
 - (c) made no reasonable effort to ascertain the truth; or
 - (d) did not have knowledge concerning the representation or statement made.

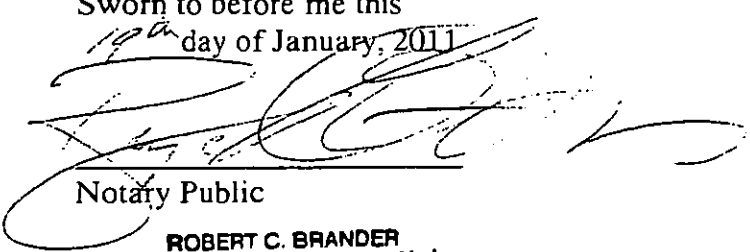
I further certify that our firm is not owned or controlled by the sponsor, although we do have a contractual arrangement with the Sponsor for the management of the building after the conversion, the terms of which are described in the Offer Plan. I understand that a copy of this certification is intended 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 operating. This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made.

I understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Very truly yours,
ANDREWS BUILDING CORP.

By: 
Executive Director

Sworn to before me this
19th day of January, 2011


Notary Public

ROBERT C. BRANDER
Notary Public, State of New York
No. 31-4988116
Qualified in New York County
Commission Expires April 30, 12

EXHIBIT 13

ESCROW AGREEMENT

ESCROW AGREEMENT

AGREEMENT made this ____ day of _____, 2010, between DDG 41 NOHO LLC, with an office c/o DDG Partners LLC, having an address at 250 Hudson, 10th Floor, New York, NY 10013 ("Sponsor"), as sponsor of the offering plan and GOLDFARB & FLEECE LLP, having an address at 345 Park Avenue, New York, New York 10154 ("Escrow Agent") as escrow agent.

WHEREAS, Sponsor is the sponsor of an offering plan to convert to condominium ownership the premises located at 41 Bond Street, New York, New York; and

WHEREAS, Escrow Agent is authorized to act as an escrow agent hereunder in accordance with General Business Law ("GBL") Section 352-e(2-b) and the Attorney General's regulations promulgated thereunder; and

WHEREAS, Sponsor desires that Escrow Agent act as escrow agent for deposits and payments of purchasers and subscribers, pursuant to the terms of this agreement.

NOW, THEREFORE, in consideration of the covenants and conditions contained herein and other good and valuable consideration, the parties hereby agree as follows:

1. ESTABLISHMENT OF THE ESCROW AGENT

- 1.1 Sponsor and Escrow Agent hereby establish an escrow account with Escrow Agent for the purpose of holding deposits or payments made by purchasers. The escrow account has been opened with Bank of America, N.A. and its branch located at 345 Park Avenue, New York, New York. The account number is [REDACTED]
- 1.2 The name of the account is Goldfarb & Fleece Attorney Trust Account.
- 1.3 The partners of Escrow Agent are the sole signatories on the 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 funds received from prospective purchasers prior to closing, whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be deposited in the escrow account. All instruments to be deposited into the escrow account shall be made payable to, or endorsed by the purchaser or subscriber to the order of "GOLDFARB AND FLEECE LLP as escrow agent." Any instruments 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 of funds, the instrument shall be deemed not to have been delivered to Escrow Agent pursuant to the terms of this Agreement. Within ten (10) business days after tender of the deposit submitted with a purchase agreement, Escrow Agent shall notify the purchaser of the deposit of such funds in the bank indicated in the offering plan, provide the account number, and disclose the initial interest rate. If the purchaser does not receive notification of such deposit within fifteen (15) business days after tender of the deposit, the purchaser may cancel the purchase and rescind within ninety (90) days after tender of the deposit, or may apply to the Attorney General for relief. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the escrowed funds were timely deposited in accordance with these regulations and requisite notice was timely mailed to the purchaser.

3. RELEASE OF FUNDS

- 3.1 Escrow Agent shall not release the escrowed funds of a defaulting purchaser until after consummation of the plan as defined in the Attorney General's regulations. Consummation of the plan shall not relieve Sponsor of its fiduciary obligations pursuant to GBL Section 352-h.
- 3.2 Escrow Agent shall continue to hold the funds in escrow until otherwise directed in (a) a writing signed by both Sponsor and purchaser or (b) a determination of the Attorney General or (c) a judgment or order of a court of competent jurisdiction or until released pursuant to 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) a purchaser who timely rescinds in accordance with an offer of rescission contained in the plan or an amendment to the plan or (b) all purchasers after an amendment abandoning the plan is accepted for filing by the Department of Law.
- 3.4 If there is no written agreement between the parties to release the escrowed funds, Escrow Agent shall not pay the funds to Sponsor until Escrow Agent has given purchaser written notice of not fewer than ten (10) business days. Thereafter, the funds may be paid to Sponsor unless the purchaser has made application to the Department of Law pursuant to the dispute resolution provisions contained in the Attorney General's regulations and has so notified Escrow Agent in accordance with such provisions.

4. RECORD KEEPING

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

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

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

5. GENERAL OBLIGATIONS OF ESCROW AGENT

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

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

6. RESPONSIBILITIES OF SPONSOR

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

6.2 Sponsor agrees that it shall not interfere with Escrow Agent's performance of its fiduciary duties and compliance with the Attorney General's regulations.

7. TERMINATION OF AGREEMENT

7.1 This Agreement shall remain in effect unless and until it is 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 its desire to so resign, which resignation shall take effect only upon the filing of an amendment with the Department of Law providing for a successor Escrow Agent; or c) All units offered pursuant to the plan have been sold and all sales transactions have been consummated.

7.2 Upon termination of the duties of Escrow Agent as described in paragraph 7.1 above, Escrow Agent shall deliver any and all funds held by it in escrow and any and all contracts or documents maintained by Escrow Agent to the new escrow agent.

