THIS PLAN HAS BEEN AMENDED. SEE INSIDE COVER.

THIS IS A NON-EVICTION PLAN. NO NON-PURCHASING TENANT WILL BE EVICTED BY REASON OF CONVERSION TO CONDOMINIUM OWNERSHIP

11 EAST 68TH ST
THE MARQUAND

CONDOMINIUM OFFERING PLAN FOR ELEVEN EAST SIXTY EIGHTH STREET CONDOMINIUM

814-816 Madison Avenue a/k/a 11 East 68th Street, New York, NY 10065

TOTAL PURCHASE PRICE FOR 30 RESIDENTIAL UNITS:	Price to Tenant Purchasers*	Price to Non-Tenant Purchasers
	$311,737,750	$328,145,000
Reserve Fund**	$ 9,352,132	$ 9,352,132

* See the Section entitled "Rights of Existing Tenants" for a discussion of the rights of bona fide tenants to buy their own Residential Units during the first 90 days of this offering.

** This is an estimate of the minimum amount of the Reserve Fund required under the terms of a law enacted by the New York City Council without deduction for credits allowed to Sponsor. The actual amount cannot now be determined. See the Section entitled "Reserve Fund." Each Purchaser will contribute two (2) months' Residential Common Charges in effect at the time of closing to the Working Capital Fund upon the closing of title to each Residential Unit. Sponsor will not make a contribution to the Working Capital Fund. The Working Capital Fund may be expended for any purpose, including the reduction of Common Charges, during any period, including the period that Sponsor controls the Residential Board or the Condominium Board. See the Section entitled "Working Capital Fund and Apportionments".

The Condominium will have thirty-one (31) Residential Units and three (3) Commercial Units. Twenty-eight (28) Residential Units are being offered for sale hereby. Residential Unit 7C will be initially leased to the Residential Board for use as the Resident Manager's Unit. None of the two (2) Penthouse Units or the Commercial Units are being offered for sale at this time.

SPONSOR
11 EAST 68TH STREET LLC
c/o HFZ Capital Group
600 Madison Avenue
17th Floor
New York, New York 10022
(212) 300-8000

SELLING AGENT
DOUGLAS ELLIMAN LLC
575 Madison Avenue
4th Floor
New York, New York 10022
(212) 891-7000

The term of the initial offering of this Plan commenced on March 26, 2013 and expires on March 25, 2014 unless said date is extended in a duly filed amendment.

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

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 THE MAJORITY OF THE UNITS ARE OWNED BY OWNER-OCCUPANTS OR INVESTORS UNRELATED TO THE SPONSOR. PURCHASERS FOR THEIR OWN OCCUPANCY MAY NEVER GAIN CONTROL OF THE CONDOMINIUM BOARD UNDER THE TERMS OF THIS PLAN. (SEE SPECIAL RISK SECTION OF THE PLAN).

SEE PAGE VI FOR SPECIAL RISKS TO PURCHASERS.

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PART I

SPECIAL RISKS TO BE CONSIDERED BY PURCHASERS

(See the "Definitions" Section of this Plan for definitions of capitalized terms used but not defined in this Section.)

1. At the time an Agreement is executed, a Purchaser is required to make a Down Payment in an amount equal to twenty (20%) of the Purchase Price.

2. In the event a Purchaser defaults or there is an Event of Default under the Agreement, TIME BEING OF THE ESSENCE with regard to the obligations of the Purchaser thereunder, and Purchaser does not cure such default within thirty (30) days after Sponsor gives written notice to the Purchaser of such default, Sponsor may, at its option, either (i) terminate the Agreement by notice of termination to Purchasers so that the Agreement is of no force and effect and (a) retain any Down Payment or Custom Work Deposits (if any) already paid, as liquidated damages or (b) retain any Down Payment already paid and commence an action for any portion of the Down Payment not paid, which is or would be due and owing under the Agreement, as liquidated damages, it being acknowledged and agreed that it is extremely difficult and impracticable to ascertain the extent of detriment to Sponsor caused by the breach by Purchaser under the Agreement and the failure of the consummation of the transaction contemplated by the Agreement or the amount of compensation Sponsor should receive as a result of Purchaser's breach or default; or (ii) bring an action against Purchaser for specific performance; or (iii) terminate the Agreement by notice of termination to Purchaser and bring an action for damages; or (iv) exercise all other remedies available to Sponsor at law or in equity. Upon termination of the Agreement, Purchaser shall have no further rights thereunder, and Sponsor may sell the Residential Unit to any other party as though the Agreement had never been made (without any obligation to account to Purchaser for any part of the proceeds of such sale). Notwithstanding the foregoing, Sponsor's right to file an action for specific performance shall not be exercisable against a Tenant Purchaser who purchases the Residential Unit he/she occupied on the Filing Date of this Plan. Sponsor shall be entitled to retain the Custom Work Deposit, or, if applicable, to commence an action against Purchaser to if, to the extent the Custom Work has already commenced, and the Custom Work Deposit has not been made or is insufficient to cover the Custom Work Cost. Sponsor shall also be entitled to commence an action against Purchaser to recover Restoration Costs to the extent that such Restoration Costs have or will be incurred by Sponsor. Notwithstanding the foregoing, if Sponsor abandons the Plan, Sponsor shall not be entitled to Restoration Costs or any Custom Work Costs not actually incurred in connection with the performance of Custom Work in a Residential Unit.

3. If a Purchaser fails for any reason to close title to the Residential Unit on the originally scheduled Closing Date and Sponsor elects not to terminate the Agreement as a result of the same, (a) the closing apportionments to be made at the Closing will be made as of midnight of the day preceding the originally scheduled Closing Date, regardless of when the actual Closing occurs, and (b) the Purchaser will be required to pay to Sponsor, in addition to the other payments to be made to Sponsor under the Agreement and the Plan, an amount equal to

0.05% of the purchase price of the Residential Unit for each day starting from (and including) the originally scheduled Closing Date to and including the day before the actual Closing Date. See the Sections entitled "Procedure to Purchase," and "Closing Costs and Adjustments," in Part I of the Plan for further details.

4. Sponsor may agree, in its sole discretion, to perform Custom Work to a Residential Unit. Unless otherwise agreed to by Sponsor, a Purchaser shall bear the Custom Work Costs which Custom Work Costs shall be due and payable by Purchaser to Sponsor upon the execution of the Agreement for the Residential Unit and deposited in an escrow account with Escrow Agent in accordance with the Plan (the "Custom Work Deposit"). The Custom Work Deposit or any part thereof may be released from the Escrow Agent's escrow account upon the Escrow Agent's receipt of written notification from Sponsor's Architect to the Escrow Agent that all or any portion of the Custom Work has been commenced in the Residential Unit. In the event a Purchaser becomes entitled to rescission after Custom Work or any portion thereof has been commenced, (i) the Purchaser shall not receive a refund of any Custom Work Deposit, if any, actually used to perform Custom Work in the Residential Unit nor shall Purchaser receive a refund for funds used to purchase materials for the Custom Work and (ii) Purchaser shall be responsible for Restoration Costs. In the event the Agreement is terminated by Sponsor, for any reason, by notice of termination to Purchaser and Sponsor retains the Down Payment, the Sponsor shall be entitled to retain the Custom Work Deposit, or, if applicable, to commence an action against Purchaser to if, to the extent the Custom Work has already commenced, and the Custom Work Deposit has not been made or is insufficient to cover the Custom Work Cost. Sponsor shall also be entitled to commence an action against Purchaser to recover Restoration Costs to the extent that such Restoration Costs have or will be incurred by Sponsor. Notwithstanding the foregoing, if Sponsor abandons the Plan, Sponsor shall not be entitled to Restoration Costs or any Custom Work Costs not actually incurred in connection with the performance of Custom Work in a Residential Unit. (See the Section entitled "Procedure to Purchase" in Part I of the Plan)

5. Purchasers are further advised that (i) the risk of loss of any portion of the Deposit(s) deposited in accordance with the terms of the Plan and the Agreement shall be borne by Purchaser; (ii) if a Purchaser makes a Deposit(s) in excess of $250,000 for the purchase of a Unit, such Deposit(s) will not be federally insured in excess of $250,000; and (iii) if a Purchaser has any additional accounts in the Escrow Bank the funds in said accounts will be added together with the Deposit(s) held in escrow and the total will only be insured up to the $250,000 FDIC maximum coverage. The FDIC insurance coverage limit applies per depositor, per insured depository institution for each account ownership category. Accordingly, Purchasers are advised that (i) if a Purchaser makes a Deposit(s) in excess of $250,000 for the purchase of a Unit, such Deposit(s) will not be federally insured in excess of $250,000; and (ii) if a Purchaser has any additional accounts with the Escrow Bank, the funds in said accounts will be added together with the Deposit(s) held in escrow and the total will only be insured up to the $250,000 FDIC maximum coverage. Purchasers are encouraged to visit http://www.fdic.gov for further information and updates. (See the Section entitled "Procedure to Purchase" set forth in Part I of the Plan)

6. Funds drawn on out-of-state or foreign banks or New York bank or trust companies which are not a member of The New York Clearinghouse Association will not be

accepted in payment of the Purchase Price, including the Down Payment and Custom Work Deposit, for a Residential Unit unless otherwise agreed by Sponsor. See the Section entitled "Procedure to Purchase" under the subsection entitled "Escrow and Trust Fund Requirements" set forth in Part I of the Plan.

7. The Agreement provides that Purchaser shall be obligated to reimburse Sponsor for any legal fees and disbursements incurred by Sponsor in defending or enforcing Sponsor's rights under the Agreement or if Purchaser defaults under the Agreement beyond any applicable grace period, in canceling the Agreement or otherwise enforcing Purchaser's obligations thereunder. THE AGREEMENT ALSO PROVIDES, IN CLEAR AND EXPLICIT TERMS, THAT, EXCEPT AS PROHIBITED BY LAW, THE PARTIES WAIVE TRIAL BY JURY IN ANY LITIGATION ARISING OUT OF, OR CONNECTED WITH, OR RELATING TO, THE PLAN, THE AGREEMENT OR THE RELATIONSHIP CREATED THEREBY. See the Agreement, in Part II of the Plan for further details.

8. A Purchaser will be notified within thirty (30) days after such submission of a signed Agreement and check for the Down Payment (subject to collection) to the Sponsor or the Selling Agent, whether the Agreement has been accepted or rejected. Such Agreement will not be binding on Sponsor until approved and executed by Sponsor, and delivered by Sponsor to the prospective Purchaser or such Purchaser's attorney. Sponsor reserves the right to request and obtain identification and financial information concerning any prospective purchaser, subject to any limitations and requirements imposed by Law. Purchaser acknowledges and agrees that Sponsor may obtain certain information about Purchasers (or Purchaser's principals or permitted assignees) character, general reputation, personal characteristics, credit history and mode of living prior to counter-executing an Agreement in order to permit Sponsor to comply with the requirements of the applicable federal laws (including without limitation, the Fair Credit Reporting Act). Purchaser, upon execution of an Agreement hereby authorizes Sponsor, prior to Sponsor counter-executing the Agreement, to obtain such information and to retain a credit reporting agency to obtain such information and Purchaser agrees to provide all necessary information to Sponsor and/or execute any necessary documentation for Sponsor, upon Sponsor's request, to permit Sponsor to obtain such information. If the Agreement is accepted by Sponsor, a fully executed counterpart will be returned to the Purchaser by the Selling Agent. If such Purchaser receives no response within the 30-day period, the Agreement will be deemed rejected and canceled and all monies paid thereunder shall be refunded within fifteen (15) business days. Upon such refund being made, neither party shall have any further rights or obligations hereunder with respect to the other. (See the Section of the Plan entitled "Procedure to Purchase" set forth in Part I of the Plan)

9. For purposes of this Plan and the Agreement, the term "TIME BEING OF THE ESSENCE" shall mean that a failure by Purchaser to do what is required at the time specified in the Agreement is a material breach of the Agreement and an Event of Default entitling Sponsor to the remedies set forth in this Plan and the Agreement. (See the Section entitled "Procedure to Purchase," in Part I of the Plan for further details)

10. Although a Purchaser may obtain financing from a lending institution or any other source, the obligation to purchase a Residential Unit pursuant to the Agreement shall not be contingent on 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. In addition, a lending institution could withdraw its commitment if it believes a Purchaser's financial condition has worsened or that the Residential Unit's appraised value has decreased or for any other reason. (See the Section of the Plan entitled "Procedure to Purchase" for further details)

11. Purchasers should note that in the current real estate market, banks and other lenders are imposing various restrictions on loans. A number of lending institutions have minimum presale requirements. Some restrictions include requiring that a certain percentage (50% or more) of the units in a building be sold before the lender will consider making a loan. Even after the First Closing has occurred, lenders may still impose minimum sales requirements as a condition to making a loan for which commitments have been issued. 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. It may be possible for a Purchaser to experience difficulty obtaining a loan in a building where a sponsor or holder of unsold units has not sold a substantial percentage of the apartments in the building, which in some cases may be as high as 70%. Moreover, some lenders will not provide financing in a building where an investor other than the original sponsor has an ownership interest of 10% or more. It may also be difficult for a purchaser to resell an apartment if prospective buyers are unable to obtain a loan due to the same minimum sales and investor ownership restrictions. Moreover, lenders are imposing higher loan to value requirements, making it more difficult for purchasers to obtain a loan to finance the purchase of their Residential Unit. Purchasers may also find it difficult to resell units if prospective buyers are unable to obtain loans due to such minimum sales requirements or any other reason. Purchasers should further note that pursuant to existing Law, except as otherwise set forth herein, Sponsor may declare the Plan effective upon selling a minimum of fifteen percent (15%) of the Units offered for sale in the Building. Even if the Plan is declared effective with a minimum number of sales, it is possible that Sponsor may be able to submit the Property to a condominium regime and convey Units with fewer than the minimum number of sales if purchasers counted towards effectiveness do not ultimately purchase a Unit. Please refer to the Section entitled "Effective Date" set forth in Part I of the Plan for further details.

12. If Purchaser obtains a mortgage loan for the purchase of the Residential Unit, the Purchaser will pay to Sponsor a sum equal to the partial mortgage recording tax credit to which Purchaser may be entitled pursuant to §339-ee(2) of the Condominium Act, which sum will be paid as a reimbursement for the mortgage recording tax previously paid by Sponsor in connection with any existing mortgage(s). Alternatively, Sponsor may require, in its sole discretion, that if Purchaser finances the purchase of the Unit with a mortgage loan, Purchaser must cause the lender making such mortgage loan to accept from the Sponsor an assignment of a portion of any mortgage securing the Property in an amount up to such mortgage loan as determined by Sponsor. Upon such assignment, that portion of the mortgage loan assigned by Sponsor, will be exempt from mortgage recording tax under Section 255 of the Real Property Tax Law. In such event Purchaser will be obligated to pay any costs of fees incurred in connection with such assignment. Sponsor shall be solely entitled to the benefits of the exemption and accordingly, Purchaser will pay to Sponsor an amount equal to the mortgage

recording tax savings resulting from such exemption. (See the Section entitled "Closing Costs and Adjustments" in Part I of the Plan for further details)

13. Except as set forth otherwise in the Plan and the Declaration and By-Laws, there are no limitations on who may purchase Units. Any Purchaser of a Unit which is a Governmental Entity may be required to deposit into escrow an amount equal to one (1) year of Common Charges then in effect to secure their obligations under the Condominium Declaration for the payment of Common Charges and/or assessments and otherwise. Sponsor will not knowingly accept an offer of purchase from an individual younger than eighteen (18) years of age or an incompetent under Law. Sponsor is not obligated to offer or sell any Residential Units and may, if it chooses, withhold one or more Residential Units for future sale. Sponsor hereby reserves the right at any time and from time to time for any reason whatsoever, without the consent of the Condominium Board, any Residential Unit Owner, or mortgagee, to refuse to approve and execute an Agreement for any Residential Unit; provided, however, that Sponsor shall not discriminate against any person because of race, creed, color, sex, disability, religion, marital status, age, ancestry, national origin or other ground proscribed by Law. No binding obligation will arise for the sale of a Residential Unit unless and until a Purchase Agreement executed by both Purchaser and Sponsor has been exchanged and Sponsor has collected the funds constituting Purchaser's required Down Payment thereunder. See the Sections entitled "Procedure to Purchase" and "Terms of Sale" set forth in Part I of the Plan.

14. A Purchaser may not be a Prohibited Person (defined hereinafter) at any time prior to closing. Each Purchaser must be in full compliance with all applicable orders, rules, regulations and recommendations of The Office of Foreign Assets Control ("OFAC") of the U.S. Department of the Treasury. The term "Prohibited Person" shall mean any person or entity: (a) listed in the Annex to, or otherwise subject to the provisions of, the Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001, and relating to Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (the "Executive Order"); (b) that is owned or controlled by, or acting for or on behalf of, any person or entity that is listed to the Annex to, or is otherwise subject to the provisions of, the Executive Order; (c) with whom Beneficiary is prohibited from dealing or otherwise engaging in any transaction by any terrorism or money laundering law, including the Executive Order; (d) who commits, threatens or conspires to commit or supports "Terrorism" as defined in the Executive Order; (e) that is named as a "Specially Designated National and Blocked Person" on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control at its official website, www.ustreas.gov/Offices/enforcement/ofac or at any replacement website or other replacement official publication of such list; or (f) who is an affiliate of or affiliated with a person or entity listed above. (See the form of Agreement set forth in Part II of the Plan)

15. No party other than the Purchasers shall have any right or benefit herein or herefrom, including without limitation, the right to insist upon or enforce against Sponsor the performance of all or any of Sponsor's obligations hereunder and no such third party (including without limitation, parties purchasing from Purchasers) shall be deemed to have received any benefit as a result of any of the provisions of the Plan. (See the Section entitled "General," in Part I of the Plan for further details)

16. Prior to the closing of title to a Residential Unit, the Agreement prohibits a Purchaser from listing the Residential Unit for resale or rental with any broker or from advertising or otherwise offering, promoting or publicizing the availability of the Residential Unit for sale or lease, without Sponsor's prior written consent. Subsequent to the closing of title to a Residential Unit, a Residential Unit Owner (other than a Unit Owner purchasing for such Purchaser's own or their immediate family's occupancy) may not advertise, list or sell the Residential Unit for twelve (12) months after acquisition of the Residential Unit (provided however, such limitation shall not apply from and after the date that the Sponsor conveys title to all of the Residential Units). Any such conveyances in violation of the foregoing will be voidable by Sponsor. If any Purchaser engages in any of the foregoing activities, it shall be considered an Event of Default under the terms of the Agreement, thereby entitling Sponsor to any and all remedies under the terms of the Agreement. Purchasers are referred to the Agreement set forth in Part II of the Plan for further details. (See the Section entitled "Sales and Leases of Residential Units," in Part I of the Plan for further details)

17. Prior to the closing of title to a Residential Unit, the Purchaser thereof shall not be permitted to conduct any testing in the Residential Unit including, without limitation, making holes in the wall or ceiling and/or removing sheet rock, tiles, wood flooring, windows or window panes to test for mold, asbestos, mildew, spores, fungi or other toxins or for any other purpose. (See the Sections entitled "Terms of Sale,", and "Rights and Obligations of Sponsor," in Part I of the Plan for further details)

18. At the closing of title to a Residential Unit, Sponsor will collect from each Purchaser of a Residential Unit, on behalf of the Residential Board, an amount equal to two (2) month's Residential Common Charges to be deposited into the Working Capital Fund. Other than Sponsor, a Purchaser of a Residential Unit occupied by a Non-Purchasing Tenant will pay a contribution to the Working Capital Fund in an amount equal to two (2) months' Residential Common Charges then applicable to such Residential Unit being purchased to furnish services and facilities required under the Non-Purchasing Tenant's lease and those required by the GBL. The Working Capital Fund may be expended for any purpose, including the reduction of Common Charges, during any period, including the period that Sponsor controls the Residential Board or the Condominium Board. The Working Capital Fund may be augmented by allocations from the monthly Common Charges collected from each Unit. No representation or warranty can be made and no assurance can be given as to the exact amount of funds available at any specific time. Notwithstanding the foregoing, while Sponsor controls the Condominium Board (see the Section of the Plan entitled, "Control By Sponsor" set forth in Part I of the Plan), the Working Capital Fund will not be used to reduce estimated Common Charges. Purchasers are advised that if Sponsor enters into leases for Unsold Units, the tenants thereunder will not be obligated to contribute to the Working Capital Fund. The Working Capital Fund may be insufficient for the payment of unanticipated expenses, if any, and Unit Owners may be subject to a Special Assessment to pay for the costs of such unanticipated expenses, if any. (See the Sections of this Plan entitled "Working Capital Fund and Apportionments", "Obligations of Purchasers of Units Occupied by Non-Purchasing Tenants" and "Closing Costs and Adjustments" which may be found in Part I of this Plan for more details)

19. Upon Closing, Purchasers shall be obligated to pay the NYC Real Property Transfer Tax and NYS Real Estate Transfer Tax which by Law are the primary obligation of a

seller. For purposes of calculating the taxes payable, the amounts of such taxes will be "grossed up", i.e., included in the consideration subject to such tax. Purchasers who acquire two or more Residential Units that have not been combined into a single residence prior to the transfer will be obligated to pay the NYC Real Property Transfer Tax at the commercial rate of 2.625% assuming that the purchase price of a Residential Unit exceeds $500,000. If the purchase price of the Residential Unit is $1,000,000 or more (as same may be "grossed up" by the State or City), Purchaser shall also be obligated to pay the New York State Additional Tax pursuant to Article 31 of the Tax Law, commonly referred to as the "Mansion Tax," currently one percent (1%) of the purchase price, which by Law is the primary obligation of the Purchaser. (See the Section entitled "Closing Costs and Adjustments" set forth in Part I of the Plan for further details)

20. All legal costs, fees and expenses charged by the Purchaser's attorney shall be the sole responsibility of each Purchaser. In addition, Purchaser shall also be responsible for payment of the following fees to Sponsor's attorneys, Stroock & Stroock & Lavan LLP, in connection with the closing of title to Purchaser's Residential Unit: (i) the sum of $3,500 for the preparation of closing documents and attendance at closing, (ii) if the Purchaser requests the Closing to occur other than at the offices of Stroock & Stroock & Lavan LLP or such other place as Sponsor may designate in its closing notice and Sponsor consents to such change, an attendance fee of $500 for each Closing held within Manhattan and $700 for each Closing held in any borough outside Manhattan, (iii) if the closing is adjourned through no fault of Sponsor, an additional fee of $500 for each such adjournment to help defray the cost of preparing for and coordinating the new closing, and (iv) if Purchaser, Purchaser's counsel or Purchaser's lender is more than one (1) hour late to the Closing, Sponsor reserves the right to adjourn or delay the Closing and cause Purchaser to pay an adjournment fee of $500. (See the Section of the Plan entitled "Closing Costs and Adjustments" in Part I of the Plan for further details)

21. Square footage dimensions set forth in this Plan are based on measurements from exterior walls of the Residential Units to the midpoint of the interior walls and partitions separating one Residential Unit from another Residential Unit, or the midpoint of the interior walls and partitions separating a Residential Unit form public corridors, stairs or any Common Element or Limited Common Elements or to the opposite exterior side of the exterior walls of the Building, as the case may be. The square foot areas of common vestibules and corridors are split to the relevant Residential Units to which they serve. The square foot area of passenger elevators is distributed proportionately throughout the Residential Units. Floor area includes hallway vestibules, columns, mechanical pipes shafts, shaft ways, chases, chase ways and conduits which may be incorporated behind protruding walls or may be separately enclosed as freestanding columns thereby reducing the available floor area. The clearance between the top of the floor slab on one floor and the top of the floor slab on the next floor will vary among the Residential Units and certain Residential Units may have less clearance and certain rooms within other Residential Units may have a lesser clearance as the result of construction variances or the presence of beams and mechanical spaces in such Units and certain Residential Units may have less clearance and certain rooms within other Residential Units may have a lesser clearance as the result of construction variances or the presence of beams and mechanical spaces in such Residential Units. Kitchens, bathrooms and hallways typically have dropped ceilings. Each prospective Purchaser should carefully inspect the Residential Units being purchased and review the Floor Plans set forth in Part II of the Plan prior to entering into an Agreement for such

Residential Unit to determine its actual dimensions, layout, ceiling heights and physical condition. Purchasers are advised that former or current occupants of the Residential Units may have made alterations to certain Residential Units, including without limitation, installation and/or relocation of interior walls. Sponsor has or has recently acquired the Property and has not accessed all of the occupied Residential Units in the Building. Consequently, Sponsor makes no representation, warranty or guarantee as to whether all of said alterations were completed in compliance with all applicable governmental Law or whether such occupied Residential Units conform to the layouts set forth on the Floor Plans set forth in Part II of the Plan. (Please refer to the Footnotes to Schedule A in Part I of the Plan the "Description of Property" in Part II of the Plan for further details)

22. Sponsor may exercise veto power over some actions of the Boards. Until Sponsor has conveyed title to all Units, but in no event the later to occur of five (5) years after the First Closing or whenever the Unsold Units constitute less than 25% of the Common Interest of all Units, the Condominium Board or Residential Board may not take any of the following actions without Sponsor's prior written consent: (i) make any Alterations to the General Common Elements, the Residential Common Elements or to the Residential Limited Common Elements or to any Residential Unit; (ii) increase or decrease the number, or change the kind of, employees referred to in the Plan; (iii) enter into any service or maintenance contract for work not covered in the initial projected budget for the Condominium or Residential Section or otherwise provide services in excess of those contemplated by such projected budget, except as is required to reflect normal annual increases in operating services; (iv) borrow money on behalf of the Condominium or on behalf of the Residential Section; (v) assess any General Common Charges or Residential Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund; or (vi) exercise a right of first refusal to lease or purchase a Residential Unit; provided that Sponsor's written consent is not necessary to perform any function or take any action described in items (i) through (vi) above if, and only if, the performance of such function or the carrying out of such an action is necessary, and no other alternative is available, to enable the Condominium Board or the Residential Board (i) to comply with Laws of any governmental authority having jurisdiction over the Condominium; (ii) to remedy any notice of violation; (iii) to remedy any work order by an insurer; or (iv) to protect against imminent threat to the health or safety of the residents of the Building.

23. Each Unit Owner has the right to vote at meetings of Unit Owners and to vote with respect to amendments of the Declaration and By-Laws, as more particularly described in the Section of the Plan entitled "Board of Managers" and in the Declaration and By-Laws set forth in Part II of the Plan.

24. A law enacted by the New York City Council provides a formula for determining the amount of the Reserve Fund. The exact amount of the Reserve Fund cannot be ascertained until the Plan is declared effective and accordingly, the amount of the Reserve Fund set forth on the cover of the Plan is an estimate only. Sponsor reserves the right to take a credit against the Reserve Fund for qualifying work performed in the Building. In addition, during such time as Sponsor controls the Condominium Board, Sponsor can use the Reserve Fund to pay for other qualifying expenses. No assurance can be given that the Reserve Fund will be adequate to pay for the replacement of capital items likely to be needed or how the Condominium Board, which will initially be controlled by Sponsor, will utilize the Reserve Fund. The Reserve Fund will be

utilized by the Condominium Board to perform certain capital improvements (e.g., replacement of windows), Sponsor makes no representations or assurances as to what work might be done by the Condominium Board or how much might remain in the Reserve Fund after the Condominium Board performs such work. Moreover, if Sponsor elects to fund the Reserve Fund through supplemental contributions, there may not be a sufficient amount in the Reserve Fund at the time repairs are deemed necessary or appropriate and, if additional monies are required over and above the Reserve Fund, it may be necessary to increase Common Charges or levy a Special Assessment against the Unit Owners or Sponsor may elect to advance its contributions to the Reserve Fund and take a credit against future supplemental contributions. (See the Section of this Plan entitled "Reserve Fund" which may be found in Part I of this Plan and the Reserve Fund Law (Local Law 70) which may be found in Part II of this Plan for more details)

25. No amendment, modification, addition or deletion of the Declaration, By-Laws or Rules and Regulations shall be effective in any way, (a) without the prior written consent of the affected Commercial Unit Owner with respect to any amendment, modification, addition or deletion of or to the By-Laws, the Declaration or the Rules and Regulations modifying the permitted uses of the Commercial Unit or affecting the rights, privileges, easements, licenses or exemptions granted to the Commercial Unit Owner or (b) without the prior written consent of Sponsor or the owner of any Unsold Residential Unit, as the case may be, with respect to any amendment, modification, addition or deletion of or to the By-Laws, the Declaration or the Rules and Regulations modifying the permitted uses of the Building or any portion thereof or affecting the rights, privileges, easements, licenses or exemptions granted to Sponsor or its designee or the owner of any Unsold Residential Unit, as the case may be, or otherwise adversely affecting Sponsor or its designee or the owner of any Unsold Residential Unit, as the case may be, or (c) without the prior written consent of the holder of any present or future mortgage, pledge, or other lien or security interest covering any Unsold Residential Unit with respect to any amendment, modification, addition or deletion of or to the By-Laws, the Declaration, or the Rules and Regulations modifying the permitted uses of such Unsold Residential Unit or affecting the rights, privileges, easements, licenses or exemptions granted to the owner of such Unsold Residential Unit. (See the Section entitled "Rights and Obligations of Unit Owners and the Boards of Managers")

26. (a) At or subsequent to the First Closing, Sponsor will lease Resident Manager's Unit in the Condominium to the Residential Board for use as the Resident Manager's residence, in accordance with the terms and conditions set forth in the Resident Manager's Unit Lease, a copy of which is set forth in Part II of the Plan as Exhibit 24. Upon the expiration of the Initial Lease Term, Sponsor, in its sole discretion, shall either (i) offer the Residential Board a Purchase Option at the Resident Manager Unit Purchase Price, or (ii) extend the Initial Lease Term for an additional period to be determined by Sponsor at the greater of (x) the market rental value of the Resident Manger's Unit at such time, or (y) the Initial Rent on the date prior to the expiration of the Initial Lease Term. The costs of utilities, local telephone service, cable television service, cellular telephone service and internet access attributable to the Resident Manager's Unit, which amounts are in addition to the annual rent under the Resident Manager's Unit Lease, will be borne by the Residential Board as a Residential Common Expense and assessed against each Residential Unit Owner as Residential Common Charges. Please refer to "Schedule B, Budget for First Year of Condominium Operation" in Part I of the Plan for further details regarding the Resident Manager's Unit Lease.

(b) In the event that Sponsor elects to offer the Residential Board a Purchase Option upon the expiration of the Initial Lease Term or any subsequent extensions thereof, the Residential Board shall have twenty (20) days from the date Sponsor notifies the Residential Board of the Purchase Option to execute an Agreement for the Resident Manager's Unit at the Resident Managers Unit Purchase Price. Purchasers should note that if Sponsor offers the Residential Board the Purchase Option and the Residential Board does not elect to purchase the Resident Manager's Unit, there is no guarantee that the Sponsor will continue to lease the Resident Manager's Unit for use by the Residential Board beyond the Initial Lease Term, and if the Sponsor does so make the Resident Manager's Unit available, no representations are made regarding the rental or use and occupancy which will be charged by the Sponsor therefor. In the event that after the Initial Lease Term, as the same may be extended, in Sponsor's sole discretion, the Sponsor does not make the Resident Manager's Unit available for the use by the Resident Manager, there may be no apartment in the Building for use of the Resident Manager in the Building. In such event the Residential Board may either: (i) relocate the Resident Manager to another Unit in the Building; (ii) employ a superintendent for the Building who will be provided with an apartment within a distance of one block or two hundred feet from the Building; (iii) employ a twenty-four hour a day janitorial service, in accordance with the provisions of the New York City Housing Maintenance Code, or (iv) take any other actions in accordance with Law.

(c) Prior to or during the Initial Lease Term, as such term may be extended in Sponsor's sole discretion as set forth above, Sponsor reserves the right, in its sole discretion, to choose a different Residential Unit other than Residential Unit 7C to lease to the Residential Board as the Resident Manager's Unit under the same non-monetary lease terms; provided, however that such lease shall only be made pursuant to an amendment to the Plan and shall not result in the Residential Board incurring monthly rental payments which exceed the cost of leasing Residential Unit 7C by more than twenty-five percent (25%).

27. The real estate tax estimates for each Residential Unit were calculated on the assumption that the real estate taxes for the Building payable with respect to each Residential Unit for the First Year of Condominium Operation will be allocated in proportion to each Residential Unit's Common Interest as set forth on Schedule A. Upon determination of individual tax lots and individual Unit assessments, the New York City tax authorities may allocate taxes between the Residential Units in proportion to each Residential Unit's purchase price or imputed market value rather than its Common Interest, and, if so, Residential Units having the same or similar percentage interest which are determined to have a higher purchase price or market value will pay higher real estate taxes than are reflected on Schedule A. Currently, the Property is assessed and taxed as a single tax lot. No representation is made as to the first assessment roll or tax bill for which the Units will be separately assessed or taxed. Upon separate assessment of the Units by the New York City tax authorities the taxes for each individual Unit will be determined separately and may no longer remain proportional to the Unit's Common Interest Percentage. After the Condominium is divided into individual tax lots, each Unit will be taxed as a separate tax lot for real estate tax purposes and a Unit Owner will not be responsible for the payment of, nor will the Unit be subject to, any lien arising from the non-payment of taxes for Units other than its respective Unit(s). In no event will a Purchaser be entitled to a readjustment of real estate taxes paid at Closing. Purchasers are advised that the Property does not currently receive any J-51 tax benefits. SPONSOR MAKES NO

REPRESENTATION THAT THE ASSESSED VALUE OF THE PROPERTY, THE ESTIMATED ALLOCATIONS OR THE TAX RATE WILL NOT BE CHANGED. PURCHASERS ARE ADVISED THAT THE NEW YORK CITY TAXING AUTHORITIES HAVE, IN PRIOR TAX YEARS, IMPLEMENTED SIGNIFICANT INCREASES IN THE TENTATIVE ASSESSED VALUATIONS FOR NEW CONSTRUCTION CONDOMINIUMS WHICH WERE NOT CONSISTENT WITH THEIR VALUATIONS IN PRIOR YEARS. SPONSOR MAKES NO REPRESENTATIONS REGARDING THE METHODOLOGY WHICH THE TAXING AUTHORITIES WILL USE IN FUTURE TAX YEARS".

28. In accordance with the terms of a "No-Action" dated May 15, 2012, Sponsor created a three unit condominium and will convey title to Commercial Units A and C to 11 East 68th REIT Holding LLC ("REIT Holding Co."). REIT Holding Co. is an affiliate of Vornado Realty Trust ("VNO"). VNO is a publicly held, fully integrated real estate investment trust, which owns, leases and develops retail, industrial, office and residential properties in the United States. As more particularly set forth in the Section of the Plan entitled "Identity of Parties", VNO, through certain funds sponsored and controlled by VNO, is an equity participant in and lender to the project. Neither REIT Holding Co., VNO or any of its affiliates are the "sponsor" of the offering of the Residential Units for sale and have no responsibility to the Residential Board or to Purchasers regarding the same, nor do they have any responsibility with respect to same. Subsequent to declaring the Plan effective, Sponsor will record a Restated and Amended Declaration of Condominium, substantially in the form set forth in Part II of the Plan as Exhibit 8.

29. Sponsor and any subsequent owner of the Commercial Units have the right to subdivide and combine portions of their respective Units, subject to the provisions of the Declaration and By-Laws. The Commercial Units may be used for any lawful purposes. The Residential Unit Owners will not have control over the uses of the Commercial Unit. The use of the Commercial Units may generate noise, vibrations, traffic, fumes or other disturbances over which the Residential Board and Residential Unit Owners will have no control. (See the Section entitled "Commercial Units," in Part I of the Plan for further details)

30. The Commercial Unit Owners will share the cost for certain expenses based upon allocable Common Interest percentage and may share other costs based upon submetering, contract allocations and usage (both projected and actual). Please refer to the "Introduction" Section of the Plan under the subsection entitled, "Features of Condominium Ownership" and Schedule B for further details regarding the allocation of Common Expenses.

31. The Condominium Board and the Residential Board at the request of Sponsor or a Commercial Unit Owner, will enter into a recognition agreement with any tenant with which Sponsor or a Commercial Unit Owner has entered into a lease for all or any portion of a Commercial Unit. Under the terms of the recognition agreement, the tenant will acknowledge that the lease is subject and subordinate to the Declaration and the Boards will agree that the rights of the tenants under the lease(s) will not be disturbed in the event of a default by the Commercial Unit Owner. In the event a recognition agreement contains materially additional or materially different terms, same shall be disclosed in an amendment to the Plan. (See the Section of the Plan entitled "Commercial Units" for further details)

32. Except as otherwise provided in this Plan and the Declaration and By-Laws, Residential Units shall be used for residential purposes. The Residential Board, may in its sole discretion, permit a Residential Unit to be used for other purposes provided such use is permitted by Law, does not violate the then existing certificate of occupancy and complies with all applicable governmental regulations. Sponsor may use the Residential Units for any purpose permitted by Law and may modify the certificate of occupancy to reflect a change in use. (See the Section of the Plan entitled "Rights and Obligations of Unit Owners and the Boards of Managers" under the Subsection entitled "Use of Units" and the Declaration and By-Laws in Part II of the Plan for further details)

33. No bond or other security has been posted by Sponsor to secure its obligation to pay Common Charges, Special Assessments and/or real estate taxes with respect to the Commercial Units and the Unsold Residential Units. Sponsor represents that it has the financial resources to meet such obligations with respect to the Commercial Units and Unsold Residential Units for so long as such Commercial Units and Unsold Residential Units are owned by Sponsor. (See the Section of the Plan entitled "Rights and Obligations of Sponsor" in Part I of the Plan for further details)

34. In accordance with the terms of this Plan, Sponsor has the right, following the expiration of the 90 day Exclusive Purchase Period, to sell occupied Residential Units to one or more non-occupant purchasers for investment or resale or may lease occupied units to others or to retain vacated Residential Units for future rental. Sponsor's right to rent, rather than sell Residential Units is unconditional and exercisable in Sponsor's sole discretion. Accordingly, it is possible that a significant portion of Residential Unit Owners will not be residents of the Building and that a significant portion of tenants in the Building may not be Residential Unit Owners. Because there is no commitment on the part of Sponsor to sell more than fifteen percent (15%) of all Residential Units in the Building offered for sale under this Plan to parties indicating that they intend to ultimately occupy the Residential Unit, as needed to declare the Plan effective, owner occupants may never gain effective control and management of the Condominium and may have difficulty in financing or reselling their Residential Units. There is no limit on the number of purchasers who may purchase for investment rather than personal occupancy. The Condominium By-Laws do not require that after the Sponsor Control Period, a majority of the members of the Residential Board be owner-occupants of a Residential Unit who are unrelated to the Sponsor and its principals. (See the Sections of the Plan entitled "Control by Sponsor" and "Boards of Managers" in Part I of the Plan)

35. Purchasers are advised that the Commercial Unit B Owner and the Commercial Unit C Owner and their Permitted Users shall have, and the Residential Section shall be subject to, an easement for access to Commercial Unit B and Commercial Unit C through the Residential Lobby, the passenger elevators and the hallway on the Second Floor.

36. Any sales of Residential Units occupied by Non-Purchasing Tenants, are subject to the rights, if any, of such Non-Purchasing Tenants, to continued occupancy under applicable Rent Laws and to purchase their Residential Units during a subsequent Exclusive Purchase Period which occurs prior to the effective date. Sponsor has further reserved the right to rent or lease any Residential Unit prior to closing the sale thereof to the Purchaser thereof or any other party and to cease marketing Residential Units for sale at any time. Accordingly residents of the

Condominium may be comprised of both Unit Owners, Non-Purchasing Tenants and tenants leasing from Sponsor or other Unit Owners after the Property is submitted to a condominium regime. Owner occupants and nonresident owners (including the Sponsor) may have inherent conflicts on how the condominium should be managed because of their different reasons for purchasing, such as purchase of a home as opposed to purchase for investment.

37. Individuals leasing Residential Units from Sponsor will not, except as expressly provided in their respective leases, have any special rights to purchase such Residential Units. In addition, Purchasers will be acquiring a Residential Unit that has been previously occupied, but such Residential Unit will be delivered at closing free and clear of all leases and tenancies except as may otherwise be agreed to in writing by the parties. Any lease or other occupancy agreement for a Residential Unit entered into with a Purchaser, other than a Tenant Purchaser, will provide, however, among other things, that an uncured default by the Purchaser under the Agreement with respect to the Residential Unit which is the subject of the lease will constitute a default under the lease entitling Sponsor, at its sole option, to terminate such lease in accordance with applicable Law. In addition, each Agreement may provide that an uncured default by the Purchaser under any lease with respect to the Residential Unit which is the subject of the Agreement will constitute a default under the Agreement entitling Sponsor, at its sole option, to terminate such Agreement and to exercise any remedies therein provided. Individuals who rent vacant Unsold Residential Units from Sponsor are not Tenant Purchasers under this Plan and shall have no rights to purchase thereunder. Purchasers or any other persons entering into a lease or use and occupancy agreement for a Residential Unit shall be required to pay the legal fees of Sponsor's counsel in connection therewith upon execution of the lease or use and occupancy agreement. Such legal fees are estimated to be approximately $2,000 assuming that the Purchaser's counsel does not negotiate the terms of the lease. All other charges or other fees due under a lease or use and occupancy agreement shall be adjusted as of the Closing to the Residential Unit. Notwithstanding any of the foregoing, Sponsor shall be under no obligation to enter into any lease or use and occupancy agreement. (See the Section entitled "Rights and Obligations of Sponsor" in Part I of the Plan)

38. In order to meet the possible varying demand for number and type of Residential Units, or to meet particular requirements of prospective purchasers, or for any other reason, Sponsor 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 giving prior notice and without the consent of any Board, Unit Owner or mortgagee, to (a) change the layout of, or number of rooms in, any Unsold Residential Unit, (b) change the size and/or number of Unsold Residential Units by dividing one or more such Unsold Residential Units into two or more separate Unsold Residential Units, combining separate Unsold Residential Units (including those resulting from such subdivision or otherwise) into one or more Unsold Residential Units, altering any boundary walls between one or more Unsold Residential Units, or otherwise, including incorporating Common Elements (such as a portion of a hallway) which exclusively benefit an Unsold Residential Unit into such Unsold Residential Unit, (c) designate a Residential Unit or Commercial Unit or General Common Element or Limited Common Element as part of a newly created or expanded Residential Unit or Commercial Unit or General Common Element or Limited Common Element and (d) if appropriate, reapportion among the Unsold Units affected by any such change, their aggregate Common Interests. In the event of any change pursuant to either (b), (c) or (d) above, a change shall be disclosed in a duly filed amendment to the Plan

prior to any sale of any affected Unit. No such change, including any change in the Common Interest or in the amount or quality of Common Elements directly affecting or servicing a Residential Unit, will be made with respect to any Residential Unit for which an Agreement is then in effect and the Purchaser thereunder is not in default unless (i) the Purchaser consents to such change or (ii) such change is not a material change in the size, Common Interest, dimension, floor space or layout of such Residential Unit. The Common Interest of a Unit may change if there is a change in the floor space or 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. No material change will be made in the size or number of Units and/or their respective Common Interest and/or in the size or quality of the Common Elements except by amendment to the Plan and, when applicable, by amendment to the Declaration. Unless an affected Purchaser consents, no material change will be made in Unit size, layout, or percentage of Common Interest if an Agreement has been executed and delivered to Sponsor for that Unit.

39. Each Purchaser will be obligated to enter into a Power of Attorney at the closing of title to the Residential Unit. The form of Power of Attorney, set forth in Part II of the Plan, grants broad powers to the Condominium Board to enter into agreements affecting the General Common Elements and the Residential Board to enter into agreements affecting the Residential Section, as the case may be. The Power of Attorney also grants to Sponsor the right to amend the Condominium Declaration with respect to Unsold Units and to effectuate such other rights granted to Sponsor under the Declaration and By-Laws and irrevocably nominates, constitutes and appoints the Commercial Unit A Owner as the party entitled to make all determinations regarding whether to restore the Building pursuant to Section 339-cc of the Condominium Act, in the event more than 75% of the Building is destroyed or substantially damaged. (See the form of Power of Attorney set forth in its entirety in Part II of the Plan)

40. Except as otherwise expressly provided under the Plan with respect to the Vacant Unit Renovations, the Residential Units are being sold "as is" in the condition in which they exist at the time a Purchaser signs an Agreement, subject to ordinary wear and tear. Sponsor reserves the right, but shall not be obligated, to perform future improvements to the Building, including without limitation: renovations to the residential lobby, base building systems and Exterior Façade (including cleaning and pointing), construction of a new entranceway and courtyard, replacement of windows, skylights, installation of a new roof and elevator modernization (collectively, the "Building Renovations"). Purchasers are cautioned that no determination has been made at this time as to the exact scope and nature of the Building Renovations. Sponsor is currently before the Landmarks Preservation Commission ("LPC") seeking final approval of the Building Renovations which includes work to the Penthouse levels of the Building. The work is subject to the issuance of a certificate of appropriateness to be issued by LPC. Sponsor anticipates that said certificate will be issued during April 2013. Until such time as the LPC issues a certificate, Sponsor will not offer the two (2) Penthouse Units for sale. At such time as the LPC issues the certificate, Sponsor will amend the Plan to disclose same and offer the Penthouse Units for sale. Sponsor makes no representations or guaranties regarding the condition of the Property and has no specific knowledge about problems with or needed repairs to the Building, except as recommended in the "Description of Property" set forth as Exhibit 4 in Part II of the Plan. Purchasers are advised that former or current occupants of the Residential Units may have made alterations to certain Units, including without limitation,

installation and/or relocation of interior walls. 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 of any Unit or Common Element. Unless caused by a violation of the Sound Transmission Code or other applicable code, 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 renovate (to the extent Sponsor undertakes same) the premises in accordance with all applicable codes and filed plans and specifications, and any conflict between the disclaimers and the Sponsor's obligation to renovate the premises in accordance with all applicable codes and filed plans and specifications shall be resolved in favor of the latter. In no event will Sponsor be liable for incidental or consequential damages (whether based on negligence, breach of contract, warranty, or otherwise). (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)

41. There is one common laundry room located in the Cellar for the use of the Residential Unit Owners. The Sponsor plans to reconfigure and renovate the laundry room. The common laundry room will house four stacking smart-card operated washers/dryers, and one smart-card operated large load washer and one smart-card operated large load dryer. All washers and dryers will be commercial units operated by an outside vender, which will lease same to the Condominium. The laundry room will be mechanically ventilated. The dryers, which are gas operated, will be vented to the exterior. Please refer to the "Description of Property" set forth as Exhibit 4 in Part II of the Plan for further details.

42. If at the time a Residential Unit Owner seeks to perform any Alterations, and a Permanent Certificate of Occupancy is not in issued for the Building, the Condominium Board and/or Residential Board may refuse to permit a Residential Unit Owner to perform Alterations in a Residential Unit until such time as the Building has been completed and a Permanent Certificate of Occupancy has been obtained therefor. Any Alterations performed by a Residential Unit Owner must be performed in accordance with the provisions of the By-Laws and each Residential Unit Owner shall be required to enter into an alteration agreement with the Residential Board substantially in such form of alteration agreement as may be adopted by the Residential Board.

43. Certain services, such as telecommunications, and other similar services may be provided by outside suppliers and delays in providing these services will not be the responsibility of Sponsor. Such suppliers may not provide these services until occupancy in the Building has reached certain levels.

44. The Building was completed in 1913 and, as all prudent property owners are aware, a program of ongoing maintenance is typically required to insure the integrity of a building. Under the terms of Local Law 11 of 1998, property owners are obligated to have the facades of their buildings periodically inspected and perform remedial work as determined by the licensed engineer performing the required inspections. Sponsor makes no representations

regarding future expenditures which may be required to comply with Local Law 11 or the costs of the inspections therefor which will be the responsibility of the Condominium Board. Sponsor makes no representations or warranties regarding the facade of the Building except as otherwise set forth in the Plan. (See the Section entitled "Sponsor's Statement of Building Condition" in Part I of the Plan and the Description of Property and Local Law 11 Report set forth in Part II of the Plan)

45. Certain of the Residential Units contain wood burning fireplaces. Sponsor makes no representations that the fireplace in any particular Residential Unit is functional and advises prospective Purchasers that no fireplace should be used until such fireplace is tested and determined to be operational in accordance with the requirements of applicable Law. Sponsor makes no representation whether currently or in the future wood burning fireplaces will be permitted in the City of New York as a matter of Law. Sponsor may, in its sole discretion, engage duly licensed professionals to test the fireplaces, to determine whether such fireplaces are currently operational in accordance with applicable Law, and if not, whether such fireplaces can be reasonably restored or repaired. All fireplaces will comply with the NYC DOB requirements. The fireplaces will be part of each Residential Unit. The shafts, flues and chimneys will be Limited Common Elements appurtenant to each Residential Unit. Residential Unit Owners will be responsible for routine Maintenance of their respective fireplaces, shafts, flues and chimneys and compliance with all Laws applicable thereto, including inspections, and maintaining proper insurance. In accordance with applicable Law, the fireplace flues must be cleaned at least once annually. In accordance with the By-Laws, the fireplace flues must be cleaned at the Residential Unit Owner's cost and expense using contractors approved by the Residential Board unless otherwise determined by the Residential Board. (See the Section of the Plan entitled "Rights and Obligations of Unit Owners")

46. Terraces appurtenant to certain Residential Units, as described in Schedule A and the Floor Plans set forth in Part II of the Plan, will be Residential Limited Common Elements available for the exclusive use of the Residential Unit Owners of such Residential Units. The Sponsor is not responsible for, nor can it make any guarantees regarding the privacy which will be afforded to Residential Unit Owners on their Terrace. A Residential Unit Owner who has a Terrace appurtenant to his Residential Unit shall have the exclusive use of same, subject to the right of the Boards to regulate its use and subject to all applicable law. All Maintenance of any Terrace which does not involve Structural Alterations shall be made by the Residential Unit Owner having access to such at such Residential Unit Owner's own cost and expense, but any Structural Alterations to such Terrace (including any leaks which are not caused by the negligence of the Residential Unit Owner having access to the same) shall be made by the Residential Board and the cost and expense thereof shall be charged to all Residential Unit Owners as a Residential Common Expense. The Condominium Board and the Residential Board will have the right to require a Residential Unit Owner to obtain the consent of the Condominium Board and/or the Residential Board prior to installing Terrace Installations on the Terraces and may require a Residential Unit Owner to remove same, at such Residential Unit Owner's sole cost and expense, if the Condominium Board or the Residential Board determines, in their respective discretion, that such Terrace Installations adversely affect the integrity of the Roofs or adversely affect the appearance of the Building. A Residential Unit Owner will be obligated, at such Residential Unit Owner's sole cost and expense, to remove Terrace Installations from the Terrace, if requested by a Board, to facilitate access to the roofing system, walls, Exterior Facade

or other Common Elements pursuant to the Declaration or the By-Laws. No Terrace may be enclosed without the express written consent of the Condominium Board. Prior to installing Terrace Installations, either or both Boards may require, in their sole discretion, that the Residential Unit Owner enter into an alteration agreement with the Board(s).

47. Cooling towers, Satellite Equipment and other mechanical equipment, if any, necessary for the Maintenance and operation of the Building and the Units will be located on the Bulkhead Roof and in the Northern Courtyard.

48. The Condominium Board with respect to the General Common Elements, the Residential Board with respect to the Residential Common Elements and Residential Limited Common Elements and the Commercial Unit Owners with respect to the Commercial Common Elements and Commercial Limited Common Elements, 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 or noise or odors resulting from the operation of the Building or the Units. In addition, Sponsor shall have, and the Units and Common Elements shall be subject to, an easement to use the Common Elements of the Building other than those portions which comprise Residential Limited Common Elements for any lawful purposes including, but not limited to, the purposes of (a) installing, utilizing, operating, Maintaining, altering, rebuilding, restoring and replacing Satellite Equipment (to be located generally on Bulkhead Roof, Exterior Facade and other Residential Common Elements including stairs and elevator bulkhead) and other communication equipment on the Bulkhead Roof and Exterior Facade of the Building and elsewhere on the Common Elements and the conduit and other Facilities relating thereto and (b) maintaining any encroachment on any Unsold Unit or Common Elements or elsewhere on the Property resulting from the installation, operation and Maintenance thereof; and (c) for the purpose of performing Alterations, including the right to install columns and other supports in furtherance thereof as such term is hereinafter defined. The aforementioned easements may be used by Sponsor for its own account or the account of any designee, assignee, tenant, licensee or other transferee of Sponsor or any purpose permitted by Law. The Condominium shall not be entitled to any portion of fees, compensation or other profits received by Sponsor for the use of the aforesaid easements or equipment. Any Satellite Equipment placed upon the Bulkhead Roof or Exterior Facade of the Building or elsewhere on the Common Elements by Sponsor or its designee, assignee, tenant, licensee or other transferee shall be the exclusive property of Sponsor, its designee, assignee, tenant, licensee or other transferee and neither the Condominium nor any other Unit Owners shall have any rights with respect thereto.

49. Each Residential Unit Owner is obligated to notify the Managing Agent in writing when a child or children under the age of eleven (11) years lives or resides (even temporarily) in the Residential Unit. Each Residential Unit Owner shall be obligated to install, at such Residential Unit Owner's expense, the required window guards in all windows of the Residential Unit. The Residential Unit Owner shall be obligated to Maintain all window guards installed in the Residential Unit and not to remove same until permitted by applicable Law and in any event, without full knowledge of the Managing Agent.

50. While Units are being offered for sale or lease by Sponsor, there will be a greater number of visitors to the Building than would otherwise be the case. No representation or

warranty is made and no assurance is given as to when such construction, selling or leasing activity will terminate. Sponsor, the Condominium Board, the Residential Board and/or the Managing Agent shall not be liable or responsible for any personal injury or for any loss or damage to personal property which may result from the failure of the Residential Section's or the Condominium's security systems and procedures, including, without limitation, those procedures with regard to any delivery of packages, provided that any such failure is not caused by the gross negligence of Sponsor, the Condominium Board, the Residential Board and/or the Managing Agent or their respective agents. No representation or warranty is made and no assurance is given that the security systems and procedures of the Residential Section and of the Condominium will prevent personal injury or damage to or loss of personal property. (See the subsection entitled "General," under the Section entitled "Description of Property and Improvements," in Part I of the Plan for further details)

51. Except as otherwise provided in the Plan, and except as otherwise required under the Rent Laws, all determinations with respect to the continuance of services and facilities for the Residential Section will be made by the Residential Board, which, until the expiration of the Sponsor Control Period, will be controlled by Sponsor. (See the Sections of this Plan entitled, "Control by Sponsor" and "Description of Property" under the subsection entitled "Services and Facilities" for further details regarding services and facilities at the Property).

52. The Building will have one common playroom and one common exercise room located in the Cellar. As part of the Building Renovations there will be a storage room created in the Cellar consisting of approximately 465 square feet which will constitute Common Elements. The area will have twenty individual wire mesh storage bins which Sponsor may license to a Purchaser. A copy of the form Storage Bin License is included in Part II of the Plan as Exhibit 27. See "Description of Property" in Part II of the Plan.

53. The proposed insurance coverage for the First Year of Condominium Operation does not include terrorism insurance. It can be reasonably anticipated that without terrorism insurance, in the event of a terrorist attack, the Property would not be insured or would have insufficient insurance to rebuild or repair any damage and Unit Owners could be assessed to cover the costs of restoration and failure to pay such assessment could lead to a foreclosure of the Unit. Purchasers should further note that the insurance coverage maintained on behalf of the Condominium does not cover the individual Units or any property contained in a Unit (including without limits, windows facing into each Unit which comprise part of the Unit). Purchasers should refer to the Declaration in Part II of the Plan for a description of the Units. Pursuant to the By-Laws, each Residential Unit Owner will, at the Residential Unit Owner's own cost and expense, obtain and keep in full force and effect (a) 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 the Unit or any part thereof and any Limited Common Elements appurtenant to the Unit, in such limits as reasonably determined by the Condominium Board from time to time, based upon commercially reasonable standards, but initially, as a minimum, limits of liability of $2,000,000 for bodily injury or death and property damage arising out of any one occurrence and (b) tenant's property insurance covering the perils insured under the Insurance Service Office (ISO) "special causes of loss form" (formerly known as "all risk" coverage in respect of property damage occurring in, upon, or from the Unit or any part thereof and any Limited Common Elements appurtenant to the Unit (including, but not limited to

appropriate coverage for additions, alterations improvements and betterments and loss due to water damage) and any personal property contained therein. The limits of liability set forth above may be reasonably increased or otherwise modified by the Condominium Board from time to time. The insurance required above will be written in form reasonably satisfactory to the Condominium Board by good and solvent insurance companies having an AM Best's Rating of "A –" "VII", and authorized to do business in the State of New York. Upon ten (10) calendar days' written notice from the Condominium Board or its managing agent, the Unit Owner will deliver to the Condominium Board certificates of insurance evidencing such insurance or such other confirmation satisfactory to the Condominium Board. It is anticipated that the policies will provide that they cannot be canceled without at least thirty (30) days prior notice to the Condominium Board. Without limiting the remedies of the Condominium Board for a Residential Unit Owner's default, in the event that a Residential Unit Owner (or any tenant or occupant of all or any portion such Residential Unit Owner's Residential Unit) fails to provide a certificate or other evidence of insurance required to be provided by each Residential Unit Owner (or such tenant or occupant) hereunder and does not cure such default within ten (10) business days after notice from the Condominium Board or a Recognized Mortgagee (as the case may be), the Condominium Board or such Recognized Mortgagee shall be authorized (but not required), if the same remains uncured, to procure such coverage on behalf of such Residential Unit Owner and the cost thereof (if made by the Condominium Board) shall be charged back to such Residential Unit Owner as a Unit Owner Expense. In addition, the Condominium Board may, in its sole and absolute discretion, impose such fines and penalties as the Condominium Board may determine in its sole discretion, including, without limitation, a per diem penalty for each day that the Unit Owner does not provide evidence of coverage and in either event such sums shall, for all purposes, constitute Common Charges payable by such Unit Owner.

54. Sponsor makes no representations or warranties regarding building construction in the area of the Condominium or whether the existing structures in the area will remain. Purchasers are advised that adjacent parcels or buildings may be further developed and such development could adversely impact upon the views from a Residential Unit.

55. The Building is located in the Upper East Side Historic District and is subject to the restricted use as provided in the New York City Charter (Charter Chapter 74 Sections 3020 and 3021) and the Administrative Code of the City of New York entitled "Landmarks Preservation and Historic Districts" pursuant to Notice of Designation recorded July 2, 1982 in Reel 629 page 739. This designation imposes special restrictions upon the construction, alteration, demolition and reconstruction of the Building. In the event any such construction, alteration, demolition or reconstruction of the Building would affect the exterior of the Building, the Condominium will have to apply to the Landmarks Preservation Commission ("LPC") for permission to perform such work. LPC, before approving the work could impose additional requirements or conditions which could increase the cost and time required to complete the work. In addition, where proposed work in the Building requires a building permit, notwithstanding the fact that such work does not affect the protected exterior of the Building, the LPC requires that a "certificate of no effect on protected architectural features" be issued.

56. As set forth in the Description of the Property in Part II of the Plan, there are lot line windows on the west elevation of the Building. Purchasers should note that if a Building is constructed on a neighboring parcel, or if an addition is constructed on an existing neighboring

building, the lot line windows (which are located in each of the Residential Units as noted on the Floor Plans set forth in Part II of the Plan for each of the Residential Units), which are within 30 feet in a direct line (whether horizontally, vertically or diagonally) of such neighboring building, will have to be permanently closed and covered from the interior side with sheetrock. The obligation to permanently close the windows and the cost therefore, will be borne by each Unit Owner. Sponsor estimates the cost therefore to be approximately $2,000 per window. In the event that any windows must be covered as aforesaid, space within a Residential Unit, which had previously been constructed as a separate bedroom, may no longer be legally utilized as such. Sponsor has no actual knowledge of any plans by owners of neighboring buildings to either construct a new building or to increase the height of any existing building and such construction would be subject to Landmarks Preservation Commission approval although Sponsor makes no representations or guarantees with respect thereto. (See the "Description of Property" in Part II of the Plan for further details regarding the windows)

57. The By-Laws provide that each Unit and all portions of the Common Elements will be kept in first-class condition (and with respect to the Roofs, Terraces or other part of the Property exposed to the elements, free of snow, ice and accumulation of water to the extent same will cause damage to the Building) by the Unit Owner or the Condominium Board or Residential Board, whichever is responsible for the Maintenance thereof. In the event a Unit Owner fails to keep such Unit Owner's Unit in such condition, the Condominium Board or Residential Board may, at the expense of such Unit Owner, enter such Unit and perform such acts as are necessary to cure such default. (See the subsection entitled "Rights of Access" set forth in Part I of the Plan)

58. The exterior surface of all windows in the Residential Section, if so determined by the Residential Board shall be washed and cleaned by such Residential Board at least once annually and the cost and expense thereof shall be a Residential Common Expense which may be charged to Residential Unit Owners to the extent that same is not provided for in the annual budget. The interior glass surfaces of all windows located in any Unit and the exterior glass surfaces of all windows located in the Commercial Units shall be washed and cleaned by the Unit Owner or occupant thereof at such Unit Owner's sole cost and expense. Please refer to the Section of the Plan entitled "Rights and Obligations of Unit Owners and the Boards of Mangers" under the subsection entitled "Repairs to and Maintenance of Units and Common Elements" in Part I of the Plan for further details. The Budget for First Year of Condominium Operation includes an expenditure for window washing. Please refer to the Section of the Plan entitled "Rights and Obligations of Unit Owners and the Board of Managers" under the subsection entitled "Repairs to and Maintenance of Units and Common Elements" in Part I of the Plan for further details. No Unit Owner or occupant shall clean or permit to be cleaned any window or require, permit or allow it to be cleaned, from the outside, in violation of Section 202 of the Labor Law of the State of New York, or any future Law of like import, or (if applicable) in violation of the rules of the Board of Standards and Appeals of the City of New York or any other governmental authority having jurisdiction over the Land or the Building. Each Unit Owner shall indemnify the Boards and the other Unit Owners, and their respect agents and employees, for all losses, damages, or fines suffered by any of them as a result of a violation of Law.

59. Purchasers should note that, natural materials used as finishes have certain inherent risks associated with such use. All references in the Plan to wood products shall be deemed references to engineered wood products unless otherwise specified. Risks associated with all such wood products (including, without limitation, wood flooring, furniture, cabinetry (interior of cabinetry may or may not be the same material and/or color as the exterior) and molding) include but are not limited to the following: appearance of cracks between the floor boards, squeaks, variation in color, variation in wood grain, texture, occurrence of knots and cupping. Purchasers should note that since wood is a product of nature it can have a great deal of variability in color, grain, texture and appearance. It is the Unit Owner's responsibility to maintain the appropriate temperature and humidity level in its Unit in order to avoid causing damage to the Common Elements or the Units, including without limitation, freezing pipes and damage to wood floors and molding. Lack of or excessive humidity can cause wood floors to crack, squeak, expand or shrink causing gaps, as well as cupping, which in turn may cause damage to any such wood product. Such expansion, contraction and cupping are more noticeable in dry seasons or periods, prolonged periods of high heat and/or humidity or extended periods of heat use. Cracks, occurrence of knots and grain variation are more noticeable in light colored wood flooring. Furthermore, wood flooring is affected by sunlight and often fades and changes with use and age. Some woods darken and some lighten when exposed to light. Wood flooring can also dent. Protective felt pads and protective sheeting such as plywood or masonite should always be used for furniture or appliances. A wet mop should not be used on the wood flooring because it can cause warping and cracking. (See the Section entitled "Rights and Obligations of Unit Owners and the Condominium Board of Managers" under subsection entitled "Rights of Access" set forth in Part I of the Plan)

60. Special care will be necessary in the maintenance and cleaning of materials in the Residential Units. Natural stones such as marble or limestone have natural variations in colors and markings which require cleaning with neutral cleaners that are free of acidic or alkaline solutions, bleach, ammonia or abrasives that can break down sealers and damage the stone surface. The natural stone surfaces have been sealed so as to prevent absorption and staining. Such stone surfaces will require sealing and resealing at some point in the future. Such sealant will help with water absorption and staining which may alter coloration. Purchasers are advised that impregnating sealants, and daily stone cleaners, which have been especially developed, are recommended for proper maintenance.

61. In accordance with the provisions of 13 NYCRR 23.7(cc), Sponsor has engaged a qualified firm to perform such tests as are necessary to determine whether ACM is present in insulating or fireproofing material anywhere in the Building. Said firm has prepared a report an Asbestos Report for the Building which indicates the presence of ACM in Common Elements in the form of pipe insulation, floor tiles and roofing materials. Unit materials such as ceilings and walls and Common Elements such as hallway floor tiles tested negative for ACM. Sponsor's obligations under this Plan do not include an obligation to remove any asbestos identified in the Asbestos Report and Sponsor does not currently intend to perform any such remedial work.

62. Local Law 1 of 1982, requires the elimination of all lead paint, both peeling and intact, in a building constructed prior to 1960. Sponsor makes no representation regarding the scope or nature of any future enactments regarding lead-based paint or whether Local Law 1 will be modified or whether the City or State of New York will adopt other laws dealing with lead

based paint or what the provisions of such law may be. Prospective purchasers are urged to review Local Law 1 or any successor statute thereto and any regulations or requirements promulgated with respect thereto for a full description of the obligations of a Unit Owner thereunder. Unit Owners shall be deemed "owners" of their respective Units with the obligation to comply with the requirements of the Unit for purposes of compliance with all environmental laws, including, without limitation, requiring the removal or abatement of asbestos containing material or lead-based paint. Based upon the age of the building, it is probable that there is lead-based paint or lead-based paint hazards in the Building, however, Sponsor is not aware of any lead-based paint or lead-based paint hazards in the Building that need to be remedied, and has no records or materials pertaining to same. Sponsor will comply with applicable Law concerning the use of lead-based paint. Set forth as an Exhibit in Part II of this Plan is a copy of the booklet issued by the United States Environmental Protection Agency, EPA 747-K-95-001, which details certain information regarding lead based paint. In accordance with the terms of the rider annexed to the Agreement, Purchasers have the right to inspect their Units for the presence of lead-based paint. Please refer to the Agreement set forth in Part II of the Plan for further details. While Sponsor has, to the best of its knowledge, received no specific reports regarding the presence of lead based paint in the Property, given the age of the Building and the wide spread routine use of lead based paint in preceding decades, it can be assumed that there is some lead based paint present in the Building.

63. The Property is currently encumbered by a mortgage (the "Fee Mortgage") held by Deutsche Bank Trust Company, as agent for various lenders, Deutsche Bank Securities Inc., and Deutsche Bank AG, New York Branch (collectively, the "Fee Mortgagee") in the original principal amount of $125,000,000 (the "Mortgage Amount") having a maturity date of December 31, 2013, as same may be extended or accelerated in accordance with the terms of the Fee Mortgage. The Fee Mortgage provides for minimum "release" prices as a condition, among others, to the Fee Mortgagee releasing or partially assigning the lien of the Fee Mortgage with respect to each Unit as same is conveyed to Purchasers under the Plan. The Fee Mortgage (other than as required by applicable Law) does not establish any limitations on the Sponsor's right to rent the Units after the creation of the Condominium nor does it require Sponsor to enter into Agreements for more than fifteen percent (15%) of the Units (other than as required by applicable Law) in order to declare the Plan effective. (See the Sections of the Plan entitled "Introduction" and "Rights and Obligations of Sponsor" for further detail)

64. Sponsor has and shall retain the ongoing right to use the Common Elements pursuant to license agreements with the Boards, at no cost to Sponsor, and the Boards shall be obligated to enter into such license agreements with Sponsor at Sponsor's request. Sponsor shall have the right to use and/or sublicense any such space so licensed, for storage or otherwise, even when Sponsor no longer owns any Units in the Condominium. Additionally, Sponsor has and shall retain the right to collect a fee for any such sublicenses or other use fees it collects in connection with the use of such space. Sponsor shall indemnify the Boards from any loss or liability resulting from the use of the space by Sponsor or its licensees, absent negligence on the part of the Board. Use of the Common Elements by Sponsor shall be for any purpose permitted by law including storage, signage, advertising, elevator advertising, Satellite Equipment and such other uses as may be customary at the time in question, provided that such use does not interfere with the use of the Common Elements for their intended purposes as set forth herein. (See the Section of the Plan entitled "Introduction")

65. Purchasers are advised that Agreements are non-assignable. Any purported assignment by Purchaser in violation of the Agreement will constitute a default thereunder and will be voidable by Sponsor. Sponsor's refusal to consent to an assignment will not entitle Purchaser to cancel the Agreement or give rise to any claim for damages against Sponsor. (See the Section of the Plan entitled "Assignment of Agreements" in Part I of the Plan for further detail)

66. The Building is located in the Madison Avenue business improvement district (the "BID"). The BID delivers supplemental services to the neighborhood, including without limitation, sanitation and maintenance, public safety and visitor services, capital improvements and beautification for the area (the "BID Services"). The Condominium is responsible for paying charges to the BID for BID Services which charges shall be General Common Expenses. Each Unit Owner is responsible for paying its allocable share of the costs for the BID Services to the Condominium as more particularly set forth in Schedule B.

67. Sponsor, at its sole cost and expense, and in its sole discretion, shall have the right, but shall not be obligated to file applications with Fannie Mae and FHA in order to have the Condominium added to a list of "approved" condominiums. There is no guaranty or assurance that Sponsor will complete and file said applications or satisfy the criteria for approvals, or in the event that either or both of the Fannie Mae and FHA requirements are satisfied, whether the Condominium will continue to satisfy such criteria. Purchasers should further be advised that if FHA approval is granted to the Condominium no more than thirty (30%) percent of the total Units may be encumbered by FHA securitized, guaranteed or insured loans. It shall not be a basis for a Purchaser to rescind an Agreement if, for any reason, Sponsor does not apply to Fannie Mae and FHA or if Sponsor's application to either or both of Fannie Mae and FHA, is not approved. In addition, Fannie Mae and FHA, may require that at least ten (10%) percent of the total operating budget for the First Year of Condominium Operation be placed in a contingency in order to fund the replacement reserves for capital expenditures and deferred maintenance. The budget for the First Year of Condominium Operation does not include a ten (10%) percent contingency reserve.

68. Certain portions of the plumbing and heating system date from the initial construction of the Building. While some repair and replacement of the plumbing lines and fixtures have been performed by Sponsor and others, there is no guarantee that the plumbing does not leak. Purchasers should be aware that replacement of certain of the old pipes in the Building could cause pipes and fixtures that have not been repaired or replaced to burst.

69. Purchasers are advised that utility costs may increase dramatically during certain periods, and there is no guaranty that the utility costs will be as estimated in the Plan given the current energy situation. (See Schedule B in Part I of the Plan, and the "Description of Property" in Part II of the Plan for further details)

70. Purchasers are advised that the risk of loss to any Unit by fire or other casualty until the Closing for such Unit is assumed by Sponsor (unless and until a Purchaser takes possession of such Unit pursuant to an Interim Lease or written agreement with Sponsor, at which time such risk to the Unit (but not to any portion of the Common Elements) shall be assumed by Purchaser), but without any obligation or liability by Sponsor to repair or restore any

Unit. In the event of damage or destruction of a Unit due to fire or other casualty prior to the Closing, but subsequent to the signing of an Agreement, provided Sponsor elects (which election shall be in its sole discretion) to repair or restore the Unit, the Agreement shall continue in full force and effect, and, thereafter, Purchaser shall not have the right to reject title or receive a credit against, or abatement in, the purchase price for the subject Unit. 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 respective Boards and other Unit Owners, belong entirely to Sponsor. In the event of damage or destruction to any Unit by fire or other casualty prior to the Closing, but subsequent to the signing of an Agreement, if Sponsor notifies Purchaser that it does not elect (which election shall be in its sole discretion) to repair or restore the Unit or if the Unit Owners do not resolve to make such repair or restoration pursuant to the By-Laws (see the Section entitled "Rights and Obligations of Unit Owners and Boards of Managers"), the Agreement shall be deemed canceled and of no further force or effect and Escrow Agent shall return to Purchaser the Down Payment, together with interest earned thereon, if any, whereupon the parties to the Agreement shall be released and discharged from all obligations and liability thereunder and under this Plan; provided, however, notwithstanding anything to the contrary herein, if there is an Event of Default or Purchaser is then in default under the Agreement (beyond any applicable grace period), Sponsor shall retain the Down Payment and any Custom Work Deposit together with interest earned thereon, as and for liquidated damages. (See the Section entitled "Procedure to Purchase," "Rights and Obligations of Sponsor," and "Repair or Reconstruction After Fire or Other Casualty," in Part I of the Plan for further details)

71. New York City Local Law 7 of 2004 requires the installation of carbon monoxide detectors by owners of multiple dwellings, including owners of units in residential condominiums. Tenant Purchasers are responsible, at their sole cost and expense, for installing carbon monoxide detectors in compliance New York City Local Law 7 of 2004 if their Residential Unit does not contain one. Each Residential Unit Owner will be responsible to keep and maintain the carbon monoxide detectors in good repair and to replace any carbon monoxide detectors which has been stolen, removed, found missing or rendered inoperable. Sponsor makes no representations whether Residential Unit Owners will comply with the foregoing obligations. (See the subsection entitled "Sponsor's Obligations with Respect to the Building" under the Section entitled "Rights and Obligations of Sponsor," and the Section entitled "Sponsor's Statement of Building Condition," in Part I of the Plan for further details)

72. Subject to certain exceptions set forth in Article 8 of the By-Laws, any sale or lease of a Residential Unit together with its Common Interest by a Residential Unit Owner, will be subject to a right of first refusal by (x) Sponsor (or its designee (corporate or otherwise)) until the later of (a) the date on which Sponsor has sold all Unsold Units; or (b) the date which is ten years from the date of the First Closing; and (y) the Residential Board, either by its designee (corporate or otherwise) or on behalf of the Residential Unit Owners on the same terms and conditions as agreed to by the owner of such Residential Unit and the proposed transferee. The parties respective right of first refusal shall be exercised as more particularly set forth in Article 8 of the By-Laws, which is set forth as an Exhibit in Part II of the Plan. The Residential Board shall not exercise its right of first refusal to purchase or lease any Residential Unit without the prior approval of a Majority of all Residential Unit Owners. However, no such consent shall be

required in the event a designee of the Residential Board purchases or leases a Residential Unit. The rights of Sponsor shall have priority to the extent both Sponsor (or its designee), and the Residential Board, either by designee or on behalf of all Residential Unit Owners, seek to purchase or lease such Residential Unit except as set forth below. Because Sponsor has reserved the right to rent, rather than sell Residential Units, its may be able to exercise its right of first refusal indefinitely. If either the Residential Board, on behalf of Residential Unit Owners, or the Sponsor (or Sponsor's designee) elect to exercise their respective right of first refusal to purchase a Residential Unit certain taxes and other monies, which may be the responsibility of the buyer, will be the responsibility of the seller. In any Closing to the Residential Board (but not its designee) or the Declarant (or its designee), all tax and/or documentary stamps shall be affixed and paid at the expense of the seller, who shall also pay all other transfer taxes arising out of such sale (including, if applicable, the New York State Real Property Transfer Gains Tax, the New York State Documentary Stamp Tax, New York State Additional Tax and the New York City Real Property Transfer Tax) notwithstanding any terms of the Sale Agreement to the contrary. Notwithstanding anything to the contrary contained hereinabove, until the later of: (a) the date on which Sponsor has sold all Unsold Units; or (b) the date which is ten years from the date of the First Closing (the "Sponsor ROFR Period"), the Residential Board shall not have the right to appoint a designee to purchase or lease a Residential Unit without first obtaining the written approval of the Sponsor. Other than exercising their respective right of first refusal, neither Sponsor nor the Residential Board have a right to approve or disapprove prospective purchasers and the By-Laws contain no requirement that such Purchasers be owner-occupants of the Condominium. The Commercial Unit Owners may sell or lease all or any portion of the Commercial Units, without any restriction or limitation imposed pursuant to the Declaration or the By-Laws. Purchasers are further advised that REIT Holding Co. shall have a thirty (30) day right of first refusal with respect to the sale of (i) Commercial Unit B (if and to the extent that the same is offered for sale) and (ii) Residential Units 2A East and 2C East and 2 West. (See the subsection entitled "Features of Condominium Ownership" under the Section entitled "Introduction," in Part I of the Plan for further details.

73. As more particularly described in the By-Laws contained in Part II of the Plan, in the event that it is necessary for the Sponsor, either Board or a Commercial Unit Owner to install a sidewalk bridge and scaffolding (collectively, the "Scaffolding") at the Building, such party shall give due regard to the use of the Commercial Units and the Residential Units located above the Commercial Section of the Building at the time in question and, except to the extent required by Law, will use best efforts to (i) minimize any disruption to the use and operation of the Commercial Units, (ii) erect and Maintain the Scaffolding for the minimum period required to perform the work requiring such Scaffolding, (iii) not restrict ingress or egress through the exterior doorways to the Commercial Units and (iv) be installed at the highest level possible without blocking the Residential Units. Purchasers are advised that the cost of installing double-height Scaffolding (as required in the previous sentence) may result in increased costs. In addition, except as otherwise set forth in the By-Laws, all work for which Scaffolding is required shall be performed during periods other than during the Prime Retail Period. The term "Prime Retail Period" shall mean the period from November 15th to January 3rd.

74. As more particularly set forth in the By-Laws contained in Part II of the Plan, the Condominium Board may not modify its method of allocations and assessments or increase or decrease the number of building employees servicing the Commercial Units or categories of

services, utilities or supplies provided to the Commercial Units in such a manner as would increase or decrease the Common Charges otherwise payable by the Commercial Unit Owners, without the consent of the Commercial Unit Owners and the General Common Expenses may not increase by more than three percent (3%) in the aggregate from the prior years' approved budget, without the consent of members of the Board designated by Commercial Unit A Owner, other than non-discretionary charges (e.g., utilities, union labor, insurance and the like).

75. Excluded from the Property is that portion of the Development Rights which shall be initially retained by Sponsor, which Development Rights may be utilized by Sponsor or any Development Rights Purchaser and merged into a ZLDA. (See the Section of the Plan entitled "Description of Property")

76. At the present time, Sponsor is in the process of renovating certain vacant Units. A description of the renovations that Sponsor intends to perform to vacant Units (the "Vacant Unit Renovations") is set forth in the "Description of Property", Addendum I in Part II of this Plan. Sponsor reserves the right to make the Vacant Unit Renovations and any other renovations, in Sponsor's sole discretion, to some or all of the balance of the vacant Units. The Purchase Prices set forth on Schedule A (entitled "Purchase Prices and Related Information" set forth in Part I of the Plan) for Non-Tenant Purchasers reflect the Purchase Price for vacant Units after completion of the Vacant Unit Renovations, except as noted on Schedule A by an asterisk. For any vacant Unit not then subject to an Agreement, Sponsor reserves the right, in its sole discretion, to not perform the Vacant Unit Renovations or to modify the scope thereof. Sponsor is not performing the Vacant Unit Renovations in any occupied Unit. Included in the Floor Plans set forth in Part II of the Plan are sample Floor Plans depicting layouts for vacant Units for which Sponsor may perform the Vacant Unit Renovations, in Sponsor's sole discretion.

77. Pursuant to New York City Building Code Section 28-104.8.4 a Tenant Protection Plan shall be distributed in connection with alterations of buildings in which any dwelling unit will be occupied during construction. Sponsor shall distribute said Tenant Protection Plan in accordance with law. A copy of the statute is annexed as Exhibit 28 to Part II of the Plan.

78. If the Building is not receiving 421-a Benefits, individual Unit Owners may qualify for a partial abatement of real estate taxes pursuant to the Condominium Abatement Program. The abatement is not available to Sponsor, to any party owning more than three units in the Condominium or to nonresidential units. Only units owned by individuals will receive the abatement; units owned by trusts, LLCs or corporations will not receive benefits. The Condominium Abatement Program was substantially modified by state legislation, Chapter 4 of the Laws of 2013, approved on January 30, 2013, and effective retroactively to June 2012. The legislation extends the abatement until June 30, 2015. It also makes substantive changes to the program for the first time since its original enactment. Significantly, the abatement will be restricted to unit owners who use at least one unit in the building as their primary residence. Formerly, any residential unit that was owned by a person who was neither a sponsor nor the owner of more than three units qualified for the abatement. The new legislation leaves these existing restrictions in place but adds the requirement of primary residency. Buildings with average assessments greater than $60,000 will continue to be eligible to receive the 17.5% benefit for all three years. Units that received the benefit for the 2011/12 tax year, but no longer qualify due to the primary residency requirement may continue to receive a reduced benefit for

tax years 2012/13 and 2013/14. Units in buildings with average assessed values greater than $15,000 that received the abatement for the 2011/12 tax year, but no longer qualify, will receive an abatement of 8.75% for 2012/13 and 4.3% for 2013/14. The law gives authority for the Commissioner of Finance to promulgate rules revoking benefits in buildings where taxes or other municipal charges are in arrears. The legislation authorizes the Commissioner to issue revised tax bills reflecting the changes in the abatement. These revised bills may-impose additional taxes on units that had received benefits at the full rate, but now, because they are not owned by primary residents, qualify only for a reduced, transitional rate. The Condominium Abatement Program is in place through the 2014/15 tax year, which ends June 30, 2015. There is no guarantee that the Condominium Abatement Program will be renewed beyond that date and, if renewed, that its requirements and benefits will be consistent with those of the current program. (see section of the Plan entitled "Real Estate Taxes")

79. The foregoing Special Risks are reasonably believed by Sponsor to involve significant risks to purchasers or be reasonably likely to affect disproportionately or unusually the Common Charges or obligations of Unit Owners in future years of Condominium operation. However the foregoing does not reflect all of the material terms of the offering, which are set forth in detail in the Plan, certain of which may all be deemed by some Purchasers and not others to involve significant risks. Therefore all Purchasers should carefully review the entire Plan for complete disclosure of the terms before deciding whether or not to purchase a Unit.

INTRODUCTION

A. 11 East 68th Street LLC, a Delaware limited liability company (the "Sponsor") hereby presents this Offering Plan for the conversion to condominium ownership of the Land together with the Building containing thirty one (31) Residential Units and three (3) Commercial Units. The Commercial Units consist of Commercial Unit A, Commercial Unit B and Commercial Unit C.

B. The Land and the Building are collectively referred to herein as the "Property." The condominium will be known as "Eleven East Sixty-Eighth Street Condominium" and is herein called the "Condominium".

C. The purpose of the Plan is to set forth in detail all material facts relating to the offering by Sponsor of twenty-eight (28) Residential Units to Purchasers. Residential Unit 7C will be initially leased to the Residential Board to be used as the Resident Manager's Unit. None of the two (2) Penthouse Units or the Commercial Units are being offered for sale at this time

D. Subject to the provisions of the Declaration and By-Laws, the Commercial Units may be subdivided without amendment to the Plan and may be offered for sale in the future by amendment to this Plan.

E. Sponsor has submitted the Property to a three (3) Unit condominium regime pursuant to a Declaration for the Property dated July 16, 2012, which was recorded in the New York County Office of the Register of The City of New York (the "City Register's Office") on September 10, 2012 as CRFN 2012000356482, in Block 1383 of the Borough of Manhattan on the Tax Map of the Tax Map Unit of the City of New York. The condominium floor plans, certified by Richard J. Metsky, Registered Architect, on August 23, 2012, were filed in the Tax Map Unit of the The City of New York on August 30, 2012 as Condominium Plan No. 2345 and were also recorded in the City Register's Office on September 10, 2012 as CRFN 2012000356483. Subsequent to the date that the Plan is declared effective, Sponsor will record a Restated and Amended Declaration in substantially the form set forth in Part II of the Plan as Exhibit 8 and Exhibit 9.

F. Excluded from the Property is that portion of the Development Rights which shall be initially retained by Sponsor, which Development Rights may be utilized by Sponsor or any Development Rights Purchaser and merged into a ZLDA. Please refer to the Section of the Plan entitled "Description of Property".

G. Sponsor may from time to time amend or supplement the Plan by filing an amendment with the Department of Law and serving such amendment on Purchasers and Unit Owners.

H. The Plan is presented in two parts (in one volume) which together constitute the entire Plan. Part I sets forth a general description of the Plan and Part II contains the basic documents necessary to create the Condominium and to otherwise effectuate the provisions of the Plan. Also included in Part II is a detailed physical description of the Property, certifications of Sponsor and Sponsor's architect, certifications of an expert selected by Sponsor concerning

the adequacy of the budget for the First Year of Condominium Operation and certain agreements to which the Condominium will be bound. In addition, Sponsor has filed exhibits to the Plan with the Department of Law, which are presented as Parts A (Certifications), B (General), C (Engineering) and D (Other Information). The Plan, including all Schedules set forth herein and Parts A, B, C and D of the exhibits, constitutes the entire offer of Sponsor. Copies of the Plan and the exhibits will be available for inspection by prospective Purchasers without charge at Sponsor's office and for inspection and copying at reasonable fees at the offices of the Department of Law. A copy of the Plan and the exhibits thereto may be obtained from Sponsor upon payment of a three hundred dollar ($300) deposit which amount will be non-refundable. Copies of the Plan will be served upon all Tenant-Purchasers in accordance with Section 352-eeee of the General Business Law ("GBL").

I. Prices of Residential Units are not subject to approval by the Department of Law.

J. All capitalized terms used in the Plan shall have the meanings ascribed thereto in the Section entitled "Certain Definitions," unless otherwise indicated.

K. All of these documents are important and should be carefully read by prospective purchasers. PROSPECTIVE PURCHASERS ARE ALSO ADVISED TO CONSULT WITH THEIR OWN ATTORNEYS OR OTHER ADVISERS BEFORE AGREEING TO PURCHASE.

The Condominium

A. On or about December 29, 2011, Sponsor acquired fee title to the Land and related structures thereon. The Building is pre-war, initially constructed in 1913. The Building contains one (1) below-grade level (the "Cellar") and eleven (11) stories plus a 12th Floor Penthouse floor above grade. The floors in the Building are named (from bottom to top): Cellar, first floor and Floors 2-11 and 12th Floor Penthouse and Bulkhead Roof. The Main Roof of the Building is over the 11th Floor.

B. As more particularly described herein, the Building will include (a) a "Residential Section" containing the Residential Units, the Residential Common Elements and the Residential Limited Common Elements and (b) a "Commercial Section", which will contain Commercial Unit A, Commercial Unit B and Commercial Unit C and the Commercial Common Elements, i.e., certain spaces and Facilities which exclusively service the Commercial Unit Owners. To the extent that such spaces or Facilities exclusively serve one but not all of the Commercial Unit Owners, same may be referred to herein as a "Commercial Limited Common Element".

C. The Commercial Units are on portions of the Cellar and First Floor, as more particularly shown on the Floor Plans. Currently, there is one exterior entrance to Commercial Unit A. Access to Commercial Unit B will be through an exterior entrance and the Residential Lobby. Access to Commercial Unit C will be through an exterior entrance and/or the Residential Lobby. The Commercial Units may be used for any lawful purpose, including, without limitation, department and other retail stores and outlets, storage, theaters, banks, offices, restaurants, health clubs, restaurants and commercial and professional offices and studios.

D. The statute concerning condominiums in effect in the State of New York pursuant to which the Condominium will be organized is the Condominium Act. The Property will be submitted to the provisions of the Condominium Act by Sponsor's recording of the Declaration. From and after the date of recording the Declaration, Sponsor will be the owner of the Units until each is sold or conveyed. The Condominium will comply with all statutes and regulations applicable to condominiums in the State of New York.

Features of Condominium Ownership

A. The ownership of a Residential Unit is similar in many respects to the ownership of a private home. Each Residential Unit Owner owns fee title to such Residential Unit Owner's Residential Unit and is entitled to the exclusive possession thereof and the exclusive use of the Residential Limited Common Elements (for example, Terraces) if any, appurtenant to such Residential Unit Owner's Residential Unit subject to certain limitations more particularly described below. A Residential Unit Owner also owns, in common with the owners of all other Residential Units, an undivided interest in (and right to use) the Residential Common Elements, and, in common with the owners of all other Units, an undivided interest in (and right to use) the General Common Elements.

B. Terraces appurtenant to certain Residential Units, as described in Schedule A and the Floor Plans set forth in Part II of the Plan, will be Residential Limited Common Elements available for the exclusive use of the Residential Unit Owners of such Residential Units. A Residential Unit Owner who has a Terrace appurtenant to his Residential Unit shall have the exclusive use of same, subject to the right of the Boards to regulate its use and subject to all applicable law, and shall be responsible for all routine Maintenance thereto. However, the costs and expenses of any structural repairs or repairs or replacements (unless caused by the Residential Unit Owner having exclusive use thereof), shall be charged to all Residential Unit Owners as a Residential Common Expense. The Condominium Board and the Residential Board will have the right to require a Residential Unit Owner to obtain the consent of the Condominium Board and/or the Residential Board prior to installing Terrace Installations on the Terraces and may require a Residential Unit Owner to remove same, at such Residential Unit Owner's sole cost and expense, if the Condominium Board or the Residential Board determines, in their respective discretion, that such Terrace Installations adversely affect the integrity of the Roofs or adversely affect the appearance of the Building. A Residential Unit Owner will be obligated, at such Residential Unit Owner's sole cost and expense, to remove Terrace Installations from the Terrace, if requested by a Board, to facilitate access to the roofing system or other Common Elements pursuant to the Declaration or the By-Laws. No Terrace may be enclosed without the express written consent of the Condominium Board. Prior to installing Terrace Installations, either or both Boards may require, in their sole discretion, that the Residential Unit Owner enter into an alteration agreement with the Board(s). The Condominium Board and the Residential Board may establish such other rules and regulations as they deem necessary to protect the Common Elements and the Units and to insure the integrity of the Building and the health and safety of the occupants.

C. Subject to certain conditions contained in the By-Laws, each Residential Unit Owner may mortgage such Residential Unit Owner's Residential Unit(s) with such lender and in such amount as the Residential Unit Owner chooses. However, Sponsor makes no

representations about the ability to finance any Residential Unit. There are no limitations or restrictions upon the rights of the Commercial Unit Owners to mortgage the Commercial Units. Each Unit is separate and is not subject to the lien of any mortgage placed by other Unit Owners on their respective Units.

D. A Residential Unit Owner may decorate the interior of such Residential Unit Owner's Residential Unit in any way desired, subject to compliance with the By-Laws, the Rules and Regulations and Law, and will be solely responsible for the cost of Maintenance to such Residential Unit Owner's Residential Unit after Closing. The Residential Board may not limit or restrict the rights of the Commercial Unit Owners to decorate the Commercial Units.

E. Each Unit will be taxed as a separate tax lot for real estate tax purposes, and after the Units have been separately assessed for taxes, no Unit Owner will be responsible for the payment of, nor will such Unit Owner's Unit be subjected to any lien arising from the non-payment of, real estate taxes on other Units. Please refer to the opinion of Stroock & Stroock & Lavan LLP, counsel to Sponsor, set forth in full in Part I of the Plan, for a discussion regarding the deductibility for federal, New York State and New York City income tax purposes, of real estate taxes and the interest paid on a mortgage, if any, on a Unit.

F. Subject to certain exceptions set forth in Article 8 of the By-Laws, any sale or lease of a Residential Unit together with its Common Interest by a Residential Unit Owner, will be subject to a right of first refusal by (x) Sponsor (or its designee (corporate or otherwise)) until the later of (a) the date on which Sponsor has sold all Unsold Units; or (b) the date which is ten years from the date of the First Closing; and (y) the Residential Board, either by its designee (corporate or otherwise) or on behalf of the Residential Unit Owners on the same terms and conditions as agreed to by the owner of such Residential Unit and the proposed transferee. The parties respective right of first refusal shall be exercised as more particularly set forth in Article 8 of the By-Laws, which is set forth as an Exhibit in Part II of the Plan. The Residential Board shall not exercise its right of first refusal to purchase or lease any Residential Unit without the prior approval of a Majority of all Residential Unit Owners. However, no such consent shall be required in the event a designee of the Residential Board purchases or leases a Residential Unit. The rights of Sponsor shall have priority to the extent both Sponsor (or its designee), and the Residential Board, either by designee or on behalf of all Residential Unit Owners, seek to purchase or lease such Residential Unit except as set forth below. Because Sponsor has reserved the right to rent, rather than sell Residential Units, its may be able to exercise its right of first refusal indefinitely. If either the Residential Board, on behalf of Residential Unit Owners, or the Sponsor (or Sponsor's designee) elect to exercise their respective right of first refusal to purchase a Residential Unit certain taxes and other monies, which may be the responsibility of the buyer, will be the responsibility of the seller. Notwithstanding anything to the contrary contained hereinabove, until the later of: (a) the date on which Sponsor has sold all Unsold Units; or (b) the date which is ten years from the date of the First Closing (the "Sponsor ROFR Period"), the Residential Board shall not have the right to appoint a designee to purchase or lease a Residential Unit without first obtaining the written approval of the Sponsor. Other than exercising their respective right of first refusal, neither Sponsor nor the Residential Board have a right to approve or disapprove prospective purchasers and the By-Laws contain no requirement that such Purchasers be owner-occupants of the Condominium. There is no limit on the number of purchasers who may purchase for investment rather than personal occupancy. Accordingly,

there may always be a substantial percentage of owners who are non-residents. The Commercial Unit Owners may sell or lease all or any portion of the Commercial Units, without any restriction or limitation imposed pursuant to the Declaration or the By-Laws. Purchasers are further advised that REIT Holding Co. shall have a thirty (30) day right of first refusal with respect to the sale of (i) Commercial Unit B (if and to the extent that the same is offered for sale) and (ii) Residential Units 2A East and 2C East and 2 West. For a more complete discussion of the foregoing, see the Section entitled "Rights and Obligations of Unit Owners and the Board of Managers" under the subsection entitled "Sales and Leases of Units".

G. Generally, the cost of operating the Residential Common Elements will be borne by the Residential Unit Owners in proportion to their respective Residential Common Interests and the cost of operating the Commercial Common Elements will be borne by the Commercial Unit Owners. Residential Unit Owners, as such, will have no interest in any rents, profits or revenues derived from the rental or use of any space in the Commercial Units and the Commercial Unit Owners, as such, will have no interest in any rents, profits or revenues derived from the rental or use of any space in the Residential Section. The costs and expenses of operating and maintaining the General Common Elements will generally be shared by all Unit Owners in proportion to their respective Common Interests except as otherwise provided in Schedule B-"Projected Budget for First Year of Condominium Operation" in Part I of the Plan or in accordance with the terms of the By-Laws. The Condominium Board and the Residential Board may make allocations of General Common Expenses and Residential Common Expenses in accordance with submetering, contract allocations and usage (both projected and actual) so long as such allocations are reasonable under the circumstances and are in accordance with Law. The Condominium Board cannot change the method of allocation of Common Expenses or increase the number of building employees servicing the Commercial Units as set forth in Schedule B, without the consent of the Commercial Unit Owners.

H. The Residential Board will be responsible for deciding all matters solely concerning the Residential Section. The Commercial Unit Owners will be responsible for deciding all matters solely concerning the Commercial Section. Matters affecting both the Residential Section and the Commercial Section or affecting the General Common Elements will be decided by the Condominium Board, which shall be comprised of representatives of the Residential Board and of the Commercial Unit Owners. Subject to the rights of Sponsor during the Sponsor Control Period, Residential Unit Owners are entitled to vote for members of the Residential Board, who will also serve on the Condominium Board. Sponsor will control the Condominium Board and the Residential Board during the Sponsor Control Period. Purchasers should note that Sponsor has the right, following the expiration of the Exclusive Purchase Period, to sell occupied Residential Units to one or more non-occupant purchasers for investment or resale or may lease occupied units to others or to retain vacated Residential Units for future rental. Sponsor's right to rent, rather than sell Residential Units is unconditional and exercisable in Sponsor's sole discretion. Except where otherwise prohibited by Law, certain Unsold Residential Units may be occupied under short-term leases (having a term in excess of thirty (30) days). Accordingly, it is possible that a significant portion of Residential Unit Owners will not be residents of the Building and that a significant number of occupants in the Building may not be Residential Unit Owners. As a consequence of the foregoing, a Residential Unit Owner seeking to resell or refinance a Residential Unit may experience difficulty. Because there is no commitment on the part of Sponsor to sell more than fifteen percent (15%) of the Residential

Units, as needed to declare the Plan effective, owner occupants may never gain effective control and management of the Condominium. Purchasers should be aware that they may be living in a mixed rental/owner occupied Building for an indeterminate period of time. Owner occupants and nonresident owners (including the Sponsor) may have inherent conflicts on how the condominium should be managed because of their different reasons for purchasing, such as purchase of a home as opposed to purchase for investment. Please refer to the Sections of the Plan entitled "Control by Sponsor" and "Boards of Managers" in Part I of the Plan. Please refer to the Sections of the Plan entitled "Control by Sponsor" and "Boards of Managers" in Part I of the Plan.

I. Sponsor's offer to sell the Units under this Plan is contingent upon the Plan being declared effective pursuant to Section 20.3(q) of Title 13 NYCRR. Under the terms of the regulations, Sponsor may not declare the Plan effective until Agreements are signed by bona fide purchasers (including investors for fifteen percent (15%) of the Units offered under the Plan (or six (6) Residential Units assuming that the total number of Residential Units does not change). Even if the Plan is declared effective with a minimum number of sales, it is possible that Sponsor may be able to submit the Property to a condominium regime and convey Residential Units with fewer than the minimum number of sales if purchasers counted towards effectiveness do not ultimately purchase a Residential Unit. Please refer to the Section entitled "Effective Date" in Part I of the Plan for further details.

J. The Building is currently encumbered by the Fee Mortgage. During the term of the Fee Mortgage, the Fee Mortgagee will have the right to view information regarding funds maintained in the Master Escrow Account. Under the terms of the Fee Mortgage, Sponsor shall not (or allow the members on the Boards designated by Sponsor to vote or give consent to, but only to the extent that to do so could not reasonably be expected to expose such members to liability as a director for failing to take action as such conforming with their obligations as directors) without the prior written consent of Fee Mortgagee, which consent is not to be unreasonably withheld, conditioned or delayed, exercise any right it may have under the Condominium Documents (including any right to vote for or permit its representatives on the Condominium Board to vote or take any action whatsoever) respecting: (A) the nature and amount of any insurance covering all or a part of the Building and the disposition of any proceeds thereof; the manner in which any condemnation or threat of condemnation of all or a part of the Property shall be defended or settled and the disposition of any award or settlement in connection therewith, (B) any election to repair or restore the Building or any other portion of the Property, except in the case of an emergency, (C) any additions or improvements to the Common Elements of the Condominium, (D) any partition of all or a part of the Property subject to the Condominium Declaration, (E) the construction of any additions or improvements to the Property or any repair, rebuilding or restoration of all or a portion of the Property, (F) the payment of any amount in excess of insurance or condemnation proceeds available in connection therewith, (G) the assessment of any Common Charges or expenses, (H) the acquisition of any interest pursuant to any purchase option or right of first refusal or offer in the applicable Condominium Documents, (I) any removal of all or any portion of the Property from the provisions of the Condominium Documents and (J) anything relating to the amount or payment of Common Charges or Special Assessments, (K) take or omit to take any action to modify, change, supplement, alter, amend or terminate any of the Condominium Documents other than the filing of the Subdivision Amendment, (L) waive or release any of Sponsor's rights under the

Condominium Documents, (M) vote, give consent or waive any right of Sponsor if the result of such vote or consent would be to impair the rights of Fee Mortgagee or the lien of the Fee Mortgage, (N) approve (x) any borrowing of money on behalf of the Condominium, (y) any Alteration or improvement of, the Common Elements, or (z) any decrease in the size or the subdivision of any of the Units or any Common Elements or any combination of any of the Units with any other Unit or any Common Elements (in each case, other than with respect to Unit 2A or 2B), or (O) cause the Condominium to fail to maintain or diminish in any material respect the insurance policies required to be maintained pursuant to the applicable Condominium Documents; provided that none of the foregoing shall limit Sponsor's right to undertake the conversion of the Property to the Condominium, construct the Building Renovations or terminate Leases, all in accordance with the provisions of the Fee Mortgage. Sponsor has further agreed that on or before the First Closing, Sponsor will cause each of the members of the Condominium Board and the Residential Board appointed by Sponsor to execute and deliver to Fee Mortgagee an undated conditional resignation of each such member, whereby each such member tenders his/her resignation from the Condominium Board and the Residential Board, as the case may be, and instruct the same that the successor members be designated by Fee Mortgagee, effective upon written notice from Fee Mortgagee that an event of default by Sponsor under the Fee Mortgage has occurred and is continuing. In the event of a default by Sponsor under the Fee Mortgage, the Fee Mortgagee is entitled to give notice to the Condominium Board and the Residential Board or any other person, which notice shall include a copy of the conditional resignation, stating that circumstances exist which entitle Fee Mortgagee to exercise in Sponsor's place any particular right, privilege or power, or to receive any credit, refund, profit or other sum of money which Sponsor has the right to exercise or receive under the Condominium Documents. The Condominium Board and Residential Board may rely on such conditional resignation when same is presented by an authorized representative of Fee Mortgagee. The Fee Mortgage does not establish any limitations on the Sponsor's right to rent the Units after the creation of the Condominium nor does it require Sponsor to enter into Agreements for more than fifteen percent (15%) of the Units (other than as required by applicable Law) in order to declare the Plan effective (See the Sections entitled "Effective Date," and "Rights and Obligations of Sponsor," in Part I of the Plan for further details.).

K. If Sponsor makes a sale of all or some of the Unsold Units, and if required by Law, the transferee successor Sponsor would be bound by Sponsor's representations regarding its commitment to sell Units. However, insofar as Sponsor has not made any such commitment to continue to sell the Units offered, a bulk transferee would similarly not be required to sell the Units rather than rent. Please refer to the section entitled "Rights and Obligations Of Sponsor" for more details.

L. As more particularly set forth in the By-Laws, the Residential Board will determine the amount of Residential Common Expenses and the Condominium Board will determine the amount of General Common Expenses. On a monthly basis or at such other times as the Residential Board determines, the Residential Board will assess Residential Unit Owners for Residential Common Charges to meet Residential Common Expenses and the Residential Board's pro rata share of General Common Charges. Residential Common Charges shall also be deemed to include any Special Assessment imposed by the Residential Board. Such charges will be assessed against Residential Unit Owners in proportion to their respective Residential Common Interests except as otherwise determined by the Condominium Board or the Residential

Board in accordance with the Condominium Act, Sections 339-(i) and (m). As set forth in Schedule B - "Projected Budget for First Year of Condominium Operation" the Commercial Unit Owners will share the costs for certain expenses based upon Common Interest and will bear the cost of other expenses based upon estimated use. Other costs such as the costs for the Resident Manager's Unit and costs for gas are not borne at all by the Commercial Unit Owners because such utilities and/or services are either separately metered or not used by the Commercial Unit Owner. Please refer to Schedule B and the Section of the Plan entitled "Commercial Unit Common Charges" for further details. Purchasers should note, however, that in view of the current energy situation, and the fact that energy costs have fluctuated greatly, it is not possible to predict with any certainty whether the budgeted amount for energy costs will be sufficient to pay for the actual costs incurred in the First Year of Condominium Operation.

M. The cost of Maintenance and Alterations to the Residential Section, which are Residential Common Expenses, will be determined by the Residential Board and assessed against all Residential Unit Owners in proportion to their respective Residential Common Interests. The estimated Residential Common Charges for each Residential Unit for the First Year of Condominium Operation are set forth in Schedule A. The Condominium Board will be responsible for collecting all sums necessary to meet the obligations of the Commercial Section including, without limitation, payment of its pro rata share of General Common Charges.

N. After the closing of title to a Residential Unit, a Residential Unit Owner will be solely responsible for maintaining casualty insurance with respect to the Residential Unit, including its fixtures, flooring, wall coverings, appliances, equipment and personal property and improvements and betterments situated within such Residential Unit Owner's and constituting a part of such Residential Unit, as well as liability insurance with respect to occurrences in or about such Residential Unit Owner's Residential Unit. The By-Laws require that each Residential Unit Owner maintain such insurance coverage. The Condominium Board will be solely responsible for maintaining casualty and liability insurance with respect to the Common Elements, in accordance with the provisions of the By-Laws. All Residential Unit Owners must comply with the terms of the Declaration, By-Laws, Rules and Regulations, and any other requirement of the Condominium Board and/or the Residential Board as the case may be. See the Section entitled "Rights and Obligations of Unit Owners and the Boards of Managers" for a more complete discussion of the foregoing.

O. Except as otherwise provided in the Plan and in the Declaration and By-Laws, there are no limitations on who may purchase Residential Units. Sponsor will not knowingly accept an offer of purchase from an individual younger than eighteen (18) years of age or an incompetent under Law.

P. Any Purchaser of a Residential Unit which is a Governmental Entity may be required to deposit into escrow an amount equal to one (1) year of Common Charges then in effect to secure their obligations under the Declaration for the payment of Common Charges and/or Special Assessments and otherwise. Sponsor is not obligated to offer or sell any Residential Units and may, if it chooses, withhold one or more Residential Units for future sale. Sponsor hereby reserves the right at any time and from time to time for any reason whatsoever, without the consent of any of the Boards, any Residential Unit Owner, or mortgagee, to refuse to approve and execute an Agreement for any Residential Unit; provided, however, that Sponsor

shall not discriminate against any person because of race, creed, color, sex, disability, religion, marital status, age, ancestry, national origin or other ground proscribed by Law. No binding obligation will arise for the sale of a Residential Unit unless and until a Purchase Agreement executed by both Purchaser and Sponsor has been exchanged and Sponsor has collected the funds constituting Purchaser's required Down Payment thereunder (see the Section entitled "Procedure to Purchase" for more details)

Q. A Purchaser may not be a Prohibited Person (defined hereinafter) at any time prior to closing. Each Purchaser must be in full compliance with all applicable orders, rules, regulations and recommendations of The Office of Foreign Assets Control ("OFAC") of the U.S. Department of the Treasury. The term "Prohibited Person" shall mean any person or entity: (a) listed in the Annex to, or otherwise subject to the provisions of, the Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001, and relating to Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (the "Executive Order"); (b) that is owned or controlled by, or acting for or on behalf of, any person or entity that is listed to the Annex to, or is otherwise subject to the provisions of, the Executive Order; (c) with whom Beneficiary is prohibited from dealing or otherwise engaging in any transaction by any terrorism or money laundering law, including the Executive Order; (d) who commits, threatens or conspires to commit or supports "Terrorism" as defined in the Executive Order; (e) that is named as a "Specially Designated National and Blocked Person" on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control at its official website, www.ustreas.gov/Offices/enforcement/ofac or at any replacement website or other replacement official publication of such list; or (f) who is an affiliate of or affiliated with a person or entity listed above. (See the form of Agreement set forth in Part II of the Plan.)

R. THE PURCHASE OF A CONDOMINIUM HAS MANY SIGNIFICANT LEGAL AND FINANCIAL CONSEQUENCES AND MAY BE ONE OF THE MOST IMPORTANT FINANCIAL TRANSACTIONS OF YOUR LIFE. THE ATTORNEY GENERAL OF THE STATE OF NEW YORK STRONGLY URGES YOU TO READ THIS OFFERING PLAN CAREFULLY AND TO CONSULT WITH AN ATTORNEY BEFORE SIGNING AN AGREEMENT TO PURCHASE A CONDOMINIUM UNIT.

Offering of Residential Units for Sale

A. Sponsor hereby offers twenty-eight (28) Residential Units in the Building for sale under this Plan. Residential Unit 7C will be initially leased to the Residential Board for use as the Resident Manager's Unit pursuant to the terms and conditions provided herein. None of the two (2) Penthouse Units are being offered for sale at this time. The Purchase Prices, estimated Common Charges and estimated real estate taxes for each of the Residential Units offered for sale hereby 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.** While Sponsor is currently offering the Residential Units for sale, Sponsor has reserved the right to rent, rather than sell Residential Units which right is unconditional and exercisable in Sponsor's sole discretion.

B. The Offer to Present Residential Tenants

(1) Tenant Purchasers (defined in the Section of the Plan entitled "Rights of Existing Tenants" set forth in Part I of the Plan), have the exclusive right to purchase their respective Residential Units within 90 days from the Presentation Date of this Plan to them (the "Exclusive Purchase Period") at the discounted Purchase Prices set forth in Schedule A. There will be no increase in prices to Tenant Purchasers during any Exclusive Purchase Period for Tenant Purchasers and Sponsor will not accept Agreements from Non-Tenant Purchasers for occupied Residential Units during any Exclusive Purchase Period.

(2) The purchase prices offered to Tenant Purchasers for the Residential Units are five percent (5%) below the purchase prices offered to Non-Tenant Purchasers.

In order to qualify for the foregoing benefits during the 90 day Exclusive Purchase Period, a Tenant Purchaser must submit to the Selling Agent during the 90 day Exclusive Purchase Period, a signed Agreement and a Down Payment in an amount equal to 20% of the Purchase Price for the Unit to be purchased. See the Section entitled "Procedure to Purchase" set forth in Part I of the Plan for more details.

(3) If prior to the expiration of any Exclusive Purchase Period which begins prior to the First Closing, Sponsor amends the terms and conditions of this offering to be more favorable to Tenant Purchasers, a Tenant Purchaser who executed and submitted an Agreement and Down Payment before Sponsor amended the terms of this Plan shall benefit from the more favorable terms and conditions.

C. The Offer to Non-Tenant Purchasers

Sponsor hereby offers for sale those Residential Units in the Building set forth in Schedule A to Non-Tenant Purchasers on the following terms:

(1) They shall have the opportunity to purchase a vacant Residential Unit (if any) at the prevailing "Purchase Price" for Non-Tenant Purchasers as set forth on Schedule A; and

(2) They shall have the opportunity to purchase an occupied Residential Unit either following the 90 day Exclusive Purchase Period afforded Tenant Purchasers or upon receipt of a written waiver by the Tenant Purchaser of his right to purchase during the 90 day Exclusive Purchase Period at the prevailing Purchase Price for Non-Tenant Purchasers as set forth on Schedule A.

(3) In order to qualify for the foregoing benefits, a Non-Tenant Purchaser must submit to the Selling Agent a signed Agreement and the Down Payment in an amount equal to 20% of the Purchase Price for the Residential Unit to be purchased. See the Section entitled "Procedure to Purchase" set forth in Part I of the Plan for more details.

D. General

(1) For further details concerning the closing of title to the Residential Units, the costs and adjustments with respect thereto and the time periods which must elapse before closings

may occur, see the Sections of the Plan entitled "Effective Date," "Closing Costs and Adjustments" and "Terms of Sale" set forth in Part I of the Plan for more details.

(2) This offering is restricted to individuals of the age of eighteen (18) years or older, corporations, partnerships, limited liability companies, trusts, estates or any other entities that may hold title to real estate pursuant to New York Law. If the Purchaser is a legal entity other than a natural person, the Purchaser must, prior to executing an Agreement, provide Sponsor's attorney with documentation satisfactory to Sponsor's attorney which shall include, without limitation, a copy of all organizational documents and all other information as may be required by Sponsor's attorney.

(3) Except as otherwise expressly provided under the Plan with respect to the Vacant Unit Renovations, each Residential Unit and its appurtenant Common Elements is being sold "as is" in the condition in which it exists on the date a Purchaser executes an Agreement for such Residential Unit, subject to ordinary wear and tear. Sponsor reserves the right, but shall not be obligated, to perform future improvements to the Building, including without limitation, the Building Renovations. Purchaser's are cautioned that no determination has been made at this time as to the exact scope and nature of the Building Renovations. Except as otherwise noted in Schedule A, all equipment and furnishings described in the Plan as included in a Residential Unit are included in the Purchase Prices set forth on Schedule A. Purchasers are advised that former or current occupants of the Residential Units may have made alterations to certain Residential Units, including without limitation, installation and/or relocation of interior walls. Consequently, Sponsor makes no representation, warranty or guarantee as to whether all of said alterations were completed in compliance with all applicable Law.

(4) The estimated Residential Common Charges for each Residential Unit for the First Year of Condominium Operation of the Property as a condominium are also set forth in Schedule A.

(5) Additionally, each Purchaser of a Residential Unit will be required to make a contribution to the Working Capital Fund. Such contribution, to be made at the time of Closing of the Unit, shall be in an amount equal to two (2) month's Common Charges in effect at the time of closing for each Residential Unit purchased. A Purchaser of a Residential Unit occupied by a Non-Purchasing Tenant will also pay a contribution to the working capital fund in an amount equal to two (2) months' Common Charges then applicable to such Unit being purchased to furnish service and facilities required under the Non-Purchasing Tenant's lease and those required by the GBL. See the Section of the Plan entitled, "Working Capital Fund and Apportionments".

(6) In addition to the payment of Residential Common Charges, each Residential Unit Owner will be responsible for the payment of, including, without limitation,: (i) the real estate taxes that will be separately assessed against such Residential Unit Owner's Residential Unit, (ii) interest and amortization payments on the mortgage, if any, which such Purchaser may obtain, at such Purchaser's option, (iii) charges for electricity, gas consumed in such Residential Unit Owner's Residential Unit and any other utility that is separately metered or will be separately metered in the future, and (iv) the cost for telephone, cable, internet and similar services.

(7) The charges for electricity consumed by each Unit Owner individually will be separately metered and billed directly to such Unit Owner by Con Edison. Water charges and sewer

rents, assessed by The City of New York, will be billed to the Condominium as a Common Expense. The costs and expenses of central heat and gas, excluding cooking gas if separately metered, with respect to the Condominium, will be included in Residential Common Charges; Residential Unit owners will be required to pay charges for electricity consumed for air conditioning for each Residential Unit. Schedule A sets forth estimates of the amounts of real estate taxes which will be payable with respect to each Unit. See the Notes to Schedule A with respect to the bases of such estimates.

(8) Sponsor has and shall retain the ongoing right to use the Common Elements pursuant to license agreements with the Boards, at no cost to Sponsor, and the Boards shall be obligated to enter into such license agreements with Sponsor at Sponsor's request. Sponsor shall have the right to use and/or sublicense any such space so licensed, for storage or otherwise, even when Sponsor no longer owns any Units in the Condominium. Additionally, Sponsor has and shall retain the right to collect a fee for any such sublicenses or other use fees it collects in connection with the use of such space. Sponsor shall indemnify the Boards from any loss or liability resulting from the use of the space by Sponsor or its licensees, absent negligence on the part of the Board. Use of the Common Elements by Sponsor shall be for any purpose permitted by law including storage, signage, advertising, elevator advertising, Satellite Equipment and such other uses as may be customary at the time in question, provided that such use does not interfere with the use of the Common Elements for their intended purposes as set forth herein.

(9) As part of the Building Renovations there will be a storage room created in the Cellar consisting of approximately 465 square feet which will constitute Common Elements. The area will have twenty individual wire mesh storage bins which Sponsor may license to a Purchaser. Purchasers are advised that the storage bins may not be used as a dwelling space and not to be used for the storage of combustible items as such term is defined in the New York City Building Code.

Applicable Rent Laws

A. After the Amended and Restated Declaration is recorded creating the Condominium, the spaces presently known as apartments will become Residential Units of the Condominium. All such apartments are referred to as Residential Units throughout this Plan.

B. This Plan is a non-eviction plan and is being presented in compliance with the requirements of Section 352-eeee of the GBL which sets forth the procedure for converting dwelling units to condominium ownership. Under the GBL, Sponsor may declare this Plan to be effective when Agreements have been executed for at least fifteen (15%) percent of the Residential Units in the Building offered for sale under this Plan by bona fide tenants in occupancy on the Filing Date or bona fide purchasers who represent that they intend that they or one or more specified members of their immediate family will occupy the Residential Unit when it becomes vacant. A Non-Purchasing Tenant of a Residential Unit will not be evicted solely by reason of conversion of the Property to condominium ownership. The lease of a Non-Purchasing Tenant whose lease is not subject to the Rent Laws may not be renewed by Sponsor if such Non-Purchasing Tenant's lease expires prior to the effective date of the Plan and such Non-Purchasing Tenant may be evicted as the result of such non-renewal. No eviction proceedings will be commenced at any time after the effective date against Non-Purchasing Tenants for

failure to purchase or any other reason solely applicable to expiration of tenancy; provided that such proceedings may be commenced for non-payment of rent, illegal use or occupancy of the premises, refusal of reasonable access to the Condominium or its Managing Agent or a breach by the Non-Purchasing Tenant of his obligations to the owner of the Residential Unit or such other grounds for eviction as may then be permitted by Law including without limitation, the failure of the Non-Purchasing Tenant to enter into a renewal lease; and provided further that an owner of a Residential Unit may not commence an action to recover possession from a Non-Purchasing Tenant on the grounds that the Residential Unit is needed for the use and occupancy of the Non-Tenant Purchaser or the Non-Tenant Purchaser's family. Please refer to the Sections of the Plan entitled "Rights of Existing Tenants" and "Obligations of Purchasers of Residential Units Occupied By Non-Purchasing Tenants" for further details.

CERTAIN DEFINITIONS

For convenience of presentation, general definitions of certain of the terms used in 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 the By-Laws:

"ACM" refers to asbestos containing materials.

"Agreement" refers to the agreement to purchase a Residential Unit pursuant to the Plan, the form of which is set forth in Part II of the Plan.

"Alterations" refers collectively to the Non-Structural Alterations and the Structural Alterations.

"Asbestos Report" refers to the asbestos report set forth in Part II of the Plan.

"Board" or "Boards" refers to any or all of the Residential Board or the Condominium Board, as the case may be.

"Building" refers to the structure and improvements including above and below grade segments, known as 814-816 Madison Avenue a/k/a 11 East 68th Street, New York, New York 10010 in which the Units of the Condominium are located.

"Building Renovations" shall have the meaning set forth in Special Risk 40.

"Building Systems" refers to the architectural, mechanical, electrical and plumbing systems of the Building.

"Bulkhead Roof" refers to the bulkhead roof as more particularly shown on the Floor Plans.

"By-Laws" refers to the By-Laws governing the operations of the Condominium, the form of which is set forth in Part II of the Plan.

"City Register's Office" refers to the New York County office of the Register of The City of New York.

"Closing" refers to the time, place and procedure by which fee title to a Residential Unit is conveyed to a Purchaser pursuant to a fully executed Agreement.

"Closing Date" refers to the date on which Closing occurs.

"Commercial Common Charges" refers to assessments payable by the Commercial Unit Owner for the purpose of meeting (a) expenses and (b) the Commercial Unit Owner's pro rata share of General Common Expenses.

"Commercial Common Elements" refers to those Common Elements, which serve or benefit exclusively the Commercial Unit and/or the Commercial Unit Owner, as more

particularly defined in the Declaration.

"Commercial Section" refers to the Commercial Unit and the Commercial Common Elements.

"Commercial Unit" refers to the Commercial Unit located on the Cellar and First Floor of the Building and to the extent the Commercial Unit is further divided, the Commercial Unit shall refer to all of the Units resulting from the subdivision of the Commercial Unit.

"Commercial Unit A Owner" refers to the owner of Commercial Unit A at the time in question.

"Commercial Unit B Owner" refers to the owner of Commercial Unit B at the time in question.

"Commercial Unit C Owner" refers to the owner of Commercial Unit C at the time in question.

"Commercial Unit Owner" refers to the owner or owners of the Commercial Unit. In the event the Commercial Unit is subdivided, Commercial Unit Owner shall refer to all owners of Units resulting from the subdivision of the Commercial Unit.

"Common Charges" refers to the any of General Common Charges, Commercial Common Charges and/or Residential Common Charges.

"Common Elements" refers to the General Common Elements, the Residential Common Elements, the Residential Limited Common Elements, the Commercial Common Elements and the Commercial Limited Common Elements.

"Common Expenses" refers to the General Common Expenses and the Residential Common Expenses.

"Common Interest" refers to the proportionate undivided interest, expressed as a numerical percentage, in the General Common Elements appertaining to each Unit determined in accordance with the Declaration.

"Condominium" refers to Eleven East Sixty-Eighth Street Condominium.

"Condominium Act" refers to the New York Condominium Act, as amended from time to time and presently found in the New York Real Property Law, Article 9-B.

"Condominium Board" refers to the overall board of managers of the Condominium comprised of representatives of the Residential Board and of the Commercial Unit Owners.

"Condominium Documents" refers to the Declaration, By-Laws, Floor Plans, and other related documents.

"Custom Work" refers to work that Sponsor may agree to perform, in its sole discretion,

including modification of Floor Plans set forth in Part II of the Plan and finishes of certain Residential Units or provide additional materials or construction to the Residential Units if requested by individual Purchasers"

"Custom Work Costs" refers to the costs to complete the Custom Work, including without limitation costs for purchasing materials for the Custom Work.

"Custom Work Deposit" shall have the meaning set forth in Special Risk 4.

"Declaration" refers to the Amended and Restated Condominium Declaration, as the same may be amended from time to time, the form of which is set forth in Part II of the Plan.

"Department of Buildings" or "DOB" refers to the New York City Department of Buildings.

"Department of Law" or "DOL" refers to the New York State Department of Law.

"Development Rights" refers to that portion of the unused floor area development rights that are now owned, are subsequently acquired or that may become available under the Zoning Resolution of the City of New York, which shall initially be retained by Sponsor.

"Development Rights Purchaser" refers to the party that acquires the Development Rights from Sponsor.

"Emergency" refers to any situation where the applicable Person, in its reasonable judgment, concludes that a particular action (including, without limitation, the expenditure of funds) is immediately necessary (i) to avoid material damage to all or any material portion of the Building or Property, (ii) to protect any person from harm, or (iii) to avoid the unforeseen and unforeseeable suspension of any necessary material service in or to the Building or the Property, the failure of which service would have a material and adverse effect on the Building or Property.

"Entry Courtyard" refers to the court yard located at the entrance of the Building, as more particularly identified on the Floor Plans.

"Escrow Bank" refers to Signature Bank or JP Morgan Chase Bank, as the case may be.

"Exclusive Purchase Period" refers to Tenant Purchasers' exclusive right to purchase their respective Units within 90 days from the Presentation Date of this Plan.

"Exterior Façade" refers to the outer portion of the Building above grade, including but not limited to, the exterior of all doors, masonry, aluminum or other skin materials, walls, or parapets, whether or not visible from street level.

"Facility" or "Facilities" refers to, but is not limited to, the facilities and equipment necessary for the operation of the Units and the Common Elements (grouped more or less functionally) which are set forth only for purposes of illustrating the broad scope of that term: system, equipment, apparatus, converter, radiator, heater, convertor, heat exchanger, mechanism,

device, machinery, motor, pump, control, tank or tank assembly, insulation, induction unit, condenser, compressor, fan, damper, blower, thermostat, thermometer, coil, vent, sensor, shut off valve or other valve, gong, panel, receptacle, outlet, relay, alarm, sprinkler head, electric distribution facility, wiring, wireway, switch, switchboard, circuit breaker, transformer, fitting, siamese connection, hose, plumbing fixture, lighting fixture, other fixture, bulb, sign, telephone, meter, meter assembly, scaffolding, piping, line, duct, conduit, cable, riser, main shaft, pit, flue, lock or other hardware, rack, screen, strainer, trap, drain, catch basin, leader, filter, canopy, incinerator, closet, door, railing, coping, step, appurtenance, urn, basket, mail box, carpeting, tile or other floor covering, wallpaper or other wall covering, tree, shrubbery, flower or other planting and horticulture tub or box.

"Family Member" refers to the spouse, domestic partner, their children, stepchildren, grandchildren, siblings, nieces, nephews, parents, stepparents, parents-in-law and grandparents of a Residential Unit Owner who reside in such Residential Unit Owner's Residential Unit.

"Fee Mortgage" shall have the meaning set forth in Special Risk 63.

"FHA" refers to the Federal Housing Administration.

"Filing Date" refers to the date a letter is issued by the Department of Law stating that the Plan or amendment thereto has been accepted for filing.

"First Closing," or words of similar import, refers to the date of the first closing of fee title to a Residential Unit to a Purchaser pursuant to the Plan.

"First Year of Condominium Operation" is estimate to be July 1, 2013 to June 30 2014, as same may be amended from time to time by Sponsor, pursuant to a duly filed amendment to the Plan.