8. SUCCESSORS AND ASSIGNS

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

9. GOVERNING LAW

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

10. ESCROW AGENT'S COMPENSATION

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

11. INDEMNIFICATION

- 11.1 Sponsor acknowledges that Escrow Agent is acting solely as a stakeholder at its request and for its convenience, that Escrow Agent shall not be deemed to be the agent of either a purchaser or Sponsor, and that Escrow Agent shall not be liable to a purchaser or Sponsor for any act or omission on its part unless taken or suffered in bad faith, in willful disregard of a contract or this Agreement or involving gross negligence. Sponsor shall indemnify and hold Escrow Agent harmless from and against all costs, claims and expenses, including reasonable attorney's fees, incurred in connection with the performance of Escrow Agent's duties hereunder, except with respect to actions or omissions taken or suffered by Escrow Agent in bad faith, in willful disregard of a contract or this Agreement or involving gross negligence on the part of Escrow Agent. If the accounts called for in this Agreement shall not earn any interest or income, or if no interest or income shall be paid thereon by reason of the withdrawal of the proceeds, or part thereof, before interest shall be earned or credited, or during any period of reasonable delay in opening an account, Escrow Agent shall not be liable by reason thereof. Escrow Agent shall be entitled to represent Sponsor in the event there is a dispute arising with respect to funds deposited by Escrow Agent into the Escrow Account or otherwise relating to the Offering Plan.

12. SEVERABILITY

- 12.1 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 to other

circumstances shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

13. ENTIRE AGREEMENT

- 13.1 This Agreement, read together with GBL Section 352-e(2-b) and the Attorney General's regulations, constitutes the entire agreement between the parties with respect to the subject matter hereof.

[Signature Page Follows]

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

ESCROW AGENT

GOLDFARB & FLEECE LLP

By: _____
Partner

SPONSOR

DDG 41 NOHO LLC

By: DDG Partners LLC,
its Managing Member

By: _____
Name: Joseph A. McMillan, Jr.
Title: Chief Executive Officer

EXHIBIT 14

APPLICATION FOR DETERMINATION

EXHIBIT A

AG DISPUTE RESOLUTION FORMS

APPLICATION TO THE ATTORNEY GENERAL
FOR A DETERMINATION OF 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 Downpayments 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. This project is:
 - ☐ a conversion of occupied premises
 - ☐ newly constructed or rehabilitated
 - ☐ vacant (as is)
6. The project is structured as:
 - ☐ a cooperative
 - ☐ a condominium
 - ☐ a homeowners association

[] a timeshare
[] other:

7. Name and Address of Seller:

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 of which subscription or purchase agreement was signed:

(c) Date(s) of Downpayment(s):

(d) Total amount of Downpayment(s):

(e) names and address 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:

EXHIBIT 15

FORM OF CONSTRUCTION AGREEMENT

THE 41 BOND CONDOMINIUM CONSTRUCTION AGREEMENT

THIS CONSTRUCTION AGREEMENT (this "**Construction Agreement**") is made as of _____ 200__, by and between **DDG 41 NOHO LLC**, c/o DDG Partners LLC, 250 Hudson, 10th Floor, New York, NY 10013 ("**Sponsor**"), The Condominium Board of 41 Bond Condominium, with an office at 41 Bond Street, New York, New York (the "**Condominium**"), **THE CONDOMINIUM, BOARD OF 41 BOND CONDOMINIUM** (the "**Board**"), and _____ ("**Unit Owner**").

WHEREAS, pursuant to that certain Agreement (the "**Agreement**") dated as of [_____] and made by and between Sponsor, as seller, and Unit Owner, as purchaser, Unit Owner is the purchaser of that certain residential condominium unit known as the [_____] Floor Unit (the "**Unit**") in the Condominium, which Unit shall be located in the building (the "**Building**") located at 41 Bond Street, New York, New York;

WHEREAS, in accordance with and pursuant to the terms of (i) the Agreement, (ii) the Offering Plan (the "**Offering Plan**") for the Condominium, as filed with the Department of Law of the State of New York and as the same may have been or may hereafter be amended and (iii) the declaration, by-laws and rules and regulations of the Condominium (collectively, the "**Condominium Documents**"), Unit Owner has requested permission and otherwise elected to perform, at its sole cost and expense, construction work and alterations in the Unit, (all of such work and installations being hereafter collectively referred to as "**Unit Owner's Work**") , which Unit Owner's Work is more specifically described on Exhibit A annexed hereto, and Sponsor and the Board, in order to insure the timely issuance of a permanent certificate of occupancy for the Building (the "**PCO**") have agreed to permit Unit Owner to perform Unit Owner's Work upon the terms and subject to the conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the sum of Ten and 00/100 (\$10.00) Dollars, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Sponsor, the Board and Unit Owner, intending to be legally bound, hereby covenant and agree as follows:

1. Approval

Subject to Sponsor's approval of complete and detailed plans, specifications, drawings and other documents (collectively, the "**Plans**") depicting, describing and detailing Unit Owner's Work (the sufficiency of the Plans also being subject to Sponsor's reasonable approval), Sponsor and the Board hereby grant permission to Unit Owner to perform Unit Owner's Work, subject to and conditioned upon Unit Owner's full compliance with, and satisfaction of, each of the terms, conditions and provisions of this Construction Agreement.

2. Prior to Commencement of Unit Owner's Work

Prior to and as a condition precedent to the commencement of Unit Owner's Work, Unit Owner shall:

2.1 (a) Cause a licensed architect selected by Unit Owner with the consent of Sponsor (which consent shall not be unreasonably withheld or delayed) to prepare the Plans for Unit Owner's Work which Plans shall be submitted to Sponsor for its approval not later than one hundred twenty (120) days after the execution date of the Agreement. Sponsor's approval may be granted or withheld in Sponsor's sole discretion, except with respect to interior, nonstructural, aesthetic alterations or ("Decorative Work") which (i) are not visible from outside the Unit, (ii) will not affect any of the Common Elements including, without limitation, the Limited Common Elements (as such term is defined in the Condominium Documents) and the electrical, plumbing, sprinkler, HVAC, elevator, mechanical and all other systems serving the Building or the Unit (collectively, the "Building Systems") and (iii) do not require a Permit (as hereinafter defined). Sponsor shall notify Unit Owner of its approval or rejection of said Plans, together with its reasons for rejection, if applicable, within thirty (30) days after Sponsor's receipt thereof. If the Plans are rejected, Unit Owner shall revise the Plans and submit the revised Plans to Sponsor for its review within fifteen (15) days of Unit Owner's receipt of Sponsor's notice of rejection. Each review of revised Plans and notification by Sponsor shall be completed within twenty (20) days after its receipt of such revised Plans. Unit Owner shall not commence Unit Owner's Work until the Plans have been approved in writing by Sponsor and all required Permits have been obtained. Unit Owner shall pay promptly to Sponsor the costs and expenses actually incurred by Sponsor in reviewing the Plans.

(b) Deliver to Sponsor a check in the sum of \$ _____ payable to the Board for the security deposit required to be posted by Unit Owner as provided for in Section 6.4 of this Construction Agreement.

(c) Deliver to Sponsor a check in the sum of \$1,500.00 payable to Andrews Management, managing agent for the Building (the "Managing Agent"), as a processing fee in connection with this Construction Agreement.

(d) To the extent Unit Owner's Work involves the electrical systems serving the Unit, as a prerequisite to its approval of the Plans, Sponsor shall require Unit Owner to furnish a letter from Unit Owner's licensed architect or engineer certifying to Sponsor and the Board that the electrical loads required as a result of Unit Owner's Work and will not be in excess of the present electrical capacity of the Unit, will not adversely affect the Building's electrical service and certifying to such other matters as Sponsor shall reasonably identify.

(e) Unit Owner represents and warrants that after the Plans have been approved in writing by Sponsor, Unit Owner's Work will not include or result in a change in the number of zoning rooms located within the Unit or any other change that would result in a delay in obtaining a PCO with respect to the Building or any part thereof, or any amendments to any existing PCO, if theretofore issued.

(f) Any modifications of, or variances from, the approved Plans must be submitted to Sponsor by Unit Owner and approved by Sponsor in writing prior to the commencement of any Unit Owner's Work not previously approved by Sponsor as part of the previously approved set of Plans.

(g) Unit Owner covenants and agrees to cause the Plans (and the Unit Owner's Work) to comply with all applicable laws, ordinances, orders, rules, regulations and requirements (collectively, "Legal Requirements") of all governmental and quasi-governmental authorities and agencies including, without limitation, the Department of Buildings and the Landmarks Commission (as defined herein) and Board of Fire Underwriters having jurisdiction over the Building and/or the Unit (collectively, "Governmental Authorities").

(h) Unit Owner shall have submitted to Sponsor, a written designation of the general contractor which will be principally responsible for the Work, which designation shall authorize the general contractor to interface, communicate and otherwise deal with Sponsor on behalf of Unit Owner with respect to all aspects of Unit Owner's Work.

2.2. Unit Owner shall utilize Sponsor's filing representative or expediter to file the Plans with all Governmental Authorities and Unit Owner shall obtain all necessary governmental permits, authorizations, certificates, licenses and approvals (collectively, "**Permits**") for the commencement, performance and completion of Unit Owner's Work. In connection therewith, Unit Owner shall prepare all necessary applications for the required Permits, shall submit such applications to Sponsor for execution and shall pay all fees and expenses in connection therewith. Sponsor shall execute all necessary and properly completed applications, provided same are reasonably acceptable to Sponsor, within ten (10) days after submission to Sponsor of such applications and all other information relating to such applications as Sponsor shall reasonably request and shall submit such applications to the appropriate Governmental Authorities. Sponsor shall deliver copies of all necessary Permits to Unit Owner promptly after the issuance thereof and Unit Owner shall not commence Unit Owner's Work until the issuance thereof. If there be any doubt as to the need for any such Permits, Sponsor shall resolve such doubt in its sole but reasonable discretion. Unit Owner shall pay Sponsor and/or its filing representative or expediter all fees and expenses associated with the filing of the applications for the Permits.

2.3 Unit Owner shall provide Sponsor with a list of the names, telephone numbers (day and night), addresses and principals of every contractor retained by Unit Owner and of every subcontractor retained by any such contractor and, at the request of Sponsor, Unit Owner shall provide Sponsor with a conformed copy of every agreement made with such contractors or subcontractors. Anything to the contrary set forth herein notwithstanding, all portions of Unit Owner's Work related to (i) any portion of the Building not forming a part of the Unit, (ii) the Building Systems and/or (iii) the Common Elements of the Condominium shall be performed, at Unit Owner's cost, by contractors designated by Sponsor, unless Sponsor shall agree otherwise. In addition, Sponsor reserves the right to designate the contractor to be used by Unit Owner for any work which could reasonably be expected to affect or void any warranties with respect to the Building Systems or the Common Elements.