"Floor Plans" refers to the floor plans of the Building, as same may be amended from time to time, which are approved by the New York City Department of Finance, Land Records Division, Tax Map Unit and recorded in the City Register's Office

"Floor Plans set forth in Part II of this Plan" refers to the floor plans contained in Exhibit 7 in Part II of the Plan, which depicts the Residential Units.

"GBL" refers to Section 352-eeee of the New York State General Business Law.

"General Common Charges" refers to assessments payable to the Condominium Board by the Residential Board and the Commercial Unit Owner for the purpose of meeting General Common Expenses, as more particularly defined in the Declaration.

"General Common Elements" shall have the meaning more particularly defined in the Declaration.

"General Common Expenses" refers to costs and expenses incurred or projected in connection with the Maintenance and operation of, and any Alteration to, the General Common Elements, as more particularly defined in the Declaration.

"Initial Lease Term" refers to the initial lease term for the Resident Manager's Unit, which shall be described in the Resident Manager's Unit Lease, a copy of which is annexed in Part II of the Plan as Exhibit 24, as a period of three (3) years commencing on the date of the First Closing.

"Initial Rent" refers to the rent for Initial Lease Term, which shall be described in the Resident Manager's Unit Lease, a copy of which is annexed in Part II of the Plan as Exhibit 24, as $60,000.00 per annum with annual escalations of three (3%) percent.

"Land" refers to the parcel of land described in Exhibit B to the Declaration.

"Law or Laws" refers to laws and ordinances of any or all of the federal, state, city, county and borough governments and 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 any Unit or any portion of any of the foregoing, any requirements or conditions of any licenses, permits, approvals or certificates issued by any of the foregoing, the direction of any public officer pursuant to Law, and the requirements and conditions of any easement, covenant, restriction, condition or other encumbrance that is binding upon the Property or the applicable portion thereof.

"LPC" refers to the Landmarks Preservation Commission.

"Main Roof" refers to the roof of the Building over the 11th Floor, as more particularly shown on the Floor Plans.

"Maintenance or Maintain" refers to the maintenance, repair, reconditioning, refurbishing, reconfiguration, inspection, testing, cleaning, decorating, painting, installation, Alteration, reconstruction, construction, demolition, restoration and replacement as and when necessary or desirable of any portion of the Building.

"Managing Agent" refers to the managing agent or manager of the Building at the time in question.

"Offeree" refers to (a) a Purchaser who has executed and delivered an Agreement for a Residential Unit and who is not in default thereunder, (b) a Unit Owner, and (c) any other person or entity who, pursuant to Law, is an offeree of the Plan.

"Non-Purchasing Tenant" has the meaning set forth in the GBL.

"Non-Structural Alterations" refers to any alteration, addition, installation or improvement that is not a Structural Alteration, as to which materials are delivered or installed by a third party, including without limitation: (i) the installation of decorations, fixtures and coverings, wallpaper, wall to wall 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 to a depth of one inch behind such surfaces for the purposes of installing nails, screws, bolts and the like and (ii) painting or other similar finishing.

"Non-Tenant Purchaser" refers to a Purchaser who is not a Tenant Purchaser.

"Northern Courtyard" refers to the court yard located on the north west side of the Property.

"Permanent Certificate of Occupancy" refers to a final certificate of occupancy issued by the New York City Department of Buildings approving the legal use and/or occupancy of the Building.

"Permitted Encumbrances" refers to those Unit title encumbrances subject to which a Purchaser agrees to take title, as more particularly itemized on Schedule A annexed to the form of Agreement and the Specimen Title Policy set forth in Part II of the Plan.

"Permitted Mortgage" refers to a mortgage permitted to be placed upon a Unit or Units pursuant to the provisions of the By-Laws.

"Permitted Mortgagee" refers to the holder of any Permitted Mortgage and shall include, without limitation, such banks and financial institutions as constitute the holders of the mortgages given by Sponsor to acquire or improve the Property.

"Permitted User" refers to any guest, tenant, occupant, customer, invitee, licensee, contractor, Permitted Mortgagee.

"Plan" refers to this offering plan for the establishment of condominium ownership, as the same may be amended from time to time.

"Presentation Date" refers to the date on which this Plan or an amendment thereto, as the case may be, is personally delivered or the fifth day after mailing to the tenants in occupancy of Residential Units in the Building following acceptance of this Plan or an amendment thereto for filing by the Department of Law.

"Property" refers to the Land, the Building and the appurtenances thereto.

"Purchase Option" refers to the offer by Sponsor to the Residential Board to purchase the Resident Manager's Unit for the Resident Manager's Purchase Price.

"Purchaser" refers to person(s) or entity(ies) named as Purchaser(s) in an Agreement which has been duly executed by such person(s) or entity(ies) and accepted by Sponsor.

"REIT Holding Co." refers to 11 East 68th REIT Holding LLC, a Delaware limited liability company (together with its permitted successors and assigns).

"Rent Laws" refers to (i) the New York State Rent Stabilization Law and the Code adopted pursuant thereto, (ii) the Local Emergency Housing Rent Control Act, (iii) the New York City Rent and Eviction Regulations, (iv) New York State General Business Law, Section 352-eeee and (v) any codes, rules and regulations promulgated thereunder and any administrative and/or judicial determinations and/or interpretations thereof, to the extent that any or all of the same shall apply to the Property, as each have been amended from time-to-time.

"Resident Manager's Unit" refers to Residential Unit 7C to be used for the resident manager's residence.

"Resident Manager's Unit Lease", refers to the lease for the Resident Manager's Unit between Sponsor and the Residential Board. a copy of which is annexed in Part II of the Plan as Exhibit 24.

"Resident Manager's Unit Purchase Price" refers to the Purchase Price for the Resident Manager's Unit to be determined by Sponsor in its sole discretion.

"Residential Board" refers to the board of managers representing the Residential Unit Owners.

"Residential Common Charges" refers to assessments payable to the Residential Board by Residential Unit Owners for the purpose of meeting the cost of the Residential Common Expenses, as more particularly defined in the Declaration.

"Residential Common Elements" refers to those Common Elements which serve or benefit exclusively the Residential Units and/or the Residential Unit Owners, as more particularly defined in the Declaration.

"Residential Common Expenses" refers to the costs and expenses incurred or projected in connection with the operation and Maintenance of the Residential Common Elements and/or the Residential Limited Common Elements or in connection with any services or facilities exclusively benefiting the Residential Section or the Residential Unit Owners, as more particularly defined in the Declaration.

"Residential Common Interest" refers to the proportionate undivided interest, expressed as a numerical percentage, in the Residential Common Elements appertaining to each Residential Unit determined in accordance with the Declaration. The Residential Common Interest is the basis of determining a Unit Owner's liability for a share of the Residential Common Expenses.

"Residential Limited Common Elements" refers to those Common Elements which serve or benefit exclusively one or more but not all the Residential Units and/or the Residential Unit Owners including, but not limited to the Terraces appurtenant to certain Residential Units, as more particularly defined in the Declaration.

"Residential Rules and Regulations" refers to the rules and regulations made in accordance with the By-Laws and attached thereto as Schedule A.

"Residential Section" refers to the Residential Units, the Residential Common Elements and the Residential Limited Common Elements.

"Residential Unit" refers to any Unit designated as a Residential Unit in the Declaration and Floor Plans, as same may be amended from time to time, and all such Residential Units, are, collectively, referred to as the "Residential Units."

"Residential Unit Owner" refers to any owner of a Residential Unit, and all such owners are, collectively, referred to as "Residential Unit Owners."

"Restoration Costs" refers to the reasonable costs necessary to restore the Residential Unit to the condition proposed by Sponsor prior to such Custom Work being performed.

"Roofs" refers collectively to the Main Roof and the Bulkhead Roof.

"Schedule A" refers to Schedule A, "Purchase Prices and Related Information" for the Projected First Year of Condominium Operation set forth in Part I of the Plan.

"Schedule B" refers to Schedule B, "Projected Budget for First Year of Condominium Operation" set forth in Part I of the Plan.

"Selling Agent" refers to Douglas Elliman, LLC, or any successor selling agent at the time in question.

"Sign" or "Signs" or "Signage" refers to any and all signs, awnings, canopies, marquees, banners, flags, pennants, aerials, antennas or the like located in any Unit or upon any Common Elements.

"Special Assessments" refers to those assessments levied against Unit Owners for the purpose of paying non-recurring, extraordinary expenses affecting the Common Elements, including without limitation, capital expenses relating to the Common Elements.

"Sponsor" refers to 11 East 68th Street LLC (f/k/a VNO 11 East 68th Street LLC) and its designees, successors and/or assigns.

"Sponsor Control Period" refers to the period ending the earlier of (i) the Closing of Title with Purchasers under this Plan to Units having at least 50% of the Common Interests of all Units or (ii) five (5) years after the First Closing.

"Structural Alterations" shall refer to alterations, additions, installations, improvements to the foundations, columns, girders, beams, supports, concrete slabs, footings, bracings, Exterior Façade, Building Systems and all other structural members of the Building or which otherwise affect the structural integrity of the Building.

"Tenant Purchaser" shall have the meaning set forth in the Section of the Plan entitled "Rights of Existing Tenants."

"Terrace(s)" refers to terraces and/or roof decks appurtenant to certain Residential Units.

"Terrace Installations" refers to the installation of plantings, surface coverings, furniture, equipment, structures, fencing, water features and other materials on a Terrace.

"Unit" or "Condominium Unit" refers to a space designated as a Residential Unit or a Commercial Unit in the Declaration, consisting, generally, of either a specific residence or a portion of the commercial space in the Building, together with an appurtenant proportionate

undivided interest in the General Common Elements and, as the case may be, in the Residential Common Elements, the Residential Limited Common Elements or in the Commercial Common Elements. All of such Units are collectively referred to as "Units."

"Unit Owner" refers to any Residential Unit Owner or Commercial Unit Owner, and all of such Residential Unit Owners and Commercial Unit Owner are collectively referred to as the "Unit Owners."

"Unit Owner Expense" refers to those expenses incurred by the Condominium Board or Residential Board or Unit Owner, as the case may be, on behalf of a particular Unit Owner.

"Unsold Residential Unit" refers to (a) any Residential Unit owned or retained, by way of lease or any other arrangement by which management and/or financial responsibility is retained, by Sponsor or its designee, or a Residential Unit that is acquired, individually or collectively, by a principal of Sponsor or a group of which Sponsor, or one or more of their principals, is a member, or (b) any Residential Unit for which there is a signed Agreement but for which Closing has not yet occurred.

"Unsold Unit" refers to any Unit owned or retained, by way of lease or any other arrangement by which management and/or financial responsibility is retained, by Sponsor or its designee; a Unit that is acquired, individually or collectively, by a principal of Sponsor or a group of which Sponsor or one or more of the principals of any of them, is a member; or a Unit that is acquired, individually or collectively, by either the holder of a Permitted Mortgage given by Sponsor or the designee of a holder of such a Permitted Mortgage.

"Vacant Unit Renovations" refers to the renovations to certain vacant Units which are set forth in the "Description of Property", Addendum I in Part II of this Plan.

"Working Capital Fund" refers to the working capital fund of the Residential Section.

"ZLDA" refers to a zoning lot development agreement.

All other capitalized terms used in Part I of the Plan 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 PROPERTY

Residential Units

A. Subject to the rights of Sponsor to change the number of Residential Units, there are a total of thirty one (31) Residential Units situated on twelve (12) floors identified as 2 through 11 and 12th Floor Penthouse. Detailed descriptions of the Residential Units are set forth in the Declaration and in the "Description of Property" in Part II of the Plan. See also the Section entitled "Changes in Prices and Units." Please refer to Schedule A, "Prices of Units and Related Information" for further details.

B. At the present time, Sponsor is in the process of renovating certain vacant Units. A description of the renovations that Sponsor intends to perform to vacant Units (the "Vacant Unit Renovations") is set forth in the "Description of Property", Addendum I in Part II of this Plan. Sponsor reserves the right to make the Vacant Unit Renovations and any other renovations, in Sponsor's sole discretion, to some or all of the balance of the vacant Units. The Purchase Prices set forth on Schedule A (entitled "Purchase Prices and Related Information" set forth in Part I of the Plan) for Non-Tenant Purchasers reflect the Purchase Price for vacant Units after completion of the Vacant Unit Renovations, except as noted on Schedule A by an asterisk. For any vacant Unit not then subject to an Agreement, Sponsor reserves the right, in its sole discretion, to not perform the Vacant Unit Renovations or to modify the scope thereof. Sponsor is not performing the Vacant Unit Renovations in any occupied Unit. Included in the Floor Plans set forth in Part II of the Plan are sample Floor Plans depicting layouts for vacant units for which Sponsor may perform the Vacant Unit Renovations, in Sponsor's sole discretion.

C. Except as otherwise expressly provided under the Plan with respect to the Vacant Unit Renovations, each Residential Unit and its appurtenant Common Elements are being sold "as is" in the condition in which they exist on the date an Agreement is executed for such Residential Unit, subject to ordinary wear and tear. Sponsor reserves the right, but shall not be obligated, to perform future improvements to the Building, including without limitation, the Building Renovations. Purchaser's are cautioned that no determination has been made at this time as to the exact scope and nature of the Building Renovations. Sponsor makes no representations or guaranties regarding the condition of the Property and has no specific knowledge about problems with or needed repairs to the Building, except as recommended in the "Description of Property" set forth as Exhibit 4 in Part II of the Plan. Purchasers are advised that former or current occupants of the Units may have made alterations to certain Residential Units, including without limitation, installation and/or relocation of interior walls.

D. Except as otherwise provided in this Plan and the Declaration and By-Laws, Residential Units shall be used for residential purposes. Subject to the provisions of the Declaration and By-Laws, the Residential Board, may in its sole discretion, permit a Residential Unit to be used for purposes other than residential use. See also the Section of the Plan entitled "Rights and Obligations of Unit Owners and the Board of Managers" under the subheading "Use of Units" and the Declaration and By-Laws in Part II of the Plan.

E. Sponsor reserves the right, without prior notice or amendment to the Plan, to use Unsold Residential Units on any floor of the Building as sales and leasing offices and model apartments. In the event Sponsor thereafter, elects to sell such Unsold Residential Units, Sponsor may require the Purchaser thereof to purchase all or any of the furniture, furnishings, equipment or decorations therein and pay, in addition to the purchase price for such Unsold Residential Unit, such amounts as Sponsor determines.

F. As part of the Building Renovations there will be a storage room created in the Cellar consisting of approximately 465 square feet which will constitute Common Elements. The area will have twenty individual wire mesh storage bins which Sponsor may license to a Purchaser. Purchasers are advised that the storage bins may not be used as a dwelling space and not to be used for the storage of combustible items as such term is defined in the New York City Building Code.

Resident Manager's Unit

A. At or subsequent to the First Closing, Sponsor will lease Resident Manager's Unit in the Condominium to the Residential Board for use as the Resident Manager's residence, in accordance with the terms and conditions set forth in the Resident Manager's Unit Lease. Upon the expiration of the Initial Lease Term, Sponsor, in its sole discretion, shall either (i) offer the Residential Board a Purchase Option at the Resident Manager Unit Purchase Price, or (ii) extend the Initial Lease Term for an additional period to be determined by Sponsor at the greater of (x) the market rental value of the Resident Manger's Unit at such time, or (y) the Initial Rent on the date prior to the expiration of the Initial Lease Term. The costs of utilities, local telephone service, cable television service, cellular telephone service and internet access attributable to the Resident Manager's Unit, which amounts are in addition to the annual rent under the Resident Manger's Unit Lease, will be borne by the Residential Board as a Residential Common Expense and assessed against each Residential Unit Owner as Residential Common Charges. Please refer to "Schedule B, Budget for First Year of Condominium Operation" in Part I of the Plan for further details regarding the Resident Manager's Unit Lease.

B. In the event that Sponsor elects to offer the Residential Board a Purchase Option upon the expiration of the Initial Lease Term or any subsequent extensions thereof, the Residential Board shall have twenty (20) days from the date Sponsor notifies the Residential Board of the Purchase Option to execute an Agreement for the Resident Manager's Unit at the Resident Managers Unit Purchase Price. Purchasers should note that if Sponsor offers the Residential Board the Purchase Option and the Residential Board does not elect to purchase the Resident Manager's Unit, there is no guarantee that the Sponsor will continue to lease the Resident Manager's Unit for use by the Residential Board beyond the Initial Lease Term, and if the Sponsor does so make the Resident Manager's Unit available, no representations are made regarding the rental or use and occupancy which will be charged by the Sponsor therefor. In the event that after the Initial Lease Term, as the same may be extended, in Sponsor's sole discretion, the Sponsor does not make the Resident Manager's Unit available for the use by the Resident Manager, there may be no apartment in the Building for use of the Resident Manager in the Building. In such event the Residential Board may either: (i) relocate the Resident Manager to another Unit in the Building; (ii) employ a superintendent for the Building who will be provided with an apartment within a distance of one block or two hundred feet from the

Building; (iii) employ a twenty-four hour a day janitorial service, in accordance with the provisions of the New York City Housing Maintenance Code, or (iv) take any other actions in accordance with Law.

C. Prior to or during the Initial Lease Term, as such term may be extended in Sponsor's sole discretion as set forth above, Sponsor reserves the right, in its sole discretion, to choose a different Residential Unit other than Residential Unit 7C to lease to the Residential Board as the Resident Manager's Unit under the same non-monetary lease terms; provided, however that such lease shall only be made pursuant to an amendment to the Plan and shall not result in the Residential Board incurring monthly rental payments which exceed the cost of leasing Residential Unit 7C by more than twenty-five percent (25%).

Terraces

A. Included in the Residential Limited Common Elements are Terraces appurtenant to certain Residential Units, as more particularly described in Schedule A, which Terraces are included in the Purchase Prices for the Residential Units. A Residential Unit Owner who has a Terrace appurtenant to such Unit Owner's Residential Unit shall have the exclusive use of same, subject to the right of the Boards to regulate its use and subject to all applicable law.

B. All Maintenance of any Terrace which does not involve Structural Alterations shall be made by the Residential Unit Owner having access to such at such Residential Unit Owner's own cost and expense, but any Structural Alterations to such Terrace (including any leaks which are not caused by the negligence of the Residential Unit Owner having access to the same) shall be made by the Residential Board and the cost and expense thereof shall be charged to all Residential Unit Owners as a Residential Common Expense. The Condominium Board and the Residential Board will have the right to require a Residential Unit Owner to obtain the consent of the Condominium Board and/or the Residential Board prior to installing Terrace Installations on the Terraces and may require a Residential Unit Owner to remove same, at such Residential Unit Owner's sole cost and expense, if the Condominium Board or the Residential Board determines, in their respective discretion, that such Terrace Installations adversely affect the integrity of the Roofs or adversely affect the appearance of the Building. A Residential Unit Owner will be obligated, at such Residential Unit Owner's sole cost and expense, to remove Terrace Installations from the Terrace, if requested by a Board, to facilitate access to the roofing system, walls, Exterior Facade or other Common Elements pursuant to the Declaration or the By-Laws. No Terrace may be enclosed without the express written consent of the Condominium Board. Prior to installing Terrace Installations, either or both Boards may require, in their sole discretion, that the Residential Unit Owner enter into an alteration agreement with the Board(s).

General Common Elements

Generally, the General Common Elements consist of all Common Elements other than the Residential Common Elements, Residential Limited Common Elements, Commercial Common Elements and Commercial Limited Common Elements (if any) and include, among other things, the following: (a) the Land; (b) the eastern portion of the Northern Courtyard (including the exterior steel stairwells that service the Ground level to Cellar level and Second level to Ground level); (c) the life safety system, including the fire alarm system and sprinkler

system, including the booster fire pump and all other fire pumps and fire command station for the Building (except such portions of such life safety system which are expressly designated as a Limited Common Element); (d) the following areas located on portions of the Cellar level of the Building: the mechanical space and other rooms, areas, space and Facilities servicing all of the Units and the General Common Elements, including: storage rooms, meter room, boiler room, oil tank room, locker room, bathrooms office and closets, as more particularly delineated on the Floor Plans; (e) all street trees, shrubbery, planters and other plantings located on the sidewalks (if any), other than those located in the Entry Courtyard and (f) any of the following: all foundations, footings, columns, girders, floor slabs and ceilings (other than those expressly designated as Commercial Common Elements or Residential Common Elements), beams, supports, interior load bearing walls from the top of the floor slab forming the bottom of the Second Floor of the Building down. A detailed description of the General Common Elements is set forth in the Declaration.

Residential Common Elements

The Residential Common Elements are shared by all Residential Unit Owners and include, among other things, the following: (a) the Main Roof, (b) residential electric meters and panels, electric closets, feeders, risers and Facilities, Residential gas meter and direct burial telephone cables serving exclusively the Residential Section (c) kitchen, bathroom and dryer exhaust ducts, corridor and Residential Unit supply air ducts, steam lines supply and return for heating, water pressure reducing valve system, and all other Facilities in the floor and ceilings serving or benefiting exclusively the Residential Section; (d) CATV riser and all other Facilities located in the Property serving or benefiting exclusively the Residential Section to the extent that the same are not owned by a third party; (e) the tenant storage, restroom, laundry room, laundry pantry room, located on the Cellar level of the Building and more particularly identified on the Floor Plans (f) passenger elevator numbers 1 and 2 and service elevator numbers 1 and 2 and their respective shafts, pits, machine rooms and Facilities serving the Cellar level through 12th Floor Penthouse (g) the Residential Lobby, (h) the water tower, if any on the roof servicing the Residential Units; (i) the Exterior Façade that is appurtenant to the Residential Section, as more particularly shown on the Elevation Plans; (j) the windows in the Residential Section that do not exclusively open into a an individual Residential Unit; (k) the western portion of the Northern Courtyard; (l) all street trees, shrubbery, planters and other plantings located in the Entry Courtyard; (m) any of the following: all foundations, footings, columns, girders, floor slabs and ceilings, beams, supports, interior load bearing walls from above the slab over the Second Floor of the Building; (n) the Bulkhead Roof, as more particularly described on the Floor Plans; (o) the floor slabs and ceilings that are located within the Residential Units and do not abut General Common Elements, Commercial Common Elements or Commercial Limited Common Elements; (p) the Exterior Façade appurtenant to the Commercial Units located on the First Floor which face the courtyard. A detailed description of the Residential Common Elements is contained in the Declaration.

Residential Limited Common Elements

The Residential Limited Common Elements are available for the exclusive use of some but not all Residential Unit Owners and include those portions of the Building available for the exclusive use of some but not all Residential Unit Owners. At the present time the Residential

Limited Common Elements consist of Terraces appurtenant to certain Residential Units and fireplace flues, chimneys and shafts exclusively serving those Residential Units that have fireplaces and that portion of equipment, fixtures or Facilities serving or benefiting one Residential Unit, to the extent located within another Unit or within a Common Element to which there is direct and exclusive access from the interior of a Residential Unit.

Commercial Common Elements

Generally, the Commercial Common Elements include, among other things, the following: (a) the Exterior Façade that is appurtenant to the Commercial Section (other than the First Floor Residential Façade Elements), as more particularly shown on the Elevation Plans; (b) Commercial electric meter, separate cold water meter, gas meter and other utility meters (if any) serving or available for the exclusive use of the Commercial Section; (c) ductwork, and all other electric and similar Facilities serving or benefiting exclusively the Commercial Section; (d) all windows in the Commercial Section other than windows which are part of Commercial Units, if any; (e) floor slabs and ceilings that are located within the Commercial Units and do not abut General Common Elements, Residential Common Elements or Residential Limited Common Elements. A detailed description of the Commercial Common Elements is set forth in the Declaration.

Commercial Limited Common Elements

The Commercial Limited Common Elements are available for the exclusive use of one or more but not all Commercial Unit Owners and include the HVAC units serving the Commercial Units.

Services and Facilities

A. The Building will be Maintained, operated and staffed in a manner to be determined by the Condominium Board. Prospective Purchasers are urged to carefully review Schedule B in Part I of this Plan and the Description of Property set forth in Part II of this Plan, for a description of the services presently being provided. Sponsor makes no representation that the aforesaid services will continue to be provided. Notwithstanding the foregoing, however, the Condominium Board shall at all times Maintain, operate and staff the Building in compliance with, and subject to, all applicable Laws and any rights of Non-Purchasing Tenants under the GBL. Except as otherwise consented to in writing by Sponsor, the Condominium Board and Residential 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 Rent Laws, except for those services, if any, that are the obligation of Sponsor to provide under the terms of the Declaration or the Plan. No Board shall impose any charge or fee against the tenants or occupants of the Residential Units owned by Sponsor or its designee or against Sponsor on account of any services provided to such tenants and occupants unless Sponsor or its designee is permitted by the Rent Laws to impose such charge or fee against such tenants or occupants. Such permitted charge or fee may be increased by the Boards, but only to the extent Sponsor or the owner of the occupied Units would be allowed to charge its tenants such increased charges or fees under the Rent Laws. If, as the result of the aforesaid limitations on the Boards, the amount of such charges or fees collected by Board is insufficient to cover the cost of providing such service(s), then such additional cost

will be included in Common Charges and borne by all Residential Unit Owner's in proportion to their respective Common Interests.

B. Except as otherwise noted above, and except as otherwise required under the Rent Laws, all determinations with respect to the continuance of services and facilities for the Residential Section will be made by the Residential Board, which, until the expiration of the Sponsor Control Period, will be controlled by Sponsor (see the Section "Control by Sponsor").

C. Neither Sponsor, the Selling Agent, the Managing Agent or any Board will in any event be liable for the interruption, discontinuance or quality of any of the Building services, including, but not limited to, any services 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 company or persons or their employees or agents, including Building personnel or otherwise. There is no guaranty that any of the foregoing services or amenities will continue to be available to Residential Unit Owners or occupants or tenants of Residential Units in the future or that any change in the foregoing will not adversely impact upon the value of the Residential Units.

D. There is one common laundry room located in the Cellar for the use of the Residential Unit Owners. The Sponsor plans to reconfigure and renovate the laundry room. The common laundry room will house four stacking smart-card operated washers/dryers, and one smart-card operated large load washer and one smart-card operated large load dryer. All washers and dryers will be commercial units operated by an outside vender, which will lease same to the Condominium. The laundry room will be mechanically ventilated. The dryers, which are gas operated, will be vented to the exterior. Please refer to the "Description of Property" set forth as Exhibit 4 in Part II of the Plan for further details.

E. The Building will have one common playroom and one common exercise room located in the Cellar. As part of the Building Renovations there will be a storage room created in the Cellar consisting of approximately 465 square feet which will constitute Common Elements. The area will have twenty individual wire mesh storage bins which Sponsor may license to a Purchaser. Please refer to the "Description of Property" set forth as Exhibit 4 in Part II of the Plan for further details and Schedule A.

F. Certain services, such as telecommunications, and other similar services may be provided by outside suppliers and delays in providing these services will not be the responsibility of Sponsor. Such suppliers may not provide these services until occupancy in the Building has reached certain levels.

RIGHTS OF EXISTING TENANTS

A. Each Tenant Purchaser (defined below) shall have the exclusive right for a period of ninety (90) days from the Presentation Date of this Plan (the "Exclusive Purchase Period") within which to purchase the Residential Unit such purchaser occupied on the Filing Date of this Plan at the Purchase Price set forth in Schedule A, during which time the Tenant Purchaser's Residential Unit shall not be shown to a third party unless the Tenant Purchaser has, in writing, waived his or her right to purchase. In order to exercise this exclusive right to purchase, the Tenant Purchaser must deliver a signed Agreement and the required Down Payment to the Selling Agent during the Exclusive Period. Sponsor has agreed that during the Exclusive Purchase Period, the purchase prices to be paid by Tenant Purchasers will not be increased nor will the Selling Agent accept Agreements from non-occupant purchasers for occupied Residential Units.

B. The term "Tenant Purchaser" shall include: (a) a bona fide tenant in occupancy on the Filing Date; (b) a bona fide tenant with the right to renew a lease on the Filing Date; (c) a bona fide tenant who has the right to continued occupancy on the Filing Date; (d) a bona fide tenant of record with an unexpired lease on the Filing Date even though the tenant has sublet the Residential Unit or the Residential Unit is not the tenant's primary residence; (e) a bona fide sublessee in occupancy on the Filing Date, if such sublessee sublets from a non-bona fide tenant, or has obtained written permission to purchase the Residential Unit from the bona fide tenant of record; and (f) a residential occupant on the Filing Date entitled to protection under Article 7C of the Multiple Dwelling Law.

C. The term "Tenant Purchaser" shall not include the estate or legal representative of a bona fide tenant who was in occupancy of a Unit on the Filing Date who died on or after the Filing Date.

D. THIS IS A NON-EVICTION PLAN. NO NON-PURCHASING TENANT WILL BE EVICTED BY REASON OF CONVERSION TO CONDOMINIUM OWNERSHIP.

E. The following summary of rights of existing tenants is set forth in accordance with Section 352-eeee of New York State General Business Law (the "GBL"), a copy of which is set forth in Part II of this Plan. Bona fide tenants in occupancy derive substantial protections under the GBL.

F. The term "Non-Purchasing Tenant" (as such term is defined in the GBL) means a person who has not purchased a Residential Unit pursuant to this Plan and who is a tenant entitled to possession at the time this Plan is declared effective or a person to whom a Residential Unit is rented by Sponsor subsequent to the effective date of the Plan. A person who sublets a Residential Unit from "a purchaser under the Plan" (as such term is defined in the GBL) shall not be deemed a Non-Purchasing Tenant.

G. No eviction proceedings will be commenced at any time after the effective date against Non-Purchasing Tenants for failure to purchase or any other reason applicable to expiration of tenancy; provided that such proceedings may be commenced for non-payment of

rent, illegal use or occupancy of the premises, refusal of reasonable access to the Condominium or its Managing Agent or a breach by the Non-Purchasing Tenant of his obligations to the owner of the Residential Unit or such other grounds for eviction as may then be permitted by Law; and provided further that an owner of a Residential Unit may not commence an action to recover possession from a Non-Purchasing Tenant on the grounds that he seeks the Residential Unit for the use and occupancy of himself or his family.

H. Non-Purchasing Tenants who reside in Residential Units subject to government regulation as to rentals and continued occupancy prior to the conversion of the Building to condominium ownership shall continue to be subject thereto. Nothing contained herein shall be deemed to extend greater rights to a Non-Purchasing Tenant than such tenant would have had if the Building had not been converted to condominium ownership, except as otherwise provided in subparagraph (C) below.

I. The rentals of Non-Purchasing Tenants who reside in Residential Units not subject to government regulation as to rentals and continued occupancy and Non-Purchasing Tenants who reside in Residential Units with respect to which government regulation as to rentals and continued occupancy is eliminated or becomes inapplicable after the Filing Date of this Plan shall not be subject to unconscionable increases beyond ordinary rentals for comparable Residential Units during the period of their occupancy. In determining comparability, consideration will be given to such factors as building services, level of Maintenance and operating expenses.

J. Non-Purchasing Tenants are advised that complaints of unconscionable rent increases may be referred to the New York State Department of Law, Bureau of Real Estate Financing, 120 Broadway, 23rd floor, New York, New York 10271.

K. Non-Purchasing Tenants may be subject to rent increases as the result of major capital improvements ("MCI") made by Sponsor, the Condominium Board or purchasers of Residential Units occupied by such Non-Purchasing Tenants. Under current Law, Sponsor is not entitled to seek a MCI rent increase to the extent Sponsor has taken a credit against the Reserve Fund as the result of such MCI. Please refer to the Section of the Plan entitled "Reserve Fund" for further details.

L. This Plan may not be amended at any time to provide that it shall be an eviction plan.

M. The rights granted under this Plan to "purchasers under the Plan" (as such term is defined in the GBL) and to Non-Purchasing Tenants may not be abrogated or reduced notwithstanding any expiration of, or amendment to, the GBL. Please refer to the Section entitled "Rights and Obligations of Unit Owners and the Boards of Managers" in Part I of the Plan for further details.

N. All Residential Units occupied by Non-Purchasing Tenants will be managed by the same managing agent who manages all other Residential Units in the Building. Such managing agent will provide to Non-Purchasing Tenants all services and facilities required by Law on a non-discriminatory basis. Sponsor will guarantee the obligation of the Managing

Agent to provide all such services and facilities until such time as Sponsor surrenders control of the Condominium Board.

O. It shall be unlawful for any person to engage in any course of conduct, including, but not limited to, interruption or discontinuance of essential services, which substantially interferes with or disturbs the comfort, repose, peace or quiet of any tenant in his use or occupancy of his Residential Unit or the facilities related thereto. The Department of Law may apply to a court of competent jurisdiction for an order restraining such conduct and, if the Department of Law deems it appropriate, an order restraining the owner from selling the Residential Unit or from proceeding with this Plan of conversion. Nothing contained in the GBL shall be deemed to preclude the tenant from applying on his own behalf for similar relief.

P. Any provision of a lease or other rental agreement which purports to waive a tenant's rights under the GBL or rules and regulations promulgated pursuant to the GBL shall be void as contrary to public policy.

Q. Tenants or their representatives may physically inspect the Property at any time subsequent to the submission of this Plan to the Department of Law, during normal business hours, upon written request made by them to Sponsor, provided such representatives are registered architects or professional engineers licensed to practice in the State of New York.

R. The By-Laws provide that subsequent to the First Closing under this Plan, and for each sale or resale of a Residential Unit occupied by a Non-Purchasing Tenant, a Non-Purchasing Tenant will be promptly notified in writing by the purchaser thereof, of the name and address of the person or persons who purchased such Non-Purchasing Tenant's Residential Unit and the Condominium Board is required to make such information available to such Non-Purchasing Tenant.

S. If prior to the expiration of any Exclusive Purchase Period, which begins prior to the First Closing, Sponsor amends the terms and conditions of this offering to be more favorable to Tenant Purchasers, a Tenant Purchaser who executed and submitted an Agreement and Down Payment before Sponsor amended the terms of this Plan shall benefit from the more favorable terms and conditions. An Agreement from a Tenant Purchaser executed and submitted to Sponsor during any Exclusive Purchase Period shall have priority over and pre-empt any Agreement from a Non-Tenant Purchaser.

T. In the event a Purchaser purchases a Residential Unit not occupied by such Purchaser, such purchase shall be subject to the terms and conditions of the existing lease or tenancy of the Residential Unit and subject to the rights and obligations set forth in the GBL and the purchaser and his or her successors shall continue to be bound as long as such lease or tenancy continues. A Tenant-Purchaser will not have the right to purchase on terms obtained by a Non-Tenant Purchaser. Please refer to the Section entitled "Effective Date" for the details regarding Sponsor's obligation to post notices regarding the percentage of Tenant Purchasers and Non-Tenant Purchasers for whom Sponsor has accepted Agreements.

U. If a Tenant Purchaser purchases a Residential Unit, then from and after the closing of title to such Residential Unit, such Tenant Purchaser would no longer be subject to, or

have any rights afforded tenants in occupancy under, the GBL. Tenant Purchasers shall not have the right to assign their Agreements. Please refer to the Section of the Plan entitled "Assignment of Agreements."

V. Tenant Purchasers are not being offered the right to purchase any Unit other than the Unit occupied by such Tenant Purchaser on the Filing Date of the Plan. Non-Purchasing Tenants shall have no rights with respect to their Residential Units except as same may specifically set forth above and in the GBL. Nothing contained herein shall be deemed to grant Non-Purchasing Tenants any additional rights of occupancy with respect to the Residential Units.

W. Certain Non-Purchasing Tenants reside in apartments subject to the provisions of either (i) the New York City Rent Stabilization Law and the Code adopted pursuant thereto, (ii) the New York City Rent Control Regulations, (iii) the New York State General Business Law, Section 352-eeee, (iv) the Rent Regulation Reform Act of 1997 and (v) any codes, rules and regulations promulgated thereunder and any administrative and/or judicial determinations and/or interpretations thereof, to the extent that any or all of the same shall apply to the Property, as more particularly described in Schedule A in Part I of the Plan.

X. Sponsor will on the 30th, 60th, 88th and 90th day after the Presentation Date of this Plan and at least once every thirty (30) days until this Plan is declared effective or abandoned, as the case may be, and on the 2nd day before the expiration of any Exclusive Purchase Period provided in an amendment to this Plan, (i) file with the Department of Law, Real Estate Finance Bureau, 23rd Floor, 120 Broadway, New York, New York 10271, a written statement, under oath, setting forth the percentage of Residential Units in the Building which are the subject of Agreements executed by bona fide tenants in occupancy or bona fide purchasers who represent that they intend that they or one or more specified members of their immediate family occupy the Residential Unit when it becomes vacant as of the date of such statement and as of a specified time and, (ii) before noon on the day such statement is filed, post a copy of such statement in a prominent place accessible to all tenants in the Building. The percentage shall be computed in the same manner as Sponsor shall compute the minimum percentage needed to declare this Plan effective. The statement which is posted in the Building and filed with the Department of Law shall include the following: the date and time of the statement, the Filing Date of this Plan, the Presentation Date of this Plan and any current amendment to the Plan, the last day of any Exclusive Purchase Period, the number of bona fide tenants in occupancy and bona fide purchasers who have executed Agreements, the number of Residential Units counted in the base and the percentage of purchasers. Copies of all filed and posted written statements will be available for inspection at the office of the Selling Agent and the Department of Law. All filed and posted written statements shall remain posted until the next filed and written statement is posted.

Y. In October, 2009, the New York State Court of Appeals ruled in the case, Roberts v. Tishman Speyer Properties, L.P.,13 N.Y.3d 270;890 N.Y.S.2d 388(2009) ("Roberts"), that during any period a building is receiving J-51 real estate tax benefits, rent stabilized tenants, whether they were rent stabilized before the building's receipt of J-51 real estate tax benefits, or became rent stabilized as a result of the building's receipt of such benefits, are not subject to deregulation under the high-rent deregulation provisions of the rent laws ("High Rent

Deregulation Provisions"). According to information verbally provided by the Department of Housing Preservation and Development, the Property has not received any J-51 real estate tax benefits. If, in the future, the building receives such benefits, rent regulated, non-purchasing tenants (as defined under General Business Law, Section 352- eeee) are entitled to protection from deregulation under the High-Rent Deregulation Provisions while the building receives J-51 tax benefits.

New York City Administrative Code Section 26-504 (c) provides that when a building has J-51 tax benefits, if each lease and lease renewal includes a notice informing the tenant that the unit will be subject to deregulation upon the expiration of the tax benefit period and the approximate date on which such tax benefit is scheduled to expire, the unit will be deregulated upon the expiration of the tax benefit period, unless the unit would have been subject to rent stabilization in the absence of the receipt of J-51 benefits. With respect to units that are rent stabilized solely by reason of the receipt of J-51 benefits, if no such notice is included in each lease and renewal, such unit will remain rent stabilized and protected from deregulation under the High-Rent Deregulation Provisions until the occurrence of the first vacancy of such unit after the J-51 benefits are no longer being received. With respect to units that were rent stabilized before the receipt of J-51 benefits, it could be argued that if no such notice was included in each lease and renewal, protection from deregulation under the High-Rent Deregulation Provisions will continue for such units until the occurrence of the first vacancy of such unit after such benefits are no longer being received.

Prospective purchasers of occupied units and non-purchasing tenants should consult with their respective counsels to determine their rights and obligations under the leases and applicable rent laws, including, but not limited to, their respective rights and obligations regarding deregulation under the High Rent Deregulation Provisions.

Sponsor will provide written authorization to any prospective purchaser to access the records of the Department of Housing and Community Renewal for any unit which may be affected by the Roberts decision.

Z. See the Section entitled "Effective Date" for a discussion of Sponsor's obligation to periodically post the percentage of Agreements received by the Selling Agent.

OBLIGATIONS OF PURCHASERS OF RESIDENTIAL UNITS OCCUPIED BY NON-PURCHASING TENANTS

A. A person purchasing a Residential Unit occupied by another does so subject to: (a) the existing lease for the Residential Unit, if any (and any renewal thereof pursuant to Law or effected prior to the date on which the purchaser's Agreement is accepted), (b) the existing occupancy of the Residential Unit, and (c) rights of the tenant thereof, if any, under the Rent Laws, and under the GBL, including the right to stay in possession of the Residential Unit pursuant to the GBL, as more fully discussed in the Section entitled "Rights of Existing Tenants." A Purchaser purchasing a Residential Unit subject to the Rent Laws must register such Residential Unit with the New York State Department of Housing and Community Renewal. The status of each of the Residential Units being offered for sale as of the date of the Plan is set forth on Schedule A, "Purchase Prices and Related Information" in Part I of the Plan. Under the current Rent Laws, where a Residential Unit previously occupied by a Non-Purchasing Tenant is vacated and re-rented by Sponsor, such Residential Unit is no longer subject to the Rent Laws but may be subject to limitations set forth in the GBL regarding rent increases.

B. No representations or statements of any kind as to the requirements of the GBL are given, except as expressly set forth in this Plan, and a prospective purchaser interested in purchasing an occupied Residential Unit in which he does not reside, or lease, is advised to consult with his attorney regarding the application and effect of the foregoing Laws and regulations in order to become fully apprised of his rights as a purchaser and his obligations to any existing tenant or occupant.

C. After consummation of the sale of a Residential Unit to a non-occupant purchaser, such non-occupant purchaser will own the Residential Unit, subject to the lease or tenancy of the present tenant and subject to all rights, if any, afforded such tenant under the GBL and this Plan. Under the GBL, the Non-Purchasing Tenant may not be evicted at any time for failure to purchase or any other reason applicable to expiration of tenancy, provided that eviction proceedings may be commenced for non-payment of rent, illegal use or occupancy of the premises, refusal of reasonable access to the Condominium or its Managing Agent or a breach by a Non-Purchasing Tenant of his obligations to the owner of the Residential Unit or such other grounds for eviction as may then be permitted by Law. In addition, no eviction proceedings may be commenced against a Non-Purchasing Tenant on the grounds that the non-occupant purchaser seeks the Residential Unit for the use and occupancy of himself or his family.

D. If a non-occupant purchaser acquires a Residential Unit occupied by another, then on the Closing Date of such Residential Unit, the non-occupant purchaser will become the landlord of such tenant and the latter will become the non-occupant purchaser's tenant. Such non-occupant purchaser will be required under the Agreement executed by him to pay the Common Charges, taxes, Special Assessments, Unit Owner Expenses or other assessments, as the case may be, charged against the Residential Unit by the Condominium Board or the Residential Board (as applicable), regardless of whether such Common Charges, taxes, Special Assessments, Unit Owner Expenses or other assessments are greater or less than the rent payable by the tenant or occupant, and regardless of whether the rent is received. In addition, such non-

occupant purchaser will be solely responsible for all litigation costs, fees, and any dues related to the tenancy as well as the performance of all obligations of the landlord under the lease with the tenant or occupant, including, without limitation, the obligation to Maintain plumbing fixtures, doors, hardware, flooring, refrigerator, range, dishwasher, lighting fixtures, and other equipment, if any, which are included in the Residential Unit or are the obligation of the Residential Unit Owner to Maintain, and which are not owned by the tenant or occupant and to paint the Residential Unit, as provided in the Agreement or applicable Law. The non-occupant Purchaser will be obligated to give the Non-Purchasing Tenant such renewal leases and riders as may be required under applicable Law, including the Rent Laws and the GBL and may only evict the Non-Purchasing Tenant on grounds permitted by Law, as more particularly described in the Section entitled "Rights of Existing Tenants" in Part I of the Plan.

E. The Agreement contains a provision whereby each non-occupant purchaser of a Residential Unit irrevocably appoints the then Managing Agent of the Building (which Managing Agent may be replaced from time to time by the Condominium Board) as his agent, coupled with an interest, to provide, for the account and at the expense of the non-occupant purchaser, all services and facilities required by Law on a non-discriminatory basis, to the Non-Purchasing Tenant who has a right to occupy the Residential Unit such non-occupant purchaser is purchasing until such time as said right to occupy terminates. In addition, each non-occupant purchaser agrees: (a) to deposit with the Managing Agent at the closing of title to the Residential Unit, a sum not less than an amount equal to two (2) months Common Charges to be used as working capital to furnish such services and facilities, and (b) upon written notice by the Managing Agent that the deposit has been diminished, to replenish such fund within a thirty (30) day period. In the event the Residential Unit Owner fails to so replenish such fund, the each Board will have a lien against the Residential Unit Owner's Residential Unit in accordance with the By-Laws. Interest, if any, earned on the fund shall be the property of the Residential Unit Owner.

F. Sponsor shall guarantee the obligation of the Managing Agent to provide such services and facilities until such time as Sponsor surrenders control of the Condominium Board. Each non-occupant purchaser of a Residential Unit will be required to indemnify Sponsor for all costs expended by Sponsor on such non-occupant purchaser's behalf. The foregoing obligations of a non-occupant purchaser do not apply to Sponsor.

G. Upon each resale of a Residential Unit occupied by another, the Managing Agent shall notify the Non-Purchasing Tenant thereof in writing within ten (10) days following the change in ownership of the name and address of the new non-occupant purchaser.

H. No representation is made or warranty given as to whether the GBL or the Rent Laws will continue to apply to any Residential Unit in the Building or whether there will be any future amendments thereto. Nothing contained herein shall be deemed to prevent Sponsor or the purchaser of a Residential Unit occupied by Non-Purchasing Tenants from enjoying the benefits from any amendment to the Rent Laws or any court ruling which may be deemed to benefit Sponsor.

I. A person interested in purchasing a Residential Unit in which he does not reside is advised to examine the lease for such Residential Unit to ascertain the rental thereof, expiration

date and obligations imposed on the landlord thereof. These leases are on file at the office of the Managing Agent or Sponsor. It is further recommended that such person consult with his own attorney in order to become fully apprised of the effect of the GBL and the Rent Laws, as well as the lease for the Residential Unit, on his rights as a non-occupant purchaser and his obligations to the existing tenant or occupant.

J. A non-occupant purchaser of a Residential Unit subject to a lease will be entitled to receive the unapplied portion of any security deposit held by Sponsor under the terms of such lease. Such security must be held by the non-occupant purchaser, in trust, in an interest bearing account in accordance with Section 7-103 of the New York General Obligations Law. Upon receipt of such security deposit, the non-occupant purchaser will be required to acknowledge, in writing, receipt thereof and agree to indemnify Sponsor against all claims or liability in connection therewith.

LOCATION AND AREA INFORMATION

Location and Services

A. The Condominium is located on the corner of 68th Street and Madison Avenue in Upper East Side Historic District in the City of New York.

B. New York City is the largest city in the United States, as well as one of the principal urban centers of the world. Manhattan is the center of New York City, containing numerous business and financial centers, excellent regional transportation, cultural activities, recreational and open-space park areas, educational facilities, superb medical centers and a vast array of restaurants.

C. New York City is the nation's principal financial center. It is the home of the New York Stock Exchange, the American Stock Exchange and the National Over-the-Counter Stock Market. Manhattan is the corporate headquarters for a number of the largest banks in the United States. Many of the country's "Fortune 500" industrial corporations have their principal corporate headquarters in Manhattan as do major law firms and accounting firms. Manhattan is also recognized as the national center of the advertising, communications, broadcasting, publishing and garment industries. In the last several years, there has been substantial growth in the number of foreign banks and corporations that have established offices in Manhattan.

D. The Condominium is served by a variety of transportation facilities. Taxi and limousine service is readily available throughout the city. Municipal bus service for the Condominium is available on Madison Avenue and other nearby streets. Subway service is convenient to the 4, 5 and 6 lines which connects to nearby Grand Central Station. Grand Central Station services the 4, 5, 6, 7, Shuttle, as well as Metro North. By automobile, the FDR Drive is in close proximity to gain access to other major highways leading to Westchester, New Jersey and Connecticut. New York City is serviced by three major airports located within fifteen miles of the Condominium. Kennedy International and LaGuardia Airports are located in New York City and Newark International is located in Newark, New Jersey.

E. Excellent shopping facilities are also conveniently located. In addition to the many stores on Madison Avenue, the Condominium is situated nearby to such retail stores as Barneys, Bloomingdales, F.A.O. Schwarz, Bergdorf Goodman and Saks Fifth Avenue and Bendels.

F. Numerous museums are located within easy access to the Condominium. Among them are the world famous Museum of Natural History, the Metropolitan Museum of Art, the Guggenheim Museum, the Whitney Museum of American Art, the Museum of Modern Art, and the New York Historical Society.

G. The Condominium is just one block street from Central Park. Central Park, located in the center of Manhattan, is an 840-acre tract of land which combines beautifully landscaped areas with a large variety of recreational facilities, such as tennis courts, running paths, bicycle routes, an ice skating rink, theatrical performances, musical concerts, and a zoo.

H. Excellent educational facilities are within close proximity to the Condominium. Private schools in the area for the grade and high school levels include Trinity, Collegiate, Ethical Culture, Columbia Grammar, Dalton, St. Bernard's, Spence Girls' School, and the Stevenson School. The Juilliard School is at Lincoln Center. Columbia University, located at 116th Street and Broadway, is a member of the Ivy League and one of the outstanding educational facilities in this country, featuring Columbia College, Barnard College for Women and the Columbia University Schools of Law, Business and International Affairs.

I. The Condominium is also within easy access to a number of medical facilities in the New York area, including St. Luke's/Roosevelt Hospital (located at Columbus Avenue and 59th Street) St. Luke's Hospital (located at West 114th Street and Amsterdam), Mount Sinai Medical Center (located at 100th Street and Fifth Avenue), Lenox Hill Hospital (located at East 77th Street and Park Avenue), the New York Hospital-Cornell Medical Center (located at 68th Street and York Avenue).

J. Police, fire, water, sanitation and snow removal are provided by the City of New York. The Property is in the 19th Police Precinct located at 153 East 67th Street, New York, New York, and primary fire protection is provided by the N.Y.F.D. Engine 39 located at 157 East 67th Street, New York, New York.

K. The City of New York is responsible for the maintenance of the roads adjacent to the Condominium.

L. There is no guaranty that any of the foregoing services or amenities will continue to be available to Unit Owners or residents in the future or that any change in the foregoing will not adversely impact upon the value of the Residential Units. Sponsor makes no representations that the character of the neighborhood, the businesses and other institutions which operate there or the qualitative nature of the surroundings will not change.

Zoning and Use

A. The Property is located in an C5-1, R8 Commercial District. The permissible uses under this zoning designation include a wide variety of residential, commercial and community facility uses.

B. The Building does not have individual landmark status, however, the Property is located in the Upper East Side Historic District and therefore, alterations to the Building may be subject to LPC rules and regulations.

C. Sponsor makes no representations or warranties regarding building construction in the area of the Condominium or whether the existing structures in the area will remain. Purchasers are advised that adjacent parcels or buildings may be further developed and such development could adversely impact upon the views from a Residential Unit

SCHEDULE A - PRICES OF UNITS AND RELATED INFORMATION

11 EAST 68TH STREET CONDOMINIUM

Schedule A: Purchase Prices and Related Information for the Projected First Year of Condominium Operation (7/1/13-6/30/14)

Unit	Number Bedrooms (BR) / Bathrooms (BA) (2)	Current Rental Status	Terrace/Balcony Square Footage (1)	Unit Square Footage (1)	Offering Price to Non-Tenant Purchaser (2)	Offering Price to Tenant Purchaser (2)	General Common Interest (3)(a)	Residential Common Interest (3)(b)	Estimated Monthly Common Charges (4)	Estimated Monthly Real Estate Taxes 1st Year (5)	Estimated Total Monthly Charges 1st Year (6)
2A EAST	3BD/3.5BA	FM		2519	$ 7,500,000	$ 7,125,000	2.0242%	2.1766%	$ 3,338.99	$ 3,725.61	$ 7,064.59
2 WEST	5BD/5.5BA	FM	758	3838	$ 11,500,000	$ 10,925,000	3.0841%	3.3163%	$ 5,087.35	$ 5,676.41	$ 10,763.76
2C EAST	1BD/1BA	FM		791	$ 2,500,000	$ 2,375,000	0.6356%	0.6835%	$ 1,048.49	$ 1,169.89	$ 2,218.38
2E	1BD/2BA	RS		1252	$ 2,500,000	$ 2,375,000	1.0061%	1.0818%	$ 1,659.55	$ 1,851.71	$ 3,511.26
3 EAST	6BD/5.5BA	FM		4598	$ 15,000,000	$ 14,250,000	3.9258%	4.2213%	$ 6,475.67	$ 7,225.48	$ 13,701.15
3 WEST	5BD/5.5BA	FM		3838	$ 12,000,000	$ 11,400,000	3.2769%	3.5235%	$ 5,405.31	$ 6,031.19	$ 11,436.49
4A EAST	5BD/2.5BA	RS		2453	$ 8,000,000	$ 7,600,000	2.2176%	2.3845%	$ 3,657.94	$ 4,081.49	$ 7,739.43
4 WEST	5BD/5.5BA	FM		3838	$ 12,500,000	$ 11,875,000	3.4696%	3.7308%	$ 5,723.27	$ 6,385.96	$ 12,109.23
4C EAST	2BD/2.5BA	FM		2144	$ 5,900,000	$ 5,605,000	1.9382%	2.0841%	$ 3,197.16	$ 3,567.35	$ 6,764.51
5A EAST	3BD/3BA	RS		2453	$ 8,250,000	$ 7,837,500	2.3408%	2.5170%	$ 3,861.16	$ 4,308.24	$ 8,169.40
5B WEST *	3BD/3BA	FM		2292	$ 7,500,000	$ 7,125,000	2.1871%	2.3518%	$ 3,607.74	$ 4,025.47	$ 7,633.21
5C EAST	2BD/2BA	RS		2144	$ 6,050,000	$ 5,747,500	2.0459%	2.1999%	$ 3,374.78	$ 3,765.54	$ 7,140.32
5D WEST	2BD/1.5BA	RS		1516	$ 4,450,000	$ 4,227,500	1.4466%	1.5555%	$ 2,386.27	$ 2,662.57	$ 5,048.84
6 EAST	6BD/5.5BA	FM		4597	$ 17,000,000	$ 16,150,000	4.6175%	4.9651%	$ 7,616.77	$ 8,498.72	$ 16,115.49
6 WEST	4BD/4.5BA	FM		3839	$ 14,000,000	$ 13,300,000	3.8562%	4.1464%	$ 6,360.84	$ 7,097.36	$ 13,458.20
7A EAST	3BD/3.5BA	FM		2732	$ 8,750,000	$ 8,312,500	2.8814%	3.0983%	$ 4,752.99	$ 5,303.33	$ 10,056.32
7B WEST *	3BD/3.5BA	FM		2468	$ 8,000,000	$ 7,600,000	2.6030%	2.7989%	$ 4,293.69	$ 4,790.86	$ 9,084.55
7C EAST	2BD/2.5BA	FM		1785	Not Offered	Not Offered	1.8826%	2.0243%	$ 3,105.45	$ 3,465.02	$ 6,570.47
7D WEST	1BD/1.5BA	FM		1201	$ 2,600,000	$ 2,470,000	1.2667%	1.3620%	$ 2,089.44	$ 2,331.37	$ 4,420.80
7J	0BD/1BA	FM		294	$ 895,000	$ 850,250	0.8036%	0.8641%	$ 1,325.52	$ 1,479.00	$ 2,804.52
8A EAST *	3BD/3.5BA	FM		2519	$ 9,000,000	$ 8,550,000	2.7833%	2.9928%	$ 4,591.11	$ 5,122.71	$ 9,713.82
8 WEST	5BD/4.5BA	FM		3847	$ 15,000,000	$ 14,250,000	4.2506%	4.5705%	$ 7,011.51	$ 7,823.37	$ 14,834.87
8C EAST	3BD/2.5BA	RS		2135	$ 6,700,000	$ 6,365,000	2.3590%	2.5366%	$ 3,891.23	$ 4,341.80	$ 8,233.03
9 EAST	5BD/5.5BA	FM		4595	$ 19,000,000	$ 18,050,000	5.0771%	5.4592%	$ 8,374.81	$ 9,344.52	$ 17,719.33
9B WEST	3BD/3BA	RC		2322	$ 8,500,000	$ 8,075,000	2.5656%	2.7587%	$ 4,232.06	$ 4,722.08	$ 8,954.14
9D WEST	3BD/2BA	RS		1525	$ 4,850,000	$ 4,607,500	1.6850%	1.8118%	$ 2,779.45	$ 3,101.28	$ 5,880.73
10 EAST	5BD/5.5BA	FM		4596	$ 20,000,000	$ 19,000,000	5.3090%	5.7086%	$ 8,757.38	$ 9,771.40	$ 18,528.78
10B WEST *	3BD/3.5BA	FM		2292	$ 8,750,000	$ 8,312,500	2.6476%	2.8469%	$ 4,367.26	$ 4,872.94	$ 9,240.20
10D WEST	3BD/2BA	RS		1503	$ 4,950,000	$ 4,702,500	1.7362%	1.8669%	$ 2,863.87	$ 3,195.48	$ 6,059.35
PH EAST **	5BD/7.55BA	FM	3214	6758	$ 40,000,000	$ 38,000,000	8.9529%	9.6268%	$ 14,768.12	$ 16,478.12	$ 31,246.24
PH WEST **	6BD/6.55A	FM	2645	6189	$ 36,500,000	$ 34,675,000	8.1242%	8.7357%	$ 13,401.10	$ 14,952.80	$ 28,353.90
Residentail Unit Sub Total				**88,873**	**$ 328,145,000**	**$ 311,737,750**	**93.0000%**	**100.0000%**	**$ 153,406.23**	**$ 171,169.08**	**$ 324,575.32**
Commercial Units Sub Total				7,525	Not Offered		7.0000%	0.0000%	$ 4,601.01	$ -	$ 4,601.01
	TOTALS			**96,398**	**$ 328,145,000**	**$ 311,737,750**	**100.0000%**	**100.0000%**	**$ 158,007.24**	**$ 171,169.08**	**$ 329,176.33**

7C Resident Managers Unit (Not Being Offered for Sale)

Commerical Units Not Being Offered for Sale

* Purchase price reflects "As Is" Conditions

** Not Being Offered for Sale

11 East 68th Street Condominium

Schedule A-1: Purchase Prices and Related Information for the Projected First Year of Condominium Operation (7/1/13-6/30/14)

Locker #	Size	Storage Unit Footage	Purchase Price
1	56" x 36" x 90"	14	$ 40,000
2	56" x 36" x 90"	14	$ 40,000
3	56" x 36" x 90"	14	$ 40,000
4	56" x 36" x 90"	14	$ 40,000
5	56" x 36" x 90"	14	$ 40,000
6	56" x 36" x 90"	14	$ 40,000
7	56" x 36" x 90"	14	$ 40,000
8	56" x 36" x 90"	14	$ 40,000
9	56" x 36" x 90"	14	$ 40,000
10	56" x 36" x 90"	14	$ 40,000
11	56" x 40" x 90"	15.5	$ 50,000
12	56" x 40" x 90"	15.5	$ 50,000
13	56" x 40" x 90"	15.5	$ 50,000
14	56" x 40" x 90"	15.5	$ 50,000
15	56" x 40" x 90"	15.5	$ 50,000
16	56" x 40" x 90"	15.5	$ 50,000
17	56" x 40" x 90"	15.5	$ 50,000
18	56" x 40" x 90"	15.5	$ 50,000
19	54" x 54" x 90"	20.25	$ 60,000
20	54" x 54" x 90"	2.025	$ 60,000
TOTAL	**20**	**286.28**	**$ 920,000**

Notes to Schedule A

1 Each Unit will be measured horizontally from the exterior walls of the Residential Unit to the midpoint of the interior walls and partitions separating one Residential Unit from another Residential Unit, or the midpoint of the interior walls and partitions separating a Residential Unit form public corridors, stairs or any Common Element or Limited Common Elements or to the opposite exterior side of the exterior walls of the Building, as the case may be. The square foot areas of common vestibules and corridors are split to the relevant Residential Units to which they serve. The square foot area of passenger elevators is distributed proportionately throughout the Residential Units. Each prospective Purchaser should carefully inspect the Residential Unit prior to entering into an Agreement therefore to determine its actual dimensions, layout, ceiling heights and physical condition. Purchasers are advised that former or current occupants of the Residential Units may have made alterations to certain Residential Units, including without limitation, installation and/or relocation of interior walls. Sponsor has or has recently acquired the Property and has not accessed all of the occupied Residential Units in the Building. Consequently, Sponsor makes no representation, warranty or guarantee as to whether all of said alterations were completed in compliance with all applicable governmental laws and regulations or whether such occupied Units conform to the layouts set forth on the Floor Plans set forth in Part II of the Plan.

Purchasers are further advised that Sponsor has reserved the right to negotiate with individual purchasers to perform Custom Work which may require a modification in Floor Plans set forth in Part II of the Plan for certain Residential Units and accordingly the layout of the Residential Units and Common Elements may vary.

2 Each Tenant Purchaser has the exclusive right to purchase his Residential Unit for a period of 90 days from the Presentation Date of this Plan at the prices set forth on Schedule A for Tenant Purchasers. These purchase prices are 5% less than the prices offered to Non-Tenant Purchasers. See the Section entitled "Changes in Prices and Units" for details concerning price changes. In addition to the purchase price, Purchaser will be responsible at Closing for certain closing costs as explained in the Section entitled "Closing Costs and Adjustments" in Part I of the Plan including, without limitation, the obligation to contribute two (2) months' common charges to the Working Capital Fund of the Condominium. Purchasers are advised to consult with their attorneys as to the exact closing costs they will incur in purchasing their Residential Units. Residential Unit 7C is currently occupied by the Resident Manager for the Building and will be leased to the Residential Board on behalf of all of the Residential Unit Owners for the future use as the Resident Manager's residence.

THESE PRICES HAVE BEEN SET BY SPONSOR WITHOUT ARMS LENGTH NEGOTIATION AND ARE NOT SUBJECT TO APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENT AGENCY. No change will be made in the purchase prices other than pursuant to a duly filed amendment to the Plan filed in advance of any such change, except that Sponsor reserves the right to decrease purchase prices or modify other terms of sale without filing an amendment to the Plan at

any time during the offering period if such a decrease in the purchase price or modification of such other terms of sale is not a general offering or an advertised price but is rather the result of an individually negotiated transaction and provided further that no individually negotiated transactions shall occur with Tenant Purchasers if same would constitute a discriminatory inducement.

At the present time, Sponsor is in the process of renovating vacant Residential Units. A description of the renovations that Sponsor intends to perform to vacant Units (the "Vacant Unit Renovations") is set forth in the "Description of Property" in Part II of this Plan. Sponsor reserves the right to make the Vacant Unit Renovations and any other renovations, in Sponsor's sole discretion, to some or all of the balance of the vacant Units. The Purchase Prices set forth on Schedule A, "Purchase Prices and Related Information" in Part I of the Plan offered to Non-Tenant Purchasers reflect the purchase price for vacant Units after completion of the Vacant Unit Renovations except as otherwise noted on Schedule A. For any vacant Unit not then subject to an Agreement, Sponsor reserves the right, in its sole discretion, to not perform the Vacant Unit Renovations or to modify the scope thereof. Sponsor is not performing the Vacant Unit Renovations in any occupied Unit. Included in the Floor Plans set forth in Part II of the Plan are sample Floor Plans depicting layouts for vacant units for which Sponsor may perform the Vacant Unit Renovations, in Sponsor's sole discretion.]

3(a) The respective Common Interest of each Unit in the Common Elements, in accordance with the provisions of Section 339-i(1)(iv) of the New York Condominium Act, is based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use and the overall dimensions of the particular Unit. In the event that, prior to the First Closing, Sponsor negotiates with individual purchasers to change the layout or dimensions of their respective Residential Units and such changes involves the inclusion, in the Residential Unit, of areas formerly designated as Common Elements, or involves adding to the Common Elements, space that was previously incorporated in the Residential Units, the Common Interest of all of the Residential Units may change slightly before the Declaration is recorded. Any such change in the Common Interest allocated to a Residential Unit prior to the recording of the Declaration shall not be deemed a material change and shall not give rise to a right of rescission on the part of any purchaser.

3(b) The percent interest of each Residential Unit in the Residential Common Elements is apportioned in the same proportion that the Residential Unit bears to the aggregate Common Interests of all Residential Units.

4 The estimates contained in this schedule were computed on the assumption that the First Year of Condominium Operation will be the year from July 1, 2013 through June 30, 2014 and are based upon an estimate of the receipts and expenses of the Residential Section for the projected year. Sponsor makes no representation regarding the commencement date or the estimated receipts and expenses for the First Year of Condominium Operation which may be greater than or less than the estimated figures set forth in the proposed budget. The actual First Year of Condominium Operation may be earlier or later than such

year. If the actual or anticipated date of commencement of condominium operation is delayed by more than six (6) months from the commencement of the projected First Year of Condominium Operation, Sponsor will amend the Plan to include a revised budget disclosing current projections ("Revised Budget Amendment"). If such amended projections exceed original projections by twenty-five (25%) percent or more, Sponsor will offer all purchasers that entered into Agreements prior to the date of the Revised Budget Amendment the right to rescind for a period of fifteen (15) days after the date of the presentation of the amendment setting forth the right to rescind.

The estimated monthly Residential Common Charges for each Residential Unit are based on the Schedule B - Projected Budget for First Year of Condominium Operation. The estimated monthly Residential Common Charges include the cost of central heating for the Units. In addition to these estimated payments, each Residential Unit Owner will be responsible for real estate taxes for such Residential Unit, mortgage payments under a loan or loans, if any, obtained to finance the purchase of the Residential Unit, the cost of electricity supplied to the Residential Unit which will be separately metered and payable directly to the utility company, the insurance which must be carried by each Residential Unit Owner with respect to liability and casualty to the contents of the Unit and the cost of interior repairs and decorations to the Residential Unit. Until the Units are separately assessed, real estate taxes shall be part of Common Expenses, as provided in the Condominium By-Laws. In addition, capital repairs, additions, improvements, replacements, Alterations and restorations to Residential Section are Residential Common Expenses which will be borne solely by the Residential Unit Owners.

5 The New York City real estate taxes of $2,054,029 for the Residential Section during the First Year of Condominium Operation estimated as July 1, 2013 to June 30, 2014 are based upon the tentative transitional assessed valuation of the Residential Section for 2013/2014 tax year of $15,583,259 at a tax rate of $13.181 per $100 of assessed valuation for the Residential Units. The estimated taxes for tax year 2013/2014 do not assume any increase in the tax rate or the actual assessed valuation of the 2013/2014 tax year nor does it assume any increase in the assessed valuation based upon capital improvements to the Property. Purchasers are advised that the Property does not currently receive any J-51 tax benefits.

The value of the Property for real estate tax purposes is determined annually by the Department of Finance of the City of New York. Under current New York State Law, increases or decreases in a property's assessed valuation due to changes in its market value are to be phased in over 5 years in equal annual increments of 20%. Any further increase or decrease in the assessed value during such 5 year period resulting from a still higher or lower market value is to be similarly phased in over an additional 5 year period from the date of such increase. The full increased or the decreased assessed value targeted to be paid at the end of 5 years is called the "actual assessed valuation." The amount of assessed value that is currently phased in is called the "transition assessed valuation." Taxes are computed each year on the lesser of the actual or transitional assessed valuations. The assessed valuations and tax rates for the 2011/2012 and subsequent tax years are as follows:

Tax Year	Tax Rate per $100 of Assessed Valuation	Transitional Assessed Valuation	Actual Assessed Valuation	Actual Taxes Paid
2011/2012	13.433	$15,850,800	$16,434,000	$2,129,238
2012/2013	13.181	$16,379,000	$18,931,000	$2,158,916
2013/2014*	13.181*	$15,583,259*	$16,923,807*	$2,054,029

*Estimated/Residential Section Only

No representation is made or warranty given as to: (a) whether or not there will be (i) a further increase or decrease in the assessed valuation of the Property during the five year phase-in period, or (ii) an increase in the tax rate, or (iii) an increase or decrease in the assessed valuation of the Property by reason of the conversion of the Property to condominium ownership, or (iv) an increase in the assessed valuation of the Property by reason of capital improvements to the Property or (b) the method of determining the assessed valuation, or (c) the amount of any increase or decrease in the assessed valuation of the Property. A Purchaser purchasing a Unit after the projected First Year of Condominium Operation should check the public tax records to confirm the then current taxes for the Property.

Section 581 of the Real Property Tax Law provides that real property owned on a condominium basis shall be assessed for real estate tax purposes at a sum not exceeding the assessment which would be placed thereon if the property were not owned on a condominium basis. Section 339-y of the Condominium Act provides in part that each Unit and its Common Interest shall be separately assessed for tax purposes and that in no event shall the aggregate of the assessment of the Units plus their Common Interest exceed the total valuation of the property were the property assessed as one parcel.

The real estate tax estimates for each Residential Unit were calculated on the assumption that the real estate taxes for the Residential Section will be allocated among Residential Unit Owners in proportion to each Residential Unit's Residential Common Interest. Notwithstanding the foregoing The New

York City tax authorities has allocated taxes between the Residential Units in proportion to each Residential Unit's purchase price or imputed market value rather than its percentage interest in the Common Elements, and, if so, Residential Units having the same or similar percentage interest which are determined to have a higher purchase price or market value will pay higher real estate taxes than are reflected on Schedule A. After the Condominium is divided into individual tax lots and separately assessed, each Unit will be taxed as a separate tax lot for real estate tax purposes and the Unit Owner will not be responsible for the payment of, nor will the Unit be subject to, any lien arising from the non-payment of taxes on other Units. Until the Units are separately assessed, the Condominium Board will pay all real estate taxes with respect to the property and will allocate the cost thereof among all Unit Owners in proportion to each Unit's Common Interest. See the Section of the Plan entitled "Real Estate Taxes" for further discussion. The Property is currently assessed as single tax parcel identified as Manhattan Block 1383, Lot 13. General information about the property tax and specific data about the Property's assessment and tax liability are

available on the New York City official website: www.nyc.gov/finance.

PURCHASERS ARE ADVISED THAT THE FOREGOING INFORMATION IS NOT A GUARANTEE OR WARRANTY (i) regarding the method to be employed by the New York City tax assessor in allocating individual Residential Unit assessments; (ii) of the assessed values of the Residential Section during the First Year of Condominium Operation, or (iii) of the tax rates for the First Year of Condominium Operation. Purchasers should note that given the current fiscal situation in the City of New York, real estate taxes may have to increase significantly. Sponsor makes no representations regarding levels of assessment or taxation in future years.

(See Attorney's Income Tax Opinion prepared by Stroock & Stroock & Lavan LLP set forth in Part I of this Plan regarding the deductibility of real estate taxes paid or accrued with respect to a Residential Unit.)

6 These figures represent the aggregate total monthly estimated carrying charges which include estimated Common Charges and estimated real estate taxes. The aggregate monthly rents are $182,486.16. Purchasers may be able to deduct for income tax purposes a portion of real estate taxes as well as interest on their mortgage. Tax deductions may vary in future years due to changes in the interest rate on a Unit Owner's mortgage (if any) or from changes in the allocation of constant debt service payments to interest and principal, or due to changes in real property taxes resulting from the expiration of real estate tax benefits, or from changes in the assessed value, the tax rate or the method of assessing real property. Reference should be made to note (4) of these Notes for certain other "home ownership" costs that may be incurred by Residential Unit Owners.

7 Sponsor is currently before the Landmarks Preservation Commission ("LPC") seeking final approval of the Building Renovations which includes work to the Penthouse levels of the Building. The work is subject to the issuance of a certificate of appropriateness to be issued by LPC. Sponsor anticipates that said certificate will be issued during April 2013. Until such time as the LPC issues a certificate, Sponsor will not offer the two (2) Penthouse Units for sale. At such time as the LPC issues the certificate, Sponsor will amend the Plan to disclose same and offer the Penthouse Units for sale.

SCHEDULE B - PROJECTED BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION

SCHEDULE B

11 East 68th Street Condominium
Projected Budget for First Year of Condominium Operation (See Note 1)
July 1, 2013 to June 30, 2014

ESTIMATED INCOME

Common Charges – Residential Units (Note 2)	$1,840,875
Common Charges – Commercial Units (Note 2)	$55,213
Total Estimated Common Charges	$1,896,088

ESTIMATED EXPENSES (Note 3)

Payroll and Related Expenses (Note 4)	$1,089,984
Gas (Heat, Hot Water) (Note 5)	$ 122,850
Electricity (Note 6)	$ 147,000
Water Charges and Sewer Rent (Note 7)	$ 43,103
Gas (Cooking) (Note 8)	$ 9,923
Repairs and Maintenance (Note 9)	$ 51,500
Service Contracts (Note 10)	$ 148,750
Insurance (Note 11)	$ 39,778
Management Fee (Note 12)	$ 100,000
Legal and Audit Fees (Note 13)	$ 20,000
Resident Manager's Unit (Note 14)	$ 60,000
Contingencies (Note 15)	$ 40,000
Other Expenses (Note 16)	$ 23,200
Total (Note 17)	$1,896,088

The Notes to Schedule B below are an integral part of this Schedule and should be read in conjunction herewith.

ALLOCATION OF COMMON EXPENSES BETWEEN COMMERCIAL AND RESIDENTIAL

(see also detailed notes which follow)

Common Charges	Total Expenses	Residential Unit Expenses	Commercial Unit Expenses
Payroll & Related Expenses	$1,089,984	1,065,927	24,057
Electricity	$147,000	147,000	
Gas (Heat and HW)	$122,850	114,250	8,600
Water Charges & Sewer Rent	$ 43,103	43,103	
Gas (Cooking)	$ 9,923	9,923	
Repairs and Maintenance	$51,500	47,895	3,605
Service Contracts	$148,750	145,407	3,343
Insurance	$39,778	36,994	2,784
Management Fee	$100,000	93,000	7,000
Legal & Audit Fees	$20,000	18,600	1,400
Resident Manager's Unit	$60,000	60,000	
Contingency	$40,000	37,200	2,800
Other Expenses	$23,200	21,576	1,624
	$1,896,088	**$ 1,840,875**	**$55,213**

All General Common Charges have been allocated based upon each Unit's Common Interest unless otherwise stated.

A. The Commercial Unit Owner's share of payroll and related expenses are based on fifty-six (56%) of the wages and related expenses for one (1) Porter.
B. The Commercial Unit Owners' share of service contract expenses is based on their Common Interest applied to the costs of the following service contracts only: exterminating, fire extinguishers, water tank, water treatment, supplies, burner service and telephone.

FOOTNOTES TO SCHEDULE B

(1) Amounts are projected on the assumption that the First Year of Condominium Operation will be the year from July 1, 2013 to June 30 2014. The actual First Year of Condominium Operation may be earlier or later than that year. If the actual or anticipated date of commencement of condominium operations is delayed by more than six (6) months from the commencement of the projected First Year of Condominium, Sponsor will amend the Plan to include a revised budget disclosing current projections ("Revised Budget Amendment"). If such amended projections exceed original projections by twenty-five 25% percent or more, Sponsor will offer all Purchasers that entered into Agreements prior to the date of the Revised Budget Amendment the right to rescind for a period of fifteen (15) days after the date of the presentation of the Revised Budget Amendment setting forth the right to rescind and any Purchasers electing rescission pursuant to such offer will have their Down Payment returned.

(2) These amounts represent the total Common Charges to be levied against and collected from the Residential Unit Owners and the Commercial Unit Owners during the anticipated First Year of Condominium Operation. The Common Charges will be utilized by the Condominium Board to defray the operational expenses of the Condominium. Except as otherwise set forth herein, the General Common Charges have been allocated between the Residential Unit Owners and the Commercial Unit Owners based on anticipated usage and benefits derived by such Unit Owners, respectively, and between and among the Unit Owners on the basis of percentage of Common Interest allocated to each Unit. Where the allocation of Common Expenses is not based on percentage of Common Interest, or Common Expenses have been allocated only to certain categories of Units, such circumstances are set forth in the following notes. The Commercial Unit Owners will only be obligated to pay their respective allocable share of those expenses that are incurred by the Condominium Board in furnishing services, operating and Maintaining those Common Elements which are utilized by and serve such Commercial Unit Owners. Those General Common Charges that have been allocated on the basis of Common Interest have been allocated on such a basis as follows: Those expenses to be borne by the Residential Unit Owners have been allocated on the basis of the combined percentage of Common Interest of such Residential Units, for a total of 89.9346%.

(3) General Common Charges include the costs and expenses in connection with the Maintenance and operation of, and any Alteration to, the General Common Elements and the provision of services to all Unit Owners in general, such as service contracts applicable to the Building as a whole, employees who will provide services to the entire Condominium, the Managing Agent for the Condominium, and insurance coverage for the Common Elements.

(4) **Payroll and Related Expenses: $1,157,928**

This estimate includes wages, workers compensation, and disability insurance, welfare and pension costs, payroll taxes and the cost of sick days, holidays and vacation pay for a projected shared Building staff of 1 Resident Manager, 1 Handyman, 5 full time porters and 6 Doormen. The projected level of staffing for the Building complies with all applicable housing and labor laws. All staff will be full-time employees and will be members of Local 32B-32J Service Employees International Union AFL-CIO. The building is classified as Class "A" for the purpose of defining the wage scale. The contract with Local 32B-32J Service Employees International Union AFL-CIO is as of April 21, 2010 to April 20, 2014. In addition to his salary, the Resident Manager resides rent free in the Resident Manager's Unit located in Unit 7C and is provided by the Board with free gas, electric and telephone. The wages described below are computed in accordance with the contract of Local 32 BJ and its affiliates. The projected expenses for wages, salaries and benefits as well as the assumptions described herein, are believed to be reasonable and reflect the experience of Sponsor's budget expert, Cooper Square Realty, Inc., in managing comparable buildings. These expenses are allocated among all Unit Owners based on their Common Interest percentage with the exception of the Commercial Units which, it is estimated will utilize the services of only one (1) porter and will contribute thirty-five (56%) of the wages and related expenses for such employee's labor expense.

The wage and salary estimates are as follows:

POSITION	WEEKLY WAGE
Resident Manager (1)	$1,442.31 per 40 hour week for a total yearly wage of $75,000 per person.
Handyman (1)	$942.63 per 40 hour week for a total yearly wage of $49,017 per person.
Porters (4)	$853.63 per 40 hour week for a total yearly wage of $44,389 per person.
Doormen/Receptionist (5)	$853.63 per 40 hour week for a total yearly wage of $44,389 per person.
Bonus	$15,000
Multiply by 1.1535 to bring to 60 pay weeks to allow for sick days, holidays and vacation pay.	
Total Wages	$749,160
FICA	$57,311
NYS Unemployment	$8,925
Workers' compensation:	$20,000
Federal Unemployment	$1,078

NYS Disability	$630
Health	$180,189
Pension	$60,242
Legal and Training Fund	$12,449

(5) **Gas (Heat, and Domestic Hot Water): $122,850**

Based on an estimate made as of February 15, 2012 by I.M. Robbins P.C. located at 15 West 44th Street, New York, New York 10036, it is anticipated that heat and hot water will be provided to the all of the Units by natural gas and will cost $122,850. This estimate is based on a projected usage of 6,500,000 Cu.Ft./Yr. of gas per year at an anticipated cost of $18.00 X 105% per 1,000 Cu.Ft.

(6) **Electricity: $147,000**

This estimate is based on an estimate made as of February 15, 2012 by I.M. Robbins P.C. located at 15 West 44th Street, New York, New York, that light and power for the Common Elements as well as the mechanical equipment will be approximately 700,000 KW/HR/YR at an annual cost of $.20 X 105% per KW/HR. The Commercial Unitst will be separately metered.

Electricity (including current necessary to operate HVAC Systems) shall be supplied to all Units through a separate Con Edison meter for each such Unit, and the cost of electricity consumed or used in each such Unit or any Residential Limited Common Elements appurtenant thereto shall be payable directly to Con Edison.

(7) **Water Charges and Sewer Rent: $43,103**

This amount is based on an estimate made as of February 15, 2012 by I.M. Robbins P.C. located at 15 West 44th Street, New York, New York, that water charges for the Residential Units and Professional Unit and all Common Elements, will be approximately $8.21 X 105% per CCF.

The budgeted amount constitutes a projection of the water charges and sewer rents that will be payable with respect to the Building.

Water charges and sewer rents for the Commercial Units will be separately sub-metered.

(8) **Gas (Cooking): $9,923**

This amount is based on an estimate made as of February 15, 2012 by I.M. Robbins P.C. located at 15 West 44th Street, New York, New York, that gas charges for the Residential Units for cooking, will be approximately $18.00 X 5% per 1,000 Cu.Ft. and with projected usage of 525.000 Cu. Ft./Yr.

The Commercial Units will be separately metered.

(9) **Repairs and Maintenance: $51,500**

This estimate includes painting, Maintenance and repair costs of General Common Elements, Residential Common Elements and Professional Common Elements only. Unit Owners will be responsible for the cost of repairs and painting in the interiors of their Units. No provision has been made to cover the cost of any capital expenditure. This estimate also includes the estimated annual cost of services and supplies (excluding service contracts) provided to and for the benefit of the Units.

Supplies and Hardware	$25,000
Plumbing	$ 5,000
Electrical	$ 2,000
Intercom/Security	$ 2,000
Window, Lock and Doors	$ 2,500
Plastering and Painting	$ 5,000
Elevators	$ 5,000
General Repairs	$10,000
Total	$58,500

This estimate is based on experience of Sponsor's budget expert, Cooper Square Realty, Inc., in operating comparable buildings.

(10) **Service Contracts and Supplies: $148,750**

This estimate includes the cost of various services used in or for the Common Elements, including but not limited to elevator service, wood marble and metal maintenance, extermination, water treatment and uniform laundry.

Elevator Maintenance	$ 36,000
Exterminating	$ 2,500
Metal and Stone Maintenance	$ 5,000
Fire Extinguishers	$ 750
Landscaping	$ 10,000
Flowers	$ 10,000
Water Tank	$ 2,500
Water Treatment	$ 5,000
Supplies (Cleaning materials, lubricants, bulbs fixtures, general and hardware supplies, etc.)	$ 25,000
Boiler/Burner	$ 6,000
Window Washing	$ 20,000
HVAC	$ 15,000
Telephone/Beeper/Mobile	$ 6,000
Uniforms	$ 5,000

Total	$148,750

No maintenance or service contracts have been entered into as of the filing date of the Plan. The budgeted amounts are based on estimates received from contractors and the experience of Sponsor's budget expert, Cooper Square Realty, Inc., in operating comparable buildings. While this Schedule B includes a reasonable allowance for possible increases in cost, which may occur prior to and during the First Year of Condominium Operation, no warranty or guarantee is made that the actual cost for these services or other services will be in accordance with this projection. The Commercial Unit Owners will share in the expense of only the Exterminating, Fire Extinguishers, Central Station Monitoring, Fire Protection, Water Tank, Water Treatment, Burner Service, Telephone and Supplies based on their Common Interest percentage.

(11) **Insurance: $39,778**

The insurance premiums are based on the letter, dated February 17, 2012, from TM Ross Insurance Brokerage, LLC, located at 183 Madison Avenue, New York, New York 10016. The fire, casualty and general liability are on the terms set therein:

	COVERAGES	LIMITS OF LIABILITY
A.	Property (Building Limit)	$28,000,000
	Business Personal Property Limit	$ 1,000,000
	Loss of Maintenance Fee	$ 3,000,000
	Demolition and Increased Cost	$ 1,000,000
	Flood	$ 1,000,000
	Earthquake:	$ 1,000,000
	Deductibles	
	Building, Underground Water & Sewer	$ 10,000
	Earthquake	$ 50,000
	Flood	$ 25,000
B.	General Liability	
	(General Aggregate)	$ 2,000,000
	Fire Damage Liability	$ 50,000
	Personal and Advertising Injury	$ 1,000,000
	Medical Expenses	$ 5,000
	Each Occurrence	$ 1,000,000
	Hired/Non Owner Auto Liability	$ 1,000,000
	Water Damage Legal Liability	$ 1,000,000
C.	Directors & Officers Liability	$ 1,000,000
D.	Umbrella Liability	$200,000,000
	Self Insured Retention	$ 10,000
	Included Excess Director's & Officers	

E.	Crime	
	Employee Dishonesty Limit	$ 500,000
	Managing Agent's Rider	$ 500,000
E.	Boiler and Machinery or Equipment Breakdown	
	Limit	$ 32,000,000
	Deductible	$ 5,000

The total premium for these various coverages is estimated at $39,778.

The fire, casualty and general liability insurance carried by the Condominium will provide: that each Unit Owner is an additional insured party; that there will be no cancellation without notice to the Condominium Board; a waiver of subrogation; a waiver of invalidity because of acts of the insured and Unit Owners; and a waiver of pro-rata reduction if Unit Owners obtain additional coverage.

This coverage does not include claims for personal injury or property damage resulting from occurrences in individual Units or any Common Elements exclusive to such Units, nor does it include coverage of any Unit (as such term is more particularly described in the Plan and the Declaration.

This quotation is an indication of insurance premiums at current rates. Because conditions in the insurance marketplace are volatile, it is not possible to predict what the premiums will be for the First Year of Condominium Operation. Purchasers should be aware of the possibility of rate increases. The insurance is adequate for the replacement of the building in the event of a total loss. The carrier will be selected at the time the coverage is bound. This will occur prior to the first unit closing. The agent quoting the proposed insurance is TM Ross Insurance Brokerage, LLC, located at 183 Madison Avenue, New York, New York

Sponsor will procure, on behalf of the Board, on or before the date of the First Closing, the general liability insurance that is required to be carried by the Condominium.

This insurance coverage meets the requirements of the mortgage lender procured by Sponsor.

(12) **Management Fee: $100,000**

Based on the management agreement to be entered into with 11 East 68th Street Property Manager LLC at or before the First Closing, it is expected that the Managing Agent will receive an annual fee of $100,000 for the first year. Reference should be made to "Management Agreement, Contracts and Leases" in Part I for further discussion of the terms of the Management Agreement.

(13) **Legal and Audit Fees: $20,000**

Based upon the estimate of $10,000, as set forth in a letter dated February 17, 2012 from Newman, Newman and Kaufman LLP, located at 575 Underhill Blvd, Syosset, New York, 11791. $10,000 has been budgeted to provide for estimated auditing and accounting fees in connection with the preparation of the audited financial statements for the First Year of Condominium Operation and Federal, state and city income tax returns. The balance of the budgeted amount ($10,000) has been estimated to provide for minor legal services to be rendered in connection with the operation of the Building such as attendance at Board meetings, preparation of Board minutes and negotiation of minor agreements.

(14) **Resident Manager's Unit: $100,000**

Residential Unit 7C shall be designated as the Resident Manager's Unit and will be occupied by the Resident Manager of the Building. At or subsequent to the First Closing, Residential Unit 7C will be leased by the Condominium Board on behalf of the Unit Owners from the Sponsor. The Sponsor will retain ownership of unit 7C and will lease the unit to the Condominium at a rent of $60,000 per year. The Condominium will pay the Sponsor on a monthly basis $5,000 by the first (1st) of each month. The Sponsor will be responsible for the Common Charges and real estate taxes associated with this unit. The Commercial Units will not share in this expense.

The Residential Board will be responsible for the monthly electrical and phone charges for the Resident Manager's Unit and the costs shall be borne by the Residential Unit Owners as a Residential Common Expense.

Please see the sections of the Plan entitled "Special Risks" and "Description of Property" for further information concerning the Resident Manager's Unit Lease.

(15) **Contingencies: $40,000**

This fund may be used at the discretion of the Board toward unforeseen expenses or other appropriate Condominium expenses. The purpose of the Contingency Fund is intended to provide-for any unanticipated expenses or unanticipated increase in projected expenses.

(16) **Other Expenses: $23,200**

Other Expenses covers the ongoing need for telephone, office supplies, office equipment, postage, BID fee, special communications and mailings to the Unit Owners, annual meetings, and general expenses.

Telephone and Communications	$5,000
Printing and Postage	$5,250
Sprinkler Fees	$750

BID Fee	$3,200
General	$9,000

(17) IN THE OPINION OF COOPER SQUARE REALTY, INC., THE PROJECTED INCOME IS ADEQUATE TO MEET THE PROJECTED COMMON EXPENSES FOR THE FIRST YEAR OF CONDOMINIUM OPERATION, ASSUMING SUCH FIRST YEAR TO BE THE 12-MONTH PERIOD COMMENCING JULY 1, 2013. THE FOREGOING SCHEDULE, HOWEVER, IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A GUARANTEE OR WARRANTY BY ANYONE THAT THE ANNUAL COMMON CHARGES OR OTHER INCOME AND EXPENSES FOR SUCH FISCAL YEAR OR ANY SUBSEQUENT YEAR OF OPERATION OF THE PROPERTY WILL BE AS SET FORTH IN SAID SCHEDULE, SINCE THE ANNUAL COMMON CHARGES AND OTHER ITEMS OF INCOME AND EXPENSE MAY VARY FROM AMOUNTS SHOWN IN THE SCHEDULE.

Sponsor reserves the right to enter into additional or other service, maintenance, employment, concessionaire and other agreements that will be binding on the Condominium upon commencement of condominium operation. Sponsor shall not, however, enter into any binding service, maintenance, employment, concessionaire or other agreements that will materially increase the first year's projected Common Charges or that will be binding on the Condominium for a period of more than two (2) years, unless the Plan is amended.

COMPLIANCE WITH REAL PROPERTY LAW SECTION 339-I

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COMPLIANCE WITH REAL PROPERTY LAW SECTION 339-(i)

January 30, 2013

11 East 68th Street LLC
c/o HFZ Capital Group
600 Madison Avenue17th Floor
New York, NY 10022

Re: 11 East 68th Street Condominium

Gentlemen:

This is with respect to the Offering Plan for the above referenced condominium to be located upon the premises at the above address and the allocation of the Percentage of Common Interest to the respective Units therein.

It is our opinion that the allocation of Percentages of Common Interest allocated to the respective Units as set forth in Schedule A on the Plan of Condominium Organization are in compliance with the regulations issued pursuant to Real Property Law, Section 339-i.

The Sponsor has used the method described in subsection (iv) contained in Section 339-i (1) of the Real Property Law, and therefore the allocation of common interests is based upon floor space, subject to the location of such space, and the additional factors of relative value to the other space in the Condominium, the uniqueness of the Unit, the availability of the common elements for exclusive or shared use, and the overall dimensions of the particular Unit.

Cooper Square Realty, Inc. is a licensed Real Estate Broker in the State of New York and has been actively engaged in the management and sales of residential property for over 20 years. We have also been active in the sale of cooperative and condominium apartments for the past fifteen years.

This firm will not act as the selling agent of the property. We have no beneficial interest in the Sponsor and no interest in the profits of this conversion plan other than the fee for this service.

We hereby authorize the use of our name and this letter in connection with the proposed plan of condominium operation.

Very truly yours,

Marc Kotler
Vice President

ACCOUNTANT'S CERTIFIED STATEMENT OF OPERATIONS

MADISON 68 REALTY LLC, MADISON 68 REALTY II LLC,
MADISON 68 REALTY III LLC

STATEMENT OF OPERATIONS
FOR THE PERIOD JANUARY 1 - DECEMBER 28, 2011

MADISON 68 REALTY LLC, MADISON 68 REALTY II LLC,
MADISON 68 REALTY III LLC

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KOMORSKY, MASON, ROTHSTEIN & ASSOCIATES, LLP
Certified Public Accountants

331 North Main Street
New City, New York 10956

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To the Members of
Madison 68 Realty LLC, Madison 68 Realty II LLC, Madison 68 Realty III LLC.
11 East 68th Street
New York, NY

We have audited the accompanying statement of operations (with supporting schedules) of Madison 68 Realty LLC, Madison 68 Realty II LLC, Madison 68 Realty III LLC for the period January 1 - December 28, 2011. This financial statement is the responsibility of the Limited Liability Companies' management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of operations is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of operations. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement of operations presentation. We believe that our audit of the statement of operations provides a reasonable basis for our opinion.

In our opinion, the statement of operations referred to above presents fairly, in all material respects, the results of operations for the period January 1 - December 28, 2011 of Madison 68 Realty LLC, Madison 68 Realty II LLC, Madison 68 Realty III LLC in conformity with accounting principles generally accepted in the United States of America.

Management has omitted the supplementary information on future major repairs and replacements that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic and historical context.

Komorsky, Mason, Rothstein

Komorsky, Mason, Rothstein & Associates, LLP
Certified Public Accountants

April 30, 2012

MADISON 68 REALTY LLC, MADISON 68 REALTY II LLC,
MADISON 68 REALTY III LLC
STATEMENT OF OPERATIONS
FOR THE PERIOD JANUARY 1 - DECEMBER 28, 2011

Revenues			
Rental income		$ 7,565,379	
Real estate tax assessment		799,188	
Interest income		6,870	
Total Revenues			$ 8,371,437
Cost of Operations			
Administrative expenses	Schedule 1	356,238	
Operating expenses	Schedule 2	1,068,241	
Repairs and maintenance	Schedule 3	193,547	
Real estate tax		2,046,593	
Mortgage interest		7,211,889	
Total Cost of Operations			10,876,508
Loss Before Depreciation and Amortization			(2,505,071)
Depreciation and amortization			6,360,383
Net Loss For The Year			$ (8,865,454)

The accompanying notes are an integral part of this financial statement.

MADISON 68 REALTY LLC, MADISON 68 REALTY II LLC,
MADISON 68 REALTY III LLC
SUPPORTING SCHEDULES - STATEMENT OF OPERATIONS
FOR THE PERIOD JANUARY 1 - DECEMBER 28, 2011

Administrative Expenses:	Schedule 1	
Management fees	$ 210,000	
Professional fees	125,479	
Bank charges	18,196	
Telephone and communications	1,311	
Other administrative	1,252	
Total Administrative Expenses		$ 356,238

Operating Expenses:	Schedule 2	
Utilities		
Fuel	$ 120,459	
Water and sewer	37,043	
Electricity and gas	27,727	
Total Utilities		185,229
Labor		
Wages	438,666	
Union	168,487	
Payroll taxes	36,809	
Workers compensation and disability	12,702	
Total Labor		656,664
Other		
Vacating expenses	139,706	
Insurance	49,810	
Licenses, fees and permits	36,832	
Total Other		226,348
Total Operating Expenses		$ 1,068,241

Repairs and Maintenance:	Schedule 3	
Elevator contracts and repairs	$ 55,696	
Plumbing, heating and boiler repairs	44,055	
Painting	34,160	
Materials and supplies	15,711	
Other repairs and maintenance	12,027	
Cleaning	10,598	
Electrical	6,894	
Exterminating	5,312	
Doors, locks and windows	5,095	
Appliance repairs	3,999	
Total Repairs and Maintenance		$ 193,547

The accompanying notes are an integral part of this financial statement.

MADISON 68 REALTY LLC, MADISON 68 REALTY II LLC, MADISON 68 REALTY III LLC

NOTES TO THE FINANCIAL STATEMENT

JANUARY 1 - DECEMBER 28, 2011

NOTE A - NATURE OF ORGANIZATION

Madison 68 Realty LLC, Madison 68 Realty II LLC, Madison 68 Realty III LLC are Delaware Limited Liability Companies, each were formed July 15, 2008. The Limited Liability Companies are tenant-in-common each having an equal percentage of ownership, 33 1/3 percent. The twelve-story building known as Madison 68 Realty LLC, Madison 68 Realty II LLC, and Madison 68 Realty III LLC is located at 11 East 68th Street a/k/a 814-816 Madison Avenue New York, NY. The apartments consist of 44 residential units, 2 commercial stores and 4 offices. The primary purpose of the Limited Liability Companies is to manage the operations of Madison 68 Realty LLC, Madison 68 Realty II LLC, and Madison 68 Realty III LLC and maintain the common elements.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Building and building improvements are carried at cost and depreciated under the modified accelerated cost recovery system over their estimated useful lives: twenty seven and one half years for the building, and seven to twenty seven and one-half years for improvements. Expenditures for repairs and maintenance are charged to operations as incurred, and major improvements are capitalized.

Rental income is recognized as earned and is reported as rent receivable until collected. Rent receivables are expensed as bad debt at the time they are determined uncollectible. Payments received in advance are deferred until earning.

Intangible assets are capitalized and amortized using the straight-line method over the life of the related loan or partnership.

NOTE C - LIMITED LIABILITY COMPANY TAXES

No provision or benefit for income taxes has been included in this financial statement since taxable income or loss passes through to, and is reportable by, the individual partners.

NOTE D - RELATED PARTY TRANSACTIONS

The management fees of $210,000 are paid to Abro Management Corp. which is owned 100% by members of the LLC. The monthly management fee is $17,500.

MADISON 68 REALTY LLC, MADISON 68 REALTY II LLC,
MADISON 68 REALTY III LLC

NOTES TO THE FINANCIAL STATEMENT

JANUARY 1 - DECEMBER 28, 2011

NOTE E – DISPOSITION OF ASSETS

On December 29, 2011 Madison 68 Realty LLC, Madison 68 Realty II LLC, and Madison 68 Realty III LLC sold the building located at 11 East 68th Street, New York, NY. The building was purchased by VNO 11 East 68th Street LLC for $178,300,000. Madison 68 Realty LLC, Madison 68 Realty II LLC, Madison 68 Realty III LLC realized a gain of $5,704,502 from the sale.

NOTE F - FUTURE REPAIRS AND REPLACEMENTS

The Limited Liability Companies' governing documents do not require the accumulation of funds to finance estimated future major repairs and replacements. The Limited Liability Companies have not conducted a study to determine the remaining useful lives of the components of common property and estimates of the costs of major repairs and replacements that may be required in the future, nor has the members developed a plan to fund future needs. When funds are required for major repairs and replacements, the Limited Liability Companies plan to borrow, take from designated escrow reserves, or delay repairs and replacements until funds are available. The effect on future assessments has not been determined.

COMMERCIAL UNITS

A. The Condominium will contain three (3) Commercial Units located on portions of the Cellar level, First Floor and Second Floor. As more particularly shown on Schedule A, the Commercial Units are not offered for sale pursuant to the Plan.

B. The Commercial Units are on portions of the Cellar and First Floor, as more particularly shown on the Floor Plans. Currently, there is one exterior entrance to Commercial Unit A. Access to Commercial Unit B will be through an exterior entrance and the Residential Lobby. Access to Commercial Unit C will be through an exterior entrance and/or the Residential Lobby. The Commercial Units may be used for any lawful purpose, including, without limitation, department and other retail stores and outlets, storage, theaters, banks, offices, restaurants, health clubs, restaurants and commercial and professional offices and studios.

C. Commercial Unit A is currently leased to Belstaff 1924 Inc. Belstaff is the current tenant of approximately 1,550 square feet in the Cellar and approximately 2,413 square feet on the First Floor under a lease with the expiration date of September 9, 2022 and is currently using the Unit as an apparel store. Commercial Unit C is currently leased to Joseph (UK) Inc, who is the current tenant of approximately 1,655 square feet in the Cellar and approximately 2,844 square feet on the First Floor under a lease with the expiration date of June 30, 2013 and is currently using the Commercial Unit as an apparel store. Commercial Unit B is vacant. The use of the Commercial Units may generate noise, traffic, fumes or other disturbances over which the Residential Unit Owners will have no control.

D. The Residential Board will have no right to restrict or limit the method of operation, use or appearance of a Commercial Unit which is permitted by Law. The Commercial Unit Owners may adopt rules or approve changes relating solely to the Commercial Units, including rules of operation. No rules affecting the operation of the Commercial Units may be adopted or modified by the Condominium Board without the consent of the Commercial Unit Owners. Notwithstanding the foregoing, if the insurance premiums for the Condominium are increased as the result of a particular use of the Commercial Units, the Commercial Unit Owner of said Unit shall be responsible for such increase in premium. All or any part of the Commercial Unit may be leased or subleased by the Commercial Unit Owner, as more particularly set forth in the Declaration.

E. No representation is made with respect to the continued ownership by Sponsor of all or any portion of the Commercial Units or as to who the tenants or occupants of any portion of the Commercial Unit may be, at any time, or as to the uses to which any portion of the Commercial Units may be put at any time (except that the Commercial Units may be used for any lawful purpose), and no assurance is given that such tenants, occupants or uses will not be objectionable to Residential Unit Owners or other parties. The use of the Commercial Units may generate noise, traffic fumes and greater number of visitors to the Building or other disturbances over which the Residential Unit Owners and tenants or occupants of such Residential Units will have no control.

F. The basis for projecting the share of expenses attributable to the Commercial Units is the Common Interest of such Commercial Unit except that, as described below and in Schedule B, the Commercial Unit Owner shares certain costs, including without limitation costs for the managing agent and insurance in accordance with their Common Interests, and shares only a portion of other costs, such as the cost for labor and related expenses based upon estimated usage. Other costs such as the costs of cooking gas are not borne at all by the Commercial Unit Owner because such utilities and/or services are either separately metered for or not used by or do not benefit the Commercial Unit Owner.

G. According to the opinion of Cooper Square Realty, Inc., the Common Charges projected to be payable by the Commercial Unit Owners is adequate to cover the Common Expenses fairly attributable to the Commercial Units.

H. The Declaration and By-Laws authorize the special allocation and apportionment of expenses or specific expense items to be based upon submetering, contract allocations and usage (both projected and actual. Any dispute regarding such allocation or apportionment shall be resolved by arbitration in accordance with the By-Laws, which provides for the arbitration to be conducted before one arbitrator in New York City by the American Arbitration Association.

I. The Commercial Unit Owners have the right to freely sell their respective Commercial Unit, or to freely lease all or part of their respective Commercial Unit, as the case may be, without having to first offer the same for sale or lease to any Board. The Residential Unit Owners, other than Sponsor, will have no interest in the rents, profits or revenues from the rental or use of any of the Commercial Units.

J. Certain easements have been reserved to the Commercial Unit Owners in the Declaration. The Commercial Unit Owners and their tenants, successors and assigns to the extent permitted by Law, have an easement to Maintain from time to time, one or more Signs on the Property, including but not limited to Signs on the Exterior Facade of the Building and on any awnings, canopies or other protrusions from the Exterior Facade of the Building, for the purposes of advertising (i) the sale or lease of any of the Unsold Residential Units and all or any portion of the Commercial Units provided, however, that any such Signs are in keeping with the first class luxury nature of the Building, and (ii) the operation of any business of a tenant or occupant of all or any portion of any Commercial Unit. The Commercial Unit Owner and its tenants, successors and assigns shall have an easement to Maintain from time to time, lights and lighting fixtures on the Common Elements of the Condominium. Sponsor with respect to the Exterior Façade above the Second Floor of the Building and the Commercial Unit Owners with respect to the Exterior Façade through and including the Second Floor shall have the right to change the Exterior Facade of the Building and alter, replace, restore, renovate, remodel and reconstruct the existing Exterior Facade of the Building, provided that such penetration does not materially weaken the structural soundness of the Building.

K. The Condominium Board and the Residential Board at the request of Sponsor or the Commercial Unit Owner, will enter into a recognition agreement with any tenant with which Sponsor or the Commercial Unit Owner or its designee has entered into a lease for all or any part of the Commercial Unit. Under the terms of the recognition agreement, the tenant will acknowledge that the lease is subject and subordinate to the Declaration and the Boards will

agree that so long as there is no event of default under said lease, as would entitle Sponsor or the Commercial Unit Owner or any successor landlord under the lease to terminate the lease or dispossess the tenant thereunder, the tenant shall not be named or joined in any action or proceeding to foreclose the Boards lien on a Commercial Unit for Common Charges or any other sums of any sort, and the Boards shall agree that the lease shall not be terminated nor shall the tenant's use, possession, or enjoyment of the Commercial Unit in question be interfered with, nor shall the leasehold estate granted by the lease be affected in any manner, nor shall any of the rights of the tenant granted under the lease be affected in any manner, in any foreclosure or other action or proceeding instituted under or in connection with such lien or in the exercise of any rights of the Boards, or, in case any Board takes possession of the Commercial Unit pursuant to any provision of the Declaration or By-Laws, or otherwise; provided however that if any Board or any other party succeeds to the interests of Sponsor or the Commercial Unit Owner under the lease the tenant will agree to be bound to such Board or party under all of the terms, covenants and conditions of the lease and the tenant will attorn to such Board or party as its landlord. In the event a recognition agreement contains materially additional or materially different terms, same shall be disclosed in an amendment to the Plan. Purchasers are advised to refer to the By-Laws in Part II of the Plan for further detail.

L. Sponsor shall have, and the Units and Common Elements shall be subject to, an easement to use the Common Elements of the Building for any lawful purposes including, but not limited to, the purposes of (a) installing, utilizing, operating and Maintaining air conditioning units on the Roofs; (b) installing, utilizing, operating and Maintaining Satellite Equipment on the Roofs, Exterior Façade, and Northern Courtyard of the Building and elsewhere on the Common Elements and the conduit and other Facilities relating thereto and (c) maintaining any encroachment on any Unsold Unit or Common Elements or elsewhere on the Property resulting from the installation, operation and Maintenance thereof; provided that access to any Unit or Common Element in furtherance of such easements shall be exercised in a manner as will not unreasonably interfere with the normal conduct of business of the tenants and occupants of the Commercial Section or with the use of the Residential Units for their permitted purposes. The aforementioned easements may be used by Sponsor, its assignee or licensee for its own account or the account of any designee, tenant, licensee or assignee of Sponsor for the purpose of servicing the Condominium or any other building or area. The Condominium shall not be entitled to any portion of fees, compensation or other profits received by Sponsor, its designee, tenant, assignee or licensee for the use of the aforesaid easements or equipment. Any Satellite Equipment placed upon the Bulkhead Roof, the Exterior Facade of the Building or any other portion of the Common Elements by Sponsor, its designee, tenant, assignee or licensee shall be the exclusive property of Sponsor, its designee, tenant, assignee or licensee and neither the Condominium nor any other Unit Owners shall have any rights with respect thereto.

CHANGES IN PRICES AND UNITS

A. Unless it would constitute a prohibited discriminatory inducement, Sponsor reserves the right at any time and from time to time before and after the recording of the Declaration, without the consent or approval of the Selling Agent, the Managing Agent, any Board, any Unit Owner or any mortgagee, to change the price, including, without limitation, the manner of payment thereof and other terms of sale of any Residential Unit, except that no such change with respect to any Residential Unit for which an Agreement is then in effect may be made without the consent of the Purchaser. If any price change is made, a Purchaser of a Residential Unit affected thereby may pay more or less than other Purchasers under this Plan for similar Residential Units, but this will not affect any prior or subsequent sale of Units not the subject of such change. However, such price change shall not alter the Common Interest and Residential Common Interest of, or the amount of the Common Charges payable by, the owners of such Residential Units. Sponsor has agreed that it will neither increase prices to be paid by Tenant Purchasers nor accept Agreements from non-occupant purchasers for occupied Residential Units, during any applicable Exclusive Purchase Period. The Purchase Prices set forth in Schedule A must be changed by a duly filed amendment to this Plan when the change in Purchase Price is an across the board increase or decrease affecting one or more lines of Residential Units, or is to be advertised, or is a price increase for an individual purchaser. Unless it would constitute a prohibited discriminatory inducement, Sponsor may enter into a negotiated Agreement with an individual purchaser to sell one or more Residential Units at prices lower than those set forth in Schedule A without filing an amendment to this Plan. The offering price to be paid by Tenant Purchasers will not increase during any applicable Exclusive Purchase Period.

B. Unless it constitutes a prohibited discriminatory inducement, Sponsor reserves the right (but shall not be obligated) to negotiate with each Purchaser, the terms and conditions of the Agreement, including but not limited to terms and conditions pertaining to: Purchase Price; the amount of the Down Payment; Custom Work Deposit; financing and other contingencies; the availability of financing; the payment of Purchaser's financing fees and other closing costs; the availability of Common Charge rebates, Purchase Price rebates and subsidies payable as a credit against the Purchase Price or on a periodic basis; extensions of time periods within which to perform obligations under the Agreement; the availability of interim leases and the amount of interim rent; and the application of rent towards the Purchase Price. Sponsor reserves the right from time to time to add and/or delete negotiable terms from the list set forth above for all or some Purchasers (other than Tenant Purchasers) without further amendment to this Offering Plan. No Purchaser will benefit from any terms and conditions negotiated with any other Purchaser, and a Purchaser's failure to so benefit will not give rise to any rights of rescission under Agreement. The terms of any negotiated transaction will not violate the Martin Act or any regulation promulgated thereunder.

C. In order to meet the possible varying demand for number and type of Residential Units, or to meet particular requirements of prospective purchasers, or for any other reason, Sponsor 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 giving prior notice and without the consent of any Board, Unit Owner or mortgagee, to (a) change the layout of, or number of

rooms in, any Unsold Residential Unit, (b) change the size and/or number of Unsold Residential Units by dividing one or more such Units into two or more separate Unsold Residential Units, combining separate Unsold Residential Units (including those resulting from such subdivision or otherwise) into one or more Unsold Residential Units, altering any boundary walls between one or more Unsold Residential Units, or otherwise, including incorporating Common Elements (such as a portion of a hallway) which exclusively benefit an Unsold Residential Unit into such Unsold Residential Unit, (c) designate all or part of a Residential Unit or Commercial Unit or General Common Element or Limited Common Element as part of a newly created or expanded Residential Unit or Commercial Unit or General Common Element or Limited Common Element and (d) if appropriate, reapportion among the Unsold Units affected by any such change, their aggregate Common Interests. In the event of any change pursuant to either (b), (c) or (d) above, such change shall be disclosed in a duly filed amendment to the Plan prior to any sale of any affected Unit No such change, including any change in the Common Interest or in the amount or quality of Common Elements directly affecting or servicing a Residential Unit, will be made with respect to any Unsold Residential Unit for which an Agreement is then in effect and the Purchaser thereunder is not in default unless (i) the Purchaser consents to such change or (ii) such change is not a material change in the size, common interest, dimension, floor space or layout of such Unsold Residential Unit. The Common Interest of a Unit may change if there is a change in the floor space or 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.

D. No material change will be made in the size or number of Units or in the size or quality of the Common Elements except by amendment to the Plan and, when applicable, by amendment to the Declaration.

E. Once the Declaration is recorded, no change may be made in the number of Units, nor may the size of any Unit be changed by subdivision or combination or alteration of boundary walls as aforesaid or otherwise, nor may the Common Interest of any Unit be changed, unless, in each such event, the Declaration and Floor Plans and this Plan are amended with the reasonable consent of each Unit Owner whose Unit is so changed. Sponsor will have the right to amend or to cause the Residential Board or Condominium Board to amend the Declaration to reflect any such change and to file such amendment and any necessary plans and specifications in connection therewith.

F. As long as the layout and dimensions of a Unit conform materially to the Floor Plans, a Purchaser will not be excused from purchasing the Unit and will not have any claim against Sponsor as a result of any insubstantial or immaterial change or discrepancy.

INTERIM LEASES

A. Sponsor and the owner of any Unsold Residential Unit reserves the right with respect to any Unsold Residential Unit, prior to the date of closing thereto, to rent or lease such Unsold Residential Unit on an interim basis for such rent and term and on such other conditions as may be agreed to between Sponsor or such owner and a Purchaser. Purchasers are advised that the tenancy under such Interim Lease is not subject to governmental regulation as to amount of rent or terms. No occupancy may commence until a temporary Certificate of Occupancy has been obtained for such Unsold Residential Unit. The interim lease will provide, however, among other things, that an uncured default by the Purchaser under the Agreement with respect to the Unsold Residential Unit which is the subject of the interim lease will constitute a default under the interim lease entitling Sponsor or such owner, at its option, to terminate such interim lease in accordance with applicable Law. In addition, each Agreement may provide that an uncured default by the Purchaser under any lease or use and occupancy agreement with respect to the Unsold Residential Unit which is the subject of the Agreement will constitute a default under the Agreement entitling Sponsor or such owner, at its option, to terminate such Agreement and to exercise any remedies therein provided; provided however, that before Sponsor or such owner utilizes the default under the interim lease to declare a default under the Agreement, Sponsor or such owner will either obtain an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the lessee unless the lessee has vacated the Unsold Residential Unit. A Purchaser will have thirty (30) days to vacate an Unsold Residential Unit after a default under the Agreement or the exercise of a right of rescission.

B. Purchasers or any other persons entering into a lease or use and occupancy agreement for a Residential Unit shall be required to pay the legal fees of Sponsor's counsel in connection therewith upon execution of the lease or use and occupancy agreement. Such legal fees are estimated to be approximately $2,000 assuming that the Purchaser's counsel does not negotiate the terms of the lease. All other charges or other fees due under a lease or use and occupancy agreement shall be adjusted as of the Closing to the Residential Unit. Notwithstanding any of the foregoing, Sponsor shall be under no obligation to enter into any lease or use and occupancy agreement. Notwithstanding any of the foregoing, Sponsor will be under no obligation to enter into any interim lease and no portion of the rent paid under an interim lease will be credited towards the Purchase Price of a Unit unless the interim lease expressly provides. Sponsor anticipates that the lease or use and occupancy agreement will not be subject to governmental regulation as it is expected that such Residential Units will be deregulated as high rent housing accommodations pursuant to the provisions of the RRRA or the Rent Regulation Reform Act of 1997.

C. The form Interim Lease is set forth in Part II of the Plan as Exhibit 26.

PROCEDURE TO PURCHASE

A. A person desiring to purchase a Residential Unit will be required to execute an Agreement in quintuplicate (i.e., five (5) original copies), which will be substantially in the form set forth in Part II of the Plan.

B. Tenant Purchasers will be afforded not less than three (3) business days to review this Plan and all filed amendments prior to executing an Agreement unless fewer than three (3) business days remain in the statutory time period to declare the Plan effective. Sponsor must accept an Agreement from a Tenant Purchaser who submits a signed Agreement and check for the Down Payment (subject to collection) to Sponsor or the Selling Agent during the time within which the Tenant Purchaser has the exclusive right to purchase his Residential Unit under this Plan. Such Tenant Purchaser will receive a fully executed counterpart of his Agreement from the Sponsor or the Selling Agent.

C. Non-Tenant Purchasers will be afforded not less than three (3) business days to review this Plan and all filed amendments prior to executing an Agreement unless fewer than three (3) business days remain in the statutory time period to declare the Plan effective. If a Non-Tenant Purchaser has not been afforded at least three (3) business days prior to executing an Agreement, such Purchaser will have seven (7) days after delivering an executed Agreement together with the Down Payment (subject to collection) to rescind the Agreement and have the Down Payment refunded promptly. Such rescinding Purchaser must either personally deliver a written notice of rescission to the Sponsor or the Selling Agent within the seven (7) day period or mail the notice of rescission to the Sponsor or the Selling Agent and have the mailing post-marked within the seven (7) day period.

D. If the Agreement does not pertain to the Tenant Purchaser's Residential Unit or is submitted after the expiration of a Tenant Purchaser's exclusive right to purchase, or a Non-Tenant Purchaser submits a signed Agreement and check for the Down Payment to the Sponsor or the Selling Agent, such Tenant Purchaser or Non-Tenant Purchaser, as the case may be, will be notified within thirty (30) days after such submission whether the Agreement has been accepted or rejected. Agreements will not be binding on Sponsor until approved and executed by it, and delivered by Sponsor to the prospective Purchaser or such Purchaser's attorney. Sponsor reserves the right to request thorough identification and financial information concerning any prospective purchaser, subject to any limitations and requirements imposed by Law. If the Agreement is accepted, a fully executed counterpart will be returned to the Purchaser by the Selling Agent. If such Purchaser receives no response within the 30-day period, his Agreement will be deemed rejected and canceled and all monies paid thereunder shall be refunded within fifteen (15) days thereafter. Upon such refund being made, neither party shall have any further rights or obligations hereunder with respect to the other. 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 any Board, to refuse to approve and execute (a) an Agreement for any Unit, except as prohibited by Law, and (b) an Agreement (s) for more than one Unit to any one person or entity. Sponsor shall have the right to reject such Agreement without cause or explanation to purchaser, provided such rejection is not based on sex, race, creed, color, national

origin or ancestry or other ground proscribed by Law. No prospective Purchaser will have any claim against Sponsor for Sponsor's failure to execute an Agreement.

E. The Agreement sets forth in detail the terms of sale with respect to each Unit and should be read carefully by each prospective purchaser. Prospective Purchasers should be aware that if any conflict exists between the Plan and the Agreement, the provisions of the Plan shall in all events control except where such provisions were requested by Purchaser (other than a Tenant Purchaser, as to which changes to the Agreement shall only be made pursuant to a duly filed amendment to the Plan) and agreed to by Sponsor.

F. Although a Purchaser may obtain financing from a lending institution or any other source, Purchaser's obligation to purchase a Unit pursuant to the Agreement shall not be contingent on Purchaser 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. In addition, a lending institution could withdraw its commitment if it believes a Purchaser's financial condition has worsened or that the Residential Unit's appraised value has decreased or for any other reason.

G. Purchasers should note that in the current real estate market, banks and other lenders are imposing various restrictions on loans. A number of lending institutions have minimum presale requirements. Some restrictions include requiring that a certain percentage (50% or more) of the units in a building be sold before the lender will consider making a loan. Even after the First Closing has occurred, lenders may still impose minimum sales requirements as a condition to making a loan for which commitments have been issued. 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. Moreover, lenders are imposing higher loan to value requirements, making it more difficult for purchasers to obtain a loan to finance the purchase of their Residential Unit. It may be possible for a Purchaser to experience difficulty obtaining a loan in a building where a sponsor or holder of unsold units has not sold a substantial percentage of the apartments in the building, which in some cases may be as high as 70%. Moreover, some lenders will not provide financing in a building where an investor other than the original sponsor has an ownership interest of 10% or more. It may also be difficult for a purchaser to resell an apartment if prospective buyers are unable to obtain a loan due to the same minimum sales and investor ownership restrictions

H. The 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.

I. All Down Payment checks must be made payable to the direct order of "STROOCK & STROOCK & LAVAN LLP, ESCROW AGENT." If any Down Payment check is returned for insufficient funds or any other reason, Sponsor at its option, may declare the Agreement void ab initio and of no further force and effect, may terminate the Agreement and institute an action against Purchaser for the collection of the Down Payment as liquidated

damages or may declare a default or an Event of Default, as the case may be, by Purchaser under the Agreement which shall entitle Sponsor to exercise any of the remedies set forth in the Agreement.

J. The balance of the Purchase Price shall be payable simultaneously with the delivery of the deed to the Residential Unit by, in the sole discretion of Sponsor: (i) official bank check or an unendorsed certified check drawn on or issued by a New York bank or trust company which is a member of The New York Clearinghouse Association or (ii) by federal wire as directed by Sponsor with instructions thereof provided by Sponsor to Purchaser. Checks for the balance of the Purchase Price shall be made payable to the direct order of "11 East 68th Street LLC" or such other party as Sponsor may designate upon not less than two (2) days prior notice The deed will be substantially in the form set forth in Part II of the Plan. Interest, if any, on Purchaser's Down Payment will be credited or paid to Purchaser at Closing.

K. Funds drawn on out-of-state or foreign banks or New York bank or trust companies which are not a member of The New York Clearinghouse Association will not be accepted in payment of the Purchase Price, including the Down Payment and Custom Work Deposit, unless otherwise agreed by Sponsor.

L. Sponsor may agree, in its sole discretion, to perform Custom Work to a Residential Unit. Unless otherwise agreed to by Sponsor, a Purchaser shall bear the Custom Work Costs. A Custom Work Deposit shall be due and payable by Purchaser to Sponsor upon the execution of the Agreement for the Residential Unit and deposited in an escrow account with Escrow Agent in accordance with the Plan. The Custom Work Deposit or any part thereof may be released from the Escrow Agent's escrow account upon the Escrow Agent's receipt of written notification from Sponsor's Architect to the Escrow Agent that all or any portion of the Custom Work has been commenced in the Residential Unit. In the event a Purchaser becomes entitled to rescission after Custom Work or any portion thereof has been commenced, (i) the Purchaser shall not receive a refund of any Custom Work Deposit, if any, actually used to perform Custom Work in the Residential Unit nor shall Purchaser receive a refund for funds used to purchase materials for the Custom Work and (ii) Purchaser shall be responsible for Restoration Costs. In the event the Agreement is terminated by Sponsor, for any reason, by notice of termination to Purchaser and Sponsor retains the Down Payment, the Sponsor shall also retain the entire Custom Work Deposit paid by Purchaser in order to reimburse Sponsor for performing the Custom Work and/or Restoration Work. Sponsor shall be entitled to retain the Custom Work Deposit, or, if applicable, to commence an action against Purchaser to if, to the extent the Custom Work has already commenced, and the Custom Work Deposit has not been made or is insufficient to cover the Custom Work Cost. Sponsor shall also be entitled to commence an action against Purchaser to recover Restoration Costs to the extent that such Restoration Costs have or will be incurred by Sponsor. Where the Custom Work Deposit shall be paid to one party or the other, it shall include interest paid thereon. Notwithstanding the foregoing, if Sponsor abandons the Plan, Sponsor shall not be entitled to Restoration Costs or any Custom Work Costs not actually incurred in connection with the performance of Custom Work in a Residential Unit.

M. Sponsor shall be under no obligation whatsoever to agree to perform any Custom Work for a Purchaser, nor shall Sponsor have any obligation to allow a Purchaser to perform any special work or install extra furnishings prior to Closing. Any Custom Work or any special work

or installation of extra furnishings which a Purchaser desires to be performed with regard to a Residential Unit shall be done only upon Sponsor's written consent thereto and Sponsor's approval of all contractors and suppliers in connection therewith, which consent and approval are within the sole and absolute discretion of Sponsor.

N. Purchasers are hereby advised that in no event shall the presence of any furniture, furnishings, fixtures (including, without limitation, light fixtures), equipment, decorations, wall coverings, wall paper or the like in any model unit or in any Common Element or in any advertisements or renderings with respect thereto, imply or represent that any Residential Unit offered for sale under the Plan will also contain such furniture, furnishings, fixtures (including, without limitation, light fixtures), equipment, decorations, wall coverings, wall paper or the like upon delivery of a Unit offered for sale under the Plan to Purchaser unless Sponsor agrees to same and Purchaser agrees to pay Sponsor an amount determined by Sponsor in addition to the Purchase Price for such Unit offered for sale under the Plan. (See Sections of the Plan entitled "Rights and Obligations of Sponsor" and "Rights and Obligations of Unit Owners and the Condominium Board of Managers" set forth in Part I of the Plan under the subsection entitled "Use of Units" and see a copy of the By-Laws set forth as an Exhibit in Part II of the Plan.)

O. In the event a Purchaser defaults or there is an Event of Default under the Agreement, TIME BEING OF THE ESSENCE with regard to the obligations of the Purchaser thereunder, and Purchaser does not cure their default within thirty (30) days after Sponsor gives written notice to the Purchaser of such default, Sponsor may, at its option, either (i) terminate the Agreement by notice of termination to Purchasers so that the Agreement is of no force and effect and (a) retain any Down Payment already paid, as liquidated damages or (b) retain any Down Payment already paid and commence an action for any portion of the Down Payment not paid, which is or would be due and owing under the Agreement, as liquidated damages, it being acknowledged and agreed that it is extremely difficult and impracticable to ascertain the extent of detriment to Sponsor caused by the breach by Purchaser under the Agreement and the failure of the consummation of the transaction contemplated by the Agreement or the amount of compensation Sponsor should receive as a result of Purchaser's breach or default; or (ii) bring an action against Purchaser for specific performance, or (iii) terminate the Agreement by notice of termination to Purchaser and bring an action for damages; or (iv) exercise all other remedies available to Sponsor at law or in equity. Upon termination of the Agreement, Purchaser shall have no further rights thereunder, and Sponsor may sell the Residential Unit to any other party as though the Agreement had never been made (without any obligation to account to Purchaser for any part of the proceeds of such sale). Notwithstanding the foregoing, Sponsor's right to file an action for specific performance shall not be exercisable against a Tenant Purchaser who purchases the Residential Unit he/she occupied on the Filing Date of this Plan. In addition, Sponsor shall also be entitled to retain (i) Custom Work Deposit, if any, actually used to perform Custom Work in the Residential Unit and (ii) Restoration Costs. In the event the Agreement is terminated by Sponsor, for any reason, by notice of termination to Purchaser and Sponsor retains the Down Payment, the Sponsor shall also retain the entire Custom Work Deposit in order to reimburse Sponsor for Custom Work and Restoration Costs. Sponsor shall be entitled to retain the Custom Work Deposit, or, if applicable, to commence an action against Purchaser to if, to the extent the Custom Work has already commenced, and the Custom Work Deposit has not been made or is insufficient to cover the Custom Work Cost. Sponsor shall also be entitled to commence an action against Purchaser to recover Restoration Costs to the extent that such

Restoration Costs have or will be incurred by Sponsor. Sponsor will be entitled to maintain an action against Purchaser for such additional costs. Notwithstanding the foregoing, if Sponsor abandons the Plan, Sponsor shall not be entitled to Restoration Costs or any Custom Work Costs not actually incurred in connection with the performance of Custom Work in a Residential Unit.

P. For purposes of this Plan and the Agreement, the term "TIME BEING OF THE ESSENCE" shall mean that a failure by Purchaser to do what is required at the time specified in the Agreement is a material breach of the Agreement and an Event of Default entitling Sponsor to the remedies set forth in this Plan and the Agreement

Q. Sponsor will serve Purchasers with written notice of the scheduled Closing Date after an amendment declaring the Plan effective has been accepted for filing, at least thirty (30) days prior to the scheduled Closing Date. The notice shall also set forth the date of First Closing. In the event Purchaser fails to close on the designated date, then Purchaser will have a thirty (30) day period after written notice within which to cure such default, TIME BEING OF THE ESSENCE, following which Sponsor shall have the remedies set forth herein and in the Agreement. A Purchaser may waive its right to receive written notice of such Purchaser's Closing Date.

R. At the closing of title and simultaneously with the delivery of the deed conveying the Residential Unit to Purchaser, Purchaser shall execute and acknowledge a power of attorney to the Condominium Board, the Residential Board and Sponsor substantially in the form set forth in Part II of the Plan. The form of Power of Attorney grants broad powers to the Condominium Board to enter into agreements affecting the General Common Elements and the Residential Board to enter into agreements affecting the Residential Section, as the case may be, including without limitation, the right to commence, pursue, appeal, settle and/or terminate administrative and certiorari proceedings to obtain reduced real estate tax assessments with respect to Residential Units, including retaining counsel and taking any other actions which the Condominium Board or Residential Board deems necessary or appropriate. The Power of Attorney also grants to Sponsor the right to amend the Condominium Declaration with respect to Unsold Units and to effectuate such other rights granted to Sponsor under the Declaration and By-Laws and irrevocably nominates, constitutes and appoints the Commercial Unit A Owner as the party entitled to make all determinations regarding whether to restore the Building pursuant to Section 339-cc of the Condominium Act, in the event more than 75% of the Building is destroyed or substantially damaged. The grant of such irrevocable proxy and power of attorney will run with the land and any subsequent conveyance of a Residential Unit or a Commercial Unit will not be deemed to terminate the proxy or the power of attorney. Failure of the Purchaser to execute and acknowledge the power of attorney shall constitute an Event of Default under the Agreement.

S. If a Purchaser fails for any reason to close title to the Residential Unit on the originally scheduled Closing Date and Sponsor elects not to terminate the Agreement as a result of the same, (a) the closing apportionments to be made at the Closing will be made as of midnight of the day preceding the originally scheduled Closing Date, regardless of when the actual Closing occurs, and (b) the Purchaser will be required to pay to Sponsor, in addition to the other payments to be made to Sponsor under the Agreement and the Plan, an amount equal to 0.05% of the purchase price of the Residential Unit for each day starting from (and including)

the originally scheduled Closing Date to and including the day before the actual Closing Date.

T. Prior to the closing of title to a Residential Unit, the Agreement prohibits a Purchaser from listing the Residential Unit for resale or rental with any broker or from advertising or otherwise offering, promoting or publicizing the availability of the Residential Unit for sale or lease, without Sponsor's prior written consent. Subsequent to the closing of title to a Residential Unit a Residential Unit Owner (other than a Unit Owner purchasing for such Purchaser's own or their immediate family's occupancy) may not advertise, list or sell the Residential Unit for twelve (12) months after acquisition of the Residential Unit (provided however, such limitation shall not apply from and after the date that the Sponsor conveys title to all of the Residential Units). Any such conveyances in violation of the foregoing will be voidable by Sponsor. If any Purchaser engages in any of the foregoing activities, it shall be considered an Event of Default under the terms of the Agreement, thereby entitling Sponsor to any and all remedies under the terms of the Agreement. Purchasers are referred to the Agreement set forth in Part II of the Plan for further details.

U. If the Plan is withdrawn or abandoned, the Down Payment previously paid to and actually collected by Sponsor, together with any interest earned thereon, shall be returned to Purchaser within ten (10) days of the date of such withdrawal or abandonment, in accordance with the provisions herein set forth.

V. Upon the Closing of Title to a Residential Unit a Purchaser will thereupon become obligated for the payment of Common Charges, taxes or other assessments charged against the Residential Unit to the Condominium Board (whether or not such Purchaser takes possession of the Residential Unit and whether or not the tenant in possession, if there be one, pays the rent required to be paid by such tenant).

W. Purchasers are advised that the risk of loss to any Unit by fire or other casualty until the Closing for such Unit is assumed by Sponsor (unless and until a Purchaser takes possession of such Unit pursuant to an Interim Lease or written agreement with Sponsor, at which time such risk to the Unit (but not to any portion of the Common Elements) shall be assumed by Purchaser), but without any obligation or liability by Sponsor to repair or restore any Unit. In the event of damage or destruction of a Unit due to fire or other casualty prior to the Closing, but subsequent to the signing of an Agreement, provided Sponsor elects (which election shall be made within 60 days of a fire or other casualty, in Sponsor's sole discretion) to repair or restore the Unit, the Agreement shall continue in full force and effect, and, thereafter, Purchaser shall not have the right to reject title or receive a credit against, or abatement in, the purchase price for the subject Unit. 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 respective Boards and other Unit Owners, belong entirely to Sponsor. In the event of damage or destruction to any Unit by fire or other casualty prior to the Closing, but subsequent to the signing of an Agreement, if Sponsor notifies Purchaser that it does not elect (which election shall be in its sole discretion) to repair or restore the Unit or if the Unit Owners do not resolve to make such repair or restoration pursuant to the By-Laws (see the Section entitled "Rights and Obligations of Unit Owners and Boards of Managers"), the Agreement shall be deemed canceled and of no further force or effect and Escrow Agent shall return to Purchaser all sums deposited

thereunder, together with interest earned thereon, if any, whereupon the parties to the Agreement shall be released and discharged from all obligations and liability thereunder and under this Plan; provided, however, notwithstanding anything to the contrary herein, if there is an Event of Default or Purchaser is then in default under the Agreement (beyond any applicable grace period), Sponsor shall retain the Down Payment and any Custom Work Deposit together with interest earned thereon, as and for liquidated damages.

X. The Agreement to be used by Tenant Purchasers who purchase during any Exclusive Purchase Period will not be modified for any individual Purchaser except by a duly filed amendment to this Plan.

Y. In the event that a Purchaser is entitled to rescind or terminate an Agreement for any reason, Sponsor may retain any escrow funds expended for Custom Work or special work at the request of the Purchaser and may commence an action against Purchaser for Restoration Costs, provided that Sponsor shall only retain the Down Payment and Custom Work Deposit in accordance with the escrow and trust fund requirements of General Business Law Sections 352-e(2-b)and 352-h and the Department of Law's regulations promulgated pursuant thereto, as described in the subsection of the Plan entitled "Escrow and Trust Fund Requirements" in this Section of the Plan.

Z. If prior to the expiration of any Exclusive Purchase Period which begins prior to the First Closing, Sponsor amends the terms and conditions of this offering to be more favorable to Tenant Purchasers, a Tenant Purchaser who executed and submitted an Agreement and the Down Payment before Sponsor amended the terms of this Plan shall benefit from the more favorable terms and conditions.

AA. Agreements are not assignable. If Purchaser is a corporation, partnership, limited liability company, trust or other legal entity, any direct or indirect sale, assignment, transfer, pledge, encumbrance or other disposition of any of the ownership interest of Purchaser (including without limitation, the stock, membership or beneficial interests of the stockholders, partners, members or beneficiaries of Purchaser or its stockholders, partners, members or beneficiaries) shall be considered an assignment of this Agreement.

Escrow and Trust Fund Requirements

A. All Down Payments received by Sponsor under an Agreement will be held in escrow in conformity with the provisions set forth below.

B. Sponsor will comply with the escrow and trust fund requirements of General Business Law Sections 352-e(2-b) and 352-h and the Department of Law's regulations promulgated pursuant thereto.

C. Any provision of any contract or agreement, whether oral or in writing, by which a Purchaser purports to waive or indemnify any obligation of the escrow agent holding trust funds is absolutely void. The provisions of the Attorney General's regulations and GBL §§ 352-e(2-b) and 352-h concerning escrow trust funds shall prevail over any conflicting or inconsistent provisions in the Agreement, Escrow Agreement, Plan, or any amendment thereto. Sponsor shall

bear all costs associated with the maintenance of the Escrow Account and Purchasers 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. No fees of any kind may be deducted from the Escrow Account.

D. Within five (5) business days after tender of the Deposit and executed Agreement by Purchaser to Sponsor or Selling Agent, the Escrow Agent shall sign the Purchase Agreement and place the Deposit (and all Deposits made by Purchasers prior to the closing of each individual transaction) in a segregated special escrow account of Escrow Agent, provided completed and signed W-9 Forms (Request for Taxpayer Identification Number) in the form set forth in Part II of the Plan or two (2) original W-8BEN Forms (Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding), in the form set forth in Part II of the Plan, as applicable, are provided by Purchaser. Escrow Agent has established a "Master Escrow Account" at Signature Bank at its branch located at 261 Madison Avenue, New York, New York 10081 entitled Stroock & Stroock & Lavan LLP, Escrow Account No. [redacted] and at JP Morgan Chase Bank at its branch located at One New York Plaza, New York, New York 10081 entitled Stroock & Stroock & Lavan LLP, Escrow Account No. [redacted]. The attorneys who are signatories on the Signature Bank account authorized to withdraw funds are: Leonard Boxer, Esq., Stuart Coleman, Esq., Michel Evanusa, Esq., Ross Moskowitz, Esq., Karen Scanna, Esq., Alan Klinger, Esq., Harvey Brown and Steven Moskowitz, Esq. The Escrow Agent's phone number is 212-806-5400. The attorneys who are signatories on the JP Morgan Chase account authorized to withdraw funds are: Leonard Boxer, Esq., Lewis Cole, Esq., Stuart Coleman, Esq., Brian Diamond, Esq., Michel Evanusa, Esq., Lawrence Handelsman, Esq., Lewis Kruger, Esq., Alan Klinger, Esq., Charles Moerdler, Esq., Martin Neidell, Esq. All designated signatories are admitted to practice law in the State of New York. Neither the Escrow Agent nor any authorized signatories on the account are the Sponsor, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing entities. All Deposits will be placed initially in a non-interest bearing checking portion of the Master Escrow Account. Each Purchaser is required to deliver two (2) original completed and signed W-9 Forms (Request for Taxpayer Identification Number) in the form set forth in Part II of the Plan or two (2) original W-8BEN Forms (Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding), in the form set forth in Part II of the Plan, as applicable, to Sponsor or Selling Agent at the time Purchaser tenders the Deposit and the Agreement. If a Deposit is accompanied by two (2) original completed and signed W-9 Forms or W-8BEN Forms, the Deposit will thereafter be promptly transferred to an individual interest bearing sub-escrow savings account in the name of Purchaser. If a Purchaser does not deliver two (2) original W-9 Forms or W-8BEN Forms, signed and fully completed with the taxpayer identification number, if required, the Deposit will remain in the non-interest bearing checking portion of the Master Escrow Account and Sponsor will have no obligation to provide interest to a Purchaser. At such time as the Deposit is released, the Deposit will be transferred from the individual sub-escrow savings account to the non-interest bearing checking portion of the Master Escrow Account so that checks may be drawn thereon.

E. The Down Payment may be tendered by Purchaser to Sponsor or Selling Agent by either personal delivery, delivery by messenger or courier service or mailed by certified mail, return receipt requested, overnight courier or express mail service. The Down Payment shall be

deemed tendered by Purchaser on the date it is actually received by Sponsor or Sponsor's attorney.

F. Acceptance of the Down Payment by Sponsor or Selling Agent and the placement of the Down Payment by Escrow Agent into the special escrow account, shall not be deemed a binding agreement by Sponsor to sell to Purchaser unless and until Purchaser executes an Agreement and Sponsor or Selling Agent executes a duplicate thereof and delivers the Agreement to Purchaser in accordance with the terms of the Plan.

G. If a Purchaser tenders a Down Payment without an executed Agreement, Sponsor shall have the right to reject the Down Payment and return it to Purchaser.

H. Purchasers are further advised that (i) the risk of loss of any portion of the Deposit(s) deposited in accordance with the terms of the Plan and the Agreement shall be borne by Purchaser; (ii) if a Purchaser makes a Deposit(s) in excess of $250,000 for the purchase of a Unit, such Deposit(s) will not be federally insured in excess of $250,000; and (iii) if a Purchaser has any additional accounts in the Escrow Bank the funds in said accounts will be added together with the Deposit(s) held in escrow and the total will only be insured up to the $250,000 FDIC maximum coverage. The FDIC insurance coverage limit applies per depositor, per insured depository institution for each account ownership category. Accordingly, Purchasers are advised that (i) if a Purchaser makes a Deposit(s) in excess of $250,000 for the purchase of a Unit, such Deposit(s) will not be federally insured in excess of $250,000; and (ii) if a Purchaser has any additional accounts with the Escrow Bank, the funds in said accounts will be added together with the Deposit(s) held in escrow and the total will only be insured up to the $250,000 FDIC maximum coverage. Purchasers are encouraged to visit http://www.fdic.gov for further information and updates.

I. The checking account portion of the Master Escrow Account will not be interest-bearing. The sub-escrow savings account portion of the Master Escrow Account will be interest-bearing. All interest will be credited to Purchaser at such time as: (i) there is a closing under the Agreement, or (ii) Purchaser is entitled to a return of the interest. All interest will be credited to Sponsor only in the event Purchaser defaults or there is an Event of Default and Sponsor received the Down Payment and such interest. The interest rate to be earned will be the prevailing rate for these accounts which varies. When last confirmed by Sponsor, the interest rate at Signature Bank was .40% and the interest rate at JP Morgan Chase Bank was .15% Sponsor makes no representations or guarantees that the interest rate paid on Down Payments will not increase or decrease and makes no representations regarding the interest which will be paid on the Down Payments. Provided the Down Payment is tendered with the W-9 or W-8 BEN as set forth herein, interest will begin to accrue within: (i) three (3) full business days of the Down Payments being deposited into escrow, if the Down Payment is cash or cash equivalent, or (ii) five (5) full business days of the Down Payment being deposited into escrow, if the Down Payment is other than cash or cash equivalent.

J. All instruments shall be made payable directly to the order of "Stroock & Stroock & Lavan LLP, as Escrow Agent." Endorsed instruments will not be accepted. Information regarding the Escrow Account may be provided to Sponsor and the Fee Mortgagee, which may be entitled to access to records with respect thereto. All instruments shall be made payable

directly to the order of "Stroock & Stroock & Lavan LLP, as Escrow Agent." Endorsed instruments will not be accepted.

K. Within ten (10) business days after tender of the Initial Deposit, Escrow Agent will notify Purchaser that such funds have been deposited into escrow and will provide the account number and the initial interest rate, if any. If Purchaser does not receive notice of such Deposit within fifteen (15) business days after tender of the Deposit, Purchaser may cancel the Agreement and rescind so long as the right to rescind is exercised within ninety (90) days after tender of the Deposit and Purchase Agreement to the Escrow Agent. Complaints concerning the failure to honor such cancellation requests may be referred to the Department of Law, Real Estate Finance Bureau, 120 Broadway, 23rd Floor, New York, NY 10271. Rescission may not be afforded where proof satisfactory to the Department of Law is submitted establishing that the Deposit was timely deposited and requisite notice was timely mailed to Purchaser in conformity with the Department of Law's regulations.

L. ESCROW AGENT'S NOTICE THAT THE DOWN PAYMENT HAS BEEN DEPOSITED WILL NOT MEAN THAT PURCHASER HAS BEEN APPROVED AS A PURCHASER OR THAT THE AGREEMENT HAS BEEN SIGNED BY SPONSOR. IT SIMPLY MEANS THE CHECK HAS BEEN DEPOSITED.

M. In the event a check delivered by a Purchaser fails of collection, the Agreement will be deemed void ab initio (as if the Agreement had never been executed) at the option of Sponsor, who reserves the right to exercise this option in its discretion by written notice to Purchaser given within five (5) business days of Sponsor receiving notice from Escrow Agent of such failure of collection.

N. Before funds are transferred to a new escrow account, or if the Escrow Agent is replaced, the Plan must be amended to provide the same full disclosure with respect to the new account, the escrow agent and the escrow agreement as was originally provided herein. A bond, letter of credit or other security may not be substituted for the escrow account, unless a special exemption under exceptional circumstances is first requested by the Sponsor and is granted by the Department of Law, following the procedures of title 13 NYCRR Section 20.3(o)(4).

O. All Deposits, except for any Custom Work Deposit, are and shall continue to be the Purchaser's money, and will not be commingled with any other money as per GBL Section 352-h. All Custom Work Deposits shall be initially deposited into the Escrow Account and released in accordance with the terms of the "Procedure to Purchase" section of the Plan.

P. The Escrow Agent will hold the Deposit in escrow until otherwise directed:

(i) pursuant to the terms and conditions set forth in the Agreement upon closing of title to the Unit/Shares; or

(ii) in a subsequent writing signed by both Sponsor and Purchaser; or

(iii) by a final, non-appealable order or judgment of a court of competent jurisdiction.

Q. If the Escrow Agent is not directed to release the Deposit pursuant to paragraphs (i) through (iii) above, and the Escrow Agent receives a request by either party to release the Deposit, then the Escrow Agent must give both the Purchaser and Sponsor prior written notice of not fewer than thirty (30) days before releasing the Deposit. If the Escrow Agent has not received notice of objection to the release of the Deposit prior to the expiration of the thirty (30) day period, the Deposit shall be released and the Escrow Agent shall provide further written notice to both parties informing them of said release. If the Escrow Agent receives a written notice from either party objecting to the release of the Deposit within said thirty (30) day period, the Escrow Agent shall continue to hold the Deposit until otherwise directed pursuant to paragraphs (i) through (iii) above. Notwithstanding the foregoing, the Escrow Agent shall have the right at any time to deposit the Deposit contained in the Escrow Account with the clerk of the county where the building is located and shall give written notice to both parties of such deposit.

R. Sponsor shall not object to the release of the Deposit to:

(i) a Purchaser who timely rescinds in accordance with an offer of rescission contained in the Plan or in an amendment to the Plan; or

(ii) all Purchasers after an amendment abandoning the Plan is accepted for filing by the Department of Law.

S. Set forth in Part II of the Plan is a copy of the form of escrow agreement between Sponsor and Escrow Agent which incorporates the terms of the Department of Law's regulations. The escrow agreement is incorporated by reference into each Agreement.

T. Escrow Agent shall be permitted to act as counsel to Sponsor in any dispute as to the disbursement of the Down Payment or any other dispute between Sponsor and a Purchaser whether or not Escrow Agent is in possession of the Down Payment and continues to act as Escrow Agent.

U. Sponsor has agreed to indemnify Escrow Agent from all costs, claims, expenses and damages incurred in connection with or arising out of the escrow agreement or the performance or non-performance of Escrow Agent's duties under the escrow agreement, except with respect to actions or omissions taken or suffered by Escrow Agent in bad faith or in willful disregard of the escrow agreement or involving gross negligence of Escrow Agent.

V. Sponsor has agreed to compensate Escrow Agent for services rendered in connection with Escrow Agent's duties under the escrow agreement, if any. Escrow Agent's fees and disbursements will neither be paid by Sponsor from the Down Payment nor deducted from the Down Payment by any financial institution under any circumstance.

W. Escrow Agent will maintain all records concerning the Master Escrow Account for seven years after the release of funds. The Department of Law may perform random reviews

and audits of any records involving escrow accounts to determine compliance with statute and regulation.

ASSIGNMENT OF AGREEMENTS

Agreements are not assignable. If Purchaser is a corporation, partnership, limited liability company, trust or other legal entity, any direct or indirect sale, assignment, transfer, pledge, encumbrance or other disposition of any of the ownership interest of Purchaser (including without limitation, the stock, membership or beneficial interests of the stockholders, partners, members or beneficiaries of Purchaser or its stockholders, partners, members or beneficiaries) shall be considered an assignment of the Agreement.

EFFECTIVE DATE

The offering of the Residential Units for sale under this Plan by Sponsor is contingent upon this Plan being declared effective. The following provisions will determine whether, and when, this Plan will be declared effective:

A. This Plan may not be declared effective until Agreements have been executed and delivered for at least fifteen (15%) percent of all Residential Units in the Building offered for sale under this Plan, by bona fide tenants in occupancy or bona fide purchasers who purchase without fraud or discriminatory repurchase agreements or other discriminatory inducements and represent that they intend that they or one or more specified members of their immediate family occupy the Residential Unit when it becomes vacant. As to tenants who were in occupancy on the Filing Date of this Plan, the Agreement must be executed and delivered pursuant to an offering made without discriminatory repurchase agreements or other discriminatory inducements.

B. After the conditions in the preceding paragraph A have been met, Sponsor may, at its option, declare this Plan effective.

C. When Agreements have been executed and delivered for the sale of eighty (80%) percent of all Residential Units in the Building, and all the conditions referred to in the foregoing paragraph A have been met, Sponsor must declare this Plan effective if Sponsor has not already done so.

D. This Plan will not be declared effective based on Agreements: (i) signed by Purchasers who have been granted a right of rescission that has not yet expired or been waived; or (ii) assigned or transferred unless all of the procedures in the Section entitled "Procedure to Purchase" have been complied with; or (iii) signed by Purchasers who have not been afforded at least three (3) business days to review this Plan and all filed amendments prior to executing an Agreement or at least seven (7) days to rescind; or (iv) signed by any Purchaser who is Sponsor, the Selling Agent, the Managing Agent, or a principal of either, or is related by blood, marriage or adoption or as a business associate, an employee, a shareholder or a limited partner of Sponsor, the Selling Agent, the Managing Agent or a principal of either (except that such a Purchaser other than Sponsor or a principal thereof may be counted only if Sponsor has submitted proof satisfactory to the Department of Law establishing that the Purchaser is either a bona fide tenant in occupancy or a bona fide purchaser).

E. When calculating the fifteen (15%) percent requirement: (i) no more than one Agreement by the tenant or tenants of a particular Residential Unit will be counted; and (ii) only one Agreement from any tenant who leases or occupies more than one Residential Unit will be counted.

F. This Plan will be declared effective by: (a) personal service or by commencement of service by mail to all purchasers and tenants of the Building and, within five (5) business days following such notice, an amendment to this Plan confirming that this Plan was declared effective as of the date of such notice will be submitted to the Department of Law, which

amendment, upon acceptance for filing, will be delivered to all Purchasers and tenants; or (b) duly filed amendment to this Plan. The closing of title with respect to any Residential Unit shall in no event take place prior to the acceptance for filing of such effectiveness amendment to this Plan.

G. This Plan may not be amended at any time to provide that it shall be an eviction plan.

H. If this Plan has not become effective within fifteen (15) months from the Filing Date, it will be deemed abandoned, void and of no effect and all monies will be returned to Purchasers not in default under their respective Agreements, in full, within thirty (30) days thereafter, and all monies forfeited by defaulting Purchasers will (in such case) be retained by Sponsor in accordance with the Agreement. In the event of such abandonment, Sponsor shall promptly submit an amendment to the Department of Law together with form RS-3 as promulgated by the Department of Law. Upon the return or retention of the Down Payment, the Agreement will be null and void and Sponsor will have no further obligation or liability to such Purchaser under this Plan or the Agreement. In the event of abandonment, no new condominium offering plan relating to the Building shall be submitted to the Department of Law for at least twelve (12) months after such abandonment.

I. Prior to conveying title to the first Residential Unit, Sponsor may, at its option, declare this Plan abandoned for any reason whatsoever before it is declared effective or before the eighty (80%) percent quota and other conditions referred to in the foregoing Paragraph D are reached and satisfied, respectively. Once this Plan has been declared effective, it may not be abandoned except in the event of: (i) the existence of a defect in title (unknown to Sponsor on the Filing Date of this Plan) which cannot be cured without litigation or cannot be cured for less than 0.5% of the Total Purchase Price to Tenant Purchasers in the aggregate; or (ii) a substantial damage to or destruction of the Building or any portion thereof by fire or other casualty which cannot be repaired for less than 0.5% of the Total Purchase Price to Tenant Purchasers in the aggregate; or (iii) the taking of any material portion of the Property by condemnation, or eminent domain or by other means. Excluded from the dollar amounts set forth in (i), (ii) or (iii) above are title defects, violations, work orders, or determinations of any authority or regulatory association which exist on the Filing Date and either are known to Sponsor or are a matter of public record. If Sponsor does not abandon this Plan after the occurrence of any of the events set forth in (i) or (ii) above, then Sponsor shall be obligated to proceed with this Plan regardless of the cost to cure or repair such items. The determination as to whether or not to abandon this Plan will be in the sole discretion of Sponsor.

J. Sponsor will on the 30th, 60th, 88th and 90th day after the Presentation Date of this Plan and at least once every thirty (30) days until this Plan is declared effective or abandoned, as the case may be, and on the 2nd day before the expiration of any Exclusive Purchase Period provided in an amendment to this Plan, (i) file with the Department of Law, Real Estate Finance Bureau, 23rd Floor, 120 Broadway, New York, New York 10271, a written statement, under oath, setting forth the percentage of Residential Units in the Building which are the subject of Agreements executed by bona fide tenants in occupancy or bona fide purchasers who represent that they intend that they or one or more specified members of their immediate family occupy the Residential Unit when it becomes vacant as of the date of such statement and

as of a specified time and, (ii) before noon on the day such statement is filed, post a copy of such statement in a prominent place accessible to all tenants in the Building. The percentage shall be computed in the same manner as Sponsor shall compute the minimum percentage needed to declare this Plan effective. The statement which is posted in the Building and filed with the Department of Law shall include the following: the date and time of the statement, the Filing Date of this Plan, the Presentation Date of this Plan and any current amendment to the Plan, the last day of any Exclusive Purchase Period, the number of bona fide tenants in occupancy and bona fide purchasers who have executed Agreements, the number of Residential Units counted in the base and the percentage of purchasers. Copies of all filed and posted written statements will be available for inspection at the office of the Selling Agent and the Department of Law. All filed and posted written statements shall remain posted until the next filed and written statement is posted.

K. After an amendment declaring this Plan effective has been accepted for filing, Sponsor will fix dates for the Closing of Title to all Residential Units as to which Agreements are outstanding, in accordance with the provisions of the respective Agreements. See the Section of this Plan entitled "Terms of Sale" for a discussion of the mechanics of Closing of Title to a Residential Unit.

TERMS OF SALE

A. The Closing of title to each Unit shall be held at the offices of Sponsor's attorneys, Stroock & Stroock & Lavan LLP, 180 Maiden Lane, New York, New York 10038 or at such other place as Sponsor may designate on not less than two (2) business days' prior notice. The Closing of title to each Unit shall take place only after or concurrently with the following event:

a. the Plan has been declared effective in accordance with its terms and the amendment to the Plan disclosing same has been accepted for filing by the Department of Law;

b. the recording or filing of the Declaration, By-Laws and Floor Plans in the City Register's Office after approval of same in the Real Property Assessment Department of the New York City Department of Finance as required by Section 339-p of the New York Condominium Act or other applicable Law and such other documents as may be required by Law;

c. either (i) the release of the Residential Unit and its appurtenant interest in the Common Elements from the lien of all mortgages, if any, or (ii) if the Purchaser is obtaining financing on such Residential Unit, the assignment to the Purchaser's mortgagee of any existing mortgage(s) encumbering such Residential Unit and its appurtenant interest in the Common Elements;

d. the delivery to Purchaser of written notice of the time and place of the Closing to the Residential Unit at least thirty (30) days prior to the Closing Date specified therein, including a reasonable opportunity, upon written request of Purchaser, for Purchaser to examine the Residential Unit and the Property, during normal business hours and in the company of Sponsor's agent, prior to Closing;

e. the execution and delivery by Sponsor of a bargain and sale deed with covenants against grantor's acts (which deed shall be substantially in the form set forth in Part II of the Plan) conveying title to the Residential Unit and its appurtenant Common Interest, free and clear of all liens, encumbrances and other title exceptions other than the Permitted Encumbrances; .

f. if Purchaser has requested title insurance, the issuance to Purchaser (at Purchaser's sole expense) of a policy of title insurance in at least the amount of the Purchase Price of the Unit, insuring that (i) Purchaser has fee title to the Unit free and clear of all liens and encumbrances except for (1) Permitted Encumbrances and standard printed exceptions, (2) liens and encumbrances (other than Permitted Encumbrances) to which the Unit's title is subject, which have been expressly accepted by Purchaser, and (3) any mortgage and related security documents that Purchaser executes in connection with the financing of the Purchase Price of the Unit and (ii) the Condominium has been validly created pursuant to the Condominium Act; and

g. the execution and delivery by Purchaser of the Power of Attorney, the

form of which is set forth in Part II of the Plan.

B. Except as otherwise expressly provided under the Plan with respect to the Vacant Unit Renovations, the Residential Units are being sold "as is" in the condition in which they exist at the time a purchaser signs an Agreement, subject to ordinary wear and tear except as otherwise provided in this Plan. All personal property located within a Residential Unit on the date the Agreement is signed or located within the Common Elements on the date the Declaration is filed that is owned by Sponsor is included in the conveyance unless specifically excepted in the Plan. Sponsor's obligation to make repairs in any Residential Unit shall cease upon the Closing of Title of such Residential Unit, except for repairs which Sponsor was obligated to make prior to the closing of title, if any. Each Purchaser will be given a reasonable opportunity to examine the Residential Unit prior to closing, subject to the rights of any tenant or occupant of such Residential Unit, and is urged to make a careful inspection thereof. Notwithstanding the foregoing, no Purchaser shall be permitted to conduct any testing in the Residential Unit including, without limitation, making holes in the wall or ceiling and/or removing sheet rock, tiles, wood flooring, windows or window panes to test for mold, asbestos, mildew, spores, fungi or other toxins or for any other purpose. In the event a Purchaser fails to inspect a Residential Unit, after being given the opportunity to do so, Sponsor reserves the right, in its discretion, to postpone the scheduled Closing or to deem Purchaser to have waived the right to cause punch list work, if any, to be completed.

C. If prior to the expiration of any Exclusive Purchase Period which begins prior to the First Closing, Sponsor amends the terms and conditions of this offering to be more favorable to Tenant Purchasers, a Tenant Purchaser who executed and submitted an Agreement and the Down Payment before Sponsor amended the terms of this Plan shall benefit from the more favorable terms and conditions.

D. Sponsor is not obligated to repair any damage from a casualty or other cause that occurs before the Closing of a Residential Unit. If the Purchaser is or becomes the tenant or occupant of the Residential Unit before the closing of title thereto and, before such closing, the Residential Unit is damaged by casualty or otherwise, such Purchaser shall assume the risk of loss and the obligation to repair the damage, unless the cause thereof originated outside of the Residential Unit or did not result from the acts of such purchaser or other occupants of the Residential Unit or such Purchaser's guests, invitees, or workmen. If Sponsor elects to repair any such damage, Purchaser's Agreement will remain in full force and effect, and Purchaser shall not have the right to reject title or receive a credit against or an abatement in, the Purchase Price. Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration. If Sponsor notifies Purchaser that it does not elect to repair or restore the Residential Unit, the Agreement shall be deemed canceled and Sponsor shall return to Purchaser the Down Payment deposited by Purchaser under the Agreement, together with interest earned thereon, if any, subject to Sponsor's rights to retain Custom Work Deposit and Restoration Costs and neither party shall have any further liability to the other, except that if Purchaser is then in default under the Agreement (beyond any applicable grace period), Sponsor will retain the Down Payment deposited by Purchaser under the Agreement and Plan, together with any interest earned thereon, as and for liquidated damages.

E. The existence of mortgages, liens and encumbrances other than Permitted

Encumbrances shall not be objections to title, provided bonds or properly executed instruments in form for recording necessary to satisfy or release Units from such impermissible liens or encumbrances are delivered at Closing and proper adjustments are made for the cost of recording or filing such instruments. Sponsor will bear the responsibility and cost of recording or filing such instruments. If existing mortgages will not be satisfied at or prior to the First Closing, as of the First Closing, each mortgagee will either: (ii) consent to the formation of the Condominium and acknowledge that its lien will be limited to Unsold Units; (ii)subordinate the lien of its mortgage to the Declaration; or (iii) release its lien on the Unit being conveyed. Title exceptions may include the state of facts shown on a stated survey and any additional state of facts a subsequent survey would show, provided that such additional state of facts does not render title unmarketable.

F. The acceptance of a deed by a Purchaser shall be deemed an acknowledgment that Sponsor has performed and discharged every agreement and obligation on the part of Sponsor to be performed under the Plan except those (if any) which may be expressly stated in the Plan, in the Agreement, in 13 NYCRR, Part 23 (the regulations of the Department of Law of the State of New York governing the acceptance for filing of this Plan) and in GBL §352-e to survive delivery of the deed.

G. Upon the Closing of Title to a Residential Unit a Purchaser will thereupon become obligated for the payment of Common Charges, taxes or other Special Assessments charged against the Residential Unit to the Condominium Board or Residential Board, as the case may be (whether or not such Purchaser taken possession of the Residential Unit and whether or not the tenant in possession, if there be one, pays the rent required to be paid by such tenant).

H. After Closing of title to each Residential Unit, the Purchaser thereof must comply with the procedures established by the Managing Agent regarding such Purchaser's move into the Residential Unit. This may include "move in" fees which will be refunded to the Purchaser unless the Purchaser or the Purchaser's agents damage the Common Elements or another Residential Unit during the move

I. The existing lease of a tenant who has purchased a Residential Unit will be terminated as of the Closing of Title to such tenant's Residential Unit, and such tenant will not have any rights afforded by nor be subject to, the Rent Laws or the GBL.

J. Sponsor shall be under no obligation whatsoever to agree to perform any Custom Work for a Purchaser, nor shall Sponsor have any obligation to allow a Purchaser to perform any special work or install extra furnishings prior to Closing. Any Custom Work or any special work or installation of extra furnishings which a Purchaser desires to be performed with regard to a Residential Unit shall be done only upon Sponsor's written consent thereto and Sponsor's approval of all contractors and suppliers in connection therewith, which consent and approval are within the sole and absolute discretion of Sponsor. In no event shall the presence of any furniture, furnishings, equipment or decorations in any model apartment or Common Element or in any advertisements with respect thereto, imply or represent that any Residential Unit will contain such furniture, furnishings, equipment or decorations upon delivery of the Residential Unit to Purchaser unless Sponsor agrees to same and Purchaser agrees to pay Sponsor an amount

determined by Sponsor in addition to the Purchase Price for such Unit offered for sale under the Plan.

CLOSING COSTS AND ADJUSTMENTS

A. As more particularly set forth in the Agreement, in addition to Purchaser's own legal fees, Purchaser will pay the closing costs set forth below at the time of the closing of title of the Purchaser's Units. Recording charges, fees and taxes are based on rates in effect on the date of the Plan and are subject to change without notice and a Purchaser will not be relieved of Purchaser's obligation under an Agreement by reason of any change in such charges, fees or taxes or tax rates.

B. Each Purchaser of a Residential Unit will pay a contribution to the Working Capital Fund in an amount equal to two (2) month's Residential Common Charges then applicable to each Residential Unit being purchased.

C. Any Purchaser of a Residential Unit which is a Government Entity may be required to deposit into escrow an amount equal to one (1) year of Common Charges then in effect to secure their obligations under the Declaration and By-Laws for the payment of Common Charges and/or assessments and otherwise.

D. If Purchaser elects to obtain fee title insurance, Purchaser will pay a premium which will vary depending upon the amount of insurance requested. The premium for fee title insurance, if ordered from Commonwealth Land Title Insurance Company, having an address at 140 East 45th Street, New York, New York, 10017 (Tel: 212-757-5800), will be $402 for the first $35,000.00 of fee insurance. For additional rates, the following will apply:

FEE AMOUNT	PREMIUM
$ 35,001.00	$402.00 + $6.67 per thousand up to $ 50,000.00
$ 50,001.00	$402.00 + $5.43 per thousand up to $ 100,000.00
$ 100,001.00	$402.00 + $4.36 per thousand up to $ 500,000.00
$ 500,001.00	$402.00 + $3.98 per thousand up to $ 1,000,000.00
$ 1,000,001.00	$402.00 + $3.66 per thousand up to $ 5,000,000.00
$ 5,000,001.00	$402.00 + $3.25 per thousand up to $ 10,000,000.00
$ 10,000,001.00	$402.00 + $3.07 per thousand up to $ 15,000,000.00
$ 15,000,001.00+	$402.00 + $2.76 per thousand

E. These rates are subject to change without notice. Each Purchaser's title underwriter must agree (i) to timely submit the deed, all New York State and New York City real property transfer tax forms, including the New York State Additional Tax pursuant to Article 31 of the Tax Law, commonly referred to as the "Mansion Tax" ("transfer taxes") and checks for payment of such transfer taxes required to be submitted to the appropriate governmental authorities for recording and payment in connection with the conveyance of the Unit to Purchaser; and (ii) indemnify the Sponsor, its counsel, agents and others for loss, damages, penalties, fines and the like (including attorneys' fees) in the event the title underwriter (or its abstract company) fails to file such deed and transfer tax forms and remit payment of the transfer taxes required in connection therewith in a timely manner in accordance with law and the requirements of any governmental or quasi-governmental agency. If said title underwriter fails

or refuses to execute an indemnification substantially in the form annexed to the Agreement as Exhibit A, Purchaser will, as set forth in the Agreement, agree to: (a) indemnify the Sponsor, its counsel, agents and others for loss, damages, penalties, fines and the like (including attorneys' fees) if its title underwriter (or such title underwriter's abstract company) fails to file such deed, transfer tax forms and remit payment of the transfer taxes required in connection therewith in a timely manner in accordance with law and the requirements of any governmental or quasi-governmental agency; and (b) deposit, at closing, the sum of $3,000 (the "Filing Deposit") with Stroock & Stroock & Lavan LLP ("Stroock"), which may be used by Sponsor (i) to pay legal fees, at Stroock's usual and customary rates, to monitor the recording of the deed and the filing of the transfer tax forms and payment of the transfer taxes, and represent Sponsor in connection with any failure to file the deed, transfer tax forms and payment of the required transfer taxes or take any action with respect to the failure to file and remit same; and (ii) pay any such taxes, fines or penalties assessed or charged by any governmental or quasi-governmental agency. Any sums remaining after the payment of the charges set forth in sections (i) and (ii) above, if any, shall be refunded to the Purchaser. Any sums remaining after the payment of the charges set forth in sections (i) and (ii) above, if any, shall be refunded to the Purchaser. Purchaser acknowledges, however, that the Filing Deposit is not a maximum payment in the event the deed, transfer tax forms and transfer taxes are not filed or are not paid in a timely manner.

F. Purchaser will pay a fee for recording the deed, Power of Attorney, mortgage, if any, and any other document in the amount of $42.00 for each deed and $17.00 for each additional instrument plus $5.00 per page as collected by Commonwealth Land Title Insurance Company (each title company establishes its own additional service and surcharges in this regard).

G. If Purchaser obtains a mortgage loan for the purchase of the Residential Unit, the Purchaser will pay to Sponsor a sum equal to the partial mortgage recording tax credit to which Purchaser may be entitled pursuant to §339-ee(2) of the Condominium Act, which sum will be paid as a reimbursement for the mortgage recording tax previously paid by Sponsor in connection with any existing mortgage(s). Alternatively, Sponsor may require, in its sole discretion, that if Purchaser finances the purchase of the Unit with a mortgage loan, Purchaser must cause the lender making such mortgage loan to accept from the Sponsor an assignment of a portion of any mortgage securing the Property in an amount up to such mortgage loan as determined by Sponsor. Upon such assignment, that portion of the mortgage loan assigned by Sponsor, will be exempt from mortgage recording tax under Section 255 of the Real Property Tax Law. In such event Purchaser will be obligated to pay any costs of fees incurred in connection with such assignment. Sponsor shall be solely entitled to the benefits of the exemption and accordingly, Purchaser will pay to Sponsor an amount equal to the mortgage recording tax savings resulting from such exemption.

H. Although a Purchaser may obtain financing from a lending institution or any other source, the obligation to purchase a Residential Unit pursuant to the Agreement shall not be contingent on obtaining financing for such purchase.

I. Purchaser will pay the New York City Real Property Transfer Tax ("RPT Tax"), which currently, for the purchase of a single Residential Unit is 1.425% of the purchase price of a Residential Unit over $500,000 and the New York State Real Estate Transfer Tax ("NYS

Tax"), presently $2.00 for each $500.00 (or part thereof) of the Purchase Price of a Residential Unit. For purposes of calculating the taxes payable, the amounts of such taxes will be included in the consideration subject to tax. Purchasers will also be obligated to pay for the RPT Tax form which is currently $75.00. Therefore, the steps to compute the tax are:

(i) Multiply the Purchase Price by the RPT Tax rate to compute the City tentative tax.

(ii) Multiply the Purchase Price by the NYS Tax rate to compute the tentative NYS Tax.

(iii) Add the tentative taxes to the Purchase Price.

(iv) Multiply (iii) by the RPT Tax rate to determine the RPT Tax payable.

(v) Multiply (iii) by the NYS Tax rate to determine the NYS Tax payable.

Example:

Purchase Price = $4,550,000

(1)	$4,550,000.00 x 1.425%	=	$ 64,837.50
(2)	$4,550,000 x .4%	=	$ 18,200.00
(3)	$4,550,000 + $83,037.50	=	$4,633,037.50
(4)	$4,633,037.50 x 1.425%	=	$ 66,020.78
(5)	$4,633,037.50 x .4% (rounded up)	=	$ 18,532.15

J. Under the current policies of the City of New York Department of Finance, where a purchaser purchases two or more Residential Units that have not been physically combined into a single residence before the transfer, the NYC RPT Tax rate where the consideration is in excess of $500,000 will be 2.625% (this may be the case even if the Residential Units are transferred to the purchaser pursuant to separate sales contracts with separate closing dates). Purchasers of Residential Units should consult their own tax advisors regarding recent New York City Tax Appeals Tribunal decisions rejecting the application of the higher commercial rate schedule of the NYC RPT Tax to purchases of multiple residential condominium units. There is also no guarantee that The City of New York will not change its positions with respect to the foregoing.

K. If the purchase price of the Residential Unit is $1,000,000 or more (as same may be "grossed up" by the State or City), Purchaser will pay the New York State Additional Tax pursuant to Article 31 of the Tax Law, commonly referred to as the "Mansion Tax," which is currently one (1%) percent of the purchase price (the computation of which shall include the RPT Taxes and NYS Taxes as described above).

L. All legal costs, fees and expenses charged by the Purchaser's attorney shall be the sole responsibility of each Purchaser. In addition, Purchaser shall also be responsible for payment of the following fees to Sponsor's attorneys, Stroock & Stroock & Lavan LLP, in connection with the closing of title to Purchaser's Residential Unit: (i) the sum of $3,500 for the preparation of closing documents and attendance at closing, (ii) if the Purchaser requests the Closing to occur other than at the offices of Stroock & Stroock & Lavan LLP or such other place as Sponsor may designate in its closing notice and Sponsor consents to such change, an attendance fee of $500 for each Closing held within Manhattan and $700 for each Closing held in any borough outside Manhattan, (iii) if the closing is adjourned through no fault of Sponsor, an additional fee of $500 for each such adjournment to help defray the cost of preparing for and coordinating the new closing; and (iv) if Purchaser, Purchaser's counsel or Purchaser's lender is more than one (1) hour late to the Closing, Sponsor reserves the right to adjourn or delay the Closing and cause Purchaser to pay an adjournment fee of $500.

M. If Purchaser obtains a mortgage loan, Purchaser will be responsible for the payment of all mortgage recording tax, origination, appraisal and closing costs and other expenses in connection therewith (including legal fees) in amounts determined by governmental authorities and such lender. Such costs may vary widely among different lenders. Currently, for Residential Units, the mortgage recording tax for mortgages under $500,000 is $2.05 for each $100 of principal and such tax for mortgages in the amount of $500,000 or greater is $2.175 for each $100 of principal. This tax is reduced for Residential Units in both instances by $30.00 if the mortgage principal exceeds $10,000. For Commercial Unit, the mortgage recording tax for mortgages of less than $500,000 is $2.05 for each $100 of principal and for mortgages of more than $500,000 such tax is $2.80 for each $100 of principal. No representation or warranty is made with respect to the amounts of such closing costs and expenses or the availability or cost of mortgage loans from any sources. As previously stated in paragraph (e) above, if a mortgage recording tax credit becomes available pursuant to Section 339-ee(2) of the Condominium Act, such credit will inure solely to the benefit of Sponsor. Accordingly, at Closing, each Purchaser utilizing mortgage financing will pay the full amount (but not in excess thereof) of the mortgage recording tax chargeable on the entire amount being financed and Sponsor will be reimbursed by Purchaser to the extent of any mortgage recording tax credit is allowed. In addition, where a Purchaser obtains a mortgage loan, the Purchaser will be responsible for all costs associated therewith, including, without limitation, costs incurred in connection with the mortgage application, bank's attorney, survey, appraisal, credit report and points. These cost may vary depending upon the loan program chosen.

N. The following table illustrates the projected closing costs (based on current rates) for Unit 2E at a Purchase Price of $2,500,000, assuming such Purchaser finances seventy five (75%) percent (i.e., $1,875,000) of the Purchase Price:

Fee Title Insurance (if purchased simultaneously with mortgage title insurance)	$ 6,998.60
Fee for recording Unit Deed (7 pages) and Unit Owner's Power of Attorney (5 pages)	$ 220.00
Mortgage Loan Closing Costs: - recording mortgage (assuming 20 pages) - mortgage recording tax (less $30 exemption for first $10,000) (a portion of which will be paid directly to Sponsor) - mortgage title insurance (if purchased simultaneously with fee title insurance) - other bank charges (assuming "point" of 1% of mortgage amount, appraisal fee of $500 and legal fees of $500 and assuming further that the lender does not require Purchaser to deposit funds to establish a real estate tax escrow)	$ 180.00 $ 40,751.25 $ 1,351.14 $ 19,750.00
New York City Real Property Transfer Tax, New York State Additional Tax and New York State Deed Stamps	$ 72,040.41
Working Capital Payment (approximate)	$ 3,620.38
Closing Fee (assuming the closing occurs at the offices of Sponsor's counsel) +	$3,500.00
TOTAL	$ 148,411.78

O. The projected closing costs referred to above are approximate and are not guaranteed.

P. In addition to the above-specified costs and expenses, a mortgage loan may require that the Residential Unit Owner deposit monthly with its lender one-twelfth (1/12) of the estimated annual real estate taxes and tax assessments which are assessed or to be assessed against the Residential Unit, together with one-twelfth (1/12) of the annual fire and casualty insurance policy premiums for the Residential Unit, or other amounts, and, at Closing, Purchaser may be required to deposit with its lender a multiple of the aggregate of such one month's real estate taxes, tax assessments and insurance premiums, or other amounts, in order that sufficient funds will be available for its lender to pay the same when due and such sums may be due even if a real estate tax escrow is paid to the Condominium Board at Closing.

Q. All legal costs, fees and expenses of Sponsor's attorneys, other than those specifically set forth above, will be the sole responsibility of Sponsor.

R. At Closing, adjustments will be made as of midnight of the day preceding the Closing Date between Sponsor and each Purchaser 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, (b) Residential Common Charges for the month in which title closes and (c) accrued rent and any other charges pursuant to an interim lease or use and occupancy agreement, if any, covering Purchaser's Residential Unit. Sponsor may also collect, on behalf of the Condominium Board, Residential Common Charges for the month following the month in which the Closing occurs. In the event the Units have not been separately assessed for real estate tax purposes prior to a Closing of a Unit, each Unit Owner will pay a pro rata share in the proportion that such Unit's Common Interest bears to the aggregate Common Interest of Units of all real estate taxes with respect to the Property to the Condominium Board as Common Charges. (Please refer to Schedule A for an estimate of real estate taxes payable during the First Year of Condominium Operation.) In addition, to the extent the Units will not be separately assessed, Sponsor may collect at Closing, on behalf of the Condominium Board, real estate taxes due and payable for the tax periods in which the Units will not be separately assessed, which sums will be disclosed in an amendment to the Plan, post-closing. Sponsor will pay to the Condominium Board its proportionate share of real estate taxes, when due, if not separately assessed. The Condominium Board will pay such taxes either to the Department of Finance of The City of New York or directly to Sponsor if Sponsor has already paid such real estate taxes. If any Unit Owner fails to pay such Unit Owner's pro rata share as set forth above, the Condominium Board will have a lien on such Unit for non-payment of Common Charges. (See the Section entitled "Rights and Obligations of Unit Owners and the Board of Managers" under the subsection "Common Charges: Collection and Lien for Non-Payment, Attachment of Rent" for further discussion.) At such time as a Unit is separately assessed and separately billed, its Unit Owner will pay such taxes directly to the taxing authority.

S. If a Purchaser fails for any reason to close title to the Residential Unit on the originally scheduled Closing Date and Sponsor elects not to terminate the Agreement as a result of the same, (i) the closing apportionments to be made at the Closing will be made as of midnight of the day preceding the originally scheduled Closing Date, regardless of when the actual Closing occurs, and (ii) the Purchaser will be required to pay to Sponsor, in addition to the other payments to be made to Sponsor under the Agreement and the Plan, an amount equal to 0.05% of the Purchase Price of the Residential Unit for each day starting from (and including) the originally scheduled Closing Date to and including the day before the actual Closing Date.

T. Except as specifically set out in this Plan, Sponsor must pay all costs and expenses incurred in connection with the promulgation and consummation of this Plan, the creation of the Condominium and the initial sale of Residential Units, including, but not limited to, all selling expenses and commissions payable to Selling Agent for the initial sale of Residential Units pursuant to this Plan, advertising, printing and architects' fees, the fees of Sponsor's attorneys, engineering and appraisal costs and governmental filing fees, whether incurred prior or subsequent to the effective date of the Plan, in connection with the obligations of Sponsor (see the Section entitled "Rights and Obligations of Sponsor.")

RIGHTS AND OBLIGATIONS OF SPONSOR

Sponsor's Obligations with Respect to the Creation of the Condominium

A. Sponsor will bear all costs and expenses to be incurred in connection with the creation of the Condominium and the preparation, filing and distribution of this Plan. In addition, Sponsor will pay all selling expenses and brokerage commissions of the Selling Agent or other broker engaged by Sponsor. In the event that there are title encumbrances (other than Permitted Encumbrances annexed to the Agreement as Exhibit A and mortgages) affecting the Property at the time of the First Closing, Sponsor shall cause such encumbrances to be cured, remedied and removed, at its sole cost and expense, by the First Closing, except that Sponsor shall have no obligation to cure, remedy, or remove any such encumbrances if the same cannot be accomplished at an aggregate cost and expense of up to 0.5% of the Total Purchase Price to Tenant Purchasers (including attorneys fees and disbursements). The existence of any such encumbrances will not constitute an objection to title or excuse any Purchaser from completing payment of the balance due under its Agreement (without provision for escrow), provided that Sponsor furnishes adequate proof to the title company that such encumbrance has been remedied or deposits a reasonable sum to secure Sponsor's obligation to cure and remedy such encumbrance subsequent to the First Closing as determined by the title company. At Sponsor's request, the sums so deposited shall be applied towards payment of the cost of curing or remedying the title defect. If the aggregate cost and expense of curing, remedying and removing all such encumbrances exceeds 0.5% of the Total Purchase Price to Tenant Purchasers and Sponsor elects not to pay same, Sponsor shall abandon and withdraw this Plan in accordance with the terms of the Section entitled "Effective Date."

B. If the Purchaser is or becomes the tenant or occupant of the Residential Unit before the closing of title thereto and, before such closing, the Residential Unit is damaged by casualty or otherwise, such Purchaser shall assume the risk of loss and the obligation to repair the damage, unless the cause thereof originated outside of the Residential Unit or did not result from the acts of such purchaser or other occupants of the Residential Unit or such Purchaser's guests, invitees, or workmen. If Sponsor elects to repair any such damage, Purchaser's Agreement will remain in full force and effect, and Purchaser shall not have the right to reject title or receive a credit against or an abatement in, the Purchase Price. Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration. If Sponsor notifies Purchaser that it does not elect to repair or restore the Residential Unit, the Agreement shall be deemed canceled and Sponsor shall return to Purchaser the Down Payment deposited by Purchaser under the Agreement, together with interest earned thereon, if any, subject to Sponsor's rights to retain Custom Work Deposit and Restoration Costs and neither party shall have any further liability to the other, except that if Purchaser is then in default under the Agreement (beyond any applicable grace period), Sponsor will retain the Down Payment deposited by Purchaser under the Agreement and Plan, together with any interest earned thereon, as and for liquidated damages.

C. Immediately following the recording of the Declaration, all assignable service and maintenance contracts and agreements relating to the Residential Units and/or the Common

Elements will be assigned to the Condominium Board or Residential Board, as appropriate, which Condominium Board or Residential Board, as appropriate, will, on behalf of all Unit Owners or Residential Unit Owners, as appropriate, assume the same and indemnify the assignor against all claims and liability thereunder that relate to matters and events occurring on or after the day upon which the Declaration was recorded.

D. Except as otherwise expressly provided under the Plan with respect to the Vacant Unit Renovations, the Residential Units are being sold "as is" in the condition in which they exist at the time a Purchaser signs an Agreement, subject to ordinary wear and tear. Sponsor reserves the right, but shall not be obligated, to perform future improvements to the Building, including without limitation, the Building Renovations. Purchaser's are cautioned that no determination has been made at this time as to the exact scope and nature of the Building Renovations. Sponsor makes no representations or guaranties regarding the condition of the Property and has no specific knowledge about problems with or needed repairs to the Building, except as recommended in the "Description of Property" set forth as Exhibit 4 in Part II of the Plan. Purchasers are advised that former or current occupants of the Residential Units may have made alterations to certain Units, including without limitation, installation and/or relocation of interior walls. 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 of any Unit or Common Element. Unless caused by a violation of the Sound Transmission Code or other applicable code, 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 renovate (to the extent Sponsor undertakes same) the premises in accordance with all applicable codes and filed plans and specifications, and any conflict between the disclaimers and the Sponsor's obligation to renovate the premises in accordance with all applicable codes and filed plans and specifications shall be resolved in favor of the latter. In no event will Sponsor be liable for incidental or consequential damages (whether based on negligence, breach of contract, warranty, or otherwise).

Sponsor's Obligations
with Respect to Asbestos

In accordance with the provisions of 13 NYCRR 23.7(cc), Sponsor has engaged a qualified firm to perform such tests as are necessary to determine whether asbestos containing material ("ACM") is present in insulating or fireproofing material anywhere in the Building. Said firm has prepared a report on ACM in the Building (the "Asbestos Report"). A copy of the Asbestos Report is set forth in Part II of this Plan. Sponsor's obligations under this Plan do not include an obligation to remove any asbestos identified in the Asbestos Report and Sponsor does not currently intend to perform any such remedial work.

General

A. Except for Sponsor's obligations to pay Common Charges, Special Assessments and real estate taxes and to perform other duties as a Unit Owner with respect to any Unsold

Units (for so long as Sponsor owns same) and any other obligations set forth in this Plan on the part of Sponsor to perform, the foregoing sets forth the entire extent of the obligations of Sponsor hereunder and none other shall be implied, except that nothing contained herein shall be deemed to limit the rights of Purchasers under their respective Agreements.

B. No bond or other security has been posted by Sponsor to secure its obligations under the Plan, including without limitation, to pay Common Charges, Special Assessments and/or real estate taxes with respect to the Commercial Units and the Unsold Residential Units. Sponsor agrees to pay all Common Charges, Special Assessments and real estate taxes with respect to the Unsold Units. Sponsor represents that it has the financial resources to meet its obligations respect to the Unsold Units. Sponsor intends to meet its obligations to the Condominium through proceeds from the sale of Units and rental income from Non-Purchasing Tenants and other tenants and other sources of income. Sponsor makes no representations or warranties other than as set forth in this Plan. The obligations of Sponsor under this Plan and Article 23-A of the General Business Law shall survive the delivery of the deeds to the respective Residential Units. Sponsor shall not be liable for, or obligated to defend, any suits or claims with respect to any Residential Unit arising out of any occurrence taking place on or after the date of the closing of title to such Residential Unit or the leasing thereof to any purchaser or, with respect to the Common Elements, arising out of any occurrence taking place on or after the date of the First Closing, except suits or claims arising out of the acts of Sponsor or the representations made by Sponsor in this Plan.

C. Sponsor shall have only such obligation to defend any suit or proceeding arising out of Sponsor's acts or omissions or to indemnify the Board(s) or Unit Owner(s) in any such action or proceeding arising out of Sponsor's acts or omissions.

D. Sponsor makes no representations or guaranties regarding the condition of the Property and has no specific knowledge about problems with or needed repairs to the Building, other than as is described in the Description of Property set forth in Part II of the Plan. Purchasers are advised that former or current occupants of the Residential Units may have made alterations to certain Residential Units, including without limitation, installation and/or relocation of interior walls.

E. 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. Without limiting the generality of the foregoing, Sponsor hereby disclaims any and all express or implied warranties as to view, light quality, sound and/or odor transmission, the existence of molds, mildew, spores, fungi and/or other toxins within the Condominium. 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 renovate the Building (to the extent Sponsor undertakes same) in accordance with all applicable codes and filed building plans and specifications as well as the provisions of the Plan, Sponsor's obligations to renovate the Building (to the extent Sponsor undertakes same) in accordance with all applicable codes and filed building plans and specifications as well as the provisions of the Plan will control. In no event will Sponsor be liable for incidental or

consequential damages (whether based on negligence, breach of contract, warranty, or otherwise), including, without limitation, any costs associated with a Residential Unit Owner vacating the Unit or its contents during any period of repair or alteration which Sponsor has agreed or is required to perform, it being intended that Sponsor's sole obligations under the Plan will be to repair or, at Sponsor's option, replace (or cause to be repaired or replaced) any defective item of construction (whether arising as a result of defects in material or improper workmanship or material substantially at variance with the Plans and Specifications), subject to the terms and conditions (and within the time limits) set forth in this paragraph.

F. Sponsor will initially procure on behalf of the Condominium Board the insurance relating to the Condominium which is required to be maintained by the Condominium Board in accordance with the provisions of the By-Laws (see the Section entitled "Rights and Obligations of Unit Owners and the Boards of Managers") the cost of which insurance has been reflected in the Projected Budget set forth in Schedule B. Please refer to the Section of the Plan entitled "Terms of Sale" for a discussion of Sponsor's obligations to repair damage from a casualty or other causes prior to the closing of title to a Residential Unit.

G. Sponsor may dissolve or liquidate at any time. In the event of such an occurrence or the transfer of ten (10) or more Units or twenty percent (20%) of the Units in the Condominium, whichever is less, in connection with Sponsor's liquidation of its interest in the Units, the principals of Sponsor will provide financially responsible entities or individuals who will assume the status and all of the obligations of Sponsor for those Units under this Plan, applicable Law and in the event of dissolution or liquidation, the principals of Sponsor shall guarantee the performance of such obligations.

H. Sponsor will have an easement through all portions of the Building, including the Units and Common Elements as may be necessary to perform Sponsor's obligations under the Plan, including, without limitation, any obligation to perform work.

I. Sponsor will cause the Boards to Maintain the Property in substantially the same condition and manner as on the date of presentation until Sponsor no longer controls the Boards.

J. All representations under the Plan, all obligations pursuant to the GBL and such additional obligations under the Plan which are to be performed subsequent to the Closing of each Unit will survive delivery of the deed.

Leasing and Use of Unsold Units

A. Sponsor reserves the right, prior to the date of closing title thereto, to rent or lease any Residential Unit for such rent and term and on such other conditions as may be agreed to between Sponsor and any Purchaser who has paid the Down Payment required by the Agreement, provided that no occupancy may commence until a temporary Certificate of Occupancy has been obtained for such Residential Unit. Any such lease or use and occupancy agreement will provide, however, among other things, that an uncured default by the Purchaser under the Agreement with respect to the Unit which is the subject of the lease or use and occupancy agreement will constitute a default under the lease entitling Sponsor, at its sole option, to terminate such lease or use and occupancy agreement in accordance with applicable

Law. In addition, each Agreement may provide that an uncured default by the Purchaser under any lease or use and occupancy agreement with respect to the Unit which is the subject of the Agreement will constitute a default under the Agreement entitling Sponsor, at its sole option, to terminate such Agreement and to exercise any remedies therein, provided however, that before Sponsor utilizes the default under the lease to declare a default under the Agreement, Sponsor will either obtain an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the lessee unless the lessee has vacated the Unit. A Purchaser will have thirty (30) days to vacate a Unsold Residential Unit after a default under the Agreement or the exercise of a right of rescission.

B. Purchasers or any other persons entering into a lease or use and occupancy agreement for a Residential Unit shall be required to pay the legal fees of Sponsor's counsel in connection therewith upon execution of the lease or use and occupancy agreement. Such legal fees are estimated to be approximately $2,000 assuming that the Purchaser's counsel does not negotiate the terms of the lease. All other charges or other fees due under a lease or use and occupancy agreement shall be adjusted as of the Closing to the Residential Unit. Notwithstanding any of the foregoing, Sponsor shall be under no obligation to enter into any lease or use and occupancy agreement. Sponsor anticipates that the lease or use and occupancy agreement will not be subject to governmental regulation as it is expected that such Residential Units will be deregulated as high rent housing accommodations pursuant to the provisions of the RRRA or the Rent Regulation Reform Act of 1997.

C. Sponsor currently intends to sell the Residential Units under the terms of the Plan. However, under the terms of this Plan, Sponsor and the owner of any Unsold Residential Units have reserved the right to rent or lease any Residential Unit prior to closing the sale thereof to the Purchaser thereof or any other party, to cease marketing Residential Units for sale at any time, in Sponsor's sole discretion or to use or offer the Residential Units for any lawful purpose. Except where otherwise prohibited by Law, certain Residential Units may be occupied under short-term leases. Short term basis means having a term in excess of thirty (30) days and no longer than one year. Sponsor further has the right, following the expiration of the Exclusive Purchase Period, to sell occupied Residential Units to one or more non-occupant purchasers for investment or resale or may lease occupied units to others or to retain vacated Residential Units for future rental. Sponsor's right to rent, rather than sell Residential Units is unconditional and exercisable in Sponsor's sole discretion. Accordingly, it is possible that a significant portion of Residential Unit Owners will not be residents of the Building and that a significant portion of tenants in the Building may not be Residential Unit Owners. Because there is no commitment on the part of Sponsor to sell more than fifteen percent (15%) of the Residential Units offered for sale under this Plan, as needed to declare the Plan effective, owner occupants may never gain effective control and management of the Condominium and may have difficulty in financing or reselling their Residential Units. The By-Laws do not require that after the Sponsor Control Period, a majority of the members of the Residential Board be owner-occupants of a Residential Unit who are unrelated to the Sponsor and its principals. Owner-occupants and nonresident owners (including the Sponsor) may have inherent conflicts on how the condominium should be managed because of their different reasons for purchasing, such as purchase of a home as opposed to purchase for investment.

D. Sponsor reserves the right, without prior notice or amendment to the Plan, to use Unsold Residential Units on any floor of the Building as sales and rental offices and model apartments for the Building and other buildings. In the event Sponsor elects to sell any such Unsold Residential Units, Sponsor or its designee may require the purchaser thereof to purchase all or any of the furnishings, equipment or decorations therein and pay, in addition to the purchase price for such Unit, such amounts as Sponsor may determine. In no event shall the presence of any furniture, furnishings, equipment or decorations in any model apartment or Common Element or in any advertisements with respect thereto, imply or represent that any Residential Unit or Common Element will contain such furniture, furnishings, equipment or decorations upon delivery of the Residential Unit to the Purchaser of the Residential Unit unless Sponsor agrees to same and Purchaser agrees to pay Sponsor an amount determined by Sponsor in addition to the Purchase Price for such Unit offered for sale under the Plan.

E. The Building is currently encumbered by the Fee Mortgage. During the term of the Fee Mortgage, the Fee Mortgagee will have the right to view information regarding funds maintained in the Master Escrow Account. Under the terms of the Fee Mortgage, Sponsor has agreed that it will not without the prior written consent of Fee Mortgagee, which consent is not to be unreasonably withheld, conditioned or delayed, exercise any right it may have under the Condominium Documents (including any right to vote for or permit its representatives on the Condominium Board to vote or take any action whatsoever) respecting: (A) the nature and amount of any insurance covering all or a part of the Building and the disposition of any proceeds thereof; the manner in which any condemnation or threat of condemnation of all or a part of the Property shall be defended or settled and the disposition of any award or settlement in connection therewith, (B) any election to repair or restore the Building or any other portion of the Property, except in the case of an emergency, (C) any additions or improvements to the Common Elements of the Condominium, (D) any partition of all or a part of the Property subject to the Condominium Declaration, (E) the construction of any additions or improvements to the Property or any repair, rebuilding or restoration of all or a portion of the Property, (F) the payment of any amount in excess of insurance or condemnation proceeds available in connection therewith, (G) the assessment of any Common Charges or expenses, (H) the acquisition of any interest pursuant to any purchase option or right of first refusal or offer in the applicable Condominium Documents, (I) any removal of all or any portion of the Property from the provisions of the Condominium Documents and (J) anything relating to the amount or payment of Common Charges and Special Assessments. As a further condition of Fee Mortgagee agreeing to release the individual Residential Units from the lien of the Fee Mortgage, Sponsor has agreed that on or before the First Closing, Sponsor will cause each of the members of the Condominium Board and the Residential Board appointed by Sponsor to execute and deliver to Fee Mortgagee an undated conditional resignation of each such member, whereby each such member tenders his/her resignation from the Condominium Board and the Residential Board, as the case may be, and instruct the same that the successor members be designated by Fee Mortgagee, effective upon written notice from Fee Mortgagee that an event of default by Sponsor under the Fee Mortgage has occurred and is continuing. In the event of a default by Sponsor under the Fee Mortgage, the Fee Mortgagee is entitled to give notice to the Condominium Board and the Residential Board or any other person, which notice shall include a copy of the conditional resignation, stating that circumstances exist which entitle Fee Mortgagee to exercise in Sponsor's place any particular right, privilege or power, or to receive any credit, refund, profit or other sum of money which Sponsor has the right to exercise or receive under the

Condominium Documents. The Condominium Board and Residential Board may rely on such conditional resignation when same is presented by an authorized representative of Fee Mortgagee. The Fee Mortgage does not establish any limitations on the Sponsor's right to rent the Units after the creation of the Condominium nor does it require Sponsor to enter into Agreements for more than fifteen percent (15%) of the Units (other than as required by applicable Law) in order to declare the Plan effective.

CONTROL BY SPONSOR

A. The Residential Board shall be comprised of three (3) members. Prior to the First Annual Meeting of the Residential Board, all three (3) members shall be designated by Sponsor and shall also serve on the Condominium Board. The number or composition of either Board may not be changed except in accordance with the procedures described in the By-Laws.

B. The Residential Board will call for a First Annual Meeting no later than one year after the First Closing. The First Annual Meeting shall be held not less than ten (10) days nor more than forty (40) days after the sending of the notice.

C. At the First Annual Meeting the incumbent Residential Board shall resign and the Residential Unit Owners shall, subject to the rights of Sponsor to designate certain members as more particularly set forth herein in Paragraph D, elect the Residential Board.

D. Sponsor shall have the right to vote all of the Common Interests attributable to Residential Units owned by Sponsor. Sponsor shall hold a majority of seats on the Residential Board and Condominium Board until the earlier to occur of (i) five (5) years from the date of the First Closing or (ii) that date upon which the Unsold Residential Units constitute less than fifty percent (50%) of the Common Interests of the Condominium (the "Sponsor Control Period").

E. Neither the Condominium Board nor the Residential Board, without the consent of Sponsor, may reduce or eliminate any services provided to Non-Purchasing Tenants under the Rent Laws or their tenancies or as may be otherwise required by Law.

F. Notwithstanding anything to the contrary set forth above, in the event the regulations promulgated by the Department of Law governing the conversion of occupied residential 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 and Residential Board shall no longer be effective and Sponsor shall have the same rights to vote its Common Interests as any other Unit Owner, whether or not Sponsor has previously been required to give up control of any of the Boards.

G. Within thirty (30) days after the Sponsor Control Period, the applicable number of members of the Residential Board who were designated by Sponsor shall resign and Sponsor shall call a meeting of Unit Owners to elect a new Residential Board. Notwithstanding the foregoing, after the Sponsor Control Period, Sponsor shall have the right to designate at least one (1) member to the Residential Board and Condominium Board for so long as Sponsor owns at least one Unsold Residential Unit.

H. Nothing contained herein shall be deemed to limit the right of Sponsor to cast its votes for individuals nominated to the Condominium Board or the Residential Board who are not nominated or designated by Sponsor, which individuals, if elected, shall not be deemed Sponsor

nominees or designees and shall not be deemed to cause Sponsor to control either the Condominium Board or the Residential Board after the Sponsor Control Period.

I. The number of members of the Condominium Board representing the Residential Unit Owners may not be increased without the consent of Sponsor as owner of the Unsold Residential Units for so long as there remains one (1) Unsold Residential Unit.

J. Until Sponsor no longer designates a majority of the members of the Residential Board and 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 Residential Unit Owners.

K. Sponsor may exercise veto power over some actions of the Boards. Until Sponsor has conveyed title to all Units, but in no event the later to occur of five (5) years after the First Closing or whenever the Unsold Units constitute less than 25% of the Common Interest of all Units, the Condominium Board or Residential Board may not take any of the following actions without Sponsor's prior written consent: (i) make any Alteration to the General Common Elements, the Residential Common Elements or to the Residential Limited Common Elements or to any Residential Unit; (ii) increase or decrease the number, or change the kind of, employees referred to in the Plan; (iii) enter into any service or maintenance contract for work not covered in the initial projected budget for the Condominium or Residential Section or otherwise provide services in excess of those contemplated by such projected budget, except as is required to reflect normal annual increases in operating services; (iv) borrow money on behalf of the Condominium or on behalf of the Residential Section; (v) assess any General Common Charges or Residential Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund; or (vi) exercise a right of first refusal to lease or purchase a Residential Unit; provided that Sponsor's written consent is not necessary to perform any function or take any action described in items (i) through (vi) above, if, and only if, and only if, the performance of such function or the carrying out of such an action is necessary, and no other alternative is available, to enable the Condominium Board or the Residential Board (i) to comply with Laws of any governmental authority having jurisdiction over the Condominium; (ii) to remedy any notice of violation; (iii) to remedy any work order by an insurer; or (iv) to protect against imminent threat to the health or safety of the residents of the Building.

L. The By-Laws do not require that after the initial Sponsor Control Period, a majority of the members of the Residential Board be owner-occupants of a Residential Unit who are unrelated to the Sponsor and its principals. Owner-occupants and nonresident owners (including the Sponsor) may have inherent conflicts on how the condominium should be managed because of their different reasons for purchasing, such as, purchase of a home as opposed to purchase for investment. Owner occupants may never gain effective control and management of the Condominium.

BOARDS OF MANAGERS

A. Generally the affairs of the Condominium shall be governed by the Condominium Board and the affairs of the Residential Section will be governed by the Residential Board. Prior to the First Annual Meeting, the Residential Board shall initially be comprised of three (3) representatives whom shall be designated by Sponsor and who shall serve on the initial Condominium Board.

B. On or before the date which is one (1) year after the First Closing, the Residential Board will call for the First Annual Meeting of Residential Unit Owners, such meeting to be held not less than ten (10) days nor more than forty (40) days after such date. At the First Annual Meeting, the incumbent Residential Board shall resign and the Residential Unit Owners shall elect a new Residential Board, subject to any rights of Sponsor to designate Residential Board members, as more particularly set forth in the By-Laws. (See the Section entitled "Control by Sponsor.") Thereafter, at each annual meeting, members of the Residential Board shall be elected and shall serve until the next annual meeting thereof and until a successor has been elected and qualified. The three (3) members of the Residential Board shall also serve on the Condominium Board.

C. Upon the same date as the First Annual Meeting for the Residential Unit Owners, the Commercial Unit A Owner shall designate two (2) individuals who shall serve as the representatives of the Commercial Section on the Condominium Board. Thereafter, simultaneously with each annual meeting of the Residential Unit Owners, the Commercial Unit A Owner shall designate representatives to the Condominium Board.

D. Except for Residential Board members designated by Sponsor, all members of the Residential Board must be either Residential Unit Owners or certain parties (e.g. directors, shareholders of Residential Unit Owners) as described in the By-Laws. No member of the Residential Board shall continue to serve on the Residential Board if, during such Residential Unit Owner's term of office, said member shall cease to be a Residential Unit Owner or an interested party. All Board members shall serve without compensation.

E. The Boards shall collectively have the powers and duties necessary for or incidental to the administration of the affairs of the Condominium. Generally, all determinations which affect only the Residential Section and do not adversely affect the General Common Elements, the Commercial Section, the Commercial Unit Owners or the business of the tenants or occupants thereof, shall be made by the Residential Board. Similarly, all determinations which affect only the Commercial Section and do not adversely affect the General Common Elements, the Residential Section or the use of Residential Units for their permitted purposes, shall be made by the Commercial Unit Owners. Generally, all other determinations with respect to the administration of the affairs of the Condominium including those which (i) relate to the Residential Section and do not adversely affect the Commercial Section, and vice versa, or (ii) relate to or affect the General Common Elements, shall be made by the Condominium Board.

F. As more fully set forth in the By-Laws, all determinations required to be made by the Residential Board or the Condominium Board shall be by majority of the votes cast at any

meeting at which a quorum is present. Any dispute between the Residential Board and the Condominium Board as to which Board or entity shall be entitled to make any determination or with respect to any matter the determination of which is entitled to be made by the Condominium Board shall be settled by arbitration in the manner provided in the By-Laws.

G. In exercising their respective powers and performing their respective duties under the Declaration and the By-Laws, each Board shall act in good faith as, and shall be, the agent of the Unit Owners such Board represents, subject to and in accordance with the provisions of the Declaration and the By-Laws.

H. For convenience of operation of the Condominium, any Board may designate any other Board to act as its agent with respect to any matters the determination concerning which is entitled to be made by such designating entity.

I. Annual meetings of Residential Unit Owners shall be held within approximately thirty (30) days of each anniversary of the First Annual Meeting. At such meetings, the Residential Unit Owners shall elect the three (3) member Residential Board, subject to any rights of Sponsor to designate Board members, and there shall also be transacted such other business as may properly come before such meetings. In addition, special meetings may be held from time to time pursuant to the By-Laws. The Secretary of the Residential Board shall mail a notice of each annual or special meeting of the Residential Section to all Residential Unit Owners of record. The notice of special meeting, which will be given at least five (5) days prior to any such meeting, shall state the purpose of the meeting as well as the time and place where it is to be held. Except as otherwise provided in the By-Laws or Declaration, at all meetings of Residential Unit Owners, the presence in person or by proxy of Residential Unit Owners owning more than thirty (30%) percent of the Common Interests attributable to all Residential Units shall constitute a quorum and a majority of the votes cast at any such meeting at which a quorum is present shall be binding upon all Residential Unit Owners. Except as otherwise provided in the By-Laws or Declaration, if any joint meeting between Residential Unit Owners and the Commercial Unit Owners is held, the presence in person or by proxy of more than fifty (50%) percent of the Common Interests attributable to all Units shall constitute a quorum and a majority of votes cast at any such meeting at which a quorum is present shall be binding on all Unit Owners.

J. At all meetings, each Unit Owner (or such Unit Owner's proxy) entitled to vote thereat (including Sponsor or its designees with respect to Unsold Residential Units) shall be entitled to cast one vote for each .0001% of interest in the Common Elements attributable to such Unit Owner's Unit or Units.

J. The principal officers of the Residential Board and the Condominium Board shall be a President, Vice President, Secretary and Treasurer, all of whom shall be elected annually by the members of the their respective Boards at the organizational meetings thereof, except that the initial members of the Residential Board shall be Ziel Feldman, Nir Meir and John Shannon who shall serve as President and Treasurer, Vice President and Secretary of the Residential Board, respectively. Each of these individuals is a principal of or is affiliated with Sponsor or its principals. The initial members of the Condominium Board shall be Ziel Feldman, Nir Meir, and John Shannon, who shall represent the Residential Section; and Barry Langer and Dan Guglielmone, who shall represent the Commercial Section. Ziel Feldman shall serve as the

President, Barry Langer shall serve as the Vice President and Dan Guglielmone shall serve as the Treasurer and Nir Meir shall serve as the Secretary of the Condominium Board, respectively. Each of these individuals is a principal of or is affiliated with Sponsor or its principals.

K. The By-Laws provide that all instruments of the Condominium Board or of the Residential Board are to be executed by any officer thereof or by such other person or persons as may be designated by the applicable Board. However, any significant expenditure by the Condominium Board must be countersigned by two members of the Condominium Board, one of whom is also a member of the Residential Board and the other having been designated as a member of the Condominium Board by the Commercial Unit Owners.

L. The term of office of the members of the Residential Board and Condominium Board shall be for one (1) year or until their successors are elected. Members of the Residential Board and Condominium Board shall serve without compensation. Any member of the Residential Board may resign at any time by written notice hand delivered or sent by certified mail, return receipt requested, to the President or Secretary of the Residential Board. Notwithstanding the term of such member's office, such resignation shall take effect at the time specified therein.

M. A member of the Residential Board designated or elected by the Residential Unit Owners may be removed with or without cause by an affirmative vote of a Majority of Residential Unit Owners (as defined in the By-Laws) who are present at a meeting containing a quorum of Residential Unit Owners; provided, however, that Residential Board members designated by Sponsor may only be removed with cause and replaced by another Sponsor designee. A successor officer may be elected at any regular Residential Board meeting or at any special Residential Board meeting called for such purpose. No member of the Residential Board shall continue to serve on the Residential Board if, during such Unit Owner's term of office, said member shall cease to be a Residential Unit Owner or such other party as described in Section 2.1.3 of the By-Laws; provided, however, that this provision respecting Residential Unit ownership and Residential Board membership shall not apply to members of the Residential Board designated by Sponsor.

N. Each Board shall obtain or ensure maintenance of fidelity bonds or insurance, in amounts deemed appropriate by it, for all of its members, officers and employees and for the managing agent or manager, if any, employed by it and the premiums on such bonds or insurance shall constitute General Common Expenses, Commercial Common Expenses, or Residential Common Expenses, as the case may be. The amount and cost of the bonds has been provided for in Schedule B. The By-Laws provide that to the extent permitted by applicable Law, no member of any Board shall have any personal liability with respect to any contract, act or omission of any Board or of any managing agent or manager in connection with the affairs or operation of the Condominium, the Commercial Section, or the Residential Section or any Limited Common Element (except in their capacities as Unit Owners). Board members shall have no liability to Unit Owners except that a Board member shall be liable for such Board member's own bad faith or willful misconduct. All Unit Owners shall severally, to the extent of their respective interests in their Units and their appurtenant Common Interests, indemnify each Condominium Board member and each Residential or Commercial Board member, as the case may be, against any liability or claim except those arising out of such member's own bad faith or willful misconduct.

O. Pursuant to the terms of the Fee Mortgage, in the event of a default under such Fee Mortgage by Sponsor, the Fee Mortgagee will be entitled to designate, remove or replace the members of the Boards designated by Sponsor.

P. Generally, subject to certain exceptions concerning, among other things, Sponsor, the Commercial Section, and Unsold Residential Units, and provided that required consents of the Residential Mortgage Representatives, if any, are obtained, any provision of the Declaration, By-Laws or Rules and Regulations affecting (a) only the Residential Section or the Residential Unit Owners may be amended, modified, added to or deleted by affirmative vote of at least 67% in number and in Common Interest of all Residential Unit Owners, (b) only the Commercial Section or the Commercial Unit Owners may be amended, modified, added to or deleted by the Commercial Unit Owners and (c) the General Common Elements or all Unit Owners may be amended, modified, added to or deleted by affirmative vote of at least 67% in number and in Common Interest of all Unit Owners; provided, however, that the Common Interest appurtenant to each Unit may not be altered without the written consent of all Unit Owners directly affected thereby.

Q. Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition or deletion of or to the By-Laws, the Declaration or the Rules and Regulations shall be effective in any way (a) without the prior written consent of the affected Commercial Unit Owner, with respect to any amendment, modification, addition or deletion of or to the By-Laws, the Declaration or the Rules and Regulations modifying the permitted uses of the Commercial Unit or affecting the rights, privileges, easements, licenses or exemptions granted to the Commercial Unit Owner, (b) without the prior written consent of Sponsor or the owner of any Unsold Residential Unit with respect to any amendment, modification, addition or deletion of or to the By-Laws, the Declaration or the Rules and Regulations modifying the permitted uses of the Building or any portion thereof or affecting the rights, privileges, easements, licenses or exemptions granted to Sponsor or its designee or the owner of any Unsold Residential Unit, or otherwise adversely affecting Sponsor or its designee or the owner of any Unsold Residential Unit or (c) without the prior written consent of the holder of any present or future mortgage, pledge, or other lien or security interest covering any Unsold Residential Unit with respect to any amendment, modification, addition or deletion of or to the By-Laws, the Declaration, or the Rules and Regulations modifying the permitted uses of such Unsold Residential Unit or affecting the rights, privileges, easements, licenses or exemptions granted to the owner of such Unsold Residential Unit.

R. It is possible that amendments, modifications, additions or deletions of or to the Declaration, By-Laws and Rules and Regulations may be necessary, appropriate or desirable in connection with the operation of the Commercial Section, the subdivision of any Commercial Unit into individual commercial condominium units and/or the offering for sale or lease of all or any portion of the Commercial Unit. In connection therewith, a Commercial Unit Owners may, subject to compliance with all applicable Laws and governmental regulations, if any, cause the Declaration, By-Laws and Rules and Regulations to be amended, modified, added to or deleted from and the resulting provisions thereof may be similar or dissimilar to those affecting the Residential Section and Residential Unit Owners.

RIGHTS AND OBLIGATIONS OF UNIT OWNERS AND THE BOARDS OF MANAGERS

Sales and Leases of Units

A. Subject to certain exceptions set forth in Article 8 of the By-Laws, any sale or lease of a Residential Unit together with its Common Interest by a Residential Unit Owner, will be subject to a right of first refusal by (x) Sponsor (or its designee (corporate or otherwise)) until the later of (a) the date on which Sponsor has sold all Unsold Units; or (b) the date which is ten (10) years from the date of the First Closing; and (y) the Residential Board, either by its designee (corporate or otherwise) or on behalf of the Residential Unit Owners on the same terms and conditions as agreed to by the owner of such Residential Unit and the proposed transferee. The parties respective right of first refusal shall be exercised as more particularly set forth in Article 8 of the By-Laws, which is set forth as an Exhibit in Part II of the Plan. The Residential Board shall not exercise its right of first refusal to purchase or lease any Residential Unit without the prior approval of a Majority of all Residential Unit Owners. However, no such consent shall be required in the event a designee of the Residential Board purchases or leases a Residential Unit. The rights of Sponsor shall have priority to the extent both Sponsor (or its designee), and the Residential Board, either by designee or on behalf of all Residential Unit Owners, seek to purchase or lease such Residential Unit except as set forth below. Because Sponsor has reserved the right to rent, rather than sell Residential Units, its may be able to exercise its right of first refusal indefinitely. If either the Residential Board, on behalf of Residential Unit Owners, or the Sponsor (or Sponsor's designee) elect to exercise their respective right of first refusal to purchase a Residential Unit certain taxes and other monies, which may be the responsibility of the buyer, will be the responsibility of the seller. Notwithstanding anything to the contrary contained hereinabove, until the later of: (a) the date on which Sponsor has sold all Unsold Units; or (b) the date which is ten years from the date of the First Closing (the "Sponsor ROFR Period"), the Residential Board shall not have the right to appoint a designee to purchase or lease a Residential Unit without first obtaining the written approval of the Sponsor. Other than exercising their respective right of first refusal, neither Sponsor nor the Residential Board have a right to approve or disapprove prospective purchasers and the By-Laws contain no requirement that such Purchasers be owner-occupants of the Condominium. There is no limit on the number of purchasers who may purchase for investment rather than personal occupancy. Accordingly, there may always be a substantial percentage of owners who are non-residents. The Commercial Unit Owners may sell or lease all or any portion of the Commercial Units, without any restriction or limitation imposed pursuant to the Declaration or the By-Laws. Purchasers are further advised that REIT Holding Co. shall have a thirty (30) day right of first refusal with respect to the sale of (i) Commercial Unit B (if and to the extent that the same is offered for sale) and (ii) Residential Units 2A East and 2C East and 2 West. (For a more complete discussion of the foregoing, see Article 8 of the By-Laws set forth as an Exhibit in Part II of the Plan)

B. In the event that a Residential Unit is to be leased by Sponsor or the Residential Board (each an "Inside Offeror"), the Residential Unit Owner shall execute and deliver to the Inside Offeror a lease covering such Residential Unit by and between the Residential Unit Owner, as landlord, and the Inside Offeror, 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 Inside Offeror may enter into a sublease of the premises demised thereunder without consent of the landlord. Each lease of a Residential 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 Residential Board or such other form approved in writing by the Residential Board. Notwithstanding the foregoing, however, each such lease shall be consistent with the Condominium Documents and shall expressly provide that:

(a) such lease may not be amended, modified, or extended without the prior written consent of the Residential Board in each instance;

(b) the tenant thereunder shall not assign the tenant's interest in such lease or sublet the premises demised thereunder or any part thereof without the prior written consent of the Residential Board in each instance; and

(c) the Residential 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 (x) a default by the tenant in the performance of its obligations under such lease or (y) a foreclosure of the lien granted by Section 339-z of the Condominium Act.

Purchasers should refer to their own attorneys for guidance regarding their rights and obligations as a landlord under a lease for a Residential Unit

C. Any purported sale or lease of a Residential Unit in violation of this section shall be voidable at the election of the Residential Board or the Sponsor, as the case may be.

D. In the event the Residential Board exercises its right to purchase a Residential Unit together with its Common Interest, such purchase may be made from the funds deposited in the Working Capital Fund or expense accounts of the Condominium or the Residential Board may levy a Special Assessment against each Residential Unit Owner in accordance with the terms of these By-Laws and/or the Residential Board may, in its discretion, finance the acquisition of such Residential 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 Residential Unit to be purchased together with its Common Interests.

E. With respect to the right of first refusal, neither the Residential Board nor the Sponsor 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.

F. The restrictions upon the sale and lease of Residential Units provided in Article 8 of the By-Laws shall not apply to Sponsor with respect to any Unsold Residential Units, or the Commercial Unit Owners with respect to the Commercial Units or to Residential Units acquired by a mortgagee in foreclosure or by deed in lieu of foreclosure, and they shall be free to sell or lease without first offering to sell or lease to the Residential Board.

G. In addition, the right of first refusal granted to the Sponsor and the Residential Board shall not apply with respect to any sale, lease or conveyance of a Residential Unit, together with its Common Interests, to (i) a Family Member of a Residential Unit Owner, or to a trust for the benefit of any of them (in which case the Residential Board shall have the right to review the trust documents and provide for such terms and restrictions on such transfer as the Residential Board deems advisable), provided, however, that if the succeeding Residential Unit Owner is an infant or a person judicially declared incompetent of managing affairs, then such Residential Unit shall be held by the personal representative of such infant or incompetent, or to an affiliate of the Residential Unit Owner; (ii) the Condominium Board or the Commercial Unit Owners; (iii) any proper officer conducting the sale of a Residential Unit in connection with the foreclosure of a mortgage or other lien covering such Residential Unit or delivering a deed in lieu of such foreclosure; or (iv) any Permitted Mortgagee or its nominee, who has acquired title to any Residential Unit at any foreclosure sale of its Permitted Mortgage or by deed in lieu thereof delivered in a bona fide transaction or (v) any conveyance by gift, devised by will, or passes by intestacy; provided, however, that each succeeding Residential Unit Owner shall be bound by, and the Residential Unit shall be subject to, all of the terms and conditions of Article 8 of the By-Laws.

H. Notwithstanding anything contained herein to the contrary, prior to the closing of title to a Residential Unit, the Agreement prohibits a Purchaser from listing such Residential Unit for resale or rental with any broker or from advertising or otherwise offering, promoting or publicizing the availability of the Unit for sale or lease, without Sponsor's prior written consent. Following the closing of title to a Residential Unit, a Residential Unit Owner (other than a purchaser purchasing for such purchaser's own or their Family Member's occupancy) is prohibited from advertising, listing or selling its Residential Unit, together with its Common Interest for twelve (12) months after acquiring such Residential Unit from Sponsor. Any conveyance in violation of this Paragraph H shall be voidable by Sponsor.

I. No Unit Owner shall execute any deed or other instrument conveying title to the Unit without including therein its Common Interest, 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 Common Interest 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 Common Interest of all Units. Nothing contained herein, however, shall prohibit the lease of any Unit without the simultaneous lease of its Common Interests.

J. No Unit Owner shall be permitted to convey or lease the Unit unless the Unit Owner shall have paid in full to the Condominium Board all unpaid Common Charges and to the Residential Board all unpaid Residential Common Charges and Special Assessments theretofore assessed against such Unit and shall have satisfied all unpaid liens, other than that of 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. In addition, the Residential Board may establish reasonable fees for the processing of sale and lease notices, which shall be

payable by the selling or leasing Residential Unit Owner, as the case may be, to the Managing Agent.

K. At the time of acquiring title to a Residential Unit and as a condition thereof, the new Residential Unit Owner shall duly execute, acknowledge and deliver to the representative of the title insurance company (or, if no such representative is present, to the Condominium Board) for recording in the Register's Office (at such Residential Unit Owner's sole cost and expense), the Unit Owner's Power of Attorney required in Article 17 of the Declaration, in the form set forth as Exhibit E to the Declaration.

L. A Residential Unit Owner may lease, sell or convey the Residential Unit to a Family Member, and may convey such Residential Unit Owner's Residential Unit by gift, may devise such Residential Unit Owner's Residential Unit by will, or have it pass by intestacy, without complying with the foregoing restrictions; provided, however, that each succeeding Residential Unit Owner shall be bound by, and such Residential Unit Owner's Residential Unit shall be subject to, the preceding restrictions. In addition, any Residential Unit Owner may lease, sell or convey the Residential Unit to a related or controlled individual or entity, as more particularly set forth in the By-Laws. At present, a lease entered into by a Residential Unit Owner purchasing under the Plan is not subject to legal limitations on the amount of rent which can be charged but such lease will be subject to various state and local laws governing tenancies (e.g. warranty of habitability). Purchasers are advised to consult with their own attorneys regarding the legal ramifications of leasing a Residential Unit.

M. A Residential Unit Owner may only sell or lease such Residential Unit Owner's entire Residential Unit. In addition, each conveyance of a Residential Unit by a Residential Unit Owner shall include, as part of the property to be conveyed, such Residential Unit Owner's undivided interest in (b) the Residential Common Elements, the Residential Common Elements, Residential Limited Common Elements and the General Common Elements, (b) any Residential Unit or Residential Units acquired by the Residential Board on behalf of all Residential Unit Owners, or any proceeds of the sale or lease thereof and (c) any other assets of the Residential Section and the Condominium. No part of the Residential Unit Owner's interest in the Common Elements may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of the Unit or as part of a sale, transfer or other disposition of the specific interest in the Common Elements by all affected Residential Unit Owners.

N. Except as set forth otherwise in the Plan and the Declaration and By-Laws, there are no limitations on who may purchase Residential Units. Any Purchaser of a Residential Unit which is a Governmental Entity may be required to deposit into escrow an amount equal to one (1) year of Common Charges then in effect to secure their obligations under the Condominium Declaration for the payment of Common Charges and/or assessments and otherwise. Sponsor will not knowingly accept an offer of purchase from an individual younger than eighteen (18) years of age or an incompetent under Law. Sponsor is not obligated to offer or sell any Residential Units and may, if it chooses, withhold one or more Residential Units for future sale. Sponsor hereby reserves the right at any time and from time to time for any reason whatsoever, without the consent of the Condominium Board, any Residential Unit Owner, or mortgagee, to refuse to approve and execute an Agreement for any Residential Unit; provided, however, that Sponsor shall not discriminate against any person because of race, creed, color, sex, disability,

religion, marital status, age, ancestry, national origin or other ground proscribed by Law. No binding obligation will arise for the sale of a Residential Unit unless and until a Purchase Agreement executed by both Purchaser and Sponsor has been exchanged and Sponsor has collected the funds constituting Purchaser's required Down Payment thereunder.

Use of Units

A. Except as otherwise provided in this Plan and the Declaration and By-Laws, Residential Units shall be used for residential purposes. Subject to the provisions of the Declaration and By-Laws, the Residential Board, may in its sole discretion, permit a Residential Unit to be used for purposes other than residential use. See also the Section of the Plan entitled "Rights and Obligations of Unit Owners and the Declaration and By-Laws in Part II of the Plan.

B. Notwithstanding the preceding paragraph, Sponsor may, without the permission of the Residential Board (a) use or grant permission for the use of any Unsold Residential Unit as a professional office or for any other purpose, including, without limitation, use as a long or short term rental or other use, provided such use is permitted by Law, does not violate the then existing certificate of occupancy for such Residential Unit (subject to Sponsor's right to amend the certificate of occupancy to conform to use as provided in the By-Laws), and the user of such Unit complies with all applicable governmental regulations with respect to such use, and (b) retain ownership of one or more Residential Units for use as models and sales, rental and/or promotion offices in connection with the sale or rental of other Residential Units in the Condominium or in buildings in the vicinity in which principals of Sponsor may have an interest.

C. It is the responsibility of each Residential Unit Owner to notify the Managing Agent in writing when a child or children under the age of eleven (11) years lives or resides (even temporarily) in the Residential Unit. It is the responsibility of each Residential Unit Owner to install, at such Residential Unit Owner's expense, the required window guards in all windows of the Residential Unit. The Residential Unit Owner shall Maintain all window guards installed in the Residential Unit and shall not remove same until permitted by applicable Law and in any event, without full knowledge of the Residential Board and the Managing Agent. Sponsor makes no representations whether Residential Unit Owners will comply with the foregoing obligations.

D. The current zoning Law permits a person who resides in a Residential Unit to use up to 25% of the floor area of such Residential Unit Owner's Residential Unit (but in no event to exceed 500 square feet) for certain home occupations including a fine arts studio, professional offices (e.g., lawyer, doctor or dentist) and teaching of not more than four persons. Such home occupation use may only be engaged in with the consent of the Residential Board or by Sponsor, as more particularly provided in the By-Laws.

E. The Commercial Units may be used for any lawful purpose, including, but not limited to, a garage, health club, theaters, retail stores, banks, restaurants and commercial and professional offices subject to certain limitations more fully set forth in the Section of the Plan entitled "Commercial Unit." No income derived from any use of the Commercial Units will constitute income to the Condominium Board or Residential Unit Owners.

F. No nuisance, immoral, improper, offensive or unlawful use shall be allowed in the Building or any portion thereof. All valid Laws 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 Boards, whoever or whichever shall have the obligation to Maintain or repair such portion of the Property.

G. No "For Sale," "For Rent," "For Lease" sign, or any other sign evidencing a similar purpose, or other window display or advertising shall be maintained or permitted in any Residential Unit, except that these sign restrictions shall not apply with respect to Unsold Residential Units.

H. No awnings, air conditioning equipment or ventilators shall be installed or modified in the Residential Section without prior written approval of the Condominium Board. No radio or television aerial, Satellite Equipment or other similar device shall be erected by Residential Unit Owners on the roof or exterior walls, windows or Terraces of the Building or on the Property, without obtaining in each instance the written consent of the Condominium Board.

I. No pets other than dogs, caged birds, cats and fish (which do not cause a nuisance, health hazard or unsanitary condition) may be kept in a Residential Unit without the consent of the Residential Board or the Managing Agent. In no event will a Residential Unit Owner be entitled to maintain more than two (2) pets in any Residential Unit without the consent of the Residential Board. Each Residential Unit Owner who keeps any type of pet in such Unit Owner's Residential Unit will be required to abide by any and all reasonable Rules and Regulations of the Residential Board adopted with respect thereto and may be required to enter into an agreement with the Residential Board governing the maintenance of such pets and indemnifying and holding harmless the Condominium, all Unit Owners and the Managing Agent from all claims and expenses resulting from acts of such pet.

J. Certain of the Residential Units contain wood burning fireplaces. Sponsor makes no representations that the fireplace in any particular Residential Unit is functional and advises prospective purchasers that no fireplace should be used until such fireplace is tested and determined to be operational in accordance with the requirements of applicable Law. Sponsor makes no representation whether currently or in the future wood burning fireplaces will be permitted in the City of New York as a matter of Law. Sponsor may, in its sole discretion, engage duly licensed professionals to test the fireplaces, to determine whether such fireplaces are currently operational in accordance with applicable Law, and if not, whether such fireplaces can be reasonably restored or repaired. All fireplaces will comply with the DOB requirements. The fireplaces will be part of each Residential Unit. The shafts, flues and chimneys will be Limited Common Elements appurtenant to each Residential Unit. Residential Unit Owners will be responsible for routine Maintenance of their respective fireplaces, shafts, flues and chimneys and compliance with all Laws applicable thereto, including inspections, and maintaining proper insurance. In accordance with applicable Law, the fireplace flues must be cleaned at least once annually. In accordance with the By-Laws, the fireplace flues must be cleaned at the Residential Unit Owner's cost and expense using contractors approved by the Residential Board unless otherwise determined by the Residential Board.

K. Each Unit Owner shall keep such Unit Owner's Unit in a good state of preservation and cleanliness and each Unit Owner shall be obligated to Maintain and keep in good order and repair such Unit Owner's own Unit in accordance with the provisions of the By-Laws and the rules and regulations of municipal departments or agencies having jurisdiction thereof. The Rules and Regulations concerning the use of Units may be amended from time to time by the respective Boards in accordance with the By-Laws provided that copies thereof are furnished to Unit Owners prior to the time that they become effective (except that no amendment thereof affecting the Commercial Units or Unsold Residential Units may be made unless agreed to by the Commercial Unit Owners or Sponsor, as the case may be). Further restrictions on the use and leasing of Residential Units are set forth in the By-Laws and Residential Rules and Regulations.

Mortgage of Units by Unit Owners

A. Each Residential Unit Owner may mortgage such Residential Unit Owner's Residential Unit, provided that the conditions with respect thereto set forth in the By-Laws are first complied with by him. As more fully set forth in the By-Laws, these conditions include the requirements that (a) the mortgage be substantially in the form of the New York Board of Title Underwriters form of mortgage, or such other form customarily used by lenders making loans secured by individual residential units, (b) the Residential Board is notified in writing of the making of such mortgage and receives a conformed copy of the note and mortgage and (c) the owner making such mortgage first satisfies all unpaid liens against such Unit Owner's Unit, other than Permitted Mortgages. The Commercial Unit Owners shall have the right to mortgage their respective Commercial Units without any restriction or limitation.

B. In certain instances the consent of the Residential Mortgage Representative is necessary in order to amend the Declaration, By-Laws or Rules and Regulations. The By-Laws provide that no more than three Residential Mortgage Representatives shall be designated by the holders of mortgages which satisfy the conditions set forth in the By-Laws (as described above in Paragraph A).

Common Charges:
Determination and Assessment

A. Residential Common Expenses, which are payable only by Residential Unit Owners and are included in their Residential Common Charges, are allocated among Residential Unit Owners in proportion to their respective Residential Common Interests. Residential Common Charges shall also be deemed to include any Special Assessment imposed by the Residential Board. In addition, the Residential Common Charges include the Residential Unit Owner's allocable portion of the General Common Expenses. The respective Common Interests of each Unit, as estimated by Sponsor, are 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. Residential Common Expenses include, among other things, all costs and expenses (including the payment of wages) in connection with the Maintenance and operation of the Residential Common Elements and Residential Limited Common Elements. Residential Common Expenses may include amounts for certain other items

as the Residential Board may deem proper, such as amounts for reserves or in connection with the purchase or lease by the Residential Board of any Residential Unit.

B. General Common Expenses which include, among other things, the costs and expenses (including the payment of wages) in connection with the Maintenance and operation of, and any Alteration to, the General Common Elements and certain other expenses common to all Unit Owners, such as premiums for insurance covering the Building, Managing Agent fees and legal and accounting fees will be determined by the Condominium Board. Generally, such expenses will be allocated to the Residential Board and the Commercial Unit Owners pro rata in accordance with their aggregate respective Common Interests. The Residential Board will then allocate its pro rata share of such expenses among the Residential Unit Owners in accordance with their respective Residential Common Interests. In addition to basing charges on Common Interests, the Condominium Board may also make allocations and assessments of General Common Expenses in accordance with submetering, contract allocations and usage (both projected and actual) so long as such allocations are reasonable under the circumstances and are in accordance with applicable provisions of the Law

C. In the event that the annual receipts levied against Unit Owners exceed the actual expenses less income from sources other than Unit Owners for that period accounted for on an accrual basis by an amount in excess of $100,000, the receipts from Unit Owners over and above such amount may be rebated to the Unit Owners by the Condominium Board in proportion to each Unit's percentage of Common Interest. Rebates, if any, attributable to Residential Units purchased from Sponsor during the First Year of Condominium Operation will be distributed by the Condominium Board to Sponsor and the Residential Unit Owner(s) in proportion to the amount of time Sponsor and each Residential Unit Owner owned such Unit. Sponsor makes no representations that there will be any excess receipts for rebate to Residential Units Owners or, if rebates are made, what the tax consequences of such rebates would be to Residential Unit Owners. See the Attorney's Tax Opinion in Part I of the Plan for further discussion regarding the income tax consequences of the ownership of Residential Units by individual Unit Owners.

D. At least annually (a) the Condominium Board will prepare a budget for General Common Expenses and allocate, as aforesaid, and assess General Common Charges to the Residential Board and the Commercial Unit Owners to meet such expenses and (b) the Residential Board will prepare a budget for Residential Common Expenses and allocate, as aforesaid, and assess among all Residential Unit Owners, Residential Common Charges to meet (i) Residential Common Expenses and (ii) the Residential Board's pro rata share of General Common Expenses.

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

F. In the event any Unit Owner fails to make payment of Common Charges or Special Assessments when due, such Unit Owner shall be obligated to pay (a) a "late charge" equal to the greater of $150.00 or one (1%) percent of such amounts which remain unpaid for

more than ten days from their due date (although nothing herein shall be deemed to extend the period within which such amounts are to be paid), and (b) interest at the rate of 1.5% per month (but in no event in excess of the maximum rate permitted by Law) on such unpaid amounts computed from the due date, thereof, together with all expenses, including, without limitation, attorneys' fees paid or incurred by the Condominium Board or by any managing agent in any proceeding brought to collect such unpaid Common Charges or Special Assessments or in any action to foreclose the lien on such Unit arising from said unpaid Common Charges as provided in §339 z of the New York Condominium Act, in the manner provided in §339 aa thereof or in any other manner permitted by Law. All such "late charges," interest and expenses shall be added to and shall constitute Common Charges payable by such Unit Owner. Notwithstanding the foregoing, each Board may establish its own alternate fees for late payments, whether such fees are more or less than the charges set forth herein. In addition a Board may suspend a Unit Owner's voting rights and privileges for failure to pay any Common Charges or Special Assessments due. Each Unit Owner must strictly comply with the provisions of the Declaration, the By-Laws, and the Rules and Regulations. Failure to comply is grounds for an action for damages or injunctive relief, or both, but such forms of relief will not be exclusive of other remedies provided by Law

Common Charges: Collection and Lien
for Non-Payment; Payment of Rent to Board

A. Pursuant to §339-z of the RPL and under the provisions of the By-Laws and except to the extent prohibited by Law, (a) the Residential Board, on behalf of all Residential Unit Owners, will have a lien on each Residential Unit for unpaid Residential Common Charges together with interest thereon, assessed against such Unit (b) the Condominium Board, on behalf of all Unit Owners, will have a lien on all Residential Units, for General Common Charges unpaid to it by the Residential Board, together with interest thereon, in proportion to the respective Common Interests of the Residential Units, as well as a lien on the Commercial Units, for General Common Charges and Commercial Common Charges (if any) unpaid to it by the Commercial Unit Owner, together with interest thereon. All such liens, however, to the extent permitted by applicable Law, will be subordinate to the lien of any first Permitted Mortgage of record and to liens for real estate taxes on the particular Unit.

B. Pursuant to §339-aa of the RPL, any lien provided for in the immediately preceding paragraph for unpaid General Common Charges or Residential Common Charges against a Unit will be effective from and after the filing in the office of the recording officer in which the declaration of condominium is filed a verified notice of lien stating the name (if any) and address of the property, the CRFN number of the declaration of condominium, the name of the record owner of the Unit, the Unit designation, the amount and purpose for which due, and the date when due; and shall continue in effect until all sums secured thereby with interest accrued thereon shall have been fully paid, or until expiration six (6) years from the date of filing (unless foreclosure of such lien is started within such six-year period), whichever shall occur sooner. §339-aa of the RPL and the By-Laws provide that such liens may be foreclosed by a suit brought in the name of the appropriate Board (acting on behalf of all Unit Owners or all Residential Unit Owners or all Commercial Unit Owners, as the case may be) in like manner as the foreclosure of a mortgage on real property or an action may be brought by the appropriate Board to recover unpaid Common Charges without foreclosing such lien.

C. In any action brought by a Board to foreclose a lien on a Unit because of unpaid Common Charges, the Unit Owner shall be required to pay a reasonable rental for the use and occupancy of such Unit Owner's Unit and the plaintiff in such foreclosure action shall be entitled to the appointment, without notice, of a receiver to collect the same. The Residential Board, acting on behalf of all Residential Unit Owners, shall have the power to purchase any such Residential Unit or portion thereof at the foreclosure sale thereof and to acquire, hold, lease, mortgage, convey or otherwise deal with such Unit or portion thereof (but not to vote the votes appurtenant to such Unit or portion thereof). A suit to recover a money judgment for unpaid Common Charges shall be maintainable without foreclosing or waiving the lien securing such charges. In the event the net proceeds received on such foreclosure sale (after deduction of all legal fees, advertising costs, brokerage commissions and other costs and expenses incurred in connection therewith) are insufficient to satisfy the defaulting Unit Owner's obligations, such Unit Owner shall remain liable for the deficit. Notwithstanding the foregoing, during the Sponsor Control Period, the Sponsor shall cause the Residential Board or the Condominium Board, as the case may be, to file a lien as provided for in §339-aa of the Real Property Law on Units owned by Sponsor in which Sponsor is more than thirty (30) days in arrears of Common Charges.

D. Pursuant to §339-x of the RPL and the terms of the By-Laws, no Unit Owner will be exempted from liability for such Unit Owner's Common Charges by waiving use of any of Common Elements or by abandonment of such Unit Owner's Unit. Dissatisfaction with the quantity or quality of Maintenance or services furnished to the Property or the degree to which the construction in the Building shall have been complete shall not be grounds for a Unit Owner withholding or failure to pay all or any portion of the Common Charges or any other assessments. No Unit Owner, however, will be liable for the payment of any part of the Common Charges assessed against such Unit Owner's Unit subsequent to a permissible sale, transfer or other conveyance by him of such Unit. In addition, as more specifically set forth in the By-Laws, (a) a Residential Unit Owner may, by conveying such Unit Owner's Unit without consideration to the Residential Board and complying with certain conditions in connection therewith, exempt himself from Residential Common Charges and Residential Common Charges thereafter accruing, and (b) a Commercial Unit Owner of any Commercial Unit may, by conveying the Commercial Unit without consideration to the Condominium Board and complying with certain conditions in connection therewith, be exempt from General Common Charges thereafter accruing.

D. In accordance with the terms of the By-Laws and §339-z of the RPL, on a resale of a Residential Unit, the purchaser thereof will be liable for the payment of Residential Common Charges accrued and unpaid against such Residential Unit prior to such Residential Unit Owner's acquisition. Prior to the permissible sale, transfer or other conveyance of a Residential Unit, any seller or purchaser of a Residential Unit shall be entitled to a statement (an "Estoppel Letter") from the Residential Board, setting forth the amount of the unpaid Common Charges accrued against the Unit and neither such seller nor purchaser shall be liable for, nor shall the Unit be conveyed subject to a lien for, any unpaid Common Charges against such Unit accrued prior to such conveyance in excess of the amount set forth in such statement. In the event of a foreclosure by either Board of its lien on any Unit for unpaid Common Charges, if the net proceeds of the foreclosure sale shall be insufficient for the payment of such unpaid charges or if a Unit is acquired by a mortgagee or purchaser in foreclosure, the Unit Owner will remain

liable for the unpaid balance. Neither (a) a Permitted Mortgagee (as defined in the Condominium Declaration) acquiring title to a Unit at foreclosure sale nor (b) a purchaser at a foreclosure sale shall be liable, and the Unit shall not be subject to a lien, for the payment of the Common Charges assessed prior to the acquisition of title to such Unit by such Permitted Mortgagee or purchaser. However, such Permitted Mortgagee or purchaser at a foreclosure sale shall be liable for payment of all Common Charges after the acquisition of title to such Unit. The Residential Board will have the right to assess such unpaid balance as a Residential Common Charge among all Residential Unit Owners.

RPL §339-jj-Borrowing by Condominium

Pursuant to §339-jj of the RPL and the By-Laws, the Condominium Board, on behalf of the Unit Owners, is authorized to incur debt provided that such debt (a) is incurred no earlier than the fifth anniversary of the First Closing and (b) is approved by Unit Owners owning Units to which there is appurtenant a majority of the Common Interests. Any such debt may be secured by future income and Common Charges in which event the Common Charges shall be deemed trust funds for the purpose of paying such debt. The Condominium Board cannot secure such debt by a lien on the Common Elements without the consent of all Unit Owners.

RPL §339-kk-Payment of Rent Where Default in Payment of Common Charges

A. RPL §339-kk is applicable to all condominiums in the State of New York. RPL §339-kk is intended to provide additional financial protection for a Condominium association if a sponsor or other non-occupant unit owner of a Residential Unit fails to make monthly payments for Common Charges, assessments and late fees due in connection with such owner's Units.

B. RPL §339-kk provides, by its terms, among other things, that with respect to unsold units of a Condominium owned by a sponsor or by any other non-occupant unit owner and occupied by a tenant:

(i) If payment of common charges, assessments or late fees by any non-occupant unit owner is more than sixty (60) days late after the expiration of any grace period within which they are due, payments from a tenant of such unit may become directly payable to the Condominium upon written notice by the Condominium to the tenant and the non-occupant unit owner. Where a majority of the Condominium Board has been elected by unit owners who are in occupancy of their respective units, the Condominium Board may elect not to require that the rental payments be paid to the Condominium. Once the common charges, assessments and late fees of the non-occupant unit owner have been brought current, the Condominium Board must notify the non-occupant unit owner and tenant within three (3) business days and thereafter the rent will be payable to the non-occupant unit owner or a designated agent.

(ii) Payment by a tenant of rent or the amount required pursuant to the tenant's lease or statutory tenancy to the Condominium pursuant to the RPL §339-kk, relieves the tenant from the obligation to pay rent to the non-occupying unit owner.

(iii) Any rights existing under any other Laws are not limited by RPL §339-kk.

(iv) A non-occupant unit owner who disputes a Condominium's claim to rental payments is 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 after receipt of notice that the unit owner seeks to dispute the Condominium's claim.

C. Sponsor makes no representation or guarantee that any Unit Owner (other than Sponsor), any tenant, or the Condominium, will in fact comply with RPL §339-kk, and Sponsor shall have no liability for their failure to do so.

D. RPL §339-kk does not address a number of issues. Accordingly, Sponsor makes no representation as to (i) RPL §339-kk's effect on the lien priority of a loan heretofore or hereafter made to a non-occupant owner and secured by the unit, or whether RPL §339-kk's enactment or compliance therewith by a tenant constitutes a default by the unit owner under said loan, (ii) RPL §339-kk's effect on assignments of leases and rents given by a non-occupant owner to a mortgagee in connection with purchase-money financing or otherwise, (iii) the Condominium's remedies if a tenant fails or refuses to make rental payments to the Condominium Board (or such other applicable Board) after notice from the Condominium Board (or such other applicable Board) (in accordance with RPL §339-kk) to do so, (iv) the consequence of the Condominium Board's (or such other applicable Board) failure to give notice to a tenant, or (v) who is responsible for designating an agent to whom rental payments are to be made after the non-occupant unit owner is brought current in payment of common charges, assessments and late fees.

E. No representation is made about the tax effects of RPL §339-kk.

F. All Purchasers should review RPL §339-kk to determine its effect on their own situation.

Repairs to and Maintenance
of Units and Common Elements

A. Generally, all painting, decorating, and routine Maintenance, (a) in or to any Unit (other than to the General Common Elements or Commercial Common Elements or Residential Common Elements included therein), including the individual heating and cooling systems and the interior side of entrance doors thereto, will be made by the owner of such Unit at such Unit Owner's sole cost and expense, (b) in or to the General Common Elements will be made by the Condominium Board and the cost and expense thereof will be charged to the Residential Board and the Commercial Unit Owner as a General Common Expense, (c) in or to the Residential Common Elements, and the Residential Limited Common Elements be made by the Residential Board and the cost and expense thereof will be charged to all Residential Unit Owners as a Residential Common Expense and (d) in or to the Commercial Common Elements will be borne by the Commercial Unit Owners. Notwithstanding the foregoing, any repairs by Residential Unit Owners to the incremental heating and air conditioning units within each Residential Unit shall only be made by contractors or servicemen who have been previously approved by the Residential Board.

B. All Maintenance of any Terrace which does not involve Structural Alterations shall be made by the Residential Unit Owner having access to such at such Residential Unit Owner's own cost and expense, but any Structural Alterations to such Terrace (including any leaks which are not caused by the negligence of the Residential Unit Owner having access to the same) shall be made by the Residential Board and the cost and expense thereof shall be charged to all Residential Unit Owners as a Residential Common Expense. The Condominium Board and the Residential Board will have the right to require a Residential Unit Owner to obtain the consent of the Condominium Board and/or the Residential Board prior to installing Terrace Installations on the Terraces and may require a Residential Unit Owner to remove same, at such Residential Unit Owner's sole cost and expense, if the Condominium Board or the Residential Board determines, in their respective discretion, that such Terrace Installations adversely affect the integrity of the Roofs or adversely affect the appearance of the Building. A Residential Unit Owner will be obligated, at such Residential Unit Owner's sole cost and expense, to remove Terrace Installations from the Terrace, if requested by a Board, to facilitate access to the roofing system, walls, Exterior Facade or other Common Elements pursuant to the Declaration or the By-Laws. No Terrace may be enclosed without the express written consent of the Condominium Board. Prior to installing Terrace Installations, either or both Boards may require, in their sole discretion, that the Residential Unit Owner enter into an alteration agreement with the Board(s).

C. Each Unit includes, and each Unit Owner shall be responsible for the space designated on the Floor Plans as part of such Unit, together with those Facilities located within the Unit which exclusively benefit such Unit or the Unit Owner thereof, including without limitation the following: the front entrance door and any other entrance doors to such Unit, windows and window framing, skylights, flooring, wallcoverings, molding, non-load bearing interior walls and partitions and sheet rock and plaster wall covering, smoke detectors and carbon monoxide detectors, all plumbing, gas and heating fixtures (including shower pans, bath liners and related installations) and equipment such as refrigerators, dishwashers, heating, ventilating and air conditioning ("HVAC") units (including the fans inside the Units), fireplaces, heating equipment, ranges, sinks, bathtubs, showers, water closets, washer and dryers and other appliances, as may be affixed, attached or appurtenant to such Unit and which serve such Unit exclusively. Plumbing, gas and heating fixtures and equipment as used in the preceding sentence shall include gas and water pipes from branch or fixture shut off valves attached to fixtures, appliances and equipment attached, and any special pipes or equipment which a Unit Owner may install within a wall or ceiling, or under the floor, but shall not include gas, water or other pipes, conduits, wiring or ductwork within the walls, ceilings or floors from the point at which such pipes, wiring, ductwork or conduits service other Units. Each Unit shall also include all lighting and electrical fixtures, cabinets, including, without limitation kitchen and bathroom cabinetry, countertops, and appliances within the Unit, any special equipment, fixtures or Facilities (as hereinafter defined) affixed, attached or appurtenant to the Unit, or betterments and improvements installed by a Unit Owner other than Sponsor, to the extent located within a Unit and serving or benefiting only that Unit and elevators (and their respective shafts and pits) exclusively used by one Unit Owner, if any.

D. The exterior surface of all windows in the Residential Section, if so determined by the Residential Board shall be washed and cleaned by such Residential Board at least once annually and the cost and expense thereof shall be a Residential Common Expense which may be charged to Residential Unit Owners to the extent that same is not provided for in the annual

budget. The interior glass surfaces of all windows located in any Unit and the exterior glass surfaces of all windows located in the Commercial Units shall be washed and cleaned by the Unit Owner or occupant thereof at such Unit Owner's sole cost and expense. No Unit Owner or occupant shall clean or permit to be cleaned any window or require, permit or allow it to be cleaned, from the outside, in violation of Section 202 of the Labor Law of the State of New York, or any future Law of like import, or (if applicable) in violation of the rules of the Board of Standards and Appeals of the City of New York or any other governmental authority having jurisdiction over the Land or the Building. Each Unit Owner shall indemnify the Boards and the other Unit Owners, and their respect agents and employees, for all losses, damages, or fines suffered by any of them as a result of a violation of Law.

E. Any replacement of glass windows in any Residential Unit because of breakage or otherwise shall be made by the Residential Board at the sole cost and expense of the Residential Unit Owner of such Residential Unit unless such breakage is caused by the Residential Board, the Condominium Board or the negligence of any other Unit Owner, in which event such replacement of glass windows will be at the sole cost and expense of the Residential Board, the Condominium Board or such Unit Owner. No replacement, modification or alteration may be made to or of the windows without the consent of the Condominium Board or the Residential Board.

F. The By-Laws provide that each Unit and all portions of the Common Elements shall be kept in first-class condition (and with respect to the Roofs, terraces, or other part of the Property exposed to the elements, free of snow, ice and accumulation of water which will cause damage to the Building) by the Unit Owner or appropriate Board, whichever is responsible for the Maintenance thereof. In the event any Unit Owner fails to keep such Unit Owner's Unit in such condition, the appropriate Board may, at the expense of such Unit Owner, enter such Unit and perform such acts as are necessary to cure such default. (See the Section entitled "Rights of Access.") A Residential Unit Owner shall not permit excessive noise or vibrations to emanate from the Unit. Each Unit Owner will be obligated to maintain the appropriate temperature and humidity in such Unit Owner's Unit in order to avoid causing damage to the Common Elements or the Units. In the event a Unit Owner that fails to so maintain the Unit, such Unit Owner may be liable for any damage arising from such failure, including, without limitation, any claims pertaining to environmental hazards such as mold or other bacterial contamination.

G. As set forth in the Description of the Property in Part II of the Plan, there are lot line windows on the west elevation of the Building. Purchasers should note that if a Building is constructed on a neighboring parcel, or if an addition is constructed on an existing neighboring building, the lot line windows (which are located in each of the Residential Units as noted on the Floor Plans set forth in Part II of this Plan for each of the Residential Units), which are within 30 feet in a direct line (whether horizontally, vertically or diagonally) of such neighboring building, will have to be permanently closed and covered from the interior side with sheetrock. The obligation to permanently close the windows and the cost therefore, will be borne by each Unit Owner. Sponsor estimates the cost therefore to be approximately $2,000 per window. In the event that any windows must be covered as aforesaid, space within a Residential Unit, which had previously been constructed as a separate bedroom, may no longer be legally utilized as such. Sponsor has no actual knowledge of any plans by owners of neighboring buildings to either construct a new building or to increase the height of any existing building and such construction

would be subject to Landmarks Preservation Commission approval although Sponsor makes no representations or guarantees with respect thereto.

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

I. In addition, the Residential Rules and Regulations require that at least eighty (80%) percent of the floor area of Residential Units (except for kitchens, bathrooms, closets and foyers) be covered with rugs, carpeting or equally effective noise-reducing material.

Alterations and Improvements
of Units and Common Elements

A. Alterations to be performed by a Residential Unit Owner to a Residential Unit and/or Residential Limited Common Elements shall not be commenced until (i) the prior written consent of the Residential Board has been obtained, (ii) the Residential Unit Owner and the Residential Board have entered into an alteration agreement, (which among other things may require the Residential Unit Owner to provide copies of its proposed plans and specifications describing the Alterations, and may set forth days or hours during which Alterations may be performed and may impose such other conditions as may be required by the Residential Board at the time in question) and (iii) such other conditions relating to Alterations contained in the Declaration and these By-Laws are satisfied. The Residential Board may exercise the right to reasonably approve the contractors and suppliers performing such Alterations. In addition, the Residential Board will have the right, as a condition to approving a Residential Unit Owner's request to renovate kitchens and bathrooms, to require such Residential Unit Owner to replace plumbing, steam and gas risers running through or adjacent to the Residential Unit or to contribute to the Condominium, the sum necessary to enable the Condominium to perform such replacements. The Residential Board may impose fees upon such Residential Unit Owner to reimburse the Boards for costs incurred in connection with the review or supervision of such Residential Unit Owner's work.

B. Any contractor performing work shall not employ any personnel or means that may cause labor disturbances or stoppage in the work of Building employees or other contractors or subcontractors employed in the Building.

C. No application or other document shall be filed with any governmental authority for a permit covering an Alteration to be made in a Residential Unit, unless approved and executed, if necessary, by the Residential Board or, if required, by the Condominium Board. The Residential Board (or the Condominium Board) will not unreasonably refuse to approve and execute, if necessary, any application or other document required to be filed in connection with approved Alterations or repairs, provided that the Residential Board, the Condominium Board and the other Unit Owners shall not be subject to any expense (including legal fees or other professional fees) or liability by reason of such approval and execution or, by reason of such Alteration without limitation, liability to any contractor, subcontractor, materialman, architect or engineer, or to any person having any claim for injury to person or damage to property arising

therefrom. Notwithstanding anything to the contrary set forth above, Sponsor or a Commercial Unit Owner (with respect to its Commercial Unit) is hereby authorized on behalf of the Boards to execute the Required Documentation required to undertake, perform and complete such work to the Building (including the Units and Common Elements) as Sponsor and the Commercial Unit Owners are obligated or entitled to perform in accordance with the terms of the Offering Plan or the Declaration and these By-Laws (including, without limitation, any certificates as may be required to amend the existing certificate of occupancy to reflect a reconfiguration of the Units and/or a change in use) and to obtain such certificates of completion as may then be required by Law and, the appropriate Board, if requested by Sponsor or a Commercial Unit Owner, shall execute the Required Documentation.

D. In addition, the Power of Attorney to be executed by each Residential Unit Owner upon acquisition of the Residential Unit further grants to Sponsor a power of attorney to execute such documentation. "Required Documentation" refers to such applications, permits, certifications, affidavits, forms, agreements, acknowledgments or other documents as may be required to enable the Sponsor to exercise its rights or obligations under this Plan or the Declaration and the By-Laws, including, without limitation, Sponsor's rights to deal with the Available Development Rights and to undertake, perform and complete such work to the Units and Common Elements.

E. If at the time a Residential Unit Owner seeks to perform Alterations, a Permanent Certificate of Occupancy is not issued for the Building or any floor, the Condominium Board and/or Residential Board may refuse to permit a Residential Unit Owner to perform Alterations in a Residential Unit until such time as the Building has been completed and a Permanent Certificate of Occupancy has been obtained therefor. In furtherance thereof, a Residential Unit Owner performing Alterations, shall indemnify Sponsor and the Boards for any cost, expense, claim or liability incurred or suffered by Sponsor or any Board as a result of any violation of Law or delay in obtaining a temporary or Permanent Certificate of Occupancy. In the event the Alterations performed by a Residential Unit Owner do adversely affect the issuance or validity of the certificate of occupancy then upon the written request of Sponsor, the Condominium Board or any other Board whose Unit Owners are affected, the Residential Unit Owner shall restore the Unit, at such Unit Owner's sole cost and expense, to its original condition. If such Unit Owner fails to commence diligently and continuously restoring the Unit within fifteen (15) days of receipt of the written request, then the Sponsor or the Board, as the case may be, requesting such restoration shall be entitled to enter and restore the Unit at the expense of the Unit Owner and to exercise any other remedies provided in these By-Laws.