2.4 Unit Owner shall deliver to Sponsor certificates of insurance (together with proof of payment of one year's premiums) from all contractors and subcontractors involved in the performance of Unit Owner's Work evidencing that such contractors and subcontractors maintain the following insurance with insurers reasonably satisfactory to Sponsor: (a) commercial general liability insurance on an occurrence basis for any occurrence in or about the Building in which the Insured Parties (as hereinafter defined) shall be named as parties insured, in a combined single limit not less than \$5,000,000.00, which insurance shall include coverage for broad form property damage, owner's protective liability, personal injury, independent contractor's liability, blanket contractual liability and completed operations liability; (b) comprehensive automobile liability, covering owned, non-owned and hired vehicles, providing coverage for bodily injury and property damage, all on a per occurrence basis, in a combined single limit not less than \$1,000,000.00; and (c) workers compensation insurance in statutory limits. With regard to the commercial general liability policy, such policy will (i) contain the "Broad Form Comprehensive General Liability" endorsement; (ii) delete the exclusion pertaining to liability assumed by the Contractor under any contract or agreement, (iii) as to the Completed Operations Coverage, extend for a period of one year following termination of Unit Owner's Work, (iv) as to the Contractual Indemnity Coverage, extend for one year following termination of Unit Owner's

Work, (v) include (x) Owner's Protective Liability Coverage, (y) Knowledge of Occurrence and Notice of Occurrence endorsements and (z) and Unintentional Errors and Omissions clause; (vi) include coverage with respect to asbestos exposure if Unit Owner's Work involves any asbestos-containing material, and (vii) shall not include a sunset clause without Sponsor's consent.

2.5 Prior to the commencement of any Unit Owner's Work hereunder, detailed certificates of insurance shall be furnished to Sponsor showing that the required insurance is in full force and effect and that the premiums due thereunder have been paid. Such certificates shall provide that the said insurance may not be canceled, termination or modified without thirty (30) days written advance notice thereof to Sponsor. Each Contractor shall promptly furnish Sponsor with copies of any endorsements subsequently issued amending such insurance coverages or limits. In the event of the failure of any contractor to furnish and maintain such insurance, Sponsor shall have the right, at its option at any time: (a) to revoke permission to perform Unit Owner's Work and to deny entry into the Building of all workers, except that if such workers are escorted by a member of the Building's staff, they shall be permitted to remove their tools and supplies, or (b) to take out and maintain the said insurance for and in the name of the Insured Parties, as hereinafter defined and, in such a case, Unit Owner agrees to pay the cost thereof and to furnish all information and consents necessary to permit Sponsor to take out and maintain such insurance for and in the name of the Insured Parties. Compliance with the foregoing requirements to carry insurance and furnish certificates shall not relieve Unit Owner from liability assumed under any provisions of this Construction Agreement. Nothing in this Construction Agreement shall constitute a waiver of or limitation of any other rights or remedies Sponsor may have for consequential damages or otherwise.

2.6 As used herein, the term "Insured Parties" means Unit Owner, Sponsor, the Board, the members of the Board, the officers of the Condominium, any mortgagee of any portion of the Building and its successor and assigns, Managing Agent, Sponsors's general contractor, Architects and/or construction manager ("Construction Manager") and any of their respective designees, directors, officers, members, shareholders and all related companies. Such insurance policies be primary and not in excess of any other insurance available to Sponsor or the Board and shall contain waiver of subrogation provisions, shall be maintained in full force and effect during the performance of Unit Owner's Work, and the said certificate(s) of insurance shall provide that such insurance may not be canceled unless at least thirty (30) days' prior written notice of cancellation is given by the insurer to each of the Insured Parties.

3. Performance of Unit Owner's Work

3.1 Unit Owner shall commence Unit Owner's Work after all necessary Permits have been granted and Sponsor has approved the Plans, and shall thereafter prosecute the same in a diligent and expeditious manner in order to complete Unit Owner's Work on or before the date (the "Required Completion Date") that is ninety (90) days before the final expiration of the temporary certificate of occupancy for the Building. The determination of whether Unit Owner's Work is completed shall be made by Sponsor, and Sponsor's determination shall be conclusive. All time limitations set forth in this paragraph 3.1 shall be subject to extension for delays caused by or attributable to acts of God, unusual weather conditions or strikes not attributable to Unit Owner or Unit Owner's general contractor or subcontractors or other agents bad faith, not to exceed forty-five (45) calendar days.

3.2 Unit Owner shall perform and complete all of Unit Owner's Work in a first-class, workmanlike manner, in keeping with the standards of the Building. All materials used shall be new and of high quality.

3.3 Unit Owner's Work shall be performed in accordance with (i) the Plans, (ii) this Construction Agreement, (iii) the rules and regulations established, from time to time, by Sponsor or the Board, (iv) the Condominium Documents and (v) all Legal Requirements. Unit Owner shall promptly furnish to Sponsor evidence of such compliance as Sponsor may from time to time request.

3.4 Unit Owner shall comply with the following rules in its performance of Unit Owner's Work:

(1) No Unit Owner's Work shall adversely affect or otherwise impair the Building Systems.

(2) No electrical, water or gas lines, pipes or conduits in the Unit servicing other units or common areas of the Building (collectively, "Risers") shall be altered, replaced, moved, over-loaded or otherwise affected by reason of Unit Owner's Work unless such action(s) are (i) specified at the time of original submission of the Plans to Sponsor and (ii) approved in advance and in writing by Sponsor and the Board. Sponsor shall have the right, in its sole discretion, to determine whether there is available space and, if so, whether such space should be allocated to Unit Owner in any Riser.

(3) If Sponsor is requested to shut off water, gas, or electricity to other units in the Building in connection with Unit Owner's Work, Sponsor may require as a condition thereof that adequate means be installed to isolate the Unit from the rest of the Building, such as the installation of hot and cold water valves to avoid future water shutdowns, and Unit Owner shall pay the attendant cost of a general shut down, such as re-lighting pilot lights after gas shut downs or rebuilding flushometers after a water shutdown. The type of shutdowns permitted as well as the duration and timing thereof will be determined by Sponsor in its sole discretion. Any shutdowns which may be required by reason of Unit Owner's Work must be indicated at the time of original submission of Plans to Sponsor.