F. Generally, all Alterations in or to the General Common Elements will be made by the Condominium Board and the cost and expense thereof will be charged to the Residential Board and the Commercial Unit Owners as a General Common Expense. Alterations in or to the Residential Common Elements will be made by the Residential Board (which shall be further charged to all of the Residential Unit Owners) and the cost and expense thereof will be charged to all Residential Unit Owners as a Residential Common Expense; and Alterations in or to the Commercial Common Elements will be made by the Commercial Units Owner and the cost and expense thereof will be borne by the Commercial Unit Owners.

G. The Commercial Unit Owner, without the consent of the Residential Board or the Condominium Board or any other Unit Owner may make any Alteration in or to its respective

Commercial Unit and the Common Elements provided that the work is performed by the Commercial Unit Owner in compliance with governmental Laws and in accordance with all conditions described in the By-Laws. Sponsor, without the consent of the Residential Board, the Commercial Unit Owners or the Condominium Board, may make any Alteration in or to any Unsold Residential Unit or the Common Elements provided that the work is performed by Sponsor in compliance with governmental Laws and in accordance with all conditions described in the By-Laws. In addition, Sponsor and the Commercial Unit Owners may erect, maintain, repair and replace, or permit their tenants to erect, maintain, repair or replace, from time to time, one or more Signs on the Property for the purpose of advertising the availability of Units for sale or rental any Unsold Residential Unit or Commercial Unit or operation of any business of Sponsor, a tenant, occupant, managing agent or operator of the Commercial Unit including, but not limited to, signs on the facade of the Building and on any awnings, canopies or other protrusions from the facade of the Building.

Local Law 1

Local Law 1 of 1982 requires the elimination of all lead paint, both peeling and intact, in a building constructed prior to 1960. Sponsor makes no representation regarding the scope or nature of any future enactments regarding lead-based paint or whether Local Law 1 will be modified or whether the City or State of New York will adopt other laws dealing with lead based paint or what the provisions of such law may be. Purchasers are urged to review Local Law 1 or any successor statute thereto and any regulations or requirements promulgated with respect thereto for a full description of the obligations of a Unit Owner thereunder. Unit Owners shall be deemed "owners" of their respective Units with the obligation to comply with the requirements of the Unit for purposes of compliance with all environmental laws, including, without limitation, requiring the removal or abatement of asbestos containing material or lead-based paint. Based upon the age of the building, it is probable that there is lead-based paint or lead-based paint hazards in the Building, however, Sponsor is not aware of any lead-based paint or lead-based paint hazards in the Building that need to be remedied, and has no records or materials pertaining to same. Sponsor will comply with applicable Law concerning the use of lead-based paint. Set forth as an Exhibit in Part II of this Plan is a copy of the booklet issued by the United States Environmental Protection Agency, EPA 747-K-95-001, which details certain information regarding lead based paint. In accordance with the terms of the rider annexed to the Agreement, Purchasers have the right to inspect their Units for the presence of lead-based paint. Please refer to the Agreement set forth in Part II of the Plan for further details. While Sponsor has, to the best of its knowledge, received no specific reports regarding the presence of lead based paint in the Property, given the age of the Building and the wide spread routine use of lead based paint in preceding decades, it can be assumed that there is some lead based paint present in the Building, including, but not limited to, the Units.

Rights of Access

As more fully set forth in the By-Laws, each Board and any managing agents, managers, superintendents and other persons authorized by any Board, will have a right of access to the Residential Units for the purposes of performing installations, Alterations or repairs to the mechanical or electrical services or other Common Elements in the Residential Units or elsewhere in the Building, to remove violations, cure defaults by a Residential Unit Owner,

correct any condition originating in any Residential Unit and threatening another Unit or any Common Element, and for any other purposes provided in the Plan, Declaration or as may be required by Law, provided that requests for entry (except in Emergency situations) are made in advance and that any such entry (except in Emergency situations) is at a time reasonably convenient to the Unit Owner and the tenants of any Unit. In case of an Emergency, such right of entry shall be immediate, whether the Residential Unit Owner is present at the time or not. Provided reasonable care is exercised to safeguard the Residential Unit Owner's property, any entry described herein shall not render the Board or its authorized agents liable for damage incurred in connection with the exercise of such right of entry. Sponsor shall have a right of access to any Residential Unit for the purpose of performing punch-list work or for the purpose of performing or completing construction in the Building.

Compliance with Terms of Declaration, By-Laws and Rules and Regulations

Each Unit Owner must strictly comply with the provisions of the Declaration, the By-Laws, and the Rules and Regulations. Pursuant to Section 339(j) of the Condominium Act, failure to comply is grounds for an action for damages or injunctive relief, or both, but such forms of relief shall not be exclusive of other remedies provided by Law. The By-Laws, together with the Rules and Regulations, will be recorded with the Declaration in the City Register's Office.

Examination of Books and Records

Each Unit Owner and Permitted Mortgagee shall be permitted to examine the books of account of the Condominium (including, in the case of Residential Unit Owners or Commercial Unit Owners and Permitted Mortgagees thereof, the books of account of the Residential Section or the Commercial Section, as the case may be) at reasonable times, on business days, but not more than once a month.

Repair or Reconstruction after Fire or Other Casualty

A. As more fully set forth in the By-Laws, in the event that the Building or any part thereof is damaged or destroyed by fire or other casualty ("Casualty Loss"), (a) the Condominium Board with respect to the General Common Elements, (b) the Residential Board with respect to the Residential Common Elements and the Residential Limited Common Elements, (c) the Commercial Unit Owners with respect to the Commercial Common Elements and Commercial Limited Common Elements, if any, and (d) each Unit Owner with respect to its Unit, shall arrange for the prompt repair or restoration ("Work") in the event of a Casualty Loss, to the portion(s) of the Building affected by such Casualty Loss.

B. If only the Commercial Section is destroyed or damaged by fire or other casualty and if the net insurance proceeds are insufficient to cover, or exceed, the cost of repairs and restoration, the Commercial Unit Owners will bear the entire amount of the deficit, or shall receive all of the surplus, as the case may be. Similarly, if only the Residential Section is damaged or destroyed by fire or other casualty and the insurance proceeds are insufficient to

cover, or exceed, the cost of repairs and restoration, the deficit or surplus, as the case may be, will be shared entirely by all Residential Unit Owners in proportion to their respective Common Interests. If said damage or destruction by fire or other casualty affects the Commercial Section, the Residential Section and the General Common Elements, or any combination thereof, then any deficit or surplus in insurance proceeds shall be borne or shared by all Unit Owners in proportion to their respective Common Interests in the proportion that the cost of repairing the damage or destruction to the Residential Section, Commercial Section and General Common Elements bears to the total cost of repairing all damage or destruction. However, each Commercial Unit Owner shall still have the right to make all arrangements for the prompt repair and restoration of its respective Commercial Unit to the extent they are affected by such damage or destruction. If said damage or destruction, however, affects only the General Common Elements, then any deficit or surplus in insurance proceeds shall be borne or shared by all Unit Owners in proportion to their respective Common Interests. Notwithstanding anything in this paragraph to the contrary, no payment of surplus insurance proceeds shall be made to a Unit Owner until there has first been paid out of such Unit Owner's share of such funds such amounts as may be necessary to reduce unpaid liens on such Unit Owner's Unit, other than mortgages which are not Permitted Mortgages, in the order of priority of such liens. The provisions of this paragraph are subject to the next paragraph.

C. Unless the Unit Owners have elected not to restore the Building as provided below, damage or destruction to a Unit or a Limited Common Element as a result of fire or other casualty shall be promptly repaired and reconstructed by the Owner of the affected Unit(s) where such repair or reconstruction does not involve the Common Elements for which the repair or reconstruction is the obligation of the Condominium Board or the Residential Board or a Commercial Unit Owner under the Declaration and By-Laws. If a Unit Owner fails to repair or reconstruct such Unit Owner's Unit, the Condominium Board may cause the Unit to be repaired or reconstructed and the costs incurred in connection therewith shall be a charged to the defaulting Unit Owner as a Special Assessment. Notwithstanding the foregoing, a Commercial Unit Owners is not obligated to restore its respective Commercial Unit except that such Commercial Unit Owner will, at a minimum, remove all debris and cause to be altered and/or Maintained so much of the Unit or any portion(s) of the Common Elements as is visible to the public or the occupants of another Unit or as may be (i) required by Law, (ii) necessary to insure the soundness or structural integrity of the Building or the health and safety of members of the public or occupants of the Building, (iii) necessary to comply with the requirements of any insurance carrier, or (iv) necessary to avoid material interference with the mechanical or utility systems of the Building or any Unit or the delivery of services to the Building or any Unit.

D. If seventy-five percent (75%) or more of the Building is destroyed or substantially damaged by fire or other casualty ("Significant Casualty"), the Work will not be performed unless 75% or more of all Unit Owners agree to promptly cause the Work to be performed. In the event 75% or more of all Unit Owners do not agree to restore the Building, the Work will not be performed and the Property will 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, will be paid (i) to all Unit Owners in proportion to their respective Common Interests, to the extent allocated to destroyed or damaged portions of the General Common Elements, (ii) to all Residential Unit Owners in proportion to their respective Residential Common Interest, to the extent allocated to destroyed or damaged portions of the

Residential Units or the Residential Common Elements or the Residential Limited Common Elements, (iii) to the Commercial Unit Owners, in the proportion that the Common Interest of the affected Commercial Unit Owner bears to the Common Interest of the other affected Commercial Unit Owner(s). If less than seventy-five percent (75%) of the Building is damaged by fire or other casualty, the Work will be performed to restore the Building in accordance with the provisions of the By-Laws. Notwithstanding anything contained herein to the contrary, each Unit Owner, upon acceptance of a deed to a Unit, will grant or will be deemed to have granted to the Commercial Unit Owners, an irrevocable proxy and power of attorney, coupled with an interest, to be used by Commercial Unit Owners, in its sole and absolute discretion, in connection with any vote or solicitation of consents of the Unit Owners for the purpose of resolving whether to proceed with the repair or restoration of the Building as provided in the By-Laws. The grant of such irrevocable proxy and power of attorney will run with the land and any subsequent conveyance of a Residential Unit or a Commercial Unit will not be deemed to terminate the proxy or the power of attorney. In addition, to the extent that a Permitted Mortgagee has the right, under a Permitted Mortgage secured by Commercial Unit A to vote or consent on behalf of the Commercial Unit Owners with respect to whether to proceed with the repair or restoration of the Building or to exercise any proxy granted to the Commercial Unit Owners with respect thereto, as provided in the By-Laws, such rights of the Permitted Mortgagee are hereby recognized and consented to.

E. Notwithstanding anything contained herein to the contrary, the proceeds of all policies of physical damage insurance maintained by the Condominium Board shall be payable to the Board entitled to adjust such loss in the event of a loss amounting to $1,000,000 or less. In the event that such proceeds are in excess of $1,000,000, such proceeds shall be payable to the Insurance Trustee. The Insurance Trustee shall hold all such proceeds in accordance with Section 254-(4) of the New York Real Property Law.

F. Purchasers are advised to refer to the By-Laws in Part II of the Plan for further detail.

Insurance

A. The Condominium Board shall be required to obtain and maintain to the extent obtainable the following insurance: (a) commercial property insurance covering the perils insured under the Insurance Service Office (ISO) "special causes of loss form" (formerly known as "all risk" coverage) including coverage for increased cost of construction and Ordinance of Law endorsements, insuring the entire Building (other than the Units and all fixtures, furniture, furnishings or other personal property contained in such Units), together with all service machinery contained therein and covering the interests of the Condominium, each of the Boards and all Unit Owners and their Permitted Mortgagees, as their respective interests may appear, in an amount equal to the full replacement value of the Building (exclusive of foundation and footings and, at the election of the Condominium Board in its sole and absolute discretion, terrorism insurance), said policies shall contain a New York standard mortgagee clause in favor of each Permitted Mortgagee which shall provide that the loss, if any, thereunder shall be payable to such Permitted Mortgagee as its interest may appear, subject however, to the loss payment provisions hereinafter set forth; (b) rent insurance in an amount equal to Common Charges for one year; (c) worker's compensation and New York State disability benefits

insurance; (d) boiler and machinery insurance if not covered under the commercial property insurance; (e) fidelity insurance covering all Boards and all officers, directors, managing agents and employees of the Condominium and the Residential Section; (f) directors and officers liability insurance; and (g) such other insurance as the Condominium Board may determine as appropriate in Comparable Buildings.

B. The amount of fire insurance and all risk extended coverage to be maintained until the first Condominium Board meeting following the First Annual Meeting of the Residential Unit Owners shall be in at least the sum set forth in Schedule B.

C. All policies of physical damage insurance shall contain, to the extent obtainable, waivers of subrogation and waivers of any defense based on (i) co insurance, (ii) other insurance, (iii) invalidity arising from any acts of the insured, or (iv) pro rata reduction of liability, and shall provide that such policies may not be canceled without at least ten (10) days' prior written notice to all of the insureds, including all Unit Owners and Permitted Mortgagees. The Boards and all Unit Owners hereby waive their subrogation rights.

D. The Condominium Board shall also be required to obtain and maintain, commercial general liability insurance against claims for personal injury, death or property damage occurring upon, in or about the Property, in such limits as such Board may from time to time determine, covering (i) each Board, the managing agent or agents thereof, each Board member, and each officer and employee of the Condominium and Residential and Commercial Section, (ii) the Unit Owners, except that such policy will not cover liability of a Unit Owner arising from occurrences within such Unit Owner's own Unit or within the Limited Common Elements, if any, appurtenant to such Unit Owner's Unit. The Condominium Board shall review such limits once each year. The insurance required in accordance with this Paragraph D shall also cover cross liability claims of one insured against another.

E. The Condominium Board shall review such limits not less than once each year. Until the first meeting of the Condominium Board following the First Annual Meeting of Residential Unit Owners, such liability insurance shall be in at least the sum set forth in Schedule B with respect to bodily injury and property damage, combined single limit. The insurance discussed above shall also include cross-liability claims of one insured against another.

F. Any insurance maintained by the Condominium Board may provide for such deductible amounts as the Condominium Board determines. The premiums for all insurance referred to above shall be a General Common Expense shall allocated pro rata in accordance with the aggregate respective Common Interests of the Residential Unit Owners and the Commercial Unit Owners.

G. Each Residential Unit Owner will, at the Residential Unit Owner's own cost and expense, obtain and keep in full force and effect (a) 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 the Unit or any part thereof and any Limited Common Elements appurtenant to the Unit, in such limits as reasonably determined by the Condominium Board from time to time, based upon commercially reasonable standards, but initially, as a minimum, limits of liability of $2,000,000 for bodily injury or death and property damage arising

out of any one occurrence and (b) tenant's property insurance covering the perils insured under the Insurance Service Office (ISO) "special causes of loss form" (formerly known as "all risk" coverage in respect of property damage occurring in, upon, or from the Unit or any part thereof and any Limited Common Elements appurtenant to the Unit (including, but not limited to appropriate coverage for additions, alterations improvements and betterments and loss due to water damage) and any personal property contained therein. The limits of liability set forth in (a) and (b) above with respect to both the Commercial Unit Owners and the Residential Unit Owners may be reasonably increased or otherwise modified by the Condominium Board from time to time. The insurance required above will be written in form reasonably satisfactory to the Condominium Board by good and solvent insurance companies having an AM Best's Rating of "A –" "VII", and authorized to do business in the State of New York.

H. Without limiting the remedies of the Condominium Board for a Unit Owner's default, in the event that a Unit Owner (or any tenant or occupant of all or any portion such Unit Owner's Unit) fails to provide a certificate or other evidence of insurance required to be provided by each Unit Owner (or such tenant or occupant) hereunder and does not cure such default within ten (10) business days after notice from the Condominium Board, or a Recognized Mortgagee (as the case may be), the Condominium Board or such Recognized Mortgagee shall be authorized (but not required), if the same remains uncured, to procure such coverage on behalf of such Unit Owner and the cost thereof (if made by the Condominium Board) shall be charged back to such Unit Owner as a Unit Owner Expense. In addition, the Condominium Board may, in its sole and absolute discretion, impose such fines and penalties as the Condominium Board may determine in its sole discretion, including, without limitation, a per diem penalty for each day that the Unit Owner does not provide evidence of coverage and in either event such sums shall, for all purposes, constitute Common Charges payable by such Unit Owner.

Liability of Boards of
Managers and Unit Owners

Every contract made by the Condominium Board or the Residential Board or by any managing agent or manager thereof shall state that (a) it is made only as agent for all Unit Owners or Residential Unit Owners, respectively, and such Board members or managing agent or manager shall have no personal liability thereon (except in their capacities as Unit Owners) and (b) the liability of any Residential Unit Owner with respect to such contract shall be limited to (i) such proportionate share of the total liability as the Common Interest of such Unit Owner bears to the aggregate Common Interests of all Unit Owners or Residential Unit Owners, as the case may be, and (ii) to the extent permitted by Law, unless otherwise determined by the appropriate Board in its sole and absolute discretion, such Unit Owner's interest in such Unit Owner's Unit and its appurtenant Common Interest. To the extent permitted by applicable Law, Board members shall have no liability to Residential Unit Owners except that a Board member shall be liable for such member's own bad faith or willful misconduct. All Residential Unit Owners shall severally, to the extent of their respective interests in their Units and their appurtenant Common Interests, indemnify each Condominium Board member and each Residential Board member, as the case may be, against any liability or claim except those arising out of such member's own bad faith or willful misconduct. Any Board may contract or effect any transaction with any Board member, any Unit Owner, Sponsor or its designee, or any

affiliate of any of them without, except in cases of bad faith or willful misconduct, incurring any liability for self-dealing. See the By-Laws in Part II of the Plan for further detail.

Reports to Unit Owners

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

Termination of Condominium

The Condominium shall continue and the Property shall not be subject to an action for partition (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 eighty (80%) percent in number and in Common Interest of all Unit Owners. Such vote shall not be effective, however, unless written consents are obtained from (a) the Residential Mortgage Representatives, if any, and (b) Sponsor, until such time as Sponsor and its designees have conveyed title to all Residential Units, (c) without the written consent of all Commercial Unit Owners and (d) without the written consent of any Permitted Mortgagee holding a Permitted Mortgage secured by a Commercial Unit if the consent of such Permitted Mortgagee is required and the Condominium Board is notified of the necessity for such mortgagee consent by the Commercial Unit Owner. 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 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 such Unit Owner's Unit (other than mortgages which are not Permitted Mortgages), in the order of priority of such liens.

Units Acquired by Boards

A. All Units acquired or leased by the Residential Board or the Condominium Board or their designees shall be held by such Board, or its designee, on behalf of all Residential Unit Owners or on behalf of all Condominium Unit Owners, as the case may be, and the rent or purchase price, closing costs and adjustments payable in connection therewith shall be assessed against all Residential Unit Owners or the Commercial Unit Owners, as the case may be. No Units held by either the Residential Board or the Condominium Board shall carry any voting rights.

B. The purchase of any Unit by the Residential Board or the Condominium Board or their designees, on behalf of their respective Unit Owners, may be made from the funds deposited in the capital and/or expense accounts of such Board. If the funds in such accounts are insufficient to effectuate any such purchase, such Board may levy an assessment against each Residential Unit Owner or all Unit Owners, as the case may be, in proportion to such Unit Owner's respective Common Interest, as a Residential Common Charge or General Common Charge, as the case may be, and/or such Board may, in its discretion, finance the acquisition of such Unit; provided, however, that financing may only be obtained when permitted by the By-

Laws and that no such financing may be secured by an encumbrance or hypothecation of any portion of the Property other than the Unit to be purchased together with its appurtenant interests in the Common Elements.

Procedure to Review
Real Estate Tax Assessments

The Residential Board, on behalf of and as agent for all Residential Unit Owners, will be authorized to commence, pursue and settle certiorari proceedings to obtain reduced real estate tax assessments with respect to Residential Units. All Residential Unit Owners will share the costs in connection therewith and the benefits derived therefrom based on their respective Residential Common Interests. In the event any Residential Unit Owner individually seeks to have the assessed valuation of such Residential Unit Owner's Residential Unit reduced by bringing a separate certiorari proceeding, the Residential Board, if necessary for such proceeding, will execute any documents or other papers required for, and otherwise cooperate with such Residential Unit Owner in pursuing, such reduction, provided that such Residential Unit Owner indemnifies the Residential Board from all claims, costs and expenses (including, without limitation, reasonable attorneys' fees) resulting from such proceedings. The Commercial Unit Owners will have the right to commence certiorari proceedings on its own at its sole cost and expense.

Mechanics' Liens

Under the provisions of the Condominium Act, no lien of any nature may arise or be created against the General Common Element or Limited Common Elements except with the unanimous consent of all Unit Owners affected thereby. Liens may arise or be created against only the individual Units and their respective Common Interests. Labor performed on, or materials supplied to, a Unit may not be the basis for a mechanic's lien against the Unit of a Unit Owner not expressly consenting to or requesting such work, except in the case of Emergency repairs. No labor performed on, or materials furnished to, the General Common Elements or Limited Common Elements shall be the basis for a lien thereon but (a) all Residential Common Charges received by the Residential Board shall constitute trust funds for the purpose of paying the cost of labor performed or materials furnished at the request or with the consent of the Residential Board or the Managing Agent for the Residential Common Elements and the Residential Limited Common Elements and (b) all General Common Charges received by the Condominium Board shall constitute trust funds for the purposes of paying the cost of labor performed or materials furnished at the request or with the consent of the Condominium Board or the Managing Agent for the General Common Elements.

Easements and Name of Condominium

A. In order to facilitate the operation and Maintenance of the Building and the sale or leasing of Units therein, each of the Units will be subject to certain easements including easements in favor of Sponsor, other Unit Owners and the Boards. These easements, which are more particularly set forth in the Declaration, include an easement of support and necessity in favor of all other Units and the Common Elements, and an easement in favor of each Residential Unit Owner to use the General Common Elements and the Residential Common Elements

provided that such easements shall be exercised in such a manner as will not unreasonably interfere with the normal conduct of business of the tenants and occupants of the Commercial Units or with the use of the Residential Units for their permitted purposes. Sponsor, and the Commercial Unit Owner shall have an easement to erect and Maintain lights and lighting fixtures and to erect Maintain Satellite Equipment, as permitted by Law, on the Roofs and set backs, and in the Northern Courtyard and on Exterior Facade of the Property and elsewhere on the Common Elements which shall entitle Sponsor or the Commercial Unit Owners, as the case may be, to utilize such easement for its own account or the account of any licensee of Sponsor for the purpose of servicing the Condominium or any other building or area. In addition, Sponsor and the Commercial Unit Owners and its designees shall have an easement to Maintain Signage permitted by Law on the Property for the purposes of advertising the sale of any Unit, the leasing of space in any Unit and the operation of any business of a tenant or occupant of any Unit.

B. The Commercial Unit Owner shall have an easement to install and access the HVAC units located in the eastern portion of the Northern Courtyard.

C. As set forth in the Declaration, the Condominium and the Building shall be designated and known as the "Eleven East Sixty-Eighth Street Condominium." Any and all rights and interests appurtenant to such name, if same exist, are owned and controlled by Sponsor. Similarly, any and all obligations and liabilities appurtenant to such name shall be the sole responsibility and obligation of Sponsor. For so long as Sponsor owns any Units in the Building only Sponsor shall have the right to change the name of the Condominium and/or the Building, and such right may be exercised by Sponsor at any time without the vote or consent of any Board or Unit Owner. In addition, Sponsor shall have the right, for so long as the Property is a condominium, to maintain a plaque identifying Sponsor as the sponsor of the condominium offering, together with such other information as Sponsor determines in its sole discretion.

The Declaration and By-Laws

A copy of the Declaration and a copy of the By-Laws are set forth in Part II of the Plan. A prospective purchaser should read the Plan in its entirety including the Declaration and By-Laws.

REAL ESTATE TAXES

A. Each Unit will be taxed as a separate tax lot for real estate tax purposes, and no Unit Owner will be responsible for payment of, nor will the Unit be subjected to, any lien arising from the non-payment of real estate taxes on other Units. Generally, Units may not be separately assessed until the tax year following the tax year in which the Declaration of Condominium is recorded. Until the Units are separately assessed and billed, each Unit Owner shall pay his pro rata share (in the proportion that his Unit's Common Interest bears to the aggregate Common Interest of all Units) of all real estate taxes with respect to the Property to the Condominium Board as Common Charges. The Property is currently assessed as single tax parcel identified as Manhattan Block 1383, Lot 13. General information about the property tax and specific data about the Property's assessment and tax liability are available on the New York City official website: www.nyc.gov/finance.

The value of the Property for real estate tax purposes is determined annually by the Department of Finance of the City of New York. Under current New York State Law, increases or decreases in a property's assessed valuation due to changes in its market value are to be phased in over 5 years in equal annual increments of 20%. Any further increase or decrease in the assessed value during such 5 year period resulting from a still higher or lower market value is to be similarly phased in over an additional 5 year period from the date of such increase. The full increased or the decreased assessed value targeted to be paid at the end of 5 years is called the "actual assessed valuation." The amount of assessed value that is currently phased in is called the "transition assessed valuation." Taxes are computed each year on the lesser of the actual or transitional assessed valuations. The assessed valuations and tax rates for the 2011/2012 and subsequent tax years are as follows:

Tax Year	Tax Rate per $100 of Assessed Valuation	Transitional Assessed Valuation	Actual Assessed Valuation	Actual Taxes Paid
2011/2012	13.433	$15,850,800	$16,434,000	$2,129,238
2012/2013	13.181	$16,379,000	$18,931,000	$2,158,916
2013/2014*	13.181*	$15,583,259*	$16,923,807*	$2,054,029

*Estimated/Residential Section Only

B. Section 467-a of the New York State Real Property Tax Law provides a partial abatement of real estate taxes for residential condominium units through Tax Year 2014/15 (the "Condominium Abatement Program"). In order for units in the building to qualify for the abatement, the condominium declaration and floor plans must be recorded prior to the January 5 before the beginning of the tax year and the building must be assessed as a condominium for the tax year. The board of managers must file a timely initial application with the New York City Department of Finance. The usual deadline has been February 15 before the beginning of the tax year. However, the deadline for the 2012/13 and 2013/14 tax years is April 1, 2013, and the deadline for 2014/15 may be earlier than February 15, 2014.

The abatement is not available to Sponsor, to any party owning more than three units in the Condominium or to nonresidential units. It is also unavailable during any tax year when the Condominium enjoys a building-wide tax exemption, such as that provided by Real Property Section 421-a. A condominium may remain eligible for the Condominium Abatement while also receiving an abatement under Section 11-243 of the New York City Administrative Code (formerly Section J51-2.5) provided it does not also receive an exemption under that section. The Finance Department will not grant benefits unless the unit owners provide their social security numbers on the application made by the board of managers. Only units owned by individuals will receive the abatement; units owned by trusts, LLCs or corporations will not receive benefits. The Condominium Abatement Program was substantially modified by state legislation, Chapter 4 of the Laws of 2013, approved on January 30, 2013, and effective retroactively to June 2012. The legislation extends the abatement until June 30, 2015. It also makes substantive changes to the program for the first time since its original enactment. Although the authorization for the program had expired, the Department of Finance continued the abatement on tax bills issued in June 2012 for tax year 2012/13. Significantly, the abatement will be restricted to unit owners who use at least one unit in the building as their primary residence. The new legislation leaves these existing restrictions in place but adds the requirement of primary residency. Buildings with average assessments greater than $60,000 will continue to be eligible to receive the 17.5% benefit for all three years. Units that received the benefit for the 2011/12 tax year, but no longer qualify due to the primary residency requirement may continue to receive a reduced benefit for tax years 2012/13 and 2013/14. Units in buildings with average assessed values greater than $15,000 that received the abatement for the 2011/12 tax year, but no longer qualify, will receive an abatement of 8.75% for 2012/13 and 4.3% for 2013/14. The law gives authority for the Commissioner of Finance to promulgate rules revoking benefits in buildings where taxes or other municipal charges are in arrears. The legislation authorizes the Commissioner to issue revised tax bills reflecting the changes in the abatement. These revised bills may impose additional taxes on units that had received benefits at the full rate, but now, because they are not owned by primary residents, qualify only for a reduced, transitional rate. The Condominium Abatement Program is in place through the 2014/15 tax year, which ends June 30, 2015. There is no guarantee that the Condominium Abatement Program will be renewed beyond that date and, if renewed, that its requirements and benefits will be consistent with those of the current program.

C. No representation is made or warranty given as to: (a) whether or not there will be (i) a further increase or decrease in the assessed valuation of the Property during the five year phase-in period, or (ii) an increase in the tax rate, or (iii) an increase in the assessed valuation of the Property by reason of the conversion of the Property to condominium ownership or (b) the method of determining the assessed valuation, or (c) the amount of any increase or decrease in the assessed valuation of the Property or (d) whether there will be any abatements available under the Condominium Abatement Program.

D. Section 581 of the Real Property Tax Law provides that real property owned on a condominium basis shall be assessed for real estate tax purposes at a sum not exceeding the assessment which would be placed thereon if the property were not owned on a condominium basis. Section 339-y of the Condominium Act provides in part that each Unit and its Common Interest shall be separately assessed for tax purposes and that in no event shall the aggregate of

the assessment of the Units plus their Common Interest exceed the total valuation of the property were the property assessed as one parcel.

E. The estimated real estate taxes for each Unit for the First Year of Condominium Operation following the First Closing assumes that the amount of real estate taxes payable with respect to each Unit will be levied in the proportion that its Common Interest bears to the Common Interests of all Units as set forth on Schedule A. There is no assurance that the New York City taxing authority will allocate taxes among Units in proportion to their respective Common Interests. Accordingly, owners of Units having the same or similar purchase prices may pay different amounts of real estate taxes. Until the Units are separately assessed, the Condominium Board will pay all real estate taxes with respect to the property and will allocate the cost thereof among all Unit Owners in proportion to each Unit's Common Interest.

F. The New York City real estate taxes of $2,378,141 for the First Year of Condominium Operation following the First Closing are based upon the transitional assessed valuation of the Property for 2013/2014 tax year of $17,703,720 at a tax rate of $13.433 per $100 of assessed valuation for the Residential Units. The estimated taxes for tax year 2013/2014 do not assume any increase in the tax rate or the actual assessed valuation of the 2013/2014 tax year.

G. SPONSOR MAKES NO REPRESENTATION THAT THE ASSESSED VALUE OF THE PROPERTY OR THE TAX RATE WILL NOT BE CHANGED.

H. PURCHASERS ARE ADVISED THAT THE FOREGOING INFORMATION IS NOT A GUARANTEE OR WARRANTY (i) regarding the method of allocating real estate taxes which will be employed by the New York City tax assessor; (ii) of the assessed value of the residential portion of the Property during the First Year of Condominium Operation or (iii) of the tax rates in effect during the First Year of Condominium Operation.

I. The By-Laws provide that the Condominium is entitled to execute and deliver documents necessary in connection with proceedings to obtain reduced real estate tax assessments with respect to Unit Owners, for the benefit and on behalf of (i) all Residential Unit Owners, or (ii) for individual Residential Unit Owners, provided that each such Residential Unit Owner indemnifies the Condominium Board from and against all claims, costs and expenses (including, without limitation, reasonable attorneys' fees) resulting from such proceedings.

INCOME TAX DEDUCTIONS TO RESIDENTIAL UNIT OWNERS AND TAX STATUS OF CONDOMINIUM

A. The following discussion of certain income tax consequences of the ownership of Residential Units by purchasers who use such Residential Units as a personal residence was prepared by Sponsor based, in part, upon the Attorney's Income Tax Opinion prepared by Stroock & Stroock & Lavan LLP, a copy of which is set forth in Part I of this Plan.

B. STROOCK & STROOCK & LAVAN LLP IS COUNSEL TO SPONSOR AND NOT THE UNIT OWNERS. TO ENSURE COMPLIANCE WITH REQUIREMENTS IMPOSED BY THE IRS IN CIRCULAR 230, ALL UNIT OWNERS, POTENTIAL UNIT OWNERS AND THE CONDOMINIUM ARE HEREBY INFORMED THAT (I) ANY TAX ADVICE CONTAINED IN THIS PLAN AND/OR THE ATTORNEY'S INCOME TAX OPINION IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, FOR THE PURPOSE OF AVOIDING PENALTIES UNDER THE INTERNAL REVENUE CODE, (II) THE ADVICE IS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED IN THE PLAN, AND (III) EACH UNIT OWNER, EACH POTENTIAL UNIT OWNER, AND THE CONDOMINIUM SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

Deductibility of Mortgage Interest and Real Estate Taxes

A. Each Residential Unit Owner will own such Unit Owner's Residential Unit and its appurtenant interest in the Common Elements in fee simple and each Residential Unit will be a separate tax lot for purposes of New York City real estate taxes and assessments. Since each Residential Unit Owner will own such Unit Owner's Residential Unit in fee simple, the owner may mortgage such Unit and become individually liable for the payment of the principal and any finance charges or interest on such mortgage indebtedness.

B. It is the opinion of Stroock & Stroock & Lavan LLP that a Residential Unit Owner who uses such Unit Owner's Residential Unit as a personal residence and itemizes such Unit Owner's deductions will, under present Law, for Federal, New York State and New York City income tax purposes, be entitled to a deduction for mortgage interest and real estate taxes in the year paid in the case of cash basis taxpayers or accrued in the case of other taxpayers, subject to certain exceptions and limitations which are more particularly discussed in the Attorney's Income Tax Opinion. Purchasers should note that mortgage interest is deductible generally only with respect to (1) secured debt used to acquire or substantially improve a principal or second residence (up to a total indebtedness of $1 million), plus (2) other debt (not in excess of $100,000) secured by a principal or second residence. Interest on home mortgage debt in excess of those limitations would not be deductible. Special limitations also apply with respect to the deductibility of points and other prepaid interest, if any, on the mortgage debt and may apply to the overall allowance of itemized deductions.

Taxation of the Condominium

A. If the Condominium meets the requirements for qualification as a "homeowners association," under Section 528 of the Internal Revenue Code, which requirements are discussed in the Attorney's Income Tax Opinion, it may elect not to be subject to Federal income tax on amounts received as membership dues, fees or assessments from Residential Unit Owners. If such an election is made, the Condominium will remain liable for Federal income tax on any taxable income it may have from other sources, such as income from assessments from Commercial Unit Owners and interest earned on any reserve funds (less expenses directly connected with the production of such income).

B. Sponsor anticipates that the Condominium will qualify as a homeowners association. Assuming if the Condominium does not qualify as a homeowners association, or if it does but chooses not to make the election noted above, the present state of the Law is uncertain as to the tax treatment of any income of the Condominium in excess of appropriate deductions and credits. As discussed in the Attorney's Income Tax Opinion, the tax authorities may take the position that the Condominium is a separate taxable entity and that some or all of such income (including the nonmembership, and possibly membership, income described above less expenses related to such income) is subject to Federal corporate income tax, New York State Corporation Franchise Tax and New York City Corporate Franchise or Unincorporated Business Tax. Alternatively, it is possible that some or all of such income might be reportable directly by the Unit Owners or otherwise treated. The tax treatment of the Condominium may be affected by certain United States Treasury Department regulations relating to entity classification. Schedule B, Budget for the First Year of Condominium Operation, does not contemplate any substantial income which might be taxable and accordingly does not budget any amounts for taxes for nonmembership or membership income.

C. The qualification of an organization as a homeowners association is determined annually at the close of each taxable year, and it is possible that if the Condominium does not qualify in one year it may nevertheless qualify in one or more future years.

D. No warranties are given 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 the aforementioned deductions for mortgage interest and real estate taxes. There is also no assurance that the tax Laws or the regulations or rulings issued thereunder, or any judicial interpretation thereof, upon which Stroock & Stroock & Lavan LLP, as counsel to Sponsor, bases its opinion, will not change. In no event will Sponsor, Stroock & Stroock & Lavan LLP, the Selling Agent, the Managing Agent or any other person connected with this offering be liable if at any time it is held that the Residential Unit Owners, or any of them, are not entitled to such income tax deductions. In addition, none of the aforesaid give any warranties with respect to the tax consequences of this Plan or the tax consequences of ownership of any Units offered under this Plan, and no one has been authorized to give any warranties.

ATTORNEYS INCOME TAX OPINION OF
STROOCK & STROOCK & LAVAN LLP

STROOCK

March 30, 2012

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17th Floor
New York, NY 10022

Re: Condominium Offering Plan
11 East 68th Street Condominium (the "Condominium")

Ladies and Gentlemen:

You have requested our opinion concerning (i) the deductibility, for Federal, New York State and New York City income tax purposes, of mortgage interest and real estate taxes paid by residents of New York who purchase the offered Residential Units for their own residential use pursuant to the above-referenced Condominium Offering Plan (the "Plan"), and (ii) the qualification of the Condominium as a "homeowners association" under Section 528 of the Internal Revenue Code of 1986, as amended (the "Code"). This opinion does not address the tax consequences of the ownership of Residential Units by corporations, other entities or foreign persons. Furthermore, this opinion does not address the tax consequences (including the deductibility of any mortgage interest or real estate taxes) of (i) ownership of any Unsold Unit that is a Residential Unit, any Residential Unit that is used for commercial or mixed residential/commercial purposes, or any Units other than the Residential Units, (ii) ownership or rental of any Residential Unit purchased or rented for use by the Resident Manager, or (iii) any rebates or other payments that may be made, or benefits that may be provided, to owners of the Residential Units. Except where otherwise indicated, the terms used in this opinion have the same meaning as in the Plan.

In connection with rendering this opinion, we have reviewed the Plan and have examined the schedules, exhibits and documents accompanying the Plan, including the declaration establishing, and the By-Laws governing, the operations of the Condominium (the "Plan Documents"). We have also considered the relevant sections of the Code, the New York State Tax Law, the New York City Administrative Code, the regulations promulgated thereunder and such other materials as we deemed relevant. In rendering this opinion, we have assumed that the Plan is the document pursuant to which owners of the Residential Units will acquire their Residential Units and that the relevant facts are as set forth therein.

Pursuant to the Plan, the purchaser of a Residential Unit will receive legal title in fee simple to his or her Residential Unit, coupled with ownership of an undivided interest

in the appurtenant Common Elements held in common with other Unit Owners. Such purchaser will have the right to place an individual mortgage on his or her separate Residential Unit and will be liable to the local tax authority for the tax assessment with respect to his or her interest in the Property. Under these circumstances, the Internal Revenue Service (the "IRS") has ruled that the owner of a residential condominium unit may deduct interest paid on his or her mortgage indebtedness and the real estate taxes assessed and paid on his or her interest in the property to the extent otherwise allowed. Rev. Rul. 64-31, 1964-1 (Part I) C.B. 300.

Accordingly, based on the foregoing, it is our opinion that an owner of a Residential Unit who itemizes deductions and who uses his or her Residential Unit as a personal residence will be entitled under current law to deduct from his or her gross income for Federal income tax purposes, subject to an overall limitation on itemized deductions as may be in effect under Section 68 of the Code, real estate taxes assessed against his or her Residential Unit and paid to the local tax authority. However, no deduction for real estate taxes is permitted for purposes of the Federal alternative minimum tax. Owners of the Residential Units should consult their tax advisers regarding the applicability of the overall limitation on itemized deductions to the deductibility of real estate taxes, and the applicability to them of the Federal alternative minimum tax.

Purchasers are advised that an exemption from real estate taxes may be available for veterans and other purchasers under the New York State Real Property Tax Law, as amended, and/or various codes, rules and regulations of the City of New York. Prospective purchasers are advised to consult with their own attorneys or other advisers to determine whether the prospective purchaser qualifies for any exemption from real estate taxes.

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 (each a "qualified residence") to the extent that the interest is attributable to indebtedness which is secured by the qualified residence and which is (i) incurred in acquiring, constructing or substantially improving the qualified residence (or which constitutes a refinancing of such indebtedness, to the extent that the indebtedness does not exceed the amount of the refinanced debt), up to a maximum of $1,000,000 for any period ($500,000 in the case of a married individual filing a separate return) ("acquisition indebtedness"), and (ii) 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 ($50,000 in the case of a married individual filing a separate return) in the aggregate for the qualified residences of the taxpayer in any period. Accordingly, an owner of a Residential Unit who itemizes deductions and uses his or her Residential Unit as a qualified residence will be entitled, under current law, to deduct from his or her gross income for Federal income tax purposes, subject to an overall limitation on itemized deductions as may be in effect

under Section 68 of the Code, interest paid or accrued by him or her on (i) acquisition indebtedness incurred with respect to his or her 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 ($500,000 in the case of a married individual filing a separate return) and (ii) home equity indebtedness with respect to his or her 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 ($50,000 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, owners of Residential Units should consult their tax advisers regarding potential limitations on the deductibility of points and prepaid interest, if any, on their mortgage loans and any overall limitation on the allowance of itemized deductions.

Each owner of a Residential Unit who uses his or her Residential Unit as a residence will generally be entitled to the same deduction for mortgage interest and real estate taxes paid or accrued with respect to his or her Residential Unit for New York State and New York City income tax purposes as is allowed for Federal (regular) income tax purposes. However, under New York State and New York City income tax law, itemized deductions, such as interest and real estate tax deductions, are subject to reduction by as much as 100% in the case of individuals having income exceeding certain prescribed levels. Furthermore, purchasers should consult their tax advisers to determine the application, if any, of the New York State and New York City minimum taxes to the deduction for mortgage interest and real estate taxes with respect to their Residential Units.

If the Condominium qualifies as a homeowners association within the meaning of Section 528 of the Code, it may elect not to be subject to Federal income tax on amounts received as membership dues, fees or assessments from Residential Unit Owners. However, even if the election is made, the Condominium will remain liable for Federal income tax on any taxable income it may have from other sources, such as interest earned on any reserve or working capital funds.

To qualify as a homeowners association, the Condominium must meet all of the following conditions: (1) it must be organized and operated to provide for the acquisition, construction, management, maintenance and care of association property, (2) at least 60% of its gross income for each taxable year must consist solely of amounts received as membership dues, fees or assessments from the Residential Unit Owners, (3) 90% or more of its expenditures for each taxable year must be made for the acquisition,

construction, management, maintenance and care of association property, (4) no part of its net earnings can inure to the benefit of any private shareholder or individual (other than by acquiring, constructing, or providing management, maintenance, and care of association property, and other than by rebate of excess membership dues, fees, or assessments), (5) the Condominium must elect to be treated as a homeowners association, and (6) at least 85% of the total square footage of all Units within the Condominium must be used by individuals for residential purposes. See Treasury Regulation § 1.528-4(b). The qualification of an organization under the provisions of Section 528 is to be determined annually at the close of each taxable year, and it is possible, therefore, that if the Condominium does not qualify in one year, it may nevertheless qualify in one or more future years.

Based on the information contained in the Plan, including Schedule A to the Plan, and assuming that the Residential Units are used by individuals for residential purposes under Treasury Regulation § 1.528-4, at least 85% of the total square footage of all Units of the Condominium will be used by individuals for residential purposes. We have assumed that no portion of the common space is allocable to the non-residential units. Based upon the foregoing and assuming (i) the Plan becomes effective during the taxable year ending December 31, 2013 (the "2013 Taxable Year"), (ii) the actual gross income and expenditures of the Condominium for the 2013 Taxable Year are the same as (or, if such year is a short taxable year, are in the same proportions as) the estimated gross income and expenditures for the Condominium's first full year of operations, as set forth in Schedule B to the Plan and the associated documents referenced therein, (iii) the Condominium otherwise operates in accordance with the terms of the Plan and the Plan Documents, and (iv) there are no changes in the facts and/or the relevant provisions of current law, the Condominium will be eligible to elect to be treated as a homeowners association under Section 528 of the Code for the 2013 Taxable Year.

Absent the application of Code Section 528, the present state of Federal law is unclear as to the precise tax status of the Condominium. An entity classification regime was adopted in regulations issued by the United States Treasury Department on December 17, 1996 and there is no authority addressing the application of those entity classification regulations to condominiums. Provided that the Condominium is not incorporated under any relevant provision of New York State law, the Condominium Board, as agent of the Unit Owners under the Condominium's By-Laws, may take the position that the Condominium is not a separate entity and accordingly is not subject to the classification regime. In such case, the Unit Owners would, in the aggregate, include in their gross income and be taxed on all income earned by the Condominium (which income may include interest or similar income earned from interim investments of the amounts assessed and collected from the Unit Owners), reduced by the expenses incurred in earning such income. For this purpose, the Common Charges should not be considered income earned by the Condominium through the Condominium Board

collecting such charges. If, however, the Condominium is properly treated as a separate entity, and is not incorporated under any relevant provision of New York State law, the Condominium may elect to classify itself as a corporation under the currently applicable Federal entity classification regime. If the Condominium files an election to be classified as a corporation, it would be considered a separate taxpayer with respect to income (potentially including the Common Charges, among other things) and deductions and return filing requirements and would be subject to Federal corporate income tax. If the Condominium does not file an election to be treated as a corporation and is treated as a partnership, the partnership would not be subject to an entity level tax; the items of income and deduction of the partnership (potentially including the Common Charges, among other things) generally would be reflected on the separate income tax returns of each of the Unit Owners in accordance with the provisions of Subchapter K of the Code, and the partnership would be required to file information returns.

The precise tax status of the Condominium for New York State and New York City tax purposes is also unclear. The relevant New York State and New York City laws incorporate by reference federal entity classification provisions which, as discussed above, do not specifically address the treatment of condominiums. If the Condominium is properly treated as a separate entity that is an association taxable as a corporation for Federal income tax purposes, it appears likely that the Condominium would be subject to the New York State Corporation Franchise Tax and the New York City General Corporation Tax. If the Condominium does not constitute an association that is taxable as a corporation for Federal income tax purposes, it is still possible, although not certain, that the Condominium might be subject to the New York State Corporation Franchise Tax. Further, in such event, the Condominium likely would be subject to the New York City Unincorporated Business Tax, unless it were eligible for and elected treatment under Code Section 528 as a homeowners association.

To ensure compliance with requirements imposed by the IRS in Circular 230, we hereby inform you that (i) any tax advice contained in this opinion is not intended or written to be used, and cannot be used, by any taxpayer for the purpose of avoiding penalties under the Code, (ii) any such tax advice is written to support the promotion or marketing of the transactions or matters addressed in this Opinion and the Plan, and (iii) each Unit Owner, each potential Unit Owner, the Sponsor and the Condominium should each seek advice based on its particular circumstances from an independent tax advisor.

We express no views as to any Federal, New York State or New York City tax consequences other than those explicitly discussed in this opinion, or as to the tax status or tax consequences of the Plan under the laws of any other U.S. or foreign jurisdiction. Moreover, this opinion, while based on existing rules of law applied to the facts and

documents referred to above, is not binding on the IRS, the New York State Department of Taxation and Finance, the City of New York Department of Finance or any court. No assurances can be given that the tax laws upon which we base this opinion will not change. In no event will the Sponsor, Stroock & Stroock & Lavan LLP, the Condominium Board, the Selling Agent or any other person be liable if there are changes in the facts on which we have relied in issuing this opinion or if there are changes in the applicable statutes, regulations, decisional law or the IRS and New York State and New York City rulings on which we have relied, which cause the owners of the Residential Units not to be entitled to the income tax deductions described herein, or which would affect the tax treatment of the Condominium as described herein.

We hereby authorize the use of this opinion, or a reproduction thereof, in the Plan and references to our name in the Plan.

Very truly yours,

Stroock & Stroock & Lavan LLP

STROOCK & STROOCK & LAVAN LLP

339-I OPINION OF STROOCK & STROOCK & LAVAN LLP

STROOCK

January 30, 2013

11 East 68th Street LLC
c/o HFZ Capital Group
600 Madison Avenue
New York, NY 10022

Re: 11 East 68th Street Condominium
11 East 68th Street
New York, New York 10065 (the "Condominium")

Ladies and Gentlemen:

You have requested our opinion regarding the allocation of common interests to the Units at the above referenced Condominium as required by NYCRR Section 23.3(aa)(5). Except where otherwise indicated, the terms used in this opinion have the same meaning as in the Offering Plan for the referenced project (the "Plan").

In connection with rendering this opinion we have reviewed the allocation of Common Interests as shown on the Schedule A of the Plan and the declaration establishing the Condominium. We have also considered the relevant sections of the New York State Condominium Act and such other materials as we deemed relevant. Our opinion is based upon the factual determinations made by Cooper Square Realty, Inc. as set forth in its opinion contained in the Plan as required by NYCRR Section 23.3(i). We have made no independent investigation of the truth or accuracy of the factual determinations of Cooper Square Realty, Inc.

Based upon our review of the foregoing, we have determined that Common Interests were allocated pursuant to the method set forth in Real Property Law Section ("RPL") 339-i (1)(iv), i.e., 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.

Accordingly, based on the foregoing it is our opinion that Real Property Law Section 339-i has been complied with in assigning Common Interests to the Units. This opinion, while based upon existing rules of law applied to the facts and documents referred to above, is not a guarantee to purchasers. In no event will the Sponsor, Stroock & Stroock & Lavan LLP, the Selling Agent or the Condominium Board be liable if there are changes in the facts on which we have relied in issuing this opinion or if there are changes in RPL Section 339 or other applicable law.

STROOCK & STROOCK & LAVAN LLP • NEW YORK • LOS ANGELES • MIAMI
180 MAIDEN LANE, NEW YORK, NY 10038-4982 TEL 212.806.5400 FAX 212.806.6006 WWW.STROOCK.COM

The opinion expressed herein is based solely on New York law.

We hereby authorize the use of this opinion, or a reproduction thereof, in the Plan and references to our name in the Plan.

Very truly yours,

STROOCK & STROOCK & LAVAN LLP

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RESERVE FUND

A. The New York City Council enacted Local Law No. 70 which amends Chapter 51 of the Administrative Code of the City of New York (the "Reserve Fund Law"), the full text of which is set forth in Part II of this Plan. The Reserve Fund Law requires the sponsor of an offering plan for the conversion of a building from rental to condominium status to establish a reserve fund (the "Reserve Fund") to be used exclusively for making capital repairs, replacements and improvements necessary for the health and safety of the residents of such building. The Reserve Fund shall be in addition to the Working Capital Fund to be funded at each Closing by Purchasers.

B. Sponsor shall, within thirty (30) days after the First Closing, establish and transfer to the Condominium Board, a Reserve Fund in an amount equal to either:

(i) three (3%) percent of the sum of the cost of all Residential Units offered for sale pursuant to this Plan at the last price which was offered to tenants in occupancy of the Building prior to the Effective Date of this Plan regardless of the number of sales made (the "Total Price"), or

(ii) (A) three (3%) percent of the actual sales prices of all Residential Units offered for sale pursuant to this Plan which are sold by Sponsor at the Effective Date of this Plan, provided, however, that if such amount is less than one (1%) percent of the Total Price, then the Reserve Fund shall be established as a minimum of one (1%) percent of the Total Price; plus

(B) supplemental contributions to be made by Sponsor at a rate of three (3%) percent of the actual sales price of Residential Units for each Residential Unit offered for sale under this Plan held by Sponsor and sold to bona fide purchasers subsequent to the Effective Date of this Plan and within five (5) years of the First Closing notwithstanding that the total amount contributed may exceed three (3%) percent of the Total Price; and provided, further, that if five (5) years from thirty (30) days after the First Closing, the total contributions by Sponsor to the Reserve Fund are less than three (3%) percent of the Total Price, Sponsor shall pay the difference between the amount contributed and three (3%) percent of the Total Price. The supplemental contributions made under this subparagraph (B) shall be made within thirty (30) days of each sale of a Residential Unit under this Plan.

C. The Reserve Fund may not be reduced by closing adjustments but Sponsor may receive credit against the mandatory initial contribution for the actual cost of capital replacements begun after this Plan is submitted for filing to the Department of Law and before this Plan is declared effective. Such credit may not exceed the lesser of the actual cost of the capital replacements or one (1%) percent of the Total Price. Sponsor anticipates taking a credit against the mandatory initial contribution.

D. The exact amount of the Reserve Fund under the Reserve Fund Law cannot be determined until the First Closing since it depends on which option Sponsor chooses under the Reserve Fund Law. Under no circumstances will the Reserve Fund be less than two (2%)

percent of the Total Price. No purchaser will be entitled to rescind his Agreement solely because the actual amount of the Reserve Fund is less than the estimated amount.

E. The Reserve Fund Law also requires Sponsor not later than the 30th day following the Filing Date of this Plan and until the First Closing to post and maintain in a prominent place accessible to all tenants in the Building a list of all violations of record against the Building as determined by the Department of Buildings and the Department of Housing Preservation and Development. All newly issued violations must be posted within 48 hours of their issuance. Sponsor hereby designates the resident manager's office at the Building as a place where such listing will be made available for inspection by the tenants.

F. In the event that at any time prior to the First Closing, the Reserve Fund Law is repealed, Sponsor will not be obligated to comply with its requirements and may not provide a Reserve Fund. In such event, all purchasers will be given fifteen (15) days after receipt of an amendment disclosing such repeal of the Reserve Fund Law to rescind their Agreements and be refunded all monies paid thereunder. In the event that on or after the First Closing, the Reserve Fund Law is repealed, Sponsor agrees to comply with its requirements as set forth in this Plan notwithstanding such repeal.

G. No assurance can be given that the Reserve Fund will be adequate to pay for the replacement of capital items likely to be needed or how the Condominium Board, which will initially be controlled by Sponsor, will utilize the Reserve Fund. In addition, during such time as Sponsor controls the Condominium Board, Sponsor can use the Reserve Fund to pay for other qualifying expenses. The Reserve Fund will be utilized by the Condominium Board to perform certain capital improvements (e.g., replacement of windows), Sponsor makes no representations or assurances as to what work might be done by the Condominium Board or how much might remain in the Reserve Fund after the Condominium Board performs such work. Moreover, if Sponsor elects to fund the Reserve Fund through supplemental contributions, there may not be a sufficient amount in the Reserve Fund at the time repairs are deemed necessary or appropriate and, if additional monies are required over and above the Reserve Fund, it may be necessary to increase Common Charges or levy a Special Assessment against the Unit Owners or Sponsor may elect to advance its contributions to the Reserve Fund and take a credit against future supplemental contributions. Based upon estimates received by Sponsor, Sponsor believes that the Reserve Fund will be sufficient to pay for the replacement of capital items likely to be needed as disclosed in the Description of Property set forth in Part II of the Plan. The Working Capital Fund may be expended for any purpose, including the reduction of Common Charges, during any period, including the period that Sponsor controls the Residential Board or the Condominium Board. The Working Capital Fund may be augmented by allocations from the monthly Common Charges collected from each Unit. No representation can be made, however, that after Sponsor relinquishes control, the Condominium Board may not decide to use the Reserve Fund for a purpose other than for which it has been established.

H. THE PROPERTY IS BEING OFFERED IN ITS CURRENT CONDITION "AS IS," WITH NO REPRESENTATIONS OR UNDERSTANDINGS EXCEPT AS EXPRESSLY SET FORTH HEREIN. SPONSOR OR THE SELLING AGENT WILL HAVE NO OBLIGATION TO MAKE ANY REPAIRS OR IMPROVEMENTS EXCEPT AS MAY BE SPECIFICALLY SET FORTH IN THIS PLAN OR REQUIRED BY LAW. NEITHER THE

DEPARTMENT OF LAW NOR ANY OTHER GOVERNMENTAL AGENCY HAS PASSED UPON THE ADEQUACY OF THE RESERVE FUND OR UPON THE PHYSICAL CONDITION OF THE BUILDING.

WORKING CAPITAL FUND AND APPORTIONMENTS

A. The Purchaser of each Residential Unit shall be required to make a contribution at the Closing of such Unit Owner's Unit(s) to the Working Capital Fund. There shall be no minimum amount required to be maintained in the Working Capital Fund. Such contribution shall be in an amount equal to two (2) month's Residential Common Charges in effect for such Unit(s). A Purchaser of a Residential Unit occupied by a Non-Purchasing Tenant will pay a contribution to the Working Capital Fund in an amount equal to two (2) months' Residential Common Charges then applicable to such Residential Unit being purchased to furnish services and facilities required under the Non-Purchasing Tenant's lease and those required by the GBL.

B. At the First Closing, Sponsor will apportion with the appropriate Boards the following items as of midnight of the date preceding said Closing:

(1) employees' wages, vacation and severance pay, pension and welfare benefits and accruals, uniforms and all other payments or obligations relative to the employees of the Building;

(2) deposits with utility companies, if any, and fees for assignable permits and licenses, if any;

(3) charges for electricity and other utilities for the General Common Elements and Limited Common Elements;

(4) cost of fuel on hand (plus sales tax), if any;

(5) charges and receipts in connection with service, maintenance and concession contracts;

(6) water charges and sewer rents on the basis of the fiscal or calendar year for which assessed (unless separately assessed to individual Units);

(7) cost of Building supplies on hand at Sponsor's cost (including sales tax);

(8) premiums for transferable insurance policies, if any;

(9) management fees; and

(10) other customary adjustments.

C. If any of the foregoing items to be apportioned cannot be adjusted at the First Closing because they are not fully ascertainable, they shall be apportioned and adjusted to the extent reasonably possible at the First Closing, and final adjustment will be made as soon thereafter as the undetermined amounts are ascertained. Except as herein otherwise expressly provided, the customs in respect to title closings adopted by the Real Estate Board of New York, Inc., as amended, shall apply to apportionments and other matters herein mentioned.

D. If there are net closing adjustments in favor of the Sponsor, the Board shall execute a promissory note in favor of Sponsor for such amount, together with interest at 6.5% per annum, payable in 12 monthly installments commencing on the first anniversary of the First Closing. Upon such date, the budget will be amended to reflect the inclusion of any monies due.

E. The Working Capital Fund will be held and used for working capital, for costs and adjustments in connection with the Resident Manager's Unit, or for such other appropriate purposes as will be determined by the Residential Board and may be augmented by allocations from the monthly Residential Common Charges collected from each Residential Unit. While Sponsor controls the Residential Board (see the Section entitled "Control By Sponsor"), the Working Capital Fund will not be used to reduce estimated Residential Common Charges.

F. The Residential Board will be able to utilize the money in the Working Capital Fund at any time and, accordingly, no representation or warranty can be made and no assurance can be given as to the exact amount of funds available at any specific time. However, in no event shall any portion of the Working Capital Fund be used to pay any Residential Common Charges or Residential Common Charges attributable to Unsold Residential Units.

G. In the event that capital expenditures for renewal or replacement of building components or systems or to remedy major building defects are needed, it may be necessary to increase Common Charges or make special assessments payable by Unit Owners who are responsible for the repair and replacement of the Common Element in need of such renewal, replacement or remedy. Alternatively, a Board may determine to seek financing from a bank or other lending institution for such expenditures in accordance with the terms of the By-Laws and subject, in certain instances, to Unit Owner approval. In addition, pursuant to the By-Laws each Board is entitled to determine amounts for a reserve for replacements in establishing the annual budgets. No representation or warranty is made that the Working Capital Fund will be, or is intended to be, adequate to cover current or future expenses, for the first or any subsequent year of Condominium operation. Neither the Department of Law nor any other government agency has passed upon the adequacy of the Working Capital Fund.

MANAGEMENT AGREEMENT

A. The Condominium Board will enter into a management agreement (the "Management Agreement") with 11 East 68th Street Property Manager LLC, having an address at c/o HFZ Capital Group, 600 Madison Avenue, 17th Floor, New York, New York 10022 (the "Managing Agent"), with respect to the Building at or prior to the First Closing. The principals of the Managing Agent are affiliated with Sponsor or its principals. Ziel Feldman, a principal of Sponsor, has been engaged in the development ownership, operation and management of New York City residential properties for a number of years. Such properties include 60 Beach Street and 240 West 73rd Street, New York, New York.

B. The Management Agreement provides for a term of three (3) years (the "Initial Term") commencing after the First Closing. Thereafter, the term shall automatically renew for one (1) year periods unless and until the Management Agreement is terminated as provided hereinafter. At any time after the Initial Term, the Management Agreement may be terminated at the option of either party at the end of any calendar month upon not less than sixty (60) days' prior written notice from one party to the other. Notwithstanding the foregoing, the Management Agreement may be terminated during the Initial Term if any of the following shall occur: (i) in the event of the demolition of all of the Property, or the withdrawal of the Property from the Condominium Act, the Management Agreement may be terminated at the option of either party at the end of any calendar month upon not less than sixty (60) days' prior written notice from one party to the other, (ii) if the Managing Agent fails to perform or abide by any of its services, agreements, representations, warranties, covenants, or obligations under the Management Agreement, and fails to cure said failure within thirty (30) days of notice of said failure sent by the Condominium Board to the Managing Agent, or if such failure cannot reasonably be cured within said thirty (30) day period, if the Managing Agent fails to commence its cure within such period and prosecute same with diligence and continuity through completion, the Condominium Board shall thereafter have the right to terminate the Management Agreement at the end of any calendar month on not less than thirty (30) days' prior written notice to the Managing Agent, or (iii) if the Condominium Board shall unreasonably refuse to comply with or abide by any proper rule, order, determination, ordinance or law of any federal, state or municipal authority having jurisdiction or asserting jurisdiction, the Managing Agent may terminate the Management Agreement at any time on ten (10) days' prior notice in writing to the Condominium Board. If the Condominium Board fails to perform or abide by any of its services, agreements, representations, warranties, covenants, or obligations herein, and shall fail to cure said failure within ten (10) days of notice of said failure sent by the Managing Agent to the Condominium Board, the Managing Agent shall have the right to terminate the Management Agreement on not less than ten (10) days' prior written notice to Managing Agent.

C. The Managing Agent will receive an annual fee of $100,000, payable in equal monthly installments. This fee is consistent with fees paid to managing agents for similar buildings. In addition, for services rendered to Residential Unit Owners (other than Sponsor or the owner of any Unsold Residential Unit) in connection with processing applications to sell or otherwise transfer Units and obtaining necessary waivers of the right of first refusal by the Residential Board, the Managing Agent will receive the following fees from Residential Unit Owners (i) $550 upon the sale, lease or other transfer of a Unit for reviewing the waiver of the

Condominium's right of first refusal and other required documents, (ii) $550 upon the lease of a Unit for reviewing the waiver of the Condominium's right of first refusal and other required documents, (iii) $350 in connection with the processing of a lease renewal application for a Residential Unit Owner and (iv) in connection with the processing of alteration applications submitted by Residential Unit Owners (but not supervising any Alterations) where the Alteration (a) does not entail work in excess of $10,000, the Managing Agent shall be entitled to a fee of $300 and (b) exceed $10,000, the Managing Agent shall be entitled to a fee equal to $300 or 2% of the costs of the Alterations, whichever is greater. The Managing Agent will also be entitled to fees to be negotiated with the Residential Board (and paid by the Residential Unit Owners or the Residential Board, as the case may be) with in connection with the Managing Agent's supervision of Alterations to the Residential Units or the Residential Common Elements. The fees charged by the Managing Agent are consistent with fees charged with other managing agents managing buildings in Manhattan.

D. The Condominium Board will reimburse the Managing Agent for all reasonable out of pocket expenses incurred by Managing Agent in the performance of its duties under the Management Agreement including, but not limited to, messenger expenses and storage charges for the Board's documents and filing fees.

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

(1) billing and collecting Residential Common Charges and Commercial Common Charges payable by Unit Owners and General Common Charges payable by the Residential Board and the Commercial Unit Owner;

(2) causing the Common Elements to be maintained, repaired, replaced and altered in the manner deemed advisable by the Condominium Board, the Residential Board and the Commercial Unit Owner. The approval of the Condominium Board is necessary for any expenditure of over $5,000 for any one item of ordinary repairs or Alterations for any one item which is not part of a previously approved budget but emergency repairs, immediately necessary for the preservation or safety of the building, or for the safety of residents or other persons, or required to avoid the suspension of any necessary service in the Building, may be made by the Managing Agent irrespective of the cost thereof, without the prior approval of the Condominium Board, but with notice to the Condominium Board as soon as practicable thereafter;

(3) contracting for necessary services and purchasing all supplies necessary to properly maintain and operate the Common Elements subject to the approval of the Condominium Board where such service contract is for a term longer than three (3) years or requiring annual payments in excess of 10% that those in effect during the prior year for the same or similar services, provided however, that any term in excess of two (2) years or requirement payment of more than $15,000 per annum requires the consent of the Condominium Board, unless said service contract is part of a pre-approved budget;

(4) checking all bills received in connection with the maintenance and operation of the Common Elements and causing all such bills and other expenses to be paid;

(5) supervising, hiring and discharging employees necessary for the proper maintenance and operation of the Building and representing the Condominium Board in disputes with employees;

(6) rendering monthly statements of receipts and disbursements to the Condominium Board or other designated entity, upon request;

(7) maintaining payroll records and filing withholding tax statements for employees;

(8) maintaining accurate sets of books for the Condominium Board;

(9) cooperating with the Condominium Board's accountants in preparing and submitting annually to the Condominium Board an operating budget of the anticipated income and expenses for the ensuing year;

(10) attending annual meetings of the Condominium Board and Unit Owners, and preparing agendas and sending notices relating to such meetings, and if requested by the Condominium Board, provide a secretary, at the Condominium Board's expense to record the minutes of such meeting; and

(11) generally, doing all things deemed reasonably necessary or desirable by the Condominium Board for the proper management of the Building.

F. The Condominium Board will indemnify the Managing Agent against liability for all claims for all acts properly performed by the Managing Agent pursuant to the Management Agreement or at the instructions of the Condominium Board, provided however, any such indemnification will not cover any claims resulting from the Managing Agent's gross negligence or willful misconduct.

G. Notwithstanding anything to the contrary set forth above, the Managing Agent's responsibility under the Management Agreement will not extend to supervising or managing major capital renovations or major capital improvements, unless specifically agreed upon in writing by the parties and unless the Managing Agent receives an additional fee therefor. The Managing Agent, at its own expense, will be bonded during the term of the Management Agreement under fidelity or general surety bonds in the amount of $100,000 in favor of the Condominium Board for any loss resulting from fraudulent or dishonest acts committed by the Managing Agent, its directors, officers or employees.

IDENTITY OF PARTIES

Sponsor

A. Sponsor is 11 East 68th Street LLC, a Delaware limited liability company with an office c/o HFZ Capital Group, 600 Madison Avenue, 17th Floor, New York, New York 10022 formed on September 19, 2011. Certain entities controlled by HFZ Capital Group LLC through its subsidiaries and affiliates own 100% of the Managing Member of Sponsor. HFZ Capital Group LLC is owned and controlled by Ziel Feldman who is the principal of Sponsor.

B. Ziel Feldman has been involved in ownership, management and development and sale of real estate for many years.

C. Mr. Feldman has not been involved in any condominium or cooperative offering plans for the last five (5) years and does not own ten (10%) percent or more of the unsold units or unsold shares in any building except as follows:

823 Park Avenue Condominium 823 Park Avenue New York, New York	File No. CD-04-0385
173 Macdougal Street Condominium 171-173 Macdougal Street New York, New York	File No. CD-07-0444
60 Beach Condominium 60 Beach Street New York, New York	File No. CD-06-0362
One Madison Park Condominium 23 East 22nd Street New York, New York	File No. CD-06-0603

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

E. Mr. Feldman, or entities in which he is a principal, no longer owns any units in the projects identified in paragraph C other than One Madison Park Condominium, in which any obligations are current.

F. Subsidiaries and affiliates of and controlled by Vornado Realty Trust ("VNO") are equity participants in and lender to the project. VNO is a publicly held, fully integrated real estate investment trust, which owns, leases and develops retail, industrial, office and residential properties in the United States. Neither VNO or any of its controlled subsidiaries or affiliates are the "sponsor" or "principal of the sponsor" of the offering of the Residential Units for sale and have no responsibility to the Residential Board or to Purchasers regarding the same, nor do they have any responsibility with respect to same.

Selling Agent

A. The Selling Agent for this offering is Douglas Elliman LLC having an address at 575 Madison Avenue, New York, New York 10022. The Selling Agent has been involved in the sale of coops and condominiums in Manhattan for over thirty (30) years.

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

Managing Agent

11 East 68th Street Property Manager LLC, having an office at c/o HFZ Capital Group, 600 Madison Avenue, 17th Floor, New York, New York 10022, will be the Managing Agent for the Building. The sole member of the Managing Agent is HFZ Capital Group LLC, which is owned and controlled by Ziel Feldman, the principal of Sponsor. (See the Section entitled "Management Agreement" in Part I of the Plan). Mr. Feldman has been engaged in the development ownership, operation and management of New York City residential properties for a number of years. Such properties include 60 Beach Street and 240 West 73rd Street, New York, New York.

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

Attorneys for Sponsor

Sponsor has retained the law firm of Stroock & Stroock & Lavan LLP, having an office at 180 Maiden Lane, New York, New York 10038 to represent it in connection with the Plan. Stroock & Stroock & Lavan LLP prepared the Plan, the Declaration, the By-Laws and the forms of Agreement, Residential Unit Deed and Power of Attorney and has also rendered an opinion with respect to the availability of income tax deductions to purchasers of Residential Units and compliance with Section 339 i of the Real Property Law. Michel Evanusa, Esq. had principal responsibility for the preparation of the Plan. Stroock & Stroock & Lavan LLP will serve as Escrow Agent and will represent Sponsor in connection with matters relating to Unit Closings.

Sponsor's Architects/Engineers

A. The architect for the Building is Beyer Blinder Belle, having an office at 41 East 11th Street, New York, New York 10003, has examined the physical condition of the Building and has rendered its report thereof and a certification which are set forth in Part II of this Plan. The Architect has been providing architectural services for many years. All statements and representations made in this Plan with respect to the "Description of Property" have been made in reliance upon the Architect and its authority as an expert.

B. The engineer for the Building is I.M. Robbins & Associates, having an office at 15 West 44th Street, New York, New York 10036. The engineer has been providing architectural services for many years.

C. None of the aforementioned architects or engineers has any financial interest in the Property, Sponsor, the Selling Agent and the Managing Agent, or any other parties interested in this transaction, except for its fees for services rendered.

Sponsor's Condominium Expert

Cooper Square Realty Inc, having an address at 622 Third Avenue, New York, New York 10017, estimated all amounts of income and expenses in Schedule B, "Projected Budget For First Year of Condominium Operation," in consultation with Sponsor and provided its opinions regarding the adequacy of the Budget and the adequacy of the Common Charges payable by the Commercial Unit Owner.

Service of Process

The Secretary of State of the State of New York has been designated to receive service of process on behalf of Sponsor.

SPONSOR'S PROFIT

A. Sponsor acquired the Property on December 29, 2011 from Madison 68 Realty LLC, Madison 68 Realty II LLC and Madison 68 Realty III LLC for $178,039,194.22.

B. The Sponsor expects to make a profit from the sale of the Units offered for sale under the Plan. However, the exact amount to be realized by the Sponsor and/or the individual principals of Sponsor cannot now be determined and may increase or decrease substantially depending upon such variable factors such as the uncertainty of future market conditions including the availability and cost of money, the length of time required to sell the Units, losses or expenses arising from obligations assumed or waived by Sponsor under this Plan and other contingencies.

C. The purchase price together with Sponsor's approximate cost of capital expenditures undertaken or to be undertaken, the costs associated with acquisition and ownership of the property, including financing costs and the aggregate amount for costs incurred in connection with the conversion such as sales commissions, attorneys' and engineers' fees, printing, advertising, government filing fees and transfer taxes which are estimated to aggregate approximately $235,000,000. Sponsor expects to sell Units at full market value. Occupied Units which have not been sold to Tenant Purchasers, will be sold from time to time as they become vacant. The exact profit to be realized by Sponsor cannot now be determined and may increase or decrease substantially depending upon variable factors such as the uncertainty of future market conditions including the availability and cost of money, the length of time required to sell the Units, losses or expenses arising from obligations assumed or waived by Sponsor under this Plan and other contingencies. However, assuming that all of the Units are sold at the purchase price offered to Tenant Purchasers and given Sponsor's estimated costs the Sponsor's profit from the sale of the Units would be approximately $80,000,000.

DOCUMENTS ON FILE

A. In accordance with Section 352-e(a) of the New York General Business Law, copies of this Plan and Parts A, B, C, and D of the Exhibits delivered to the Department of Law containing all exhibits or documents referred to herein shall be available for inspection (without charge) and for copying (at a reasonable charge) by prospective Purchasers and by any person who shall have purchased a Residential Unit offered under this Plan, at the office of the Selling Agent during business weekday hours and shall remain available for such inspection and copying for a period of six years from the First Closing. In addition, a set of the Floor Plans showing the layout, locations and approximate dimensions of each Unit and its unit number designation and tax lot number, certified by the appropriate governmental authority of The City of New York as conforming to the official tax lot number for each such Unit, will be filed with the City Register's Office when the Declaration is recorded, and an additional set will be furnished to the Condominium Board.

B. The Declaration and the By-Laws will be recorded in the City Register's Office. Sponsor shall deliver to the Condominium Board a copy of the recorded Declaration and By-Laws and the Floor Plans filed simultaneously therewith in the City Register's Office prior to or at the First Closing. All deeds conveying, and all mortgages covering, individual Units will also be recorded in such office.

REPORTS TO UNIT OWNERS

It is the obligation of the Condominium Board to give Unit Owners annually:

(1) a financial statement of the Condominium prepared by a certified public accountant within four months after the end of each fiscal year, which statement shall be certified while the Sponsor is in control of the Condominium Board;

(2) prior notice of the annual Unit Owner's meeting; and

(3) a copy of the proposed annual budget of the Condominium delivered to Unit Owners at least ten (10) days prior to the adoption thereof.

GENERAL

A. The Plan does not knowingly omit any material fact or knowingly contain any untrue statement of any material fact. Sponsor believes that the Plan contains a fair summary of the material provisions of the documents referred to in the Plan, including those documents contained in Part II of the Plan. Exact copies are contained in Part II of the Plan of the form of Declaration, form of By-Laws, form of Agreement, form of Residential Unit Deed, form of Power of Attorney and other documents and Purchasers are urged to read the documents set forth in Part II of the Plan in their entirety. Statements made in Part I of the Plan as to the provisions of such documents or any other document referred to herein, copies of which are on file with Sponsor, are necessarily not complete. Each such statement is qualified in all respects by the contents of such documents and, in the case of any such document executed by or with the written consent of a Purchaser pursuant to the Plan, any rider or separate agreement changing or adding provisions to such document.

B. Certain of the Residential Units are subject to the Rent Laws including one (1) Residential Unit which is subject to rent control and nine (9) Residential Units which are subject to rent stabilization. Residential Unit 7C is occupied by the Resident Manager. The balance of the Residential Units in the Building are not subject to the Rent Law pursuant to the provisions of the RRRA, which deregulated certain high rent housing accommodations. In addition, there are approximately 16 proceedings pending against tenants at DHCR on the grounds of luxury decontrol, and 1 proceeding pending before DHCR based upon an issue related to a renewal lease and 1 proceeding pending before DHCR related to a rent increase for a rent controlled tenant. In addition, one tenant has commenced a proceeding against Sponsor, inter alia, in connection with Sponsor's relocation of certain property from areas of the 12th floor, which are designated as maids rooms on the certificate of occupancy, and which areas were leased for storage purposes, to comparable alternate locations consistent with their use. Sponsor reserves the right to bring further proceedings under the Rent Laws. Sponsor reserves the right to seek MCI and other increases to the extent available. The status of each Residential Unit under the Rent Laws is set forth in Schedule A. Please refer to the Sections of the Plan entitled "Rights of Existing Tenants" and "Obligations of Purchasers of Residential Units Occupied by Non-Purchasing Tenants" for further details.

C. In conjunction with Sponsor's acquisition and ownership of the Property certain inspections and environmental assessments were performed to determine, among other things, whether any lead based paint was present at the Property. There are no outstanding violations or reports regarding lead-based paint.

D. Under applicable Federal and local Law, leaded paint can no longer be used in the construction of the Building. Local Law 38 of 1999 ("Local Law 38") had required that where an owner had notice that a child under the age of six resided in an apartment, the "owner" was obligated to conduct annual inspections for peeling paint and deteriorated surfaces and abate and repair peeling paint, smooth all bare floors and repair deteriorated sub-surfaces and binding doors and windows, whenever the foregoing inspection revealed such conditions or an apartment becomes vacant. In an unanimous decision, the New York State Court of Appeals overturned Local Law 38 on the grounds that the City of New York did not satisfy the requirements of the

State Environmental Quality Review Act ("SEQRA") when it was passed. In nullifying Local Law 38, the Court resurrected Local Law 1 of 1982, which requires the elimination of all lead paint, both peeling and intact, in a building constructed prior to 1960. Sponsor makes no representation regarding the scope or nature of any future enactments regarding lead-based paint or whether Local Law 38 will be further modified and enacted or whether the City or State of New York will adopt other laws dealing with lead based paint or what the provisions of such law may be. Prospective purchasers are urged to review Local Law 1 or any successor statute thereto and any regulations or requirements promulgated with respect thereto for a full description of the obligations of a Unit Owner thereunder. Unit Owners shall be deemed "owners" of their respective Units with the obligation to comply with the requirements of the Unit for purposes of compliance with all environmental laws, including, without limitation, requiring the removal or abatement of asbestos containing material or lead-based paint.

E. Under Federal Law, Sponsor must provide Purchasers with all available records and material pertaining to lead-based paint and/or lead-based hazards in the Building. Based upon the age of the building, it is possible that there is lead-based paint or lead-based paint hazards in the Building, however, Sponsor is not aware of any lead-based paint or lead-based paint hazards in the Building that need to be remedied, and has no records or materials pertaining to same. Sponsor will comply with applicable Law concerning the use of lead-based paint. Set forth as an Exhibit in Part II of this Plan is a copy of the booklet issued by the United States Environmental Protection Agency, EPA 747-K-95-001, which details certain information regarding lead based paint. In accordance with the terms of the rider annexed to the Agreement, Purchasers have the right to inspect their Units for the presence of lead-based paint. Please refer to the Agreement set forth in Part II of the Plan for further details. Given the age of the Building and the wide spread routine use of lead based paint in preceding decades, it can be assumed that there is some lead based paint present in the Building.

F. To Sponsor's knowledge, there are no lawsuits or other legal proceedings now pending, or any judgments outstanding, which could materially and adversely affect this offering, the Purchasers of Residential Units, the Property, the Condominium or the operation thereof, which are not covered by insurance. There are no lawsuits or administrative proceedings affecting Existing Tenants or their units, except as set forth on Exhibit 25.

G. No party other than the Purchasers shall have any right or benefit herein or herefrom, including without limitation, the right to insist upon or enforce against Sponsor the performance of all or any of Sponsor's obligations hereunder and no such third party shall be deemed to have received any benefit as a result of any of the provisions of the Plan.

H. Sponsor reserves the right, from time to time prior to the First Closing, upon amendment to the Plan, without obtaining the consent of Purchasers or others, to substantially revise the terms and conditions upon which the Residential Units are to be sold, including changes affecting the rights, obligations and liabilities of Sponsor, the Purchasers and/or prospective Purchasers under the Plan. However, Sponsor may not unilaterally cancel an Agreement which is in effect, except as therein provided, as in the case of an uncured default, nor unilaterally change the purchase price or payment terms contained in such Agreement. All substantive or material revisions will be contained in a duly filed amendment to the Plan. If there is a material amendment to the Plan as to which rescission is required by the Department of

Law, Purchasers will have a right of rescission which may only be exercised within fifteen (15) days from the date of presentation of said amendment. Escrow Agent shall promptly return any Down Payment, together with any interest thereon, to Purchasers who rescind, except that Escrow Agent shall return to Sponsor the Down Payment (and any interest thereon) of any Purchaser who is in default under the Agreement beyond any applicable grace period.

I. In accordance with the provisions of the Laws of the State of New York, neither Sponsor nor any selling agent engaged by Sponsor will discriminate against any person in the sale of Units offered by the Plan or in the leasing of any such Units because of such person's sex, race, creed, color, national origin, marital status, age, disability or any other ground proscribed by Law.

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

K. No person has been authorized to make any statement or representation or furnish any information not expressly contained herein. Any information, data, or representations not contained herein or in the documents and exhibits referred to herein must not be relied upon. The Plan may not be changed or modified orally.

L. No contracts and Agreements have been entered into and no deposits or advances of funds have been accepted as of the date the Plan is accepted for filing.

M. To the best of Sponsor's knowledge, neither the Property nor the Building have been the subject of any prior public offerings.

SPONSOR'S STATEMENT OF BUILDING CONDITION

A. Set forth in Part II of the Plan is the "Description of Property." Sponsor is not an architect or engineer, but believes and hereby represents that the "Description of Property," with additional information by Sponsor if any as indicated, set forth in Part II of the Plan, represents accurately the present Building condition. The firm preparing the "Description of Property" has no financial interest in the Property, Sponsor, the Condominium, the Selling Agent, any affiliates thereof, or any other party interested in this transaction, except for the fee for services rendered. Sponsor knows of no facts or information inconsistent with the report that follows. Elevator inspections for the Building will be current as of the First Closing.

B. Sponsor represents that it has no knowledge of any material defects or need for major repairs to the Building except as hereinafter set forth in the "Description of Property" and the violations search annexed to said Report. The New York City Department of Buildings has issued Certificate of Occupancy No. M000073336 for the Building dated April 26, 1973. Multiple units throughout the upper floors, which are designated for doctor's offices under the certificate of occupancy, are presently being used as residences. These units will continue to be used for residential purposes. The certificate of occupancy will be revised to change from doctor's offices to residential use.

C. Except as otherwise expressly provided under the Plan with respect to the Vacant Unit Renovations, the Residential Units are being sold "as is" in the condition in which they exist at the time a purchaser signs an Agreement subject to ordinary wear and tear. Except as described in the "Description of Property" Sponsor makes no representations or guaranties regarding the condition of the Property and has no specific knowledge about problems with or needed repairs to the Building. However, the Building was constructed in 1913 and, as all prudent property owners are aware, a program of ongoing maintenance is typically required to insure the integrity of a building. Under the terms of Local Law 11 of 1998, property owners are obligated to have the facades of their buildings periodically inspected and perform remedial work as determined by the licensed engineer performing the required inspections. Sponsor makes no representations regarding future expenditures which may be required to comply with Local Law 11 or the costs of the inspections therefor which will be the responsibility of the Condominium Board. Sponsor makes no representations or warranties regarding the facade of the Building except as otherwise set forth in the Plan. Sponsor makes no representations or warranties regarding building construction in the area of the Condominium or whether the existing structures in the area will remain. Purchasers are advised that adjacent parcels or buildings may be further developed and such development could adversely impact upon the views from a Unit. , Sponsor's obligation to make repairs in any Residential Unit shall cease upon the Closing of Title to such Residential Unit. Sponsor will, however, Maintain and operate the Building until the First Closing in substantially the same manner and condition as on the Filing Date of this Plan (subject to ordinary wear and tear) except to the extent that Sponsor is precluded from so doing by Acts of God, fire or other casualty, storm, strikes, lockouts, labor difficulties, riots, insurrection, inability to obtain materials, equipment or labor, governmental restrictions or any other acts over which Sponsor is reasonably unable to exercise control. If for any of the reasons set forth in the preceding sentence, other than fire or other casualty, Sponsor is prevented from so Maintaining the Building and the Common Elements (or causing the same to

be Maintained), Sponsor shall make or cause to be made, within a reasonable period of time after such act ceases to exist, any repairs subsequent to the First Closing that it was obligated to make prior to the First Closing.

D. The Sponsor has undertaken a program of renovations to the Building Renovations which will include, without limitation renovations to the residential lobby, base building systems and Exterior Façade (including cleaning and pointing), construction of a new entranceway and courtyard, replacement of windows, skylights, installation of a new roof and elevator modernization. Building Renovations will also include installation of a storage room created in the Cellar consisting of approximately 465 square feet which will have twenty individual wire mesh storage bins and certain other improvements. Please refer to the Description of Property, which appears as Exhibit 4 to Part II of the Plan and Schedule A.

PART II

THE ELEVEN EAST SIXTY-EIGHTH STREET CONDOMINIUM
11 EAST 68TH STREET
NEW YORK, NEW YORK 10065

EXHIBIT "1"

AGREEMENT

AGREEMENT

11 EAST 68TH STREET LLC

Sponsor-Seller

TO

_____

Purchaser

UNIT NUMBER _____

RESIDENTIAL SECTION

OF

THE ELEVEN EAST SIXTY-EIGHTH STREET CONDOMINIUM
11 EAST 68TH STREET
NEW YORK, NEW YORK 10065

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UNIT NUMBER _____

RESIDENTIAL SECTION

OF

THE ELEVEN EAST SIXTY-EIGHTH STREET CONDOMINIUM
11 EAST 68TH STREET
NEW YORK, NEW YORK 10065

(to be executed in quintuplicate)

This agreement (the "Agreement"), made as of the date on the signature page of the Agreement, between 11 East 68th Street LLC, a Delaware Limited Liability Company, having an office at c/o HFZ Capital Group, 600 Madison Avenue, 17th Floor, New York, New York 10022 ("Sponsor"), and

_____, having an address at

_____ ("Purchaser").

WITNESSETH:

1. THE PLAN. Purchaser acknowledges having received and read the Offering Plan for the Eleven East Sixty-Eighth Street Condominium and all amendments thereto, if any, filed with the Department of Law of the State of New York (hereinafter, collectively, referred to as the "Plan") Plan at least three (3) business days prior to Purchaser's signing this Agreement. If Purchaser is not a Tenant Purchaser, Purchaser understands that if Purchaser has not been afforded at least three (3) business days prior to Purchaser's signing this Agreement to receive and read the Plan and all filed amendments, then in such event, Purchaser shall have seven (7) days after delivering this Agreement together with the Down Payment to rescind this Agreement and have the Down Payment refunded promptly by either personally delivering a written notice of rescission to Sponsor or the Selling Agent within the seven (7) day period or mailing the notice of rescission to Sponsor or the Selling Agent and having the mailing postmarked within the seven (7) day period. The Plan is incorporated herein by reference and made a part hereof with the same force and effect as if set forth at length. In the event of any inconsistency between the provisions of this Agreement and the Plan, the provisions of the Plan will govern and be binding.

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. Upon and subject to the terms and conditions set forth herein, Sponsor agrees to sell and convey, and Purchaser agrees to purchase, the unit ("Unit") designated as Unit _____ in the Declaration, together with the _____ percentage undivided interest in the General Common Elements of the Condominium appurtenant thereto.

4. PURCHASE PRICE.

4.1 The purchase price for the Unit ("Purchase Price") is $_____.

The Purchase Price is payable as follows:

$_____ (the "Down Payment"), due upon Purchaser's signing and submitting this Agreement, by check or wire (subject to collection), receipt of which is hereby acknowledged.

$_____, constituting the balance of the Purchase Price (the "Balance"), payable on the delivery of the deed, as hereinafter provided.

Checks for the Down Payment shall be made payable to "Stroock & Stroock & Lavan LLP, Escrow Agent." If any Down Payment check is returned for insufficient funds or any other reason, Sponsor at its option, may declare this Agreement void ab initio and of no further force and effect, may institute an action against Purchaser for the collection of the Down Payment as liquidated damages or may declare an Event of Default by Purchaser under this Agreement which shall entitle Sponsor to exercise any of the remedies set forth in Section 16 of this Agreement.

The Balance shall be paid by official bank check or an unendorsed certified check drawn on or issued only by a New York bank or trust company which is a member of the New York Clearinghouse Association, or, at Sponsor's election, upon not less than three (3) days' prior written notice, by wire as directed by Sponsor with instructions thereof provided by Sponsor to Purchaser. Checks for Balance of the Purchase Price shall be made payable to the direct order of "11 East 68th Street LLC" or such other party as Sponsor may designate upon not less than three (3) days' prior notice.

5. CLOSING OF TITLE.

5.1 The closing of title shall be held at such place in the City and State of New York and on such date and hour as Sponsor may designate to Purchaser on notice served not less than thirty (30) days' prior to the scheduled date for closing. If Sponsor consents to close at any other location as an accommodation to Purchaser, Purchaser shall pay to Sponsor's attorneys at closing an extra fee as set forth in the Plan. Sponsor, from time to time, may adjourn the date and hour for closing on written notice to Purchaser. In the event of such adjournment, a closing may be rescheduled by Sponsor upon written notice to Purchaser, which notice shall fix a new date, hour and place for the closing of title and will be given not less than two (2) business days prior to the new scheduled date and time for closing. In the event this Agreement is executed after the First Closing, the closing of title shall occur thirty (30) days after the date this Agreement is executed.

5.2 The closing of title shall occur only after or concurrently with the compliance with the prerequisites as set forth under "Terms of Sale" in Part I 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 Sponsor on which the deed to the Unit

is delivered to Purchaser, or any adjourned date fixed by Sponsor pursuant to subsection 5.1 hereof.

6. DELIVERY OF THE DEED AND POWER OF ATTORNEY.

6.1 At the closing of title, Sponsor shall deliver to Purchaser a bargain and sale deed with covenant against grantor's acts conveying title to the Unit to Purchaser. The deed shall be prepared by Sponsor in substantially the form set forth in Part II of the Plan and shall be executed and acknowledged by Sponsor in form for recording. Purchaser shall pay all New York State and New York City real property transfer taxes in the manner more particularly described under the "Closing Costs and Adjustments" in Part I of the Plan, and Sponsor and Purchaser shall duly execute a New York City Real Property Transfer Tax return and any other forms then required by Law, all of which shall be prepared by Sponsor.

6.2 At the closing of title and simultaneously with the delivery of the deed conveying the Unit to Purchaser, Purchaser shall execute and acknowledge the Power of Attorney to the Condominium Board, the Residential Board and Sponsor substantially in the form set forth in Part II of the Plan.

6.3 The deed and Power of Attorney to the Condominium Board, Residential Board, Sponsor and the Commercial Unit A Owner shall be delivered to the representative of the title company insuring Purchaser's title (or, if no such representative is present, then to Sponsor's attorney) for recording in the City Register's Office, which recording shall be at Purchaser's expense. After being recorded, the deed shall be returned to Purchaser and the Power of Attorney shall be sent to the Managing Agent.

6.4 Sponsor shall deliver to Purchaser a certification stating that Sponsor is not a foreign person in the form then required by the Code Withholding Section and (ii) 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 IRS §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.

(i) If Purchaser is a foreign government, Purchaser shall deliver to Sponsor the notification of approval to the transaction from the Department of State as required by the Foreign Missions Act, 27 U.S.C. 4305 ("FMA") as more particularly set forth herein.

(ii) Purchaser shall provide to Sponsor, at least five (5) business days prior to Closing, an Indemnity Agreement substantially in the form annexed hereto as Exhibit A or in such other form as may be acceptable to Sponsor (the "Title Agreement"), in its sole discretion, wherein Purchaser's title underwriter agrees to (i) timely submit the Unit Deed, all New York State and New York City real property transfer tax forms, including the New York State Additional Tax pursuant to Article 31 of the Tax Law, commonly referred to as the "Mansion Tax" ("transfer taxes") and checks for payment of such transfer taxes required to be submitted to the appropriate governmental authorities for recording and

payment in connection with the conveyance of the Unit to Purchaser in connection herewith; and (ii) indemnify the Sponsor, its counsel, agents and others for loss, damages, penalties, fines and the like (including attorneys' fees) in the event Purchaser's title underwriter (or such title underwriter's abstract company) fails to file such Unit Deed and transfer tax forms and remit the payment of the required transfer taxes in connection therewith in a timely manner in accordance with law and the requirements of any governmental or quasi-governmental agency.

(iii) In the event the Title Agreement is not delivered as set forth above, (i) Purchaser hereby indemnifies the Sponsor, its counsel, agents and others for loss, damages, penalties, fines and the like (including attorneys' fees). If said title underwriter fails or refuses to execute an indemnification substantially in the form annexed hereto as Exhibit A, Purchaser will, as set forth in the Agreement, agree to: (a) indemnify the Sponsor, its counsel, agents and others for loss, damages, penalties, fines and the like (including attorneys' fees) if its title underwriter (or such title underwriter's abstract company) fails to file such deed, transfer tax forms and remit payment of the transfer taxes required in connection therewith in a timely manner in accordance with law and the requirements of any governmental or quasi-governmental agency; and (b) deposit, at closing, the sum of $3,000 (the "Filing Deposit") with Stroock & Stroock & Lavan LLP ("Stroock"), which may be used by Sponsor (i) to pay legal fees, at Stroock's usual and customary rates, to monitor the recording of the deed and the filing of the transfer tax forms and payment of the transfer taxes, and represent Sponsor in connection with any failure to file the deed, transfer tax forms and payment of the required transfer taxes or take any action with respect to the failure to file and remit same; and (ii) pay any such taxes, fines or penalties assessed or charged by any governmental or quasi-governmental agency. Any sums remaining after the payment of the charges set forth in sections (i) and (ii) above, if any, shall be refunded to the Purchaser. Purchaser acknowledges, however, that the Filing Deposit is not a maximum payment in the event the Unit Deed and transfer tax forms are not filed and/or the payment of the required transfer taxes are not paid in a timely manner. This section shall survive Closing.

7. FEE TITLE. At the closing of title, Sponsor shall convey to Purchaser fee simple title to the Unit, free and clear of all encumbrances other than those expressly agreed to by Purchaser or set forth in Schedule A annexed hereto and made a part hereof. Any encumbrance to which title is not to be subject shall not be an objection to title if (a) the instrument required to remove it of record is delivered at or prior to the closing of title to the proper party or to Purchaser's title insurance company, together with the attendant recording or filing fee, if any, or (b) Commonwealth Land Title Insurance Company (or such other title insurance company licensed to do business in New York as Purchaser may utilize), is or would be willing, in a fee policy issued by it to the Purchaser, to insure Purchaser that it will not be collected out of the Unit if it is a lien, or will not be enforced against the Unit if it is not a lien.

8. CLOSING ADJUSTMENTS AND REAL ESTATE TAXES.

8.1 Subject to Paragraph 16 hereof, the following adjustments shall be made as of midnight of the day preceding the Closing Date with respect to the Unit:

(i) 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;

(ii) Residential Common Charges for the month in which title closes; and

(iii) accrued rent and any other charges pursuant to an interim lease or use and occupancy agreement, if any, covering the Unit.

8.2 If 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 a Unit has not been separately assessed as of the Closing Date, the adjustments and collection of taxes under subsection 8.1(i) hereof and future tax payments shall be as described in the Section of the Plan entitled "Closing Costs and Adjustments."

8.3 Purchaser hereby agrees that, if Sponsor obtains a refund for real estate taxes paid (or a credit for such taxes to be paid) on Purchaser's Unit, Purchaser and Sponsor will apportion the refund (as well as the costs and/or fees for obtaining the refund or credit) based on the percentage of time for which the refund or credit is obtained during which each party hereto owned the Unit in question. The provisions of this subsection 8.3 shall survive the closing of title.

8.4 At Closing, Purchaser will pay a contribution to the Working Capital Fund of the Condominium in an amount equal to two (2) months Residential Common Charges then applicable to each Unit being purchased.

8.5 At Closing, all Purchasers of a Unit who are a government or governmental mission, or a department, agency or consulate of a government, or to any other party who or which may be entitled under applicable laws, conventions or treaties (including, without limitation, the United States Foreign Sovereign Immunities Act as same may be amended) to any present or future claim to any immunity, whether characterized as sovereign immunity or otherwise (or diplomatic or consular immunity, if applicable), from any legal or equitable proceedings in the United States of America (individually, a "Government Entity" and collectively, the "Government Entities") may be required to deposit into escrow an amount equal to one (1) year of Common Charges then in effect to secure their obligations under the Declaration and By-Laws for the payment of Common Charges and/or assessments and otherwise ("Security").

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

8.7 Any errors or omissions in computing apportionments at closing shall be corrected and payment made to the proper party promptly after discovery. The provisions of this subsection shall survive the closing.

9. MORTGAGE RECORDING TAX CREDIT. If Purchaser obtains a mortgage loan for the purchase of the Residential Unit, the Purchaser will pay to Sponsor a sum equal to the partial mortgage recording tax credit to which Purchaser may be entitled pursuant to §339-ee(2) of the Condominium Act, which sum will be paid as a reimbursement for the mortgage recording tax previously paid by Sponsor in connection with any existing mortgage(s). Alternatively, Sponsor may require, in its sole discretion, that if Purchaser finances the purchase of the Unit with a mortgage loan, Purchaser must cause the lender making such mortgage loan to accept from the Sponsor an assignment of a portion of any mortgage securing the Property in an amount up to such mortgage loan as determined by Sponsor. Upon such assignment, that portion of the mortgage loan assigned by Sponsor, will be exempt from mortgage recording tax under Section 255 of the Real Property Tax Law. In such event Purchaser will be obligated to pay any costs of fees incurred in connection with such assignment. Sponsor shall be solely entitled to the benefits of the exemption and accordingly, Purchaser will pay to Sponsor an amount equal to the mortgage recording tax savings resulting from such exemption.

10. CLOSING COSTS. In addition to those costs and adjustments described in Articles 8 and 9 herein, Purchaser shall be required to pay the other closing costs which are Purchaser's responsibility as more particularly described in Part I of the Plan entitled "Closing Costs and Adjustments."

11. DOWN PAYMENT. The Down Payment made pursuant to this Agreement is subject to the requirements of Section 71-a(3) of the State of New York Lien Law (the provisions of which are set forth in Part II of the Plan and deemed incorporated herein by reference) and Sections 352-e(2-b) and 352-h of the General Business Law of the State of New York. Any Down Payment received from Purchaser will be held in accordance with the provisions of the Subsection entitled "Escrow and Trust Fund Requirements" under the Section entitled "Procedure to Purchase" set forth in Part I of the Plan. By signing this Agreement, Purchaser will not object and will be deemed to have agreed, without the need for a further written agreement, to the release of the Down Payment to Sponsor in the event Sponsor and Purchaser close title under this Agreement. Sponsor is required by Law to submit a Form 1099 to the Internal Revenue Service reporting interest earned on Purchaser's Down Payment, if any. Purchaser will be taxed accordingly on such interest.

12. BINDING EFFECT OF 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.

13. AGREEMENT SUBJECT TO MORTGAGE. No encumbrance shall arise against the Property as a result of this Agreement or any monies deposited hereunder. In furtherance and not in limitation of the provisions of the preceding sentence, Purchaser agrees that the provisions of this Agreement are and shall be subject and subordinate to the lien of any mortgage, including, but not limited to, any construction or building loan mortgage, heretofore or

hereafter made any advances heretofore or hereafter made thereon and any payments or expenses made or incurred or which hereafter may be made or incurred, pursuant to the terms thereof, or incidental thereto, or to protect the security thereof, to the full extent thereof, without the execution of any further legal documents by Purchaser. This subordination shall apply in all cases, regardless of the timing of, or cause for, the making of advances of money or the incurring of expenses. Sponsor shall, at its option, either satisfy such mortgages or obtain a release of each Unit and its undivided interest in the Common Elements from the lien of such mortgages on or prior to the Closing Date, unless Purchaser voluntarily 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 (their) 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 its other obligations hereunder or be the basis of any claim against, or liability of, Sponsor, provided that any such mortgage(s) is subordinated to the Declaration.

14. PURCHASER'S REPRESENTATION. Purchaser represents that Purchaser has full right and authority to execute this Agreement and perform Purchaser's obligations hereunder. If Purchaser is not a natural person, Purchaser agrees to deliver at any time, such documents evidencing Purchaser's authority and the authority of Purchaser's signatory as may be required by Purchaser's title company or Sponsor. Purchaser acknowledges and agrees that Sponsor may desire to obtain certain information about Purchaser's (or Purchaser's principals) character, general reputation, personal characteristics and mode of living prior to counter-executing this Agreement. In order to permit Sponsor to comply with the requirements of the Fair Credit Reporting Act, Purchaser hereby authorizes Sponsor, whether or not Sponsor has counter-executed this Agreement, to obtain such information and to retain a credit reporting agency to obtain such information. The Controlling Party (as defined under Section 25 of this Agreement) is and shall remain personally liable for Purchaser's obligations under this Agreement

15. RENT SECURITY DEPOSIT. If Purchaser is or hereafter becomes a tenant of the Unit, Purchaser's unapplied rent security deposit, if any, will be refunded to Purchaser, together with any interest earned thereon, within forty-five (45) days following the closing, provided Purchaser is not in default under Purchaser's lease or tenancy obligations. If the Unit is occupied by other than Purchaser, then the unapplied security deposit (if any) of the tenant or occupant will be transferred at closing to Purchaser, who will upon receipt, sign and deliver to Sponsor an agreement acknowledging the amount received, indemnifying Sponsor from all liability in connection therewith and agreeing to hold such security deposit in trust and to deposit same in an interest bearing bank account pursuant to the provisions of Section 7-103 of the New York General Obligations Law (such agreement to be in form and substance satisfactory to Sponsor). In either event, Sponsor will have the right to deduct from any tenant's security deposit the amount of any rent arrearage owing to Sponsor and to sue the tenant to the extent such rent security is insufficient.

16. DEFAULT BY PURCHASER.

16.1 The following shall constitute "Events of Default" hereunder:

(i) Purchaser's failure to pay the Down Payment (or any portion thereof) or the balance of the Purchase Price on the Closing Date designated by Sponsor; or

(ii) Purchaser's failure to duly complete and sign before a notary public and deliver at closing the Power of Attorney or the New York State and City transfer tax returns; or

(iii) If Purchaser is or becomes the tenant of record of the Unit, Purchaser's failure to pay rent or to otherwise comply with Purchaser's lease or tenancy obligations; or

(iv) If Purchaser is or becomes the tenant of record of the Unit and Purchaser vacates or abandons the Unit; or

(v) Purchaser's assignment of any of Purchaser's property for the benefit of creditors, or Purchaser's filing a voluntary petition in bankruptcy; or

(vi) If a non-bankruptcy trustee or receiver is appointed over Purchaser or Purchaser's property, or an involuntary petition in bankruptcy is filed against Purchaser; or

(vii) If a judgment or tax lien is filed against Purchaser and Purchaser does not pay or bond the same; or

(viii) Purchaser's failure to pay any closing costs set forth in this Agreement or the Plan, on the Closing Date designated by Sponsor; or

(ix) The failure to pay, perform or observe any of Purchaser's other obligations hereunder.

16.2 In the event a Purchaser defaults or there is an Event of Default under the Agreement, TIME BEING OF THE ESSENCE with regard to the obligations of the Purchaser thereunder, and Purchaser does not cure such default within thirty (30) days after Sponsor gives written notice to the Purchaser of such default, Sponsor may, at its option, either (i) terminate the Agreement by notice of termination to Purchasers so that the Agreement is of no force and effect and (a) retain any Down Payment already paid, as liquidated damages or (b) retain any Down Payment already paid and commence an action for any portion of the Down Payment not paid, which is or would be due and owing under the Agreement, as liquidated damages, it being acknowledged and agreed that it is extremely difficult and impracticable to ascertain the extent of detriment to Sponsor caused by the breach by Purchaser under the Agreement and the failure of the consummation of the transaction contemplated by the Agreement or the amount of compensation Sponsor should receive as a result of Purchaser's breach or default; or (ii) bring an action against Purchaser for specific performance; or (iii) terminate the Agreement by notice of termination to Purchaser and bring an action for damages; or (iv) exercise all other remedies available to Sponsor at law or in equity. Upon termination of the Agreement, Purchaser shall have no further rights thereunder, and Sponsor may sell the Residential Unit to any other party as though the Agreement had never been made (without any obligation to account to Purchaser for

any part of the proceeds of such sale). Notwithstanding the foregoing, Sponsor's right to file an action for specific performance shall not be exercisable against a Tenant Purchaser who purchases the Residential Unit he/she occupied on the Filing Date of this Plan. In addition, Sponsor shall also be entitled to retain (i) any costs or expenses incurred by Sponsor for Custom Work requested by Purchaser and (ii) any Restoration Costs. Sponsor will be entitled to maintain an action against Purchaser for such additional costs.

16.3 If Purchaser fails for any reason to close title to the Unit on the originally scheduled Closing Date (a) the closing apportionments described in Section 8.1 of this Agreement will be made as of midnight of the day preceding the originally scheduled Closing Date, regardless of when the actual closing of title occurs, and (b) Purchaser will be required to pay to Sponsor, as a reimbursement of Sponsor's higher carrying costs for the Unit by virtue of the delay, and in addition to the other payments to be made to Sponsor under this Agreement and the Plan, an amount equal to 0.05% of the Purchase Price for each day starting from (and including) the originally scheduled Closing Date to (and including) the day before the actual Closing Date. If, through no fault of Purchaser, Sponsor postpones the originally scheduled Closing Date, these provisions shall apply to the rescheduled Closing Date if Purchaser fails for any reason to close title to the Unit on the rescheduled Closing Date.

17. CLOSING CONTINGENT UPON PLAN BEING DECLARED EFFECTIVE.

17.1 The respective obligations of Purchaser and Sponsor 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 Sponsor 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. Sponsor shall notify Purchaser, in writing or by a duly filed amendment to the Plan, when the Plan becomes effective or is abandoned.

17.2 If the Plan is abandoned or Sponsor elects not to declare the Plan effective or if after being declared effective the Plan will not be consummated for any reason, this Agreement will be deemed canceled and the Down Payment paid by Purchaser hereunder, together with interest earned thereon, if any, will be disbursed to Purchaser, subject to Sponsor's rights to retain the Custom Work Deposit (and the right, at Sponsor's option, to commence an action against Purchaser for the Custom Work Costs). After the monies are so disbursed, Purchaser and Sponsor will have no claim against each other or the Selling Agent in connection with this Agreement or the Plan, and all of same will be released and discharged from all liabilities and obligations hereunder and under the Plan.

18. SPONSOR'S INABILITY TO CONVEY THE UNITS. If Sponsor is unable to deliver title to the Unit to Purchaser in accordance with the provisions of this Agreement and the Plan, Sponsor will not be obligated to bring any action or proceeding or otherwise incur any cost or expense of any nature whatsoever in excess of its obligations set forth in the Plan in order to cure such inability, and, in such case, if Sponsor notifies Purchaser of its refusal to cure such inability and if Purchaser is not in default hereunder, Purchaser's sole remedy will be to either

(a) take title to the Unit subject to such inability (without any abatement in, or credit against, the Purchase Price, or any claim or right of action against Sponsor for damages or otherwise) or (b) terminate this Agreement. If Purchaser so elects to terminate this Agreement, Sponsor will, within thirty (30) days after receipt of notice of termination from Purchaser, return to Purchaser the Down Payment paid by Purchaser hereunder, together with interest earned thereon, if any, subject to Sponsor's rights to retain the Custom Work Deposit (and the right, at Sponsor's option, to commence an action against Purchaser for the Custom Work Costs) and, upon making such payment, this Agreement will be terminated and neither party hereto will have any further rights, obligations or liability to or against the other under this Agreement or the Plan. The foregoing remedy must be exercised by notice of Purchaser in writing to Sponsor within fifteen (15) days after the giving of Sponsor's notice of refusal to cure such inability, failing which it will be conclusively deemed that Purchaser elected the remedy described in clause (a) above (i.e., to acquire title subject to such inability).

19. FIXTURES, APPLIANCES AND PERSONAL PROPERTY. At closing, the Unit will contain only those appliances, countertops, cabinets, sinks, air conditioning units (if any), hardware and other fixtures, equipment and appliances currently installed therein that are owned by Sponsor. The Unit is being sold unfurnished. Any appliances, air conditioning units, furnishings, equipment, fixtures and other personal property owned by any tenant of the Unit are not included in this sale. However, if the Unit is presently occupied by other than Purchaser and the existing tenant removes a stove, dishwasher and/or refrigerator belonging to him, then Sponsor agrees to supply a replacement, which may not be new, but will be in working order and similar in size and quality to the stoves, dishwashers and refrigerators owned by Sponsor that are contained in comparable Units in the Building on the Filing Date of the Plan. Furniture, wall coverings, furnishings, decorations and the like in or about any model unit is for display purposes only and is not included in this sale. Any floor plans or sketches shown to Purchaser or included in the Plan are only approximations of the Unit's dimensions and arrangement, and Purchaser should not rely thereon.

20. ACCEPTANCE OF CONDITION OF PROPERTY. The signing of this Agreement by Purchaser signifies Purchaser's acceptance of the condition of the Property (as represented by Sponsor in the Plan) including the Building, the Common Elements, the Unit and all fixtures, machinery, equipment, furnishings, appliances, installations and other personal property contained therein (hereinafter collectively called "Installations"), in their respective 'as-is' existing conditions, ordinary wear and tear excepted between the date Purchaser signs this Agreement and delivery of the deed to Purchaser. Purchaser acknowledges having read the Description of Property, which sets forth a description of the physical condition of the Building set forth in Part II of the Plan and having been given the opportunity to review the Lender's Reports set forth in the Section of the Plan entitled "Sponsor's Statement of Building Condition." Purchaser understands that Sponsor has no obligation to make any repairs, improvements or decorations in or to the Property, the Building, the Unit or the Installations, except as may otherwise be set forth in the Plan. Sponsor has agreed in the Plan to Maintain the Building and the Common Elements in substantially the same condition they were in on the Filing Date, until the First Closing (subject to ordinary wear and tear between the Filing Date and the First Closing), unless prevented from so doing by reason of acts or events beyond Sponsor's control, as more particularly set forth in 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 the Sound Transmission Code or other applicable code, 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. In the event of any conflict between the foregoing disclaimers and Sponsor's obligations to perform renovations (to the extent Sponsor undertakes same) in accordance with all applicable codes and filed building plans and specifications as well as the provisions of the Plan, Sponsor's obligations to perform renovations (to the extent Sponsor undertakes same) in accordance with all applicable codes and filed building plans and specifications as well as the provisions of the Plan will control. In no event will Sponsor be liable for incidental or consequential damages (whether based on negligence, breach of contract, warranty, or otherwise). Purchaser shall be given a reasonable opportunity to examine the Unit prior to closing and it is recommended that Purchaser make a careful examination at such time; provided however, that the Purchase of a Unit does not entitle the Purchaser thereof to conduct any testing in the Unit including, without limitation, making holes in the wall or ceiling and/or removing sheet rock, tiles, wood flooring, windows or window panes to test for mold, asbestos, lead paint, mildew, spores, fungi or other toxins or for any other purpose.

20.1 If Purchaser fails to examine the Unit within said period(s), Purchaser shall be deemed to have accepted the Unit in good condition and in accordance with the terms of the Plan or Sponsor reserves the right to postpone the scheduled Closing, in its sole discretion. Purchaser acknowledges that Purchaser must make arrangements to move into the Unit following the Closing and Purchaser agrees to follow the move-in procedures established by Sponsor or the Condominium Board. The provisions of this paragraph shall survive Closing.

20.2 Sponsor will not be obligated to correct, and will not be liable to any Board or Unit Owner as a result of any defects in construction, or in the installation or operation of any mechanical equipment, appliances, other equipment, finishes, materials or fixtures (including kitchen appliances and bathroom fixtures), except as more as specifically set forth in the Section of the Plan entitled "Rights and Obligations of Sponsor.

20.3 Notwithstanding the foregoing, Sponsor will be obligated to repair abnormal scratches in plastic laminate, vitreous china, natural stone, wood, porcelain and metallic surfaces by filling or refinishing the same, but Sponsor will not be obligated to replace any such surfaces. The provisions of this Section shall survive the closing of title

21. 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:

21.1 If Purchaser is the existing tenant or occupant of the Unit, or if Purchaser is given possession of the Unit prior to closing under an Interim Lease or otherwise, then Purchaser shall be solely responsible for any damage to, or loss or other condition in, the Unit resulting from Purchaser's use or occupancy, and Sponsor shall not be obligated to make any repairs to the Unit or its Installations. However, until closing Sponsor will remain responsible to make those repairs required of it as landlord under any existing lease or Interim Lease and, after

closing, the Condominium Board will be responsible to make those repairs required of it under the Condominium Declaration and By-Laws.

21.2 If during Purchaser's occupancy the Unit is damaged by casualty or otherwise, then Purchaser shall assume the risk of loss and the obligation to repair the damage, unless the cause thereof originated outside the Unit and did not result from the acts of Purchaser or other occupants of the Unit or Purchaser's guests, invitees or workmen. If Purchaser is obligated to repair the damage, then Purchaser's failure to make such repair shall not excuse Purchaser from paying the Balance and accepting delivery of the deed.

21.3 Except as provided in the preceding paragraph, all other risk of loss prior to closing has been assumed by Sponsor, but without any obligation or liability of Sponsor to repair the damage or restore the Unit. If Sponsor elects to repair or replace the loss or damage, which election shall be made within 60 days of a fire or other casualty, in Sponsor's sole discretion, this Agreement shall continue in full force and effect, Purchaser shall not have the right to reject title to the Unit or to receive a credit against, or abatement in, the Purchase Price, and Sponsor shall be entitled to a reasonable period of time to complete, or to permit the Condominium Board to complete, such repairs or replacements. Purchaser shall not be required to pay the Balance unless and until: (i) the Unit has been substantially repaired to as near as reasonably possible to its condition immediately prior to the casualty and (ii) its essential services (such as gas, electricity, and heat) and a reasonable means of ingress and egress to the street have been restored. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss, shall belong entirely to Sponsor (subject to the rights, if any, of the Condominium Board or other Unit Owners) and if such proceeds are paid to Purchaser, Purchaser shall promptly upon receipt turn them over to Sponsor. The provisions of the preceding sentence shall survive the closing.

21.4 In the event Sponsor notifies Purchaser that it does not elect to repair or restore the Unit or if the Declaration has been recorded prior thereto and the Unit Owners do not resolve to make such repairs pursuant to the By-Laws, this Agreement shall be deemed canceled and of no further force or effect and Sponsor shall return to Purchaser the Down Payment paid by Purchaser hereunder, together with interest earned thereon, if any, subject to Sponsor's right to retain the Custom Work Deposit and the right, at Sponsor's option, to commence an action against Purchaser for the Custom Work Costs and neither party hereto will have any further rights, obligations or liability to or against the other hereunder and under the Plan, except that if Purchaser is then in default hereunder (beyond the applicable grace period, if any), Sponsor shall be entitled to retain the Down Payment pursuant to the Paragraph 11 entitled "Down Payment."

22. NO REPRESENTATIONS. Purchaser acknowledges that Purchaser 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 Sponsor, Selling Agent 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 Residential Common Charges allocable to the Unit, the estimated real estate taxes on the Unit, the right to any income tax deduction for any 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 solely on such Purchaser's own judgment and investigation in deciding to enter into this Agreement and purchase the Unit. No person has been authorized to make any representations on behalf of Sponsor except as herein or in the Plan specifically set forth. No oral representations or statements shall be considered a part of this Agreement. Sponsor makes no representation or warranty as to the work, materials, appliances, equipment or fixtures in the Unit, the Common Elements or any other part of the Property other than as set forth herein or in the Plan. The provisions of this Section shall survive the closing of title.

23. PROHIBITION AGAINST ADVERTISING. Prior to the closing of title to a Unit, Purchaser shall not list the Unit for resale or rental with any broker or advertise or otherwise offer, promote or publicize the availability of the Unit for sale or lease, without Sponsor's prior written consent. Subsequent to the closing of title to a Unit, a Unit Owner (other than a Unit Owner purchasing for such Unit Owner's own or their immediate family's occupancy) may not advertise, list or sell the Unit for twelve (12) months after acquisition of the Unit (provided however, such limitation shall not apply from and after the date that the Sponsor conveys title to all of the Units). Any such conveyances in violation of the foregoing will be voidable by Sponsor. If any Purchaser or Unit Owner engages in any of the foregoing activities, it shall be considered an Event of Default under the terms of this Agreement, thereby entitling Sponsor to any and all remedies under the terms of this Agreement. The provisions of this Section shall survive the closing of title to the Unit or earlier termination of this Agreement.

24. BROKER. Purchaser represents to Sponsor that Selling Agent Sponsor and [_____] is [are] the only broker(s) or sales agent(s) with whom Purchaser has dealt in connection with this transaction, and Sponsor agrees to pay the commission earned by said broker pursuant to a separate agreement. Purchaser agrees that should any claim be made against Sponsor for commissions by any broker, other than the aforementioned broker, on account of any acts of Purchaser or Purchaser's representatives, Purchaser will indemnify and hold Sponsor free and harmless from and against any and all liabilities and expenses in connection therewith, including reasonable legal fees. The provisions of this Article 23 shall survive the closing of title.

25. AGREEMENT MAY NOT BE ASSIGNED. Purchaser does not have the right to assign this Agreement. If Purchaser is a corporation, partnership, limited liability company, trust or other legal entity, any sale, assignment, transfer, pledge, encumbrance or other disposition of any of the ownership interest of Purchaser (including without limitation, the stock, membership or beneficial interests of the stockholders, partners, members or beneficiaries of Purchaser or its stockholders, partners, members or beneficiaries) shall be considered an assignment of this Agreement and shall be subject to the provisions, prohibitions and terms of this Article concerning assignment of this Agreement. For purposes of this Agreement, it is the intent of the part(ies) that the individuals controlling Purchaser shall be deemed to be _____(the "Controlling Party"). Any purported assignment by Purchaser in violation of this Agreement will constitute a default hereunder and will be voidable by Sponsor. Sponsor's refusal to consent to an assignment will not entitle Purchaser to cancel this Agreement or give rise to any claim for damages against Sponsor. By execution of this Agreement, it is acknowledged and agreed that the Controlling Party is and shall remain personally liable for Purchaser's obligations under this Agreement. Any purported assignment by Purchaser in

violation of this Agreement will constitute an Event of Default hereunder and will be voidable by Sponsor. Sponsor's refusal to consent to an assignment will not entitle Purchaser to cancel this Agreement or give rise to any claim for damages against Sponsor

26. SALE SUBJECT TO EXISTING TENANCY.

26.1 The following is applicable to Purchasers of Units occupied by others:

Complete the following only if Purchaser is not the tenant of the Unit:

Unit is Vacant: Yes ( ) No ( )

If Unit is Occupied: Monthly Rent: $ _____
Current Lease Term Expires: _____
or month-to-month ( ) _____
Rent Security $
Unit is Occupied by a Non-Purchasing Tenant:

Yes ( ) No ( )

26.2 Purchaser understands and agrees that the Unit is being sold hereunder is subject to the lease or tenancy of the present tenant and Section 352-eeee of the New York State General Business Lays (the "GBL") as explained more fully in the Plan under the Section entitled "Rights of Existing Tenants" and Purchaser and Purchaser's successors and assigns shall continue to be bound by such Laws and regulations so long as such occupancy continues.

26.3 Purchaser further understands, as explained in the Plan, that if a Non-Purchasing Tenant is in possession of the Unit on the Closing Date hereunder, Purchaser must notify the Non-Purchasing Tenant of the change in ownership of the Unit promptly after the Closing Date and Purchaser will assume the rights and obligations of Sponsor as the landlord of such tenant, including the right to collect rent (whether the same be greater or less than the Common Charges established from time to time by the Condominium Board) and the obligation to Maintain the Unit (including its equipment and appliances) for the benefit of the existing tenant. From and after delivery of the deed, Purchaser alone will bear the entire costs and expenses of owning the Unit (including, but not limited to, any legal fees and litigation expenses for enforcing the lease and obtaining possession of the Unit).

26.4 Purchaser understands that if the tenant of the Unit exercises any right granted under the Plan (or any amendment thereto) or under the Rent Laws or GBL or other applicable Law, which may or may not exist as of the date of this Agreement, or any administrative or judicial interpretation thereof, to purchase the Unit, then upon the closing of such purchase, this Agreement shall be deemed canceled and, within thirty (30) days after the occurrence of such event, all monies paid by Purchaser hereunder shall be refunded. Upon such repayment, Purchaser, Sponsor, and the Selling Agent, and any other party hereto shall be (and hereby are) released and discharged of all liability or obligations hereunder and under the Plan.

26.5 Purchaser hereby irrevocably appoints the then managing agent of the Building (which managing agent may be replaced from time to time by the Condominium Board) as his agent, coupled with an interest, to provide for the account and at the expense of Purchaser, all services and facilities required by Law on a non-discriminatory basis, to the Non-Purchasing Tenant who has the right to occupy the Unit Purchaser is purchasing until such time as such right of occupancy terminates. Purchaser agrees to deposit with the managing agent at the closing hereunder a sum not less than an amount equal to two (2) months Common Charges to be used as working capital to furnish service and facilities required under the Non-Purchasing Tenant's lease and those required by the GBL. Purchaser agrees that upon written notice by the then managing agent that such deposit has been diminished, that Purchaser shall replenish such fund within thirty (30) days thereafter. Purchaser further understands that Sponsor will guarantee the obligation of the then managing agent to provide all such services and facilities until such time as Sponsor surrenders control of the Condominium Board and Purchaser will indemnify Sponsor for all costs expended by Sponsor on Purchaser's behalf. The provisions of this paragraph shall survive the closing.

27. TENANT PURCHASER'S RIGHT TO BENEFIT FROM IMPROVED TERMS. If prior to the expiration of any Exclusive Purchase Period, which begins prior to the First Closing, Sponsor amends the terms and conditions of the Plan to be more favorable to Tenant Purchasers, then if Purchaser is a Tenant Purchaser who executed and submitted this Agreement and the Down Payment before Sponsor amended the terms of the Plan, Purchaser shall benefit from the more favorable terms and conditions.

28. PURCHASER'S REPRESENTATIONS.

28.1 If Purchaser was a tenant in occupancy of a Unit in the Building on the Filing Date of the Plan, Purchaser hereby represents that this Agreement was executed and delivered by Purchaser pursuant to an offering made without a discriminatory repurchase agreement or other discriminatory inducement.

28.2 If the Unit to which this Agreement relates is not occupied by Purchaser, Purchaser shall duly complete and sign before a notary public the Statement of Purchase set forth as Schedule B hereto and deliver same to the Selling Agent together with this Agreement.

28.3 If Purchaser is not a Tenant Purchaser, Purchaser acknowledges and agrees that Sponsor may desire to obtain certain information about Purchaser's (or Purchaser's principals) character, general reputation, personal characteristics and mode of living prior to counter-executing this Agreement and in order to permit Sponsor to comply with the requirements of the Fair Credit Reporting Act, Purchaser hereby authorizes Sponsor, if Sponsor elects in its sole discretion, to obtain such information and to retain a credit reporting agency to obtain such information.

29. BINDING EFFECT. If Purchaser was a Tenant Purchaser of the Unit on the Filing Date of the Plan, this Agreement shall be accepted by Sponsor, provided Purchaser signs and returns this Agreement, together with the Down Payment, during the time within which Purchaser has the exclusive right to purchase the Unit as set forth in the Plan. If Purchaser was a Tenant Purchaser of the Unit on the Filing Date of the Plan, and signs and returns this

Agreement, together with the requisite Down Payment, after the period during which Purchaser has the exclusive right to purchase the Unit, or if Purchaser is not the tenant of record of the Unit, or any other Unit in the Building, this Agreement shall not be binding upon Sponsor until a duplicate hereof, executed by Sponsor or its duly authorized agent, is delivered to Purchaser or Purchaser's attorney. In any such case, unless this Agreement, executed as aforesaid, is delivered to Purchaser within thirty (30) days after same is received by Sponsor or the Selling Agent, it shall be deemed rejected and neither party shall have any further rights or obligations hereunder with respect to the other, except that Sponsor shall be obligated to refund all monies paid by Purchaser within fifteen (15) days after such cancellation. Sponsor shall have the right to reject this Agreement without cause or explanation to Purchaser, provided such rejection is not based on sex, race, creed, color, national origin, ancestry or other ground proscribed by Law.