(4) No alterations to any exterior element of the Building nor any change in the outside appearance of the Building will be permitted in connection with Unit Owner's Work, including, without limitation, the alteration of window glass by the application of tinting or shading, back-lighting, surface coating, or changing type, thickness or color of the glass; no exterior element, such as terrace or balcony-ceiling, floor, parapet or railing may be painted, decorated or altered or its appearance changed in any way.

(5) All contractors performing Unit Owner's Work shall be duly licensed to the extent required by applicable Legal Requirements and, if required under any contract with any union whose members are performing services at the Building (including, without limitation, services directly or indirectly at the behest, for the benefit, or for the account of Sponsor, any other unit owner), such work shall be performed solely by members of the respective union locals whose members are performing such services.

(6) Unless Unit Owner receives from Construction Manager written approval to the contrary, the performance of Unit Owner's Work shall in all respects be subordinate to and afforded lower priority than the performance of (i) all work which Sponsor is obligated to perform pursuant to the terms of the Offering Plan, the Agreement and/or any agreement with any other purchaser of a residential unit and (ii) all other work necessary to complete the alteration, improvement, renovation and restoration of the Building, as provided in the Offering Plan. Unit Owner shall cause the contractors performing Unit Owner's Work to coordinate all (i) deliveries, (ii) use of freight elevators,

(iii) work schedules and (iv) the general timing of Unit Owner's Work with Construction Manager. In the case of any dispute regarding such matters, Construction Manager shall determine the respective priorities and Unit Owner shall, and shall cause its contractors to, abide by any such determination.

3.5 During the performance of Unit Owner's Work, Unit Owner shall do whatever may be necessary to insure that (i) the performance of Unit Owner's Work does not disrupt, delay, disturb or hinder the performance of any work being performed by Construction Manager or any contractor hired by Construction Manager or any other Unit Owner, and (ii) other portions of the Building and its equipment are not damaged and that other occupants of the Building and the operation of the Building Systems are not disturbed (or, if it is not possible to avoid disturbance entirely, to minimize such disturbance). In connection therewith, but without limiting the generality of the foregoing:

(1) If the Building, the Building Systems or any of the Building's equipment, is adversely affected by Unit Owner's Work, Unit Owner shall, when so advised, promptly remove the cause of the problem and repair any damage caused hereby.

(2) Unit Owner shall perform Unit Owner's Work in a manner which will not (i) disrupt, delay, hinder, or disturb Construction Manager and its contractors in the performance of work being performed by Construction Manager in the Building nor (ii) interfere with, or cause any labor disturbance or stoppage in the work of Construction Manager and/or any contractor or employee employed by either Sponsor or Construction Manager or any other Unit Owner in the Building or otherwise cause disharmony with any Building service union.

(3) Except with the prior written approval of Sponsor, (i) any work which produces noise which might be disturbing to Building occupants shall be performed only between the hours of 10:00 A.M. and 5:00 P.M. and (ii) no part of Unit Owner's Work shall be performed on Saturdays, Sundays or holidays. The use of pneumatic or power tools such as electric hammers or portable electric saws which may disturb other occupants of the Building ("Power Tools") will not be permitted except on a limited basis, where absolutely necessary. If Sponsor determines, in its sole discretion, that the use of Power Tools is excessive, Unit Owner shall, when so advised, cause the use of such Power Tools either to be immediately discontinued or reduced to a level determined by Sponsor, in its sole discretion, to be acceptable.

(4) Unit Owner shall take all possible precautions to prevent dirt and dust from entering other parts of the Building during the progress of Unit Owner's Work. During any demolition, dust from the debris shall be controlled by either using green dust or, if possible, watering down the dust twice a day. Dust-proof partitions (plastic, paper and/or tape) shall be installed and maintained during Unit Owner's Work over and around all doorways leading to Building hallways and all windows of the Unit to prevent any dust or debris from entering into the Building hallways, stairwells, elevator shafts or systems, or into the atmosphere. All affected Building areas must be mopped clean or vacuumed each night before contractors leave the Building and the Unit must be kept reasonably clean at all times. Debris and rubbish shall be placed in covered barrels or sealed bags before being taken out of the Unit. Unit Owner shall remove from the Building all such barrels or bags, rubbish, rubble, debris, equipment, emptied packing cartons and other material (collectively, "Construction Debris") as often as deemed necessary by Sponsor, in its reasonable discretion, in order to prevent the accumulation thereof and to ensure that no fire hazard is created. In no event shall Unit Owner store any Construction Debris in the common areas of the Building or other than within the confines of the Unit, except that such items may be stored in an area to be designated by Sponsor for a period of not more than two (2) hours immediately prior to the pick-up and removal of same. Unit Owner shall use on the service elevator for

such removal and only at such times as may be convenient to the operation of the Building and as the superintendent of the Building may direct. Unit Owner shall be responsible for arranging for the pick-up and removal from the Building and its vicinity to a legal dump-site of all Construction Debris caused by Unit Owner's Work by a licensed common carting service at Unit Owner's expense. Unit Owner shall not permit any dumpster or garbage container to be left overnight in front of the Building and shall not permit any dumpster or garbage container to be left for more than one (1) day at the side of the Building. Notwithstanding the foregoing, Unit Owner's placement of any dumpsters shall comply with all governmental regulations, including, without limitation, the procurement and maintenance of any necessary permits.

(5) Unit Owner and Unit Owner's employees, contractors and subcontractors shall not have any right of access or passage, by person or instrument (including, without limitations, the piercing or penetration through any walls, floors or ceilings) into or through any other unit in the Building for any reason in connection with Unit Owner's Work.