30. NOTICES. Any notice, request, letter, consent or other communication hereunder or under the Plan (other than amendments to the Plan which shall be served in accordance with the Plan or documents for which the method of notice and or delivery is otherwise set forth in the Plan) shall be in writing and delivered by regular mail as well as hand delivered or sent, postage prepaid, by registered or certified mail, by facsimile or by Federal Express or other reputable overnight courier, to Purchaser at the address given at the beginning of this Agreement, and to Sponsor at the address given at the beginning of this Agreement, with a copy to Stroock & Stroock & Lavan LLP, 180 Maiden Lane, New York, New York 10038, Attn.: Michel Evanusa, Esq. in the same manner as notice is given to Sponsor, or to such other address as either party may hereafter designate to the other in writing. All notices, requests or other communications which may be or are required to be given, served or sent by any party hereto to any other party hereto shall be deemed delivered (a) upon delivery, if delivered in person, (b) upon the date deposited for overnight delivery with any reputable overnight courier service, or (c) upon the date deposited in any post office or mail depository regularly maintained by the United States Postal Office and/or sent by regular, registered or certified mail, postage paid. However, with respect to any "change of address" notification, the date of actual receipt of such notification shall be deemed the date of such notice. Any notice either of the parties hereto receives from the other party's attorneys shall be deemed to be notice from such party itself (including, without limitation, any notices of closing or default which Sponsor's counsel is hereby expressly designated and empowered to issue). A failure by Purchaser to acknowledge receipt of any notice, request, letter, consent or other communication hereunder shall not in anyway invalidate such communication. Notwithstanding anything to the contrary, notices regarding closing costs or ministerial matters, the rescheduling of Closing Dates or the scheduling or rescheduling of inspections may be made by facsimile to each party's attorneys.

31. 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.

32. PERFORMANCE BY AND LIABILITY OF SPONSOR. Purchaser's acceptance of the deed for the Unit shall be deemed to be a full performance and discharge of each and every agreement and obligation on the part of Sponsor to be performed pursuant to the provisions of this Agreement, the Plan, 13 NYCRR, Part 23 (the regulations of the Department of Law of the State of New York governing the acceptance for filing of the Plan) and General Business Law §352-e, except those (if any) herein or therein expressly stated to survive delivery of such deed. The provisions of this Section shall survive closing of title.

33. 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. The parties acknowledge that, for federal income tax purposes only, this Agreement shall be deemed an option. The provisions of this Section shall survive closing of title.

34. AGREEMENT NOT CONTINGENT UPON FINANCING. The terms and provisions of this Agreement and Purchaser's obligations hereunder are not contingent upon Purchaser securing financing of the Purchase Price (or any portion thereof) stated in Section 4 of this Agreement, and Purchaser understands and agrees that Purchaser's failure to obtain such financing will not relieve Purchaser of Purchaser's obligations hereunder. Purchaser further understands and agrees that if Purchaser chooses to finance Purchaser's purchase of the Unit through a lending institution and obtain a commitment therefrom, neither a subsequent change in the terms of such commitment, the expiration or other termination of such commitment, nor any change in Purchaser's financial status or condition shall release or relieve Purchaser of Purchaser's obligations pursuant to this Agreement.

35. COSTS OF ENFORCING AND DEFENDING AGREEMENT. Purchaser shall be obligated to reimburse Sponsor for any legal fees and disbursements incurred by Sponsor in defending Sponsor's rights under this Agreement or, in the event Purchaser defaults under this Agreement beyond any applicable grace period, in canceling this Agreement or otherwise enforcing Purchaser's obligations hereunder. The provisions of this Section shall survive closing of title.

36. ESCROW TERMS.

36.1 Stroock & Stroock & Lavan LLP shall serve as escrow agent ("Escrow Agent") for Sponsor and Purchaser. Escrow Agent has designated the following attorneys to serve as signatories: Leonard Boxer, Lewis Cole, Stuart Coleman, Brian Diamond, Michel Evanusa, Lawrence Handelsman, Lewis Kruger, Alan Klinger, Charles Moerdler and Martin Neidell. All designated signatories are admitted to practice law in the State of New York. Neither the Escrow Agent nor any authorized signatories on the account are the Sponsor, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing.

36.2 Escrow Agent and all authorized signatories hereby submit to the jurisdiction of the State of New York and its Courts for any cause of action arising out of the Purchase Agreement or otherwise concerning the maintenance of release of the Down Payment from escrow.

36.3 Escrow Agent has established a "Master Escrow Account" at Signature Bank at its branch located at 261 Madison Avenue, New York, New York 10081 entitled Stroock & Stroock & Lavan LLP, Escrow Account No. [redacted] and at JP Morgan Chase Bank at its branch located at One New York Plaza, New York, New York 10081 entitled Stroock & Stroock & Lavan LLP, Escrow Account No. [redacted]

36.4 All Down Payments received by Purchaser shall be in the form of checks, wire transfers, as permitted, and shall be made payable to or endorsed by the Purchaser to the order of "Stroock & Stroock & Lavan LLP as Escrow Agent".

36.5 The interest rate for all Down Payments made into the Escrow Account shall be the prevailing rate for such accounts, which is currently .40%. Interest shall begin to accrue upon placing the Down Payment into the Escrow Account. All interest earned thereon shall be paid to or credited to the Purchaser at closing. No fees of any kind may be deducted from the Escrow Account, and the Sponsor shall bear all costs associated with the maintenance of the Escrow Account. Within five (5) business days after the Purchase Agreement has been tendered to Escrow Agent along with the Down Payment, the Escrow Agent shall sign the Purchase Agreement and place the Down Payment into the Escrow Account. With ten (10) business days of the placing the deposit in the Escrow Account, Escrow Agent shall provide written notice to Purchaser and Sponsor, conforming the Down Payment. The notice shall provide the account number and the initial interest rate to be earned on the Down Payment. Any Down Payments made for upgrades, extras, or Custom Work shall be initially deposited into the Escrow Account, and released in accordance to the terms of a written agreement between Purchaser and Sponsor, including this Agreement.

36.6 The Escrow Agent is obligated to send notice to the Purchaser once the Down Payment is placed in the Escrow Account. If the Purchaser does not receive notice of such deposit within fifteen (15) business days after tender of the Down Payment, he or she may cancel the Purchase Agreement within ninety (90) days after tender of the Purchase Agreement and Down Payment to Escrow Agent. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 120 Broadway, 23rd Floor, New York, N.Y. 10271. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Down Payment was timely placed in the Escrow Account in accordance with the New York State Department of Law's regulations concerning Down Payments and requisite notice was timely mailed to the Purchaser.

36.7 All Down Payments, except for advances made for upgrades, extras, or Custom Work received in connection with the Purchase Agreement, are and shall continue to be the Purchaser's money, and may not be comingled with any other money, as per GBL § 352-h.

36.8 Under no circumstances shall Sponsor seek or accept release of the Down Payment of a defaulting Purchaser until after consummation of the Plan, as evidenced by the acceptance of an effectiveness amendment by the New York State Department of Law. Consummation of the Plan does not relieve the Sponsor of its obligations pursuant to GBL §§ 352-3(2-b) and 352-h.

36.9 The Escrow Agent shall release the Down Payment if so directed:

(a) pursuant to terms and conditions set forth in the Purchase upon closing of title to the Unit; or

(b) in a subsequent writing signed by both Sponsor and Purchaser; or

(c) by a final, non-appealable order or judgment of a court.

36.10 If the Escrow Agent is not directed to release the Down Payment pursuant to paragraphs (a) through (c) above, and the Escrow Agent receives a request by either party to release the Down Payment, then the Escrow Agent must give both the Purchaser and Sponsor prior written notice of not fewer than thirty (30) days before releasing the Down Payment. If the Escrow Agent has not received notice of objection to the release of the Down Payment prior to the expiration of the thirty (30) day period, the Down Payment shall be released and the Escrow Agent shall provide further written notice to both parties informing them of said release. If the Escrow Agent receives a written notice from either party objecting to the release of the Down Payment within said thirty (30) day period, the Escrow Agent shall continue to hold the Down Payment until otherwise directed pursuant to paragraphs (a) through (c) above. Notwithstanding the foregoing, the Escrow Agent shall have the right at any time to deposit the Down Payment contained in the Escrow Account with the clerk of the county where the Unit is located and shall give written notice to both parties of such deposit.

36.11 The Sponsor shall not object to the release of the Down Payment 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.

36.12 The Department of Law may perform random reviews and audits of any records involving the Escrow Account to determine compliance with all applicable statutes and regulations.

36.13 Any provision of any Purchase Agreement or separate agreement, whether oral or in writing, by which a Purchaser purports to waive or indemnify any obligation of the Escrow Agent holding any Down Payment in trust is absolutely void. The provisions of the Attorney General's regulations and GBL §§ 352-e(2-b) and 352-h concerning escrow trust funds shall prevail over any conflicting or inconsistent provisions in the Purchase Agreement, Plan, or any amendment thereto.

36.14 Escrow Agent shall maintain the Escrow Account under its direct supervision and control. A fiduciary relationship shall exist between Escrow Agent, and Purchaser, and Escrow Agent acknowledges its fiduciary and statutory obligations pursuant to GBL §§ 352(e)(2-b) and 352(h).

36.15 Escrow Agent may rely upon any paper or document which may be submitted to it in connection with its duties under this Purchase Agreement and which is believed by Escrow Agent to be genuine and to have been signed or presented by the proper party or parties and shall have no liability or responsibility with respect to the form, execution or validity thereof.

36.16 Sponsor agrees that Sponsor and its agents, including any selling agents, shall deliver the Down Payment received by them prior to closing of the Unit to a designated attorney who is a member of or employed by Escrow Agent, within two (2) business days of tender of the Down Payment by Purchaser. Sponsor agrees that it shall not interfere with Escrow Agent's performance of its fiduciary duties and statutory obligations as set forth in GBL §§ 352-(e)(2-b) and 352-(h) and the New York State Department of Law's regulations.

36.17 Sponsor shall obtain or cause the selling agent under the Plan to obtain a completed and signed Form W-9 or W-8, as applicable, from Purchaser and deliver such form to Escrow Agent together with the Down Payment and this Purchase Agreement. If said document is not delivered, the Down Payment will not be placed in an interest bearing account.

36.18 Prior to release of the Down Payment, Escrow Agent's fees and disbursements shall neither be paid by Sponsor from the Down Payment nor deducted from the Down Payment by any financial institution under any circumstance.

36.19 Sponsor agrees to defend, indemnify and hold Escrow Agent harmless from and against all costs, claims, expenses and damages incurred in connection with or arising out of Escrow Agent's responsibilities arising in connection with this Purchase Agreement or the performance or non-performance of Escrow Agent's duties under this Purchase Agreement, except with respect to actions or omissions taken or suffered by Escrow Agent in bad faith or in willful disregard of the obligations set forth in this Purchase Agreement or involving gross negligence of Escrow Agent. This indemnity includes, without limitation, disbursements and attorneys' fees either paid to retain attorneys or representing the hourly billing rates with respect to legal services rendered by Escrow Agent to itself.

37. 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 or the Plan, except as otherwise herein or therein provided, shall be valid and enforced to the fullest extent permitted by Law.

38. STRICT COMPLIANCE. Any failure by Sponsor to insist upon the strict performance by Purchaser of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, and Sponsor, notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by Purchaser of any and all of the provisions of this Agreement to be performed by Purchaser. The provisions of this Section shall survive closing of title or earlier termination of this Agreement.

39. GOVERNING LAW. The provisions of this Agreement shall be governed by and construed in accordance with the internal Laws of the State of New York applicable to agreements made and to be performed wholly in the State of New York, without regard to principles of conflicts of Law. The provisions of this Section shall survive closing of title or earlier termination of this Agreement.

40. WAIVER OF JURY. EXCEPT AS PROHIBITED BY LAW, THE PARTIES SHALL, AND THEY HEREBY DO, EXPRESSLY WAIVE TRIAL BY JURY IN ANY LITIGATION ARISING OUT OF, OR CONNECTED WITH, OR RELATING TO, THE PLAN THIS AGREEMENT OR THE RELATIONSHIP CREATED HEREBY. THE PROVISIONS OF THIS ARTICLE SHALL SURVIVE THE CLOSING OF TITLE OR EARLIER TERMINATION OF THIS AGREEMENT.

41. ENTIRE AGREEMENT. This Agreement supersedes any and all understandings and agreements between the parties with respect to the subject matter hereof. The provisions of this Section shall survive closing of title or earlier termination of this Agreement.

42. 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 terms "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 the context otherwise requires. Unless otherwise stated, all references herein to Articles, Sections, subsections or other provisions are references to Articles, Sections, subsections or other provisions of this Agreement. The provisions of this Section shall survive closing of title or earlier termination of this Agreement.

43. CAPTIONS. The captions in this Agreement are for convenience of reference only and in no way define, limit or describe the scope of this Agreement or the intent of any provision hereof. The provisions of this Section shall survive closing of title or earlier termination of this Agreement.

44. RULE OF CONSTRUCTION. There shall be no presumption against the draftsman of this Agreement or the Plan. The provisions of this Section shall survive closing of title or earlier termination of this Agreement.

45. SUCCESSORS AND ASSIGNS. The provisions of this Agreement shall bind and inure to the benefit of Purchaser and Purchaser's heirs, legal representatives, successors and permitted assigns and shall bind and inure to the benefit of Sponsor and its successors and assigns.

46. 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 HERETO OR BY AN AMENDMENT TO THE PLAN.

47. COUNTERPART SIGNATURES. This Agreement may be executed in any number of counterparts, any one of which shall constitute an original of this Agreement. When counterparts have been executed by all parties, they shall have the same effect as if the signatures to each counterpart were upon the same documents and shall be deemed valid as originals. The parties agree that all such signatures may be transferred to a single document upon the request of any party. This Agreement shall not be binding unless and until it shall be fully executed and delivered by all parties hereto.

48. LEAD-BASED PAINT DISCLOSURE. Annexed hereto and incorporated herein as Schedule C, is the "Disclosure of Information on Lead-Based Paint and/or Lead Based Paint Hazards" required to be executed pursuant to the provisions of Federal regulation.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date below.

Date: _____
(To be inserted after
execution by Sponsor)

SPONSOR:

11 EAST 68TH STREET LLC

By: _____

By: _____
Name:
Title: President

PURCHASER:

_____
(Social Security or Federal
I.D. Number) _____
Telephone No. _____

_____
(Social Security or Federal
I.D. Number) _____
Telephone No. _____

STROOCK & STROOCK & LAVAN LLP
Solely in its capacity as Escrow Agent

_____
By: _____,
A member of the firm

SCHEDULE A
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 of the Unit would show, provided such state of facts would not make title to the Unit uninsurable, except as otherwise permitted herein.

3. 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 Purchaser to the Residential Board, and the Floor Plans; as all of the same may be amended from time to time.

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

5. Any easement or right of use in favor of any 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.

6. Revocability of licenses for vault space, if any, under the sidewalks and streets.

7. 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.

8. Leases and service, maintenance, employment, concessionaire and license agreements, if any, of other Units or portions of the Common Elements.

9. The lien of any unpaid Common Charge, real estate tax, water charge or sewer rent, or vault charge, 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 Residential Board), except that the Sponsor shall pay all such assessments due prior to the Closing Date (with the then current installment to be apportioned as of the Closing Date) and the Purchaser shall pay all assessments due from and after the Closing Date.

11. Any declaration or other instrument affecting the Property which the Sponsor deems necessary or appropriate to comply with any law 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 Building.

12. Any encumbrance as to which Chicago Title Insurance Company or Commonwealth Land Title Insurance Company (or such other New York Board of Title Underwriters member title insurance company which insures the Purchaser's title to the Unit) would be willing, in a fee policy issued by it to the Purchaser, to insure the Purchaser that such encumbrance (1) will not be collected out of the Unit if it is a lien or (2) 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 Residential Unit for residential purposes.

14. Any lease covering the Unit made from the Sponsor to the Purchaser, or if applicable, any lease covering, or tenancy or occupancy of, the Unit and the rights of such tenant(s) and occupant(s), if any, under the Rent Laws, GBL or other applicable Law.

15. Any violation against the Property (other than the Unit) which is the obligation of the Residential Board, Commercial Unit Owner, Condominium Board, or another Unit Owner to correct.

16. Any other liens, encumbrances, and title conditions set forth in the Unit Owner's Specimen Title Policy set forth in Part II of the Plan.

SCHEDULE B

BONA FIDE PURCHASER
STATEMENT OF PURCHASE

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

Re: Unit_____
The 11 East Sixty-Eighth Street Condominium

The undersigned Purchaser(s) represent that Purchaser(s) intend that Purchaser(s) or one or more specified members of Purchasers(s) immediate family intend to occupy the above-referenced Unit when it becomes vacant.

PURCHASER(S):

_____
Signature

_____
Signature

Subscribed and sworn to
before me this ____ day of
_____ 201_.

_____
Notary Public

INTENDED OCCUPANT(S):

_____
Print Name

_____
Print Name

SCHEDULE C

Disclosure of Information on
Lead-Based Paint and/or Lead-Based Paint Hazards
SALES

Lead Warning Statement

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

Seller's Disclosure

(a) Presence of lead-based paint and/or lead-based paint hazards (*Check (i) or (ii) below):*

(i) ☐ Known lead-based paint and/or lead-based paint hazards are present in the housing *(explain).*

(ii) ☐ Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.

(b) Records and reports available to the seller *(Check (i) or (ii) below*):

(i) ☐ Seller has provided the purchaser with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing *(list documents below*).

(ii) ☐ Seller has no reports pertaining to lead-based paint and/or lead-based paint hazards in the housing.

Purchaser's Acknowledgment (initial)

(c) Purchaser has received copies of all information listed above.

(d) Purchaser has received the pamphlet **Protect Your Family from Lead in Your Home.**

(e) Purchaser has (check (i) or (ii) below):

(i) received a 10-day opportunity (or mutually agreed upon period) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards; or

(ii) waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

Agent's Acknowledgment (initial)

(f) Agent has informed the seller of the seller's obligations under 42 U.S.C. 4852d and is aware of his/her responsibility to ensure compliance.

Certification of Accuracy

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information they have provided is true and accurate

Seller	Date	Seller	Date
Purchaser	Date	Purchaser	Date
Agent	Date	Agent	Date

EXHIBIT A

FORM OF TITLE INDEMNITY

[TITLE UNDERWRITER LETTERHEAD]

Dated: _____

_____
_____
_____

Re: Eleven East Sixty-Eighth Street Condominium
11 East 68th Street
New York, New York (the "Premises")
Purchaser: _____

Ladies and Gentlemen:

In connection with the sale of certain units (the "Units") at the referenced Premises, you have asked for certain assurances regarding the recordation by [title underwriter] _____ ("Title Co") or an abstract company or other person or entity selected by Title Co (any of the foregoing, a "Title Closer") of the deeds for the Units and related documentation, including, without limitation mortgage related documents (the "Closing Documents"), the payment of New York City and New York State transfer taxes (including the New York State Additional Tax pursuant to Article 31 of the Tax Law) due in connection with such conveyances and mortgage recording taxes or other fees, if applicable (collectively, the "Tax Payments"), for which Title Co is insuring title.

As of the date hereof, TitleCo agrees to hold harmless and indemnify [Sponsor/Seller] _____ and Stroock & Stroock & Lavan LLP and their respective agents, representatives, members, affiliates and the like (each, an "Indemnified Party") from and against all losses, liabilities, judgments, damages, costs and expenses that an Indemnified Party may incur or suffer from the failure of Title Co or a Title Closer to (a) record the Closing Documents for any of the Units and submit the Tax Payments for any of the Units in a timely manner from the dates of conveyances for the Units, and (b) do such other act as a reasonably prudent title company of Title Closer would perform.

[Name of Title Underwriter]

By: _____
Name:
Title:

EXHIBIT "2"

POWER OF ATTORNEY

POWER OF ATTORNEY

Terms used in this Power of Attorney which are used (a) in the declaration (the "Declaration") submitted by 11 EAST 68TH STREET LLC ("Declarant") establishing a plan for condominium ownership of the premises known as the Eleven East Sixty-Eighth Street Condominium and by the street number 11 East 68th Street, New York, New York 10065 under Article 9-B of the Real Property Law of the State of New York, dated _____, 20_, and recorded in the New York County Office of the Register of The City of New York on _____, ___, under CRFN No._____ or (b) in the By-Laws of the Eleven East Sixty-Eighth Street Condominium (the "By-Laws") attached to, and recorded together with, the Declaration, shall have the same meanings in this Power of Attorney as in the Declaration or the By-Laws.

The undersigned, _____, the owner of the Condominium Unit (the "Unit") in the Eleven East Sixty-Eight Street Condominium which is (are) designated and described as Residential Unit No. _____ in the Declaration and also designated as Tax Lot ____, in Block 1383 of Section 05 of the Borough of Manhattan on the Tax Map of the Land Records Division of The City of New York and on the Floor Plans, do(es) hereby nominate, constitute and appoint the persons who may from time to time constitute the Condominium Board and/or the Residential Board, true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution, in their own names, as members of the Residential Board or Condominium Board or in the name of their designee (corporate or otherwise), on behalf of all Residential Unit Owners, in accordance with such Unit Owners' respective interests in the Common Elements, subject to the provisions of the By-Laws then in effect, (a) to acquire or lease any Residential Unit, together with its Appurtenant Interests (as defined hereinafter), whose owner desires to sell, convey, transfer, assign, lease or surrender the same, or which becomes the subject of a foreclosure or other similar sale, on such terms and at such price or rental, as the case may be, as the attorneys-in-fact deem proper, in the name of the Residential Board or its designee, corporate or otherwise, on behalf of all Residential Unit Owners, and after any such acquisition or leasing, to convey, sell, lease, sublease, mortgage or otherwise deal with (but not vote the interest appurtenant thereto) any such Residential Unit so acquired, or to sublease any Residential Unit so leased, without the necessity of further authorization by the Residential Unit Owners, on such terms as the attorneys-in-fact may determine, (b) to commence, pursue, appeal, settle and/or terminate administrative and certiorari proceedings to obtain reduced real estate tax assessments with respect to Residential Units, including retaining counsel and taking any other actions which the Condominium Board or Residential Board deems necessary or appropriate and (c) to execute, acknowledge and deliver any declaration or other instrument (i) as regards the Condominium Board, affecting the General Common Elements or the entire Property or (ii) as regards the Residential Board, affecting the entire Residential Section, which the Condominium Board or the Residential Board, as the case may be, deems necessary or appropriate to comply with any Law or requirement of the New York City Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the Maintenance of the Property or the Residential Section, respectively, or any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Units or the Common Elements which the Condominium Board or the Residential Board, as the case may

be, deems necessary or appropriate.

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

The undersigned do(es) hereby further irrevocably nominate, constitute and appoint the Commercial Unit A Owner as the party entitled to make all determinations regarding whether to restore the Building pursuant to Section 339-cc of the Condominium Act, in the event more than 75% of the Building is destroyed or substantially damaged.

The undersigned, do(es) hereby nominate, constitute and appoint the Declarant, true and lawful attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, on behalf of all Unit Owners, in accordance with such Unit Owners' respective interests in the Common Elements, subject to the provisions of the Declaration and By-Laws then in effect and in accordance with the provisions of the Declaration, By-Laws and Plan, in order to effectuate the rights granted to Declarant under the Declaration, By-Laws and Plan, and to execute an amendment to the Declaration, By-Laws and the Rules and Regulations of the Condominium or any permits, applications or documents required to undertake, perform or complete work to the Unsold Units or Common Elements by Declarant or obtain an amended certificate of occupancy therefor, or any of said documents when such amendment (i) shall be required to reflect any changes in Unsold Residential Units, Commercial Units and/or the reapportionment of the Common Interests of the aforesaid Units resulting therefrom made by Declarant in accordance with the Declaration or (ii) shall be required by an (x) institutional lender designated by Declarant to make a mortgage 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 Declarant 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 or physical modification to the undersigned's Unit or (iii) affect the priority or validity of the lien of any purchase money 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.

This Power of Attorney shall be irrevocable.

IN WITNESS WHEREOF, the undersigned has/have executed this Power of Attorney as of the ____ day of _____, 20_.

_____

(ACKNOWLEDGMENT)

EXHIBIT "3"

RESIDENTIAL UNIT DEED

RESIDENTIAL UNIT DEED

THIS INDENTURE, made the ____ day of _____, 20__, between 11 EAST 68TH STREET LLC, a limited liability company, having an office at c/o HFZ Capital Group, 600 Madison Avenue, 17th Floor, New York, New York 10022 (the "Grantor") and _____ (the "Grantee"), having an address at _____.

WITNESSETH:

That the Grantor, in consideration of Ten and 00/100 ($10.00) Dollars and other good and valuable consideration paid by the Grantee, does hereby grant and release unto the Grantee, the heirs or successors and assigns of the Grantee, forever:

The Condominium Unit (the "Unit") in the premises known as Eleven East Sixty-Eighth Street Condominium and by the street number 11 East 68th Street, Borough of Manhattan, City, County and State of New York, said Unit being designated and described as Residential Unit No. _____ in the declaration ("Declaration") establishing a plan for condominium ownership of said premises under Article 9-B of the Real Property Law of the State of New York (the "Condominium Act"), dated _____, _____ and recorded in the New York County office of the Register of The City of New York (the "City Register's Office") on _____, under CRFN No. _____and also designated as Tax Lot(s)____ in Block 1383 of Section 05 of the Borough of Manhattan on the Tax Map of the Land Records Division of The City of New York and on the Floor Plans of said building, certified by _____, on _____, and filed in the Land Records Division of the City of New York on _____ as Condominium Plan No. _____. The premises within which the Unit is (are) located are more particularly described in Schedule A attached hereto and made a part hereof. All capitalized terms herein which are not separately defined herein shall have the meanings given to those terms in the Declaration or in the by-laws of the Eleven East Sixty-Eight Street Condominium. (Said by-laws, as the same may be amended from time to time, are hereinafter referred to as the "By-Laws.")

Together with an undivided _____ percentage interest in the General 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; and

Together with, and subject to, the rights, obligations, easements, restrictions and other provisions set forth in the Declaration and 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 (any of) 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 to the Property as more particularly described in Schedule B attached hereto and made a part hereof.

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 which is necessary to cause the Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from the Declaration or the By-Laws, or if the Declaration and the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the applicable provisions of the Declaration shall control.

Except as otherwise specifically permitted by the Residential Board or provided in the Declaration or the By-Laws, the Residential Unit is intended for residential use only.

The Grantor covenants that the Grantor has not done or suffered anything whereby the Unit has (have) been encumbered in any way whatever, except as aforesaid.

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

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

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

[SIGNATURE PAGE ON FOLLOWING PAGE]

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

11 EAST 68TH STREET LLC

By: _____
Name:
Title:

_____
Guarantee

_____
Guarantee

(ACKNOWLEDGMENT)

EXHIBIT A

DESCRIPTION OF THE LAND

ALL that certain plot, piece or parcel of land with the building and improvements thereon erected, situate, lying and being in the Borough of Manhattan and City of New York, in Section 05, Block 1383 on the Land Map thereof, and which taken together, are bounded and described as follows:

ALL THAT CERTAIN plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the Borough of Manhattan, City, County and State of New York, bounded and described as follows:

BEGINNING at the corner formed by the intersection of the westerly side of Madison Avenue with the northerly side of East 68th Street;

RUNNING THENCE northerly, along the westerly side of Madison Avenue, 100 feet 5 inches to the centre line of the block;

THENCE westerly, parallel with East 68th Street and along said centre line of the block, 120 feet;

THENCE southerly, parallel with Madison Avenue, 100 feet 5 inches to the northerly side of East 68th Street, and

THENCE easterly, along said northerly side of East 68th Street, 120 feet to the point or place of BEGINNING.

SCHEDULE B

PERMITTED ENCUMBRANCES

REFER TO PERMITTED ENCUMBRANCES SET FORTH AS SCHEDULE A TO AGREEMENT AND SPECIMEN TITLE POLICY

TO BE INSERTED PRIOR TO CLOSING

EXHIBIT "4"

DESCRIPTION OF PROPERTY

DOCUMENT NUMBER 4

DESCRIPTION OF PROPERTY AND BUILDING CONDITION
Marquand House
11 East 68th Street, New York, NY 10065-4955

November 19, 2012

Introduction

This Report was prepared by Richard Metsky, AIA of Beyer Blinder Belle Architects & Planners, LLP; who last observed conditions at the building on November 19, 2012. The building is an eleven-story plus penthouse building with two independent elevator cores. One core serves the east wing of the building which typically includes units A and C. The other core serves the west wing of the building which typically includes units B and D.

(a) Location and Use of Property

This property and its uses will comply with all zoning and use requirements as of the First Closing. The Certificate of Occupancy will be revised accordingly.

1. The property address is 11 East 68th Street, NY, NY 10065
2. The Block is 1383 and the Lot 13.
3. The current New York City Zoning for this location is C5-1, R8 Commercial district.
4. The permissible uses under this zoning designation include a wide variety of residential, commercial and community facility uses. Building is a conforming use under applicable zoning.
5. The property is located in Special District MP- Madison Avenue Preservation and LH-1A- Limited Height.

(b) Status of Construction

1. 11 East 68th St was initially constructed in 1913.
2. The building is a Class 1 Fireproof structure consisting of steel columns and beams supporting concrete floor slabs.
3. The current Certificate of Occupancy for the building on is dated April 26, 1973, is No. M000073336.
4. Outstanding Permits: BBB
5. Alteration permit numbers and Description of Work:

   The Sponsor has undertaken a program of renovations to the Building (the "Building Renovations") which will include, without limitation cleaning and pointing of the exterior façade of the Building, construction of a new entranceway and courtyard, replacement of windows, skylights, installation of new roof, replacement of service elevators with new elevators and certain other improvements. Please refer to the balance of this report for a more complete description of the Building Renovations. In addition, Sponsor will be renovating certain vacant apartments as more particularly

described on Addendum I (the "Unit Renovations"). Please refer to Addendum II for a list of open applications and permits from the NYC Department of Buildings.

(c) Site

1. The lot size is approximately 12,050 square feet and is essentially flat.
2. There is one (1) structure described as an 11 story and penthouse multi family building with commercial space on the first and second floor facing Madison Avenue.
3. There are no streets owned by the project. New York City sidewalks are maintained by the project. The building fronts on two public streets: East 68th Street (120.0'), and Madison Avenue (100'-5").
4. The street paving is asphalt provided by the City of New York. The asphalt is in fair condition.
5. The curbing along East 68th Street and Madison Avenue is cut granite and is in good condition.
6. Street lighting on East 68th Street and Madison Avenue is provided by the City of New York.
7. Existing sidewalks are granite pavers and are in good condition. The existing sidewalks are in good condition have ADA access at the corner of Madison Ave. and 68th Street. As part of the Renovations, sidewalks will be replaced and will comply with all necessary agencies having jurisdiction thereof. Such compliance will be submitted for approval under a "Builders Paving Plan" submission. The Condominium will be responsible for the Maintenance of the Sidewalks.

(d) Utilities

ITEM	SUPPLIED BY	BILLING METHOD
Cold Water	New York City	Metered Collectively
Sewer	New York City	Based on water meter readings
Electric	Con Edison	Individual meters for renovated and non-renovated apartments
Gas	Con Edison	Individually Metered
Telephone	Verizon	Individual subscription

(e) Sub-Soil Conditions

1. There was no opportunity to examine subsoil conditions. Subsoil conditions remain unknown.
2. No evidence of uneven foundation movement was observed.
3. Evidence of groundwater infiltration was not observed during the times that these areas were inspected.
4. The building is located in a built-up urban area. No mudslides or erosion danger is present. The existing cellar floor is assumed to be above the high water mark.
5. The site is located in FEMA Zone X outside the 0.2% chance floodplain.

(f) Landscaping and Enclosures

1. Grass Cover: None.
2. Planting: As part of the Building Renovations the planter pots will be removed.

3. Trees: None. At the sidewalk adjacent to the Building, there are three street trees in tree pits. Each tree pit is enclosed by a tree pit guard, both maintained by the City of New York.
4. Fencing: None.
5. Gates: There is a steel gate at the north east corner of the lot that serves as means of egress from the rear yard and for access to the Cellar level. The gate is in good condition.
6. Garden Walls: None
7. Retaining Walls: None
8. Display Pools and Fountains: None

(g) Building Size

1. The total height of the building is approximately 123 feet from the sidewalk to the main roof. There is a Penthouse floor whose roof is approximately 11 feet above the main roof.
2. Crawl Spaces: None
3. There is a Cellar level containing the Boiler Room and ancillary spaces.
4. There are 11 floors and a Penthouse level. The approximate floor to floor heights areas follows:
    a. 1st to 2nd Floor: 11'-4'
    b. 2nd Floor through 12th Floor: 10'-11"
    c. 12th Floor to Penthouse Roof: approximately 10-8".
5. There are several equipment rooms, most of which are located in the cellar. The equipment rooms at this level include the Boiler Room, Pump Room, Gas and Electric Meter Room, Oil tank Room and Elevator Motor Rooms. There are two Elevator Machine Rooms located above the 12th Floor/Roof level.
6. Parapets: 42" parapets and guardrails.

(h) Structural System

The existing structure is a 11-story residential building dating from 1913 located at the northwest corner of 68th Street and Madison Avenues. Copies of existing architectural and structural drawings indicate the building was designed by Herbert Lucas Architect. The building's masonry façade is crowned by an ornamental cornice at the roof. The current penthouse occupies part of the Main Roof area and creates a 12th floor. Based on details on archival structural drawings dating from the original 1913 construction, the building structure is comprised of steel framing with a floor system constructed of 2-way reinforced concrete ribs poured around terracotta infill blocks. Typical slab spans range from 14 to 17 feet with overall structural slab depth of 6 ½" to 7½". Slabs are overlain with 2-inch by 2-inch wood sleepers spaced 16-inches apart and provide a base to connect floor finishes. Columns are riveted built-up sections of steel plates and angles with an overall section depth of 10 to 12 inches. The existing Penthouse structure is similar to the main building structure with two-way reinforced concrete ribs. The foundation system is made up of stepped concentric concrete footings and eccentric footings with steel strap beams at the perimeter of the building along 68th Street and Madison Avenue. Based on column loads and corresponding footing sizes, the foundations bear on 2-ton per square foot soil. Exploratory structural probes to verify existing column sizes and weldability of the existing steel have been issued but not yet performed.

a. Exterior of Building

i. Walls:

The exterior walls are constructed of rusticated stone (1st and 2nd Floors) and brick masonry facing with brick/terra cotta block backup. There are architectural accents located at the third and fourth floors and roof levels including balustrades, crests and an elaborate cornice. The building has a projected stone base course on the two street facades. Window sills are stone, except for the penthouse level. Local Law 11 applies to this building. The last façade inspection was conducted in February 2007. The Local Law 11 report is attached hereto as Exhibit A. The next Local Law inspection must occur by February 2013. As part of the Building Renovations the exterior walls will be insulated where new voids are created. A continuous layer of mineral fiber insulation will be applied to the inside face of the exterior masonry wall which will then be covered by the finish interior drywall. A minimum of R-6 insulation will achieve the required Assembly U Factor required by applicable code. There are no major cracks bows or displacements which would be of concern for structural stability. Cracks in bricks are localized and due thermal expansion and contraction and lintel corrosion. As part of the Building Renovations corroded lintels are being repaired. The general condition of all exterior walls is good.

ii. Windows:

As part of the Building Renovations the windows are all being replaced. All windows with the exception of those in the egress stairs will be double hung wood windows by Parrett Windows. Windows in the stair will be of non-combustible material these are thermally broken aluminum hung windows manufactured by Champion. The windows are installed in the original wood frames as were the previous replacement. All existing wood will be cover with sealed ornamental metal panning. Existing masonry sills are being repaired under the masonry scope of work. Lot line windows do exist.

iii. Landmark Status:

The building is not individually landmarked; however it is a "contributing building" as identified in LPC's Upper East Side Historic District, designation report. Any proposed alternation to the building or the units must be reviewed and approved by LPC.

b. Parapets and Copings:

The parapets at the main roof at the rear and side yards of the building consist of a brick masonry with a stone coping, approximately 12 inches high. The brick parapet is in fair condition. The stone coping is in fair condition with the exception of some deterioration at the joints between coping sections. The parapets at the exterior wall of the building facing the street consist of a combination of brick parapets with a deep projected terra cotta cornice, with terracotta copings and copper cap flashings. The parapets are in fair condition. Above the parapet are existing brick and terracotta piers spaced regularly which are in fair condition. As part of the Building Renovations any metal guardrails will be replaced by new masonry parapets.

c. Chimneys and Caps:

There is a large flue for the boiler located at the East wing of the building. It is constructed of brick masonry terminating more than 30 feet above the main roof. The flue lining was not observable. There are chimney extensions above the main roof of varying heights which serve active fireplaces in the building. As part of the Renovations, the existing chimney flues will be smoke tested and sleeved if required and raised to legal heights.

d. Terraces:

As part of the Building Renovations the wood deck will be eliminated.

e. Exterior Entrances:

The building entrance is on 68th Street. As part of the Building Renovations, the existing awning will be removed and replaced by new a metal and glass marquee and decorative metal and glass door which will be ADA compliant. New lighting will also be added. The drainage system is adequate.

f. Service Entrances:

There is a Cellar service entrance on the north side of the building at the cellar level, located in the rear yard. Access is only from Madison Avenue

1. Doors and frames: (see-2. below)
2. Gate: There are existing painted steel gate providing access to the rear yard from Madison Avenue. The gate hardware will be modified to provide free passage out to the sidewalk. The gates are in good condition. Lighting and drainage is adequate.

g. Roof and Roof Structures:

1. Type of existing roof in each area:
   As part of the Building Renovations, the main and bulkhead roofs will be replaced with new insulation and IRMA 10-year roof system.

2. Drains:
   There are existing roof drains typically at all roofs, except at Penthouse and service elevator machine rooms which have scuppers and leaders to the main roof level. They are open drains, some of which have cast iron grate covers. The drains are in fair condition. Gutters and downspouts are in good condition.

3. Skylights:
   There are existing skylights located above the interior public stairs and over the elevator machine rooms. The skylights are in poor condition. Where any existing skylights are to remain, the Sponsor will replace cracked or broken skylight glass.

4. Bulkheads:
   Existing Penthouse, stair bulkheads and elevator bulkheads are clad with sheet copper wall panels attached to masonry walls. The cladding will be replaced.

5. Metal Work at Roof Levels:

   As part of the Building Renovations, all metal work shall be replaced.

   There are existing painted steel ladders which serve to connect the main roof level with the Penthouse and Bulkhead roofs.

   There are no roof hatches.

As part of the Building Renovations, new steel dunnage will be added for a new cooling tower.

h. Fire Escapes:

There is a painted steel fire escape at the top five floors on the south side of the building in the courtyard. As part of the Building Renovations it will be scraped and painted.

i. Yard and Courts:

There is an entry court two steps up from sidewalk level on the 68th Street side of the building. There is a rear yard and partial side yard on the north and east sides of the building, both at the cellar level. There are several windows and a door at the cellar level on the north and east elevations. The rear yard is accessed via a concrete walk off of Madison Avenue leading to a metal stair down to the cellar level and also serves as egress from the Cellar level.

1. The rear and side yard walking surface is concrete slab on grade, and is in fair Condition. It will be patched where required to match existing.
2. Drainage at the yards is via area drains which are adequate.
3. There is a one-story cellar roof extension at the north east corner of the building that projects into the rear yard. A painted metal exterior stair connects the rear yard to the roof of the extension which is at sidewalk level. A second painted exterior metal stair extends down from the exit of the second floor egress passage to the same extension roof, and then connects to the exterior walkway which leads out to the street.
4. As part of the Building Renovations, new lighting will be added to the East 68th Street courtyard. The lighting in the rear courtyard is adequate.

j. Interior Stairs:

There are two public stairs in the building, one in the east wing and one in the west wing. The stairs are accessed from service hallways which serve two apartments at each floor level. The east stair extends up to the 12th floor and terminates at the main 1st floor lobby. The west stair extends up to the 12th floor and terminates at the second floor where it connects to an egress passage which exits at the north side of the building. Neither stair continues down to the cellar. There is a third interior stair located in the Lobby which only connects to the cellar.

The stairs are constructed of metal pan with concrete fill. The stringers, risers, guard rails and railing pickets are all constructed of steel. All have paint finishes. The stairs are in fair condition.

k. Interior Doors and Frames:

As part of the Building Renovations, all apartment (except occupied units); entrance and service stair doors shall be replaced with fire rated hollow metal doors and frames, inclusive of code compliant hardware.

l. Elevators:

1. Number and Type

There are two manual service elevators and two automatic passenger elevators in the building (one passenger elevator and one service elevator are located in each section of the building). The elevators in each wing serve only that wing of the building as there is no connection by public hall between them except at the Cellar, First Floor Lobby and 7th Floor. Within each wing, the passenger elevator and service elevator run independently. As part of the Building Renovations, the two Service elevators will be completely replaced with new 350 fpm geared traction type elevators. The passenger elevators were overhauled in 2010. As part of the Building Renovations, all open violations will be closed. There will be maintenance contracts for all of the elevators.

2. Manufacturer and Capacity

The passenger elevators have a capacity of 2,000 lbs. and 13 persons. The service elevators have a capacity of 2,000 lbs.

3. Operation

The passenger elevators are simplex full collective operation. The service elevators are manual simplex operation.

4. Controls

The two existing passenger elevators are automatic. The two existing service elevators are automatic or can be run independently.

5. Floors Served

The existing passenger and service elevators currently serve the Cellar through 12th Floors (13 landings).

6. Type

All elevators are under slung traction type.

7. Doors

The existing passenger elevator doors are single speed, side opening doors. The service elevator doors are manually operated by an attendant.

8. Location of Machine Rooms

The existing machine rooms for both the passenger and service elevators are currently located at the Cellar level.

9. Motors

The existing passenger elevator machines and new service elevator machines are AC drive motors.

10 Elevator Cabs

The new passenger elevator cabs are of custom manufacture with wood wall paneling and stone tile floors which are in fair condition.

2. Auxiliary Facilities:

1. Laundry Rooms:

There will be one common laundry room located in the cellar for use by Residential Unit Owners when project is complete. The Sponsor plans to reconfigure and renovate the laundry room. The common laundry room will house four stacking smart card-operated washers/dryers, and one smart-card operated large-load washer and one smart-card operated large load dryer. All washers and dryers will be commercial units operated by an outside vender, which will lease same to Condominium. The laundry room will be mechanically ventilated. The dryers, which are gas operated, will be vented to the exterior.

2. Children's Playroom:

There will be one common playroom located in the cellar for use by all Residential Unit Owners.

3. Exercise Room:
There will be one common playroom located in the cellar for use by all Residential Unit Owners.

4. Storage Rooms:
As part of the Building Renovations there will be a storage room created in the Cellar consisting of approximately 465 square feet which will have twenty individual wire mesh storage bins.

5. Package Room:
There is no package room in the Building.

For details about Plumbing and Drainage, Heating, Gas Supply, Air Conditioning, Ventilation, Electrical System, Intercommunication and/or Door Signal Systems, and Public Area Lighting, see the report by I.M. Robbins + Associates in Part 4A.

(j) Garages and Parking Areas
There is no on-site parking.

(k) Swimming Pool(s)
There are no swimming pools

(l) Tennis Courts. Playgrounds and Recreation Facilities
There are no tennis courts on the premises.

(m) Permits and Certificates
Building Permits will be or have been obtained for the Renovations and the Unit Renovations including, without limitation the combining of vacant apartments, electrical upgrades, installation of new air conditioning units, asbestos abatement, plumbing alterations and elevator upgrades. The Certificate of Occupancy will be obtained from the NYC Dept. of Buildings. Inspections

will be made by the NYC Dept. of Buildings. Special Inspections will be made by a licensed engineer or architect.

(n) Violations

Please refer to Addendum III "Violations listed as active by the NYC Dept. of Buildings"

(o) Unit Information

Ten of the occupied apartments have been observed.

a. Type and Grade of Finish Material

Floors are generally existing oak parquet in fair to poor condition. Other floor finishes vary but are generally existing ceramic tile floors, bases and wainscots in bathrooms, resilient tile in kitchens. The existing painted plaster walls are generally in fair condition.

b. Bathroom Fixtures:

Typical bathroom fixtures include existing tub, lavatory and water closet. Some units may have showers. The fixture manufacturers vary from apartment to apartment, and the fixture conditions vary from good to poor in the apartments observed.

c. Bathroom Accessories:

Generally, typical bathroom accessories include a recessed and/or wall-mounted soap dish at the sink, a recessed or wall-mounted medicine cabinet, a recessed soap holder at the tub, and a recessed toilet paper holder. The condition of these accessories varies from fair to poor in the apartments observed.

d. Kitchen Equipment:

The occupied apartments include a variety of appliances of varying ages and conditions.

- Sink: Elkay Model #LR22193 SS sink or equal.
- Range: GE Model #RGA724EKWH or equal.
- Microwave: GE Model #JXA019K or equal.
- Refrigerator: GE Model #GTH18EBCWW or equal.
- Dishwasher: GE Model #JEM25DMWW or equal.

(p) Finish Schedule of Spaces Other Than Tenant and Retail Units

ROOMS	FLOOR	WALLS	CEILING	REMARKS
Cellar (general)	Ptd. Concrete	Ptd.Plaster/GWB	Ptd. Concrete	
Meter Rooms	Ptd. Concrete	Ptd. Plaster	Concrete	
Boiler Room	Concrete	Ptd. Conc/Plaster	Concrete	
Tenant Storage	Concrete	Ptd. Conc/plaster	Ptd. Concrete	
Laundry Room	Resilient Tile	Ptd. Conc/plaster	Ptd. Concrete	
Resident Restroom	C.T.	Ptd. GWB/C.T.	Ptd. GWB	

Supt. Office	Resilient Tile	Ptd.Plaster/GWB	Ptd. Concrete	
Staff Locker Room	C.T./Resilient Tile	Ptd.Plaster/GWB	Ptd. Concrete	
Public Stairs	Ptd. Concrete	Ptd. Ptd. Plaster, W.C.	Ptd. Concrete	Ptd. Metal railings
Main Lobby	Stone Tile	Wd/Stone panels	Ptd. Plaster	
Existing Public Halls		W.C.	Ptd. GWB/ Plaster	

KEY:	Ptd. = Painted	Conc. Blk = Concrete Block
	C.T. = Ceramic tile	GWB= Gypsum Wall Board or Cement Board
	W.C. = Wallcovering	

RESIDENTIAL UNIT INFORMATION

Unit	Number Bedrooms (BR) / Bathrooms (BA) (2)	Unit Square Footage (1)
2A EAST	3BD/3.5BA	2519
2 WEST	5BD/5.5BA	3838
2C EAST	1BD/1BA	791
2E	1BD/2BA	1252
3 EAST	6BD/5.5BA	4598
3 WEST	5BD/5.5BA	3838
4A EAST	5BD/2.5BA	2453
4 WEST	5BD/5.5BA	3838
4C EAST	2BD/2.5BA	2144
5A EAST	3BD/3BA	2453
5B WEST	3BD/3BA	2292
5C EAST	2BD/2BA	2144
5D WEST	2BD/1.5BA	1516
6 EAST	6BD/5.5BA	4597
6 WEST	4BD/4.5BA	3839
7A EAST	3BD/3.5BA	2732
7B WEST	3BD/3.5BA	2468
7C EAST	2BD/2.5BA	1785
7D WEST	1BD/1.5BA	1201
7J	0BD/1BA	294
8A EAST	3BD/3.5BA	2519
8 WEST	5BD/4.5BA	3847
8C EAST	3BD/2.5BA	2135
9 EAST	5BD/5.5BA	4595
9B WEST	3BD/3BA	2322
9D WEST	3BD/2BA	1525
10 EAST	5BD/5.5BA	4596
10B WEST	3BD/3.5BA	2292
10D WEST	3BD/2BA	1503
PH EAST	5BD/7.55BA	6758
PH WEST	6BD/6.55A	6189
Residential Unit Sub Total		**88,873**
Commercial Unit Sub Total		**7,525**
	TOTALS	**96,398**

NOTE: Floor to ceiling height is approximately 10'-0" unless otherwise noted. Number of rooms is based on the Real Estate Board of New York Standards. Floor areas of units are approximate.

Unit Boundaries

For measurement purposes the approximate square foot area of each Residential Unit is measured horizontally on each of one or more floors from the exterior side of the exterior wall of the Building to the midpoint of the interior walls and partitions separating one Unit from another Unit, or the Midpoint of the interior walls and partitions separating a Unit form public corridors, stairs, elevators and other mechanical equipment spaces or any Common Element or Limited Common Elements or to the opposite exterior side of the exterior walls of the Building, as the case may be. Columns, mechanical pipes and chimney flues (whether along the perimeter or within the Unit) are not deducted from the square foot area of the Units. Each Unit is measured vertically from the top of the floor slab below (located under the finished flooring and sub floor materials) to the underside of the floor slab above.

For measurement purposes the approximate square foot area of the Commercial Unit consists of the area measured horizontally on each of one of one or more floors from the exterior side of the exterior walls of the Building to the midpoint of the interior walls and partitions separating the Unit from corridors, stairways, elevator shaft, other General Common Elements, Limited Common Elements or other Units, or to the opposite exterior side of the exterior walls of the Building, as the case may be. Columns and mechanical pipes (whether along the perimeter or within the Unit) are not deducted from the square foot area of the Units. Measured vertically, the Commercial Unit will consist of the volume from the top of the floor slab below (located under the finished flooring and sub floor materials) to the underside of the floor slab above. Doors, windows and skylights which open from or form the border of a Unit shall be deemed part of the Unit.

Any mechanical equipment located outside a Unit which only services a particular Unit, such as the air conditioning equipment for a Commercial Unit or Residential Unit, shall be a fixture which is the personal property of the Unit Owner of the Unit it services. Such Unit Owner shall be responsible for the cost of any maintenance, repair or replacement of such mechanical equipment not provided for in a service contract that covers all Units.

Any Common Elements located within a Unit will not be considered a part of such Unit.

(y) Safety and Warning Devices

Smoke detectors and carbon monoxide detectors are required to be installed in all existing apartments in accordance with New York City requirements. All renovated apartments will have smoke detectors and carbon monoxide detectors installed. For further details about safety and warning devices in common areas of the building, see the report by I.M. Robbins + Associates in part 4A.

(ab) Further Development

The performance of the Building Renovations and Unit Renovations will occur while the Building is occupied. The Building Renovations and Unit Renovations will comply with New York City's requirements for tenant safety and the construction documents will be so noted. A copy of the Tenant Protection Plan prepared by a licensed engineer and approved by the New York City Building Code, is attached as Addendum IV.

(ac) Asbestos

The performance of the Building Renovations and Unit Renovations will occur while the Building is occupied. The Building Renovations and Unit Renovations will comply with New York City's requirements for tenant safety and the construction documents will be so noted. A copy of the Tenant Protection Plan prepared by a licensed engineer and approved by the New York City Building Code, is attached as Addendum IV.

(ac) Asbestos

For details see the Asbestos Containing Material Survey Report, dated January 12, 2012, prepared by GAC Environmental, Inc. contained in Part II of the Offering Plan. In general, all asbestos containing material will be either encapsulated or abated in areas impacted by Building Renovations and Unit Renovations.

(ad) Lead-based Paint

There are no outstanding violations or reports regarding lead-based paint. However, due to the age of the building, there is a distinct possibility that lead-based paint exists in the building. In apartments to be renovated, the Sponsor will treat and/or remove areas of lead-based paint in accordance with New York City requirements.

By: _____
Richard Metsky
Beyer Blinder Belle Architects and Planners, LLP
Principal

Document 4A

Plumbing and Drainage:

(1) Water Supply: Potable water is supplied via New York City public water system. A 4" domestic water service is provided from 68th Street. The water pressure is 35 psi at the top most plumbing fixtures in the building and maintained by means of an automatic constant pressure booster system located in the Cellar. The booster system includes two pumps and automatic pressure controls to maintain water pressure within the code required limits. Riser Distribution shall be upfeed for entire building with valved outlets for each apartment unit. There is a single water meter for all Residential Units.

a. Domestic Water piping shall be "L" Copper, and be sized as per NYC Plumbing Code 2008
b. Backflow Preventers shall be installed in Cellar Water Meter room.
c. Main Shut-off valve for the building shall be located in Cellar Water Meter Room.
d. Supply piping shall be all copper and pressure tested. Any leakage shall he fixed and repaired.
e. Hot and Cold Water lines shall be insulated as per NYC Plumbing Code 2008
f. No lead or Galvanized piping shall be used in the domestic water system. g. Piping joints on domestic system shall be lead-free soldered joints.
h. Booster pump system and Fire pump shall be new installation.

(2) Fire Protection System: The building is partially sprinkled (cellar & 1st floor retail) via a combination standpipe and wet sprinkler system in accordance with New York City Building Code and NFPA 13. One standpipe riser is located in each stair enclosure and one sprinkler riser is located in the trash chute. A drain riser is provided in accordance with code. Siamese connections are provided as required by New York City Building Code. Water for the system is provided through one 6" dedicated Standpipe and sprinkler water service connected to the City water main from 68th Street. A 750 GPM automatic fire pump controller power wiring is tapped ahead of the main electrical service switch, and supplements pressure for the fire protection system.

i) Two (2) standpipe risers are located in the main fire stair enclosures. The risers are 4" in diameter and is part of a standpipe system.

ii) Hose racks, hoses and nozzles location: A lobby hose cabinet with necessary devices and 375' hose is provided in the main lobby stair vestibule in accordance with NYC building code and fire department. A fire department hose valve connection shall be provided at each floor within the stair.

iii) Sprinkler heads are Reliable Sprinkler Company's (or equal) concealed, pendant,

sidewall or upright configuration as required to meet space conditions.

iv) Two (2) flush mount Siamese connection, 3" x 3" x 6" is located at the grade level in accordance with New York City Building Code.

(3) Water Storage Tank(s) and Enclosures: There are no water storage tanks.

(4) Water Pressure and How Maintained: The domestic water pressure is maintained by means of an automatic constant pressure booster system. The fire protection water pressure is maintained by an automatic fire pump.

(5) Sanitary Sewage System: There is one (1) combined sanitary sewer/storm connection located on 68th Street.

i) Sanitary piping is no-hub cast iron above grade and hub spigot with neoprene joints below grade. Piping shall be new connected to all new fixtures.

ii) A Duplex sewage ejector is provided to drain sewer system that cannot drain into the gravity system. Sewage pumps shall be new and minimum capacity of 50 GPM.

iii) The building from the Cellar up is connected to the municipal combined sewer system and flows by gravity out to the street main.

(6) Permits Required: The sewer connections are existing and will be reused.

(7) Storm Drainage System: Storm water is collected by means of a series of roof-mounted drains and a cast iron no-hub piping system that is located in the building interior, and disposed of into the public combined sanitary/storm water system.

Heating:

(1) Domestic Hot Water: Domestic hot water is provided by means oftwo (2) Aerco Smartplate Double wall Heat Exchangers, manufactured by AERCO located in the Boiler Room. Each heater is capable of producing 1,200 gallons per hour. Domestic hot and cold water is distributed to each Residential Unit by means of type "L" copper pipe distribution system. Hot Water Temperature shall be maintained at 120 degrees F. All hot water piping system shall be insulated with fiberglass pipe insulation with thickness as per l"-.'"YC Plumbing Code 2008.

(2) HVAC Hot Water Heating: HVAC Heating for Building shall be provided by two (2) AERCO BMK-3.0 LN-GWBGas Fired Condensing Boilers. Boilers shall be new installation.

(3) Gas: The Heating *I* Hot Water Boiler plant shall be provided with natural gas supplied by public utility through a schedule 40 steel pipe distribution system.

Gas Supply:

(1) Gas for gas fired equipment is provided by means of a schedule 40 steel piping distribution system in accordance with New York City Building Code and NFPA 54.

Air Conditioning and Ventilation:

(1) The heating plant consists of modular high efficiency boilers manufactured by AERCO BMK-3.0 LN-GWB, and are located in the Cellar Boiler Room, and are designed to provide heating hot water to accommodate the building heat losses. Each boiler is fitted with a flow control and automatic isolation valve, and computerized control system to maintain ASHRAE design temperatures as per ASHRAE-90.1.

(2) Boiler room will include the hot water boilers, associated hot water pumps, condenser water pumps, plate frame heat exchangers, and domestic smartplate heat exchangers.

(3) The Residential Unit heat pumps shall be manufactured by Climate Master and shall be all new installation. They shall be fed by (1) low profile Evapco Cooling Tower located on the open mechanical equipment roof area. Cooling Tower shall be new installation and a minimum of 200 Tons and shall be manufactured by EVAPCO. Cooling Tower life expectancy with proper maintenance and treatment is approximately 20 years

(4) The boiler plant sequencing is controlled by a control panel furnished by the boiler manufacturer and includes a communication interface to allow for remote monitoring by the buildings Building Management System (BMS) head-end PC.

(5) The cooling tower, condenser water pumps, hot water pumps, and exhau+s

t fans are controlled by direct digital controls which are connected to the facilities Building Management System head-end PC.

(6) Heat pumps are provided for each Unit. The heat pumps are controlled locally via a programmable thermostat.

(7) Each Residential Unit is provided with fresh air for each perimeter room through the use of operable windows. Each Residential Unit bathroom is ventilated by a toilet exhaust system; this system terminates at the roof with an exhaust fan. The bathrooms are exhausted at the code-required rate of 50 CFM per water closet. Residential Units' range hoods are exhausted via kitchen exhaust risers. Fresh air makeup shall be provided for new apartments. Residential Unit dryers shall be exhausted via dryer exhaust riser and roof exhaust fans. Ventilation system shall be new installation.

(8) The corridors of the building shall be provided with ventilation as per NYC Code.

(9) The common areas of the building are heated and air-conditioned by water cooled heat pumps. The heat rejection is to Cooling Tower located on the roof. The units are controlled by direct digital controllers which are connected to the facilities BMS head- end PC. Dedicated exhaust

type ventilation systems are provided for trash rooms, electric rooms, storage rooms, etc. The common exhaust system fans for these locations are located on the roof of the building.

(10) Vertical shafts including stairs will be provided with openings at the roof for smoke venting. In addition all elevator shafts will be provided with smoke venting.

(11) O& M Manuals, and HVAC Testing & Balancing Reports shall be made available to the Condominium Ownership for use by the Building Management.

(12) All piping shall be insulated as per NYC Building Mechanical Code 2008.

(13) Rooftop Equipment shall be provided with pads and vibration isolation for proper noise attenuation.

(14) Rooftop Equipment shall be protected from corrosion. Dunnage shall be new installation

(15) All rooftop piping to the Cooling Tower shall be insulated and heat traced

Electrical:

(1) The main electrical service enters the building underground from East 68th street. The service has the capacity of 4,000 amps at 208 volt, 3-phase. Fused switches in accordance with the New York City Electrical Code shall protect the wiring. There is one (1) meter room located in the cellar switchgear room floor, which contains the electric meters for all Residential Units. Two (2) 1,200-amp, 208-volt, 3-phase meter banks serve the Residential Units. Separate main disconnect switches and metering equipment are provided for the Residential building house loads, and for the Commercial Unit.

(2) Each Residential Unit [has a forty-two (42) pole panel, which contains approximately one (1) circuit for each air conditioning unit, appliance circuits, one (1) dishwasher circuit, one (1) microwave oven circuit and several general lighting circuits as required. Amperage capacity shall be as per NYC Electrical Code 2008 and latest NEC Code 2008. Wiring shall be all new for new apartment units. Each Residential Unit Owner is separately metered and shall pay actual usage charges directly to Con Ed on approved Utility Electric rates.

(3) Arc Fault Circuit Interrupters (AFCI) shall be provided as per latest NEC 2008 requirements.

(4) Each Residential Unit has ceiling mounted lights in the entry, corridors, kitchens and living rooms. Switched outlets are provided in each bedroom and living room. General outlets are provided in each room as required by the NEC.

(5) Intercommunication with Residential Units is provided via video-intercom system provided by the Building Owner. Entry door buzzer at entrance to each Residential Unit is included. System installed shall be new installation.

(6) The building is equipped with alarm monitoring electronic access and CCTV video surveillance system for the entrances, lobby, and below grade common corridors. The security and operations of the building is further enhanced by a video intercommunications system that connects Residential Units, front desk/concierge, and visitors at building entrances.

(7) Each Residential Unit is provided with a cabling system capable to support telephone, video, broadband data and television services.

(8) Ground fault circuit interrupters have been provided to all areas where they are required by code.

TV / AV:

(1) Television systems consist of empty conduit risers for Cable T.V./internet. Riser cabling, communication boxes, and communication equipment is to be provided by local providers. Each Unit has dedicated cable and IT runs to a local demark box n the unit and then to the riser cable interface location in the core service closet.

(2) The system shall be capable of accommodating variety service providers such as: cable television (CATV), satellite (SATV), Direct TV, etc.

Public Area Lighting:

(1) All street level entrances to the buildings and units have been provided with light fixtures. The corridors have been provided with light fixtures. The lobby is provided with a combination of ceiling mounted and recessed fixtures. All lighting levels have been designed in accordance with the NYC Building Code and the Housing Maintenance Code. These fixtures have been wired to the Residential Common Elements meter.

(2) Public corridors from the cellar level through the 12th floor are lit by means of26-watt sconces with emergency battery packs as required to maintain NYC minimum two (2) foot-candles upon power failure.

(3) The building service rooms and stairwells are lit by means of standard fluorescent industrial type exposed surface mounted lights.

(r) General

The new building systems are designed in accordance with the 2008 N.Y.C Building Code.

ADDENDUM I
SUMMARY DESCRIPTION OF RENOVATIONS

1. Walls:

Based on five year cycle for required municipal reporting, ongoing façade inspections and repairs.

2. Windows:

As part of the Building Renovation the windows are all being replaced. All windows with the exception of those in the egress stairs will be double hung wood windows by Parrett Windows. Windows in the stair will be of non-combustible material these are thermally broken aluminum hung windows manufactured by Champion. The windows are installed in the original wood frames as were the previous replacement. All existing wood will be covered with sealed ornamental metal panning. Existing masonry sills are being repaired under the masonry scope of work. The proposed penthouse windows and doors will be formed bronze framing with double-glazed insulated clear glass.

3. Proposed Terrace Railings:

Perimeter railings at the proposed Penthouse terraces will be 42" high minimum.

4. Proposed Terraces:

Roof terraces (12th Floor) associated with the proposed Penthouse apartments will receive pavers on pedestals over a new roof membrane system. The existing parapets and copings are as described under "Existing Parapets and Copings" above.

5. Proposed Exterior Entrance:

The Sponsor proposes to add a glass and bronze metal balanced entry door assembly of the main building entrance in the courtyard accessed from 68th street. The existing canvas canopy on metal supports and posts will be removed.

1. The Sponsor will provide new recessed mailboxes in an alcove off of the Lobby for all of the Residential Units.
2. Existing exterior lighting will remain to illuminate the entry courtyard.

6. Proposed Roof and Roof Structures:

1. Type of existing roof in each area:

The existing roofing at all roof sections is built-up roofing. The Sponsor intends to replace roofing at the 11th Floor roof, on the roof bulkheads where HVAC will be installed, and at the 12th Floor Roof with a new built-up roofing system.

New sections of roofing will receive a mineral surfaced capsheet installed in conjunction with the new roof system. Areas designated as roof terraces will receive new pavers on a system of pedestals which allows water to flow to the roof drains.
New roof sections will have a 20 year guarantee.

New flashing in the areas of roof replacement will be copper.

2. Proposed Drains at new roofs:

At the Penthouses and bulkheads described, new copper leaders and scuppers if required will be copper.

3. Proposed Skylights:

As part of the proposed Penthouse work, new metal and wire glass skylights will be provided over stairs. The existing skylights over the elevator machine rooms will be removed and replaced with louver vents. New skylights will be constructed of galvanized steel and glazed with wire glass.

5. Metal Work at Roof Levels:

Existing exterior service ladders will be replaced with new ships ladders and landings to provide access to reconfigured elevator machine rooms.

There are existing steel vertical ladders which serve to connect the main roof level with the Penthouse and Bulkhead roofs. The ladders are in poor condition and will be replaced with ship ladders with platforms.
Perimeter railings at proposed Penthouse unit terraces will be metal were required.

6. New Interior Doors and Frames:

Renovated apartments will receive new "kalamein" doors in the existing frames, which will be repaired as necessary. Doors and frames at the Penthouse apartments will be fire-rated, self-closing metal.

7. Modernization of Elevators:

a. Manufacturer and Capacity

The elevators, which were manufactured by The Otis Company, were originally installed when the building was built. Each passenger elevator will have a capacity of 2,000 lbs. and 13 persons. Each service elevator will have a capacity of 2,000 lbs.

b. Operation

The passenger elevators **(PE-1 and PE-2)** will be simplex full collective operation. The service elevators **(SE-1 and SE-2)** will also be simplex full collective operation.

c. Controls

The converted passenger and service elevators will have automatic operation.

d. Floors Served

The service elevators will serve the Cellar through 12th Floors (13 landings). The passenger elevators to serve the Cellar through the 12th Floor (13 landings).

e. Type

All elevators will be overhead traction type.

f. Doors

The passenger and service elevator doors will be replaced and will be single speed, side opening doors.

a. Motors

The existing machines will be replaced at all elevators for new AC drive motors.

b. AC Motor-Generator

The Sponsor has retained Jenkins and Huntington Inc. as Elevator Consultant, and they will provide specifications and drawings for the elevator work

g. Elevator Cabs

The service elevator cabs will remain. The Sponsor intends to provide new cab finishes at the new passenger elevators. The finishes will include new stone tile, wood paneling on walls, metal ceiling panels and new lighting (Owner confirm).

At the completion of the elevator upgrade work, there will be alarm switches, emergency stop buttons, automatic dialing hands-free telephone and door sensors for all elevators.

8. Unit Renovation:

a. All units to be renovated will be completely modernized with all existing wall, floor, ceiling finishes to be removed and replaced with new painted gypsum wall board walls with wood paneling at select locations, herringbone hardwood oak flooring, and painted suspended gypsum wall board ceilings. All existing mechanical, electrical, and plumbing systems to be replaced. All existing bathroom and kitchens to be removed and replaced with new assemblies. All existing doors and frames to be replaced with new wood frames and solid core wood panel doors.

b. Bathrooms:

i. Plumbing Fixtures: See schedule below.

Master Bathrooms
Toilet: Duravit Happy D Fixtures
Bathtub: Kohler Tea for Two
Faucets: Waterworks Opus Collection
Vanities: Custom

Secondary Bathrooms
Toilet: Duravit Happy D Fixtures
Bathtub: Kohler Tea for Two
Faucets: Waterworks .25 Collection
Vanities: Custom

c. Kitchens:

i. Appliances: See schedule below.

A/C TYPE APARTMENT

	Brand	Model #	Description
REFRIGERATOR	SUB ZERO	736TR	36" BUILT IN ALL REFRIGERATOR
FREEZER	SUB ZERO	IC-27-FI	27" BUILT IN FREEZER
OVEN	GAGGENAU	BX281630	30" DBL WALL OVEN
WARMING DRAWER	GAGGENAU	WS282730	30" WARMING DRAWER
RANGE	WOLF	R366	36" GAS RANGE
RANGE HOOD	WOLF	PW362718	36" PRO 27 DEEP HOOD
DISHWASHER	MIELE	G5975SCVI	24" DISHWASHER
WINE COOLER	GAGGENAU	RW404760	24" WINE COOLER
MICROWAVE	GAGGENAU	BM281730	MICROWAVE
GARBAGE DISPOSAL	ISE	EVOL. EXCEL	1 HP CONTINUOUS FEED DISPOSER
WASHER	SAMSUNG	WF520ABP	27" WASHER
DRYER	SAMSUNG	DV520AEP	27" 208V ELECTRIC VENTED DRYER

B/D TYPE APARTMENT

REFRIGERATOR	SUB ZERO	736TR	36" BUILT IN ALL REFRIGERATOR
FREEZER	SUB ZERO	IC-27-FI	27" BUILT IN FREEZER
OVEN	GAGGENAU	BX281630	30" DBL WALL OVEN
WARMING DRAWER	GAGGENAU	WS282730	30" WARMING DRAWER
RANGE	WOLF	SRT366	36" SEALED BURNER RANGE TOP
RANGE HOOD	WOLF	PW362718	36" PRO 27 DEEP HOOD
DISHWASHER	MIELE	G5975SCVI	24" DISHWASHER
WINE COOLER	GAGGENAU	RW404760	24" WINE COOLER
MICROWAVE	GAGGENAU	BM281730	MICROWAVE
GARBAGE DISPOSAL	ISE	EVOL. EXCEL	1 HP CONTINUOUS FEED DISPOSER
WASHER	SAMSUNG	WF520ABP	27" WASHER
DRYER	SAMSUNG	DV520AEP	27" 208V ELECTRIC VENTED DRYER

A TYPE APARTMENT

REFRIGERATOR	SUB ZERO	736TR	36" BUILT IN ALL REFRIGERATOR
FREEZER	SUB ZERO	IC-27-FI	27" BUILT IN FREEZER
OVEN	GAGGENAU	BX281630	30" DBL WALL OVEN
WARMING DRAWER	GAGGENAU	WS282730	30" WARMING DRAWER

RANGE	WOLF	SRT366	36" SEALED BURNER RANGE TOP
RANGE HOOD	WOLF	PW362718	36" PRO 27 DEEP HOOD
DISHWASHER	MIELE	G5975SCVI	24" DISHWASHER
WINE COOLER	GAGGENAU	RW404760	24" WINE COOLER
MICROWAVE	GAGGENAU	BM281730	MICROWAVE
GARBAGE DISPOSAL	ISE	EVOL. EXCEL	1 HP CONTINUOUS FEED DISPOSER
WASHER	SAMSUNG	WF520ABP	27" WASHER
DRYER	SAMSUNG	DV520AEP	27" 208V ELECTRIC VENTED DRYER

B TYPE APARTMENT

REFRIGERATOR	SUB ZERO	700TR	27" ALL REFRIGERATOR
FREEZER	SUB ZERO	IC-27-FI	27" BUILT IN FREEZER
RANGE	WOLF	R366	36" GAS RANGE
RANGE HOOD	WOLF	PW362718	36" PRO 27 DEEP HOOD
DISHWASHER	MIELE	G5975SCVI	24" DISHWASHER
WINE COOLER	GAGGENAU	RW404760	24" WINE COOLER
MICROWAVE	GAGGENAU	BM281730	MICROWAVE
GARBAGE DISPOSAL	ISE	EVOL. EXCEL	1 HP CONTINUOUS FEED DISPOSER
WASHER	SAMSUNG	WF520ABP	27" WASHER
DRYER	SAMSUNG	DV520AEP	27" 208V ELECTRIC VENTED DRYER

2C APARTMENT

REFRIGERATOR	SUB ZERO	BI30U	30" OVER UNDER REFRIGERATOR
RANGE	BERTAZZONI	X244GGVX	24" GAS RANGE
RANGE HOOD	BERTAZZONI	KU24PROX	24" VENTED HOOD
DISHWASHER	MIELE	G5975SCVI	24" DISHWASHER
MICROWAVE	GAGGENAU	BM281730	MICROWAVE
GARBAGE DISPOSAL	ISE	EVOL. EXCEL	1 HP CONTINUOUS FEED DISPOSER
WASHER	BOSCH	WAS24460UC	24" 208V WASHER
DRYER	BOSCH	WTE86300US	24" 208V VENTLESS DRYER

4C APARTMENT

REFRIGERATOR	SUB ZERO	700TR	27" ALL REFRIGERATOR
FREEZER	SUB ZERO	IC-27-FI	27" BUILT IN FREEZER
RANGE	WOLF	R366	36" GAS RANGE
RANGE HOOD	WOLF	PW362718	36" PRO 27 DEEP HOOD
DISHWASHER	MIELE	G5975SCVI	24" DISHWASHER
WINE COOLER	GAGGENAU	RW404760	24" WINE COOLER
MICROWAVE	GAGGENAU	BM281730	MICROWAVE

GARBAGE DISPOSAL	ISE	EVOL. EXCEL	1 HP CONTINUOUS FEED DISPOSER
WASHER	SAMSUNG	WF520ABP	27" WASHER
DRYER	SAMSUNG	DV520AEP	27" 208V ELECTRIC VENTED DRYER

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Job Overview

Premises: 814 MADISON AVENUE MANHATTAN **BIN: 1041253 Block: 1383 Lot: 13**

To start overview at new date, select Month: Jan Day: 01 Year: 2012

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FILE DATE	JOB #	DOC #	JOB TYPE	JOB STATUS	STATUS DATE	LIC #	APPLICANT	IN AUDIT	ZONING APPROVAL
02/01/2012	120959560	01	A2	R PERMIT-ENTIRE	11/19/2012	0009360 RA	BEYER		NOT APPLICABLE
	REMOVE AND INSTALL NEW INTERIOR PARTITIONS AS SHOWN ON DRAWINGS FILED HERE Work on Floor(s): PEN								
04/24/2012	121052092	01	A2	R PERMIT-ENTIRE	07/03/2012	0018424 RA	STRAUSS		NOT APPLICABLE
	REMOVAL AND INSTALLATION OF INTERIOR NON LOAD BEARING PARTITIONS AND RELAT Work on Floor(s): CEL,001								
04/24/2012	121052092	02	A2	R PERMIT-ENTIRE	07/03/2012	0089379 PE	BERRY		NOT APPLICABLE
	MODIFICATION TO EXISTING HVAC SYSTEM AND PLUMBING FIXTURES AS PER PLANS FI Work on Floor(s): CEL,001								
04/24/2012	121052092	03	A2	R PERMIT-ENTIRE	06/25/2012	0079187 PE	CHEN		NOT APPLICABLE
	STRUCTURAL MODIFICATIONS AS PER PLANS FILED HEREWITH. NO CHANGE IN USE; EG Work on Floor(s): CEL,001								
05/31/2012	121072622	01	A3	R PERMIT-ENTIRE	05/31/2012	0085757 PE	PERDEK		NOT APPLICABLE
	INSTALLATION OF 323 LINEAR FEET OF HEAVY DUTY SIDEWALK SHED FOR BUILDING Work on Floor(s): OSP								
06/05/2012	121102412	01	A3	R PERMIT-ENTIRE	06/05/2012	0018424 RA	STRAUSS		NOT APPLICABLE
	INSTALLATION OF TEMPORARY CONSTRUCTION FENCE AS PER PLANS FILED HEREWITH. Work on Floor(s): 001								
06/26/2012	121126708	01	A2	R PERMIT-ENTIRE	07/31/2012	0018424 RA	STRAUSS		NOT APPLICABLE
	EXTERIOR RENOVATION AS PER PLANS FILED HEREWITH. NO CHANGE IN USE, EGRESS Work on Floor(s): CEL,001								
06/29/2012	121119119	01	A2	R PERMIT-ENTIRE	08/24/2012	0018928 RA	METSKY		NOT APPLICABLE
	FACADE MAINTENANCE AND REPAIRS WINDOW REPLACEMENT AS SHOWN ON DRAWINGS FIL Work on Floor(s): BSM 001 thru 011								
07/18/2012	121147712	01	SC	U COMPLETED	07/25/2012	0018928 RA	METSKY		NOT

APPLICABLE

CONDOMINIUM SUBDIVISION; NO WORK PROPOSED UNDER THIS APPLICATION. NO CHANG

08/14/2012 121342555 01 A2 R PERMIT-ENTIRE 11/07/2012 0018928 RA METSKY NOT APPLICABLE

REMOVE AND CONSTRUCT INTERIOR PARTITIONS, CEILINGS AND DOORS AS SHOWN ON
Work on Floor(s): 008

08/14/2012 121342555 02 A2 R PERMIT-ENTIRE 09/20/2012 0027841 PE ROBBINS NOT APPLICABLE

MODIFY HVAC DUCTWORK AS SHOWN ON DRAWINGS FILED HEREWITH. NO CHANGE IN USE
Work on Floor(s): 008

08/14/2012 121342555 03 A2 R PERMIT-ENTIRE 11/07/2012 0027841 PE ROBBINS NOT APPLICABLE

MODIFY PLUMBING FIXTURES AND RELATED PIPING AS SHOWN ON DRAWINGS FILED HER
Work on Floor(s): 008

08/14/2012 121339845 01 A2 R PERMIT-ENTIRE 11/07/2012 0018928 RA METSKY NOT APPLICABLE

REMOVE AND CONSTRUCT INTERIOR PARTITIONS, CEILINGS AND DOORS AS SHOWN ON
Work on Floor(s): 010

08/14/2012 121339845 02 A2 R PERMIT-ENTIRE 09/26/2012 0027841 PE ROBBINS NOT APPLICABLE

MODIFY HVAC DUCTWORK AS SHOWN ON DRAWINGS FILED HEREWITH. NO CHANGE IN USE
Work on Floor(s): 010

08/14/2012 121339845 03 A2 R PERMIT-ENTIRE 11/07/2012 0027841 PE ROBBINS NOT APPLICABLE

MODIFY PLUMBING FIXTURES AND RELATED PIPING AS SHOWN ON DRAWINGS FILED HER
Work on Floor(s): 010

08/21/2012 121351562 01 A2 R PERMIT-ENTIRE 11/07/2012 0018928 RA METSKY NOT APPLICABLE

REMOVE AND CONSTRUCT INTERIOR PARTITIONS, CEILINGS AND DOORS AS SHOWN ON
Work on Floor(s): 004

08/21/2012 121351562 02 A2 R PERMIT-ENTIRE 11/07/2012 0027841 PE ROBBINS NOT APPLICABLE

MODIFY PLUMBING FIXTURES AND RELATED PIPING AS SHOWN ON DRAWINGS FILED HER
Work on Floor(s): 004

08/21/2012 121351562 03 A2 R PERMIT-ENTIRE 09/12/2012 0027841 PE ROBBINS NOT APPLICABLE

MODIFY HVAC DUCTWORK AS SHOWN ON DRAWINGS FILED HEREWITH. NO CHANGE IN USE
Work on Floor(s): 004

08/22/2012 121119119 02 A2 P APPROVED 08/24/2012 METSKY NOT APPLICABLE

POST APPROVAL AMENDMENT FOR 01
Work on Floor(s): BSM 001 thru 011

08/24/2012 121353436 01 A3 R PERMIT-ENTIRE 08/24/2012 0086757 PE PERDEK NOT APPLICABLE

INSTALLATION OF A SINGLE 6000 LB CAPACITY HOIST DURING BLDG ALTERATION, FI
Work on Floor(s): OSP

08/28/2012 121169993 01 A2 J P/E DISAPPROVED 10/09/2012 0018928 RA METSKY NOT APPLICABLE

REMOVE AND CONSTRUCT INTERIOR PARTITIONS, CEILINGS AND DOORS AS SHOWN ON
Work on Floor(s): 008

08/28/2012	121169993	02	A2	J P/E DISAPPROVED	10/09/2012	0027841 PE	ROBBINS	NOT APPLICABLE
	MODIFY HVAC DUCTWORK AS SHOWN ON DRAWINGS FILED HEREWITH. NO CHANGE IN USE Work on Floor(s): 008							
08/28/2012	121169993	03	A2	J P/E DISAPPROVED	10/09/2012	0027841 PE	ROBBINS	NOT APPLICABLE
	MODIFY PLUMBING FIXTURES AND RELATED PIPING AS SHOWN ON DRAWINGS FILED HER Work on Floor(s): 008							
08/29/2012	121358627	01	A1	J P/E DISAPPROVED	11/19/2012	0018928 RA	METSKY	PENDING
	PROPOSED ENLARGEMENT OF CEL, 1ST, 12TH AND 13TH FLOOR AS SHOWN ON DRAWINGS Work on Floor(s): CEL,001,012,013							
08/31/2012	121361837	01	A3	R PERMIT-ENTIRE	09/04/2012	0086757 PE	PERDEK	NOT APPLICABLE
	INSTALLATION OF MOCK UP SCAFFOLD AS PER DRAWINGS, MOCK UP SCAFFOLD SHALL C Work on Floor(s): OSP							
09/14/2012	121377401	01	A2	R PERMIT-ENTIRE	11/07/2012	0018928 RA	METSKY	NOT APPLICABLE
	REMOVE AND CONSTRUCT INTERIOR PARTITIONS, CEILINGS AND DOORS AS SHOWN ON Work on Floor(s): 006							
09/14/2012	121377401	02	A2	R PERMIT-ENTIRE	10/11/2012	0027841 PE	ROBBINS	NOT APPLICABLE
	MODIFY HVAC DUCTWORK AS SHOWN ON DRAWINGS FILED HEREWITH. NO CHANGE IN USE Work on Floor(s): 006							
09/14/2012	121377401	03	A2	R PERMIT-ENTIRE	11/07/2012	0027841 PE	ROBBINS	NOT APPLICABLE
	MODIFY PLUMBING FIXTURES AND RELATED PIPING AS SHOWN ON DRAWINGS FILED HER Work on Floor(s): 006							
09/28/2012	121394080	01	A2	Q PERMIT-PARTIAL	11/13/2012	0018928 RA	METSKY	NOT APPLICABLE
	SELECTIVE REMOVAL AND INSTALLATION OF FINISHES AND PARTITIONS, DOORS FOR Work on Floor(s): CEL,006							
09/28/2012	121394080	02	A2	R PERMIT-ENTIRE	11/13/2012	0014019 PE	HAYDA	NOT APPLICABLE
	NEW SLAB OPENINGS FOR INFRASTRUCTURE UPGRADE AS SHOWN ON DRAWINGS FILED Work on Floor(s): CEL,ROF 001 thru 011							
09/28/2012	121394080	03	A2	R PERMIT-ENTIRE	11/13/2012	0027841 PE	ROBBINS	NOT APPLICABLE
	REMOVE AND INSTALL DUCTWORK, EQUIPMENT AND PIPING AS SHOWN ON DRAWINGS FI Work on Floor(s): CEL,ROF 001 thru 011							
09/28/2012	121394080	04	A2	P APPROVED	11/09/2012	0027841 PE	ROBBINS	NOT APPLICABLE
	INSTALL PLUMBING FIXTURES AND PIPING AS SHOWN ON DRAWINGS FILED HEREWITH. Work on Floor(s): CEL,ROF 001 thru 011							
10/03/2012	121398905	01	A2	R PERMIT-ENTIRE	11/28/2012	0018928 RA	METSKY	NOT APPLICABLE
	REMOVE INTERIOR FINISHES AND INSTALL NEW WALL, FLOOR AND CEILING FINISHES Work on Floor(s): 001							
10/03/2012	121398905	02	A2	R PERMIT-ENTIRE	11/28/2012	0027841 PE	ROBBINS	NOT APPLICABLE

INSTALLATION OF NEW HVAC UNITS AS SHOWN ON DRAWINGS FILED HEREWITH. NO CHA
Work on Floor(s): 001

10/04/2012	121394614	01	A3	P APPROVED	10/04/2012	0074760 PE PHILIBER	NOT APPLICABLE

TENANT PROTECTION PLAN
Work on Floor(s): 001 thru 011

If you have any questions please review these Frequently Asked Questions, the Glossary, or call the 311 Citizen Service Center by dialing 311 or (212) NEW YORK outside of New York City.

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NYC Department of Buildings

DOB Violations

Premises: 814 MADISON AVENUE MANHATTAN BIN: 1041253 Block: 1383 Lot: 13

NUMBER	TYPE	FILE DATE
V* 030910E9027/325583	DOB VIOLATION - DISMISSED	03/09/2010
V* 030910E9027/325585	DOB VIOLATION - DISMISSED	03/09/2010
V* 030910E9027/325582	DOB VIOLATION - DISMISSED	03/09/2010
V* 122910E9027/370291	DOB VIOLATION - DISMISSED	12/29/2010
V* 122910E9027/370292	DOB VIOLATION - DISMISSED	12/29/2010
V 112311E9027/400428	DOB VIOLATION - ACTIVE	11/23/2011
V 112311E9027/400429	DOB VIOLATION - ACTIVE	11/23/2011
V 112311E9027/400430	DOB VIOLATION - ACTIVE	11/23/2011
V 112311E9027/400431	DOB VIOLATION - ACTIVE	11/23/2011
V 040912LANDMK12-0809	DOB VIOLATION - ACTIVE	04/09/2012

Previous Next

Select Violation Type: Show All Violations Refresh

If you have any questions please review these Frequently Asked Questions, the Glossary, or call the 311 Citizen Service Center by dialing 311 or (212) NEW YORK outside of New York City.

TENANT PROTECTION PLAN
11 EAST 68th STREET

A tenant protection plan for the building has been established as per Directive 1 of 1996.

During the course of renovation, various control measures will be implemented to ensure that the building occupants' health and safety is not adversely affected by construction activity. This will be achieved using state of the art work practices, engineering controls and relocation of tenants whenever a work activity prohibits occupancy of areas affected by construction activity. Relocation of tenants is required under the current scope of work. Each potential hazard associated with this activity is addressed as follows:

Access

Two points of egress from the building for tenants and workers shall be maintained at all times. Corridors, passageways leading to the stairways shall not be obstructed. They will be illuminated at all times to provide egress from the building. Temporary passageways shall be properly lighted with egress signage and doors shall be made to accommodate the disabilities. All points of egress shall be properly labeled.

Stairways. Stairways of construction sites shall be provided, maintained, and made available for department use in accordance with the New York City Building Code and Fire Code.

Maintenance. Required means of egress shall be maintained during construction, alterations and demolition in accordance with the New York City Building Code and Fire Code.

Elevators. Elevators at construction sites shall be provided, maintained, and made available for department use in accordance with the New York City Building Code and Fire Code.

Drawings. See drawings for egress paths for tenants.

Egress Restrictions. Egress paths of egress utilized by tenants shall remain unobstructed and available for use at all times during construction activity.

Fire Safety

Buildings, structures, premises and facilities undergoing construction, alteration or demolition shall comply with the fire safety measures set forth in Chapter 11 of the New York City Fire Code, NFPA 241 and any other applicable city, state or federal fire code.

All materials utilized for the construction of temporary structures shall be fire retarded. Only fire retardant treated or not polyethylene sheeting and fire retardant treated lumber will be utilized to build containment barriers. A sufficient supply of fully charged, properly inspected fire extinguisher will be available at all times. At no time will any permanently installed fire suppression devices be disabled during the course of construction (e.g. sprinkler systems, fire alarm systems etc.)

Water supply. An approved water supply for fire protection, either temporary or permanent, shall be made available prior to hazardous materials or combustible material arriving at the site. Any water source intended for firefighting operations, including standpipe outlets, street hydrants and yard hydrants, shall not be used for construction, alteration or demolition purposes, unless approved.

Sprinkler systems. Sprinkler systems for use in construction sites shall be provided, maintained, and made available for department use.

Demolition operations. Where a building or structure with an existing standpipe system is being demolished, such system shall be maintained for the use of the department in accordance with the construction codes, including the Building Code.

Smoking. Smoking shall be prohibited at all construction sites. Signs shall be posted.

Open Fires. It shall be unlawful to ignite or maintain an open fire at a construction site.

Portable Fire Extinguishers. Buildings or structures under construction, alteration or demolition shall be provided with not less than one of the New York City Fire Code approved portable fire extinguisher in accordance with Section 906 and sized for not less than ordinary hazard as follows:

1. At each stairway on all floor levels where combustible materials are being stored or combustible waste is being generated.
2. At the entrance of each storage and construction shed.
3. Additional portable fire extinguishers shall be provided where flammable and combustible liquids are stored, handled and used.

Emergency telephone. A telephone not requiring a coin to operate, or other approved clearly identified means to notify the department, shall be provided at an approved location. The street address of the construction site and the emergency telephone number of the fire department shall be posted adjacent to the telephone or other approved device.

Fire Department access. Access for use of fire department apparatus shall be provided to the immediate job site at the start of the project and maintained until completion.

Fire Hydrants. Free access from the street to the fire hydrants and to outside connections for standpipes, sprinklers, or other fire extinguishing equipment, whether permanent or temporary, shall be provided and maintained at all times.

Protective pedestrian walkways shall not be constructed so that they impede access to hydrants.

No material or construction shall interfere with access to hydrants, siamese connections, or fire extinguishing equipment.

Drawings. See drawings for fire safety components.

Health Requirements

Dust Mitigation. All exposed areas shall be isolated from work areas with partitions that preclude dust, health hazards and noise from entering occupied spaces.

Noise Mitigation. All work shall be performed in accordance with NYC Local Law 113 of 2005. A noise mitigation plan will be available for review at the project field office at all times. Extended noise in but anticipated because ground break will be monitored as outlined in the site specific noise mitigation plan. A notarized statement of compliance shall be posted with job site permits.

Pest Control. Indoor trapping. Rodent control tools occupied buildings shall be accomplished with trapping devices only. All bait devices shall be installed and in protected areas so as not to be disturbed by work operations. Trapping devices shall be checked occasionally to see that they are not disturbed. The Contractor is responsible for the disposal of all trapped rodents or rodent carcasses in an appropriate manner.

a. The owner or occupant in control of a dwelling shall keep the premises free from rodents, and free infestations of insects and other pests, and free any condition conducive to rodent or insect and other pest life.

b. When any premises is subject to infestations by rodents or insects and other pests, the owner or occupant in control shall apply continuous eradication measures.

c. When the department makes the determination that any premises are infested by rodents, insects or other pests, it may order such eradication measures as the department deems necessary.

Sanitary Facilities. Sanitary facilities shall be provided for tenants during the duration of construction.

Structural Integrity

Structural Integrity. No construction is being conducted within the tenant space that will impact structural integrity.

Storage in Tenant Space. Where there is potential for significant material storage, the floored design consultant will be consulted. It is recommended that the current C of O be referenced to confirm the loads on applicable floors.

Asbestos/Lead Activities

Asbestos/Lead. All asbestos/lead abatement work is to be performed in compliance with all applicable laws and regulations, including but not limited to regulations issued by the U.S. Environmental Protection Agency (EPA), the Occupational Safety and Health Administration (OSHA), the New York State Department of Labor (NYS DOL), New York State Department of Health (NYS DOH) Environmental Laboratory Accreditation Program (ELAP), the New York State Department of Environmental Conservation (NYS DEC) and the New York City Department of Environmental Protection (DEP).

Asbestos Exposure in locations where asbestos abatement is actively underway, access will be restricted to only properly qualified personnel. As a minimum, all persons entering active abatement areas must have had a proper respiratory medical clearance, respiratory fit test, New York City and New York State Asbestos Handler Certification and the proper level of respiratory protection as deemed by the Asbestos Abatement Contractor's Competent Person.

All Asbestos abatement will be performed in compliance with Applicable New York City, State and Federal Regulations. The abatement contractor will comply with the most recent revision of Department of Environmental Protection's Title 15 Chapter 19 of the Rules of the City of New York. These rules also incorporate egress and fire safety requirements during abatement.

All sampling will be performed during all phases of Asbestos abatement work. If at any time samples collected outside of the work area demonstrate that uncontrolled greater than .01 fibers per cubic centimeter, asbestos abatement work will stop immediately and the entire area will be cleaned until such time that air sample results demonstrate acceptable levels of airborne fiber concentration.

All HVAC systems located within the immediate work area and any applicable exclusion zones shall be isolated, locked out and tagged out to eliminate the potential for migratory contamination to areas not impacted by construction activity.

Asbestos shall only be abated utilizing wet methods within a negative pressure containment therefore the creation of migratory dust does not exist.

Lead Exposure in locations where Lead Paint removal is actively underway, access will be restricted to only properly qualified personnel. As a minimum, all persons entering active abatement areas must have had a proper respiratory medical clearance, respiratory fit test, repair or practice biological monitoring (blood lead level), documentation of training pursuant to OSHA 1926.62 "Lead in Construction Standard" and the proper level of respiratory protection as deemed by the Lead Paint removal Contractor's Competent Person.

All lead paint removal will be performed in compliance with OSHA 1926.62 "Lead in Construction Standard" since there are no New York City or State regulations applicable to work performed within residential and commercial structures. Engineering controls and work area containment requirement will be in compliance with SSPC (Society for Protective Coatings) parts 1, as no less will a significant source of lead be applied to load containing coatings.

All sampling will be performed on a representative sample of surfaces. If at any time exposure assessment results reveal airborne concentrations of lead particulate in excess of the Permissible Exposure Limit of 50 micrograms per cubic meter, additional engineering controls shall be implemented which may include more stringent containment applications and air filtration devices. Samples collected outside of the work area demonstrate fiber concentrations greater than .01 fibers per cubic centimeter, abatement abatement work will stop immediately and the entire area will be cleaned until such time that air sample results demonstrate acceptable levels of airborne fiber concentration.

All HVAC systems located within the immediate work area and any applicable exclusion zones shall be isolated, locked out and tagged out to eliminate the potential for migratory contamination to areas not impacted by construction activity.

Dust control will be achieved utilizing a combination of wet methods and specially shrouded tools equipped with high efficiency particulate air vacuum systems (HEPA) as appropriate.

AS PER MEA 2020-24 BUILDING STRUCTURE EXITS SHALL BE BE ARRANGED AND MAINTAINED AS TO PROVIDE FREE AND UNOBSTRUCTED EGRESS FROM ALL PARTS OF THE BUILDING OR STRUCTURE AT ALL TIMES WHEN IT IS OCCUPIED. EXITS SHALL BE MARKED BY A READILY VISIBLE SIGN. ACCESS TO EXITS SHALL BE MARKED BY READILY VISIBLE SIGNS IN ALL CASES WHERE THE EXIT OR WAY TO REACH IT IS NOT IMMEDIATELY VISIBLE TO THE OCCUPANT. MEANS OF EGRESS SHALL BE CONTINUALLY MAINTAINED FREE OF ALL OBSTRUCTIONS OR IMPEDIMENTS TO FULL INSTANT USE IN THE CASE OF FIRE OR OTHER EMERGENCY.

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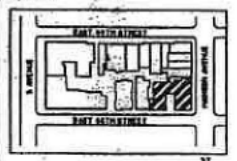
CONTACT PHONE: 201-437-8268

Community Board:	108
Job Number:	-
Block:	1383
Lot:	13
Zone:	C5-1; R8B
Map:	8C
Bin#:	1041253
Bldg Height:	11 STORY &120'-6"

Key Plan:



Scope of Work:
FACADE REPAIR

Scale: Scale: N.T.S.

Project:

TENANT PROTECTION PLAN FOR 11 EAST 68TH STREET

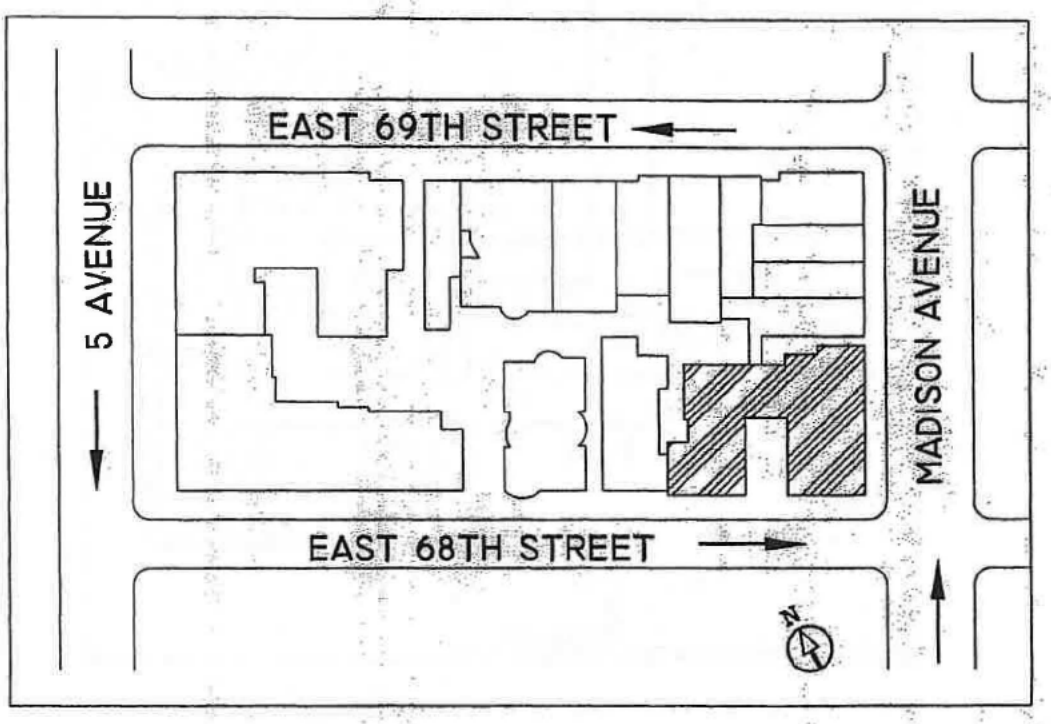
11 EAST 68TH STREET, NEW YORK, NY 10065

Drawing Title:
TENANT PROTECTION NOTES

Seal & Signature:

Date:	02.07.12
Project No.:	1180078
Drawing by:	S.M.
Checked by:	P.D.
Drawing No.:	TPP-015.00
Page #:	15 of 15
Revision #:	

TENANT
PROTECTION PLAN
FOR
11 EAST 68TH STREET
NEW YORK NY 10065



Owner:
HFZ CAPITAL
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CONTACT PHONE: 212-360-4049

Contractor:
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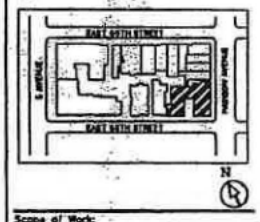
CONTACT PHONE: 201-437-0150

Community Board:	108
Job Number:	-
Block:	1383
Lot:	13
Zone:	C5-1 R8B
Map:	8C
BIN#:	1041253
Bldg Height:	11 STORY ±120'-0"

Key Plan:



Scope of Work:
FACADE REPAIR

Scale: N.T.S.

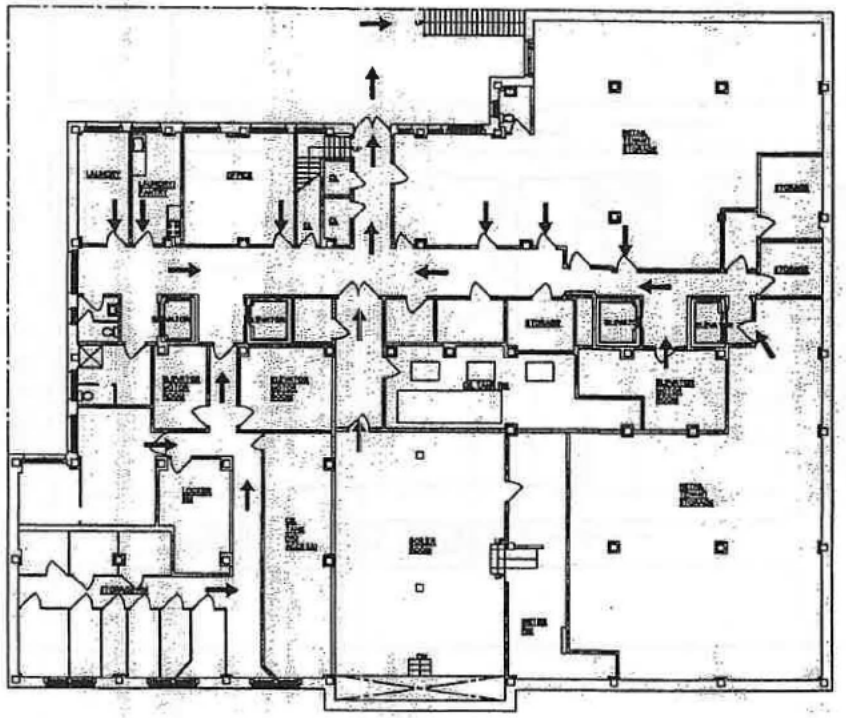
Project:
TENANT
PROTECTION PLAN
FOR
11 EAST 68TH
STREET

11 EAST 68TH STREET, NEW YORK, NY 10065

Drawing Title:

Seal & Signature:

Date:	02.07.12
Project No.:	TIB0078
Drawing by:	S.M.
Checked by:	P.D.
Drawing No.:	TPP-001.00
Page #	1 of 15
Revision #	



BASEMENT FLOOR PLAN

NO CONSTRUCTION OPERATIONS IN BASEMENT

SCALE: 1/8"=1'-0"

LEGEND:

- FIRE COMMAND STATION
- SIAMESE CONNECTION
- FIRE STANDPIPE CONNECTION
- FIRE HYDRANT
- TENANT EGRESS ROUTE
- CONSTRUCTION SPACE
- OCCUPIED SPACE

CONSTRUCTION WORKER NOTES

ALL EMPLOYEES SHALL BE INSTRUCTED TO USE THE PROTECTED EGRESS ROUTES AT ALL TIMES. IN CASE OF EMERGENCY, EMPLOYEES SHALL BE DIRECTED TO USE THE EGRESS ROUTES SHOWN.

SUPERVISOR NOTES

ALL EMPLOYEES SHALL BE INSTRUCTED TO USE THE PROTECTED EGRESS ROUTES AT ALL TIMES. IN CASE OF EMERGENCY, EMPLOYEES SHALL BE DIRECTED TO USE THE EGRESS ROUTES SHOWN. ALL EMPLOYEES SHALL BE INSTRUCTED NOT TO USE ANY EGRESS ROUTES THAT CROSS CONSTRUCTION SITE PLANS.

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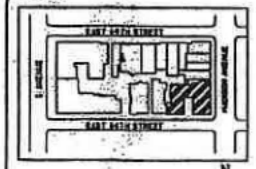
Community Board:	108
Job Number:	-
Block:	1383
Lot:	13
Zone:	C5-1; R8B
Map:	8C
BIN#:	1041253
Bldg Height:	11 STORY &120'-8"

Key Plan:



Scope of Work:
FACADE REPAIR

Scale: 1/8"=1'-0"

Project:

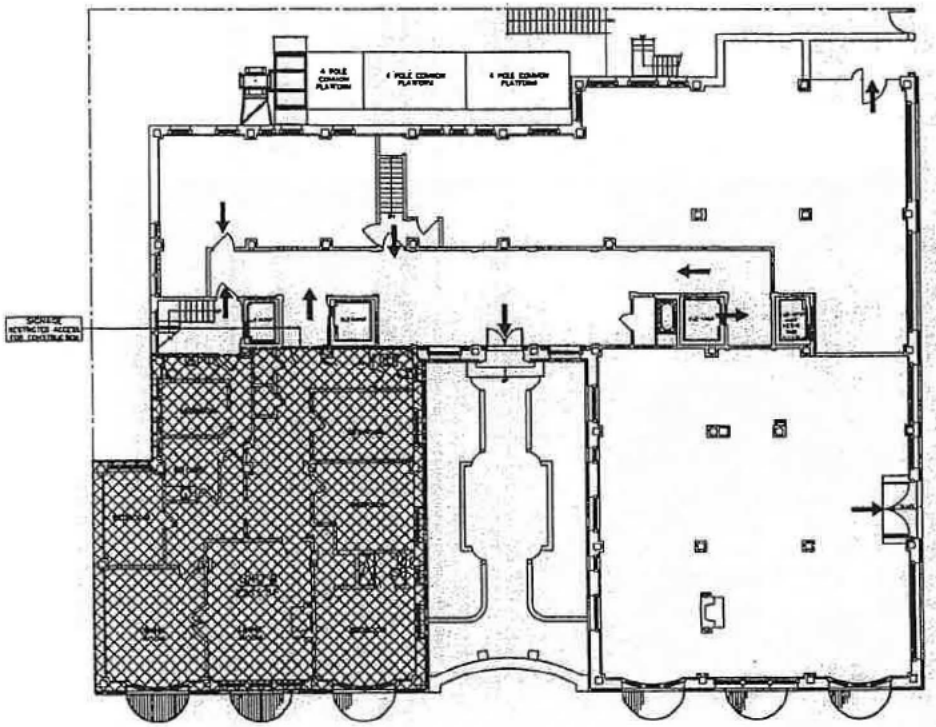
TENANT PROTECTION PLAN FOR 11 EAST 68TH STREET

11 EAST 68TH STREET, NEW YORK, NY 10065

Drawing Title:
BASEMENT FLOOR PLAN

Seal & Signature:

Date:	02.07.12
Project No.:	T180078
Drawing by:	S.M.
Checked by:	P.D.
Drawing No.:	TPP-002.00
Page #	2 of 15
Revision #	



GROUND FLOOR PLAN

SCALE: 1/8"=1'-0"

LEGEND:

- FIRE COMMAND STATION
- SIAMESE CONNECTION
- FIRE STANDPIPE CONNECTION
- FIRE HYDRANT
- TENANT EGRESS ROUTE
- CONSTRUCTION SPACE
- OCCUPIED SPACE

CONSTRUCTION WORKER NOTE:

CONSTRUCTION ACCESS & EGRESS FOR MATERIALS AND WORKERS SHALL BE VIA HOIST & PLATFORM. IN EVENT OF EMERGENCY, EGRESS SHALL BE PROVIDED VIA EXISTING BUILDING STAIRS.

ELEVATOR/STAIR NOTE:

ALL CONTRACTOR STAFF & ELEVATORS SHALL BE ASSIGNED TO USE THE TENANT ACCESS & EGRESS ELEVATORS & STAIR. EXISTING BUILDING STAIRS & ELEVATORS SHALL BE LOCKED OUT FROM CONSTRUCTION SPACE FLOORS.

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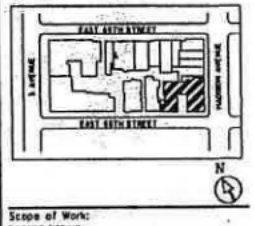
Community Board:	108
Job Number:	-
Block:	1383
Lot:	13
Zone:	C5-1 R8B
Map:	8C
Bin#:	1041203
Bldg Height:	11 STORY ±120'-8"

Key Plan:



Scope of Work:
FACADE REPAIR

Scale: 1/8"=1'-0"

Project:

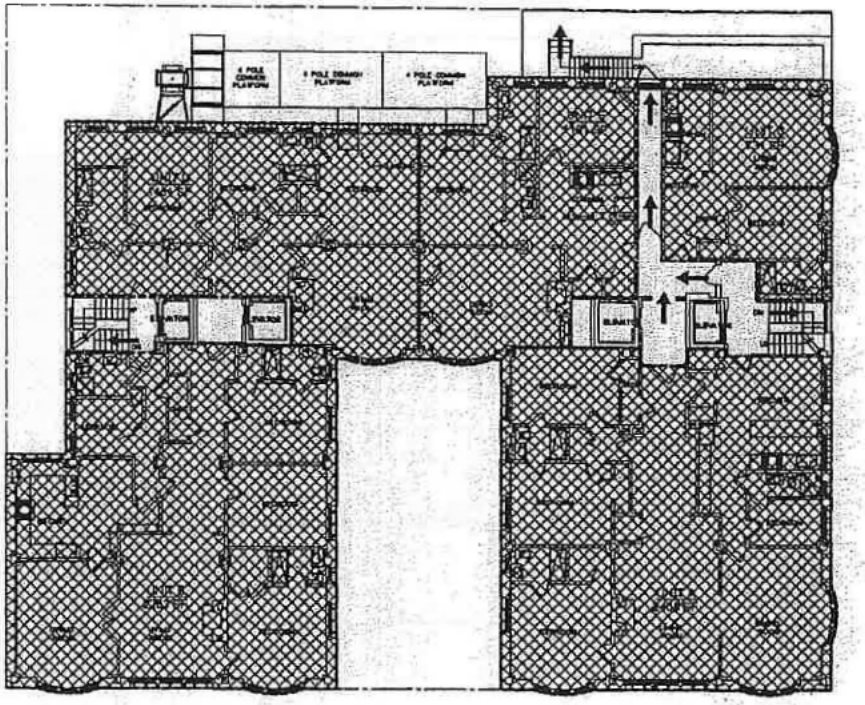
TENANT PROTECTION PLAN FOR 11 EAST 68TH STREET

11 EAST 68TH STREET, NEW YORK, NY 10065

Drawing Title:
GROUND FLOOR PLAN

Seal & Signature:

Date:	02.07.12
Project No.:	T150076
Drawing by:	S.M.
Checked by:	P.D.
Drawing No.:	TPP-003.00
Page #:	3 of 15
Revision #:	



SECOND FLOOR PLAN
NO OCCUPIED UNITS ON THIS FLOOR

LEGEND:

- FCS - FIRE COMMAND STATION
- SIAMESE CONNECTION
- FIRE STANDPIPE CONNECTION
- FIRE HYDRANT
- TENANT EGRESS ROUTE
- CONSTRUCTION SPACE
- OCCUPIED SPACE

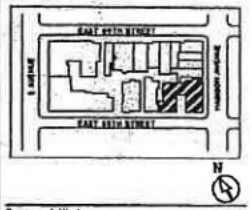
Owner:
HFZ CAPITAL
600 MADISON AVENUE
NEW YORK, NY 10022
CONTACT NAME: MATT ARBEIT
CONTACT PHONE: 212-308-8019

Contractor:
HFZ CAPITAL
600 MADISON AVENUE
NEW YORK, NY 10022
CONTACT NAME: MATT ARBEIT
CONTACT PHONE: 212-308-8019

Prepared By:
TOTAL SAFETY CONSULTING, LLC
750 BROADWAY, GROUND FLOOR
BAYONNE, NJ 07002
CONTACT PERSON: PETER SPION
CONTACT PHONE: 201-437-9199

Community Board:	108
Job Number:	-
Block:	1383
Lot:	13
Zone:	C5-1 R8B
Map:	8C
Bin#:	1041253
Bldg Height:	11 STORY ±120'-8"

Key Plan:



Scope of Work:
FACADE REPAIR

Scale: 1/8"=1'-0"

Project:

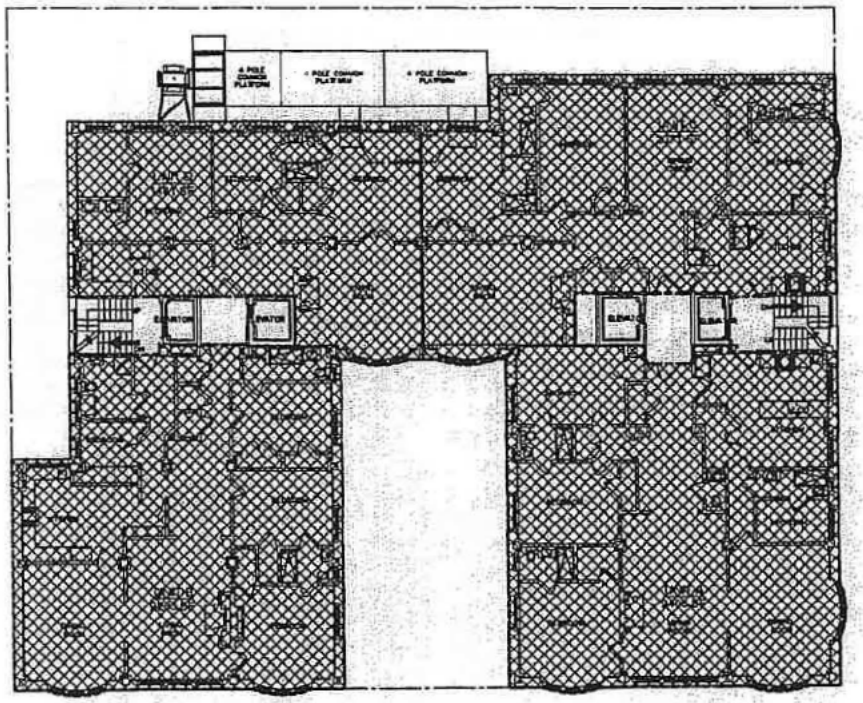
TENANT PROTECTION PLAN FOR 11 EAST 68TH STREET

11 EAST 68TH STREET, NEW YORK, NY 10065

Drawing Title:
SECOND FLOOR PLAN

Seal & Signature:

Date:	02.07.12
Project No.:	1180078
Drawing by:	S.M.
Checked by:	P.D.
Drawing No.:	TPP-004.00
Page #:	4 of 15
Revision #:	



THIRD FLOOR PLAN

NO OCCUPIED UNITS ON THIS FLOOR

SCALE: 1/8"=1'-0"

LEGEND:

FACP - FIRE COMMAND STATION

- SIAMESE CONNECTION

- FIRE STANDPIPE CONNECTION

- FIRE HYDRANT

- TENANT EGRESS ROUTE

- CONSTRUCTION SPACE

- OCCUPIED SPACE

CONSTRUCTION MEANS AND METHODS

CONSTRUCTION ADDITIONS & CHANGES THIS DRAWING SHALL BE AS SHOWN & NOTED ON THIS DRAWING. SHALL BE VERIFIED BY CONTRACTOR, EXPECTS SHALL BE PERFORMED IN ACCORDANCE WITH ALL APPLICABLE CODES.

ELEVATOR/STAIR USE

ALL EXISTING STAIRS & ELEVATORS TO REMAIN IN USE FOR TENANT EGRESS DURING CONSTRUCTION. ANY CHANGES TO EXISTING EGRESS & EXISTING ELEVATORS & STAIRS DURING CONSTRUCTION SHALL BE APPROVED BY THE BUILDING MANAGEMENT & ALL APPLICABLE CODES.

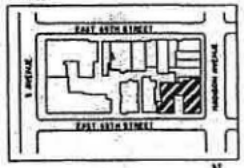
Owner:
HFZ CAPITAL
600 MADISON AVENUE
NEW YORK, NY 10022
CONTACT NAME: MATT ARBEIT
CONTACT PHONE: 212-308-8019

Contractor:
HFZ CAPITAL
600 MADISON AVENUE
NEW YORK, NY 10022
CONTACT NAME: MATT ARBEIT
CONTACT PHONE: 212-308-8019

Prepared By:
TOTAL SAFETY CONSULTING, LLC
751 BROADWAY, 6ROUND FLOOR
BAYONNE, NJ 07002
CONTACT PERSON: PETER BIHOM
CONTACT PHONE: 201-437-5150

Community Board:	108
Job Number:	-
Block:	1383
Lot:	13
Zone:	C5-1 R8B
Map:	8C
Bin#:	1041253
Bldg Height:	11 STORY ±120'-6"

Key Plan:



Scope of Work:
FACADE REPAIR

Scale: 1/8"=1'-0"

Project:

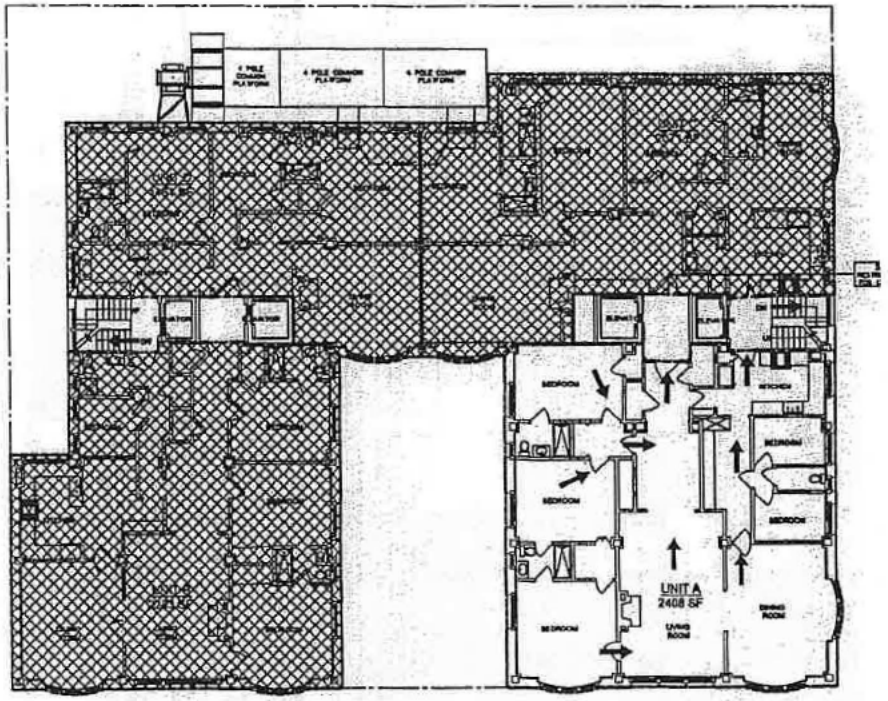
TENANT PROTECTION PLAN FOR 11 EAST 68TH STREET

11 EAST 68TH STREET, NEW YORK, NY 10065

Drawing Title:
THIRD FLOOR PLAN

Seal & Signature:

Date:	02.07.12
Project No.:	1180076
Drawing by:	S.M.
Checked by:	P.D.
Drawing No.:	TPP-005.00
Page #:	5 of 15
Revision #:	



FOURTH FLOOR PLAN

SCALE: 1/8"=1'-0"

LEGEND:

- FIRE COMMAND STATION
- SIAMESE CONNECTION
- FIRE STANDPIPE CONNECTION
- FIRE HYDRANT
- TENANT EGRESS ROUTE
- CONSTRUCTION SPACE
- OCCUPIED SPACE

CONSTRUCTION SIGNAGE NOTE

CONSTRUCTION ACCESS & SIGNAGE FOR PEDESTRIANS AND WORKERS SHALL BE VIA DOOR # IN PLAN/ELEVATION. IN EVENT OF EMERGENCY, CONSTRUCTION SIGNAGE SHALL BE REMOVED TO EXPOSE BUILDING SIGNAGE.

ELEVATOR STAGE NOTE

ALL EXISTING STAIRS & BATHROOMS SHALL REMAIN IN USE FOR TENANT ACCESS & GENERAL EGRESS. A TEMPORARY BATHROOM SHALL BE LOCATED OUT FROM CONSTRUCTION ONLY FLOORS.