(6) Unit Owner shall maintain functioning fire extinguishers and smoke alarms in the Unit throughout the prosecution of Unit Owner's Work. Unit Owner shall insure that the Work does not block access to any fire exits in the Building. Unit Owner shall install smoke detectors within fifteen (15) feet of every sleeping area on the ceiling or wall pursuant to Local Law 62 of the City of New York, and if a child 10 years old or under lives in the Unit, Unit Owner shall install window guards pursuant to the New York City Health Code.

3.6 If, at any time, there shall be filed against the Unit, the Building or any other unit in the Building, any lien or claim for work, labor or materials furnished or claimed to have been furnished in the performance of Unit Owner's Work or the supplying materials with respect thereto, Unit Owner shall, within ten (10) days after the filing thereof, cause the same to be fully bonded or discharged or record.

3.7 Unit Owner hereby acknowledges and agree that Sponsor shall have the right, on notice to Unit Owner (except in the case of an emergency, in which case notice shall not be required), to inspect the status and progression of Unit Owner's Work in order to confirm that such work is being performed in a manner which will not delay or interfere with the issuance of the PCO. Anything to the contrary set forth in this Construction Agreement notwithstanding, if, within six (6) months prior to the expiration of the temporary Certificate of Occupancy, Sponsor in its sole discretion, determines that the progression of Unit Owner's Work is such that there is a potential to delay or otherwise hinder the issuance of the PCO, Sponsor may undertake to perform, at Unit Owner's sole cost and expense, those items of work necessary to be completed for the issuance of the PCO. Unit Owner shall not do or permit any act or thing to be done contrary to law, or which will invalidate or be in conflict with any provisions of any liability, casualty or other insurance policies carried by Unit Owner or for Unit Owner's benefit. Unit Owner shall comply with all federal, state and local laws, rules and regulations pertaining to Unit Owner's Work, including any such laws, rules and regulations pertaining to lead-based paint, asbestos and other hazardous material.

3.8 Unit Owner shall be responsible for any damage to or any other adverse effect upon the Unit, any other unit comprising a part of the Condominium or the Building (including the structure, shell, Building Systems, equipment, fixtures and finishes of the Building) caused by or resulting from Unit Owner's Work, regardless of when such damage or adverse effect becomes apparent. If any such damage or adverse effect shall occur or arise, Sponsor may (a) require Unit Owner, at its expense, promptly to repair the damage or remedy the condition giving rise to such adverse effect and/or (b)

repair such damage or remedy such condition at Unit Owner's expense. Without limiting the generality of the foregoing, Unit Owner specifically acknowledges that this Section 3.8 shall be applicable to any damage to the carpeting, wallcoverings or other finishes in the Building's elevators and other common areas (including, without limitation, the cost of cleaning, shampooing, painting or repairing the same if soiled or otherwise damaged). If Sponsor advises Unit Owner of any damage which, in Sponsor's reasonable opinion, was caused by Unit Owner's Work, then Unit Owner shall promptly submit a claim to Unit Owner's insurance carrier and to Unit Owner's contractor for submission to its insurance carrier, and Unit Owner agrees to use all reasonable efforts, and to cause its contractor to use all reasonable efforts, to cause such insurance carriers to expeditiously review and settle all such claims for which they are responsible, provided such insurance claim shall not limit Unit Owner's liability under this Section 3.8.

4. After Completion of Work

4.1 Upon completion of Unit Owner's Work, Unit Owner shall promptly, at its sole cost and expense (a) obtain all necessary inspections, certificates, signoffs and approvals of the same from any Governmental Authorities, including, without limitation an amended Certificate of Occupancy for the Building if a permanent Certificate of Occupancy has been previously obtained; (b) file all necessary notices and/or certifications with the applicable Governmental Authorities; (c) deliver to Sponsor copies of all such inspections, approvals, notices and certifications, a certificate from Unit Owner's architect or engineer to the effect that Unit Owner's Work has been completed in accordance with the approved Plans and with all Legal Requirements; a New York City Electrical Certificate and a certificate from the Board of Fire Underwriters with respect to Unit Owner's Work; and such other proof as may be necessary to indicate that Unit Owner's Work has been done in accordance with all applicable Legal Requirements; and (d) if in the judgment of Sponsor, in its sole discretion, Unit Owner's Work so requires, cause the Condominium Documents and Floor Plans to be amended by those attorneys designated by Sponsor to prepare such amendments at Unit Owner's sole cost and expense.

4.2 Unit Owner shall be solely responsible for the maintenance and repair of all portions of Unit Owner's Work, whether or not structural, and maintenance of all Building Systems and other equipment installed or altered as part of Unit Owner's Work.

4.3 If any riser or electrical, water or gas branch line is relocated, as part of Unit Owner's Work, Unit Owner's contractor shall, upon completion of Unit Owner's Work, supply Sponsor with one full set of reproducible as-built drawings clearly indicating the location of all such Risers, branch lines and shut-off valves, if any. If there is undue noise, vibration, fumes or exhaust heat or any other nuisance from air conditioning equipment, whirlpool baths or other equipment, appliances or fixtures installed as part of Unit Owner's Work, or as a result of a change in usage of any portion of the Unit arising out of Unit Owner's Work, then Unit Owner shall upon notice from Sponsor make immediate repairs or adjustments to eliminate the cause thereof. If the complaint continues after repairs and adjustments, then Unit Owner shall cease to operate such equipment, appliances or fixtures or cease such changed usage, as the case may be, then Unit Owner shall indemnify and hold the Insured Parties harmless from and against any liability, loss, cost, expense or damage, including, without limitations, attorneys fees, incurred by any of the Insured Parties in connection with any such noise, vibration, fumes, heat or nuisance.

5. Unit Owner's Costs and Liabilities

5.1 The entire cost of Unit Owner's Work, including, without limitation, the cost of preparing the Plans, the procurement of all required Permits, and the cost of labor, materials, and professional fees, shall be paid in full by Unit Owner within thirty (30) days after the earlier of (a) completion of Unit Owner's Work or (b) rendition of a final bill therefor.