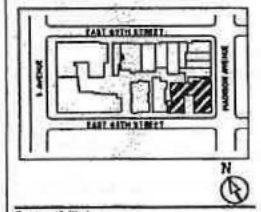
Owner:
HFZ CAPITAL
666 MADISON AVENUE
NEW YORK, NY 10022
CONTACT NAME: MATT ARBEIT
CONTACT PHONE: 212-300-6019

Contractor:
HFZ CAPITAL
666 MADISON AVENUE
NEW YORK, NY 10022
CONTACT NAME: MATT ARBEIT
CONTACT PHONE: 212-300-6019

Prepared By:
TOTAL SAFETY CONSULTING, LLC
75 BROADWAY, GROUND FLOOR
BAYONNE, NJ 07002
CONTACT PERSON: PETER SIMON
CONTACT PHONE: 201-437-5150

Community Board:	108
Job Number:	-
Block:	1383
Lot:	13
Zone:	C5-1 R8B
Map:	8C
Bin#:	1041253
Bldg Height:	11 STORY &120'-6"

Key Plan:



Scope of Work:
FACADE REPAIR

Scale: 1/8"=1'-0"

Project:

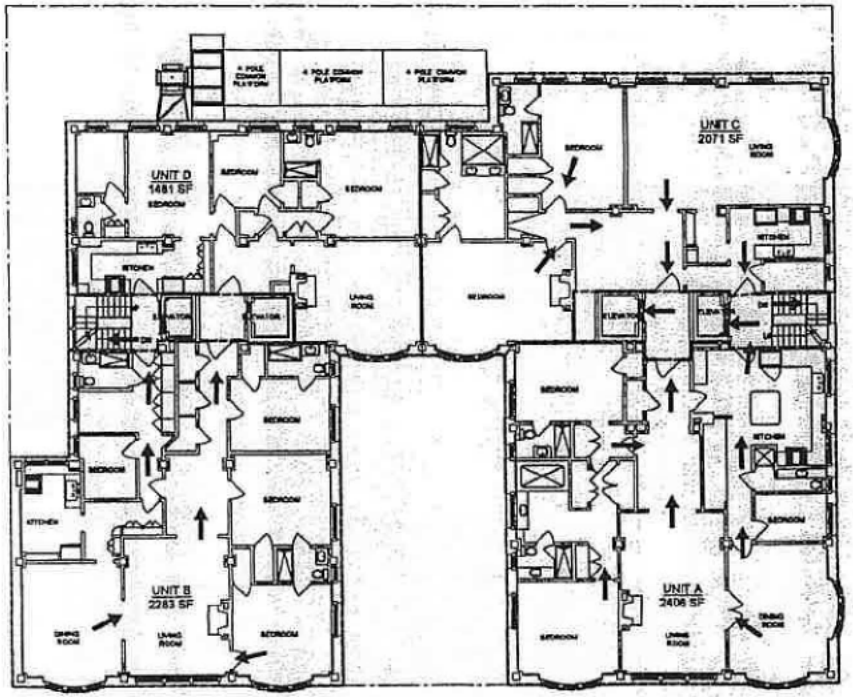
TENANT PROTECTION PLAN FOR 11 EAST 68TH STREET

11 EAST 68TH STREET, NEW YORK, NY 10065

Drawing Title:
FOURTH FLOOR PLAN

Seal & Signature:

Date:	02.07.12
Project No.:	1180078
Drawing by:	S.M.
Checked by:	P.D.
Drawing No.:	TPP-006.00
Page #:	8 of 15
Revision #:	



FIFTH FLOOR PLAN
NO CONSTRUCTION ON THIS FLOOR

LEGEND:

- FCS – FIRE COMMAND STATION
- – SIAMESE CONNECTION
- – FIRE STANDPIPE CONNECTION
- – FIRE HYDRANT
- – TENANT EGRESS ROUTE
- – CONSTRUCTION SPACE
- – OCCUPIED SPACE

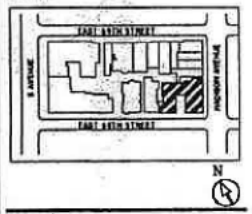
Owner:
HFZ CAPITAL
689 MADISON AVENUE
NEW YORK, NY 10022
CONTACT NAME: MATT ARBEIT
CONTACT PHONE: 212-309-1019

Contractor:
HFZ CAPITAL
689 MADISON AVENUE
NEW YORK, NY 10022
CONTACT NAME: MATT ARBEIT
CONTACT PHONE: 212-309-1019

Prepared By:
TOTAL SAFETY CONSULTING, LLC
751 BROADWAY, SIXTH FLOOR
BAYONNE, NJ 07002
CONTACT PERSON: PETER SIMON
CONTACT PHONE: 201-437-9150

Community Board:	108
Job Number:	--
Block:	1383
Lot:	13
Zone:	C5-1 R8B
Map:	8C
Bin#:	1041253
Bldg Height:	11 STORY &120'-8"

Key Plan:



Scope of Work:
FACADE REPAIR

Scale: 1/8"=1'-0"

Project:

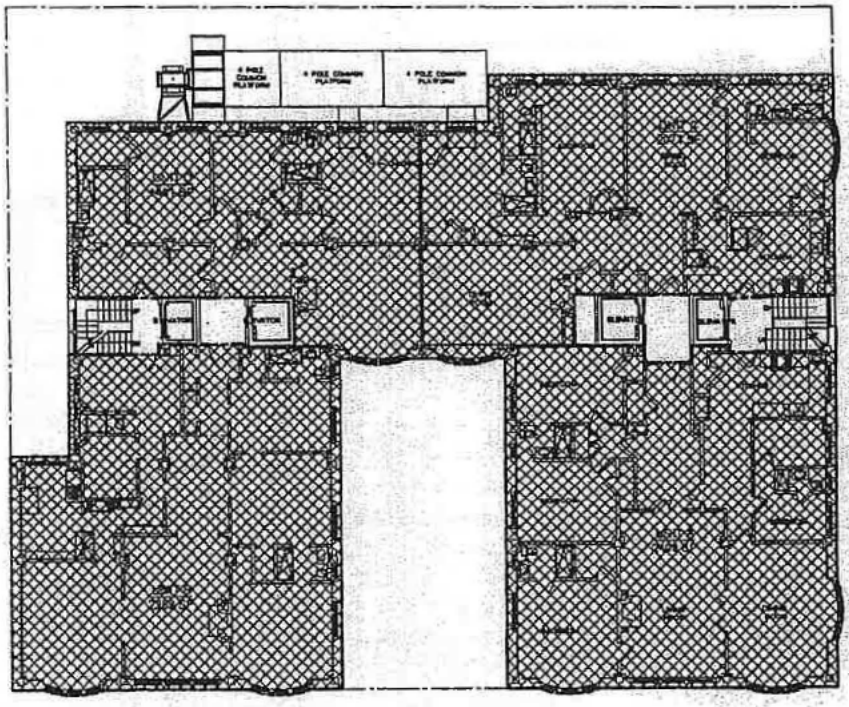
TENANT PROTECTION PLAN FOR 11 EAST 68TH STREET

11 EAST 68TH STREET, NEW YORK, NY 10065

Drawing Title:
FIFTH FLOOR PLAN

Seal & Signature:

Date:	02.07.12
Project No.:	TIED015
Drawing by:	S.M.
Checked by:	P.D.
Drawing No.:	TPP-007.00
Page #:	7 of 15
Revision #:	



SIXTH FLOOR PLAN
NO OCCUPIED UNITS ON THIS FLOOR

LEGEND:

- FCS – FIRE COMMAND STATION
- – SIAMESE CONNECTION
- – FIRE STANDPIPE CONNECTION
- – FIRE HYDRANT
- – TENANT EGRESS ROUTE
- – CONSTRUCTION SPACE
- – OCCUPIED SPACE

CONSTRUCTION MEANS METH

ELEVATOR/STAIR METH

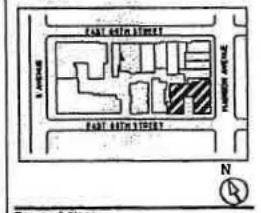
Owner:
HPZ CAPITAL
608 MADISON AVENUE
NEW YORK, NY 10022
CONTACT NAME: MATT ARBEIT
CONTACT PHONE: 212-300-8019

Contractor:
HPZ CAPITAL
608 MADISON AVENUE
NEW YORK, NY 10022
CONTACT NAME: MATT ARBEIT
CONTACT PHONE: 212-300-8019

Prepared By:
TOTAL SAFETY CONSULTING, LLC
751 BROADWAY, GROUND FLOOR
BAYONNE, NJ 07002
CONTACT PERSON: PETER SIMON
CONTACT PHONE: 201-437-0110

Community Board:	108
Job Number:	–
Block:	1383
Lot:	13
Zone:	C5-1 R8B
Map:	8C
Bin#:	1041253
Bldg Height:	11 STORY 8120'-6"

Key Plan:



Scope of Work:
FACADE REPAIR

Scale: 1/8"=1'-0"

Project:

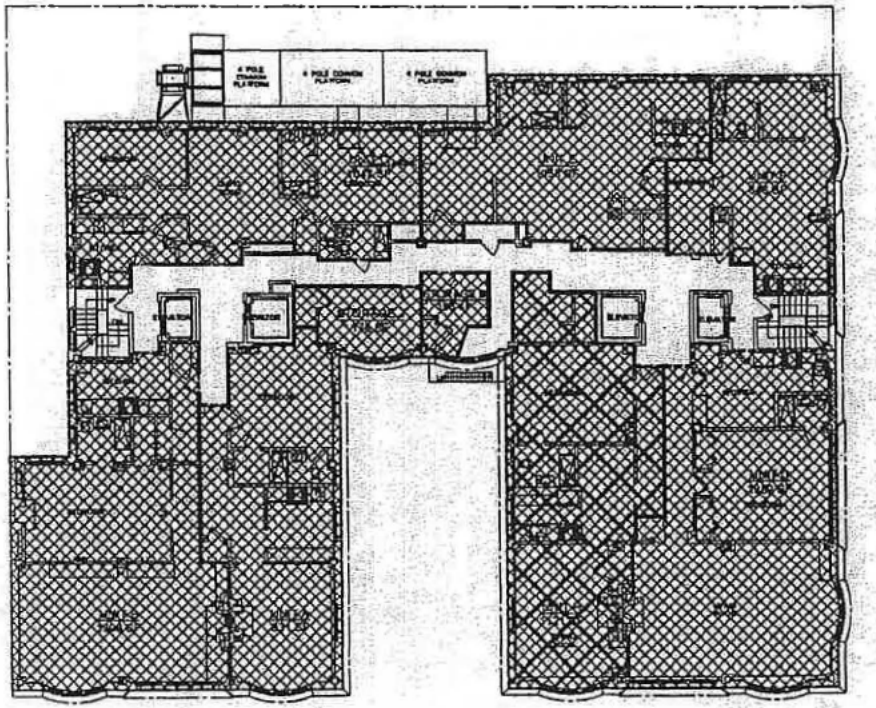
TENANT PROTECTION PLAN FOR 11 EAST 68TH STREET

11 EAST 68TH STREET, NEW YORK, NY 10065

Drawing Title:
SIXTH FLOOR PLAN

Seal & Signature:

Date:	02.07.12
Project No.:	1180076
Drawing by:	S.M.
Checked by:	P.D.
Drawing No.:	TPP-008.00
Page #:	8 of 15
Revision #:	



SEVENTH FLOOR PLAN

NO OCCUPIED UNITS ON THIS FLOOR

SCALE 1/8"=1'-0"

LEGEND:

FCS - FIRE COMMAND STATION

- SIAMESE CONNECTION

- FIRE STANDPIPE CONNECTION

- FIRE HYDRANT

- TENANT EGRESS ROUTE

- CONSTRUCTION SPACE

- OCCUPIED SPACE

CONSTRUCTION ADJACENT UNITS

CONSTRUCTION ACCESS & EGRESS FOR MATERIALS AND WORKERS SHALL BE VIA FRONT & PLATFORM & EXIT AT CHERRY ST. (UNION SHALL BE PROHIBITED VIA EGRESS BUILDING STAIRS)

OCCUPIED UNITS

ALL EXISTING STAIRS & ELEVATORS TO REMAIN IN USE FOR TENANT ACCESS & EGRESS. ELEVATORS & STAIR DOORS SHALL BE LOCKED OUT FROM CONSTRUCTION SHUT FLOORS

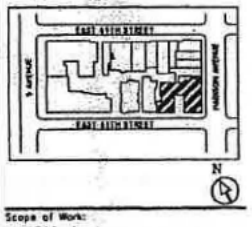
Owner:
HFZ CAPITAL
650 MADISON AVENUE
NEW YORK, NY 10022
CONTACT NAME: MATT ARBEIT
CONTACT PHONE: 212-505-5019

Contractor:
HFZ CAPITAL
650 MADISON AVENUE
NEW YORK, NY 10022
CONTACT NAME: MATT ARBEIT
CONTACT PHONE: 212-505-5019

Prepared By:
TOTAL SAFETY CONSULTING, LLC
751 BROADWAY, 6ROUND FLOOR
BAYONNE, NJ 07002
CONTACT PERSON: PETER SIMON
CONTACT PHONE: 201-437-5155

Community Board:	108
Job Number:	-
Block:	1383
Lot:	13
Zone:	C5-1 R8B
Map:	8C
Bin#:	1041253
Bldg Height:	11 STORY ±120'-6"

Key Plan:



Scope of Work:
FACADE REPAIR

Scale: 1/8"=1'-0"

Project:

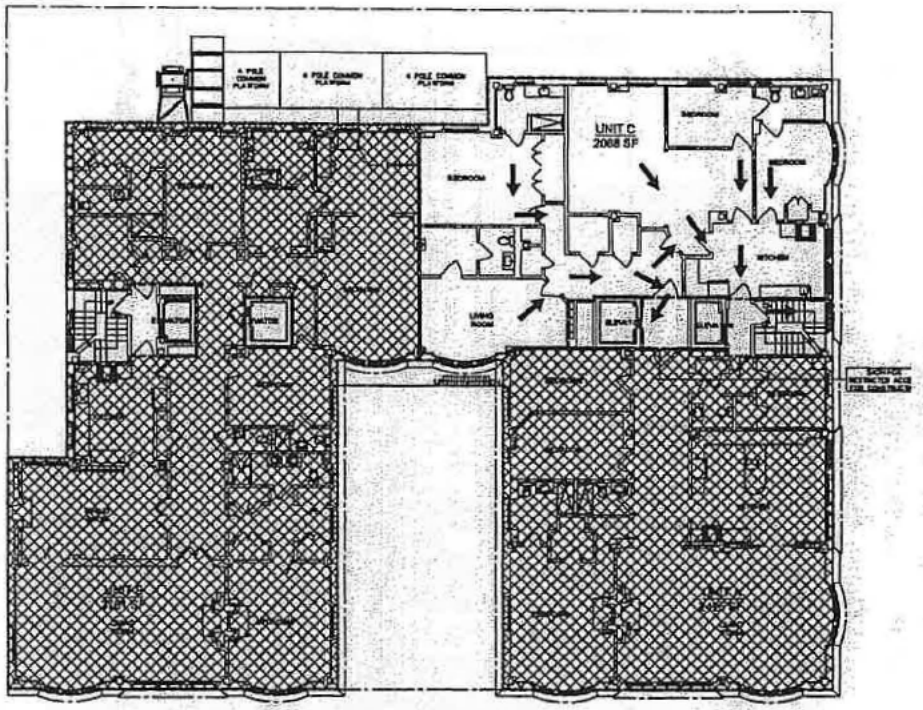
TENANT PROTECTION PLAN FOR 11 EAST 68TH STREET

11 EAST 68TH STREET, NEW YORK, NY 10065

Drawing Title:
SEVENTH FLOOR PLAN

Seal & Signature:

Date:	02.07.12
Project No.:	T180076
Drawing by:	S.M.
Checked by:	P.D.
Drawing No.:	TPP-009.00
Page #:	9 of 15
Revision #:	



EIGHTH FLOOR PLAN

Scale: 1/8"=1'-0"

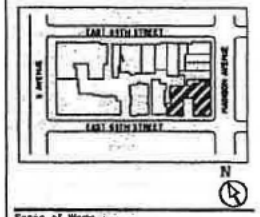
Owner:
HFZ CAPITAL
688 MADISON AVENUE
NEW YORK, NY 10022
CONTACT NAME: MATT ARBEIT
CONTACT PHONE: 212-300-8969

Contractor:
HFZ CAPITAL
688 MADISON AVENUE
NEW YORK, NY 10022
CONTACT NAME: MATT ARBEIT
CONTACT PHONE: 212-300-8969

Prepared By:
TOTAL SAFETY CONSULTING, LLC
751 BROADWAY, 8ROUND FLOOR
BAYONNE, NJ 07002
CONTACT PERSON: PETER SIMON
CONTACT PHONE: 201-437-5153

Community Board:	108
Job Number:	
Block:	1383
Lot:	13
Zone:	C5-1 R8B
Map:	8C
Bin#:	1041253
Bldg Height:	11 STORY &120'-8"

Key Plan:



Scope of Work:
FACADE REPAIR

Scale: 1/8"=1'-0"

Project:

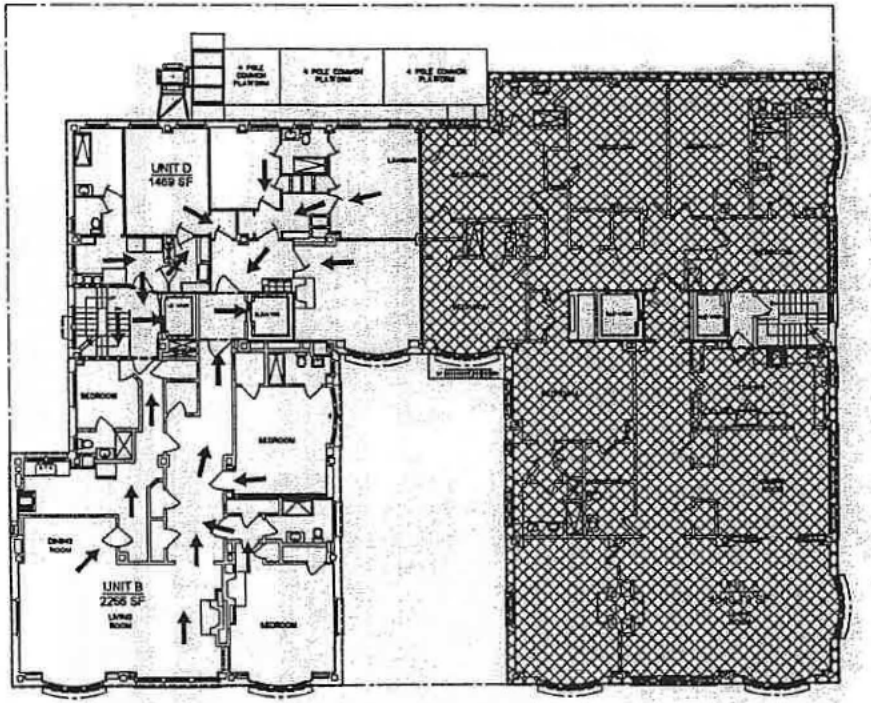
TENANT PROTECTION PLAN FOR 11 EAST 68TH STREET

11 EAST 68TH STREET, NEW YORK, NY 10065

Drawing Title:
EIGHTH FLOOR PLAN

Seal & Signature:

Date:	02.07.12
Project No.:	T100076
Drawing by:	S.M.
Checked by:	P.D.
Drawing No.:	TPP-010.00
Page #:	10 of 15
Revision #:	



NINTH FLOOR PLAN

SCALE 1/8"=1'-0"

LEGEND:

- FC - FIRE COMMAND STATION
- SIAMESE CONNECTION
- FIRE STANDPIPE CONNECTION
- FIRE HYDRANT
- TENANT EGRESS ROUTE
- CONSTRUCTION SPACE
- OCCUPIED SPACE

CONSTRUCTION ACCESS NOTES

ELEVATOR/STAIR NOTES

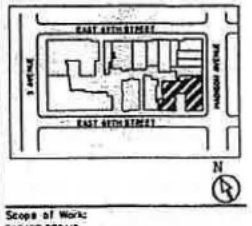
Owner:
HFZ CAPITAL
600 MADISON AVENUE
NEW YORK, NY 10022
CONTACT NAME: MATT ARBEIT
CONTACT PHONE: 212-350-8010

Contractor:
HFZ CAPITAL
600 MADISON AVENUE
NEW YORK, NY 10022
CONTACT NAME: MATT ARBEIT
CONTACT PHONE: 212-350-8010

Prepared By:
TOTAL SAFETY CONSULTING, LLC
751 BROADWAY, GROUND FLOOR
BAYONNE, NJ 07002
CONTACT PERSON: PETER SIMON
CONTACT PHONE: 201-437-0033

Community Board:	108
Job Number:	–
Block:	1383
Lot:	13
Zone:	C5-1 R8B
Map:	8C
Bin#:	1041253
Bldg Height:	11 STORY @120'-8"

Key Plan:



Scope of Work:
FACADE REPAIR

Scale: 1/8"=1'-0"

Project:

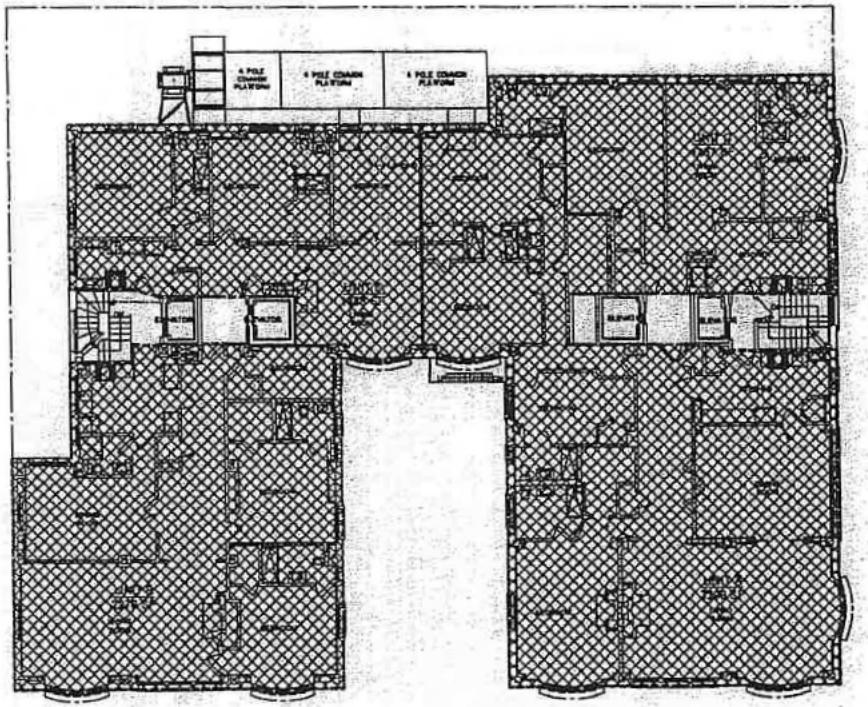
TENANT PROTECTION PLAN FOR 11 EAST 68TH STREET

11 EAST 68TH STREET, NEW YORK, NY 10065

Drawing Title:
NINTH FLOOR PLAN

Seal & Signature:

Date:	02.07.12
Project No.:	T180074
Drawing by:	S.M.
Checked by:	P.D.
Drawing No.:	TPP-011.00
Page #:	11 of 15
Revision #:	



TENTH FLOOR PLAN
NO OCCUPIED UNITS ON THIS FLOOR
SCALE: 1/8"=1'-0"

LEGEND:
- FDC - FIRE COMMAND STATION
- SIAMESE CONNECTION
- FIRE STANDPIPE CONNECTION
- FIRE HYDRANT
- TENANT EGRESS ROUTE
- CONSTRUCTION SPACE
- OCCUPIED SPACE

CONSTRUCTION SPRINKLER NOTE

SUPERTOBY STAIR NOTE

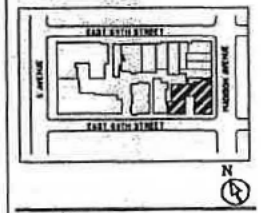
Owner:
HFZ CAPITAL
698 MADISON AVENUE
NEW YORK, NY 10022
CONTACT NAME: MATT ARSEIT
CONTACT PHONE: 212-308-8818

Contractor:
HFZ CAPITAL
698 MADISON AVENUE
NEW YORK, NY 10022
CONTACT NAME: MATT ARSEIT
CONTACT PHONE: 212-308-8818

Prepared By:
TOTAL SAFETY CONSULTING, LLC
294 BROADWAY, 6ROUND FLOOR
BAYONNE, NJ 07002
CONTACT PERSON: PETER SIMON
CONTACT PHONE: 201-437-5150

Community Board:	108
Job Number:	-
Block:	1383
Lot:	33
Zone:	C5-1 R8B
Map:	8C
BIN#:	1041253
Bldg Height:	11 STORY @120'-8"

Key Plan:



Scope of Work:
FACADE REPAIR

Scale: 1/8"=1'-0"

Project:

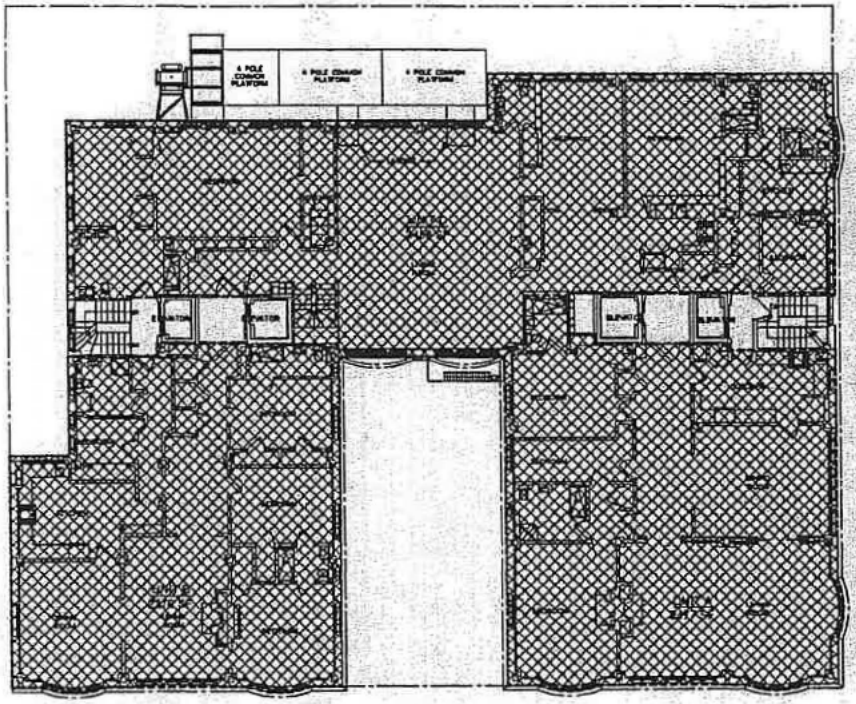
TENANT PROTECTION PLAN FOR 11 EAST 68TH STREET

11 EAST 68TH STREET, NEW YORK, NY 10065

Drawing Title:
TENTH FLOOR PLAN

Seal & Signature:

Date:	02.07.12
Project No.:	1180078
Drawing by:	S.M.
Checked by:	P.D.
Drawing No.:	TPP-012.00
Page #:	12 of 15
Revision #:	



ELEVENTH FLOOR PLAN

NO OCCUPIED UNITS ON THIS FLOOR

SCALE: 1/8"=1'-0"

LEGEND:

- FDC – FIRE COMMAND STATION
- – SIAMESE CONNECTION
- – FIRE STANDPIPE CONNECTION
- – FIRE HYDRANT
- – TENANT EGRESS ROUTE
- – CONSTRUCTION SPACE
- – OCCUPIED SPACE

CONSTRUCTION SCHEDULE NOTES

ELEVATOR SCHEDULE NOTES

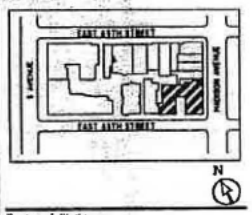
Owner:
HF2 CAPITAL
608 MADISON AVENUE
NEW YORK, NY 10022
CONTACT NAME: MATT ARBEIT
CONTACT PHONE: 212-300-8019

Contractor:
HF2 CAPITAL
608 MADISON AVENUE
NEW YORK, NY 10022
CONTACT NAME: MATT ARBEIT
CONTACT PHONE: 212-300-8019

Prepared By:
TOTAL SAFETY CONSULTING, LLC
581 BROADWAY, GROUND FLOOR
BAYONNE, NJ 07002
CONTACT PERSON: PETER SIMON
CONTACT PHONE: 201-437-0150

Community Board:	108
Job Number:	–
Block:	1383
Lot:	13
Zone:	C5-1 R8B
Map:	8C
Bin#:	1041253
Bldg Height:	11 STORY &120'-8"

Key Plan:



Scope of Work:
FACADE REPAIR

Scale: 1/8"=1'-0"

Project:

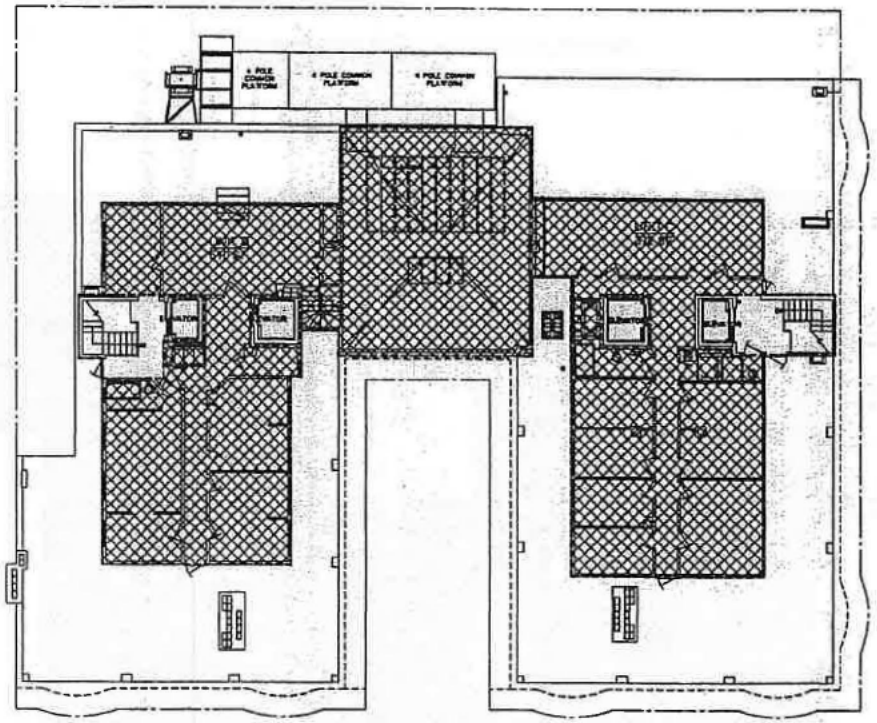
TENANT PROTECTION PLAN FOR 11 EAST 68TH STREET

11 EAST 68TH STREET, NEW YORK, NY 10065

Drawing Title:
ELEVENTH FLOOR PLAN

Seal & Signature:

Date:	02.07.12
Project No.:	1180076
Drawing by:	S.M.
Checked by:	P.D.
Drawing No.:	TPP-013.00
Page #:	13 of 15
Revision #:	



TWELFTH FLOOR PLAN

Scale: 1/8"=1'-0"

LEGEND:

- FCS – FIRE COMMAND STATION
- SIAMESE CONNECTION
- FIRE STANDPIPE CONNECTION
- FIRE HYDRANT
- TENANT EGRESS ROUTE
- CONSTRUCTION SPACE
- OCCUPIED SPACE

CONSTRUCTION FENCING NOTES

ALL EXISTING STAIRS & ELEVATORS TO REMAIN IN USE FOR TENANT ACCESS & EGRESS. ELEVATORS & STAIR SHAFTS SHALL BE LOCKED OUT FROM CONSTRUCTION ONLY FLOORS

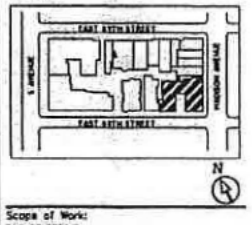
Owner:
HFZ CAPITAL
609 MADISON AVENUE
NEW YORK, NY 10022
CONTACT NAME: MATT ARBEIT
CONTACT PHONE: 212-300-8849

Contractor:
HFZ CAPITAL
609 MADISON AVENUE
NEW YORK, NY 10022
CONTACT NAME: MATT ARBEIT
CONTACT PHONE: 212-300-8849

Prepared By:
TOTAL SAFETY CONSULTING, LLC
701 BROADWAY, GROUND FLOOR
BAYONNE, NJ 07002
CONTACT PERSON: PETER SIMON
CONTACT PHONE: 201-437-8150

Community Board:	108
Job Number:	–
Block:	1385
Lot:	13
Zone:	C5-1 R8B
Map:	8C
Bin#:	1041253
Bldg Height:	11 STORY &130'-8"

Key Plan:



Scope of Work:
FACADE REPAIR

Scale: 1/8"=1'-0"

Project:

TENANT PROTECTION PLAN FOR 11 EAST 68TH STREET

11 EAST 68TH STREET, NEW YORK, NY 10065

Drawing Title:
TWELFTH FLOOR PLAN

Seal & Signature:

Date:	02.07.12
Project No.:	1180076
Drawing by:	S.M.
Checked by:	P.D.
Drawing No.:	TPP-014.00
Page #:	14 of 15
Revision #:	

EXHIBIT "5"

ASBESTOS REPORT

GAC
ENVIRONMENTAL
136 West 83rd Street / Suite 1 / New York, New York 10024
PHONE 212.875.9506
FAX 212.787.8138

ASBESTOS REPORT

As Required by the Attorney General's Office
11East 68th Street
New York, NY

Prepared For:
VNO 11 East 68th Street LLC
c/o
John Simonlacaj
JSimonlacaj@hfzcap.com
HFZ Capital Group
600 Madison Avenue
New York, NY 10022

March 30, 2012

Reviewed By:

Matthew Stock
President
GAC Environmental, Inc.
03/30/2012

TABLE OF CONTENTS

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2	FINDINGS & RECOMMENDATIONS	4
3	APPLICABLE REGULATIONS	6
4	DEFINITIONS	7

APPENDICES

APPENDIX I	LABORATORY RESULTS
APPENDIX II	QUALIFICATIONS OF EXPERT

Section 1: The Asbestos Survey

GAC Environmental, Inc. ("GAC") performed a comprehensive asbestos materials survey ("The Report") at 11 East 68th Street, located in New York, New York. The asbestos survey was performed using the following six (6) inspection techniques:

1. A visual determination as to the location and type of any suspect asbestos containing materials (ACM) found in the building. Records were kept of color and texture of all materials.
2. An assessment of the physical condition of the suspect ACM was made. The condition of each ACM finding was evaluated as good, fair, and poor. The friability was evaluated as high, moderate, and low.
3. An assessment of the potential for future disturbances of the suspect ACM was identified. All categories were rated as high, moderate or low potential for disturbances. The measurement of all suspect ACM identified was made to determine exact quantities of ACM after laboratory analysis is completed.
4. All suspect ACM were analyzed by the Transmission Electron Microscopy ("TEM") and/or Polarized Light Microscopy (PLM) methods of analysis.
5. The measurement of all ACM material identified to determine the quantity existing within the building.
6. The Asbestos Report is required by the Attorney General's Office prior to the conversion of buildings or transfer of building ownership. The Asbestos Report is completed to meet the stringent requirements of the Attorney General's Office and can be used for Co-Operative Conversions, Condominium Conversions, and Mitchell-Lama Conversions. The report will include the following:

    - All building common areas shall be surveyed and tested for the presence of asbestos (i.e. basement, lobby, hallways, and laundry room).
    - 10% of the apartments shall be surveyed and tested for the presence of asbestos. (20% were actually sampled as follows:

      #2A
      #3A
      #4B
      #6A
      #7E
      #8B
      #9A
      #10B
      #11A

    - Exterior materials were not tested as part of this survey report..
    - Provided in Appendix #1 are the laboratory results, as analyzed by EMSL Analytical, Inc.

End of Section 1: The Asbestos Survey

Section 2: Findings & Recommendations

This building was built prior to 1970 when the use of asbestos in construction materials was common and often required by city fire codes. The building is residential and has 12 floors with 41 units.

1. **Friable Asbestos**
   Friable asbestos was found in the form of pipe insulation. These materials were found in poor condition. Removal is recommended by a NYS licensed Asbestos Contractor in accordance with all applicable local, state and federal asbestos regulation. Listed below are the approximate quantities of asbestos found in the building:

   Rear of boiler room: 100 LF of pipe insulation in poor condition (assumed ACM)

   Storage room: 140 LF of pipe insulation in poor condition. (assumed ACM)

2. **Non-Friable Asbestos**
   Non-Friable asbestos was found in the form of floor tiles and roofing materials. These materials were found in fair condition. Removal is recommended only if renovation or demolition work would disturb the materials. Listed below are the approximate quantities of asbestos found in the building:

   7th floor common hall: 600 SF of 9" x 9" Floor Tiles in fair condition.
   Roof – All roofing materials in fair condition. (assumed ACM)

   All asbestos materials not scheduled for removal, should be placed in an Operations and Maintenance Program (O&M).

3. **Non-Asbestos Materials**
   All others materials tested negative, including:
   - Apartment ceilings and walls.
   - All other common areas (i.e. hallways) including the 12th Floor Hallway floor tiles.

*Notes:

- *If any potential asbestos materials are discovered during demolition or renovation (i.e. pipes behind walls) the material must be immediately tested for the presence of asbestos.*
- *A NYS licensed asbestos abatement contractor in accordance with all applicable city, state and federal asbestos regulations must perform any asbestos work.*

End of Section 2: Findings and Recommendations

Section 3: Applicable Regulations

3.1 Asbestos Abatement Regulations

When asbestos abatement is performed it must comply with all applicable regulations including but not limited to the following:

- United States Environmental Protection Agency (USEPA) National Standard for Hazardous Air Pollutants (NESHAPS) 40 CFR 61
- United States Department of Labor, Occupational Safety and Health Act Standards, 29 CFR Section 1926
- New York State Labor Law, Article 30
- New York State Industrial Code 56

End of Section 3: Applicable Regulations

Section 4: Definitions

A. Abatement Activities: All activities for the initiation of Work area preparation through successful clearance air monitoring performed at the conclusion of an asbestos project.

B. Aerosol: A system consisting of particles, solid or liquid, suspended in air.

C. Aggressive Sampling: A method of sampling in which the person collecting the air sample create activity by the use of mechanical equipment during the sampling period to stir up settled dust and simulate activity in that area of the building.

D. AIHA: The American Industrial Hygiene Association, 475 Wolf Ledges Parkway, Akron, Ohio 44311.

E. Air Cell: Insulation normally used on pipes and duct work that is comprised of corrugated cardboard which is frequently comprised of asbestos combined with cellulose or refractory binders.

F. Airlock: A system for permitting entrance and exit while restricting air movement between a containment area and an uncontaminated area. It consists of two (2) curtained doorways separated by a distance of at least three feet such that one passes through the doorway into the air lock, allowing the doorway sheeting to overlap and close off the opening before proceeding through the second doorway, thereby preventing flow-through contamination.

G. Air Sampling: The process of measuring the fiber content of a known volume of air collected during a specific period of time.

H. Ambient Air Monitoring: Shall mean measurement or determination of airborne asbestos fiber concentrations outside but in the general vicinity of the Work site.

I. Amended Water or Wetting Agent: Water to which a surfactant has been added in proportion of at least one (1) ounce surfactant to five (5) gallons water.

J. Approval Asbestos Safety Program: A program approved by the New York State Department of Health's Commissioner of health providing training in the handling and use of asbestos and material, education concerning safety and health risks inherent in such handling and use and training in techniques minimizing exposure of the public to asbestos fibers.

K. Area Air Sampling: Any form of air sampling or monitoring where the sampling device is placed at some stationary location.

L. Asbestos: The asbestiform varieties of serpentine (chrysotile), reibeckite (crocidolite), cummingtonite-Grunerite, anthophyllite and actionolite-tremolite; and any of these

materials that have been chemically treated and/or altered shall be considered as asbestos.

M. Asbestos-Containing Materials (ACM): Shall mean materials containing more than 1% by weight of asbestos, or potentially contaminated on their surface with asbestos fibers.

N. Asbestos-Containing Waste Material: Any material, which is or is suspected of being contaminated with asbestos and is to be removed from a Work area disposal.

O. Asbestos-Contaminated Objects: Shall mean any objects with may be contaminated by asbestos-containing materials.

P. Asbestos Contract: An oral or written agreement contained in one or more documents for the performance of work on an asbestos project and includes all labor, goods, and services.

Q. Asbestos Handler: An individual certified by the New York State Department of Labor Division of Health and Safety, who installs, applies, encapsulates, or encloses asbestos materials or who disturbs friable asbestos.

R. Asbestos Handling Certificate: A certificate issued by the Department to a person who has satisfactorily completed an approved asbestos safety program. Certificates are issued by the New York State Department of Labor, Division of Safety and Health.

S. Asbestos Handling License: A license issued by the New York State to a Contractor engaged in the installation, removal, application, enclosure or encapsulation of asbestos or asbestos materials or the disturbance of friable asbestos.

T. Asbestos Project: Work undertaken by a Contractor, which involves the removal, encapsulation, the disturbance, or enclosure of any asbestos or asbestos containing materials. At the time that such disturbance occurs, the Project shall become an Asbestos Project and all further work on that portion of the Project, which resulted in such disturbance, shall be conducted in accordance with the requirements of this Specification or any applicable Federal, State, or Local Regulations. Where all asbestos work on a Project is subcontracted to a Contractor with an asbestos handling license, only that part of the work involving asbestos shall be deemed to be an asbestos project. Asbestos projects include Large Projects, Small Asbestos Project and Minor Asbestos Projects.

U. Authorized Visitor: The Owner and Owner's Representative, the Owner's Representative, or a representative of any Federal, State and Local regulatory or other Agency having authority over the Project.

V. Background Level Air Monitoring: A measurement of determination of airborne asbestos fiber concentration inside the workplace and/or outside a building prior to starting abatement activities.

W. Barrier: Any surface that seals off the Work area to inhibit the movement of fibers, composed of at least two (2) layers of 6-mil, fire rated polyethylene.

X. Breathing Zone: The area around a person's mouth and nose with a radius of approximately six (6) to nine (9) inches.

Y. Ceiling Concentrations: The concentration of an airborne substance that shall not be exceeded.

Z. Certified Industrial Hygienist (CIH): An Industrial hygienist certified in comprehensive Practice by the American Broad of Industrial Hygiene.

AA. Certified Clean: The determination that a Work area has no visible signs of fibrous materials or other contamination, and does not have levels or airborne fiber above the defined air clearance criteria.

AB. Clean or Decontamination: To make a surface free of all visible and/or optically detectable fibers by thoroughly HEPA vacuuming and/or wet wiping with sponges or mops.

AC. Clean Room: An uncontaminated area or room, which is a part of the personal decontamination enclosure with provisions for storage or persons' street clothes and protective equipment.

AD. Cleanup: The utilization of HEPA vacuuming and/or wet cleaning to control and eliminate accumulations of asbestos material and asbestos waste material.

AE. Clearance Air Monitoring: The employment of aggressive sampling techniques with a volume of air collected to determine the airborne concentration of residual fibers upon conclusion of an asbestos abatement project.

AF. Consultant: The consulting industrial hygienists, industrial hygiene firm or their employees or subcontractors contracted to provide project supervision and air monitoring service on the behalf of the Owner.

AG. Contractor: The individual or organization, which enters into, the Contract to perform asbestos abatement and other necessary functions related to the Work.

AH. Curtained Doorway: A device, which consists of at least three (3) overlapping sheets of plastic over an existing or temporarily, framed doorway. One (1) sheet shall be secured at the top and left side, the second sheet at the top and right side, and the third sheet at the top and left side. All sheets shall have weights attached to the bottom to insure that the sheets straight and maintain a seal over the doorway when not in use.

AI. Decontamination Facility (DF): A series of connected rooms or spaces including clean and Shower Room, and Equipment Room, each separated by air locks, and used for the decontamination of all persons, materials, equipment's, and authorized visitors.

AJ. Demolition: The wrecking or taking out of any building component, system, finish or

assembly of a facility together with any related handling operations.

AK. Disposal Bag: 6-mil thick leak-tight plastic bags used for transporting asbestos waste from Work and to disposal site. Each is labeled as follows:

DANGER
CONTAINS ASBESTOS FIBERS
AVOID CREATING DUST
CANCER AND LUNG DISEASE HAZARD
And,
RQ HAZARDOUS SUBSTANCE,
SOLID, NOS,
ORM-E, NA 9188
(ASBESTOS)

AL. Disturb: Shall mean to alter, change, or stir, such as but not limited to the removal, encapsulation, enclosure or repair of asbestos containing materials.

AM. Encapsulant (Sealant) or Encapsulating Agent: A liquid material which can be applied to asbestos material and which prevents the release of asbestos fibers from the material either by creating a membrane over the surface (bridging encapsulant) or by penetrating into the material and binding its components together (penetrating encapsulant).

AN. Encapsulation: Treatment of asbestos containing materials with an encapsulant.

AO. Enclosure: The construction of an airtight, impermeable, permanent barrier around asbestos containing material to control the release of asbestos materials into the air.

AP. EPA: The Environmental Protection Agency, Region II, Air and Hazardous Material Division, 26 Federal Plaza, New York, New York 10278.

AQ. Equipment Room: A contaminated area or room, which is part of the personal decontamination enclosure system with provisions for the storage of contaminated clothing and equipment.

AR. Fixed Item: Equipment, furniture, radiators, or other objects, which cannot be removed from the work area.

AS. Friable Asbestos Containing Materials: Material that contains more than 1% asbestos by weight, and that can be crumbled, pulverized, or reduced to powder by hand or mechanical pressure when dry.

AT. Glovebag Technique: A method for removing asbestos material for piping runs, valves, joints, elbows, and other pipe fittings. The glovebag assembly is constructed of at least 6-mil transparent plastic, two inward-projecting long sleeve gloves, which may contain an inward-projecting water wand sleeve, an internal tool pouch, and an attached, labeled

receptacle or portion for asbestos waste. The glovebag is constructed and installed in such a manner that it surrounds the object or area to be decontaminated and to contain all asbestos fiber released during the abatement process.

AU. HEPA Filter: High Efficiency Particulate Absolute (HEPA) a filter capable of trapping and retaining 99.97% of asbestos fibers greater than 0.3 microns equivalent aerodynamic.

AV. HEPA Vacuum Equipment: Vacuuming equipment with a high efficiency particular air filtration system.

AW Holding Area: A chamber in the waste decontamination enclosure located between the washroom and an adjacent uncontaminated area.

AX. Isolation Barrier: The Construction of partitions, the placement of solid materials, and the plasticizing of apertures to seal off the workplace from surrounding areas and to contain asbestos fibers in the Work area. Composed of fire rated materials including 2"X4" studs, 3/8" plywood, and layers of 6-mil fire-retardant polyethylene.

AY. Large Asbestos Project: An asbestos project involving the installation, removal, disturbance, enclosure, or encapsulation of 160 square feet or more of asbestos containing material or 260 linear feet or more asbestos containing materials.

AZ. Log: Shall mean an official record of all persons entering and exiting the work area during the course of the asbestos abatement activity.

BA. Minor Asbestos Project: An asbestos project involving the installation, removal, disturbance, repair, encapsulation or enclosure of ten (10) square feet or less of asbestos containing material, or twenty-five (25) linear feet or less of asbestos containing material.

BB. Negative Pressure: Air pressure lower than surroundings areas, generally caused by exhausting air from a sealed space (Work area).

BC. Negative Air Pressure Equipment: A local exhaust system equipped with HEPA filtration. The system shall be capable of creating and maintaining a negative pressure differential between the outside and the inside of the Work areas.

BD. NIOSH: The National Institute for Occupational Safety and Health CDC - NIOSH, Building J N.E., Room 3007, Atlanta, GA 30333.

BE. OSHA: The Occupational Safety and Health Administration, 200 Constitution Avenue, Washington, DC 20210.

BF. Outside Air: Shall mean the air outside building and structures.

BG. Personal Monitoring: Sampling of the asbestos fiber concentration within the breathing zone of a person.

BH. Personal Decontamination Enclosure System: An area designated for controlled passage of all persons, consisting of a clean room, a shower room, and an equipment room separated from each other and from the Work area by airlocks.

BI. Personal Protective Equipment: Clothing, respirators, head gear, eye protection, footwear and gloves etc., as required by all applicable regulations.

BJ. Removal: The stripping of any asbestos material.

BK. Repair: Corrective action using specified work practices (e.g. glovebag, plastic tent procedures, etc.) to minimize the likelihood of fiber release from damaged areas of ACM.

BL. Respiratory Protection: Respiratory protection of authorized visitors in accordance with all applicable regulations.

BM. Satisfactory Clearance Air Monitoring Results: For all post-abatement samples, airborne concentrations of asbestos fibers that are less than 0.01 fibers per cubic centimeter.

BN. Shower Room: A room between the clean room and the equipment room in the personal decontamination enclosure with hot and cold running water controllable at the tap and arranged for complete showering during decontamination.

BO. Small Asbestos Project: An asbestos project involving the installation, removal, disturbance, enclosure, or encapsulation of more than ten (10) and less than 160 square feet of asbestos containing material or more than twenty-five (25) and less than 260 linear feet of asbestos containing materials.

BP. Staging Area: The area near the waste transfer airlock where containerized asbestos waste has been placed prior to removal from the Work area.

BQ. Surface Barriers, Protective Covering or Poly: The plasticizing of walls, floors, and fixed objects within the work area to prevent contamination during subsequent abatement activities.

BR. Surfactant: A chemical wetting agent added to water to improve penetration.

BS. Time Weighed Average (TWA): The average concentration of a contamination in air during a specific time period.

BT. Visible Emissions: Any emissions containing particulate asbestos material that are visually detectable without the aid of instruments.

BU. Washroom: A room between the work area and the holding area in the waste decontamination enclosure system, where equipment and waste containers are wet cleaned and/or HEPA vacuumed.

BV. Waste Decontamination Enclosure System: An area, consisting of a washroom and a holding area, designated for the controlled transfer of material and equipment.

BW. Wet Cleaning: The process of eliminating asbestos contamination from surfaces, equipment or other objects by using cloths, mops, or other cleaning tools, which have been dampened with amended water.

BX. Work Area: Designated rooms, spaces, or areas where asbestos abatement takes place under regulated, controlled conditions.

BY. Work Site: Premises where the asbestos abatement project is taking place.

End of Section 4: Definitions

Appendix I: Laboratory Results

EMSL Analytical, Inc.
307 West 38th Street, New York, NY 10018
Phone: (212) 290-0051

Attn: **GAC Environmental**
136 West 83rd Street
New York, NY 10024

Fax:
Phone: (212) 875-9505
Project: 11 EAST 68TH ST

Customer ID: GAC50
Customer PO:
Received: 01/08/12 5:50 PM
EMSL Order: 031200529
EMSL Proj:

Test Report: Asbestos Analysis of Bulk Material

Sample Description	Test	Analyzed Date	Color	Non Asbestos Fibrous	Non Asbestos Non-Fibrous	Asbestos	Comments
1	PLM NYS 198.1 Friable						Not Analyzed
031200529-0001	PLM NYS 198.6 NOB	1/10/2012	Tan		N/A	Inconclusive: None Detected	
12TH FL EAST SIDE OF BLDG - FLOOR	TEM NYS 198.4 NOB	1/11/2012	Tan		N/A	None Detected	
2	PLM NYS 198.1 Friable						Not Analyzed
031200529-0002	PLM NYS 198.6 NOB	1/10/2012	Brown		N/A	Inconclusive: None Detected	
12TH FL EAST SIDE OF BLDG - MASTIC	TEM NYS 198.4 NOB	1/11/2012	Brown		N/A	None Detected	
3	PLM NYS 198.1 Friable						Not Analyzed
031200529-0003	PLM NYS 198.6 NOB	1/10/2012	Tan		N/A	Inconclusive: None Detected	
12TH FL EAST SIDE OF BLDG - FLOOR	TEM NYS 198.4 NOB	1/11/2012	Tan		N/A	None Detected	
4	PLM NYS 198.1 Friable						Not Analyzed
031200529-0004	PLM NYS 198.6 NOB	1/10/2012	Brown		N/A	Inconclusive: None Detected	
12TH FL EAST SIDE OF BLDG - MASTIC	TEM NYS 198.4 NOB	1/11/2012	Brown		N/A	None Detected	
5	PLM NYS 198.1 Friable						Not Analyzed
031200529-0005	PLM NYS 198.6 NOB	1/10/2012	Various		N/A	Inconclusive: None Detected	
12TH FL WEST SIDE STORAGE RM W5 - FLOOR	TEM NYS 198.4 NOB	1/11/2012	Various		N/A	None Detected	
6	PLM NYS 198.1 Friable						Not Analyzed
031200529-0006	PLM NYS 198.6 NOB	1/10/2012	Red		N/A	Inconclusive: None Detected	
12TH FL WEST SIDE STORAGE RM W5 - MASTIC	TEM NYS 198.4 NOB	1/11/2012	Red		N/A	None Detected	
7	PLM NYS 198.1 Friable						Not Analyzed
031200529-0007	PLM NYS 198.6 NOB	1/10/2012	Various		N/A	Inconclusive: None Detected	
12TH FL WEST SIDE STORAGE RM W5 - FLOOR	TEM NYS 198.4 NOB	1/11/2012	Various		N/A	None Detected	
8	PLM NYS 198.1 Friable						Not Analyzed
031200529-0008	PLM NYS 198.6 NOB	1/10/2012	Red		N/A	Inconclusive: None Detected	
12TH FL WEST SIDE STORAGE RM W5 - MASTIC	TEM NYS 198.4 NOB	1/11/2012	Red		N/A	None Detected	

Initial Report From 01/11/2012 13:13:32

03120529

MAS Environmental - Chain of Custody

11 East 68 St

Laboratory:	EMSL	Building:	
Date Samples Collected:	1-6-12	Location:	
Collected By:	Matthew Stark and Jason Ball	Date Submitted:	1-6-12

Sample	Sample Type	area	Location	Item	Test For
1	PLM ~~NYB~~		12th Fl East Side of Bldg	Floor	ACM
2	PLM		"	mastic	ACM
3	PLM		"	Floor	ACM
4	PLM		"	mastic	ACM
5	PLM		12th Fl West Side Storage Rm WS	Floor	ACM
6	PLM		" "	mastic	ACM
7	PLM		" "	Floor	ACM
8	PLM		" "	mastic	ACM
9	PLM				ACM
10	PLM				ACM
11	PLM				ACM
12	PLM				ACM
13	PLM				ACM
14	PLM				ACM
15	PLM				ACM
16	PLM				ACM
17	PLM				ACM
18	PLM				ACM
19	PLM				ACM
20	PLM				ACM
21	PLM				ACM
22	PLM				ACM
23	PLM				ACM
24	PLM				ACM
25	PLM				ACM
26	PLM				ACM
27	PLM				ACM
Received By:	[illegible]	Date:	1/8/12	Relinquished By:	Jason ball
Opened By:		Date:		Date:	1-6-12
				Turnaround:	72 hrs

EMSL MANHATTAN LAB
RECEIVED
2012 JAN -8 PM 5 50

If Negative go TEM Do not Split Samples

283

EMSL Analytical, Inc.
307 West 36th Street, New York, NY 10018
Phone: (212) 290-0061 Fax: (212) 290-0068 Email: manhattanlab@emsl.com

Attn: GAC Environmental
136 West 83rd Street
New York, NY 10024

Fax: Phone: (212) 875-9508
Project: 11 EAST 66TH STREET/ NEW YORK, NY

Customer ID: GAC50
Customer PO:
Received: 01/12/12 5:11 PM
EMSL Order: 031200959
EMSL Proj:
Analysis Date: 1/12/2012

Test Report: Asbestos Analysis of Bulk Materials by PLM via the NY State ELAP 198.1 Method

Sample	Description	Appearance	Non-Asbestos % Fibrous	Non-Asbestos % Non-Fibrous	Asbestos % Type
7 031200959-0007	6TH FLOOR/ APARTMENT 6A - CEILING PLASTER	Brown/White Non-Fibrous Heterogeneous		25.00% Non-fibrous (other) 50.00% Ca Carbonate 25.00% Quartz	None Detected
8 031200959-0008	6TH FLOOR/ APARTMENT 6A - WALL PLASTER	Brown/White Non-Fibrous Heterogeneous		20.00% Non-fibrous (other) 60.00% Ca Carbonate 20.00% Quartz	None Detected
9 031200959-0009	7TH FLOOR/ APARTMENT 7E - CEILING PLASTER	Brown/White Non-Fibrous Heterogeneous		40.00% Non-fibrous (other) 40.00% Ca Carbonate 20.00% Quartz	None Detected
10 031200959-0010	7TH FLOOR/ APARTMENT 7E - WALL PLASTER	Brown/White Non-Fibrous Heterogeneous		25.00% Non-fibrous (other) 55.00% Ca Carbonate 20.00% Quartz	None Detected
11 031200959-0011	8TH FLOOR/ APARTMENT 8B - CEILING PLASTER	Brown/White Non-Fibrous Heterogeneous		10.00% Non-fibrous (other) 50.00% Ca Carbonate 40.00% Quartz	None Detected
12 031200959-0012	8TH FLOOR/ APARTMENT 8B - WALL PLASTER	Brown/White Non-Fibrous Heterogeneous		20.00% Non-fibrous (other) 50.00% Ca Carbonate 30.00% Quartz	None Detected

Initial report from 01/13/2012 04:16:51

Analyst(s)
Alexander Beller (18)

James Hall, Laboratory Manager
or other approved signatory

EMSL maintains liability limited to cost of analysis. This report relates only to the samples reported and may not be reproduced, except in full, without written approval by EMSL. EMSL bears no responsibility for sample collection activities or analytical method limitations. Interpretation and use of test results are the responsibility of the client. This report must not be used by the client to claim product certification, approval, or endorsement by NVLAP, NIST or any agency of the federal government. Non-friable organically bound materials present a problem matrix and therefore EMSL recommends gravimetric reduction prior to analysis. Samples received in good condition unless otherwise noted.
Samples analyzed by EMSL Analytical, Inc. New York, NY NYS ELAP 11506

GAC - Environmental

031200959

EMSL MANHATTAN LAB RECEIVED
2012 JAN 12 PM 5:11

FAX To: 212-787-8138

Laboratory:	EMSL	Building:	11 East 68th Street
Date Collected:	1/12/2012	Location:	New York, NY
Collected By:	Matthew Stock assisted by Wayne Stock	Date Submitted:	1/12/2012

Sample #	Analysis	Floor	Sample Location	Item	Test For
1	plm	2nd Floor	Apartment 2A	Ceiling Plaster	ACM
2	plm	2nd Floor	Apartment 2A	Wall Plaster	ACM
3	plm	3rd Floor	Apartment 3A	Ceiling Plaster	ACM
4	plm	3rd Floor	Apartment 3A	Wall Plaster	ACM
5	plm	4th Floor	Apartment 4B	Ceiling Plaster	ACM
6	plm	4th Floor	Apartment 4B	Wall Plaster	ACM
7	plm	6th Floor	Apartment 6A	Ceiling Plaster	ACM
8	plm	6th Floor	Apartment 6A	Wall Plaster	ACM
9	plm	7th Floor	Apartment 7E	Ceiling Plaster	ACM
10	plm	7th Floor	Apartment 7E	Wall Plaster	ACM
11	plm	8th Floor	Apartment 8B	Ceiling Plaster	ACM
12	plm	8th Floor	Apartment 8B	Wall Plaster	ACM
13	plm	9th Floor	Apartment 9A	Ceiling Plaster	ACM
14	plm	9th Floor	Apartment 9A	Wall Plaster	ACM
15	plm	10th Floor	Apartment 10B	Ceiling Plaster	ACM
16	plm	10th Floor	Apartment 10B	Wall Plaster	ACM
17	plm	11th Floor	Apartment 11A	Ceiling Plaster	ACM
18	plm	11th Floor	Apartment 11A	Wall Plaster	ACM

12 HOUR TURNAROUND

*Note: STOP AT FIRST POSITIVE- for each item grouping

NOTE: Go directly to TEM on all PLM-NOB Samples that are negative

NOTE: DO NOT SEPARATE LAYERS, UNLESS NOTED

Received By:	Katy Cp	Date: 1/12/12 5:11pm	Relinquished By: M. Stock
Opened By:		Date:	Date: 1/12/2012
No. Samples Received:			Turnaround Requested: 12 HOUR

1/12-740

031200959

2680

Appendix II: Qualifications of Expert

Matthew Stock

[redacted]
Work Phone (212) 875-9506

EXPERIENCE

President. GAC Environmental, Inc.
May 1997 – Present

- GAC provides qualified asbestos and mold abatement, and lead remediation with EPA, NYS and NYC certified personnel, as well as qualified on-site project management personnel.
- Consulting services include: testing for asbestos, lead, mold, soil and radon; the development of removal specifications; and conducting indoor air monitoring. GAC also offers environmental awareness seminars to its clients.
- Major clients include Yeshiva University, NYC Housing Authority, Lefrak Organization, Maxwell-Kates, Inc, Midboro Management.
- Prepare asbestos, hazardous waste, mold, and lead-base paint testing, inspections, specifications and abatement final reports.
- Prepare Phase I and Phase II Environmental Site Assessments in New York City area.

Manager. Hazard Abatement Division. Office of System Safety.
MTA New York City Transit. October 1989 – May 1997

- Manage a staff of seven (7) System Safety Specialists who implement the goals of the Hazard abatement Section. The section's responsibilities include the performance of hazard assessments, audits, field surveys, employee exposure monitoring, and project site inspections.
- Developed and maintain all asbestos budget and tracking systems for the NYC Transit Authority. Computer databases and spreadsheets were developed to effectively manage all asbestos related activities, including those performed in conjunction with the Capital Program.
- Management various asbestos contracts for the Office of System Safety. Current contracts include: asbestos surveys, and indefinite quantities asbestos abatement contractors and consultants/air monitors.
- Developed and maintain the Asbestos Management Plan for the Transit Authority.

System Safety Specialist II.
Environmental & Occupational Safety Division. System Safety Department.
New York City Transit Authority. February 1988 - October 1989.

- Performed industrial hygiene and occupational safety inspections in conjunction with efforts to abate violations issued by the New York State Department of Labor. Worked with on-site personnel to ensure corrective action plans were implemented as directed.

- Performed preliminary hazard assessments (PHA) and prepared recommendations for senior level management. PHA's performed included third rail shut-off procedures, lock-out/tag-out procedures, and flammability of Transit Authority uniforms.

Associate Engineer. Car Equipment Department. NYCTA. June 1986 - February 1988.
- Prepared chemical and material standards, and safety procedures. Furnished technical assistance and prepared reports on internal and external practices regarding chemicals used in the Transit Authority "Clean Car Program".

Environmental Analyst
Office of Environmental Affairs. Con Edison. 1985.
- Prepared reports on the potential environmental hazards of storm water run-off at a Con Edison generating stations. In addition, supervised a monitoring project for measuring the chlorine levels of discharge water at electrical and steam generating station sites.

SKILLS & CERTIFICATIONS

- NYC Asbestos Investigator
- NYS Asbestos Designer
- NYC Asbestos Investigator
- HUD Trained Lead-Based Paint Inspector
- HUD Trained Lead-Based Paint Supervisor
- NIOSH 582 Course for Reading Asbestos Fibers
- Mold Training Course

EDUCATION

The Cooper Union. Bachelor of Engineering Degree in Chemical Engineering. 1986.

EXHIBIT "6"

LOCAL LAW 11 REPORT

07/31/2008 16:33 FAX 1212 541 4881 AJ CLARKE REAL ESTATE 003

961240

BUILDINGS

TECHNICAL REPORT (TR-6)

Periodic Inspection of Exterior Walls and Appurtenances
February 21, 2005 - February 21, 2007
Initial Report Cycle 6
Amended Report Cycle # _____

For official use only:
FEB 14 2007
DEPT. OF BUILDINGS
LOCAL LAW ENFORCEMENT UNIT

1. Filing Information - Answer all questions, File 3 copies with one (1) microfilm

☒ Initial Filing - Indicate last cycle filing date: 2/23/00 ☐ Subsequent filing - Indicate Initial filing date: _____

☐ Amended Filing - Indicate Initial unsafe filing date: _____

2. Location

Borough	Manhattan	Block	1383	Lot(s)	13
House No(s).	11	Street Name	East 68th Street		
A.K.A address(es)	814-816 Madison Avenue				

BIN 1041253
Zip 10021
Community Board No. 108

3. Inspection Report Status – Refer to Definitions of Conditions in Rules 1 RCNY § 32-03(a)

Current Cycle	Prior Cycle
☐ Safe ☒ Safe with a Repair and Maintenance Program (SWARMP) ☐ Unsafe:	☐ Safe ☒ SWARMP ☐ Unsafe

4. Building Characteristics

Number of Stories 11+ Penthouse Landmark Building: Yes: ☒ No: ☐ Landmark District: Yes: ☒ No: ☐

Exterior Wall Type: Brick, Stone, Terra Cotta

5. Professional

Last Name	Rosenbaum	First Name	Kurt	M.I.	
Business Name	KRA Associates, Inc				
Business Phone	(845 356-7971	E-Mail Address			
Address	95 New Clarkstown Road	City	Nanuet	State NY	ZIP 10954

☒ P.E ☐ R.A NYS License No. 38618

6. Owner of Record (Not a Representative or Building Manager)

Last Name	Rothchild	First Name	Michael Managing Agent
Business Name	Madison 68 Corp., c/o A.J. Clarke		
Business Phone	(212) 541-0477	E-Mail Address	
Address	1881 Broadway	City NY	State NY ZIP 10023

7. Statements and Signatures

Falsification of any statement is a misdemeanor under Section 26-124 of the Administrative Code and punishable by a fine or imprisonment, or both. It is unlawful to give to a City employee, or for a City employee to accept, any benefit, monetary or otherwise, either as a gratuity for properly performing the job or in exchange for special consideration. All Violations are punishable by imprisonment or fine or both.

Professional's name (print):

PE/RA NYS Lic. No. 38618

I hereby state that the owner has authorized me to submit his report. Furthermore, I hereby state that all statements are correct and complete to the best of my knowledge. A copy of this report has been given to the owner.

Professional's Signature 1/25/07 Date

Owner / Owner representative's name (print below):

(A) I hereby state that I am the owner/owner's representative of the premises referenced in the attached report. Furthermore, I have received and read a copy of the attached report and I am aware of the required repairs and/or maintenance, if any and the recommended time frame for the same.

(B) I certify that all items noted as SWARMP conditions in the Cycle 5 Report have been corrected/repaired; or this report must be rated as "Unsafe" as per RCNY 32-03 (b) (3) (ii) (Q), if applicable.

If not the owner - Relationship to owner; Address & Phone No.

Managing Agent Mr. Michael Rothchild
A.J. Clarke
1881 Broadway
New York, New York 10023 (212) 541-4477

Signature 1/22/07 Date

Mr. Michael Rothchild

See TR-6 Instructions on Reverse side

TR-6 (Rev.5/05)

COMMISSIONER OF BUILDINGS
CITY OF NEW YORK

CRITICAL EXAMINATION
LOCAL LAW 11/98 CYCLE 6
REPORT

At

11 East 68th Street
New York, New York

REPORT OF A CRITICAL EXAMINATION OF THE FACADES OF THE BUILDING LOCATED AT 211 WEST 101st STREET, NEW YORK, NEW YORK, IN COMPLIANACE WITH THE APPLICABLE REQUIREMENTS OF SECTION 27-129 OF THE ADMINISTRATIVE CODE OF THE CITY OF NEW YORK (LOCAL LAW 10/80) AS AMENDED BY LOCAL LAW 11/98).

TABLE OF CONTENTS:

I. Property Information
II Detailed Description of the Inspected Building
III. Summary Of Findings
IV. Methods Used to Conduct Inspection
V. Report of Findings
VI. Professional Seal and Signature with Date

PROPERTY INFORMATION

Address:	11 East 68th Street, New York, New York
AKA:	814 – 816 Madison Ave east 68th Street
Nearest Cross Street:	North West corner of Madison Avenue and East 68th Street
Block:	1383
Lot:	13
Building Identification Number:	1041253
Landmark Status:	Landmark District
ECB:	No ECB violations related to exterior envelope were found
Building Owner/ Manager:	Madison 68 Corp c/o AJ Clarke Real Estate Corp. 1881 Broadway New York, New York 10023 212-541-4477
Date of inspection(s):	March 1, 2006 See attached drawing for scaffold drop location
Inspected By:	Edward G. Agnoli **KRA Associates, Inc.** 95 New Clarkstown Road Nanuet, New York 10954
Rigger:	**Wolf Construction** 535 Derby Avenue Woodmere, New York 11598
License:	5664

BUILDING DESCRIPTION

Number of Stories:	11 stories plus Penthouse
Approximate Height:	120 Feet
Plan Dimensions:	Approximately 95 Feet by 120 Feet
Certificate of Occupancy Number:	73336
Occupancy Code:	D7 – Elevator Apartment
Age of Building:	Approximately 76 years old
Exterior Wall Construction Type:	The exterior walls are brick masonry in a brick bearing wall construction. Steel window lintels are located at every floor along with stone lintels. The windows are a mixture of original wood and replacement type aluminum double hung. Parapets rise approximately 42" above the roof surface and are capped with metal copings. The rear of the building has no coping and a steel railing system. The bulkhead is a masonry structure cladded with a copper paneling. The ground floor is cladded with a limestone facing. The upper street facades are capped with a large stone cornice and stone water tables are located at the 2nd 3rd, 4th, 5th and 10th floors.
History of Repairs:	Facade restoration completed in 2005 All permits obtained and signed off
Water Tightness:	No leaks reported at the time of the inspections
Alterations to the exterior walls:	No major alteration observed at the facade and roof areas.
Previous filing status:	Safe With a Repair and Maintenance Program All work filed and signed off.
Appurtenances:	The building has a fire escape in the south facing court. It is in good condition. All a/c are supported.

Inspection procedure
The inspection was conducted via hanging scaffolding. Scaffold drops were conducted on all areas of all facades at the conclusion of an extensive facade restoration completed in the winter of 2005. Probes were not necessary because of the extensive work preformed.

ENGINEERS RESPONSIBILITY

The inspection was performed in accordance with the provisions of the New York city Administrative Code and the rules and regulations of the New York City Building Department and is an evaluation of the subject building's exterior condition pursuant to the requirements of Local Law #10/80. Whereas the aforementioned section of law permits the use of telescopic equipment for the inspection and since various elements, which are related to the exterior surface, are concealed the accuracy of the Report is therefore necessarily limited. There is no representation or guarantee express or implied; this inspection report is based upon the condition of the facade as observed by the Engineer on the date that the inspection was performed.
PURSUANT THE RULES AND DEFINITIONS UNDER LL#11/98 THE HEIGHT OF THE BUILDING WAS DETERMINED BY THE LOWEST GROUND ELEVATION ADJACENT TO ANY EXTERIOR WALL AS DETAILED UNDER TPPN#5/99.

GENERAL FINDINGS AND NOTES:

1. No hazardous conditions were observed. The building is judged to be **"Safe With a Repair and Maintenance Program"**.

Conditions Noted:
The following conditions were observed to require repair to maintain the building's status as being Safe With a Repair and Maintenance Program: All new SWARMP conditions.

- Worn mortar joints at stone masonry
- Deteriorated base and cap flashing at the interior side of the parapets
- Deteriorated roofing system at the top of the cornice
- Minor rusting of exposed steel lintels
- Hairline cracks in limestone
- Deteriorated window lintel at upper floor rear facade

Recommended Repairs:

- Pointing at cornice and stone masonry
- New base and cap flashing installation
- New roofing system at cornice
- Paint window lintels
- Caulk hairline cracks in limestone
- Window lintel replacement at one window at the rear facade

GENERAL NOTES
All above Work must be done within two to three years.
All above Work must be filed with the Department of Buildings and Landmarks for permits.
All above Work is SWARMP conditions.

No facade work should be performed with out an approved sidewalk shed been in place and the issuance of a permit for work by the New York City Department of Buildings.

Local Law 11/98 requires that all items of the facade described in this report under the "Safe With Repair and Maintenance Program" must be completed prior to performing the 6th cycle of the Local Law 11/98

Nothing stated in this report shall be interpreted as a warranty of any kind by the Engineer in connection with any construction, repairs or maintenance work, past, present or future, including suitability for use, involving the building, any parts thereof or any appurtenances thereto. Nothing in this report shall be interpreted as implying that the Engineer has given an opinion as to the suitability, adequacy or inadequacy of the original design of the building, any of the parts or appurtenances thereof or any alterations of the above. Nor the existence of any encroachments of the building or any part or appurtenance thereof over property lines, etc. Conditions noted in this report are of the date(s) of inspection only. No warranty is expressed or implied in this report as to the completeness or extent of the repairs recommended herein.

The Engineer does not guarantee the accuracy of horizontal and vertical control information or other information relative to the legal use of the building, locations of the building, legal Owner, principal officer of legal Owner, site description, date of construction, construction details not visible, etc. The Engineer has not been retained to determine any property lines or encroachments.

This report represents the opinions of the undersigned Engineer as to the conditions observed as of the date of last inspection noted above subject to the degree of accuracy obtainable by the means of inspection that were used.

At the completion of repairs of any conditions noted as being "unsafe", the Owner must file or cause to have filed with the Department of Buildings an amended filing of this Technical Report attesting to the fact that all there to related repairs have been completed and that no unsafe conditions exist.

The responsibilities of the Engineer are limited solely to the critical inspections, preparation and filing of this report, subject to the terms set forth herein. Nothing in this report shall be interpreted as extending the scope of the Engineer's services and liability.

ST 68TH STREET
CAL LAW 11 6TH CYCLE REPORT

PROFESSIONAL SEAL AND SIGNATURE:

Seal

1-25-07
Date:

11 EAST 68TH STREET

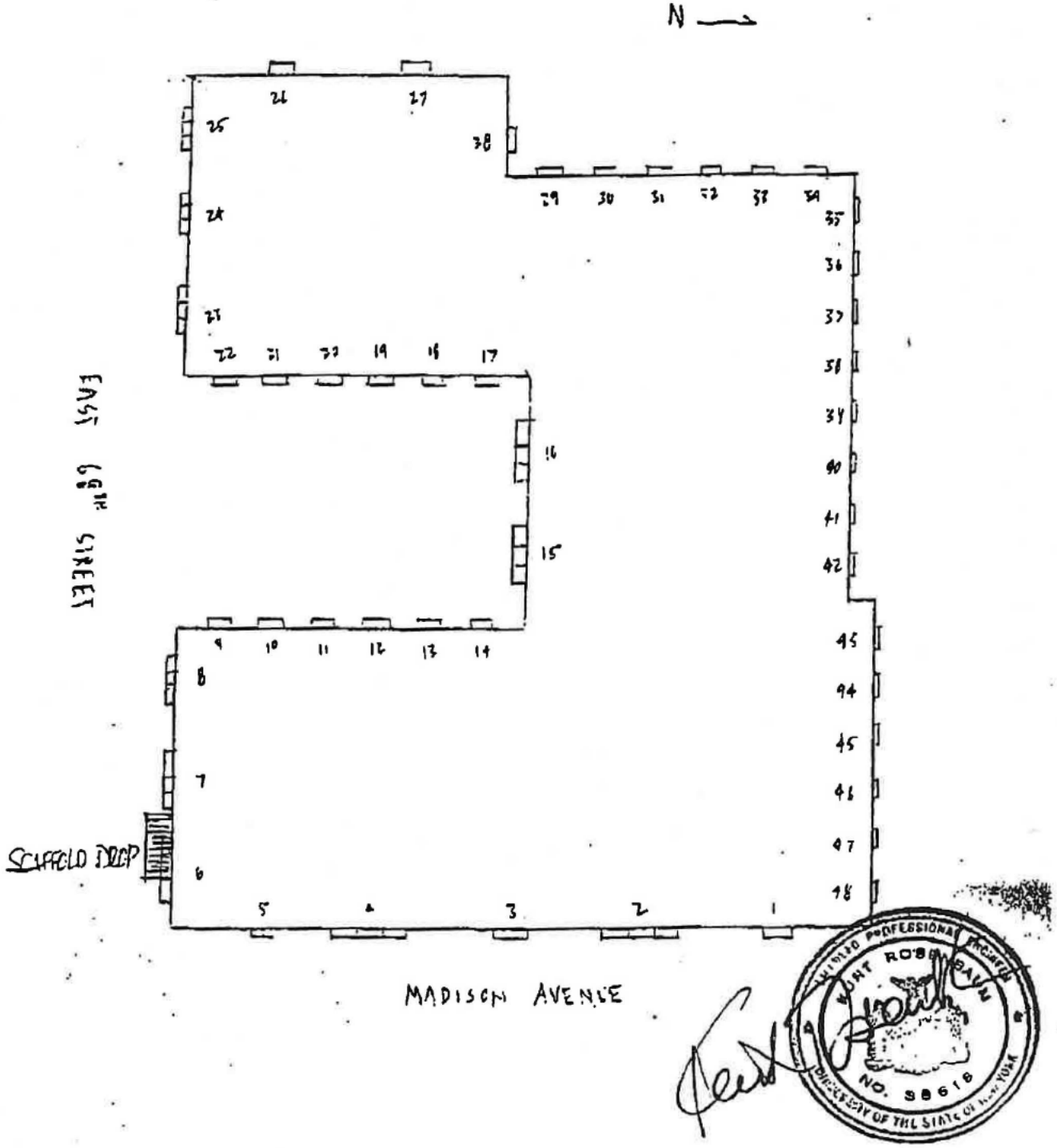
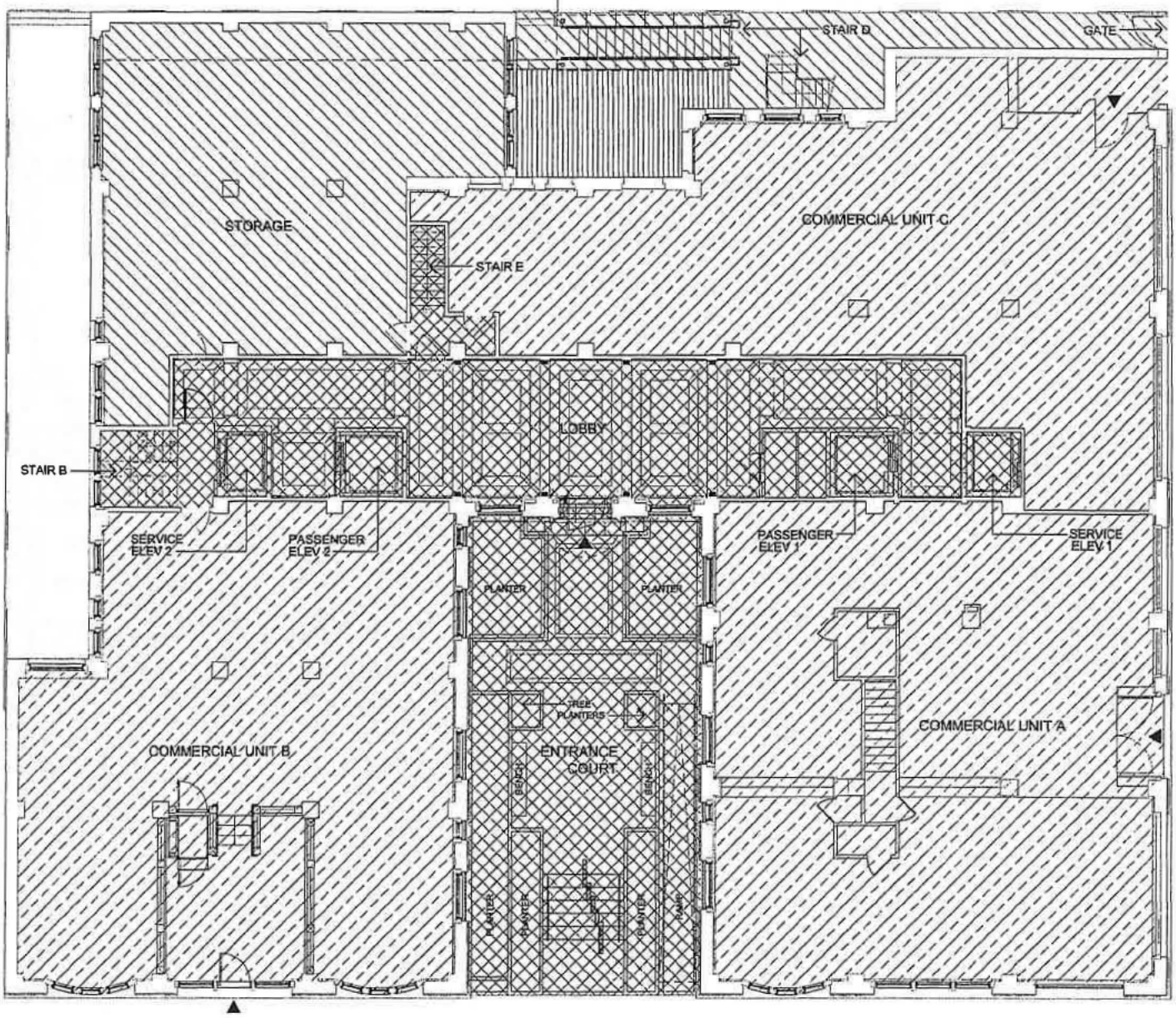


EXHIBIT "7"

FLOOR PLANS



1st Floor Plan

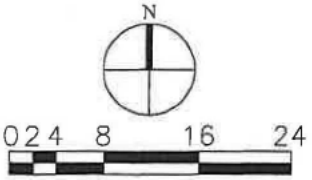
LEGEND

- RESIDENTIAL COMMON ELEMENT
- GENERAL COMMON ELEMENT
- RETAIL UNIT
- RETAIL LIMITED COMMON ELEMENT

Eleven East Sixty-Eighth Street Condominium

11 East 68th Street
New York, New York

All dimensions are approximate. Layout for actual Units may vary. Square footages exceed the usable floor area and includes columns, mechanical pipes, shafts, shaftways, chaseways and conduits and other Common Elements. Plans may contain minor variations from floor to floor.



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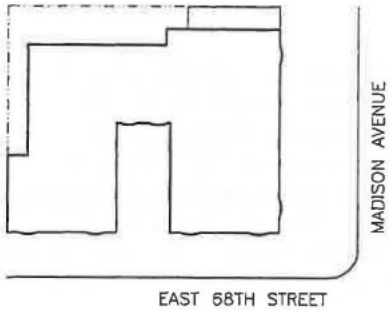

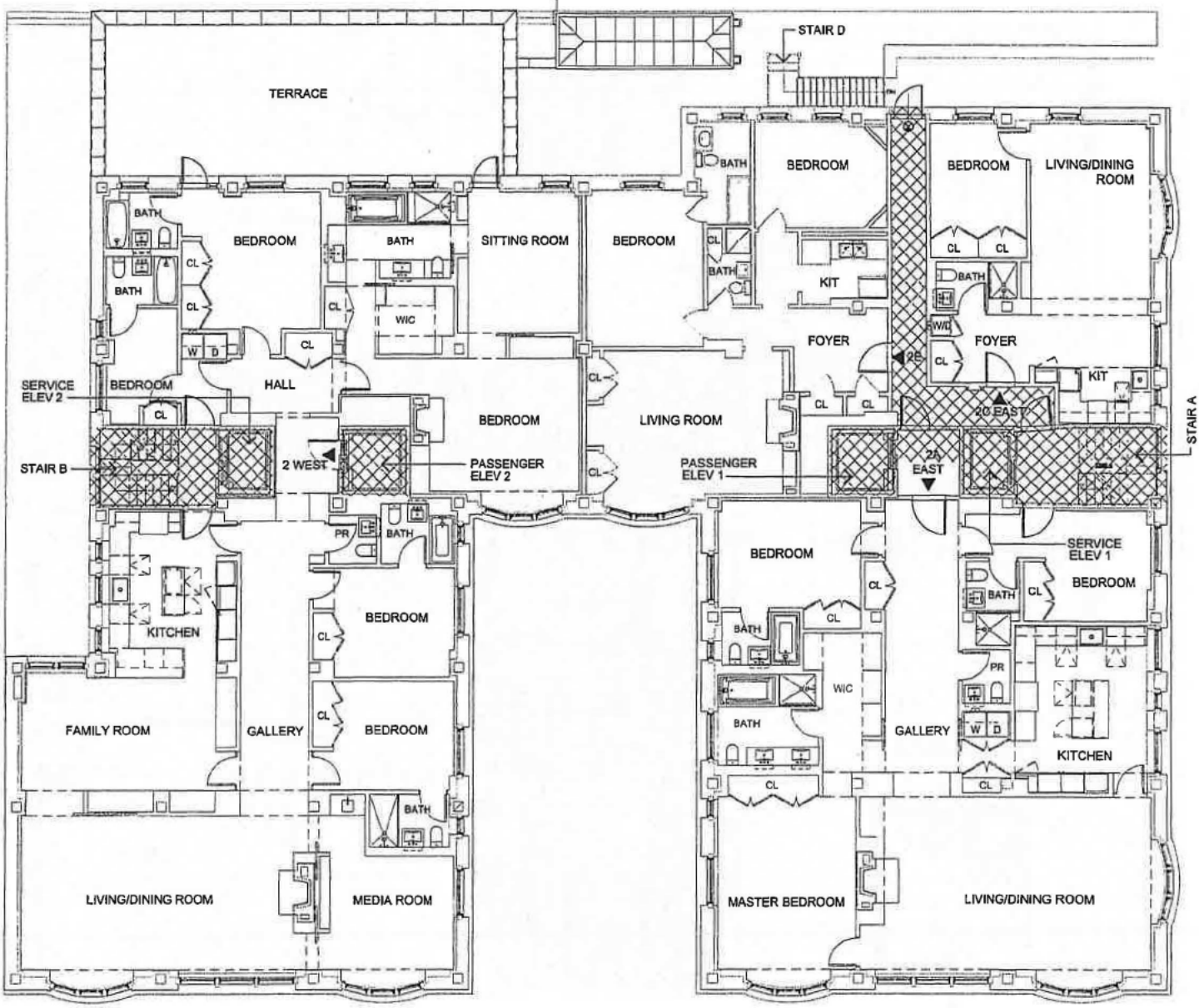

2nd Floor Plan

LEGEND

Eleven East Sixty-Eighth Street Condominium

11 East 68th Street
New York, New York

All dimensions are approximate. Layout for actual Units may vary. Square footages exceed the usable floor area and includes columns, mechanical pipes, shafts, shaftways, chaseways and conduits and other Common Elements. Plans may contain minor variations from floor to floor.

N

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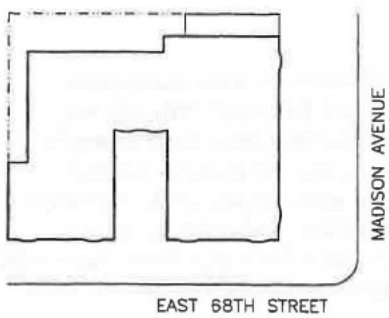

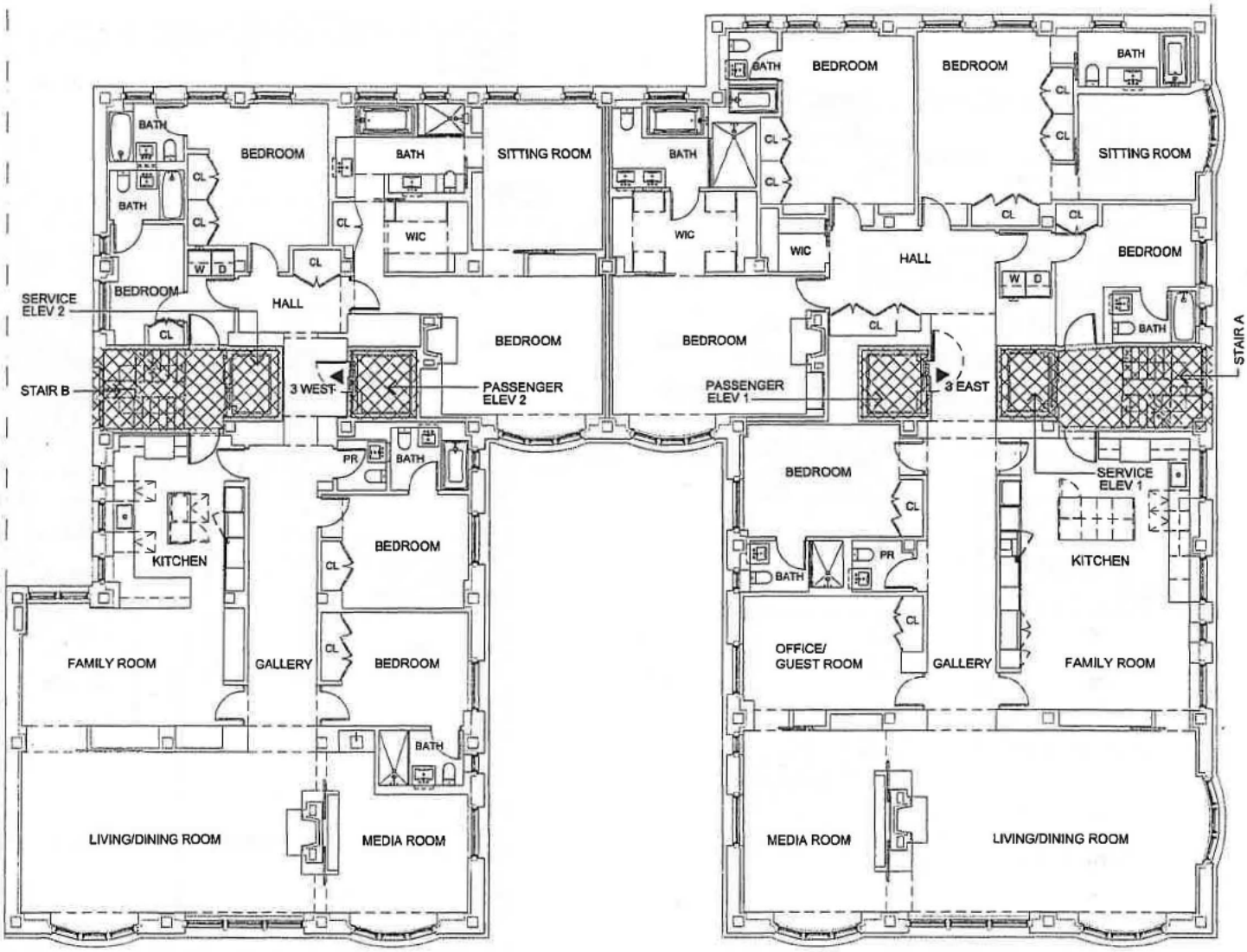

3rd Floor Plan

LEGEND

Eleven East Sixty-Eighth Street Condominium

11 East 68th Street
New York, New York

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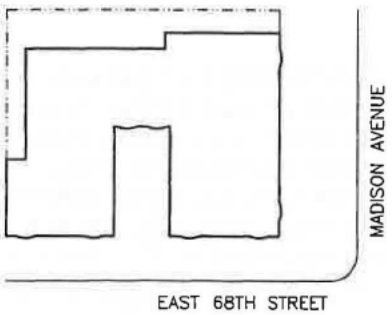

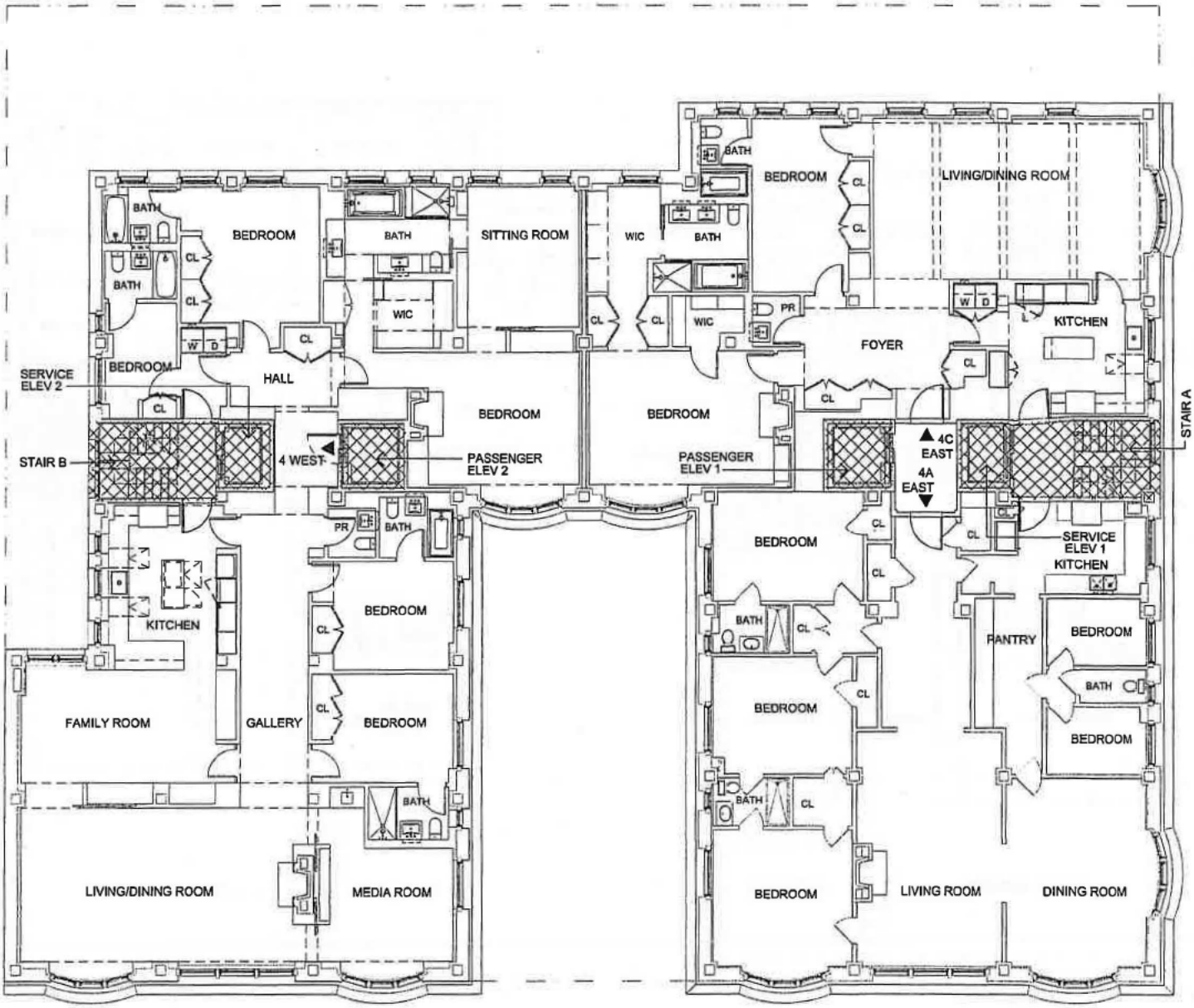

4th Floor Plan

LEGEND

Eleven East Sixty-Eighth Street Condominium

11 East 68th Street
New York, New York

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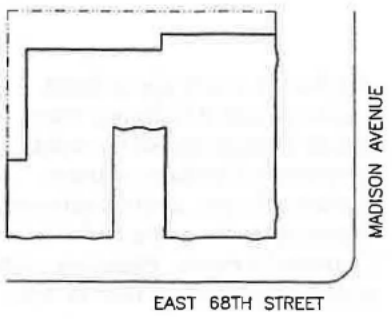

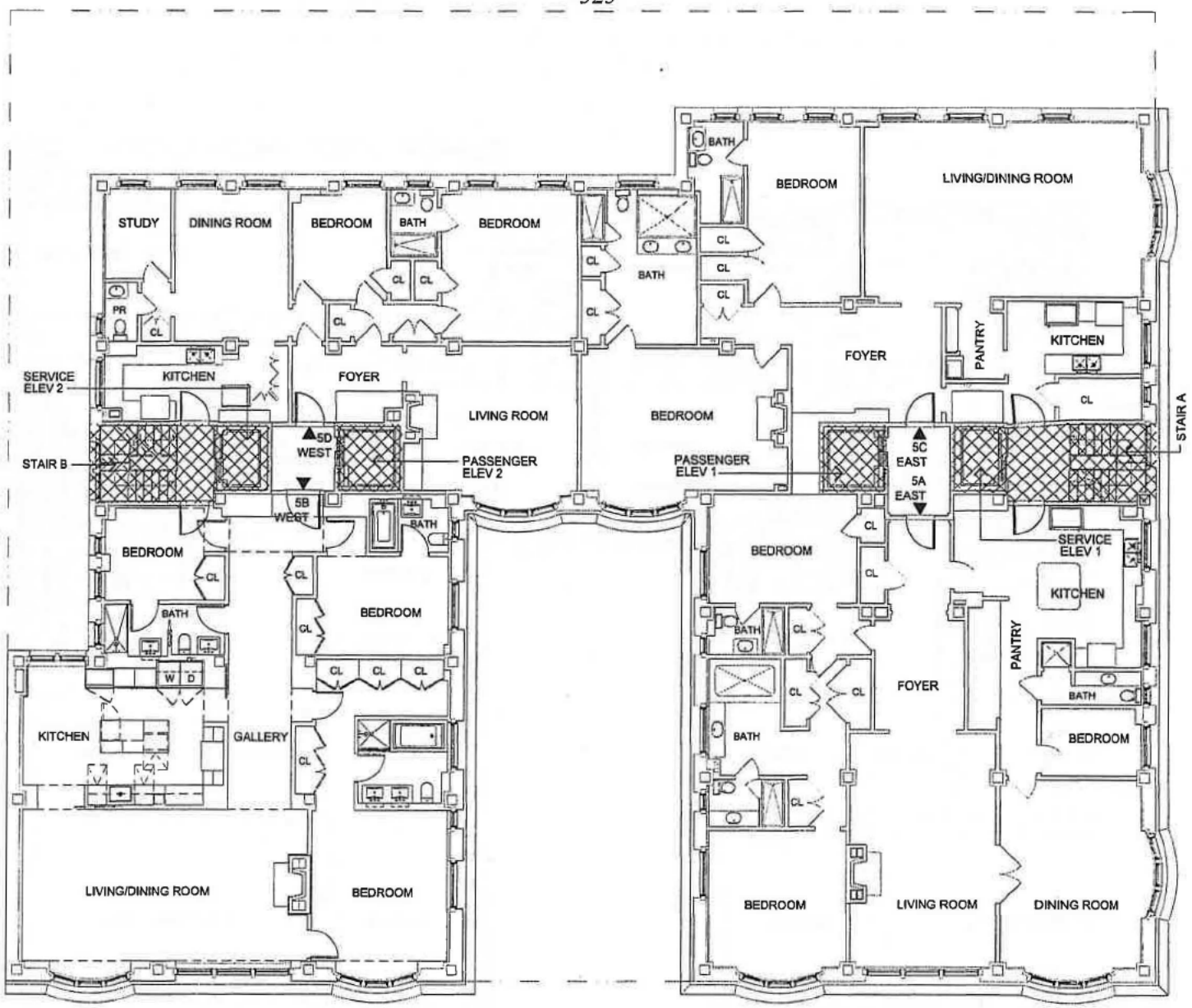

5th Floor Plan

LEGEND

Eleven East Sixty-Eighth Street Condominium

11 East 68th Street
New York, New York

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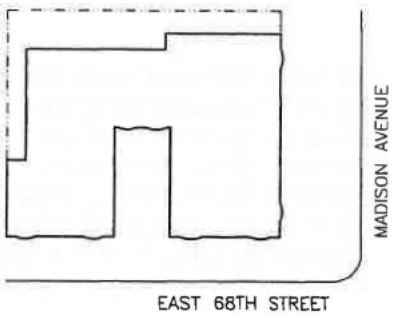

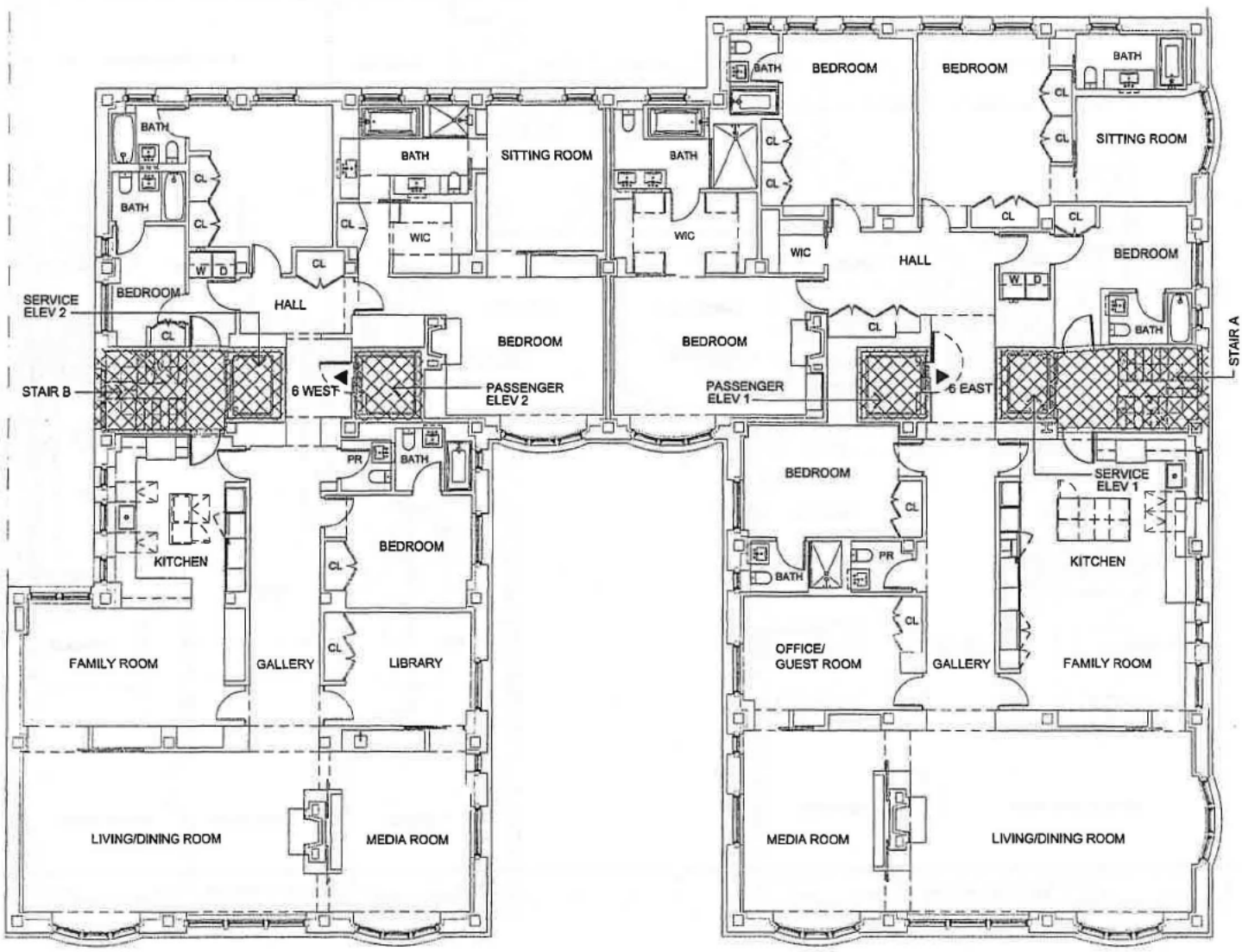

6th Floor Plan

Eleven East Sixty-Eighth Street Condominium

11 East 68th Street
New York, New York

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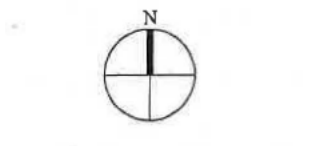

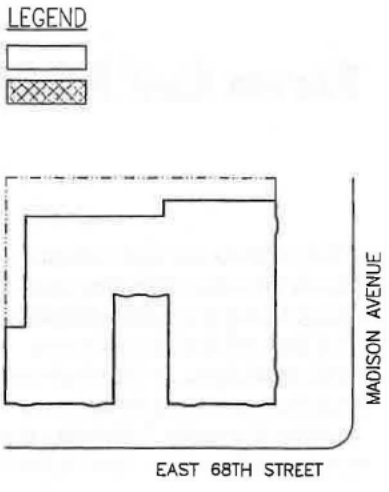

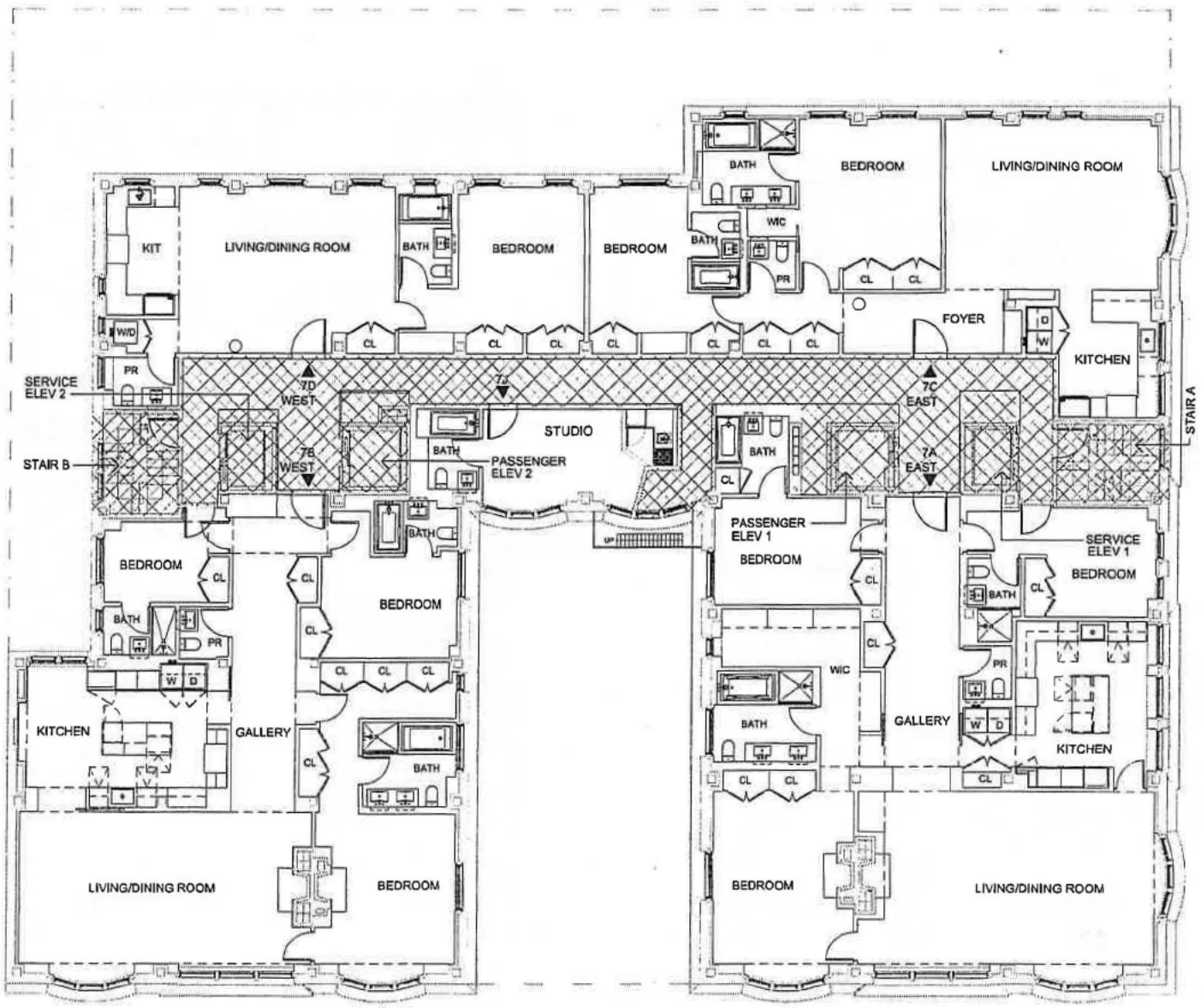

7th Floor Plan

Eleven East Sixty-Eighth Street Condominium

11 East 68th Street
New York, New York

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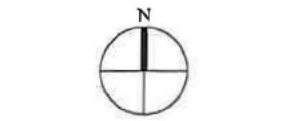
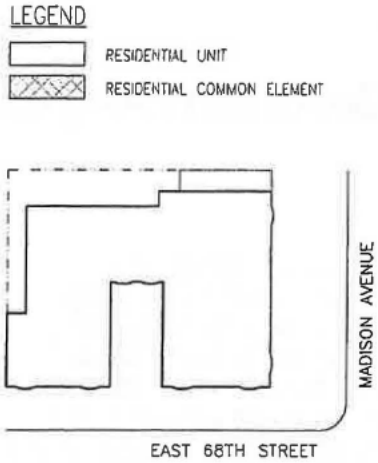
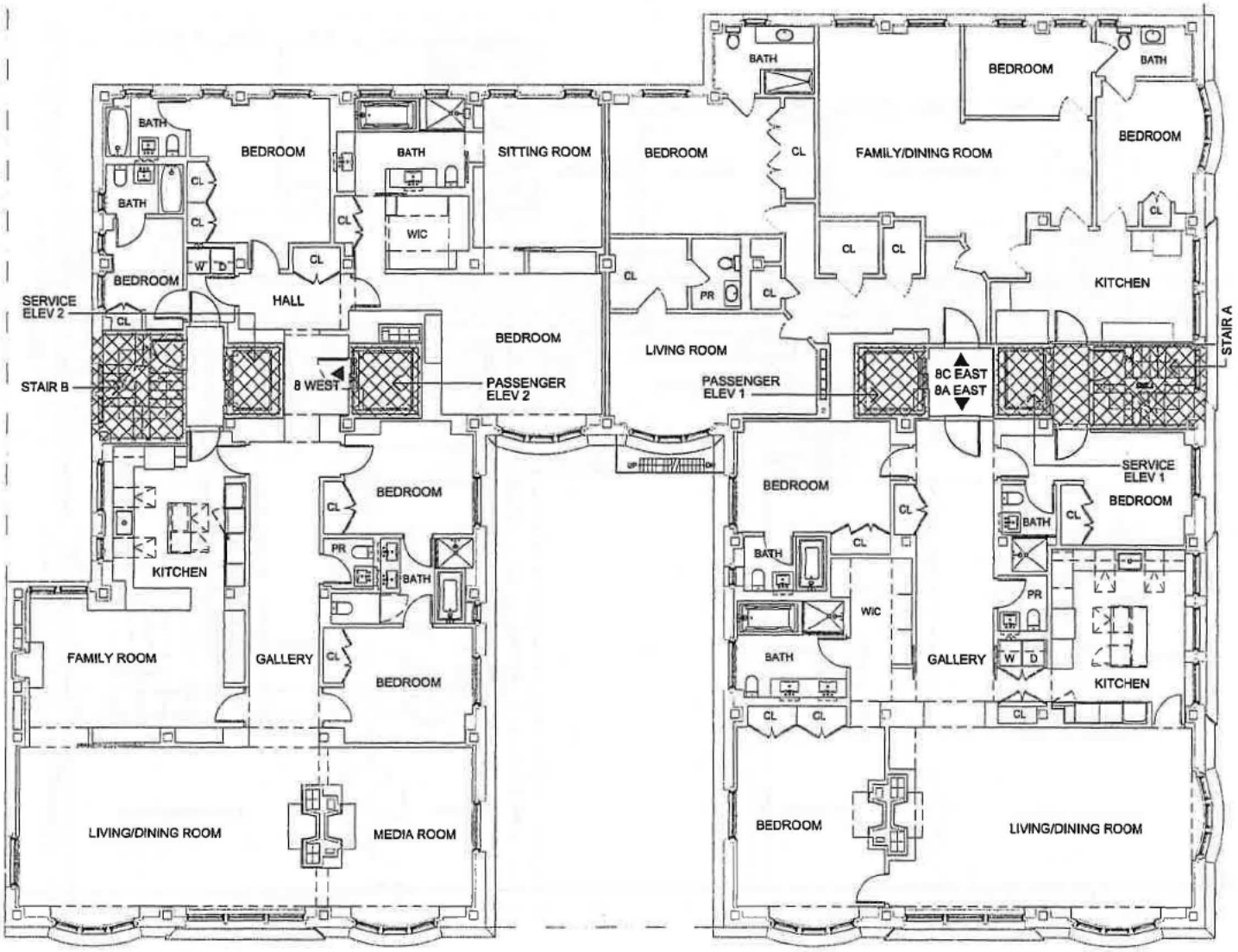






8th Floor Plan

LEGEND

Eleven East Sixty-Eighth Street Condominium

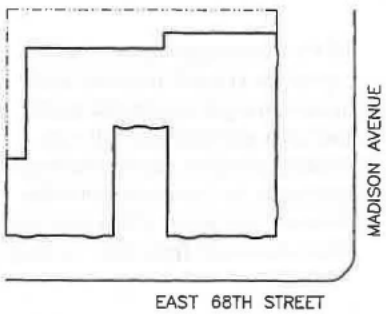
11 East 68th Street
New York, New York

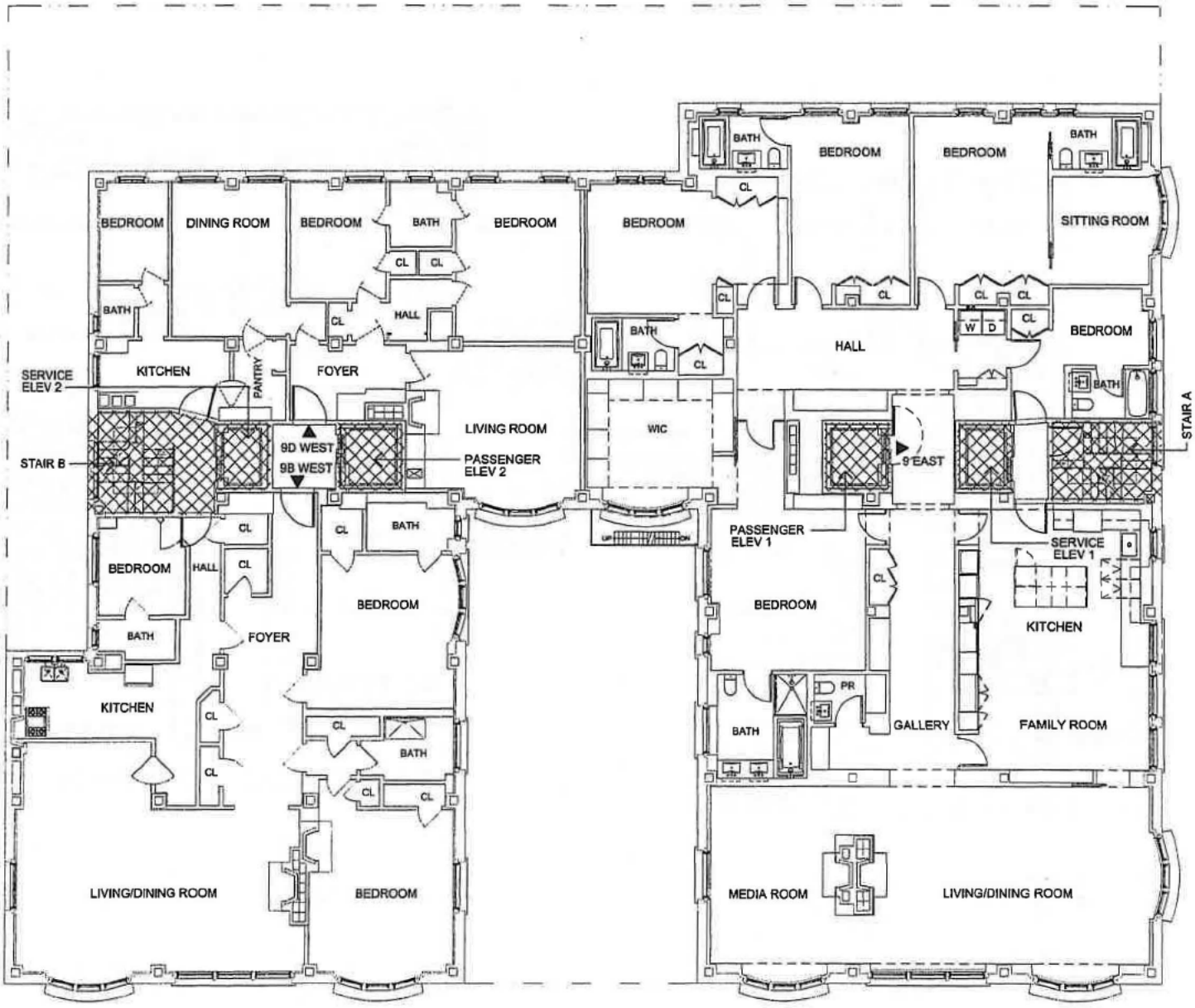
All dimensions are approximate. Layout for actual Units may vary. Square footages exceed the usable floor area and includes columns, mechanical pipes, shafts, shaftways, chaseways and conduits and other Common Elements. Plans may contain minor variations from floor to floor.