5.2 All fees, costs and expenses actually incurred by any of the Insured Parties resulting from, arising out of, or in any way connected with or occasioned by this Construction Agreement and the performance of Unit Owner's Work and all matters related thereto, including, without limitation, all legal expenses, disbursements and all costs incurred in connection with the preparation and review of this Construction Agreement and all related documents and all costs, fees and expenses of architects, engineers, attorneys or other professionals incurred in connection with Unit Owner's Work, the review of the Plans, obtaining Permits, inspection of Unit Owner's Work, the enforcement of this Construction Agreement or the assertion or any right, claim, cause of action or remedy hereunder by Sponsor, and any additional or overtime labor or services provided by Building employees, shall be paid by Unit Owner to such Insured Parties within twenty (20) days after its receipt of a demand for payment, together with reasonably detailed supporting documentation.

5.3 Unit Owner hereby assumes the entire responsibility and liability for all damages or injury of any kind, whether direct, indirect or consequential, to all persons, including, without limitation, the Insured Parties, owners of other units in the Condominium and their tenants, guests, employees and invitees (collectively, the "Indemnified Parties"), and to all property, including, without limitation, the Building, the Building Systems, the Common Elements, and other unit within the Condominium and other systems and property belonging to any of the Indemnified Parties, resulting from, arising out of or in any way connected with or occasioned by Unit Owner's Work. Unit Owner shall make full restitution to all Indemnified Parties for any damage or injury thereto. Unit Owner hereby indemnifies and holds each of the Indemnified Parties harmless (and will cause its general contractor and/or construction manager to indemnify and hold each of the Indemnified Parties harmless by executing the Release and Indemnity annexed hereto as Exhibit B) from and against any and all loss, cost, expense (including, without limitation, attorneys, fees and disbursements), damage or injury, whether direct, indirect or consequential, arising directly or indirectly from, or in any way connected with or occasioned by Unit Owner's Work and the acts of Unit Owner, Unit Owner's contractors and subcontractors, and its or their agents and employees, including, without limitation, (a) costs incurred in preparation, execution, or submission of any application for any Permit in connection with Unit Owner's Work made by Sponsor to any Governmental Authority; (b) the claims of any contractor, subcontractor, materialman, architect, or engineer on account of Unit Owner's Work; (c) any claims of any person for personal injury or property damage; (d) any delay in obtaining a Certificate of Occupancy (permanent or temporary) with respect to the Building or any portion thereof (or any amendment to, or extension of the same if theretofore issued) as a result of Unit Owner's Work or the failure to timely complete same and/or make all appropriate governmental filings in connection with the same; (e) any labor dispute or other difficulty arising from the employment of union labor represented by a local or locals other than the local or locals engaged in the performance of Sponsor's construction work in and to the Building; (f) the failure to obtain any required Permit; (g) the failure to comply with the terms and conditions of this Construction Agreement, the Condominium Documents or Legal Requirements; or (h) any personal injury, liability or damage to any personal property or to any part of the Building, its utilities, equipment or furnishings.

5.4 Unit Owner hereby releases and discharges Sponsor, the Board, Construction Manager, Managing Agent and their respective successors and assigns from all actions, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, controversies, agreements, promises,

variances, trespasses, damages, judgments, executions, claims, and demands whatsoever, in law or equity, which against Sponsor, the Board, Construction Manager and Managing Agent, Unit Owner ever had, now has or hereafter can, shall or may have for, upon, or by reason of any matter, cause or thing whatsoever from the beginning of the world to the date of completion of Unit Owner's Work resulting from, arising out of or in any way connected with or occasioned by, directly or indirectly, Unit Owner's Work or the approval or disapproval of, or action or inaction in regard to, Unit Owner's Work on any part thereof.

6. Remedies

6.1 The Board, Sponsor and their architects, engineers or other professionals shall have the right to enter the Unit, both during the progress of and after the completion of Unit Owner's Work, from time to time, for the purpose of inspecting Unit Owner's Work to ensure that Unit Owner's Work is being performed, and has been performed, in accordance with the Plans and Specifications and this Agreement.

6.2 If Unit Owner fails to comply with any of the covenants herein contained, the Board and/or Sponsor shall have the right to cause Unit Owner's Work to be halted, including, without limitation the right to deny access to the Building to Unit Owner's contractors, workmen and suppliers, until Unit Owner complies with this Construction Agreement. During the period until Unit Owner is permitted hereunder to resume Unit Owner's Work, the Board and/or Sponsor shall have the right to perform any and all work in and to the Unit as shall be necessary in the Board and/or Sponsor's judgment, in order to: (a) repair any condition posing a threat of harm to persons or the Building; or (b) avoid any delay in obtaining a PCO (or any amendment to, or extension of, the same if theretofore issued), whether or not such work shall be in compliance with the Plans for Unit Owner's Work. The cost and expense of any such work performed by the Board and/or Sponsor shall be borne by such Unit Owner and shall be paid to either the Board and/or Sponsor (whichever party incurred the cost) within fifteen (15) days of written demand therefor, together with reasonably detailed supporting documentation.

6.3 Unit Owner hereby acknowledges and agrees in addition to any other rights and remedies the Board and/or Sponsor may have at law or in equity, The Board and/or Sponsor shall be entitled to a decree of specific performance, a restraining order, a preliminary injunction, a final injunction and any other equitable relief restraining or preventing Unit Owner from doing or continuing to do any act in violation of this Construction Agreement or requiring Unit Owner to perform its obligations hereunder. Notwithstanding the foregoing, except in the event of a condition posing immediate danger or harm to person or property, The Board and/or Sponsor shall not seek any relief set forth in the preceding sentence until it has first given Unit Owner ten (10) days, prior written notice of the breach of this Construction Agreement.