N

0 2 4 8 16 24

SCALE: 1/16"=1'-0"





9th Floor Plan

LEGEND

Eleven East Sixty-Eighth Street Condominium

11 East 68th Street
New York, New York

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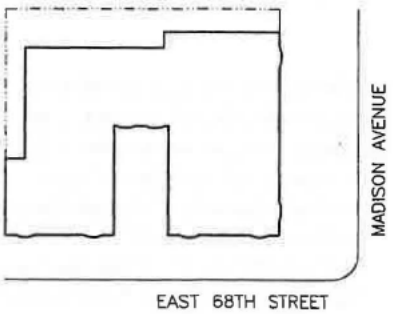
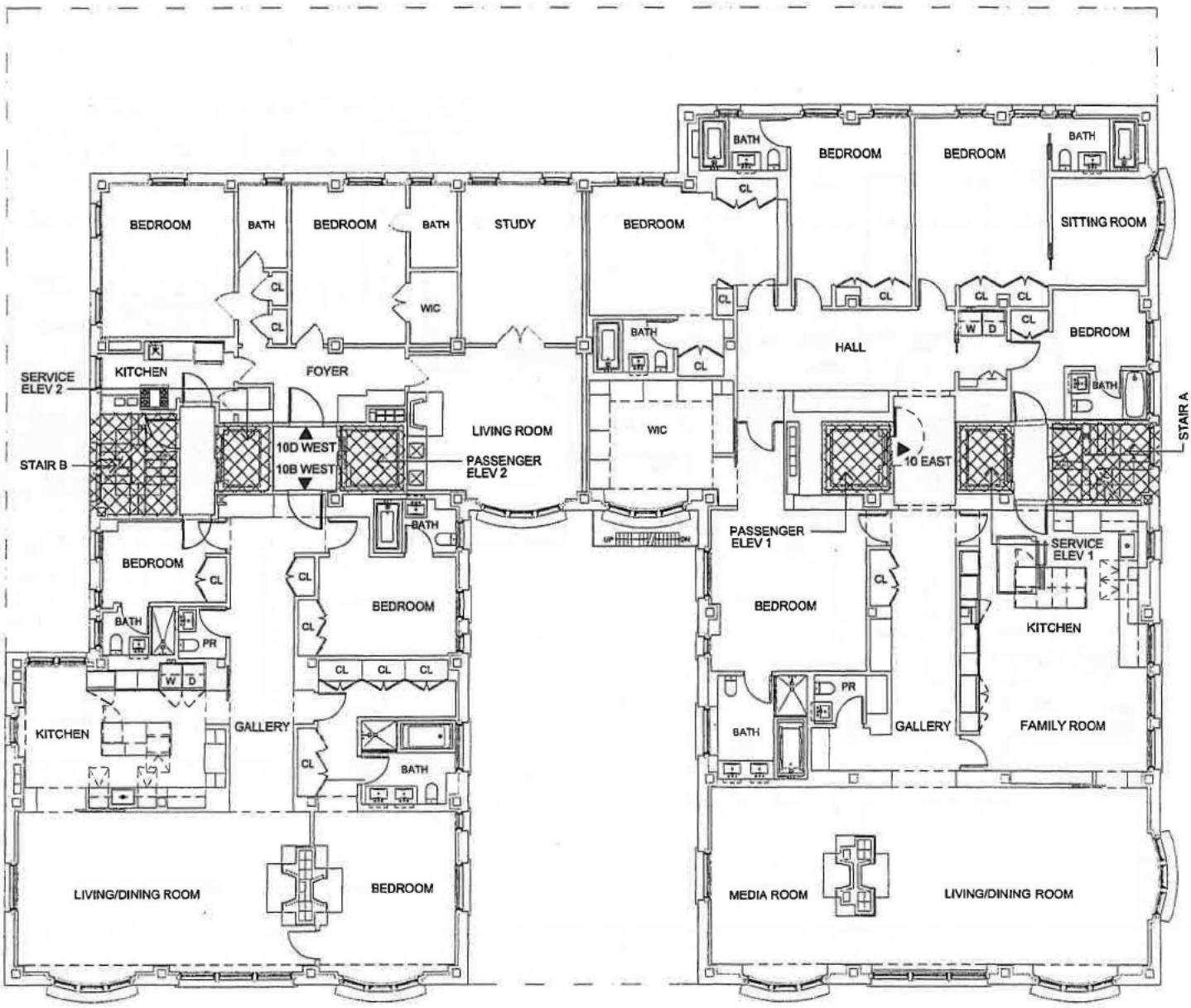
N

0 2 4 8 16 24

SCALE: 1/16"=1'-0"





10th Floor Plan

Eleven East Sixty-Eighth Street Condominium

11 East 68th Street
New York, New York

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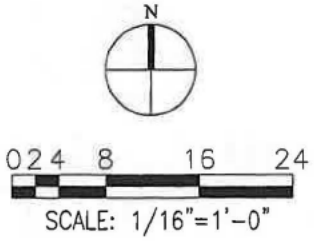
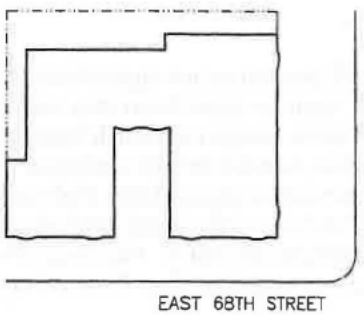
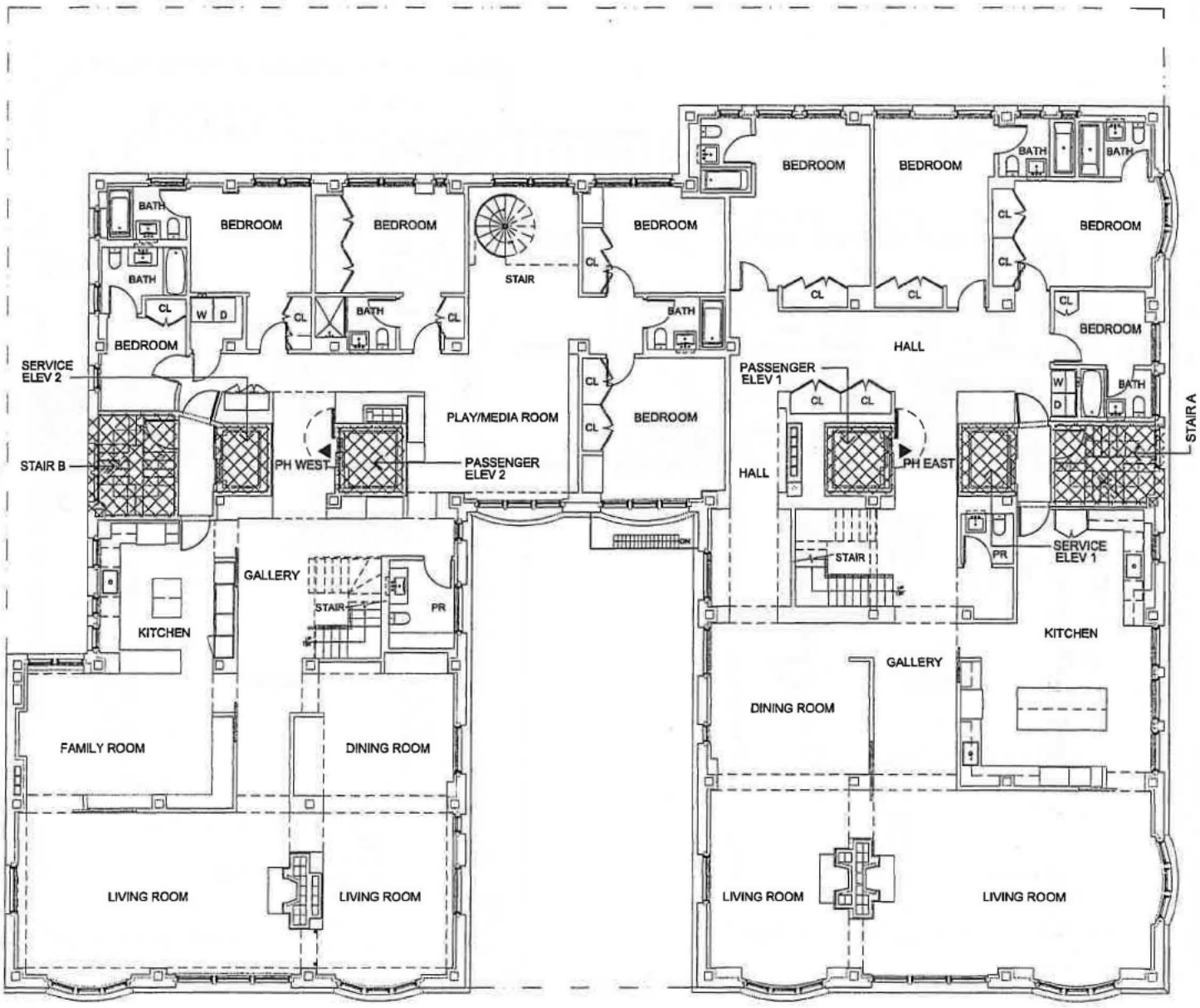


LEGEND





11th Floor Plan

Eleven East Sixty-Eighth Street Condominium

11 East 68th Street
New York, New York

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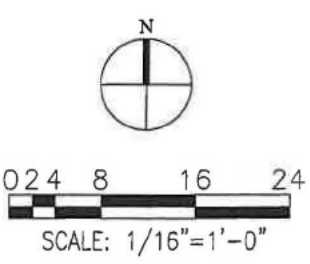
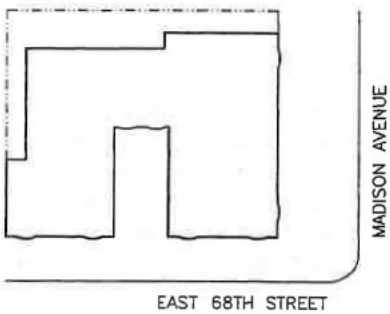
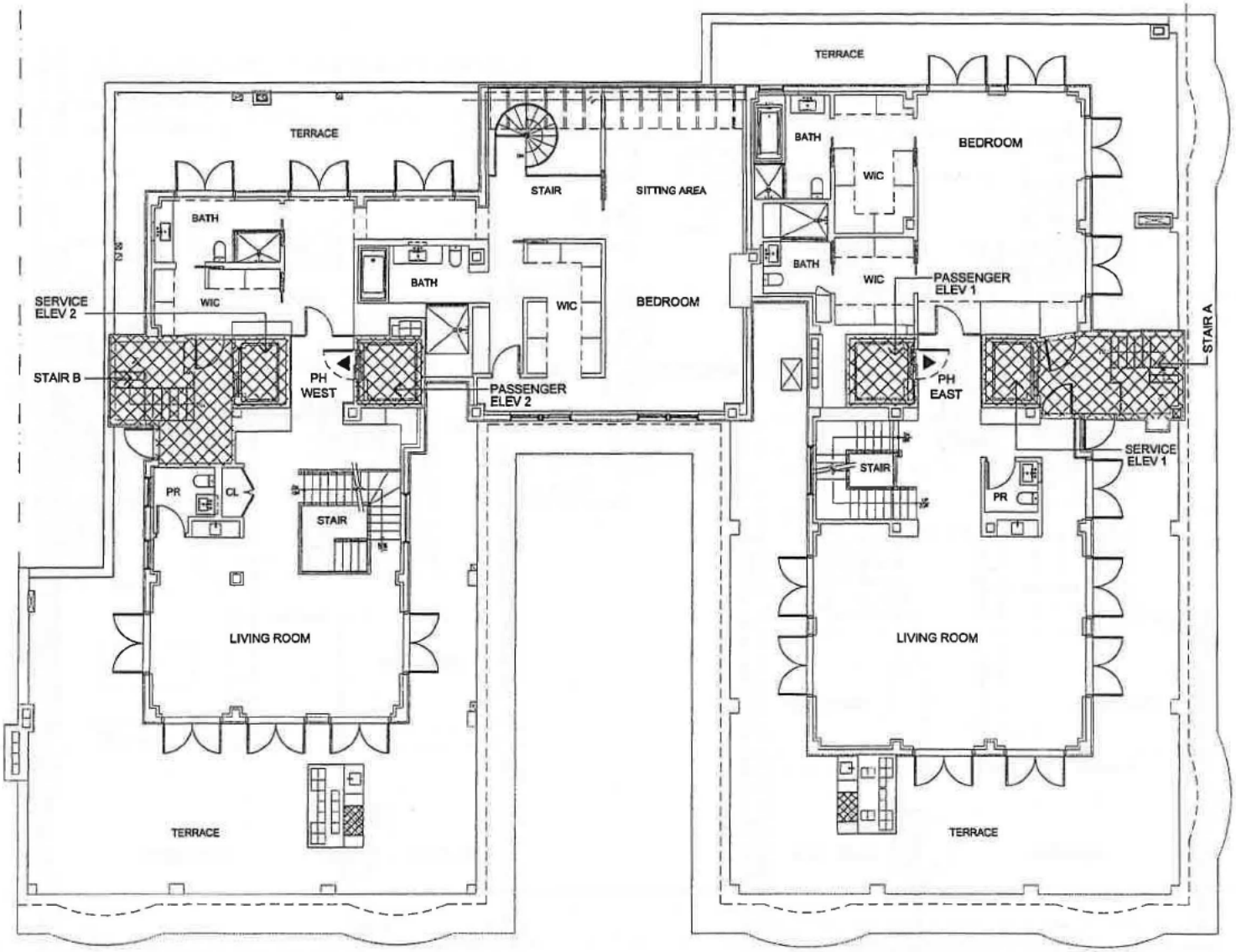


LEGEND





11th Floor Plan

Eleven East Sixty-Eighth Street Condominium

11 East 68th Street
New York, New York

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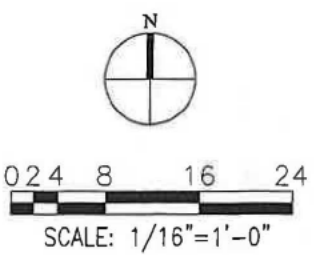
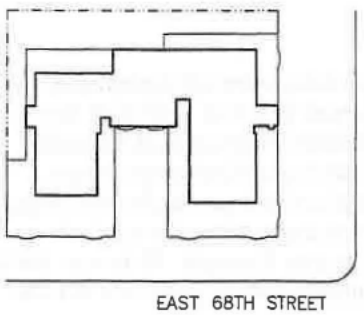
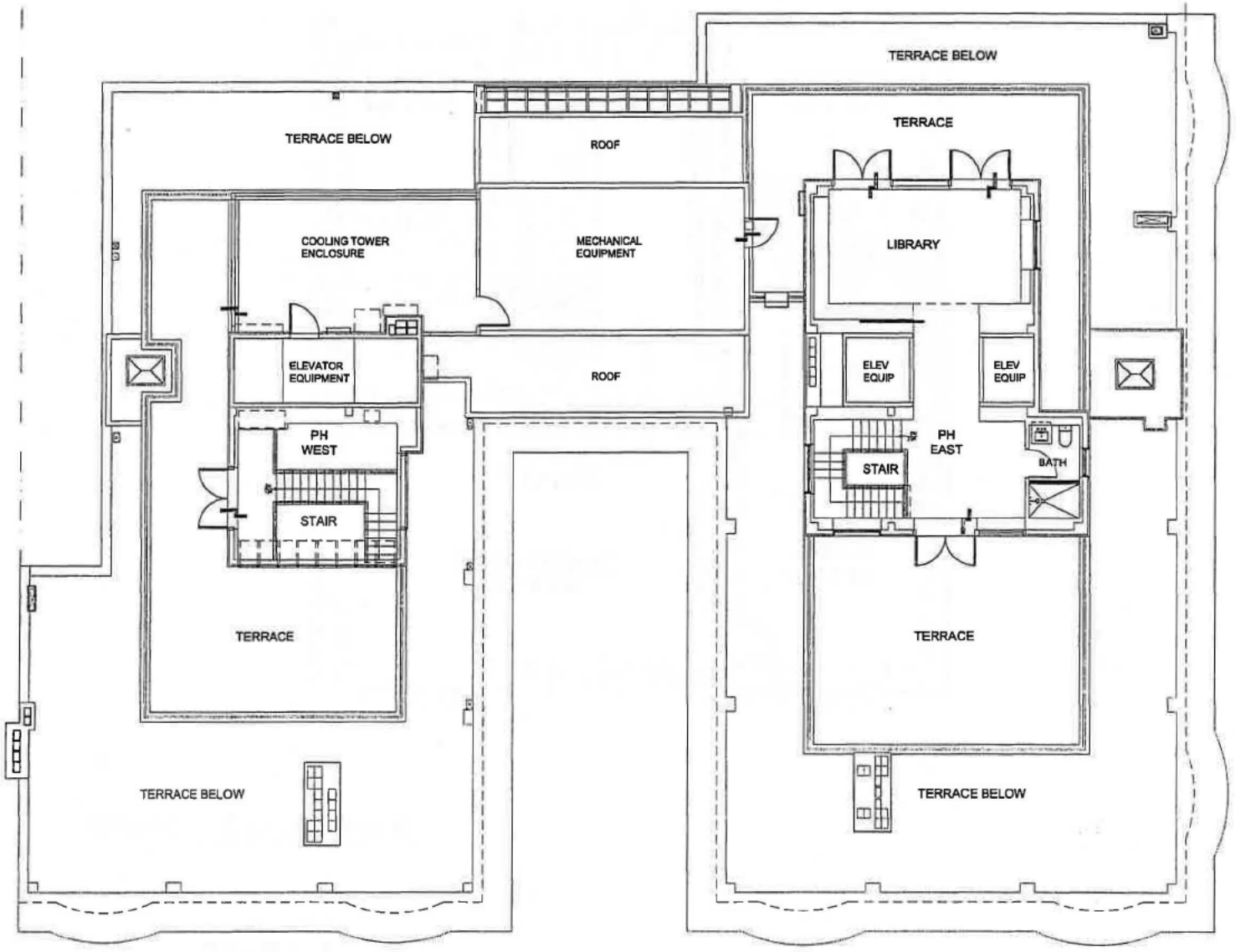


LEGEND





13th Floor Plan

LEGEND

Eleven East Sixty-Eighth Street Condominium

11 East 68th Street
New York, New York

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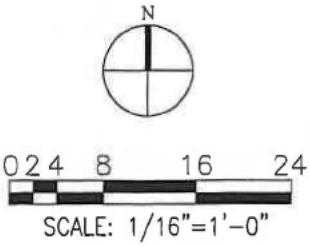

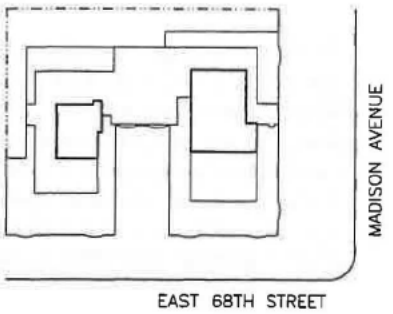

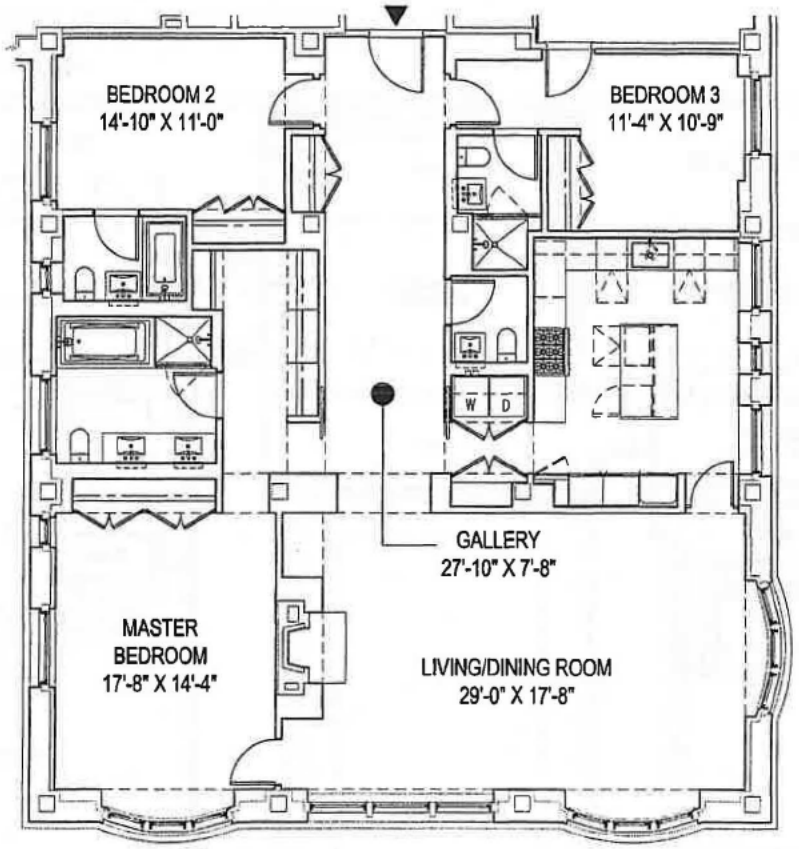

Apartment 2A EAST

2,519 SF
3 BEDROOM
3.5 BATHROOM

Eleven East Sixty-Eighth Street Condominium

11 East 68th Street
New York, New York

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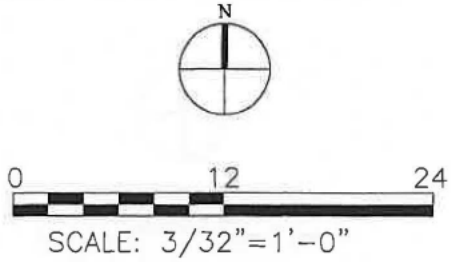

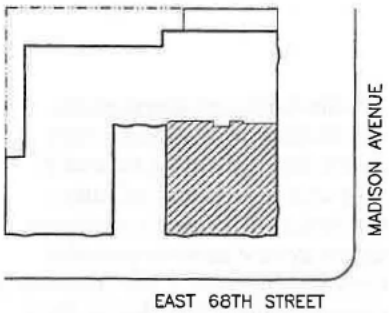

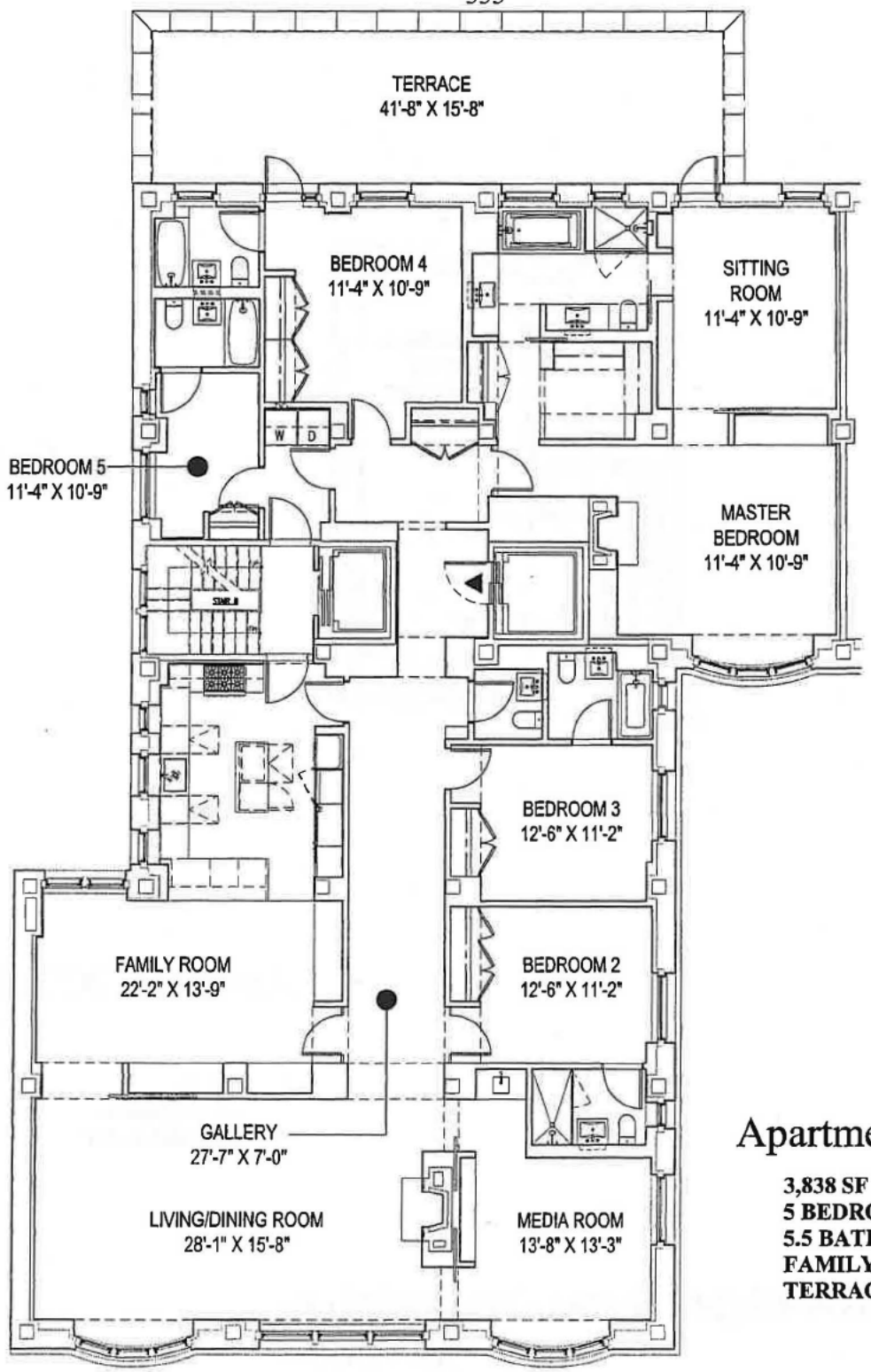

Apartment 2 WEST

3,838 SF
5 BEDROOMS
5.5 BATHROOMS
FAMILY ROOM
TERRACE

Eleven East Sixty-Eighth Street Condominium

11 East 68th Street
New York, New York

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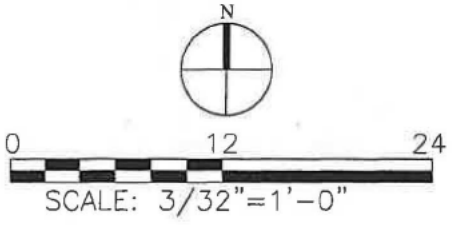

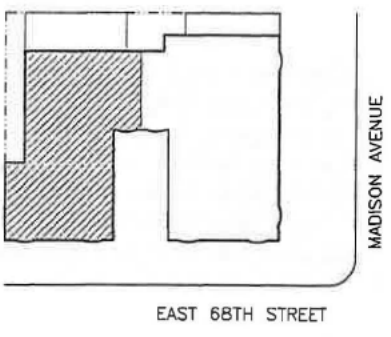

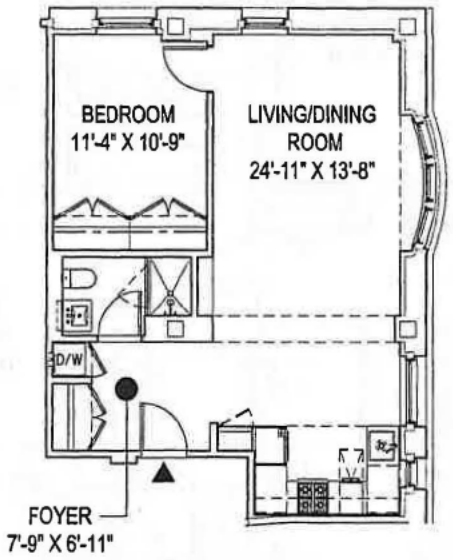

Apartment 2C EAST

791 SF
1 BEDROOM
1 BATHROOM

Eleven East Sixty-Eighth Street Condominium

11 East 68th Street
New York, New York

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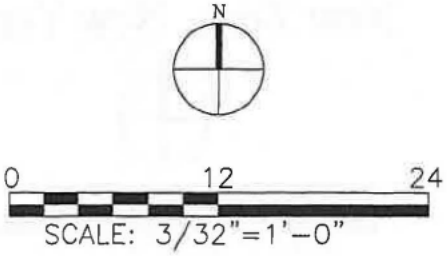

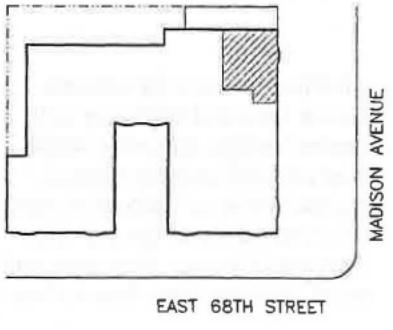

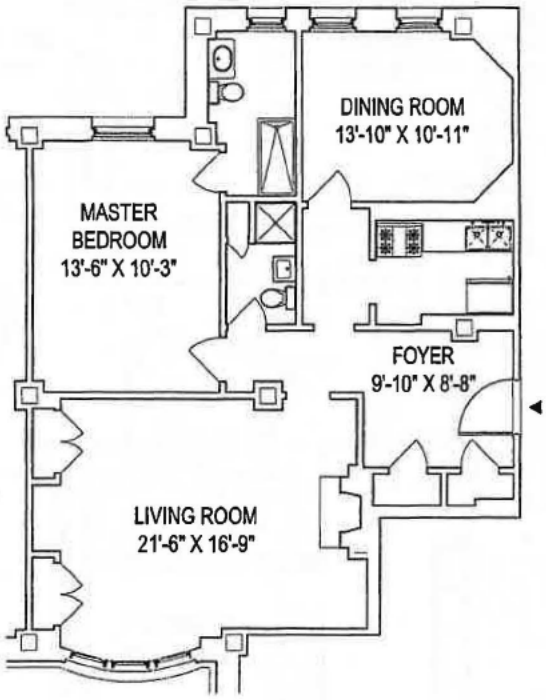

Apartments 2E

1,252 SF
1 BEDROOM
2 BATHROOMS

Eleven East Sixty-Eighth Street Condominium

11 East 68th Street
New York, New York

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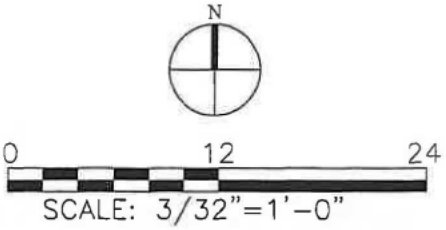

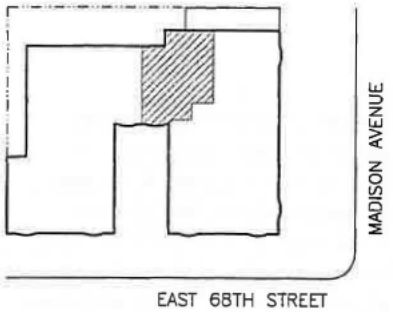

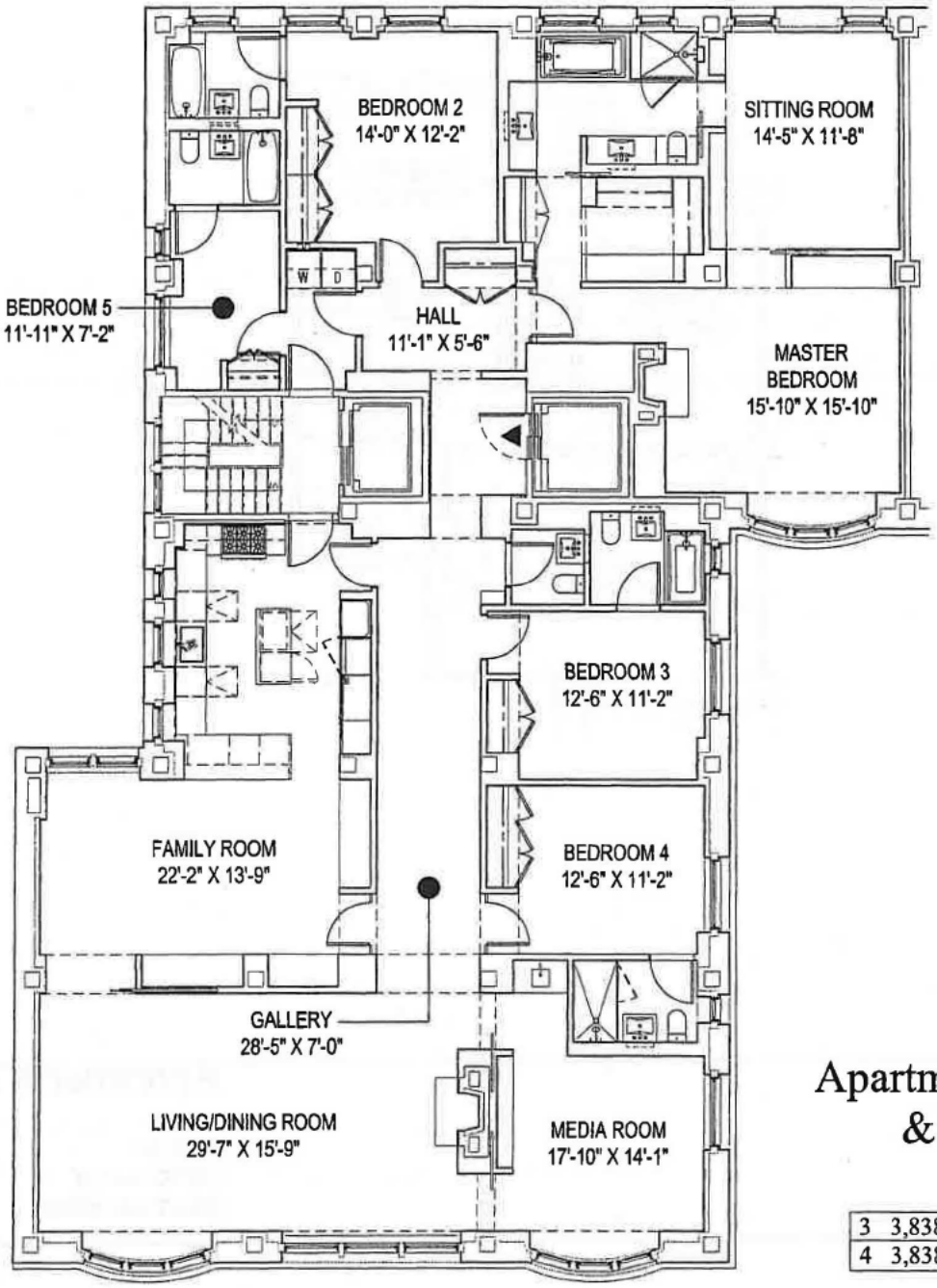

Apartments 3 WEST & 4 WEST

3	3,838 SF
4	3,838 SF

5 BEDROOM
5.5 BATHROOM
FAMILY ROOM
MEDIA ROOM

Eleven East Sixty-Eighth Street Condominium

11 East 68th Street
New York, New York

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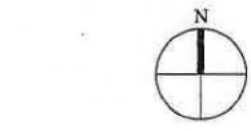

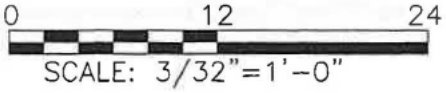

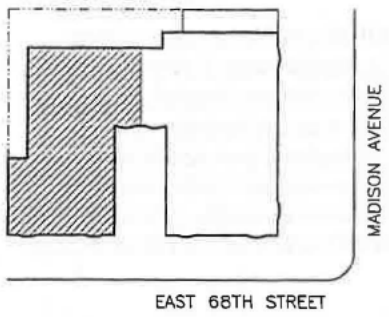

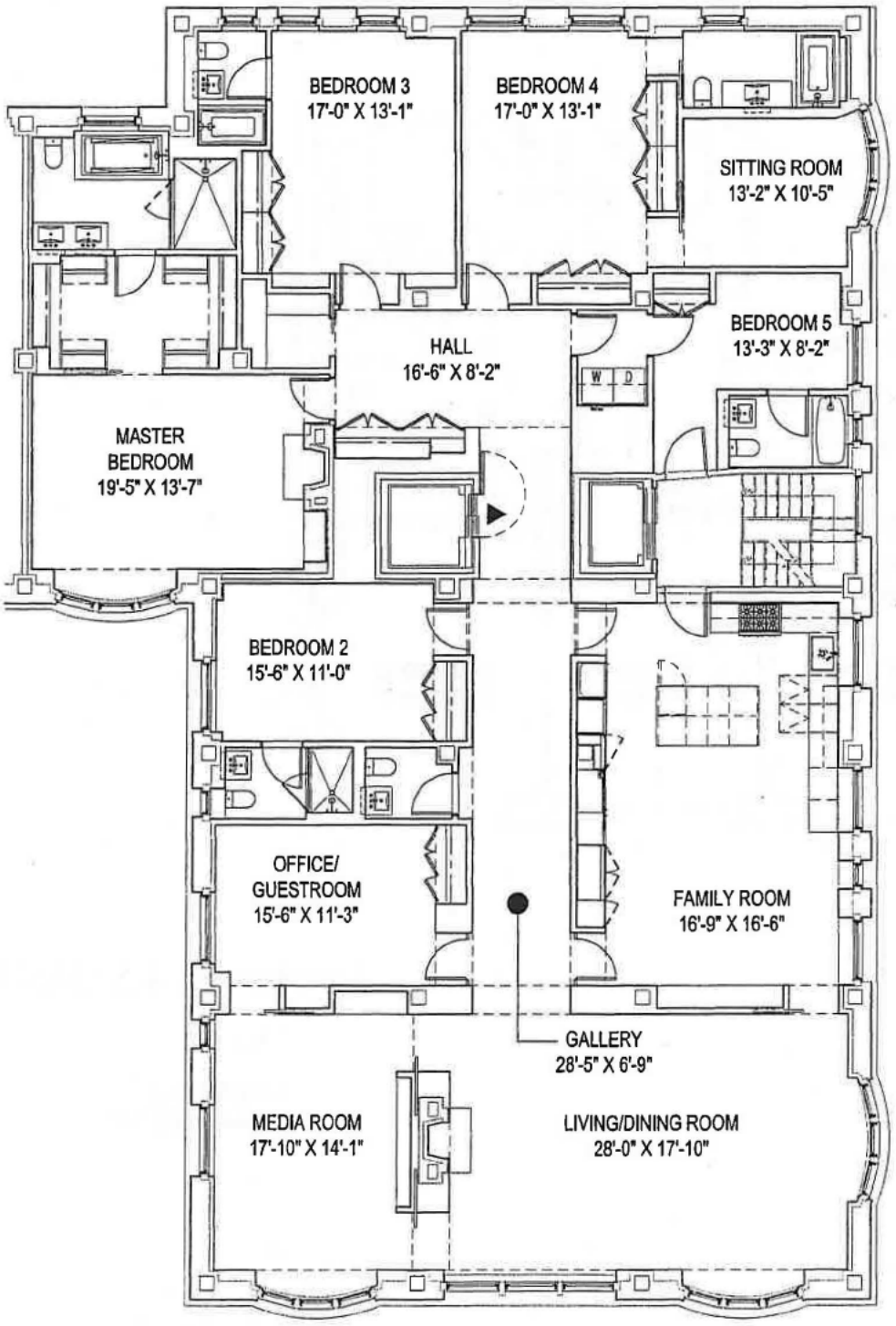

Apartments 3 EAST & 6 EAST

3	4,598 SF
6	4,597 SF

6 BEDROOM
5.5 BATHROOM
MEDIA ROOM

Eleven East Sixty-Eighth Street Condominium

11 East 68th Street
New York, New York

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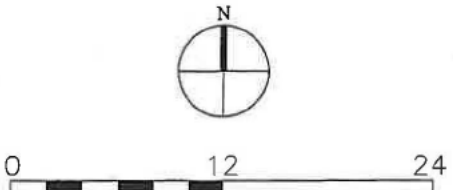

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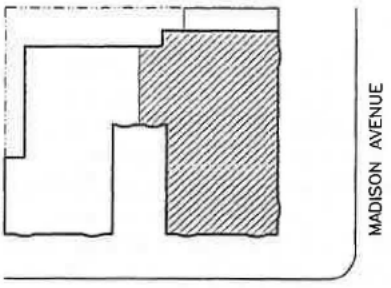

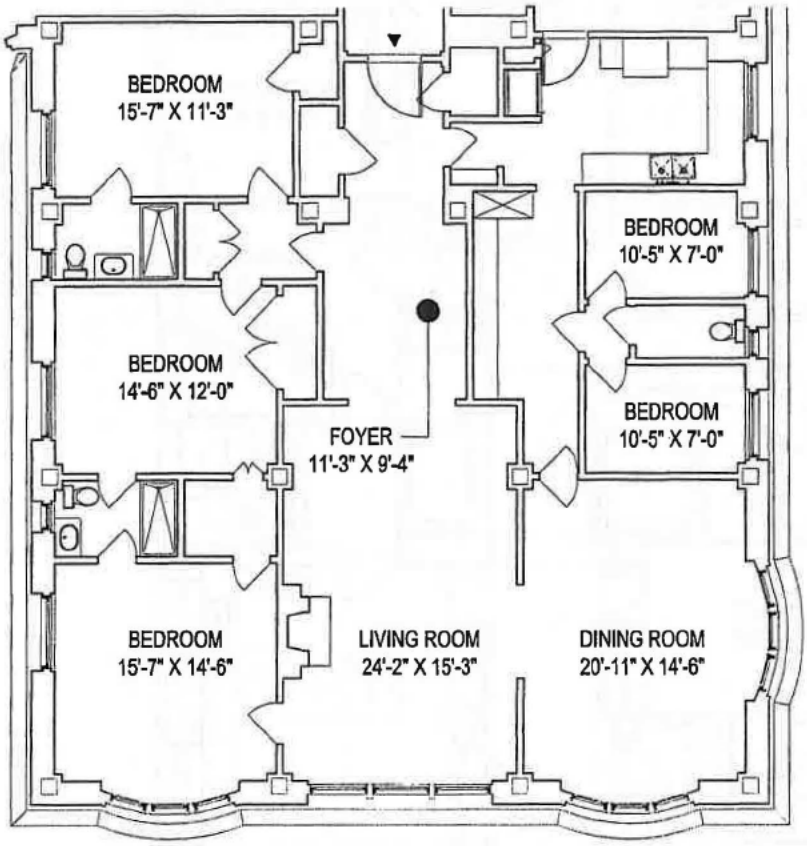

Apartments 4A EAST

2,453 SF

5 BEDROOM
2.5 BATHROOM

Eleven East Sixty-Eighth Street Condominium

11 East 68th Street
New York, New York

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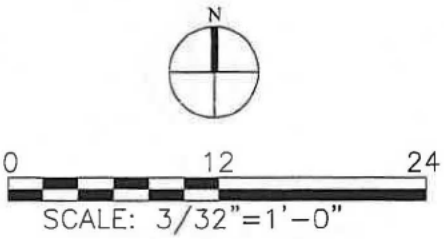

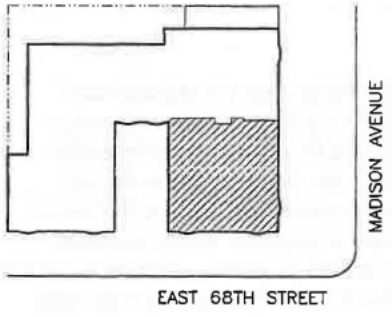

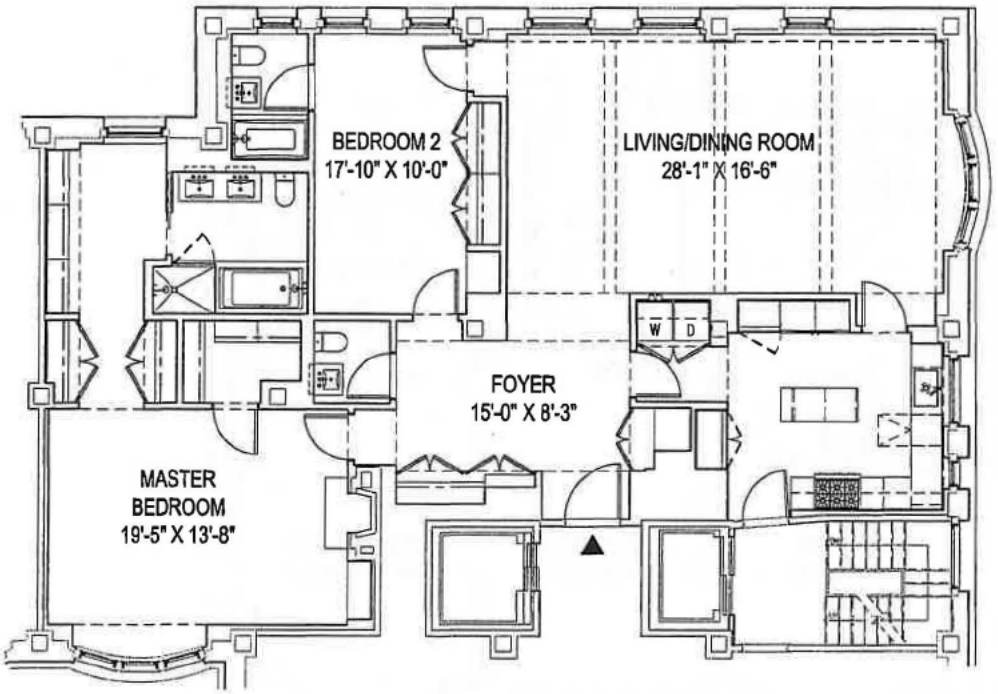

Apartment 4C EAST

2,144 SF

2 BEDROOMS
2.5 BATHROOMS

Eleven East Sixty-Eighth Street Condominium

11 East 68th Street
New York, New York

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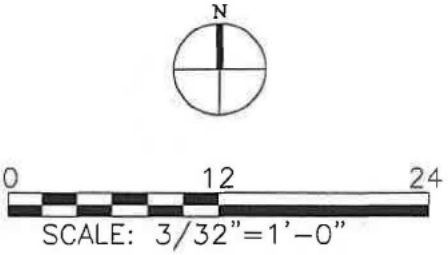

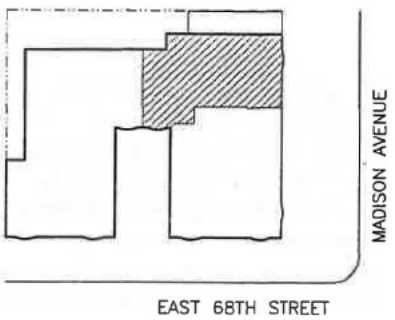

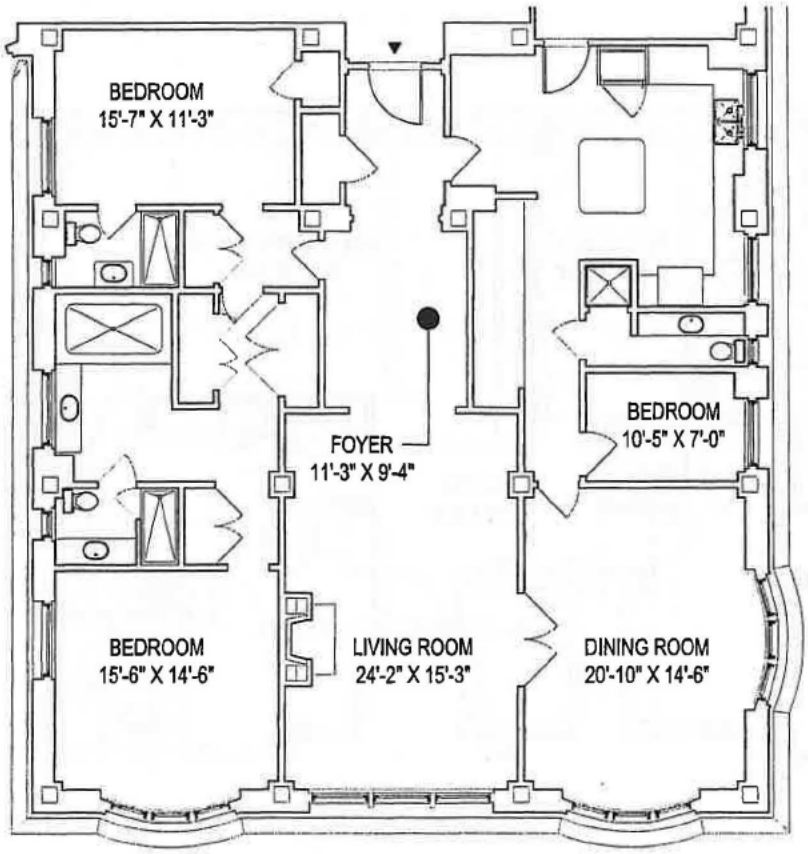

Apartments 5A EAST

2,453 SF

3 BEDROOM
3 BATHROOM

Eleven East Sixty-Eighth Street Condominium

11 East 68th Street
New York, New York

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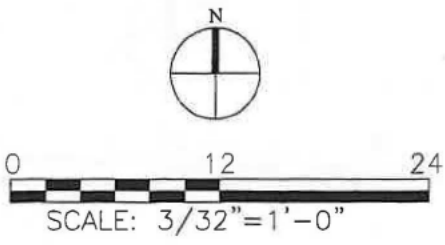

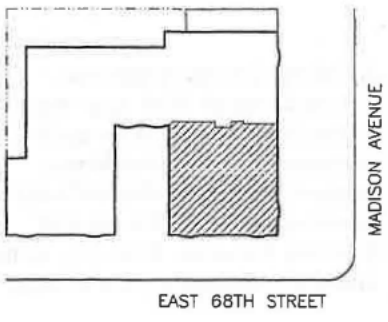

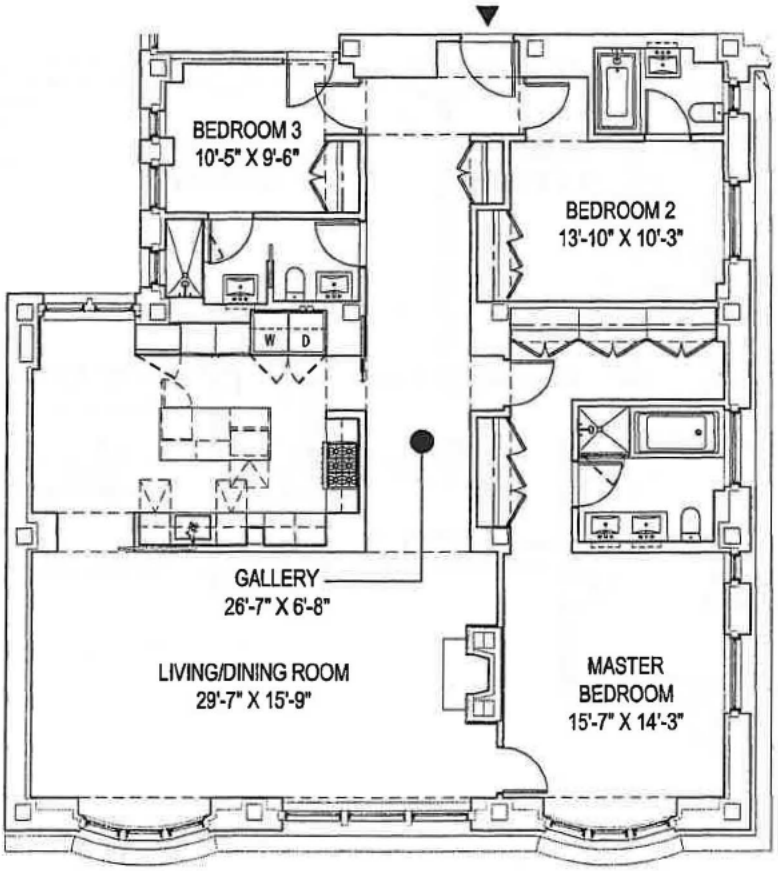

Apartment 5B WEST

2,292 SF

3 BEDROOMS
3 BATHROOMS

Eleven East Sixty-Eighth Street Condominium

11 East 68th Street
New York, New York

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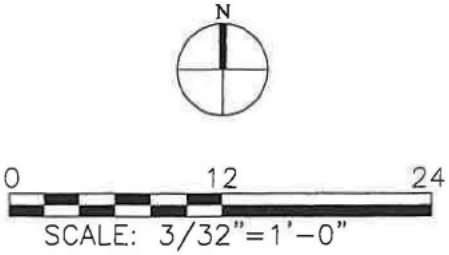

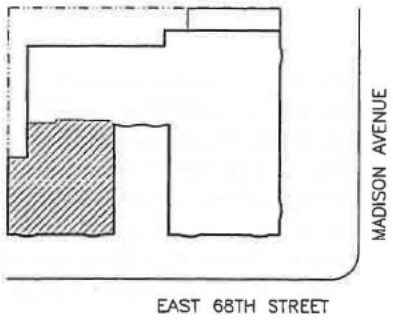

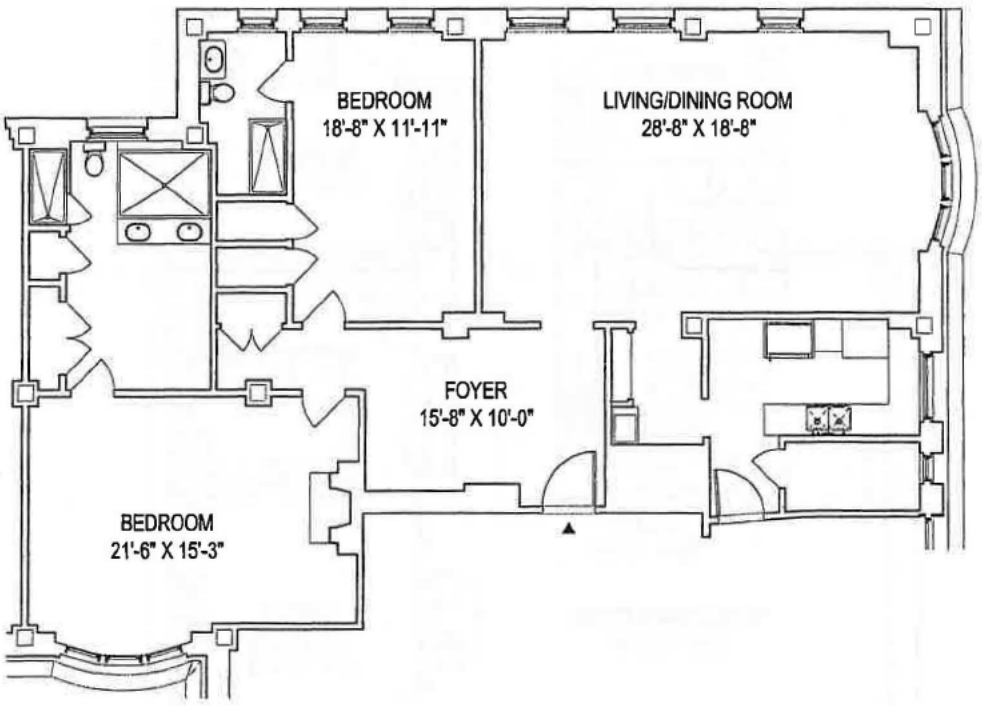

Apartment 5C EAST

2,144 SF
2 BEDROOM
2 BATHROOM

Eleven East Sixty-Eighth Street Condominium

11 East 68th Street
New York, New York

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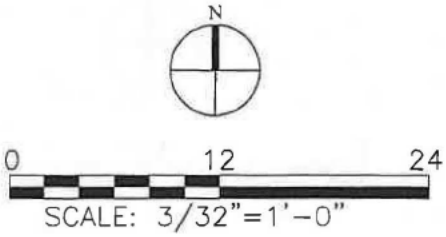

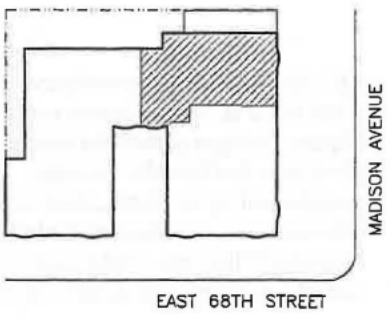

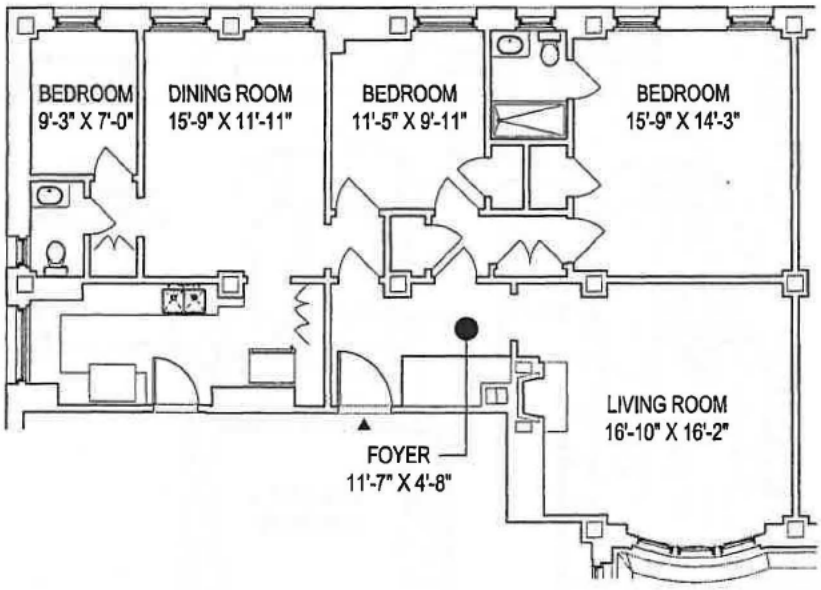

Apartment 5D WEST

1,516 SF

3 BEDROOM
1.5 BATHROOM
STUDY

Eleven East Sixty-Eighth Street Condominium

11 East 68th Street
New York, New York

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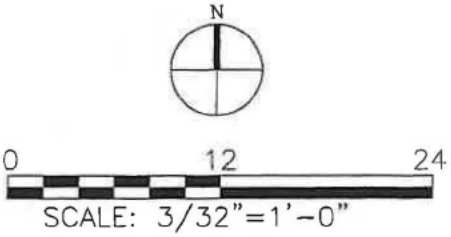

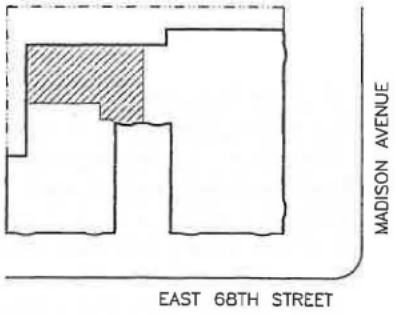

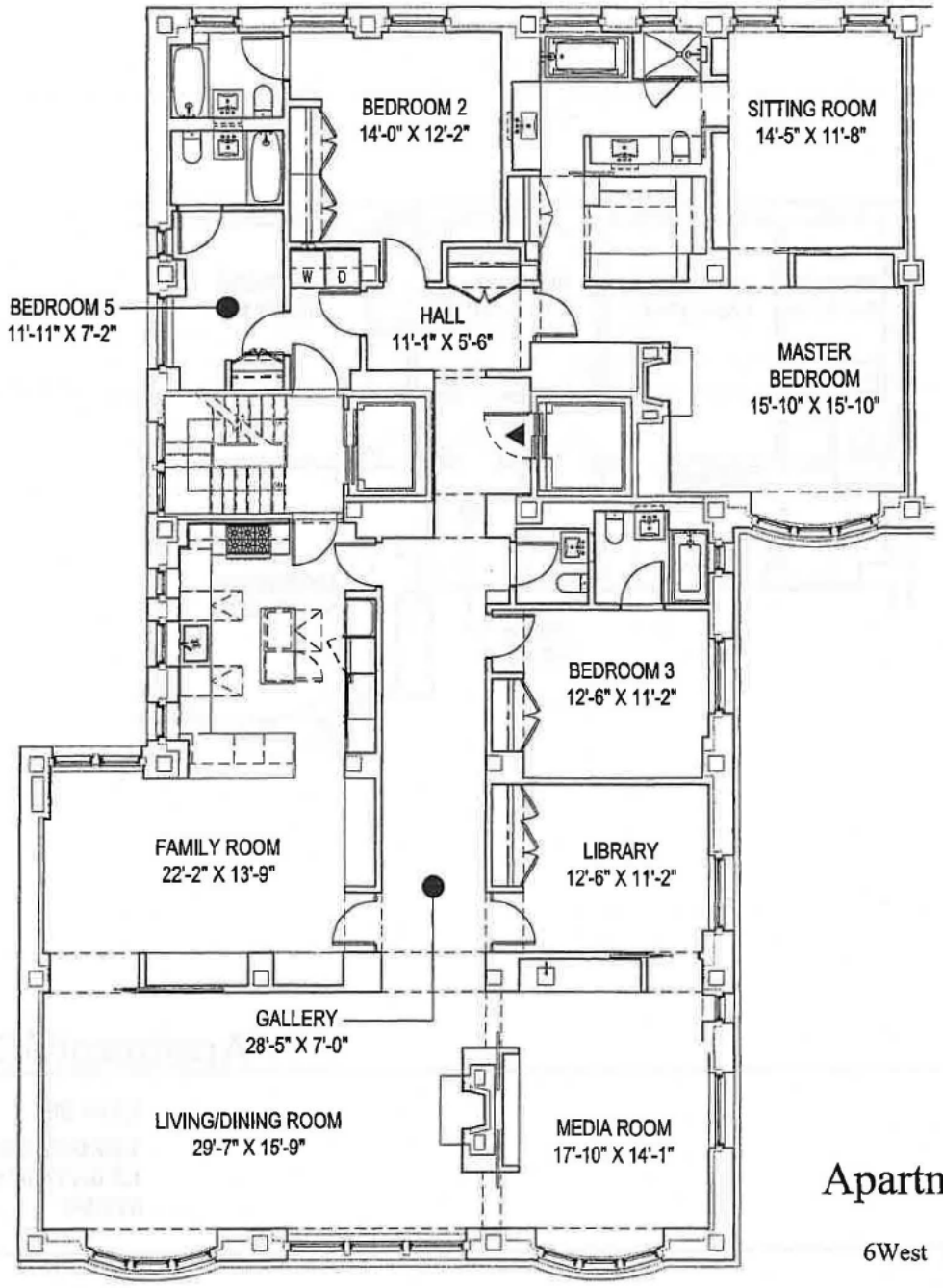

Apartment 6 WEST

6West 3,839 SF

4 BEDROOM
4.5 BATHROOM
FAMILY ROOM
MEDIA ROOM

Eleven East Sixty-Eighth Street Condominium

11 East 68th Street
New York, New York

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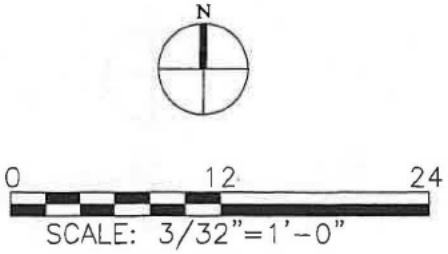

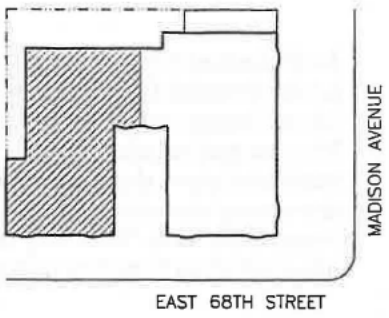

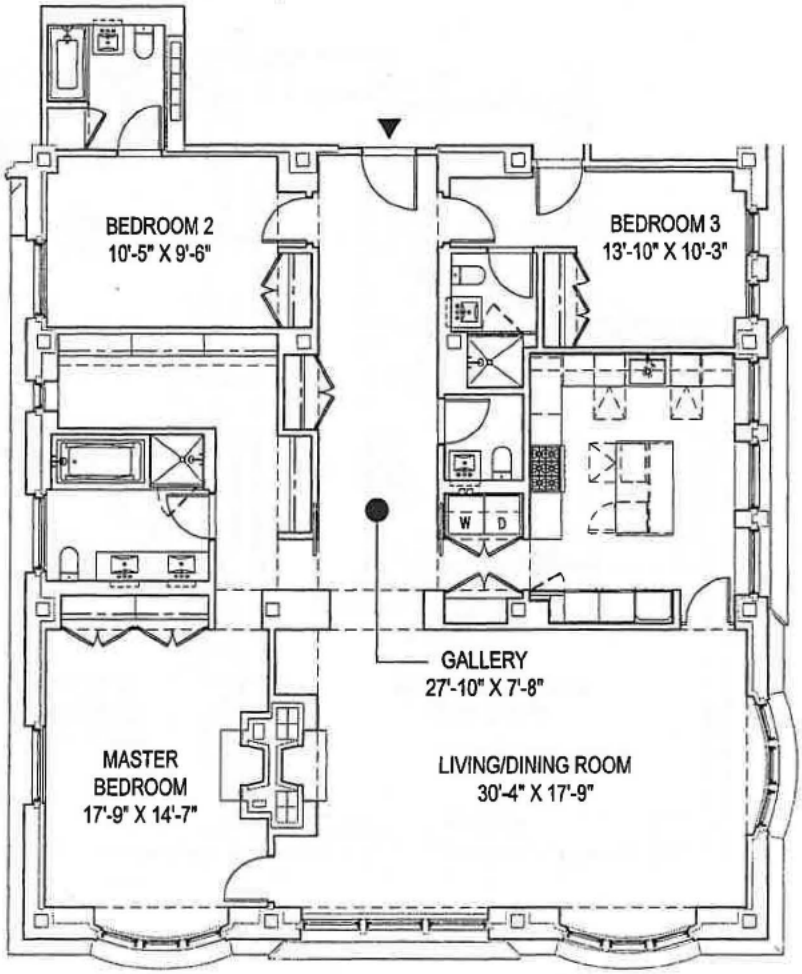

Apartments 7A EAST

2,732 SF
3 BEDROOM
3.5 BATHROOM

Eleven East Sixty-Eighth Street Condominium

11 East 68th Street
New York, New York

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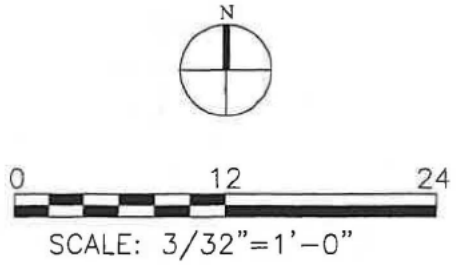

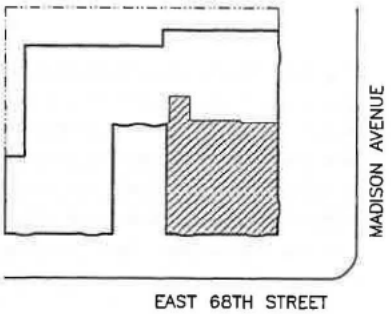

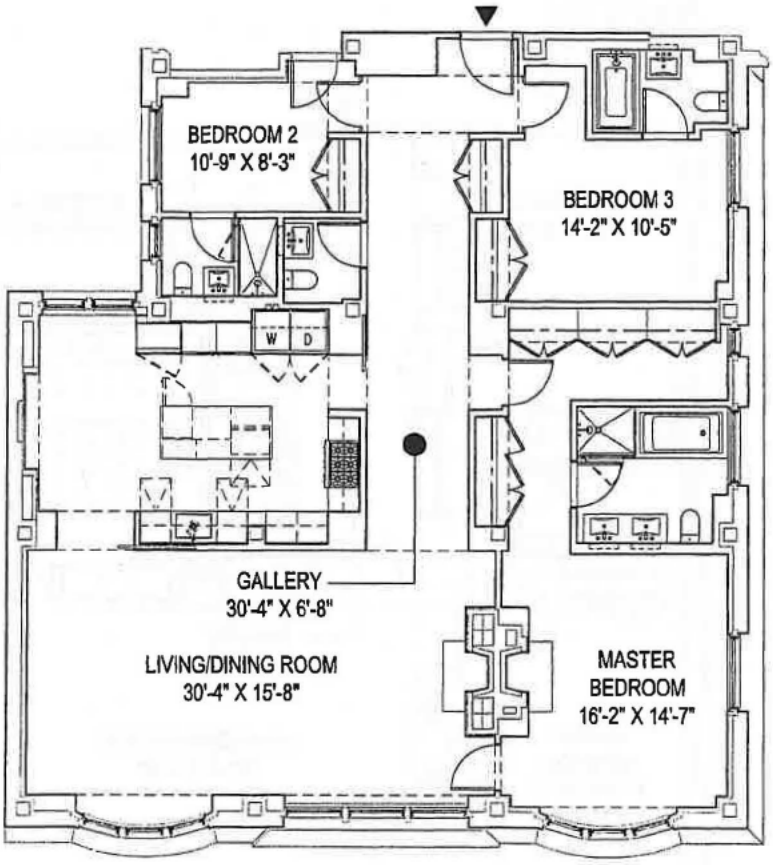

Apartments 7B WEST

2,468 SF
3 BEDROOM
3.5 BATHROOM

Eleven East Sixty-Eighth Street Condominium

11 East 68th Street
New York, New York

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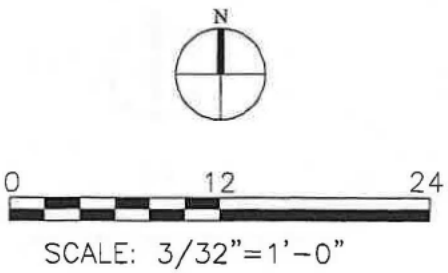

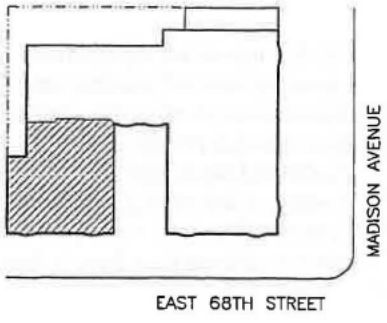

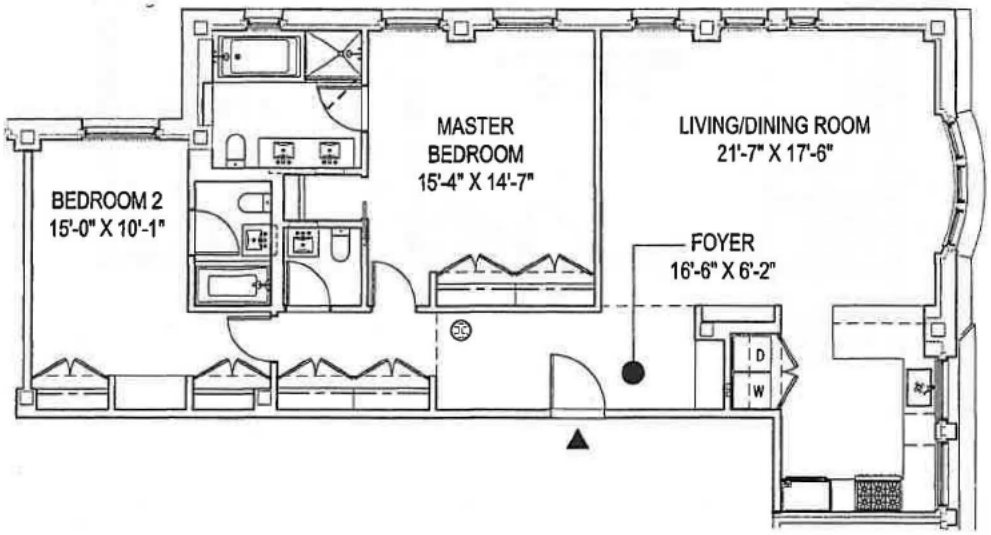

Apartments 7C EAST

1,785 SF
2 BEDROOM
2.5 BATHROOM

Eleven East Sixty-Eighth Street Condominium

11 East 68th Street
New York, New York

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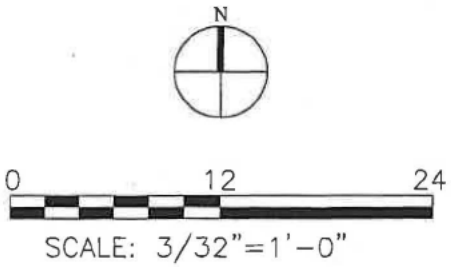

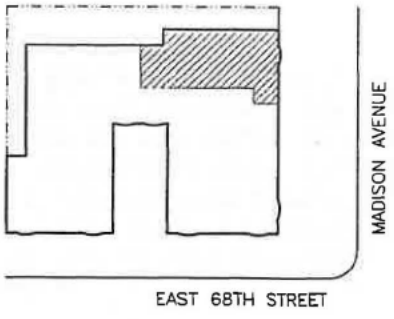

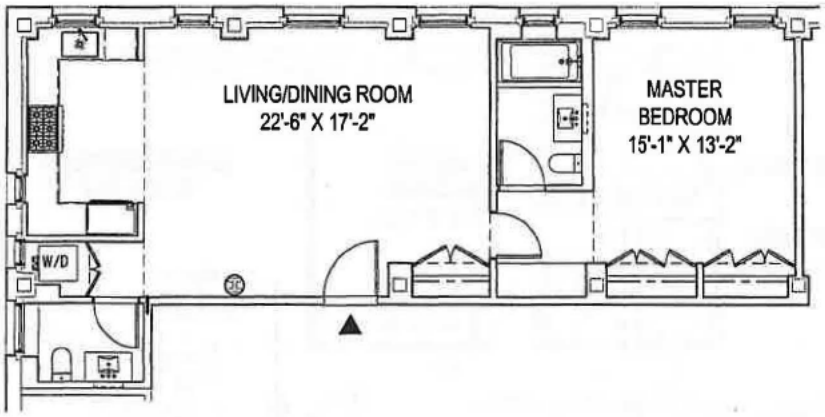

Apartment 7D WEST

1,201 SF
1 BEDROOM
1.5 BATHROOM

Eleven East Sixty-Eighth Street Condominium

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New York, New York

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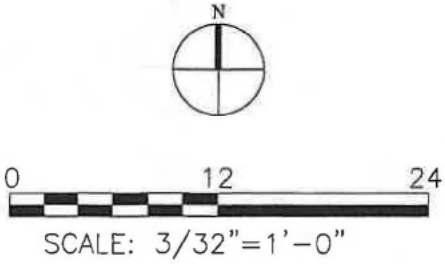

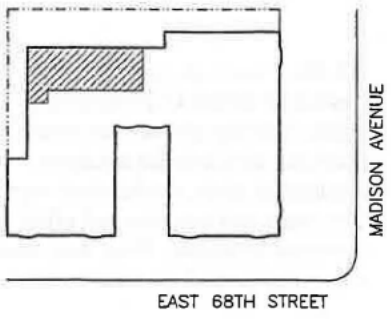

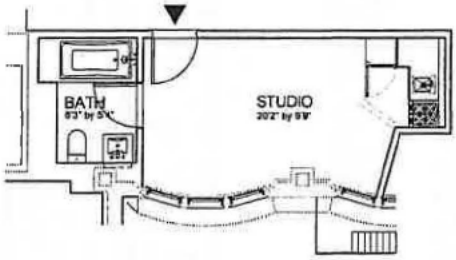

Apartment 7J

294 SF
STUDIO
1 BATHROOM

Eleven East Sixty-Eighth Street Condominium

11 East 68th Street
New York, New York

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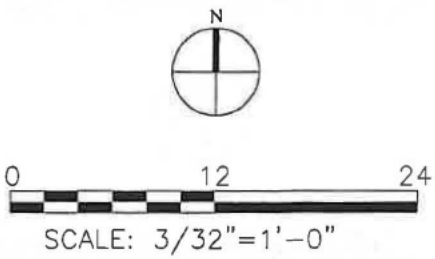

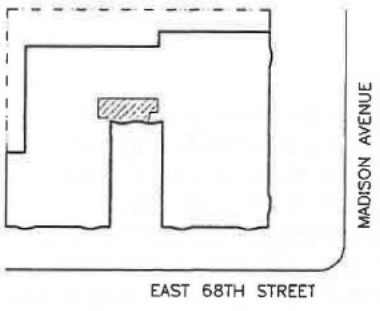

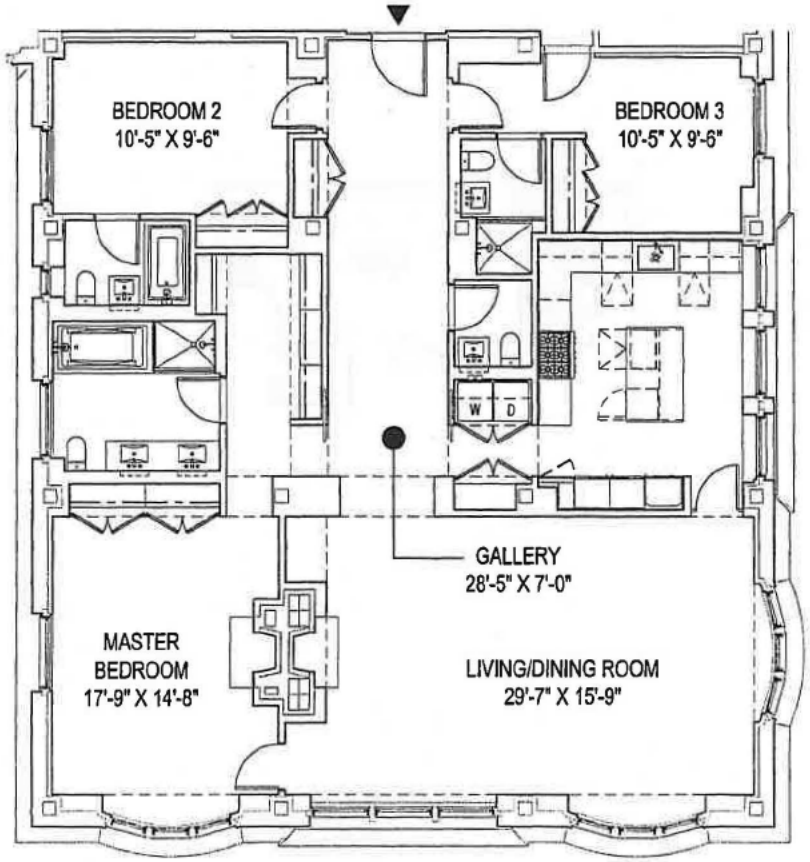

Apartment 8A EAST

2,519 SF

3 BEDROOM
3.5 BATHROOM

Eleven East Sixty-Eighth Street Condominium

11 East 68th Street
New York, New York

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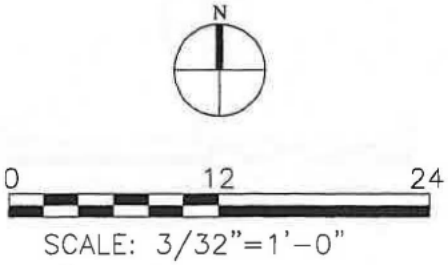

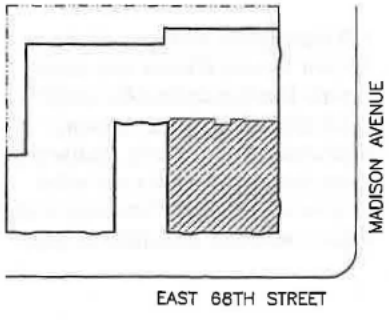

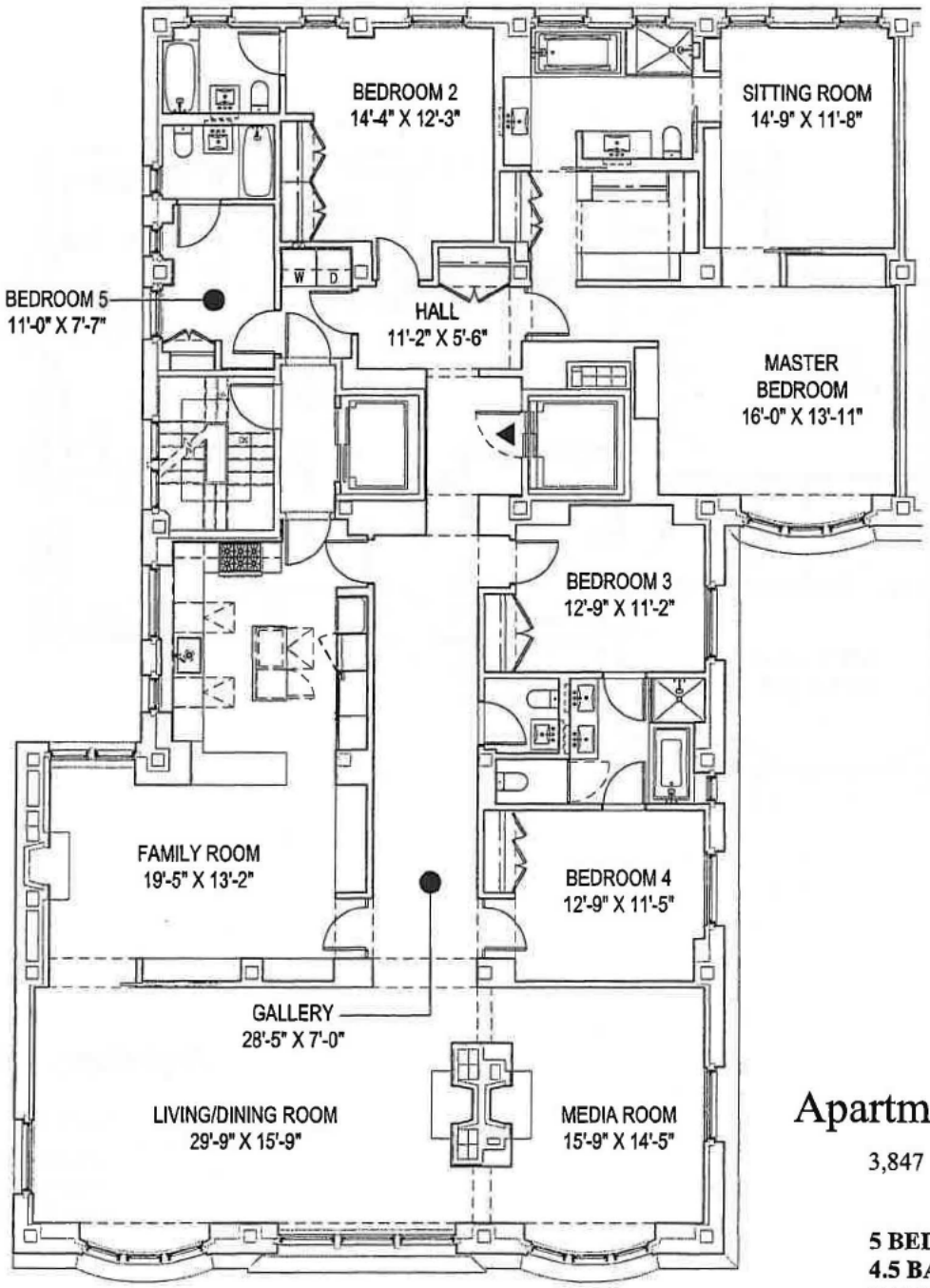

Apartment 8 WEST

3,847 SF

5 BEDROOM
4.5 BATHROOM
FAMILY RO0OM
MEDIA ROOM

Eleven East Sixty-Eighth Street Condominium

11 East 68th Street
New York, New York

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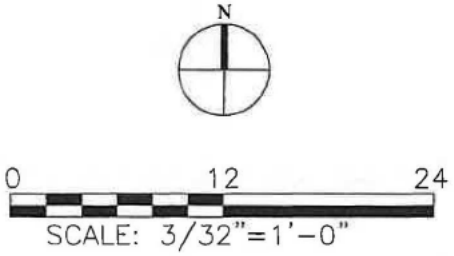

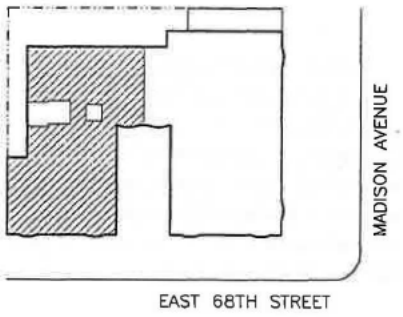

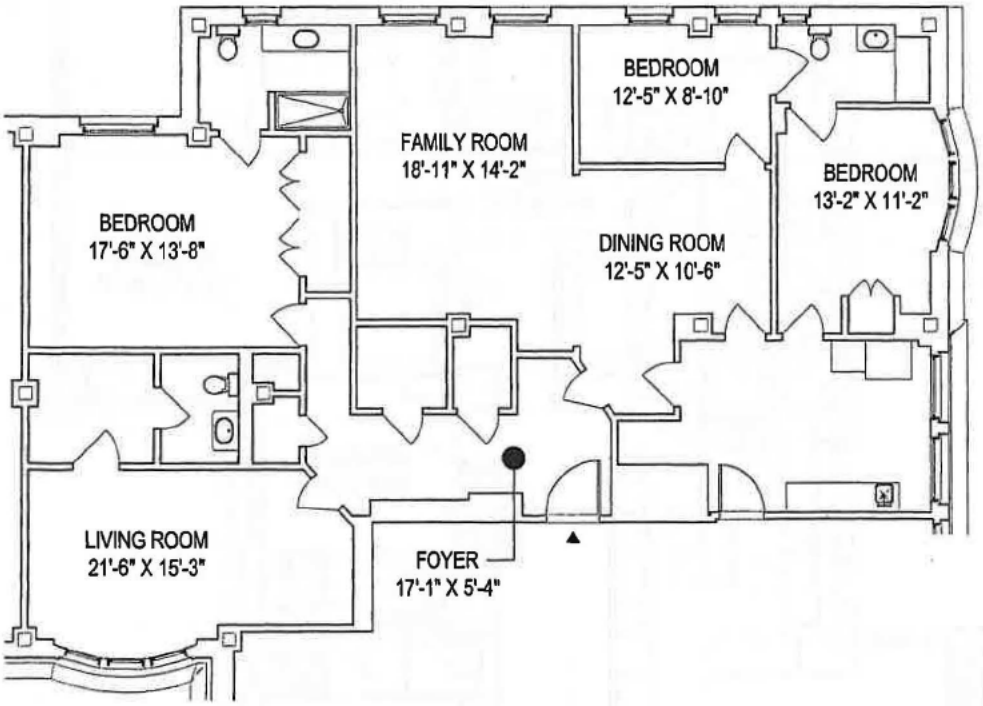

Apartment 8C EAST

2,135 SF

3 BEDROOM
2.5 BATHROOM
FAMILY ROOM

Eleven East Sixty-Eighth Street Condominium

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New York, New York

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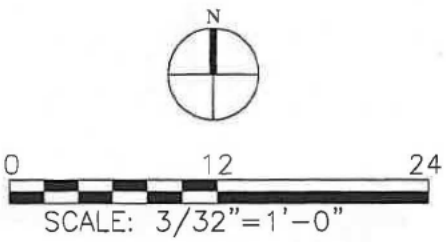

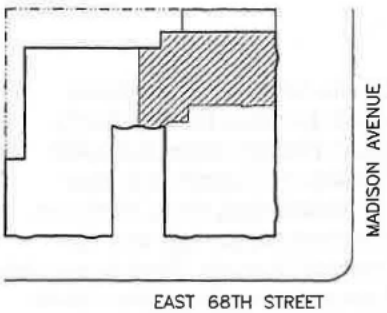

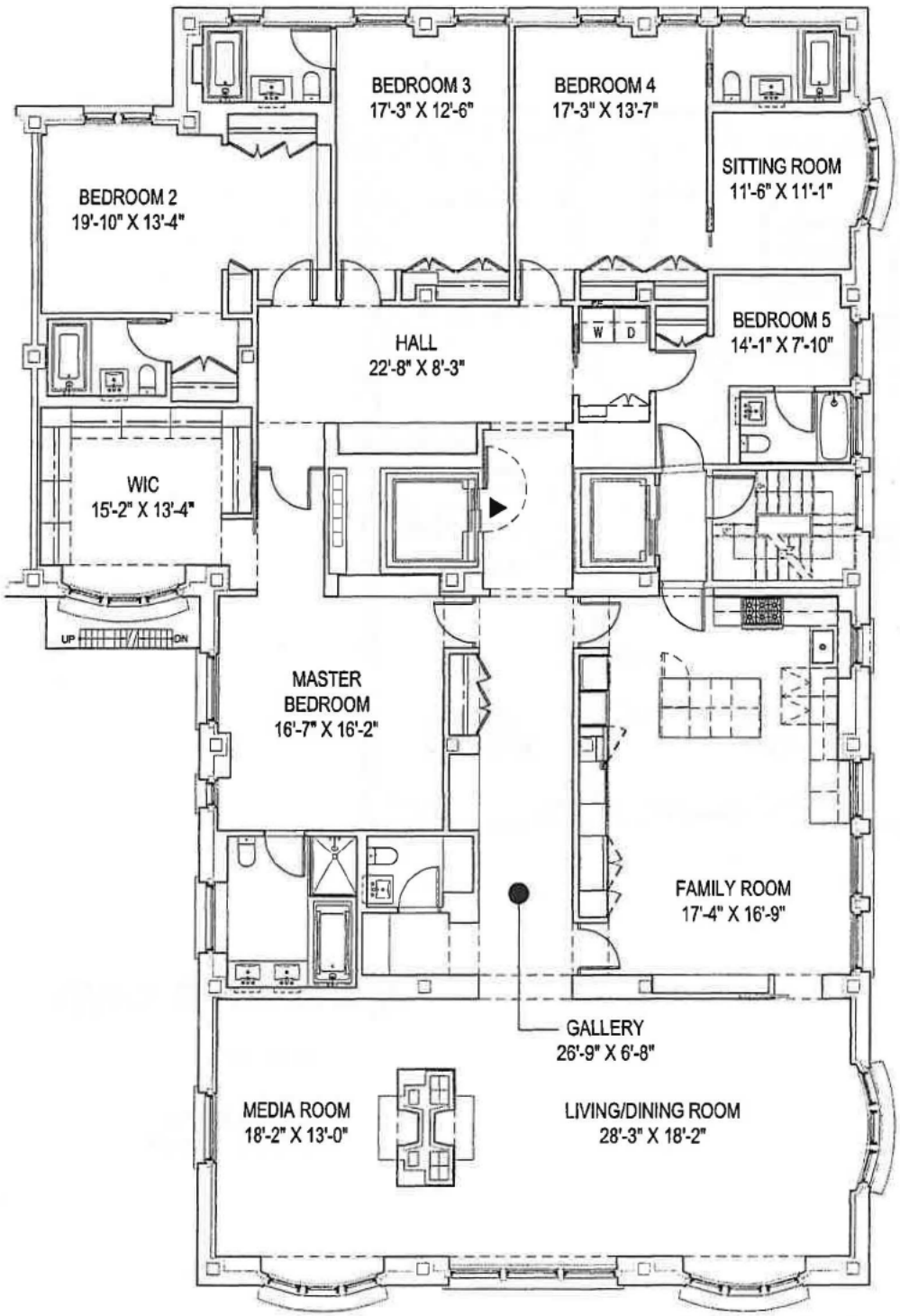

Apartments 9 EAST & 10 EAST

9	4,595 SF
10	4,596 SF

5 BEDROOM
5.5 BATHROOM
FAMILY ROOM
MEDIA ROOM

Eleven East Sixty-Eighth Street Condominium

11 East 68th Street
New York, New York

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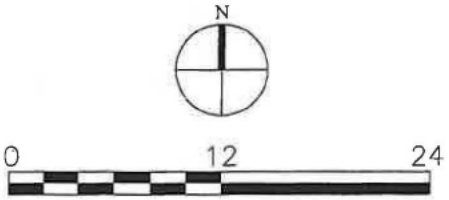

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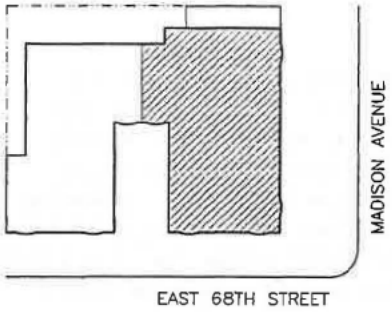

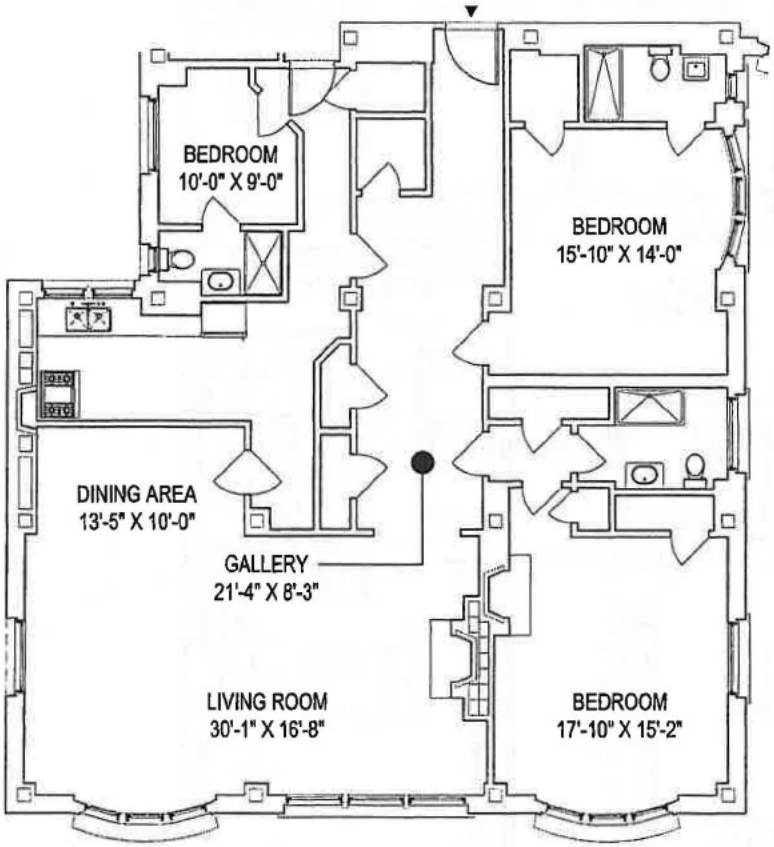

Apartment 9B WEST

2,322 SF

3 BEDROOM
3 BATHROOM

Eleven East Sixty-Eighth Street Condominium

11 East 68th Street
New York, New York

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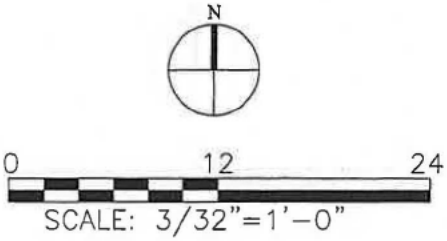

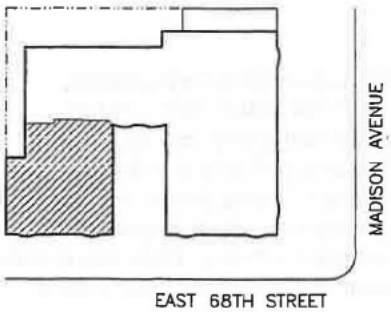

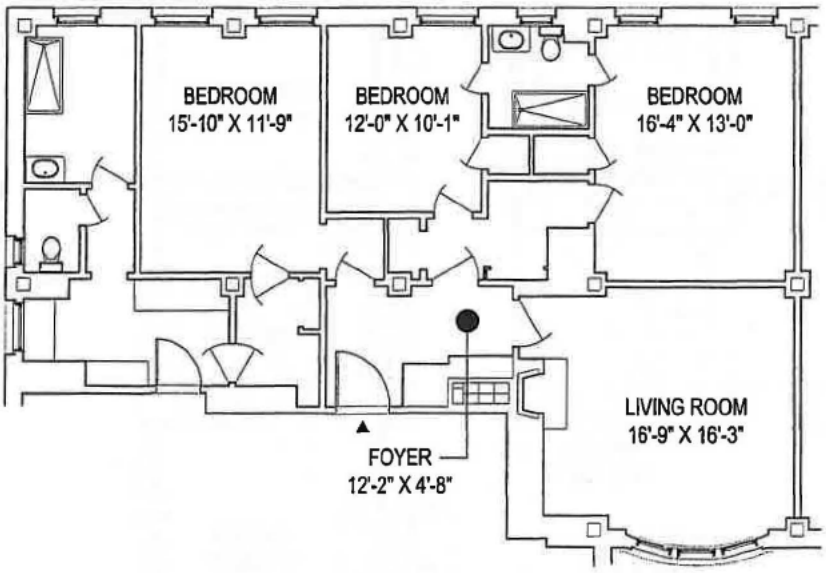

Apartment 9D WEST

1,525 SF

3 BEDROOM
2 BATHROOM

Eleven East Sixty-Eighth Street Condominium

11 East 68th Street
New York, New York

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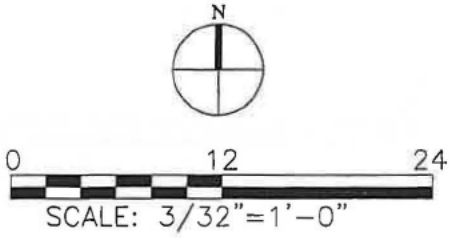

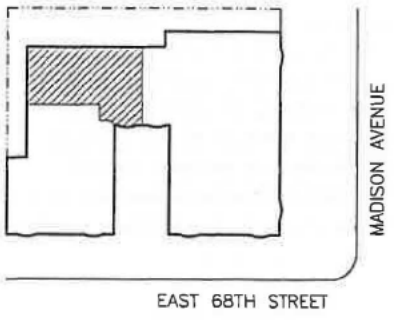

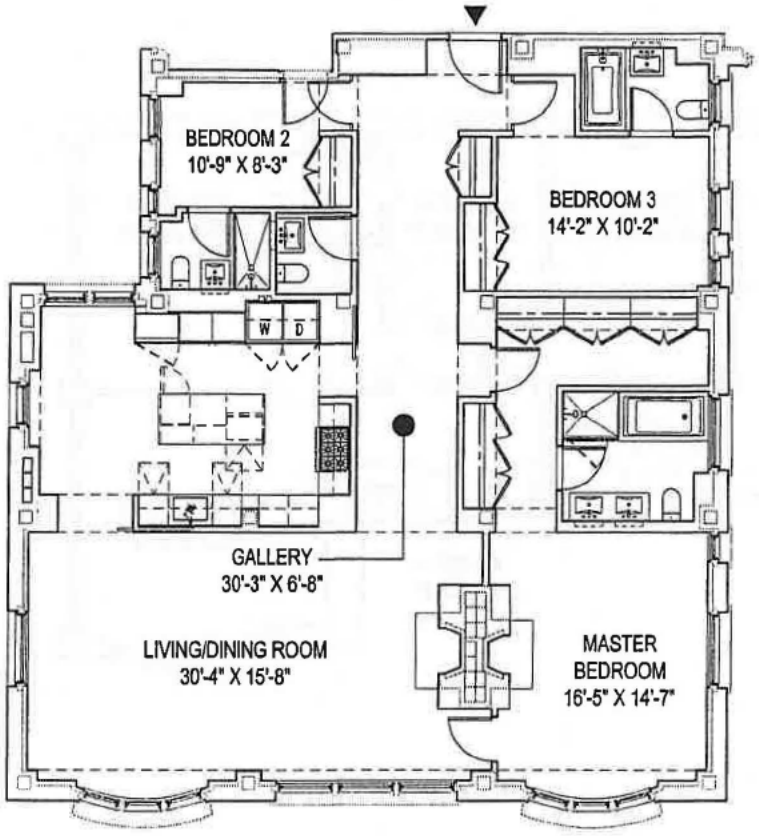

Apartments 10B WEST

2,292 SF
3 BEDROOM
3.5 BATHROOM

Eleven East Sixty-Eighth Street Condominium

11 East 68th Street
New York, New York

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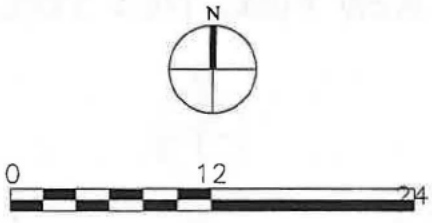

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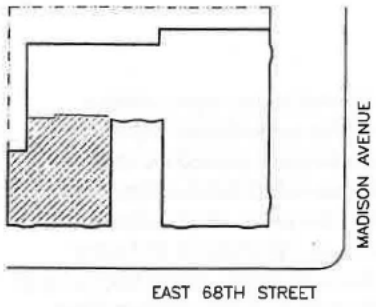

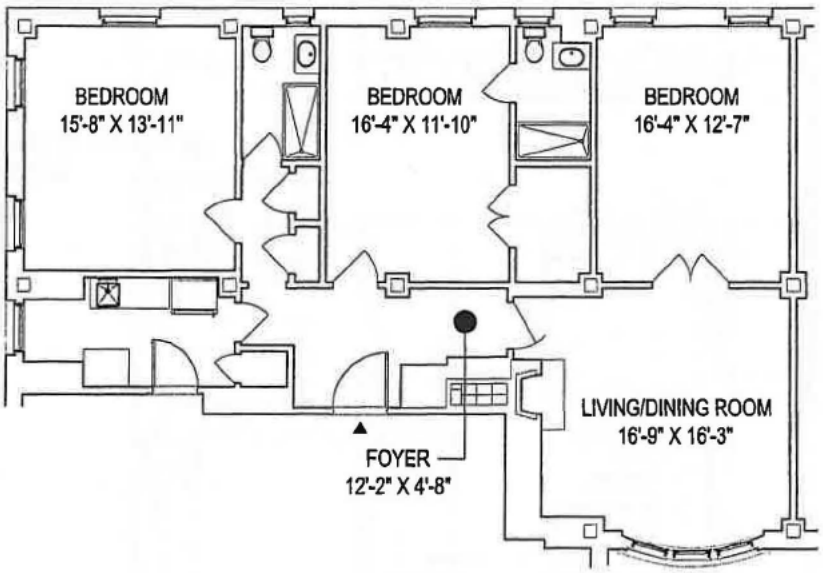

Apartment 10D WEST

1,503 SF

3 BEDROOM
2 BATHROOM

Eleven East Sixty-Eighth Street Condominium

11 East 68th Street
New York, New York

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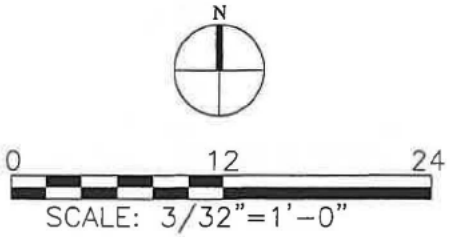

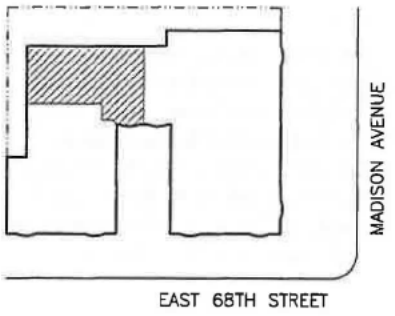

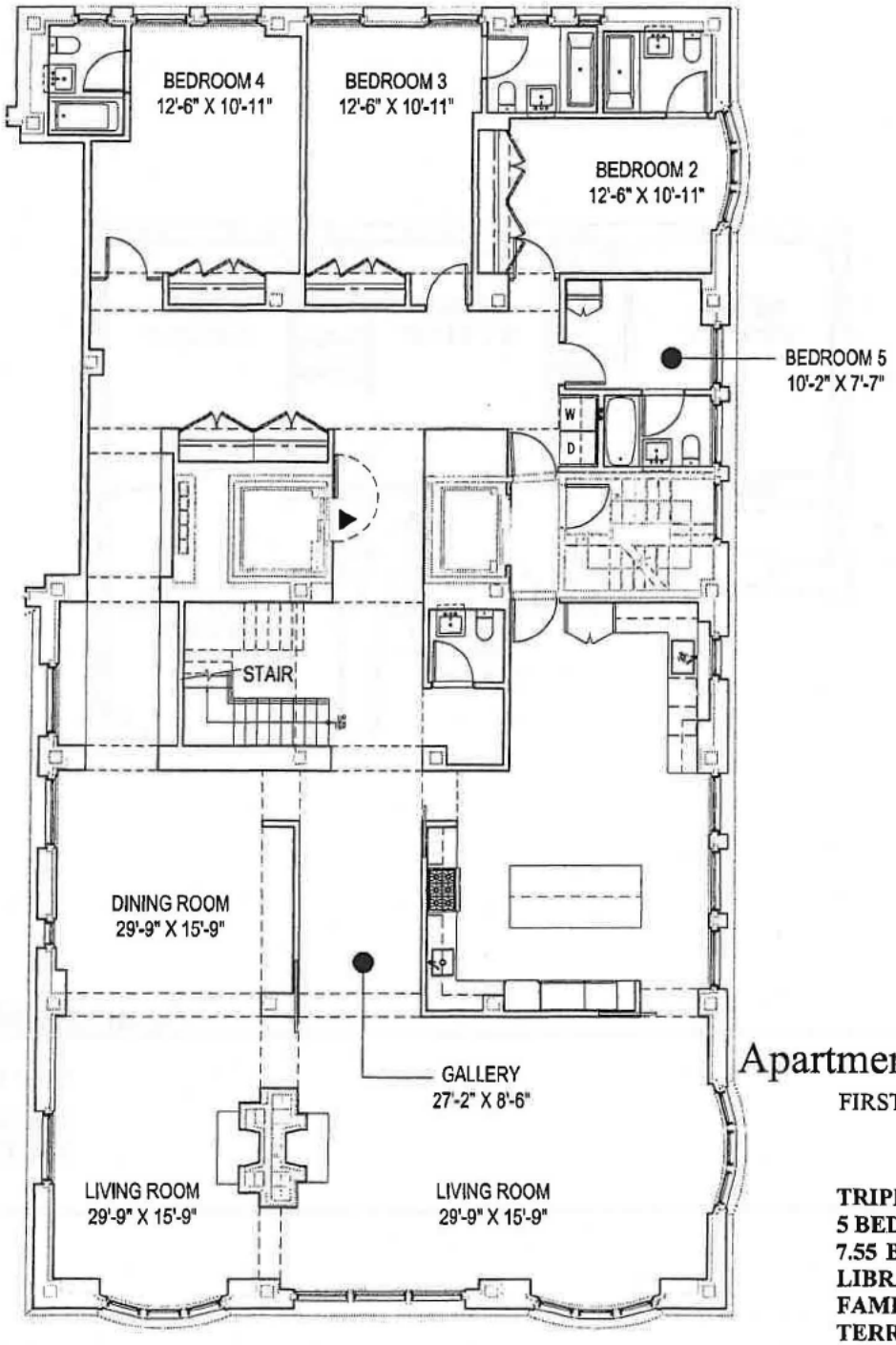

Apartment PH EAST

FIRST FLOOR

TRIPLEX 6,758 SF
5 BEDROOM
7.55 BATHROOM
LIBRARY
FAMILY ROOM
TERRACES 3,214 SF

Eleven East Sixty-Eighth Street Condominium

11 East 68th Street
New York, New York

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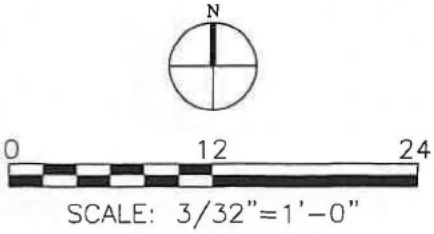

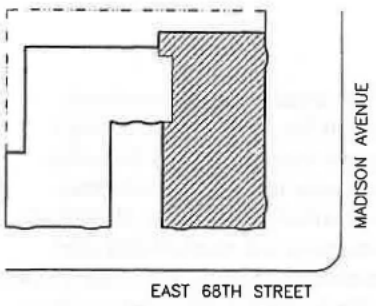

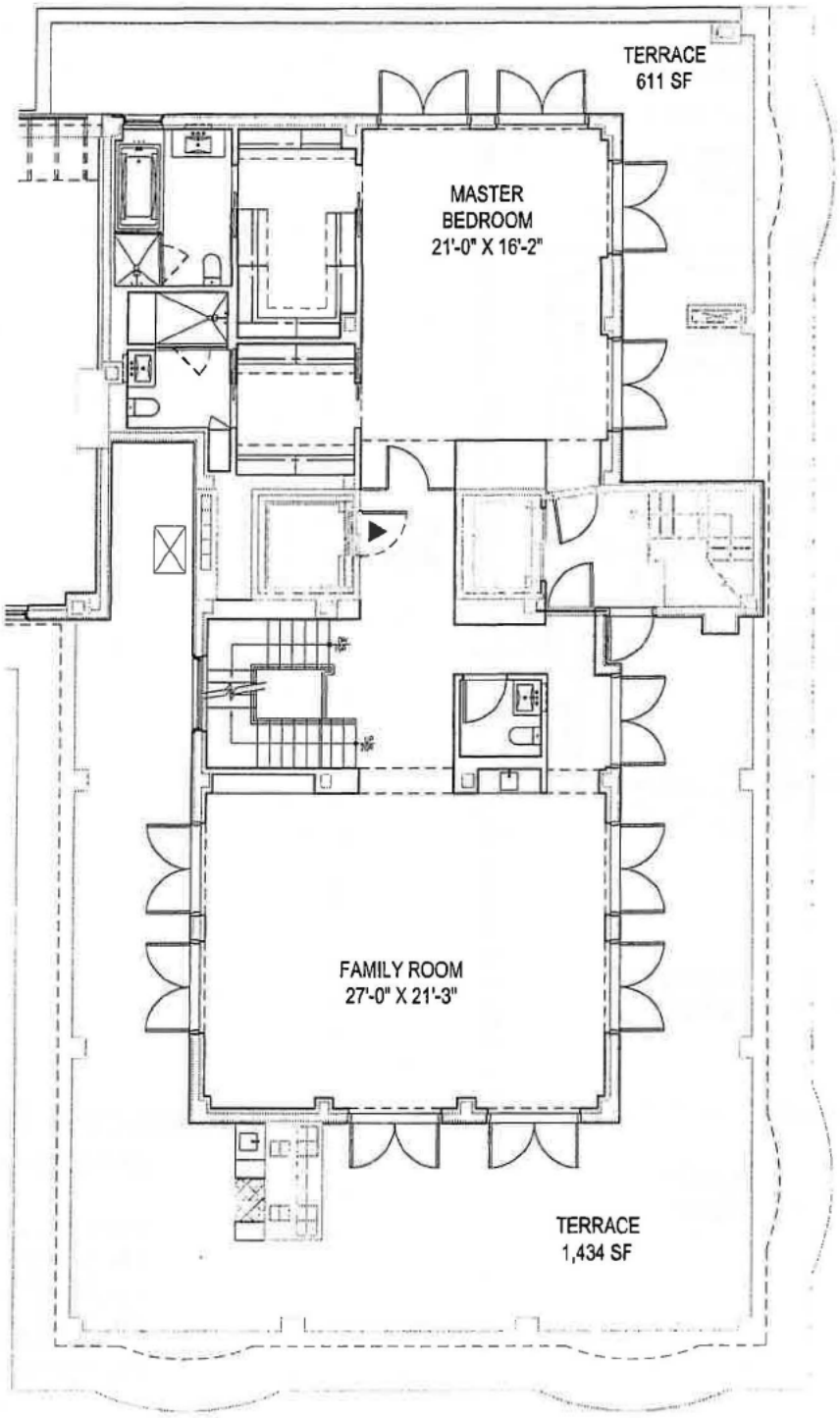

Apartment PH EAST

SECOND FLOOR

TRIPLEX 6,758 SF
5 BEDROOM
7.55 BATHROOM
LIBRARY
FAMILY ROOM
TERRACES 3,214 SF

Eleven East Sixty-Eighth Street Condominium

11 East 68th Street
New York, New York

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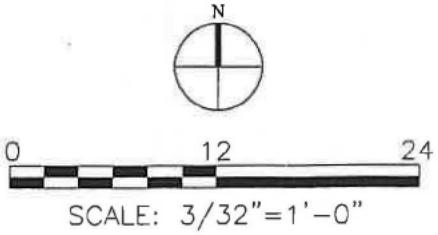

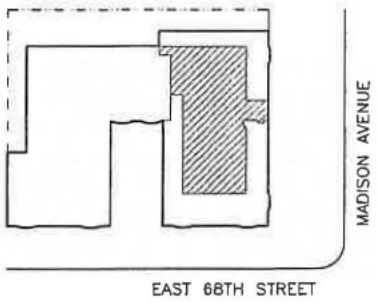

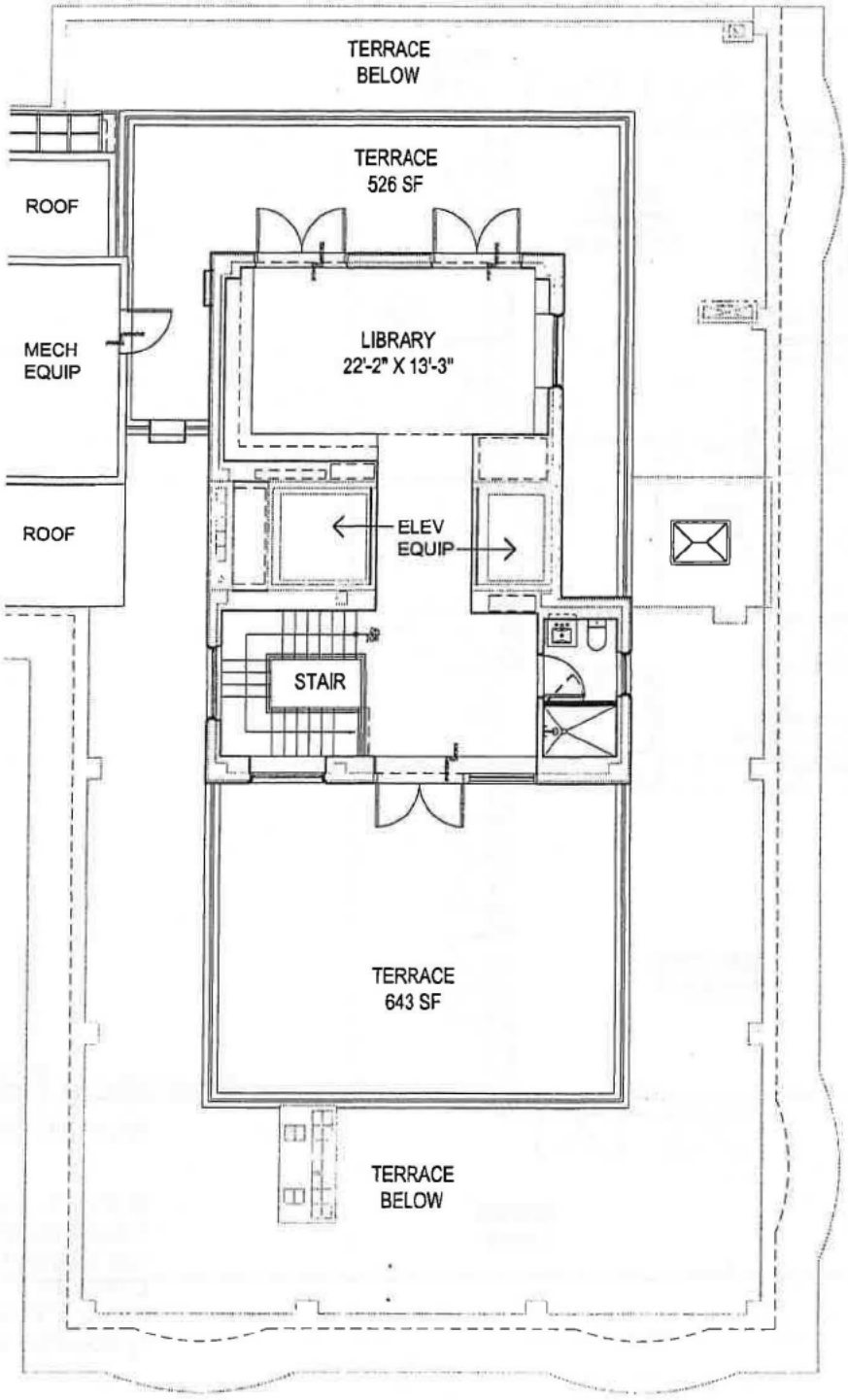

Apartment PH EAST

THIRD FLOOR

TRIPLEX 6,758 SF
5 BEDROOM
7.55 BATHROOM
LIBRARY
FAMILY ROOM
TERRACES 3,214 SF

Eleven East Sixty-Eighth Street Condominium

11 East 68th Street
New York, New York

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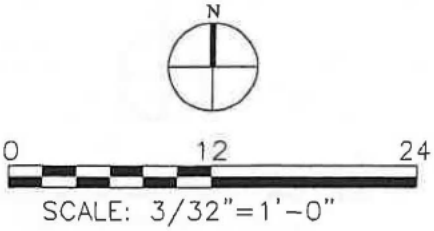

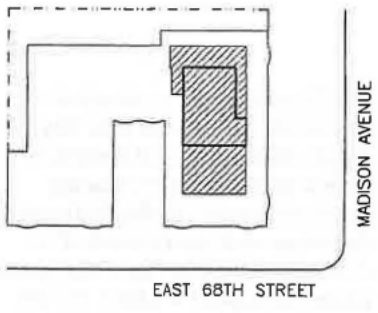

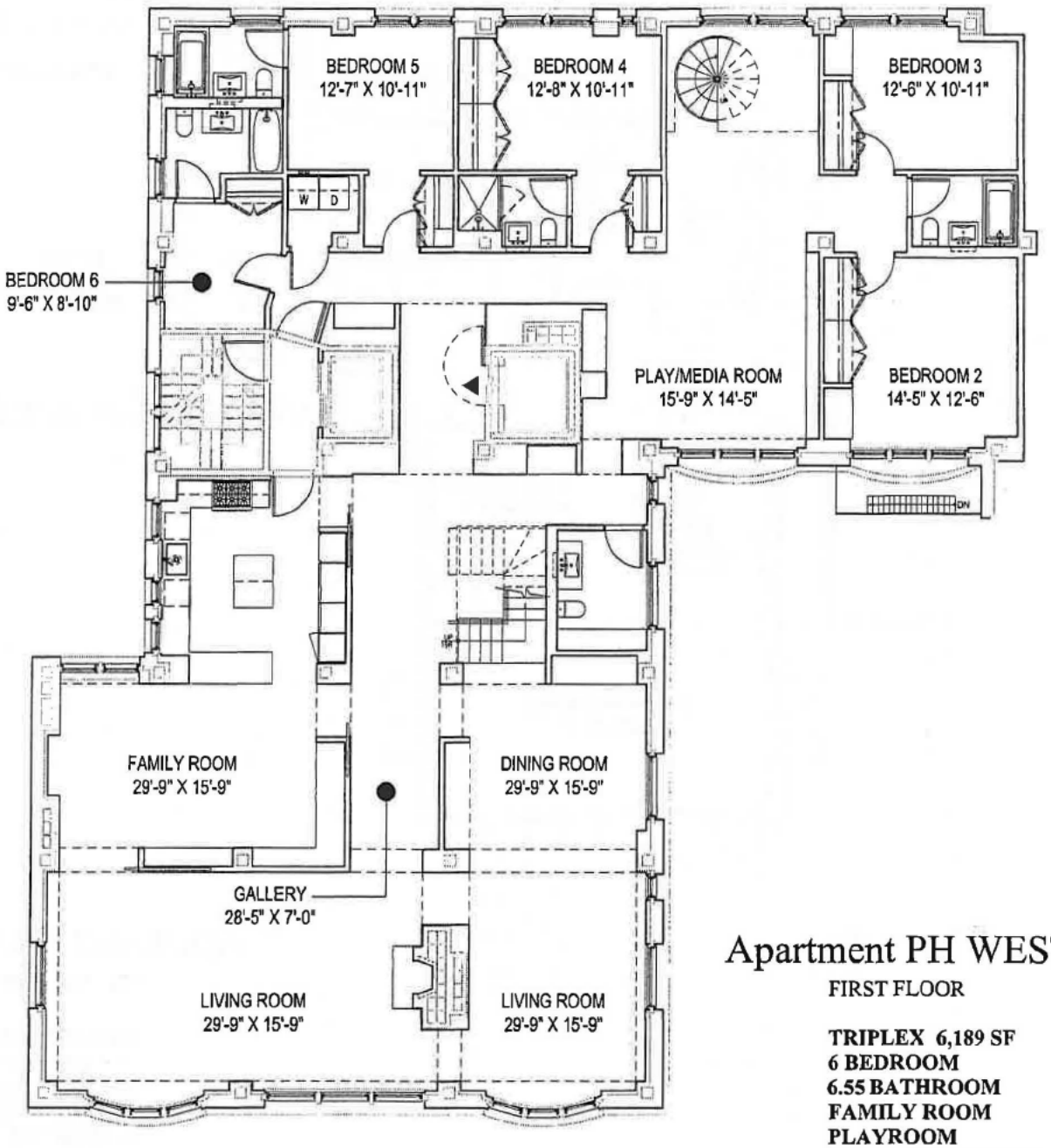

Apartment PH WEST

FIRST FLOOR

TRIPLEX 6,189 SF
6 BEDROOM
6.55 BATHROOM
FAMILY ROOM
PLAYROOM
TERRACES 2,645 SF

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11 East 68th Street
New York, New York

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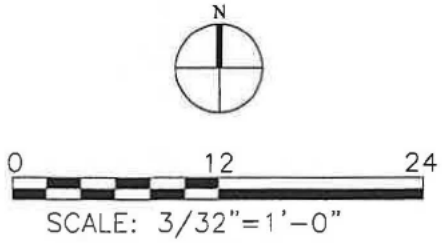

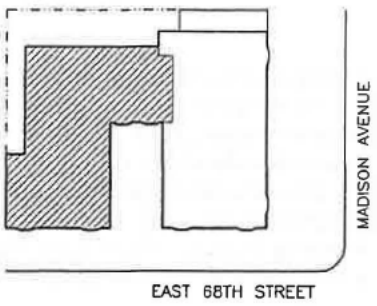

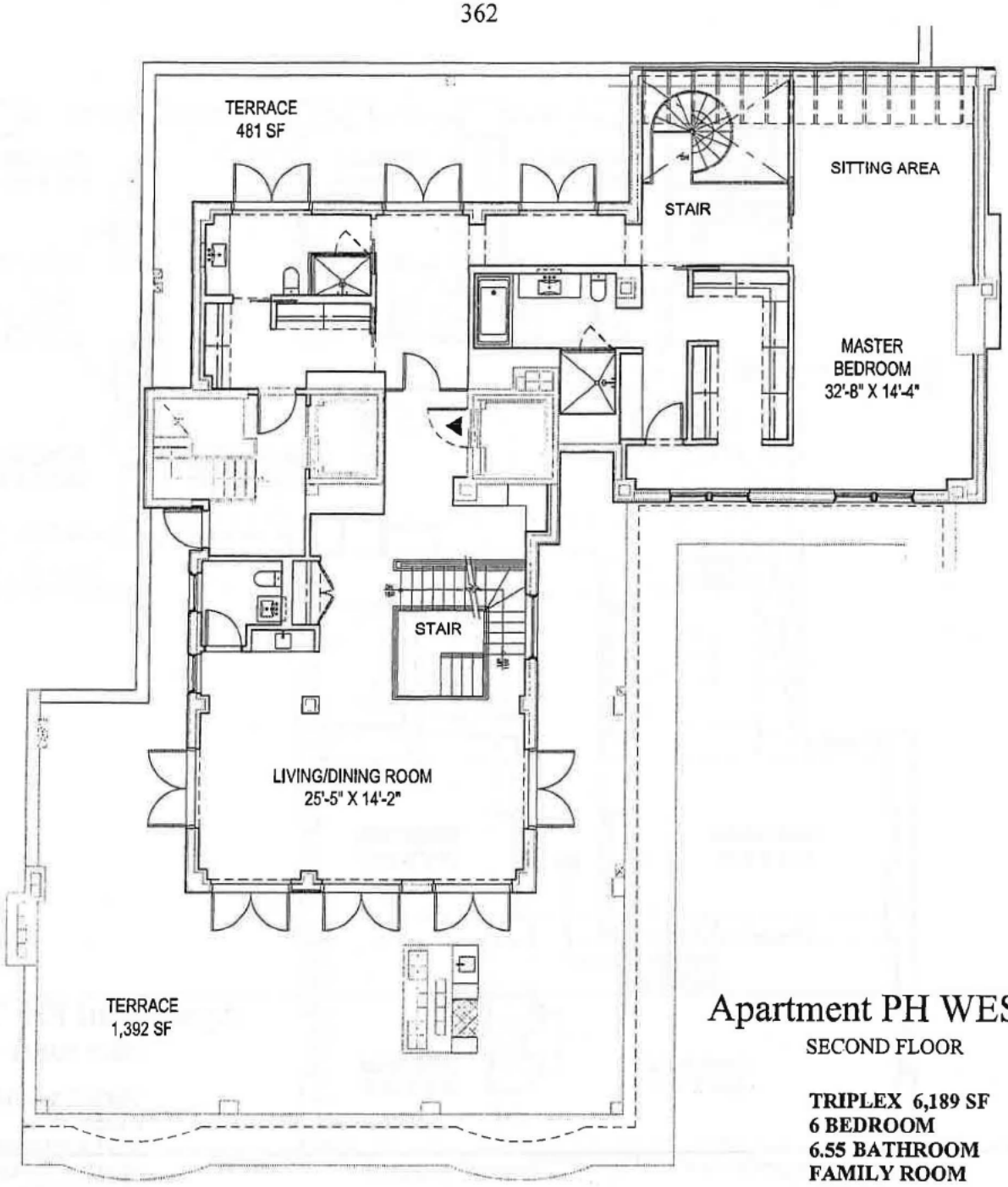

Apartment PH WEST

SECOND FLOOR

TRIPLEX 6,189 SF
6 BEDROOM
6.55 BATHROOM
FAMILY ROOM
PLAYROOM
TERRACES 2,645 SF

Eleven East Sixty-Eighth Street Condominium

11 East 68th Street
New York, New York

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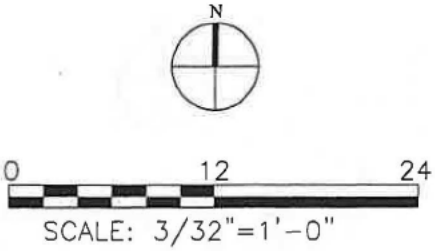

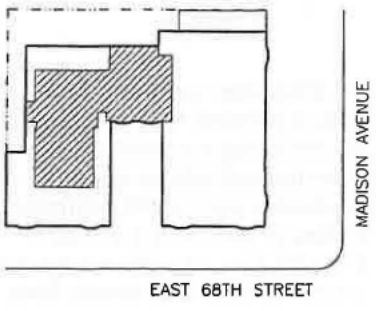

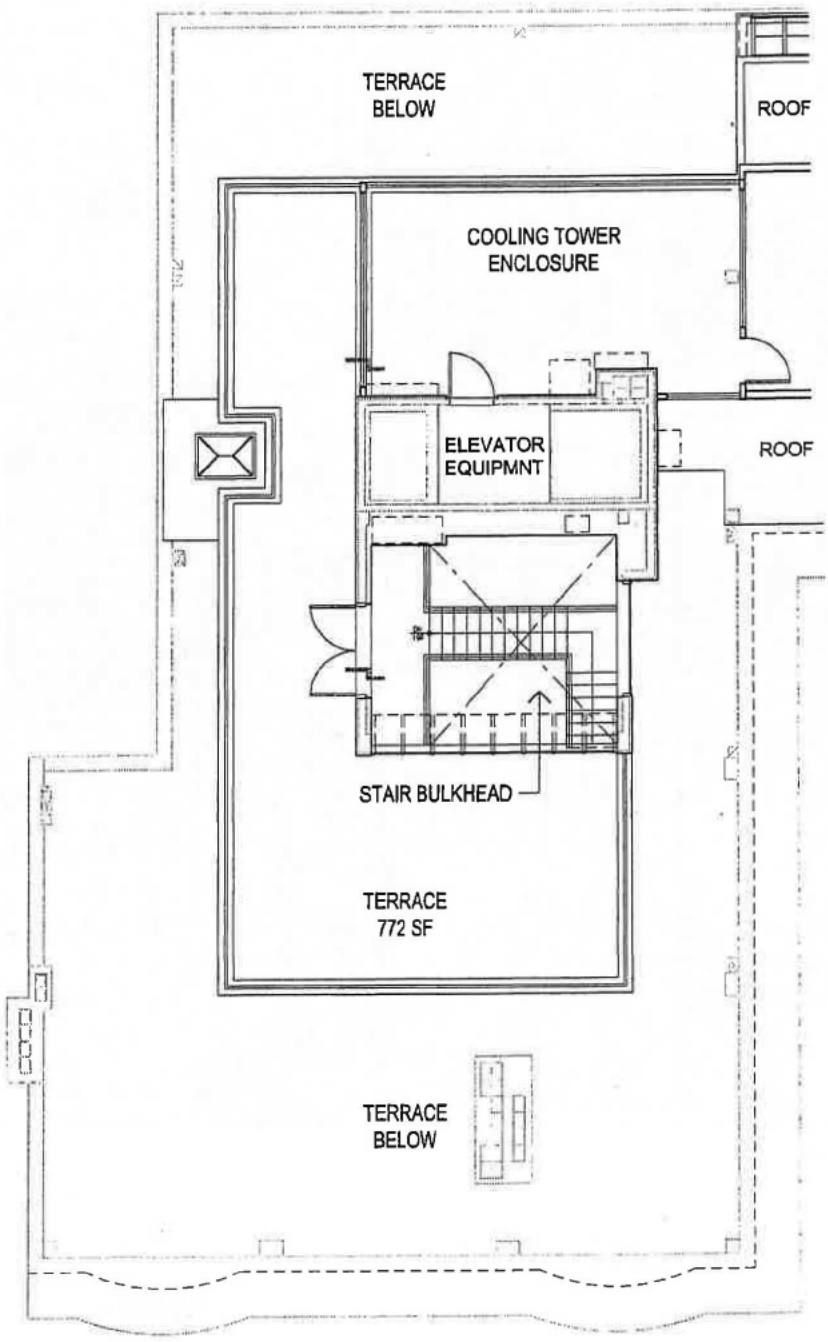

Apartment PH WEST

THIRD FLOOR

TRIPLEX 6,189 SF
6 BEDROOM
6.55 BATHROOM
FAMILY ROOM
PLAYROOM
TERRACES 2,645 SF

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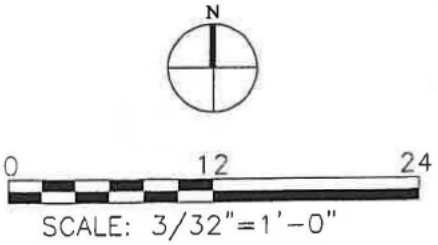

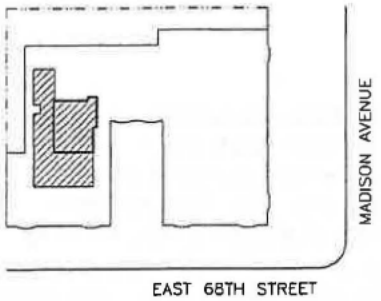

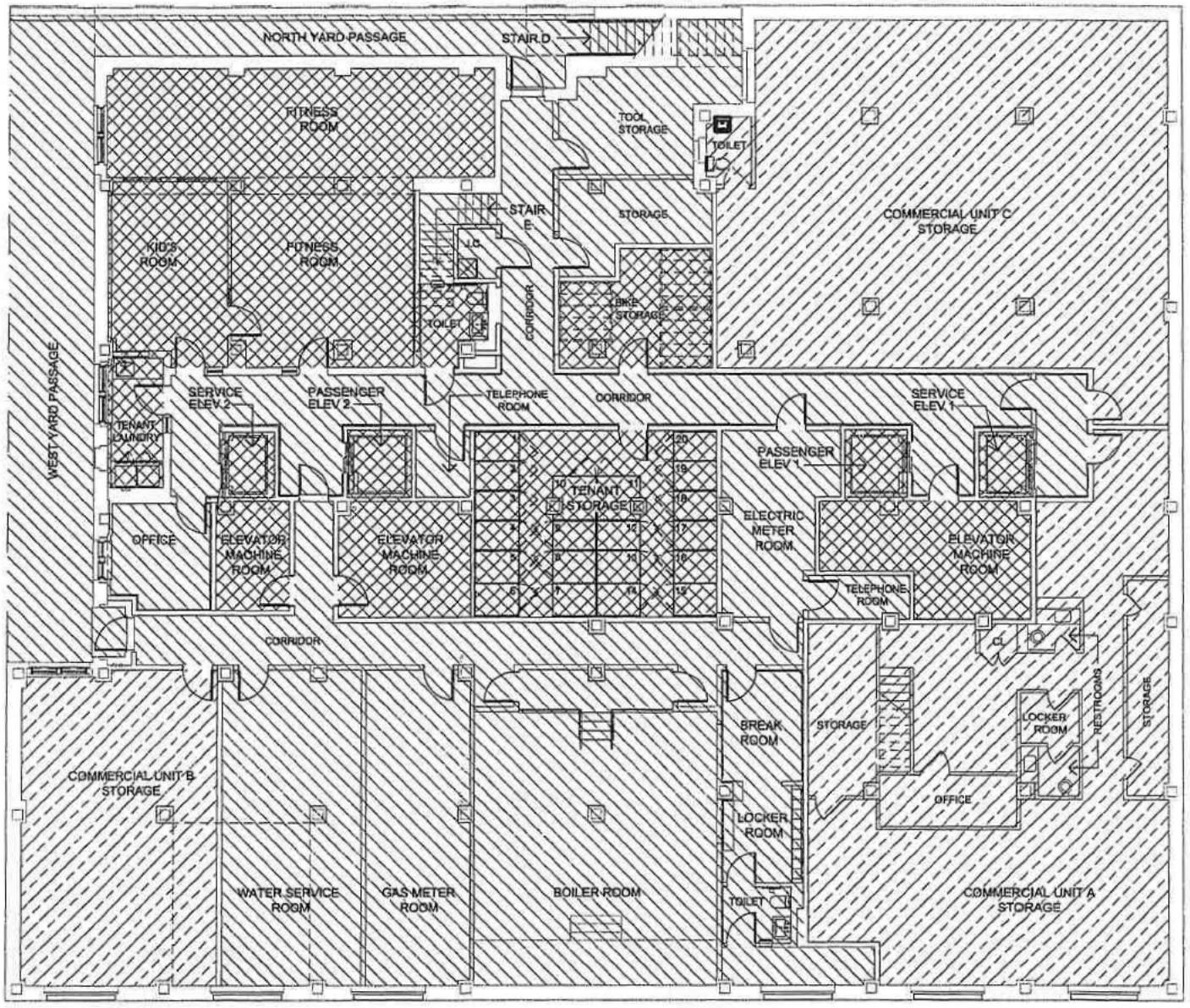

Cellar Plan

LEGEND

- RESIDENTIAL COMMON ELEMENT
- RETAIL UNIT
- GENERAL COMMON ELEMENT

Eleven East Sixty-Eighth Street Condominium

11 East 68th Street
New York, New York

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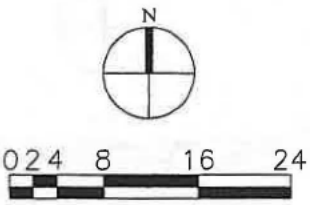

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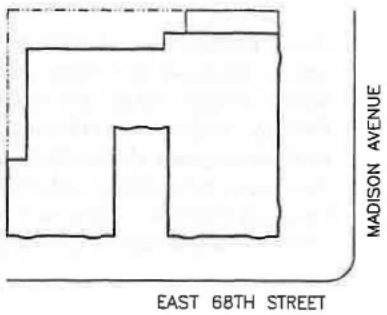
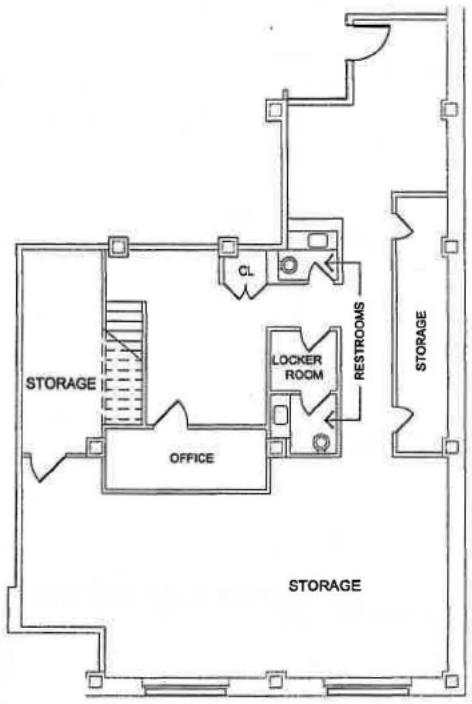
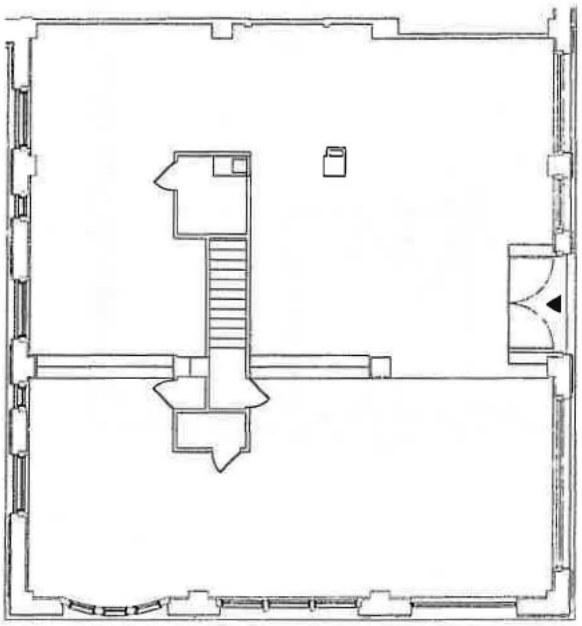




Cellar



1st Floor

Commercial Unit A

1st Fl 2,413 SF
Cellar 1,560 SF
(2) .5 Bathroom

Eleven East Sixty-Eighth Street Condominium

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New York, New York

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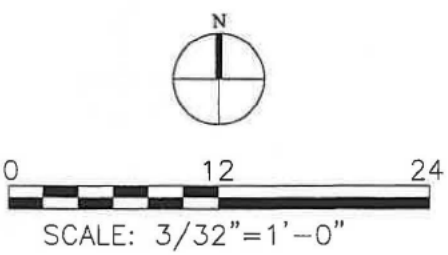
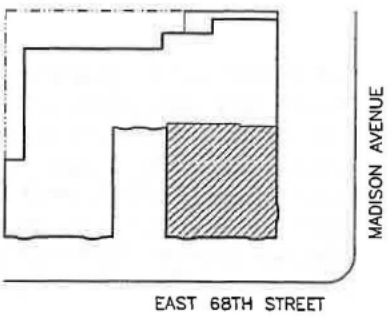
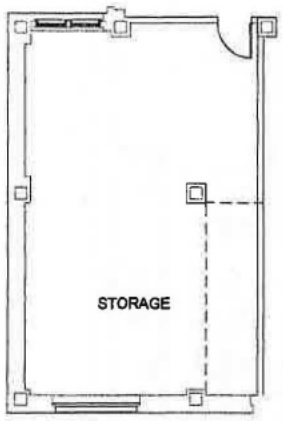
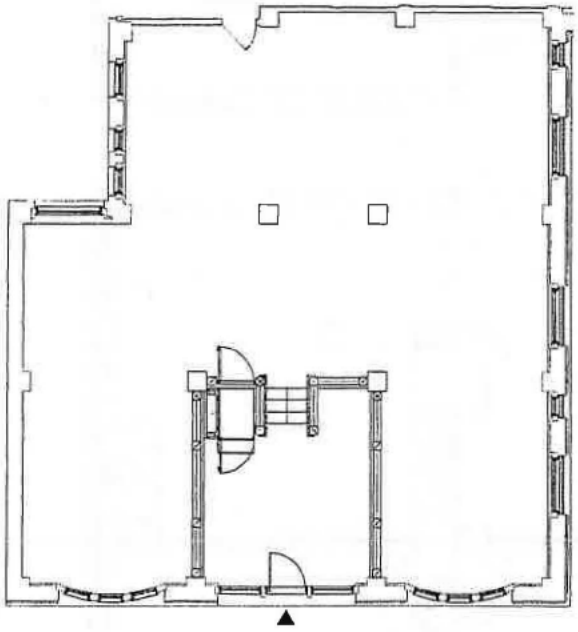






Cellar



1st Floor

Commercial Unit B

1st Fl 2,268 SF
Cellar 684 SF

Eleven East Sixty-Eighth Street Condominium

11 East 68th Street
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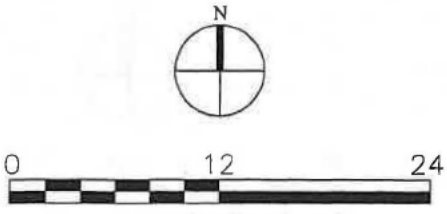

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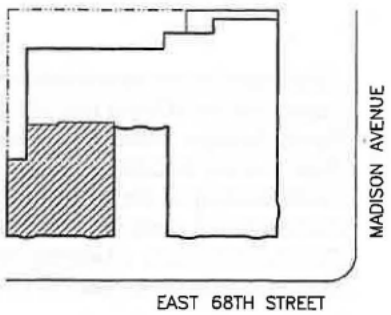
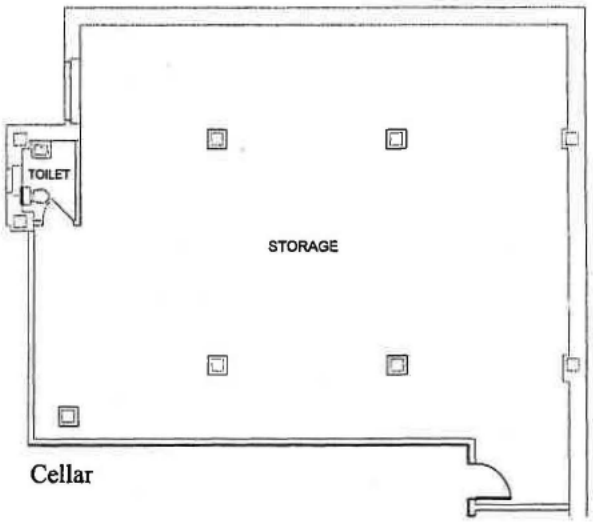
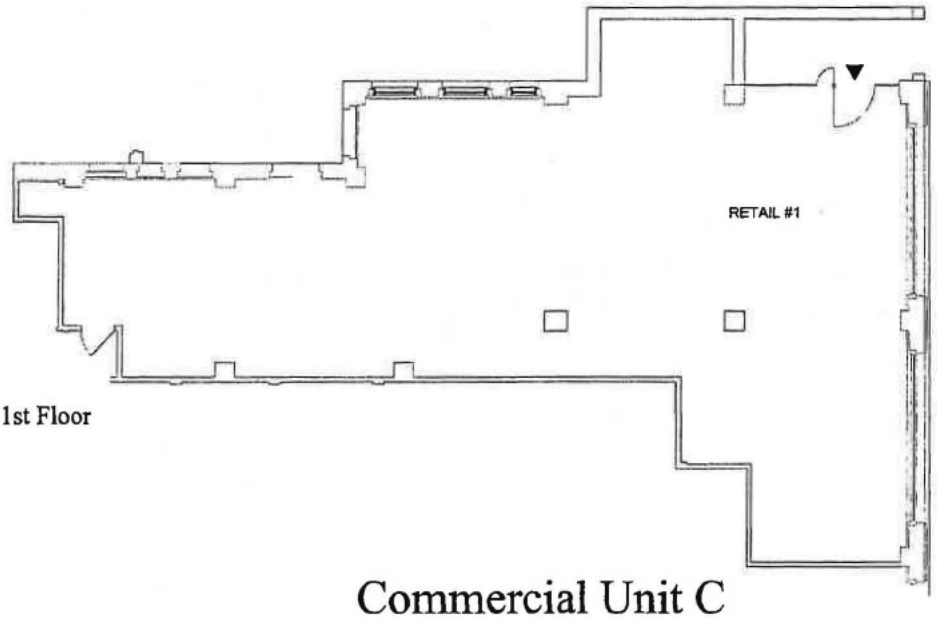




Cellar



1st Floor

Commercial Unit C

1st Fl 2,844 SF
Cellar 1,655 SF
.5 Bathrrom

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New York, New York

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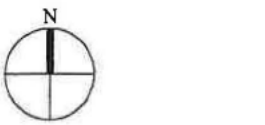

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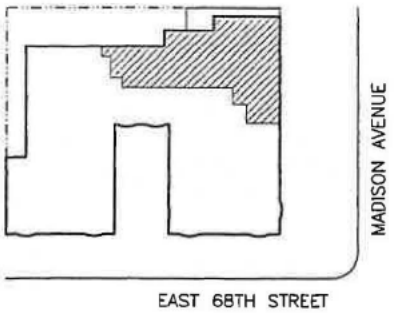

EXHIBIT "8"

CONDOMINIUM DECLARATION

AMENDED AND RESTATED DECLARATION
(a/k/a First Amendment to Original Declaration)
Establishing a Plan for Condominium Ownership
of the Premises known as
814-816 Madison Avenue a/k/a 11 East 68th Street
New York, New York 10065

Pursuant to Article 9-B of the Real Property
Law of the State of New York
Name
Eleven East Sixty-Eighth Street Condominium
Declarant
11 East 68th Street LLC
c/o HFZ Capital Group
600 Madison Avenue, 17th Floor
New York, New York 10022

Date of Amended and Restated Declaration

Condominium No. 2345

The land affected by the within instrument lies in
Section 05, Block 1383 formerly known as Lot 1001 - 1003
now known as Lots 1001 – _____
on the Tax Map of the Borough of Manhattan, City of New York

Stroock & Stroock & Lavan LLP
Attorneys for Declarant
180 Maiden Lane
New York, New York 10038
(212) 806 5400

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AMENDED AND RESTATED DECLARATION OF ELEVEN EAST SIXTY-EIGHTH STREET CONDOMINIUM

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

11 East 68th Street LLC, a Delaware limited liability company, having an office at c/o HFZ Capital Group, 600 Madison Avenue, 17th Floor, New York, New York 10022 does hereby declare as follows

ARTICLE 1

DEFINITIONS

All capitalized terms used in this declaration (hereinafter referred to as the "Declaration") that are not otherwise defined in the Articles hereof will have the meanings set forth in Exhibit C (Definitions) annexed hereto or Exhibit D (By-Laws), unless the context in which they are used will otherwise require.