6.4 As additional security for the faithful performance and observance by Unit Owner of the terms and conditions of this Construction Agreement, Unit Owner has deposited the sum of _____ (the "Security Deposit") with the Board. Unit Owner agrees that the Board may use, apply or retain the whole or any part of the Security Deposit and the interest earned thereon, if any, to the extent required for the payment of any sums due to the Board and/or Sponsor under this Construction Agreement as determined in the discretion of the Board. If the Security Deposit is diminished by any significant amount, then Unit Owner shall replenish it to the full amount within three (3) days after written demand. Unit Owner's failure to so replenish the Security Deposit shall be a material breach of this Construction Agreement and shall entitle the Board to stop Unit Owner's Work, and/or exercise any remedies it has hereunder. If Unit Owner shall comply with all of the terms and conditions of this Construction Agreement, the Security Deposit and interest or remaining balance thereof, if any, shall be returned to Unit Owner after completion of Unit Owner's Work. The Board's release of the Security Deposit shall

not constitute acceptance of Unit Owner's Work by the Board or Sponsor or a waiver by the Board or Sponsor of any of their rights under this Construction Agreement. Any sums due to the Board or Sponsor under this Construction Agreement and not recovered by application of the Security Deposit shall be deemed obligations chargeable and collectible as additional common charges due by Unit Owner to the Board pursuant to the Condominium Documents.

7. Miscellaneous

7.1 None of Sponsor, the Board, Construction Manager or the Managing Agent will be responsible for failure or inefficient performance of Building Services to the Unit resulting from Unit Owner's Work.

7.2 Unit Owner acknowledges that it has not relied upon any representations, warranties, architect's plans or statements of any nature whatsoever, whether written or oral, made by Sponsor, the Managing Agent, or otherwise, including, without limitation, any representations, warranties, architect's plans, statements or estimates relating to the cost, feasibility, safety or compliance with Legal Requirements of Unit Owner's Work, it being understood that Sponsor's approval of the Plans is not an express or implied warranty as to any such matter.

7.3 Any notice, request, consent or other communication hereunder shall begin in writing and sent by a reputable overnight courier or certified mail, to Unit Owner at the address given at the beginning of this Construction Agreement and to Sponsor and Board at the respective address given at the beginning of this Construction Agreement, with a copy, in each case to Goldfarb & Fleece, 345 Park Avenue, New York, New York 10154, Attn: Robert A. Zimmerman, Esq., or to such other address as either party may hereafter designate to the other in writing. The date of mailing shall be deemed to be the date of the giving of notice, except that the date of actual receipt shall be deemed to be the date of the giving of any notice of change of address.

7.4 If, at any time, Unit Owner shall require the consent or approval of Sponsor to any proposed action hereunder, Unit Owner shall make a written request therefor, in accordance with Section 7.3 hereof, requesting such consent or approval. In no event whatsoever may Unit Owner rely on any consents, approvals, communications, statements or notices given by any person (including, without limitation, the Managing Agent or the superintendent of the Building or any representative of either) who is not a member of Sponsor, or which are not in writing. Wherever in this Agreement Sponsor's consent or approval is required, then (i) if Sponsor refuses such consent or approval, Unit Owner shall in no event be entitled to make any claim and Unit Owner hereby waives any claim for money damages based upon any claim or assertion by Unit Owner that Sponsor unreasonably withheld or unreasonably delayed its consent or approval.

7.5 This Construction Agreement may not be changed or terminated orally.

7.6 This Construction Agreement may not be assigned by Unit Owner.

IN WITNESS WHEREOF, this Construction Agreement is executed and delivered as of the date set forth on the first page hereof.

SPONSOR:

DDG 41 NOHO LLC

By: _____

Name:

Title:

UNIT OWNER:

Print Name:

Print Name:

THE CONDOMINIUM BOARD OF 41
BOND CONDOMINIUM, ON BEHALF OF
ALL UNIT OWNERS

By: _____

Name:

Title:

EXHIBIT "A"

DESCRIPTION OF UNIT OWNER'S WORK

EXHIBIT "B"**CONTRACTOR'S RELEASE AND INDEMNITY**

Date:

DDG 41 NOHO LLC
and
The Condominium Board of
41 Bond Condominium

Re: Floor Unit in 41 Bond Condominium

Gentlemen:

The undersigned agrees that it will not make any claim against, or seek to recover from either **DDG 41 NOHO LLC**, c/o DDG Partners LLC, 250 Hudson, 10th Floor, New York, NY 10013 ("Sponsor"), The Condominium Board of 41 Bond Condominium, with an office at 41 Bond Street, New York, New York (the "**Board**"), [Sponsor's Construction Lender] [Sponsor's Construction Manager] [Sponsor's Architect] [the Managing Agent], each owner and/or occupant of one or more units in the Condominium and each and all of their respective agents, servants, employees, tenants, guests, licensees, invitees, officers, directors, shareholders and partners (collectively the "**Indemnitees**") for the cost or expense of any services, materials or other items supplied to or performed at the above referenced Unit as part of the Unit Owner's Work described in that certain construction agreement between Sponsor, the Board and _____ [Unit Owner] dated _____, (the "**Construction Agreement**") nor for any liability, loss or damages relating to such Unit Owner's Work unless and to the extent the loss or damage is due to the gross negligence or willful misconduct of the Indemnitees. The undersigned further agrees to defend, indemnify and hold harmless the Indemnitees against any and all liability, including legal costs and expenses on account of loss of life or injury to any person or damage to property, happening in or arising out of or in anyway relating to the performance of Unit Owner's Work (as such term is defined in the Construction Agreement) unless such injury or loss of life or loss or damage to property is caused by the gross negligence of willful misconduct of the Indemnitees.

Sincerely,

[Contractor]