ARTICLE 2

SUBMISSION OF THE PROPERTY

2.1 This Declaration amends and restates the Declaration of Condominium and By-Laws dated July 16, 2012 and recorded September 10, 2012 in the New York County Register's Office as CRFN 2012000356482 (the "Initial Declaration"). Declarant hereby re-submits the Land and Building, all other improvements erected and to be erected thereon, all easements, rights and appurtenances belonging thereto and all other property, real, personal or mixed, intended for use in connection therewith (collectively, the "Property") to the provisions of the Condominium Act and pursuant thereto does hereby establish a condominium to be known as the "Eleven East Sixty-Eighth Street Condominium" (the "Condominium"). All references to Declaration shall be deemed references to this Amended and Restated Declaration.

2.2 Excluded from the Property is that portion of the unused floor area development rights that are now owned, are subsequently acquired or that may become available under the Zoning Resolution of the City of New York (the "Development Rights") which shall be initially retained by Declarant, which Development Rights may be utilized by Declarant or any party acquiring same from Declarant (the "Development Rights Purchaser") and merged into a zoning lot pursuant to the terms a zoning lot development agreement ("ZLDA").

2.3 Attached to this Declaration and made a part hereof are the by-laws of the Condominium which set forth detailed provisions governing the operation, use and occupancy of the Condominium (said by-laws, as they may be amended from time to time, are hereinafter referred to as the "By-Laws").

ARTICLE 3

THE LAND

Included in the Property described in Article 2 is all that certain tract, plot, piece and parcel of land (the "Land") situate, lying and being in the City, County and State of New York, and more particularly described in Exhibit A annexed hereto and made a part hereof. The Land is owned by Declarant in fee simple absolute. The Land has an area of approximately 108,592 square feet.

ARTICLE 4

THE PROPERTY

4.1 Included in the Property described in Article 2 is a building (the "Building") initially consisting of forty (40) Units, including, Thirty-Eight (38) residential Units (the "Residential Units") and three (3) commercial Units (the "Commercial Units"), which will be known as Commercial Unit A, Commercial Unit B and Commercial Unit C. The Residential Units and Commercial Units are sometimes hereinafter collectively referred to as the "Units" and individually as a "Unit." The Residential Units, together with the Residential Common Elements and the Residential Limited Common Elements, are collectively referred to as the "Residential Section." The Commercial Units, together with the Commercial Common Elements and the Commercial Limited Common Elements, are collectively referred to as the "Commercial Section."

4.2 The owner of a Residential Unit is herein called a "Residential Unit Owner" and the owners of the Residential Unit shall collectively be called the "Residential Unit Owners". The owner of a Commercial Unit is herein called a "Commercial Unit Owner" and the owners of the Commercial Unit shall collectively be called the "Commercial Unit Owners". The owner of Commercial Unit A will be called the "Commercial Unit A Owner"; the owner of Commercial Unit B will be called the "Commercial Unit B Owner"; the owner of Commercial Unit C will be called the "Commercial Unit C Owner".

4.3 As of the date of this Declaration, it is anticipated that alterations and improvements will be performed to certain portions of the Building (the "Initial Construction"). The Floor Plans recorded simultaneously herewith are an accurate copy of floor plans of the Building as filed with and approved by the New York City Department of Buildings reflecting the as-built condition of the Building (the "Tax Lot Drawings"). It is anticipated that, on or before substantial completion of the Initial Construction, this Declaration and the Tax Lot Drawings will be amended to reflect the "as built" condition of the Property, following substantial completion of the Initial Construction, such amended Tax Lot Drawings shall hereinafter be referred to as the "New Tax Lot Drawings". References herein to "Floor Plans" shall refer to either the Tax Lot Drawings or New Tax Lot Drawings, whichever is last recorded.

4.4 As more particularly provided in the Initial Declaration, this Amended and Restated Declaration reflects the subdivision of the one (1) initial Residential Unit into thirty

eight (38) individual Residential Units and the Floor Plans have been amended so as to reflect such subdivision.

ARTICLE 5

THE BUILDING

The Building consists of one Class 1 Fireproof, having 12 stories above grade. The Building is constructed of steel columns and beams supporting concrete floor slabs. The floors in the Building are named respectively (from bottom to top): Cellar level, First Floor, Floors 2 through 11, 12th Floor Penthouse and Bulkhead Roof. The Main Roof of the Building is over the 11th Floor. The Commercial Units occupy portions of the Cellar level and First Floor. The Residential Units occupy portions of the 2nd Floor though the 12th Floor Penthouse.

The Building is located in the Upper East Side Historic District and is subject to the rules and regulations of the Landmarks Preservation Commission (the "LPC") in addition to any other applicable Law. Notwithstanding anything to the contrary contained in this Declaration or the By-Laws, the Building and Units must at all times be operated and Maintained in compliance with the LPC rules and regulations, unless and until the district in which the Building is located ceases to be designated as a landmark district

ARTICLE 6

THE UNITS

6.1 Exhibit B annexed hereto and made a part hereof sets forth the following data with respect to each Unit necessary for the proper identification thereof: (i) its Unit designation; (ii) tax lot number; (iii) approximate location in the Building; (iv) approximate square foot area; (v) number of rooms; (vi) the percentage interest in the Common Elements appurtenant to such Unit; (vii) Common Elements to which such Unit has immediate access, and (viii) use of the Unit. The location of each Unit is shown on the floor plans of the Building certified by Beyer Blinder Belle, and intended to be approved by the New York City Department of Finance, Tax Map Unit and filed in the Land Records Division and recorded in the New York County office of the Register of the City of New York (the "City Register's Office") following the recording of this Declaration.

6.2 Each Unit includes, and each Unit Owner shall be responsible for the space designated on the Floor Plans as part of such Unit, together with those Facilities located within the Unit which exclusively benefit such Unit or the Unit Owner thereof, including without limitation the following:

6.2.1 The front entrance door and any other entrance doors to such Unit, windows and window framing, skylights, flooring, wallcoverings, molding, non-load bearing interior walls and partitions and sheet rock and plaster wall covering, smoke detectors and carbon monoxide detectors, all plumbing, gas and heating fixtures (including shower pans, bath liners and related installations) and equipment such as refrigerators, dishwashers, heating, ventilating and air conditioning ("HVAC") units (including the fans inside the Units), fireplaces,

heating equipment, ranges, sinks, bathtubs, showers, water closets, washer and dryers and other appliances, as may be affixed, attached or appurtenant to such Unit and which serve such Unit exclusively. Plumbing, gas and heating fixtures and equipment as used in the preceding sentence shall include gas and water pipes from branch or fixture shut off valves attached to fixtures, appliances and equipment attached, and any special pipes or equipment which a Unit Owner may install within a wall or ceiling, or under the floor, but shall not include gas, water or other pipes, conduits, wiring or ductwork within the walls, ceilings or floors from the point at which such pipes, wiring, ductwork or conduits service other Units. Each Unit shall also include all lighting and electrical fixtures, cabinets, including, without limitation kitchen and bathroom cabinetry, countertops, and appliances within the Unit, any special equipment, fixtures or Facilities affixed, attached or appurtenant to the Unit, or betterments and improvements installed by a Unit Owner other than Declarant, to the extent located within a Unit and serving or benefiting only that Unit and elevators (and their respective shafts and pits) exclusively used by one Unit Owner, if any.

6.3 In addition to the provisions of Section 6.2 above, each Commercial Unit will also include all passages, hallways and corridors and interior walls including studs (other than structural components thereof), exterior entranceway(s) and any other exterior opening(s) into a Commercial Unit, including without limitation all storefronts, door(s), door assemblies, together with related and similar installations, including the location of exterior Signage outside a Commercial Unit, which are part of the Commercial Units, in the areas and as more particularly delineated on the Elevation Plans annexed to the Declaration.

6.4 Equipment and other installations within a Commercial Unit, on whatever floor of the Building they may be located in accordance with the provisions of this Declaration and the By-Laws, to the extent that they are installed by a Commercial Unit and exclusively serve a Commercial Unit, will be deemed a part of such Commercial Unit, including, without limitation, elevators and their shafts, pits, machineries and appurtenant Facilities. A Commercial Unit will not include any plumbing, electrical, heating, venting and air conditioning installations, machinery, or other materials and equipment used by and for, or any such system shared with, any other Unit.

6.5 The Commercial Units are located on portions of the Cellar level, First Floor and Second Floor of the Building, and include, among other things (as more particularly delineated on the Floor Plans):

6.5.1 Commercial Tenant Storage Rooms and the restroom located on the Cellar level of the Building.

6.5.2 All mechanical space and other rooms, if any, which exclusively service the Commercial Units, if any.

6.6 As of the date of the filing of this Declaration with the City Register's Office, fee simple absolute title shall automatically vest in Declarant in all Units, individually and collectively, without the need to execute specific and particular deeds or indentures for each and every Unit.

ARTICLE 7

DIMENSIONS OF UNITS

Each Unit will be measured horizontally from the exterior walls of the Unit to the midpoint of the interior walls and partitions separating one Unit from another Unit, or the midpoint of the interior walls and partitions separating a Unit form public corridors, stairs or any Common Element or Limited Common Elements or to the opposite exterior side of the exterior walls of the Building, as the case may be. The square foot areas of common vestibules and corridors in the Residential Section are split to the relevant Residential Units to which they serve. The square foot area of passenger elevators located in the Residential Section is distributed proportionately throughout the Residential Units.

ARTICLE 8

COMMON ELEMENTS

8.1 The common elements of the Condominium (the "Common Elements") consist of the General Common Elements and the Limited Common Elements. The General Common Elements are for the common use of all of the Unit Owners and include, but not are not limited to the Land all parts of the Building and improvements thereon other than the Units and the Limited Common Elements and include those rooms, areas, corridors, spaces and other parts of the Building and all Facilities therein for the common use of all of the Units and Unit Owners or which are necessary or convenient for the existence, Maintenance or safety of the Property. The Limited Common Elements of the Condominium consist of those Common Elements that serve or benefit exclusively (a) the Residential Units or the Residential Unit Owners (in which event they are called "Residential Common Elements"), (b) one or more but not all of the Residential Units or the Residential Unit Owners (in which event they are called "Residential Limited Common Elements"), (c) the Commercial Units or the Commercial Unit Owners (in which event they are called "Commercial Common Elements"), or (d) one or more but not all of the Commercial Units or the Commercial Unit Owners (in which event they are called "Commercial Limited Common Elements"). The General Common Elements are appurtenant to, serve and benefit each Unit to the extent of such Unit's percentage share of the General Common Elements. The General Common Elements are for the common use of all Unit Owners. The Common Elements do not include any Development Rights, the rights to which shall be retained by the Declarant.

8.2 The Common Elements will remain undivided and no Unit Owner or other person will bring or will have the right to bring any action for partition or division thereof, except as may be specifically provided for herein and in the By-Laws.

8.3 The General Common Elements consist of the following:

8.3.1 The Land (as more particularly described in Exhibit A attached to this Declaration), together with all easements, rights and privileges appurtenant thereto.

8.3.2 Any of the following: all foundations, footings, columns, girders, floor slabs and ceilings (other than those expressly designated as Commercial Common Elements or Residential Common Elements), beams, supports, structural walls and interior load bearing walls from the top of the floor slab forming the bottom of the Second Floor of the Building down.

8.3.3 The eastern portion of the Northern Courtyard, as more particularly delineated on the Floor Plans (including the exterior steel stairwells that service the Ground level to Cellar Level and Second level to Ground Level).

8.3.4 The life safety system, including the fire alarm system and sprinkler system, including the booster fire pump and all other fire pumps and fire command station for the Building (except such portions of such life safety system which are expressly designated as a Limited Common Element).

8.3.5 The following areas located on portions of the Cellar level of the Building: the mechanical space and other rooms, areas, space and Facilities servicing all of the Units and the General Common Elements, including: storage rooms, meter room, boiler room, oil tank room, locker room, bathrooms office and closets, as more particularly delineated on the Floor Plans.

8.3.6 All street trees, shrubbery, planters and other plantings located on the sidewalks (if any), other than those located in the Entry Courtyard.

8.3.7 All easements, rights of way, privileges, appurtenances and other rights appurtenant to or pertaining to the Property, except those, which by their terms or by the terms of this Declaration are appurtenant or pertain only to less than all Units.

8.3.8 Central and appurtenant Facilities for services such as steam, heating, cooling venting, air-conditioning, communications, security, lighting, plumbing, electrical work.

8.3.9 All passages, hallways, corridors, mechanical space and other rooms and stairs (including the stairs, stairways and landings) serving the Building, which are shared by all Units and Unit Owners and are more particularly delineated as a General Common Element on the Floor Plans.

8.3.10 All other Facilities in the Building which serve or benefit all the Units or are necessary or convenient for the existence, Maintenance, operation or safety of the General Common Elements and all of the Units, which are not expressly designated as or are owned as part of another Unit or Common Element or owned by another entity such as the supplier, servicer or installer of such Facilities.

Notwithstanding anything to the contrary in this Article 8, if a General Common Element benefits one Unit Owner or one category of Unit Owners and not the others, then the Condominium Board, shall have the right to redesignate such General Common Element as a Limited Common Element appurtenant to that Unit or that category of Units. Any disputes arising hereunder will be resolved by Arbitration in accordance with Article 11 of the By-Laws.

8.4 The Residential Common Elements consist of the following:

8.4.1 Any of the following: all foundations, footings, columns, girders, floor slabs and ceilings, beams, supports, structural walls and interior load bearing walls from above the slab over the Second Floor of the Building.

8.4.2 The floor slabs and ceilings that are located completed within the Residential Units and do not abut General Common Elements, Commercial Common Elements or Commercial Limited Common Elements.

8.4.3 The Main Roof, as more particularly identified on the Floor Plans.

8.4.4 Bulkhead Roof, as more particularly identified on the Floor Plans.

8.4.5 Residential electric meters and panels, electric closets, feeders, risers and Facilities, Residential gas meter and direct burial telephone cables serving exclusively the Residential Section.

8.4.6 Kitchen, bathroom and dryer exhaust ducts, corridor and Residential Unit supply air ducts, steam lines supply and return for heating, water pressure reducing valve system, and all other Facilities in the floor and ceilings serving or benefiting exclusively the Residential Section.

8.4.7 CATV riser and all other Facilities located in the Property serving or benefiting exclusively the Residential Section to the extent that the same are not owned by a third party.

8.4.8 The tenant storage, restroom, laundry room, laundry pantry room, located on the Cellar level of the Building and more particularly identified on the Floor Plans.

8.4.9 Passenger elevator numbers 1 and 2 and service elevator numbers 1 and 2 and their respective shafts, pits, machine rooms and Facilities serving the Cellar level through 12th Floor Penthouse.

8.4.10 The western portion of the Northern Courtyard and Entry Courtyard located on the Ground Floor of the Building and more particularly identified on the Floor Plans.

8.4.11 The Residential Lobby.

8.4.12 The water tower located on the Bulkhead Roof, if any, servicing the Residential Units.

8.4.13 The Exterior Façade appurtenant to the Residential Units as more particularly shown on the Floor Plans.

8.4.14 The Exterior Façade appurtenant to the Commercial Units located on the First Floor which face the courtyard, as more particularly identified on Elevation E and Elevation F of the Floor Plans (the "First Floor Residential Façade Elements").

8.4.15 The windows in the Residential Section that do not exclusively open into a an individual Residential Unit.

8.4.16 All street trees, shrubbery, planters and other plantings located in the Entry Courtyard.

8.4.17 Any of the following: all foundations, footings, columns, girders, floor slabs and ceilings, beams, supports, interior load bearing walls from above the slab over the Second Floor of the Building

8.4.18 All passages, hallways, stairs and corridors, all mechanical space and all other rooms, areas, spaces and other parts of the Building which are not Residential Units, Residential Limited Common Elements or part of the Commercial Units, Commercial Common Elements, Commercial Limited Common Elements, or General Common Elements.

8.4.19 All other Facilities exclusively serving the Residential Section, excluding the Residential Units, the Residential Limited. Common Elements, the Commercial Common Elements, the Commercial Limited Common Elements and the General Common Elements, and which serve or benefit or are necessary or convenient for the existence, Maintenance, operation or safety of the Residential Section.

8.5 The Residential Limited Common Elements consist of the following:

8.5.1 Fireplace flues, shafts and chimneys exclusively serving those Residential Units that contain fireplaces.

8.5.2 The Terraces to which one or more Residential Units have access as set forth in Exhibit B annexed hereto. Notwithstanding anything to the contrary contained in the By-Laws or this Declaration, where a Terrace is a Residential Limited Common Element appurtenant to a Residential Unit, the Residential Unit Owner thereof shall have the exclusive right to use such Terrace subject to rights of the Boards to regulate its use and to access the Terrace for Maintenance and replacement and other uses, as more particularly described in Section 6.9.2.6 of the By-Laws).

8.5.3 That portion of equipment, fixtures or Facilities serving or benefiting one Residential Unit, to the extent located within another Unit or within a Common Element to which there is direct and exclusive access from the interior of a Residential Unit.

Notwithstanding anything to the contrary contained in the By-Laws or this Declaration, the Residential Unit Owner who is so served or benefited by such Residential Limited Common Element shall have the exclusive right to use such Residential Limited Common Element and shall be responsible for its normal operation and Maintenance at such Residential Unit Owner's sole cost and expense. In furtherance of the foregoing, to the extent that all or any portion of the Residential Section is redesignated as a Commercial Unit, the Exterior Façade appurtenant thereto shall also be redesignated as a limited common element appurtenant to the new Commercial Unit and the Floor Plans shall be amended to reflect such redesignation. Notwithstanding the foregoing, neither of the Boards or any Unit Owner shall be permitted to

block the windows located on the First Floor Residential Façade Elements in any manner whatsoever.

8.5.4 All other Facilities exclusively serving one or more but not all Residential Units, excluding the Residential Units, the Residential Common Elements, the Commercial Common Elements, the Commercial Limited Common Elements and the General Common Elements, and which serve or benefit or are necessary or convenient for the existence, Maintenance, operation or safety of one or more but not all of the Residential Units.

8.6 The Commercial Common Elements consist of the following:

8.6.1 The floor slabs and ceilings that are located completed within the Commercial Units and do not abut General Common Elements, Residential Common Elements or Residential Limited Common Elements.

8.6.2 The Exterior Façade appurtenant to the Commercial Units (other than the First Floor Residential Façade Elements), as more particularly shown on the Floor Plans.

8.6.3 Commercial electric meter, separate cold water meter, gas meter and other utility meters (if any) serving or available for the exclusive use of the Commercial Section.

8.6.4 Ductwork, and all other electric and similar Facilities serving or benefiting exclusively the Commercial Section.

8.6.5 All windows in the Commercial Section other than windows which are part of Commercial Units, if any.

8.6.6 All remaining Facilities exclusively serving the Commercial Units, excluding the Commercial Units, the Commercial Limited Common Elements, the Residential Common Elements, the Residential Limited Common Elements and the General Common Elements, which serve or benefit or are necessary or convenient for the existence, Maintenance, operation or safety of the Commercial Units.

8.7 The Commercial Limited Common Elements consist of the following:

8.7.1 The HVAC units serving the Commercial Units, which are located in the eastern portion of the Northern Courtyard, as more particularly identified on the Floor Plans.

8.7.2 All remaining Facilities exclusively serving the one or more but not all Commercial Units, excluding the Commercial Units, the Commercial Common Elements, the Residential Common Elements, the Residential Limited Common Elements and the General Common Elements, which serve or benefit or are necessary or convenient for the existence, Maintenance, operation or safety of one or more but not all Commercial Units.

Notwithstanding anything to the contrary contained in the By-Laws or this Declaration, the Commercial Unit Owner who is so served or benefited by such Commercial Limited Common Element shall have the exclusive right to use such Commercial Limited Common

Element and shall be responsible for its routine Maintenance and operation at such Commercial Unit Owner's sole cost and expense.

ARTICLE 9

USE OF BUILDING AND UNITS

9.1 Residential Units. Except as more particularly set forth in this Declaration or the By-Laws, Residential Units may be used for residential purposes only.

9.1.1 Notwithstanding the immediately preceding sentence, any Residential Unit may be used for professional purposes, or for any other lawful purposes, subject, however, to (1) the then existing certificate of occupancy for such Residential Unit, (2) applicable Law, (3) the use of such Residential Unit not adversely affecting the use and enjoyment of neighboring or adjacent Residential Units for residential purposes, (4) compliance with the By-Laws, (5) the prior written permission of the Residential Board, which permission shall in no event be granted unless the Residential Board affirmatively finds that the conditions in (1) through (3) above have been met and (6) such use does not have a material impact on the use of the Commercial Units. A home office use hereunder shall only be accessory to the residential use of such Residential Unit. No clients or business invitees shall be permitted to visit a home office and no Signage shall be allowed in connection with the home office, except as may be otherwise permitted by the Residential Board. Residential Units may only be leased in accordance with the By-Laws and the Rules and Regulations.

9.1.2 A Residential Unit may only be occupied by (i) any individual who is a Residential Unit Owner or permitted lessee; (ii) any officer, director, shareholder or employee of any corporation which is a Residential Unit Owner or permitted lessee; (iii) any partner or employee of any partnership, which is a Residential Unit Owner or permitted lessee; (iv) any member or employee of any limited liability company, which is a Residential Unit Owner or permitted lessee; (v) the fiduciary or beneficiary or employee of any fiduciary which is a Residential Unit Owner or permitted lessee; (vi) any principal or employee of any other entity (including, but not limited to, embassies and consulates of foreign governments) which is a Unit Owner or permitted lessee; provided that in each instance in clauses (ii) through (vi) above: (a) the designated officer, director, shareholder, partner, member, fiduciary, beneficiary, principal or employee is designated as the primary occupant of the Residential Unit and is not being designated to use the Residential Unit on a transient basis or as other than the primary occupant; and (B) such use is not, in fact or in effect, part of or in furtherance of a program, plan, entity, agreement or other arrangement providing for short-term, fractional or shared use and/or ownership of such Residential Unit; and (vii) Family Members, domestic employees and/or non-paying guests of any of the foregoing). Notwithstanding the foregoing, the Residential Board may consent to occupancy of a Residential Unit by persons other than those set forth above.

9.1.3 Notwithstanding the foregoing or anything contained in the By-Laws or the Rules and Regulations to the contrary, Declarant may, without the permission of the Residential Board, (1) use any Unsold Residential Unit owned by it as a professional office or for any other purpose, including long or short term rental or other use, provided such use is permitted by Law, and does not violate zoning requirements and the then existing certificate of

occupancy for such Residential Unit (subject to Declarant's right to amend the certificate of occupancy for such Residential Unit as provided in Section 6.14.3 of the By-Laws) or any other governmental regulations and (2) use any Unsold Residential Units owned by it as models and sales and/or promotion offices in connection with the sale or rental of the Units and/or any other building in which Sponsor or principals of Sponsor have an interest, subject only to compliance with applicable Law.

9.2 Commercial Units. The Commercial Units may be used for any lawful purpose, including, without limitation, department and other retail stores and outlets, storage, theaters, banks, restaurants, health clubs and commercial and professional offices and studios.

ARTICLE 10

CHANGES IN THE RESIDENTIAL SECTION

10.1 By Declarant or Owner of Unsold Residential Units or any Board. Except to the extent prohibited by Law, Declarant or the owner of any Unsold Residential Unit or any Board (to the extent such right is granted in the By-Laws) shall have the right, without the vote or consent of any Board, other Unit Owners or the Residential Mortgage Representatives, if any, to: (a) Maintain or make Alterations to, in and upon any Unsold Residential Units and Residential Common Elements; (b) subject to the restrictions set forth in Section 9.2 hereof (and Section 9.1 with respect to other Residential Unit Owners only), change the use of any Unsold Residential Unit to any use permitted by Law, and in connection therewith, cause to be recorded such amendments to the Declaration required to reflect such change; (c) change the layout of, or number of rooms in, any Unsold Residential Units from time to time; (d) change the size and/or number of Unsold Residential Units by subdividing one or more Unsold Residential Units into two or more separate Units, combining separate Unsold Residential Units (including those resulting from such subdivision or otherwise) into one or more Unsold Residential Units, converting an Unsold Residential Unit or any portion thereof to a Residential Common Element, a Residential Limited Common Element, a Commercial Unit, a Commercial Common Element or a Commercial Limited Common Element, altering the boundary walls between any Unsold Residential Units, or otherwise, including incorporating Common Elements (such as a portion of a hallway used exclusively by the occupant(s) of such Unsold Residential Unit) which exclusively benefit an Unsold Residential Unit; (e) designate an Unsold Residential Unit or a Common Element as part of a newly created or expanded Unsold Residential Unit, Residential Limited Common Element, Commercial Unit, Commercial Common Element, Commercial Limited Common Element or General Common Element or designate all or part of an Unsold Residential Unit as a newly created or expanded Commercial Unit, Residential Common Element, Residential Limited Common Element, Commercial Common Element, Commercial Limited Common Element or General Common Element, provided that no change that would have a material adverse affect on a Commercial Unit will be made without the prior written consent of the Commercial Unit Owner; and (f) if appropriate, reapportion among the Unsold Residential Units affected by such change in size, use or number pursuant to the preceding clauses (b), (c) and (d) their percentage interests in the Common Elements (collectively, the "Residential Changes"); provided, however, that (i) the percentage interest in the Common Elements of any other Residential Units (other than Unsold Residential Units) shall not be changed by reason thereof unless the owners of such Residential Units shall consent thereto; (ii)

Declarant shall comply with all Laws of all governmental authorities having jurisdiction and shall agree to hold each Board, all other Unit Owners and any Residential Mortgage Representatives harmless from any liability arising therefrom. Declarant or the owner of any Unsold Residential Unit will have the right, without the consent of any other Unit Owner or Board to amend the Declaration to reflect any Residential Changes, subject to Section 9.1 of the Declaration. In addition to the foregoing, in the event that a Residential Unit or Residential Common Element or a portion thereof is redesignated as a Commercial Unit, such Commercial Unit may not be used for any purpose resulting in the creation of excessive noise or vibrations.

10.2 By Other Residential Unit Owners. By written permission of the Residential Board, any other Residential Unit Owner may be given, with respect to his Residential Unit, the same rights to make the Residential Changes as set forth in (1) clause (a), provided such work is performed or caused to be performed in accordance with (i) Law, (ii) notice requirements set forth in Article 5 of the By-Laws and (iii) the requirements of Section 6.11.1 of the By-Laws; and (2) clause (c) with respect to the right to combine, subdivide and/or otherwise reconfigure two or more adjacent Residential Units owned by such Residential Unit Owner, all subject to the same limitation and conditions with respect to Unsold Residential Units set forth in Section 10.1 above and Section 10.3 below. Such Residential Unit Owner agrees to hold each Board and all other Unit Owners harmless from any liability arising from any work or Alterations performed or caused to be performed by such Residential Unit Owner.

10.3 Reapportionment of Interests in the Common Elements. Notwithstanding the other provisions of this Article 10, no reapportionment of the interests in the Common Elements appurtenant to any Residential Unit shall be made unless there is first delivered to the Residential Board a written certification stating that the percentage interests of the respective Units in the Common Elements, immediately after such reapportionment, will be 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. The certification referred to in the preceding sentence shall be delivered (i) at Declarant's election, by Declarant, the managing agent of the Residential Section or of the Condominium or any other person reasonably acceptable to the Residential Board in the case of any Unsold Residential Unit, and (ii) by either the managing agent of the Residential Section or of the Condominium, or any other person reasonably acceptable to the Residential Board in the case of any other Residential Unit.

10.4 Amendment. The provisions of this Article 10 may not be added to, amended, modified or deleted without the prior written consent of Declarant or the owner of any Unsold Residential Unit.

ARTICLE 11

CHANGES IN THE COMMERCIAL SECTION

Except to the extent inconsistent with Article 15 or the By-Laws or prohibited by Law, each Commercial Unit Owner shall have the right, without the vote or consent of the Boards, other Unit Owners or Residential Mortgage Representatives, if any, to: (1) decorate or perform Alterations, interior or exterior, ordinary or extraordinary, in, to and upon its Unit, the General

Common Elements, the Commercial Common Elements and the Commercial Limited Common Elements; (2) change the layout or number of rooms in the Commercial Units from time to time; (3) change the Commercial Units, by subdividing the same, into any desired number of commercial condominium units, combining any of the Commercial Units or combining any units resulting from a subdivision, altering the boundary walls between the Commercial Units, or otherwise; (4) designate a Commercial Unit or Commercial Common Element as part of a newly created or expanded Residential Unit, Residential Common Element, Commercial Unit, Commercial Common Element or Commercial Limited Common Element or designate all or part of a Commercial Unit as a newly created or expanded Residential Unit, Residential Common Element, Commercial Common Element or Commercial Limited Common Element; (5) reapportion among the newly created or expanded Commercial Units and/or Residential Units resulting from any subdivision, combination or otherwise their percentage interests in the Common Elements which shall be 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, provided however, that in no event may such reapportionment result in a greater percentage of Common Interest for the total of the new Commercial Units and/or Residential Units than existed for the original Commercial Units; and (6) change, alter or modify the Exterior Facade or portion of the exterior wall appurtenant to the Commercial Units, provided however, that in no event may the percentage interest in the Common Elements of any portion of the Commercial Units owned by another Commercial Unit Owner or of any Residential Unit be changed by reason thereof, unless the owner of such Unit has consented thereto. Such Commercial Unit Owner agrees to hold each Board and all other Unit Owners harmless from any liability arising from any work or Alterations performed or caused to be performed by such Commercial Unit Owner.

ARTICLE 12

PERSON TO RECEIVE SERVICE

The Secretary of State of the State of New York is hereby designated to receive service of process in any action which may be brought against the Condominium, the Residential Section or the Commercial Section. To the extent permitted by law and the Office of the Secretary of State, the Secretary of State will be requested to notify the Condominium Board, to the attention of the President having an address at c/o HFZ Capital Group, 600 Madison Avenue, 17th Floor, New York, New York 10022 and to the Managing Agent which shall initially be 11 East 68th Street Property Owner LLC having an address at 600 Madison Avenue, 17th Floor, New York New York 10022.

ARTICLE 13

DETERMINATION OF PERCENTAGE INTERESTS IN COMMON ELEMENTS

13.1 The percentage interest of each Unit in the Common Elements has been 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.

13.2 The percentage interest of each Residential Unit in the Residential Common Elements is apportioned in the same proportion that the percentage interest of such Residential Unit bears to the Common Interests of all Residential Units.

ARTICLE 14

ENCROACHMENTS

If (a) any portion of the Common Elements encroaches upon any Unit or upon any other Common Element, (b) any Unit encroaches upon any other Unit or upon any portion of the Common Elements or (c) any such encroachments shall hereafter occur as a result of (i) settling or shifting of the Building, (ii) any Alteration of the Common Elements made by or with the consent (when required by the By-Laws) of the Condominium Board or Residential Board, as the case may be, or made by Declarant or the owner of an Unsold Residential Unit, a Commercial Unit Owner in accordance with this Declaration or the By-Laws or (iii) any Alteration, repair or restoration of the Building (or any portion thereof) or of any Unit or Common Element after damage by fire or other casualty or any taking by condemnation or eminent domain proceedings of all or any portion of any Unit or the Common Elements; then, in any such event, a valid easement shall exist for such encroachment and for the Maintenance of the same as long as the Building shall stand.

ARTICLE 15

NAME OF CONDOMINIUM

The Condominium shall be designated and known as "Eleven East Sixty-Eighth Street Condominium." Any and all rights and interests appurtenant to such name, if same exist, are owned and controlled by Declarant. Similarly, any and all obligations and liabilities appurtenant to such name shall be the sole responsibility and obligation of Declarant. For so long as Declarant owns any Units in the Building only Declarant shall have the right to change the name of the Condominium and/or the Building, and such right may be exercised by Declarant at any time without the vote or consent of any Board or Unit Owner. In addition, Declarant shall have the right, for so long as the Property is a condominium, to maintain a plaque identifying Declarant as the sponsor of the condominium offering, together with such other information as Declarant determines in its sole discretion.

ARTICLE 16

EASEMENTS AND RIGHTS OF ACCESS

16.1 Except as set forth in this Declaration, (i) each Unit Owner will have, in common with all other Unit Owners and each Unit will be subject to, an easement for the use of the General Common Elements and any Facilities located therein, including, but not limited to, such easement as will be necessary to Maintain, such Unit Owner's Unit and an easement to connect

to existing utilities including, but not limited to, utilities for gas, electricity, steam and ventilation, (ii) each Residential Unit Owner will have, in common with all other Residential Unit Owners, an easement for the use of the Residential Common Elements and any Facilities located therein (wherever located in the Building), including, but not limited to, such easement as will be necessary to operate, Maintain as necessary, such Residential Unit Owner's Unit and (iii) each Commercial Unit Owner will have, in common with all other Commercial Unit Owners, an easement for the use of the Commercial Common Elements and those Commercial Limited Common Elements appurtenant to such Commercial Unit, if any, and any Facilities located therein (wherever located in the Building), including, but not limited to, such easement as will be necessary to operate, Maintain such Commercial Unit Owner's Unit. The Commercial Section and the Residential Section will be subject to such easements.

16.2 The Condominium Board, with respect to the General Common Elements, or the Residential Board with respect to the Residential Common Elements and the Residential Limited Common Elements, or their respective agents, to the extent such Boards are permitted to act by the By-Laws for such purposes, will have a right of access to each Unit to inspect the Common Elements contained therein, to remove violations therefrom and to Maintain the Common Elements contained therein or elsewhere in the Property.

16.3 Each Unit Owner shall have, in common with all other Unit Owners, an easement for ingress and egress through the Residential Section and the Commercial Section as the case may be, and for the use of any Common Element, to the extent necessitated by an Emergency including but not limited to an easement by the Commercial Unit Owners for Emergency access through and over the fire stairs in the Building. The Residential Section and the Commercial Section shall be subject to such easement.

16.4 The Condominium Board shall have and each Unit shall be subject to, an easement (a) to install, utilize, operate and Maintain the General Common Elements located in, over, under, through or upon any Unit, or any other Common Elements or elsewhere on the Property and (b) to Maintain any encroachment on any Unit or Common Elements resulting from the repair, Alteration, rebuilding, restoration or replacement of the General Common Elements.

16.5 The Residential Board shall have and each Unit shall be subject to, an easement (a) to install, utilize, operate and Maintain the Residential Common Elements and the Residential Limited Common Elements located in, over, under, through or upon any Unit, or any other Common Elements or elsewhere on the Property and (b) to maintain any encroachment on any Unit or Common Elements resulting from the repair, Alteration, rebuilding, restoration or replacement of the Residential Units, the Residential Common Elements; or the Residential Limited Common Elements.

16.6 Each Commercial Unit Owner shall have, in common with all other Commercial Unit Owners, and each Unit shall be subject to, an easement (a) to install, utilize, operate and Maintain the Commercial Common Elements or the Commercial Limited Common Elements appurtenant to such Commercial Unit located in, over, under, through or upon any Unit, or any other Common Elements or elsewhere on the Property and (b) to maintain any encroachment on any Unit or Common Elements resulting from the repair, alteration, rebuilding, restoration or

replacement of any Commercial Unit, the Commercial Common Elements or the Commercial Limited Common Elements.

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

16.8 Subject to all applicable Law, Declarant and the Commercial Unit Owners and their successors and assigns shall, to the extent permitted by Law, have an easement to erect, operate and Maintain from time to time, one or more Signs or Signage on the Property for the purposes of advertising (i) the sale or lease of any Unsold Residential Unit, the sale or lease of all or any portion of the Commercial Unit and (ii) the operation of any business of Declarant, a Commercial Unit Owner, a tenant, occupant, managing agent or operator of all or any portion of any Commercial Unit or of any Unsold Residential Units, as the case may be, provided such Signs are in conformity with the first class luxury nature of the Building. Declarant shall have an easement to utilize the Common Elements of the Building in connection with its sales and leasing efforts relative to the Unsold Residential Units. The Residential Board with respect to the Exterior Façade above the Second Floor and the Commercial Unit Owners with respect to the Exterior Façade through and including the Second Floor will have an easement and the right to change the Exterior Facade and Maintain, alter, replace, restore, renovate, remodel and reconstruct the existing Exterior Facade of the Building, provided that such penetration does not materially weaken the structural soundness of the Building.

16.9 Declarant and the Commercial Unit Owners have an easement to use the sidewalks surrounding portions of the Building for purposes permitted by Law.

16.10 Declarant and the Residential Board with respect to the Residential Section, the Condominium Board with respect to the Commercial Section and the Property, shall have the right to grant such additional electric, gas, telephone, internet, cable, television, steam, ventilation or other easements for utilities, communications, access or other easements and to construct any shafts, flues or install an air conditioning compressors or other equipment on the Main Roof or relocate any easements in any portion of the Residential Section, the Commercial Section or the Property, as the case may be, as Declarant, the Residential Board, 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 to complete the Building as described in the Plan or for the general health or welfare of the owners, tenants and occupants of the appropriate Units, provided that the Condominium Board shall not grant such additional easements within a Commercial Unit without the consent of the Commercial Unit Owner thereof and provided further that such additional utilities or the relocation of existing utilities will not prevent or unreasonably interfere with the normal conduct of business of the tenants and occupants of the Commercial Units or with the use of the Residential Units for their permitted purposes, and shall not result in the imposition of any mechanic's lien against any of the Units. Any company providing the utilities or services and its employees and agents shall have the right of access to any Unit or the Common Elements in furtherance of the aforementioned easements to in order to install, operate, Maintain and service same, provided such right of access shall be exercised in such manner as shall not unreasonably interfere with the normal conduct of business of the tenants and occupants of the Commercial Units or with the use of the Residential Units for their permitted purposes.

16.11 Subject to all applicable Law, Declarant and/or the owner of any Unsold Residential Unit and the Commercial Unit Owners shall have an easement to install Satellite Equipment as set forth below:

16.11.1 Declarant and/or the owner of any Unsold Residential Unit, and their respective assignees and licensees shall have, and the Units and Common Elements shall be subject to, an easement, (a) to install, utilize, operate and Maintain Satellite Equipment on the Exterior Facade of the Building appurtenant to the Residential Section and the Roofs, the Northern Courtyard, or elsewhere on the Residential Common Elements or Residential Limited Common Elements (b) to maintain any encroachment on any Unit, or any Common Elements or elsewhere on the Property resulting from the installation, operation or Maintenance, Alteration, rebuilding, restoration or replacement thereof. Declarant shall be entitled to assign, lease, license or otherwise transfer its rights with respect to the foregoing easements and the Condominium shall not be entitled to any portion of fees, compensation or other profits received by Declarant for the use of the aforesaid easements or equipment. Any Satellite Equipment placed upon the Main Roof and the Exterior Facade of the Building appurtenant to the Residential Section or elsewhere on the Common Elements by Declarant and shall be the exclusive property of Declarant and neither the Condominium nor any other Unit Owners shall have any rights with respect thereto. Notwithstanding the foregoing, additional utilities or the relocation of existing utilities cannot be installed in a Commercial Unit without the consent of the respective Commercial Unit Owner.

16.11.2 The Commercial Unit Owners, and their respective tenants shall have, and the Units and Common Elements shall be subject to, an easement to access, install, utilize, operate and Maintain Satellite Equipment on the Exterior Facade of the Building appurtenant to the Commercial Section and on the Bulkhead Roof and in the eastern portion of the Northern Courtyard. The Commercial Unit Owners may not install any Satellite Equipment that is to be utilized by a Person other than the Commercial Unit Owners or a tenant thereof, and shall only install such Satellite Equipment as will be incidental to the operation of such Commercial Unit Owner's or tenant's business in the Building. The Commercial Unit Owners shall have an easement to install a conduit running from the Cellar to the Bulkhead Roof in the eastern stairwell of the Building, in order to run wiring and such other equipment necessary in connection with the operation of the Satellite Equipment installed on the Bulkhead Roof. The Condominium Board shall have the right to reasonably approve the location and size of the Satellite Equipment to be installed.

16.11.3 All Satellite Equipment shall be installed in a diligent manner. Installation and Maintenance of any such Satellite Equipment shall be at the installing Unit Owner's sole cost and expense. In no event shall any costs incurred in connection with installation, operation or Maintenance of any of the Satellite Equipment installed solely for use in connection with a Unit Owner's business, or the remediation of any condition caused by such Satellite Equipment, be considered a General Common Expense or otherwise allocated to the other Unit Owners.

16.12 The Commercial Unit Owners shall have an easement on the Cellar level of the Building through the Residential Section to install conduits necessary to store wiring and other equipment necessary to serve the HVAC units located in the Northern Courtyard.

16.13 The Commercial Unit Owners shall have an easement to install and access the HVAC units serving the Commercial Units in the eastern portion of the Northern Courtyard.

16.14 The Commercial Unit Owners shall have an easement to connect to the water, sewer and fire protection systems, to the extent they exist, at the sole cost and expense of the Commercial Unit Owners. In the event the Commercial Unit Owner elects to connect to such systems, usage charges will be allocated based on the percentage of Common Interest held by the Commercial Unit Owner and shall be payable by the Commercial Unit Owner a Common Charge to the Condominium Board.

16.15 The Commercial Unit Owners and their Permitted Users shall have an easement for access to Commercial Unit B through the Residential Lobby, the elevators and the hallways on the Second Floor.

16.16 Declarant shall have an easement over all portions of the Building to complete the Initial Construction thereof and to otherwise comply with their obligations under the condominium offering plan.

16.17 Declarant has and shall retain the ongoing right to use the Common Elements pursuant to license agreements with the Boards, at no cost to Sponsor, and the Boards shall be obligated to enter into such license agreements with Declarant at Declarant's request. Declarant shall have the right to use and/or sublicense any such space so licensed, for storage or otherwise, even when Declarant no longer owns any Units in the Condominium. Additionally, Declarant has and shall retain the right to collect a fee for any such sublicenses or other use fees it collects in connection with the use of such space.

16.18 Any easements granted to Declarant, any Board, any Unit or any Unit Owner or other party under this Declaration and the By-Laws may be exercised by such Unit Owner's employees, agents, contractors, suppliers, utility providers, service providers, customers, guests, invitees, licensees, servants, subtenants, members, and visitors, members, tenants and/or tenant-shareholders, as the case may be, to the extent necessary to effectuate the purpose for the easement or as otherwise authorized by Declarant, the Unit Owner or Board, provided such right of access shall be exercised in such manner as shall not unreasonably interfere with the normal conduct of business of the tenants and occupants of the Commercial Units or with the use of the Residential Units for their permitted purposes.

16.19 Any easements or rights of access granted hereunder will be exercised, to the extent practicable, in such a manner as will not unreasonably interfere with the normal conduct of business of the tenants and occupants of the Commercial Units or with the use of the Residential Units for their permitted purposes. Any Maintenance performed in accordance with the provisions of this Article 16 in or to any part of the Building will be performed outside normal business hours (i) if failure to do so would cause unreasonable interference with the use and occupancy of a Commercial Unit, or (ii) if otherwise reasonably requested by a Commercial Unit Owner. Any additional costs and expenses incurred as a result of such work being done outside of normal business hours will be borne by the Unit Owner whose Unit was accessed. Except as otherwise expressly provided in this Declaration or in the By-Laws, entries to General Common Elements or Limited Common Elements which must be accessed through a

Commercial Unit will be permitted on not less than three (3) business days' notice to the Commercial Unit Owner thereof and entries to General Common Elements or Limited Common Elements which must be accessed through a Residential Unit will be permitted on not less than one (1) business days' notice to the Residential Unit Owner thereof. Notwithstanding the foregoing, only such notice as may be practical under the circumstances will be necessary in the case of an Emergency, provided that thereafter the Boards will give notice to the affected Unit Owner as promptly as is practical under the circumstances.

ARTICLE 17

POWER OF ATTORNEY

17.1 Each Residential Unit Owner shall grant to the Condominium Board and the Residential Board an irrevocable power of attorney, coupled with an interest (annexed as Exhibit E to this Declaration or otherwise in such form and content as the Condominium Board and the Residential Board shall determine) following due authorization (if required) from the Residential Unit Owners (a) to acquire or lease any Residential Unit, together with its Appurtenant Interests, whose owner desires to sell, convey, transfer, assign, lease or surrender the same, or which becomes the subject of a foreclosure or other similar sale, on such terms and at such price or rental, as the case may be, as the attorneys-in-fact deem proper, in the name of the Residential Board or its designee, corporate or otherwise, on behalf of all Residential Unit Owners, and after any such acquisition or leasing, to convey, sell, lease, sublease, mortgage or otherwise deal with (but not vote the interest appurtenant thereto) any such Residential Unit so acquired, or to sublease any Residential Unit so leased, without the necessity of further authorization by the Residential Unit Owners, on such terms as the attorneys-in-fact may determine, (b) to commence, pursue, appeal, settle and/or terminate administrative and certiorari proceedings to obtain reduced real estate tax assessments with respect to Residential Units, including retaining counsel and taking any other actions which the Condominium Board or Residential Board deems necessary or appropriate and (c) to execute, acknowledge and deliver any declaration or other instrument (i) as regards the Condominium Board, affecting the General Common Elements or the entire Property or (ii) as regards the Residential Board, affecting the entire Residential Section, which the Condominium Board or the Residential Board, as the case may be, deems necessary or appropriate to comply with any Law or requirement of the New York City Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the Maintenance of the Property or the Residential Section, respectively, or any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Units or the Common Elements which the Condominium Board or the Residential Board, as the case may be, deems necessary or appropriate.

17.2 Each Unit Owner shall grant an irrevocable power of attorney, coupled with an interest, to Commercial Unit A Owner as the party entitled to make all determinations regarding whether to restore the Building pursuant to Section 339-cc of the Condominium Act, in the event more than 75% of the Building is destroyed or substantially damaged, as more particularly set forth in Section 6.3 of the By-Laws.

17.3 Each Unit Owner shall grant an irrevocable power of attorney, coupled with an interest, to the Declarant to amend the Condominium Declaration and to effectuate the rights

granted to Declarant under the Declaration and By-Laws and the Plan including the power to execute the Required Documentation and to consent on behalf of each Unit Owner, as a party in interest, to any declaration or other agreement effecting a merger or division of the zoning lot in which the Property is located, with any other tax lots to form a single zoning lot (the "Merger") for the purpose of transferring to or from Declarant, or its successors or assigns, all or any portion of the Development Rights.

ARTICLE 18

ACQUISITION OF UNITS BY BOARDS

18.1 If (a) any Residential Unit Owner surrenders such Unit Owner's Unit, together with (i) the undivided interest in the Residential Common Elements and Residential Limited Common Elements and General Common Elements appurtenant thereto, (ii) the interest of such Unit Owner in any other Units theretofore acquired by the Residential Board or its designee, corporate or otherwise, on behalf of all Residential Unit Owners or the proceeds of the sale or lease thereof, if any, and (iii) the interest of such Unit Owner in any other assets of the Residential Section or the Condominium (such interests in (i), (ii) and (iii) being hereinafter collectively called the "Appurtenant Interests"), pursuant to the provisions of §339 x of the Condominium Act, (b) the Residential Board, pursuant to Article 8 of the By-Laws, acquires or leases a Residential Unit or Commercial Unit, together with the Appurtenant Interests, or (c) the Residential Board purchases, at a foreclosure or other similar sale, a Residential Unit or a Commercial Unit, together with the Appurtenant Interests, then, in any such event, title to any such Residential Unit or Commercial Unit, together with the Appurtenant Interests, shall be held by the Residential Board or its designee, corporate or otherwise, on behalf of all Residential Unit Owners, in proportion to their respective interests in the Common Elements. The lease or sublease covering any Residential Unit leased or subleased by the Residential Board or its designee shall be held by the Residential Board or its designee, corporate or otherwise, on behalf of all Residential Unit Owners, in proportion to their respective interest in the Common Elements. No Residential Units held by the Residential Board shall carry any voting rights.

18.2 The purchase of any Residential Unit by the Residential Board or their designees, on behalf of their respective Unit Owners, may be made from the funds deposited in the capital and/or expense accounts of the Residential Board. If the funds in such accounts are insufficient to effectuate any such purchase, the Residential Board may levy a Special Assessment against each Residential Unit Owner in proportion to such Residential Unit Owner's Residential Common Interest as a Residential Common Charge, and/or finance the acquisition of such Residential Unit; provided, however, that financing may only be obtained when permitted by the By-Laws and that no such financing may be secured by an encumbrance or hypothecation of any portion of the Property other than the Residential Unit to be purchased together with its appurtenant interests in the Common Elements.

18.3 The Residential Board shall have the authority to purchase, on behalf of all Unit Owners, the Resident Manager's Unit, and in such event, title to all or any such portion of the Residential Unit, together with its Appurtenant Residential Interests, shall be held by the Residential Board or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective interests in the Residential Common Elements.

ARTICLE 19

COVENANTS RUNNING WITH THE LAND

19.1 All provisions of this Declaration, the By-Laws and the Rules and Regulations which are annexed hereto and made a part hereof, including, without limitation, the provisions of this Article, shall to the extent applicable and unless otherwise expressly herein or therein provided to the contrary, be perpetual and be construed to be covenants running with the Land and with every part thereof and interest therein, and all of the provisions hereof and thereof shall be binding upon and inure to the benefit of the Unit Owner of all or any part thereof, or interest therein, and such Unit Owner's 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 or any other third party. All present and future owners, tenants, subtenants, licensees, and other 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 of conveyance or the entering into of a lease or the entering into of an occupancy agreement for all or any portion of a 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 Unit Owner, tenant, subtenant, licensee or occupant, and all of such provisions shall be deemed and taken to be covenants running with the Land and shall bind any Person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed or conveyance or lease or use and occupancy agreement thereof.

19.2 If any provision of this Declaration or the By-Laws is invalid under, or would cause this Declaration and the By-Laws to be insufficient to submit the Property to the provisions of, the 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 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 with every part thereof and interest therein under other applicable Law to the extent permitted under such applicable Law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land. If any provision which is necessary to cause this Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from this Declaration or the By-Laws, then such provision shall be deemed included as part of this Declaration or the By-Laws, as the case may be, for the purposes of submitting the Property to the provisions of the Condominium Act.

19.3 Subject to Section 19.2, if this Declaration and the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the provisions of this Declaration and the By-Laws shall nevertheless be valid and binding upon and inure to the benefit of the owners of the Property, and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under 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 20

AMENDMENTS OF DECLARATION

20.1 Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions affecting Declarant, or any Unsold Residential Units, or the Commercial Units or any Commercial Unit Owner (a) any provision of this Declaration may be added to, amended, modified or deleted by the vote of at least 67% in number and in Common Interest of all Unit Owners taken in accordance with the provisions of the By-Laws; (b) any provision of this Declaration benefiting, protecting or otherwise affecting only the Residential Section or the Residential Unit Owners may be added to, amended, modified or deleted by vote of at least 67% in number and in Common Interest of all Residential Unit Owners taken in accordance with the provisions of the By-Laws; provided, however, that the Common Interest appurtenant to each Residential Unit as expressed in this Declaration shall not be altered without the written consent of all Unit Owners directly affected and (c) any provision of this Declaration benefiting, protecting or otherwise affecting only the Commercial Units or the Commercial Unit Owners may be added to, amended, modified or deleted by the vote of at least 67% in number and in Common Interest of all Commercial Unit Owners taken in accordance with the provisions of the By-Laws, provided, however, that the Common Interest appurtenant to any Commercial Units shall not be altered without the written consent of all Unit Owners directly affected. Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions affecting Declarant, or any Unsold Residential Units, or the Commercial Units or any Commercial Unit Owner, no amendment, modification, addition or deletion pursuant to the provisions of clauses (a) and (b) above shall be effective without the written consent (which consent shall not be unreasonably withheld or delayed) of the Residential Mortgage Representatives (as defined in the By-Laws), if any and the written consent of any Permitted Mortgagee holding a Permitted Mortgage secured by a Commercial Unit if the consent of such Permitted Mortgagee is required and the Condominium Board is notified of the necessity for such mortgagee consent by the Commercial Unit Owner. No such amendment, modification, addition or deletion shall be effective until recorded in the City Register's Office. Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions affecting Declarant, or any Unsold Residential Units, or the Commercial Units or any Commercial Unit Owner, any such amendment, modification, addition or deletion shall be executed by either (1) the Condominium Board as attorney-in fact for the Unit Owners, coupled with an interest, which Condominium Board is hereby authorized by such Unit Owners so to act as their attorney in-fact or (2) the Residential Board as attorney in fact for the Residential Unit Owners, coupled with an interest, which Residential Board is hereby authorized by such Residential Unit Owners so to act as their attorney in fact. Notwithstanding anything to the contrary set forth above, to the extent that a Commercial Unit Owner has the right under this Declaration or the By-Laws to amend the Declaration without the consent of any other Unit Owner or Board, then such Unit Owner is authorized to execute such amendment.

20.2 If the number of rooms in an Unsold Residential Unit is changed, or the use, size and/or number of Unsold Residential Units is changed (whether as a result of a subdivision or combination of Unsold Residential Units or alteration of boundary walls between Unsold Residential Units, or otherwise) and the appurtenant percentage interests of Units in the Common Elements are reapportioned as a result thereof, all in accordance with Article 10 hereof, then Declarant causing such changes shall have the right to execute, or (upon its request) to require any other Unit Owner or any Board to execute, and record in the City Register's Office and elsewhere, if required by Law, an amendment to this Declaration (together with such other documents as Declarant causing such changes deems appropriate to effectuate the same) reflecting such change in the number of rooms in an Unsold Residential Unit or in the use, size and/or number of Unsold Residential Units (whether as a result of said subdivision, combination, alteration or otherwise) and the reapportionment of the percentage interests of Units in the Common Elements resulting therefrom, all without the approval of any Board, the Unit Owners or the Residential Mortgage Representatives, if any. In addition, if any Residential Unit Owner other than Declarant causing such changes is given the right by the Residential Board to make the changes described in this Section 20.2 with respect to such Unit Owner's Residential Unit or Residential Units, all in accordance with Article 10 hereof, then such Residential Unit Owner shall have the right to require the Residential (or Condominium) Board to execute, and record in the City Register's Office and elsewhere, if required by Law, any amendment to this Declaration and other documents which are necessary or appropriate (in the reasonable judgment of the Residential (or Condominium) Board) to reflect the changes made by the Residential Unit Owner, all without the approval of any Board, other Unit Owners or the Residential Mortgage Representatives, if any. Nothing contained in this Section shall be construed to mean that the Common Interest appurtenant to any Unit not subject to any change may be reapportioned without the written consent of the Owner of such Unit.

20.3 If (a) the number of rooms in any Commercial Unit or the size of any Commercial Unit is changed and the percentage interest in the Common Elements appurtenant to such Commercial Units belonging to the Owner causing such change is reapportioned among any newly created or expanded commercial condominium units resulting from any subdivision of the Commercial Units, any combining of the Commercial Units or of any units resulting from a subdivision, any alteration of the boundary walls between commercial condominium units, or otherwise, or (b) a Commercial Common Elements or Commercial Limited Common Elements is designated as part of a newly created or expanded commercial condominium unit or all or part of a Commercial Unit is designated as a newly created or expanded Commercial Common Elements or Commercial Limited Common Element, all in accordance with Article 11 hereof, then the Condominium Board (or the Commercial Unit Owners causing such changes) shall have the right to execute, or (upon request) to require any other Board or Unit Owner to execute, and record in the City Register's Office, and elsewhere, if required by Law, an amendment to this Declaration (together with such other documents as (the Commercial Unit Owners or) the Condominium Board deems appropriate to effectuate the same) reflecting (i) such change in the number of rooms in or size of any Commercial Unit, the subdivision of the Commercial Units into separate commercial condominium units, the combination of the Commercial Units or of any newly created or expanded commercial condominium units resulting from a subdivision, the alteration of boundary walls between commercial condominium units, or otherwise, and the reapportionment of the percentage interests in the Common Elements among such newly created or expanded commercial condominium units or (ii) such designation of a Commercial Common

Element or Commercial Limited Common Element as part of a newly created or expanded commercial condominium unit or such designation of part of a Commercial Unit as a newly created or expanded Commercial Common Element or Commercial Limited Common Element, all without the approval of any Board, the Unit Owners or the Residential Mortgage Representatives, if any. Nothing contained in this Section shall be construed to mean that the Common Interest appurtenant to any Unit not subject to any change may be reapportioned without the written consent of the Owner of such Unit.

20.4 Notwithstanding anything to the contrary set forth above (i) no amendment, modification, addition or deletion of the Declaration shall be effective in any way, (a) without the prior written consent of the affected Commercial Unit Owner(s) with respect to any amendment, modification, addition or deletion of or to the modifying the permitted uses of any Commercial Unit or affecting the rights, privileges, easements, licenses or exemptions granted to any Commercial Unit Owner and (ii) without the prior written consent of Declarant or the owner of any Unsold Residential Unit, as the case may be, with respect to any amendment, modification, addition or deletion of or to the Declaration modifying the permitted uses of the Building or any portion thereof or affecting the rights, privileges, easements, licenses or exemptions granted to Declarant or the owner of any Unsold Residential Unit, as the case may be, or otherwise adversely affecting Declarant or the owner of any Unsold Residential Unit, as the case may be. Amendments, modifications, additions or deletions of or to this Declaration, the By-Laws and the Rules and Regulations may be necessary, appropriate or desirable in connection with the operation of the Commercial Units or with the subdivision, combination or alteration of the Commercial Units, or of any newly created or expanded commercial condominium units and/or the offering for sale or lease of all or any portion of the Commercial Units and in connection therewith the Condominium Board, (or, when permitted, the Commercial Unit Owners) will cause this Declaration, the By-Laws and the Rules and Regulations to be so amended, modified, added to or deleted from and that the resulting provision thereof may be similar or dissimilar to those affecting the Residential Section and Residential Unit Owners. In the case of any such amendment, modification, addition or deletion which does not adversely affect the Residential Section or the Residential Unit Owners, the Condominium Board shall be the attorney-in-fact for the Residential Unit Owners, coupled with an interest, for the purpose of approving and executing any instrument effecting such amendment, modification, addition or deletion. Notwithstanding anything to the contrary set forth above, Declarant and the Commercial Unit Owners shall have the right to amend the Declaration, without the consent of any Board or any other Unit Owner, to effectuate the rights otherwise granted to Declarant and the Commercial Unit Owners under the terms of this Declaration and the By-Laws.

20.5 Notwithstanding anything to the contrary set forth above, to the extent that a Commercial Unit Owner has the right under this Declaration or the By-Laws to amend the Declaration without the consent of any other Unit Owner or Board, the Declaration and By-Laws may be amended to provide for the creation and operation of a separate section of the Condominium with its own rules of operation and its own board of managers (a "Resultant Board") elected by and representing the resultant subdivided units (the "Resultant Units") and any consents, approvals, determinations or actions required to be made by the Commercial Unit Owner so subdividing shall be made by the Resultant Board on behalf of the owners of the

Resultant Units in accordance with the terms of this Declaration and the By-Laws, as so amended.

20.6 The provisions of Sections 20.1 and 20.2 and this Section 20.6 may not be modified, amended, added to or deleted, in whole or in part, without the consent of Declarant, and the provisions of Sections 20.1, 20.3, and 20.4 and this Section 20.6, may not be modified, amended, added to or deleted, in whole or in part, without the consent of the Commercial Unit Owners. Notwithstanding the foregoing, Declarant may amend the Condominium Declaration to correct or supplement any mathematical mistakes, inconsistencies or scrivener errors.

ARTICLE 21

TERMINATION OF CONDOMINIUM

Except as otherwise set forth in the By-Laws (including termination by casualty loss, condemnation or eminent domain, as more particularly provided in Section 6.3.4 of the By-Laws), the Condominium will continue and the Property will not be subject to an action for partition until such time as withdrawal of the Property from the provisions of the Condominium Act is authorized by a vote of at least 80% in number and in Common Interest of all Unit Owners. No such vote will be effective, however, (a) without the written consent (which consent will not be unreasonably withheld or delayed) of the Residential Mortgage Representatives, if any, (b) without the written consent of Declarant or the owner of any Unsold Residential Units, until such time as Declarant or the owner of any Unsold Residential Units have conveyed title to all Residential Units, (c) without the written consent of all Commercial Unit Owners and (d) without the written consent of any Permitted Mortgagee holding a Permitted Mortgage secured by a Commercial Unit if the consent of such Permitted Mortgagee is required and the Condominium Board is notified of the necessity for such mortgagee consent by the Commercial Unit Owner. In the event said withdrawal is authorized as aforesaid, the Property will 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 will be divided among all Unit Owners in proportion to their respective Common Interests; provided, however, that no payment will be made to a Unit Owner until there has first been paid from out of such Unit Owner's share of such net proceeds all liens on such Unit Owner's Unit (other than mortgages which are not Permitted Mortgages), in the order of priority of such liens.

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, irrespective of the number of violations or breaches which may occur.

ARTICLE 23

CAPTIONS

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

ARTICLE 24

CERTAIN REFERENCES

24.1 A reference in this Declaration 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.

24.2 The terms "herein," "hereof" or "hereunder" or similar terms used in this Declaration refer to this entire Declaration and not to the particular provision in which the terms are used, unless the context otherwise requires.

24.3 Unless otherwise stated, all references herein to Articles, Sections or other provisions are references to Articles, Sections or other provisions of this Declaration.

ARTICLE 25

SEVERABILITY

Subject to the provisions of Sections 19.2 and 19.3, if any provision of this Declaration is invalid or unenforceable as against any Person or under certain circumstances, the remainder of this Declaration and the applicability of such provision to other Persons or circumstances shall not be affected thereby. Each provision of this Declaration shall, except as otherwise herein provided, be valid and enforced to the fullest extent permitted by Law.

ARTICLE 26

COVENANT OF FURTHER ASSURANCES

26.1 Any party which is subject to the terms of this Declaration, whether such party is a Unit Owner, a lessee or sublessee of a Unit Owner, an occupant of a Unit, a member or officer of any Board or otherwise, shall, upon prior reasonable written request at the expense of any such other party requesting the same, execute, acknowledge and deliver to such other party such instruments, in addition to those specifically provided for herein, and take such other action as such other party may reasonably request to effectuate the provisions of this Declaration or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction. Without intending to limit the generality of the foregoing, the Condominium Board and each Unit Owner shall be required, upon the request of Declarant or the Development Rights Purchaser, to execute and deliver any documents or applications reasonably required in connection with any Merger, any declaration of zoning lot

restrictions, the ZLDA or the transfer of the Development Rights to the Development Rights Purchaser.

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

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

26.4 Notwithstanding anything to the contrary set forth herein, to the maximum extent permitted by law, Declarant specifically disclaims all implied warranties of fitness for a particular purpose, merchantability and habitability, and all other implied or express warranties of any kind or character. To the extent any such additional warranties are imposed by statute and cannot be disclaimed, such warranties shall apply. However, to the extent such warranties can be disclaimed by law, including implied or express warranties of any kind or character, the same are specifically disclaimed. Unless caused by a violation of the Sound Transmission Code or other applicable code, 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 air, views or light quality. The Declarant's obligation, regardless of any limitations in the warranty, is to perform the Initial Construction Work in accordance with all applicable codes and files plans and specifications, and any conflict between the disclaimers and the Declarant's obligation to perform the Initial Construction Work in accordance with all applicable codes and filed plans and specifications shall be resolved in favor of the latter. Declarant has not given and no Board has not relied on or bargained for any such warranties. In no event will Declarant be liable for incidental or consequential damages (whether based on negligence, breach of contract, warranty, or otherwise).

ARTICLE 27

SUCCESSORS AND ASSIGNS

Except as set forth herein or in the By-Laws to the contrary, the rights and/or obligations of Declarant as set forth herein shall inure to the benefit of and be binding upon any successor or assign of Declarant, or, with the consent of Declarant, any transferee of some or all of the then Unsold Residential Units then owned by Declarant. The rights and/or obligations of the Commercial Unit Owners as set forth herein shall inure to the benefit of and be binding upon any successors or assigns of the Commercial Unit Owners. Subject to the foregoing, Declarant, and/or the Commercial Unit Owners, as the case may be, shall have the right, at any time, in their sole discretion, to assign or otherwise transfer their respective interests herein, whether by sale, merger, consolidation, lease, assignment or otherwise.

ARTICLE 28

CONSENTS

Whenever the consent, approval, satisfaction or permission of Declarant is required under this Declaration or the By-Laws, such consent, approval, satisfaction or permission will not be required when Declarant no longer owns any Units.

ARTICLE 29

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 definitions annexed hereto as Exhibit C; (iv) the By-Laws annexed hereto as Exhibit D; (v) the Power of Attorney annexed hereto as Exhibit E; (vi) the Elevation Plans annexed hereto as Exhibit F, and the Special Allocation Methods annexed hereto as Exhibit G are each incorporated herein by this reference and made a part of this Declaration as if set forth at length in the text hereof.

IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed as of the ___ day of _____, 2013.

DECLARANT:

11 EAST 68TH STREET, LLC, a Delaware Limited Liability Company

By: _____
Name: Ziel Feldman
Title: Authorized Signatory

ACKNOWLEDGMENTS

STATE OF)
)
COUNTY OF)

On the ____ day of _____ in the year 2013, before me, the undersigned, personally appeared **Ziel Feldman** personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

EXHIBIT A

DESCRIPTION OF THE LAND

ALL that certain plot, piece or parcel of land with the building and improvements thereon erected, situate, lying and being in the Borough of Manhattan and City of New York, in Section 05, Block 1383 on the Land Map thereof, and which taken together, are bounded and described as follows:

ALL THAT CERTAIN plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the Borough of Manhattan, City, County and State of New York, bounded and described as follows:

BEGINNING at the corner formed by the intersection of the westerly side of Madison Avenue with the northerly side of East 68th Street;

RUNNING THENCE northerly, along the westerly side of Madison Avenue, 100 feet 5 inches to the centre line of the block;

THENCE westerly, parallel with East 68th Street and along said centre line of the block, 120 feet;

THENCE southerly, parallel with Madison Avenue, 100 feet 5 inches to the northerly side of East 68th Street, and

THENCE easterly, along said northerly side of East 68th Street, 120 feet to the point or place of BEGINNING.

EXHIBIT "B" TO THE CONDOMINIUM DECLARATION

OF ELEVEN EAST SIXTY EIGHTH STREET CONDOMINIUM

814-816 MADISON AVENUE A/K/A 11 EAST 68TH STREET, NEW YORK, NEW YORK

BLOCK 1383 LOTS 1001 - 1003 F/K/A LOT 13

NOTE: EXHIBIT B TO BE COMPLETED AFTER EFFECTIVENESS AMENDMENT ACCEPTED

Unit Designation	Tax Lot Number	Number of Bedrooms/Bathrooms	Location (Building Facade)	Floor	Square Footage	Residential Limited Common Element Square Footage	Common Elements to which Unit has Immediate Access	Percentage of Interest in the Common Elements	Use of the Unit
Comm Unit A			N, S, E, W	Cellar	4,597		Stairways, Hallways, Mechanical Rooms		Retail
Comm Unit B			N, S, E, W	1st Floor	5,294		Stairways, Hallways, Mechanical Rooms		Retail
Comm Unit Total					9,891			7.0000%	

Resi Unit __			N, S, E, W	2nd Floor	7,307		Stairways, Hallways, Mechanical Rooms		Residential Condo
Resi Unit __		14/11	N, S, E, W	3rd Floor	8,214		Stairways, Hallways, Mechanical Rooms		Residential Condo
Resi Unit __		14/11	N, S, E, W	4th Floor	8,214		Stairways, Hallways, Mechanical		Residential Condo

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EXHIBIT "B" TO THE CONDOMINIUM DECLARATION

OF ELEVEN EAST SIXTY EIGHTH STREET CONDOMINIUM

814-816 MADISON AVENUE A/K/A 11 EAST 68TH STREET, NEW YORK, NEW YORK

BLOCK 1383 LOTS 1001 - 1003 F/K/A LOT 13

NOTE: EXHIBIT B TO BE COMPLETED AFTER EFFECTIVENESS AMENDMENT ACCEPTED

Unit Designation	Tax Lot Number	Number of Bedrooms/Bathrooms	Location (Building Facade)	Floor	Square Footage	Residential Limited Common Element Square Footage	Common Elements to which Unit has Immediate Access	Percentage of Interest in the Common Elements	Use of the Unit
							Rooms		
Resi Unit __		14/11	N, S, E, W	6th Floor	8,256		Stairways, Hallways, Mechanical Rooms		Residential Condo
Resi Unit __		6/7	N, S, E, W	7th Floor	7,358		Stairways, Hallways, Mechanical Rooms		Residential Condo
Resi Unit __		13/10.5	N, S, E, W	8th Floor	8,279		Stairways, Hallways, Mechanical Rooms		Residential Condo
Resi Unit __		13/10.5	N, S, E, W	9th Floor	8,312		Stairways, Hallways, Mechanical Rooms		Residential Condo
Resi Unit __		14/10	N, S, E, W	10th Floor	8,197		Stairways, Hallways, Mechanical Rooms		Residential Condo
Resi Unit __		13/9.5	N, S, E, W	11th Floor	8,303		Stairways, Hallways, Mechanical		Residential Condo

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EXHIBIT "B" TO THE CONDOMINIUM DECLARATION

OF ELEVEN EAST SIXTY EIGHTH STREET CONDOMINIUM

814-816 MADISON AVENUE A/K/A 11 EAST 68TH STREET, NEW YORK, NEW YORK

BLOCK 1383 LOTS 1001 - 1003 F/K/A LOT 13

NOTE: EXHIBIT B TO BE COMPLETED AFTER EFFECTIVENESS AMENDMENT ACCEPTED

Unit Designation	Tax Lot Number	Number of Bedrooms/Bathrooms	Location (Building Facade)	Floor	Square Footage	Residential Limited Common Element Square Footage	Common Elements to which Unit has Immediate Access	Percentage of Interest in the Common Elements	Use of the Unit
							Rooms		
Resi Unit __			N, S, E, W	12th Floor	600	500	Stairways, Hallways, Mechanical Rooms		Residential Condo
Resi Unit __ Total		128/105.5			81,274	500		89.6991%	
BUILDING TOTAL					94,141	500		100.00%	

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EXHIBIT C

DEFINITIONS

For convenience of presentation, definitions of certain of the terms used in the Declaration are set forth below:

"Affiliate" shall mean a Person or an entity who or which owns more than fifty percent (50%) of the legal and beneficial interest of a Unit Owner, Declarant or of any partner, a Person or an entity with respect to which either a Unit Owner, Declarant or any partner owns more than fifty percent (50%) of the legal and beneficial interest, or an entity as to which more than fifty percent (50%) of its legal and beneficial interest is owned by a Person or an entity which owns more than fifty percent (50%) of the legal and beneficial interest of a Unit Owner, Declarant or of any partner.

"Alterations" refers collectively to the Non-Structural Alterations and the Structural Alterations.

"Appraised Value" shall refer to the value of the Unit at the point in time immediately preceding the occurrence of the Casualty Loss or Taking, as applicable.

"Arbitration" shall have the meaning set forth in Section 11.1 of the By-Laws.

"Board" or "Boards" refers to any or all of the Condominium Board or the Residential Board, as the case may be.

"Building" refers to the structure and improvements including above and below grade segments, known as 814-816 Madison Avenue a/k/a 11 East 68th Street, New York, New York 10010, in which the Units of the Condominium are located.

"Building Systems" refers to the architectural, mechanical, electrical and plumbing systems of the Building.

"Bulkhead Roof" refers to the bulkhead roof containing mechanical equipment, as more particularly identified on the Floor Plans.

"By-Laws" refers to the By-Laws governing the operations of the Condominium, which are set forth as Exhibit D of the Declaration, as same may be amended from time to time.

"City Register's Office" refers to the New York County office of the Register of The City of New York.

"Commercial Common Charges" refers to amounts payable to the Condominium Board by the Commercial Unit Owners for the purpose of meeting (a) Commercial Common Expenses and (b) each Commercial Unit Owner's pro rata share of General Common Charges.

"Commercial Common Expenses" refers to the costs and expenses incurred or projected in connection with the operation and Maintenance of the Commercial Common Elements or

Commercial Limited Common Elements, if any, or in connection with any services or Facilities exclusively benefiting the Commercial Section or Commercial Unit Owner(s).

"Commercial Common Elements" refers to those Common Elements which serve or benefit exclusively the Commercial Units and/or the Commercial Unit Owners.

"Commercial Limited Common Elements" refers to those Common Elements which serve or benefit one or more but not all of the Commercial Units and/or the Commercial Unit Owners.

"Commercial Section" refers to all Commercial Units, the Commercial Common Elements and the Commercial Limited Common Elements, if any.

"Commercial Unit" refers to any Unit designated as a Commercial Unit in the Declaration, and all such Commercial Units are collectively, referred to as the "Commercial Units."

"Commercial Unit A Owner" refers to the owner of Commercial Unit A at the time in question.

Commercial Unit B Owner" refers to the owner of Commercial Unit B at the time in question.

Commercial Unit C Owner" refers to the owner of Commercial Unit C at the time in question.

"Commercial Unit Owners" refers to the owner or owners of the Commercial Units at the time in question.

"Common Charges" refers to the aggregate of General Common Charges, Residential Common Charges and Commercial Common Charges.

"Common Elements" refers to the General Common Elements, the Residential Common Elements, the Residential Limited Common Elements, the Commercial Common Elements and the Commercial Limited Common Elements.

"Common Expenses" refers to the General Common Expenses, the Residential Common Expenses, and the Commercial Common Expenses.

"Common Interest" refers to the proportionate, undivided interest expressed as a numerical percentage, in the General Common Elements appertaining to each Unit determined in accordance with the Declaration.

"Comparable Building" shall mean, at the time in question, a comparable (in terms of physical and operational standards), luxury mixed-use building in midtown Manhattan used for similar purposes as the Building.

"Condominium" refers to the Eleven East Sixty-Eighth Street Condominium.

"Condominium Act" refers to the New York Condominium Act, as amended from time to time, and presently found in the New York Real Property Law, Article 9-B.

"Condominium Board" refers to the overall board of managers of the Condominium comprised of representatives of the Residential Board and the Commercial Unit Owners.

"Condominium Declaration" refers to the instrument creating the Condominium to be recorded in the City Register's Office, together with all schedules and exhibits thereto, as same may be amended from time to time.

"Condominium Documents" refers collectively to the Declaration, the By-Laws, the Floor Plans and any and all exhibits thereto.

"Declarant" refers to 11 East 68th Street LLC a Delaware limited liability company and its successors and assigns and designees.

"Declarant Control Period" shall have the meaning set forth in Section 3.9.3 of the By-Laws.

"Declaration" refers to the instrument creating the Condominium, as the same may be amended from time to time.

"Development Rights" shall have the meaning set forth in Section 2.2 of the Declaration.

"Development Rights Purchaser" shall have the meaning set forth in Section 2.2 of the Declaration.

"DOL" refers to the New York State Department of Law.

"Emergency" refers to any situation where the applicable Person, in its reasonable judgment, concludes that a particular action (including, without limitation, the expenditure of funds) is immediately necessary (i) to avoid material damage to all or any material portion of the Building or Property, (ii) to protect any person from harm, or (iii) to avoid the unforeseen and unforeseeable suspension of any necessary material service in or to the Building or the Property, the failure of which service would have a material and adverse effect on the Building or Property.

"Entry Courtyard" refers to the court yard located at the entrance of the Building, as more particularly identified on the Floor Plans.

"Exterior Façade" refers to the outer portion of the Building above grade, including but not limited to, the exterior of all doors, masonry, aluminum or other skin materials, walls, or parapets, whether or not visible from street level.

"Facility" or "Facilities" means all equipment and facilities necessary for the operation of the Building or its systems and includes, but is not limited to, the following items (grouped more or less functionally) which are set forth only for purposes of illustrating the broad scope of that term: system, equipment, apparatus, convertor, radiator, heater, heat exchanger, mechanism,

device, machinery, motor, pump, control, tank or tank assembly, insulation, induction unit, condenser, compressor, fan, damper, blower, thermostat, thermometer, coil, vent, sensor, shut off valve or other valve, gong, panel, receptacle, outlet, relay, alarm, sprinkler head, electric distribution facility, wiring, wireway, switch, switchboard, circuit breaker, transformer, fitting, siamese connection, hose, plumbing fixture, lighting fixture, other fixture, bulb, Signage, telephone, meter, meter assembly, Scaffolding, piping, line, duct, conduit, cable, riser, main shaft, pit, flue, lock or other hardware, rack, screen, strainer, trap, drain, catch basin, leader, filter, canopy, incinerator, closet, door, railing, coping, step, appurtenance, urn, basket, mail box, carpeting, tile or other floor covering, wallpaper or other wall covering, tree, shrubbery, flower or other planting and horticulture tub or box.

"Family Members" shall mean the spouse, domestic partner, their children, stepchildren, grandchildren, siblings, nieces, nephews, parents, stepparents, parents-in-law and grandparents of a Residential Unit Owner who reside in such Residential Unit Owner's Residential Unit.

"First Closing," or words of similar import, refers to the date fee title to a Residential Unit is first conveyed to a purchaser pursuant to the Offering Plan.

"Floor Plans" refers to the floor plans of the Building, as the same may be amended from time to time, which are approved by the New York City Department of Finance, Division of Land Records, Tax Map Unit and filed with the City Register's Office.

"General Common Charges" shall have the meaning set forth in Section 6.1.1 of the By-Laws.

"General Common Elements" refers to those portions of the Land and the Building, designated for the common use of all Units, as more particularly defined in Section 8.3 of the Declaration.

"General Common Expenses" refers to: (i) all costs and expenses attributable to the Maintenance and operation of the General Common Elements, (ii) all costs and expenses attributable to the provision of services and facilities for all Unit Owners, (iii) all such other items provided for in the Declaration or these By Laws to be General Common Expenses and (iv) such amounts as the Condominium Board may deem proper for a general operating reserve or for a reserve for working capital or for replacements with respect to the General Common Elements.

"General Rules and Regulations" shall have the meaning set forth in Section 6.18.1.

"Inside Offeror" shall have the meaning set forth in Section 8.2.1 of the By-Laws.

"Land" refers to the parcel of land described in Exhibit A to the Declaration.

"Law or Laws" refers to laws and ordinances of any or all of the federal, state, city, county and borough governments and 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, the Land, the Building, and Unit or any portion of any of the foregoing, any requirements or conditions of any licenses,

permits, approvals or certificates issued by any of the foregoing, the direction of any public officer pursuant to law, and the requirements and conditions of any easement, covenant, restriction, condition or other encumbrance that is binding upon the Property or the applicable portion thereof.

"Limited Common Elements" refers to the Residential Common Elements, Residential Limited Common Elements, the Commercial Common Elements and the Commercial Limited Common Elements.

"Main Roof" shall refer to the roof over the eleventh (11th) floor of the Building, as more particularly delineated on the Floor Plans.

"Maintenance or Maintain" or "Maintaining" refers to the maintenance, repair, reconditioning, refurbishing, reconfiguration, inspection, testing, cleaning, improvement, decorating, painting, installation, Alteration, reconstruction, construction, demolition, restoration and replacement as and when necessary or desirable of any portion of the Building.

"Merger" shall have the meaning set forth in Section 17.3 of the Declaration.

"Non-Purchasing Tenant" has the meaning set forth in Section 352-eeee of the New York State General Business Law.

"Non-Structural Alterations" refers to any alteration, addition, installation or improvement that is not a Structural Alteration, as to which materials are delivered or installed by a third party, including without limitation: (i) the installation of decorations, fixtures and coverings, wallpaper, wall to wall 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 to a depth of one inch behind such surfaces for the purposes of installing nails, screws, bolts and the like and (ii) painting or other similar finishing.

"Northern Courtyard" refers to the court yard located on the north west side of the Property, as more particularly identified on the Floor Plans

"Offering Plan" refers to the condominium offering plan to be submitted for approval and filing with the DOL.

"Person" refers to an individual, corporation, partnership, limited liability company, joint venture, estate, trust, unincorporated association, or any other legal entity, any Federal, State, County or municipal government, or any bureau, department, agency, authority or subdivision thereof and any beneficiaries, officers, directors, employees, agents, partners, shareholders, or fiduciaries thereof acting in such capacity on behalf of any of the foregoing.

"Permitted Mortgage" refers to a mortgage permitted to be placed upon a Unit or Units pursuant to the provisions of the By-Laws.

"Permitted Mortgagee" refers to the holder of any Permitted Mortgage and shall include, without limitation such banks and financial institutions as constitute the holders of the construction loan mortgages given by Declarant to acquire and construct the Property, a savings

bank, savings and loan association, bank or trust company, insurance company, real estate investment trust, investment or finance company, mortgage trust or other entity which is in the business of providing loans secured by condominium units, or a federal, state, municipal, teacher's or union employee, welfare, pension or retirement fund or system.

"Permitted User" refers to any guest, tenant, occupant, customer, invitee, licensee, contractor, Permitted Mortgagee.

"Plan" refers to the offering plan for the establishment of condominium ownership of the Property, as filed with the Department of Law, as the same may be amended from time to time.

"Property" refers to the Land, the Building and the appurtenances thereto.

"Rent Laws" refers to (i) the New York State Rent Stabilization Law and the Code adopted pursuant thereto, (ii) the Local Emergency Housing Rent Control Act, (iii) the New York City Rent and Eviction Regulations, (iv) New York State General Business Law, Section 352-eeee and (v) any codes, rules and regulations promulgated thereunder and any administrative and/or judicial determinations and/or interpretations thereof, to the extent that any or all of the same shall apply to the Property, as each have been amended from time-to-time.

"Required Documentation" refers to such applications, permits, certifications, affidavits, forms, agreements, acknowledgments or other documents as may be required to enable the Declarant to exercise its rights or obligations under the Declaration and the By-Laws, including, without limitation, Declarant's rights to deal with the Available Development Rights and to undertake, perform and complete such work to the Unsold Units, Commercial Units and Common Elements.

"Residential Board" refers to the board of managers representing the Residential Unit Owners.

"Residential Common Charges" shall have the meaning set forth in Section 6.1.2 of the By-Laws.

"Residential Common Elements" shall have the meaning set forth in Section 8.4 of the Declaration.

"Residential Common Expenses" refers to all costs and expenses attributable to the Maintenance and operation of, and any Alteration to, the Residential Common Elements or Residential Limited Common Element (if applicable) (ii) all costs and expenses attributable to the provision of services and facilities for all Residential Unit Owners, (iii) all such other items provided for in the Declaration or these By Laws to be Residential Common Expenses and (iv) such amounts as the Condominium Board may deem proper for a general operating reserve or for a reserve for working capital or for replacements with respect to the Residential Common Elements or Residential Limited Common Elements (if applicable).

"Residential Common Interest" refers to the proportionate undivided interest, expressed as a numerical percentage, in the Residential Common Elements appertaining to each Residential

Unit determined in accordance with the Declaration. The Residential Common Interest is the basis of determining a Unit Owner's liability for a share of the Residential Common Expenses.

"Residential Limited Common Elements" shall have the meaning set forth in Section 8.1 of the Declaration.

"Residential Rules and Regulations" shall have the meaning set forth in Section 6.18.1.

"Residential Section" refers to the Residential Units, the Residential Common Elements and the Residential Limited Common Elements.

"Residential Unit" refers to any Unit designated as a Residential Unit in the Declaration and the Floor Plans, and all such Residential Units, are collectively, referred to as the "Residential Units."

"Residential Unit Owner" refers to any owner of a Residential Unit at the time in question, and all such owners are, collectively, referred to as "Residential Unit Owners."

"Resultant Unit Owner" shall refer to the owner of a Resultant Unit at the time in question.

"Rules and Regulations" shall have the meaning set forth in Section 6.18.1.

"Satellite Equipment" refers satellite dishes, antennas, satellite equipment, telecommunications equipment, communication facilities and similar installations and equipment on the Roofs of the Building.

"Scaffolding" shall have the meaning set forth in Section 6.15.4 of the By-Laws.

"Section" refers to the Residential Section or the Commercial Section. Both of such Sections are collectively referred to as "Sections."

"Sign" or "Signs" or "Signage" refers to any and all signs, awnings, canopies, marquees, banners, flags, pennants, aerials, antennas or the like located in any Unit or upon any Common Elements.

"Special Allocation Methods" shall have the meaning set forth in Section 6.1.1 of the By-Laws.

"Special Assessments" shall have the meaning set forth in Section 6.1.7 of the By-Laws.

"Structural Alterations" shall refer to alterations, additions, installations, improvements to the foundations, columns, girders, beams, supports, concrete slabs, footings, bracings, Exterior Façade, Building Systems and all other structural members of the Building or which otherwise affect the structural integrity of the Building.

"Terrace(s)" refers to terraces and/or balconies appurtenant to and made a part of certain Residential Units.

"Unit" or "Condominium Unit" refers to either a Residential Unit or a Commercial Unit as more particularly designated in the Declaration and the Floor Plans and all of such Units are collectively referred to as "Units."

"Unit Owner" refers to any Residential Unit Owner or any Commercial Unit Owner, and all of such Residential Unit Owners and Commercial Unit Owners are collectively referred to as the "Unit Owners."

"Unit Owner Expenses" shall have the meaning set forth in Section 6.1.8 of the By-Laws.

"Unsold Residential Unit" refers to any Residential Unit owned or retained, by way of lease or any other arrangement by which management and/or financial responsibility is retained, by Declarant; a Residential Unit that is acquired, individually or collectively, by a principal of Declarant or a group of which Declarant or one or more of the principals of any of them, is a member; or a Residential Unit that is acquired, individually or collectively, by either the holder of a Permitted Mortgage given by Declarant or the designee of a holder of such a Permitted Mortgage.

"Unsold Unit" refers to any Unit owned or retained, by way of lease or any other arrangement by which management and/or financial responsibility is retained, by Declarant; a Unit that is acquired, individually or collectively, by a principal of Declarant or a group of which Declarant or one or more of the principals of any of them, is a member; or a Unit that is acquired, individually or collectively, by either the holder of a Permitted Mortgage given by Declarant or the designee of a holder of such a Permitted Mortgage.

"ZLDA" shall have the meaning set forth in Section 2.2 of the Declaration.

EXHIBIT "9"

CONDOMINIUM BY-LAWS

EXHIBIT D

BY-LAWS

OF

ELEVEN EAST SIXTY- EIGHTH STREET CONDOMINIUM
814-816 MADISON AVENUE A/K/A 11 EAST 68TH STREET
NEW YORK, NEW YORK 10010

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BY LAWS

ARTICLE 1

GENERAL

1.1 **Purpose**. The purpose of these By-Laws is to set forth the rules and procedures concerning the conduct of the affairs of the Condominium. The Condominium covers the Property consisting of approximately 108,592 square feet of the Land, which forms a part of Block 1383 of Section 05 the Tax Map of the Borough of Manhattan, City, County and State of New York, the Building, including, without limitation, the Units and the Common Elements, all easements, rights and appurtenances belonging thereto, and all other property, real, personal or mixed, intended for use in connection therewith, all of which have been submitted to the provisions of the Condominium Act by the recording of a Declaration in the City Register's Office, together with these By-Laws. All terms used herein which are not separately defined herein, shall have the meanings given to those terms in the Declaration or in Exhibit C thereto.

1.2 **Applicability of By-Laws**. These By-Laws are applicable to the Property and to the use and occupancy thereof. All present and future Unit Owners, mortgagees, lessees, sublessees and other occupants of Units and employees and guests of Unit Owners, as well as all other persons who may use the facilities of the Property, are and shall be subject to the Declaration, these By-Laws and the Rules and Regulations. The acceptance of a deed or conveyance, or the succeeding to title to, or the execution of a lease or sublease for, or the act of occupancy of, a Unit shall constitute an agreement that the provisions of these By-Laws, the Rules and Regulations and the Declaration are accepted, ratified, and will be complied with.

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

ARTICLE 2

BOARDS OF MANAGERS

2.1 **Number, Term and Qualification.**

2.1.1 As more particularly set forth in Section 2.2, the affairs of the Condominium shall be governed by a board of managers of the Condominium (the "Condominium Board") and the affairs of the Residential Section shall be governed by a residential board of managers (the "Residential Board", together with the Condominium Board may be collectively referred to as the "Boards"). Subject to Declarant's rights under Section 3.9.3 of these By-Laws, the Residential Board shall consist of three (3) members elected by the Residential Unit Owners. The Condominium Board shall consist of five (5) members: the three (3) members of the Residential Board and two (2) designees of Commercial Unit A Owner.

2.1.2 Each member of the Residential Board (except as otherwise provided herein), shall be elected at the separate annual meeting of Residential Unit Owners and shall

serve until the next annual meeting thereof and until successors have been elected and qualified. There shall be no limit on the number of successive terms a Board member may serve.

2.1.3 Except for Board members elected or designated by Declarant or Commercial Unit A Owner (a) all members of the Residential Board shall be either Residential Unit Owners or officers, directors, shareholders, partners, principals, members, trustees, employees or beneficiaries of corporations, partnerships, limited liability companies fiduciaries or any other entities which own Residential Units, Permitted Mortgagees, or Family Members of any of the foregoing, and (b) all members designated by Commercial Unit A Owner to serve on the Condominium Board shall be either a Commercial Unit Owner or officers, directors, shareholders, members, managers, shareholders, partners, principals, employees or beneficiaries of corporations, partnerships, fiduciaries or any other entities which may own a Commercial Unit or a managing agent for such Commercial Unit Owner or an employee thereof, Permitted Mortgagees of the Commercial Units, lessees of the Commercial Units or portions thereof, or Family Members of any of the foregoing. Other than Board members elected or designated by Declarant no Board member shall continue to serve after such member ceases to be qualified as set forth above. No Unit Owner may be elected to serve on a Board if such Board has perfected a lien against such Unit Owner's Unit which lien has not been satisfied at the time of the election.

2.2 **Powers and Duties.**

2.2.1 The Boards shall collectively have the powers and duties necessary for or incidental to the administration of the affairs of the Condominium (except such powers and duties which by Law, the Declaration or these By-Laws may not be delegated to the Boards by the Unit Owners). All determinations, however, which (a) affect only the Residential Section and do not adversely affect the Commercial Section or the use of the Commercial Section for its permitted purposes, shall be made by the Residential Board or (b) affect only the Commercial Section and do not adversely affect the Residential Section or the use of Residential Units for their permitted purposes, shall be made by the Commercial Unit Owners. All other determinations with respect to the administration of the affairs of the Condominium including, without limitation, determinations which (i) relate to the Residential Section and adversely affect the Commercial Section, or (ii) relate to the Commercial Section and adversely affect the Residential Section, or (iii) relate to or affect the General Common Elements, shall be made by the Condominium Board. Any dispute between the Residential Board and the Commercial Unit Owners with respect to whether the Residential Board or the Commercial Unit Owners shall be entitled to make any determination shall be settled by Arbitration; provided, however, that no such dispute with respect to whether the determination of one adversely affects the other shall be deemed to exist unless the objecting party specifies the grounds for its objection in writing to the other party within ten (10) business days of receipt by it of notice of such determination. In addition, any dispute between the Residential Board and the Condominium Board with respect to whether any matter is entitled to be determined by the Condominium Board shall be settled by Arbitration, which Arbitration shall be determined on the basis of what is in the best interests of the Condominium.

2.2.2 Subject to the provisions of Subsection 2.2.1 and without limiting the generality thereof, the Boards shall each have all powers and duties expressly set forth elsewhere

in the Declaration and the By-Laws and shall be entitled to make such determinations and take such actions and incur such liabilities as may be required to effectuate each Board's obligations under the Declaration, the By-Laws and the Plan.

2.2.2.1 The Condominium Board shall be entitled to make determinations with respect to the following matters:

(a) Operating, caring and Maintaining the General Common Elements, including contracts for utilities, services and supplies.

(b) Determining and collecting the amount of General Common Charges.

(c) Employing and dismissing personnel in connection with the Maintenance and operation of the General Common Elements.

(d) Adopting and amending the General Rules and Regulations, as they affect the General Common Elements.

(e) Making Alterations to the General Common Elements.

(f) Making repairs and restorations of the General Common Elements or parts thereof damaged or destroyed by fire or other casualty or necessitated as a result of condemnation or eminent domain proceedings, as more particularly provided in these By-Laws.

(g) Enforcing obligations of Unit Owners and the Residential Board.

(h) Levying fines against Unit Owners or the Residential Board for violations of any Rules and Regulations adopted by the Condominium (any such fines shall constitute General Common Charges payable by the Unit Owner or Board against which they are levied).

(i) Opening and maintaining bank accounts on behalf of the Condominium (with respect to matters within its jurisdiction as provided in these By-Laws) and designating signatories therefor.

(j) Adjusting and settling insurance claims (and executing and delivering releases in connection therewith) if the loss involves both the Residential Section and the Commercial Section or the General Common Elements, as set forth in 6.2.

(k) Subject to applicable law, borrowing money on behalf of the Condominium, when required in connection with the operation, care, upkeep and Maintenance of the General Common Elements; provided, however, that (i) the consent of at least 67% in Common Interest of all Unit Owners shall be required for any borrowings in excess of the aggregate amount of $150,000 in any

one fiscal year (regardless of the balance of any loans outstanding from previous years), and (ii) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the Common Elements without the consent of the owner of such Unit. If any sum borrowed by the Condominium Board pursuant to the authority contained in this subparagraph is not repaid by said Board, a Unit Owner who pays to the creditor such proportion thereof as such Unit Owner's interest in the Common Elements bears to the interest of all the Unit Owners in the Common Elements shall be entitled to obtain from the creditor a release of any judgment or other lien which said creditor has filed or has the right to file against such Unit Owner's Unit.

(l) Bringing actions on behalf of the Unit Owners, as their interests may appear, with respect to any cause of action relating to the General Common Elements, as the Condominium Board deems advisable.

(m) Organizing corporations or limited liability companies to act as designees of the Condominium Board with respect to such matters as such Board may determine.

(n) Executing, acknowledging and delivering of (i) any declaration or other instrument affecting the Property which the Condominium Board deems necessary or appropriate to comply with any Law, ordinance, regulation, zoning resolution or requirement of the New York City Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the Maintenance, demolition or construction of the Building, or (ii) any consent, covenant, restriction, easement or declaration affecting the Property which the Condominium Board deems necessary or appropriate.

(o) Preparing, executing and recording, on behalf of all Unit Owners, as their attorney in fact, coupled with an interest, a restatement of the Declaration and/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 Declaration and/or these By-Laws.

(p) Obtaining and reviewing insurance for the Property pursuant to the provisions of Section 6.2.

(q) Intentionally Omitted.

(r) Leasing or licensing the General Common Elements.

(s) Otherwise performing all of the acts to be performed by the Condominium Board in accordance with the terms of the Plan.

2.2.2.2 The Residential Board shall be entitled to make determinations with respect to the following matters:

(a) Operating, caring for, and Maintaining the Residential Section, including contracts for utilities, services and supplies, except to the extent that same is the responsibility of the Residential Unit Owners under the terms of the Condominium Documents.

(b) Determining the amount of Residential Common Charges, subject to the determination of the Condominium Board with respect to General Common Charges.

(c) Collecting of Residential Common Charges from Residential Unit Owners.

(d) Employing and dismissing the personnel necessary for the Maintenance and operation of the Residential Section.

(e) Adopting amendments and additions to, the Residential Rules and Regulations as they affect the Residential Section.

(f) Subject to Section 8.2 of these By-Laws, purchasing, leasing and otherwise acquiring in the name of the Residential Board (or, if required, in the name of the Condominium Board) or its designee, on behalf of all Residential Unit Owners, Residential Units.

(g) Purchasing Residential Units at foreclosure or other similar sales, in the name of the Residential Board (or, if required, in the name of the Condominium Board) or its designee, on behalf of all Residential Unit Owners.

(h) Selling, leasing, subleasing, mortgaging and otherwise dealing with (but not voting the interests appurtenant to) Residential Units on behalf of all Residential Unit Owners.

(i) Making Alterations to the Residential Common Elements and the Residential Limited Common Elements.

(j) Making repairs to and restorations of the Residential Section or parts thereof damaged or destroyed by fire or other casualty or necessitated as a result of condemnation or eminent domain proceedings.

(k) Enforcing obligations of Residential Unit Owners and the Boards.

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

(m) Maintaining bank accounts on behalf of the Residential Section (with respect to matters within its jurisdiction as provided in these By-Laws) and designating signatories therefor.

(n) Adjusting and settling insurance claims (and executing and delivering releases in connection therewith) if the loss involves only the Residential Section as set forth in Section 6.2.

(o) Subject to applicable law, borrowing money on behalf of the Residential Section when required in connection with the operation, care, upkeep and Maintenance of the Residential Section or otherwise in connection with any permitted action or activity of the Residential Board; provided, however, that (i) except as provided in 8.6 of these By-Laws, the consent of at least 67% in Common Interest of all Residential Unit Owners shall be required for any borrowings in excess of the aggregate amount of $150,000 (including the pro rata share of the Residential Section with respect to any borrowing made by the Condominium Board pursuant to 2.2.2.1(1)) in any one fiscal year (regardless of the balance of any loans outstanding from previous years, (ii) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the Common Elements without the consent of the owner of such Unit, and (iii) the Commercial Unit Owners will not be liable for repayment of any portion of any such loan. If any sum borrowed by the Residential Board pursuant to the authority contained in this subparagraph 2.2.2.2(o) is not repaid by said Board, a Residential Unit Owner who pays to the creditor such proportion thereof as such Unit Owner's interest in the Common Elements bears to the interest of all Residential Unit Owners in the Common Elements shall be entitled to obtain from the creditor a release of any judgment or any lien which said creditor has filed or has the right to file against such Residential Unit Owner's Unit. Notwithstanding anything to the contrary set forth herein, the consent of Residential Unit Owners is not required in connection with the financing of the Resident Manager's Unit.

(p) Organizing corporations to act as designees of the Residential Board with respect to such matters as the Residential Board may determine, including, without limitation, in connection with the acquisition of title to or the leasing or subleasing of Residential Units by the Residential Board on behalf of Residential Unit Owners.

(q) Executing, acknowledging and delivering (i) any declaration or other instrument affecting only the Residential Section which the Residential Board deems necessary or appropriate to comply with any Law or requirement of the New York City Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the Maintenance, demolition or construction of the Residential Section, or (ii) any consent, covenant, restriction, easement or declaration affecting only the Residential Section which the Residential Board deems necessary or appropriate.

(r) Executing, acknowledging and delivering any documents or other instruments necessary to commence, pursue, compromise or settle certiorari proceedings to obtain reduced real estate tax assessments with respect to Residential Units for the benefit and on behalf of (i) all Residential Unit Owners, or (ii) for individual Residential Unit Owners, provided that each such Residential Unit Owner indemnifies the Residential Board from and against all claims, costs and expenses (including, without limitation, reasonable attorneys' fees) resulting from such proceedings.

(s) Operating, Maintaining and supervising of all Residential Common Elements and Residential Limited Common Elements.

(t) Purchasing or leasing, in the name of the Residential Board, space for the storage of personal property of Residential Unit Owners, and in connection therewith the promulgation of conditions, rules and regulations for the operation and supervision thereof.

(u) Imposition of move in procedures, fees and charges, and transfer fees in connection with the sale or lease of a Residential Unit, provided that no such procedures, fees or charges or any other conditions of transfer or lease may be imposed upon the Declarant.

(v) Leasing or purchasing the Resident Manager's Unit (in compliance with applicable Law) and amending, modifying, extending, renewing, and otherwise dealing in any way with respect to any such apartment, including, without limitation, entering into a mortgage to finance the acquisition of same.

(w) Reviewing and approving Alterations, renovations and repairs by Residential Unit Owners to their respective Units and the Common Elements and establishing rules and procedures with respect to such alterations, additions, improvements, renovations and repairs.

(x) Licensing or leasing the Residential Common Elements.

(y) Otherwise performing all of the acts to be performed by the Residential Board in accordance with the terms of the Offering Plan.

2.2.3 Notwithstanding anything to the contrary contained in these By-Laws, so long as Declarant or the owner of Unsold Units continue to own at least twenty-five percent (25%) of the Residential Units but in no event later than five (5) years from the First Closing of a sale made under an Offering Plan, neither the Condominium Board nor the Residential Board may, without Declarant's prior written approval: (i) make any Alteration to the General Common Elements, the Residential Common Elements or to the Residential Limited Common Elements or to any Residential Unit; (ii) increase or decrease the number, or change the kind of, employees referred to in the Plan; (iii) enter into any service or maintenance contract for work not covered in the initial projected budget for the Condominium or Residential Section or otherwise provide services in excess of those contemplated by such projected budget, except as is required to reflect normal annual increases in operating services; (iv) borrow money on behalf of the Condominium

or on behalf of the Residential Section; (v) assess any General Common Charges or Residential Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund; or (vi) exercise a right of first refusal to lease or purchase a Residential Unit; provided that Declarant's written consent is not necessary to perform any function or take any action described in items (i) through (vi) above if and only if the performance of such function or the carrying out of such an action is necessary, and no other alternative is available, to enable the Condominium Board or the Residential Board (i) to comply with Laws of any governmental authority having jurisdiction over the Condominium; (ii) to remedy any notice of violation; (iii) to remedy any work order by an insurer; or (iv) to protect against imminent threat to the health or safety of the residents of the Building.

2.2.4 Notwithstanding anything to the contrary contained in these By-Laws, so long as at least one Unsold Residential Unit remains subject to the Rent Laws, the Condominium may not, without the consent of the Declarant and the owners of all Unsold Residential Unit(s), (i) reduce or eliminate any services provided to Non-Purchasing Tenants under the Rent Laws or their tenancies or as otherwise may be required by Law, in such a manner as may result in the reduction of the rents or use and occupancy sums paid by such Non-Purchasing Tenants, (ii) separately assess a Residential Unit Owner for fees for such services (unless such services are separately assessed at the time of the filing of this Declaration) or (iii) to the extent that services to Non-Purchasing Tenants are currently individually assessed for the provision of additional services, assess Residential Unit Owners for an amount greater than can be charged by the owner of the Residential Unit to the Non-Purchasing Tenants under the Rent Laws. To the extent the Condominium takes any action which causes the rent(s) of any or all Unsold Residential Unit(s) to be reduced, the Condominium shall take all necessary steps to restore said rents and shall be liable to the owner of the Unsold Residential Unit(s) for such rent reduction, and if the Condominium does not reimburse the owner of the Unsold Residential Unit(s) for rent reduction, the owner of the Unsold Residential Unit(s) may deduct such amounts from Common Charges due and owning by the owner of the Unsold Residential Unit(s).

2.3 **Managing Agents and Managers.** With respect to matters the determinations concerning which the Condominium Board is entitled to make, the Condominium Board may employ a managing agent and/or a manager at a compensation established by the Condominium Board to perform such duties and services as the Condominium Board shall authorize. The Condominium Board may not terminate or hire a new managing agent without the consent of both of the members of the Board designated by Commercial Unit A Owner. The Condominium Board may delegate to such managing agent or manager other powers granted to the Condominium Board by these By-Laws, except the powers set forth in Subsections 2.2.2.1(b), (e), (g), (h), (1), (m), (n) and (o); 2.2.2.2(b), (e), (o), (p), (q) and (r). Notwithstanding anything to the contrary set forth above, all Units occupied by Non-Purchasing Tenants will be managed by the same managing agent who manages all other Units in the Building. Such managing agent will provide to Non-Purchasing Tenants all services and facilities required by Law on a non-discriminatory basis.

2.4 **Intentionally Omitted.**

2.5 **Resignation and Removal.** Any Board member may resign at any time by written notice delivered or sent by certified mail, return receipt requested, to the appropriate

Board. Such resignation shall take effect at the time specified therein and, unless specifically requested, acceptance of such resignation shall not be necessary to make it effective. Subject to the provisions of Subsection 3.9.3, any Residential Board member may be removed, with or without cause, by a majority vote of Residential Unit Owners, present in person or by proxy at a regular or special meeting of Residential Unit Owners at which a quorum is present. Any Board member whose removal has been proposed shall be given an opportunity to be heard at the meeting. Notwithstanding the above, Board members designated by Declarant may only be removed by members other than Declarant with cause and such members shall be replaced as described in Section 2.6. In addition, any member of the Condominium Board who is designated as such by Declarant, may be removed by such designating party at any time, with or without cause, and the party making such removal shall have the right to designate the replacement for such member.

2.6 **Vacancies**. Subject to the provisions of Section 3.9.3, any vacancy on a Board for whatever reason shall be filled by the members of a Board then in office, at a special meeting of the Board held for that purpose promptly after the occurrence of any such vacancy even though the members present at such meeting may constitute less than a quorum, and any person so elected shall be a member of the Board until the next annual meeting of the Unit Owners when a successor shall be elected for the remainder of the term of the member creating such vacancy. Notwithstanding anything to the contrary contained in these By-Laws, in the case of a vacancy on a Board, created by the resignation, removal or any other cause which results in any Board member designated by Declarant, ceasing to be a member of any such Board, Declarant, as the case may be, shall have the sole right to designate a replacement for such member.

2.7 **Intentionally Omitted.**

2.8 **Regular Meetings of the Residential Board**. Regular meetings of the Residential Board may be held at such time and place in the Borough of Manhattan as shall be determined from time to time by a majority of the members thereof. Written notice of regular meetings shall be given to each member thereof, by personal delivery, mail, facsimile or e-mail, at least five (5) business days prior to the day named for such meeting.

2.9 **Special Meetings of Boards**. Special meetings of the Residential Board and Condominium Board may be called by the respective President or Vice President of the Residential Board or Condominium Board by giving five (5) business days' prior written notice to each member of such Board by personal delivery, mail, facsimile or e-mail, which notice shall state the time, place (in the Borough of Manhattan) and purpose of the meeting. Special meetings of the Residential Board or of the Condominium Board shall be called in like manner and on like notice on the written request of at least two (2) members of the Residential Board or one (1) member of the Condominium Board, respectively.

2.10 **Regular Meetings of Condominium Board**. No organizational or regular meetings of the Condominium Board shall be held unless otherwise required by applicable law in which event such required meetings shall be held at such time and place in the Borough of Manhattan as shall be determined by the Condominium Board, provided that written notice thereof be given to Board members by personal delivery, mail, facsimile or e-mail at least five (5) business days prior to the day named for such meeting.

2.11 **Resolutions of Boards.** The Residential Board and the Condominium Board shall promptly deliver to the other copies of all resolutions adopted by it except to the extent (a) of matters privileged under applicable Law, (b) relating to the terms of the sale, leasing or subleasing of any Unit or portion of any Unit, other than the nature of the use thereof, and (c) relating to matters not related to the Property.

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

2.13 **Determinations by Board; Quorums.**

2.13.1 Except as otherwise set forth in 2.13.4, all determinations by any Board shall be made at a meeting of such Board at which a quorum thereof is present. At any Board meeting, a majority of the members thereof shall constitute a quorum, and the votes of a majority of such members present shall constitute the decision of such Board. Notwithstanding the foregoing, a quorum of the Condominium Board shall not be deemed present unless at least one (1) member of the Condominium Board designated by Commercial Unit A Owner is present at such meeting.

2.13.2 Intentionally Omitted.

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

2.13.4 Members of a Board may participate in a meeting thereof by means of a conference telephone or similar communications equipment by means of which all persons participating in such meeting can hear each other and such participation shall constitute presence at such meeting. Notwithstanding anything to the contrary contained herein, action permitted or required to be taken at a meeting of such Board may be taken without a meeting if all members of such Board consent in writing to the adoption of a Resolution authorizing such action and the writing or writings are filed with the minutes of such Board.

2.14 **Compensation.** No member of any Board shall receive any compensation for acting as such.

2.15 **Liability of Boards and Unit Owners.**

2.15.1 To the extent permitted by applicable Law, no member of any Board shall have any personal liability with respect to any contract, act or omission of such Board or of any managing agent or manager in connection with the affairs or operation of the Condominium, the Commercial Section, or the Residential Section (except in their capacities as Unit Owners) and the liability of any Unit Owner with respect thereto shall be limited as hereinafter set forth. Every contract made by a Board or by any managing agent or manager thereof shall state or be

deemed to state that it is made by such Board, managing agent or manager only as agent for all Unit Owners, Residential Unit Owners, or Commercial Unit Owners, as the case may be, that such Board members or managing agent or manager shall have no personal liability thereon (except in their capacities as Unit Owners) and shall also state the applicable limitations of liability of Unit Owners provided for in the next sentence. The liability of any Unit Owner with respect to any contract, act or omission with respect to the Condominium or the Residential Section or Commercial Section, as the case may be, shall be limited to such proportionate share of the total liability as the interest of such Unit Owner bears to the aggregate Common Interests of all Unit Owners, Residential Unit Owners, or Commercial Unit Owners, as the case may be, and, unless expressly stated to the contrary in such contract (as determined by the relevant Board in its sole and absolute discretion), to the extent permitted by applicable Law, shall be limited to such Unit Owner's interest in such Unit Owner's Unit and such Unit Owner's appurtenant Common Interest so that such Unit Owner shall have no personal liability for such contract, act or omission. Nothing in the preceding sentence shall limit a Unit Owner's liability for the payment of Common Charges. Any such contract or agreement may also provide that it covers the assets, if any, of the Board on whose behalf the contract or agreement is made. Board members shall have no liability to Unit Owners except that a Board member shall be liable for such member's own bad faith or willful misconduct. All Unit Owners shall severally, to the extent of their respective interests in their Units and their appurtenant Common Interests, indemnify each Condominium Board member and each Residential Board member, as the case may be, against any liability or claim except those arising out of such member's own bad faith or willful misconduct. The Condominium Board or Residential Board, as the case may be, may contract or effect any transaction with any Board member, any Unit Owner, Declarant, Declarant's designee or any affiliate of any of them without, except in cases of bad faith or willful misconduct, incurring any liability for self dealing.

2.15.2 No Board or any member thereof shall be liable for either (i) any failure or interruption of any utility or other service to be obtained by, or on behalf of, such Board or to be paid for as a Common Expense, except when any such failure or interruption is caused by the acts of bad faith or willful misconduct of such Board or any member thereof; or (ii) any injury, loss or damage to any individual or property, occurring in or about either a Unit or any General or Limited Common Element.

2.16 **Fidelity Bonds.**

2.16.1 Each Board shall obtain or ensure maintenance of fidelity bonds or insurance, in amounts deemed appropriate by it, for all of its members, officers and employees and for the managing agent or manager, if any, employed by it and the premiums on such bonds or insurance shall constitute General Common Expenses or Residential Common Expenses, as the case may be.

2.16.2 To the extent legally required or available at commercially reasonable rates, as such rates shall be determined by the Boards, the Boards shall endeavor to purchase and maintain directors and officers insurance (i) to indemnify the Condominium for any obligation which it incurs as a result of the indemnification of members and officers of the Boards as required by Law or by a court order, (ii) to indemnify members and officers of the Boards in instances in which they may be indemnified by the Condominium under the provisions of these

By-Laws, and (iii) to indemnify members and officers of the Boards in instances in which they may not otherwise be indemnified, to the extent provided by such insurance.

2.17 **Committees**. Each Board may, subject to such limitations and exceptions as such Board may prescribe, appoint an Executive Committee and such other committees as such Board may deem appropriate, each to consist of as many members as such Board shall deem appropriate for the purpose of making such reports and studies as each such Board deems appropriate. Any Executive Committee of the Condominium Board shall be required to consist of at least one member of the Residential Board and one member of the Condominium Board designated by Commercial Unit A Owner. For so long as Declarant is entitled to designate members to the Condominium Board, any committee appointed by any such Board shall have as at least one of its members be a member appointed by Declarant.

2.18 **Principal Offices of Boards**. The principal offices of the Boards shall each be located within the Property or at such other place in the Borough of Manhattan reasonably convenient thereto as may be designated from time to time by such Boards.

2.19 **Status of Boards**. In addition to the status conferred upon each of the Boards under or pursuant to the provisions of the Condominium Act, each of the Boards shall, to the extent permitted by applicable Law, be deemed to constitute a separate association for all purposes under and pursuant to the provisions of the General Associations Law of the State of New York. In the event of the incorporation of any of the Boards pursuant to the provisions of 2.20, the provisions of this Section 2.19 shall no longer be applicable to such Board.

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

2.21 **Boards as Agents of Unit Owners**. In exercising their respective powers and performing their respective duties under the Declaration and these By-Laws, each Board shall act in good faith as, and shall be, the agent of the Unit Owners such Board represents, subject to and in accordance with the provisions of the Declaration and these By-Laws.

2.22 **Development Rights**. Each Board shall be authorized to, and, upon the request of Declarant or the Development Rights Purchaser, each Board shall be obligated, to execute and deliver any documents or applications reasonably required in connection with a Merger, any declaration of zoning lot restrictions, the ZLDA or the transfer of the Development Rights to the Development Rights Purchaser.

ARTICLE 3

UNIT OWNERS

3.1 **Annual Meetings.** On or no more than one (1) year after the First Closing, the Residential Board will call the first annual meeting of the Residential Unit Owners. Such meetings shall be held not less than ten (10) days nor more than forty (40) days after such date. At such meeting, the incumbent Residential Board shall resign and the Residential Unit Owners shall elect (in accordance with the provisions of Section 2.1, but subject to the rights of Declarant to designate certain members to the Residential Board pursuant to Section 3.9.3 of these By-Laws) a Residential Board consisting of three (3) members. Thereafter, annual meetings of Residential Unit Owners shall be held within approximately thirty (30) days of each anniversary of the first annual meeting. At such meetings, the incumbent Board members shall resign and the members of the Residential Board shall be elected and there shall also be transacted such other business as may properly come before such meetings. The three (3) members of the Residential Board shall also serve as members of the Condominium Board. No joint annual meeting of Residential Unit Owners and the Commercial Unit Owners shall be required to be held unless otherwise required by Law, in which event each such joint annual meeting shall be held on the date above specified for the annual meeting of Residential Unit Owners.

3.2 **Place of Meetings.** Meetings of all or any Unit Owners, Residential Unit Owners or Commercial Unit Owners, as the case may be, shall be held at the principal office of the Condominium or the Residential Section or Commercial Section, respectively, or, at such other suitable and convenient place in the Borough of Manhattan, as may be designated by the appropriate Board.

3.3 **Special Meetings.** Special meetings of the Residential Board and Condominium Board may be called by the respective President or Vice President of the Residential Board or Condominium Board by giving five (5) business days' prior written notice to each member of such Board by personal delivery, mail, facsimile or e-mail, which notice shall state the time, place (in the Borough of Manhattan) and purpose of the meeting. Special meetings of the Residential Board shall be called in like manner and on like notice on the written request of at least two (2) members of the Residential Board. Special meetings of the Condominium Board shall be called in like manner and on like notice on the written request of at least two (2) members of the Residential Board and one member of the Condominium Board designated by Commercial Unit A Owner.

3.4 **Notice of Meetings and Actions Taken.** Notice of each annual meeting or special meeting shall be given by the appropriate Secretary to all Unit Owners of record entitled to vote thereat as of the date of said notice. Each such notice shall state the purposes of the meeting and the time and place where it is to be held and no business shall be transacted thereat except as stated in the notice. All notices hereunder shall be given by personal delivery, regular mail, recognized overnight courier or telegram, at least ten (10) but no more than thirty (30) business days prior to the day named for the meeting and shall be given or sent to the Unit Owners entitled to receive same at their address at the Property or at such other address at the Property or elsewhere as any Unit Owner has designated by notice in writing to the appropriate Secretary at least ten (10) days prior to the giving of notice of the applicable meeting. However,

if the business to be conducted at any meeting of the Unit Owners shall include consideration of a proposed amendment to the Declaration or to these By-Laws, the notice of such meeting shall be given to all Unit Owners as provided above at least thirty (30) days prior to the day fixed for such meeting, and such notice shall be accompanied by a copy of the text of such proposed amendment. Only Unit Owners of record as of the date of a notice are entitled to be present and vote at the meeting for which said notice is sent.

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

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

(a) Call to order;

(b) Roll call;

(c) Proof of notice of meeting;

(d) Reading of minutes of preceding meeting;

(e) Reports of officers;

(f) Reports of members of the Board;

(g) Reports of committees;

(h) Election of inspectors of election (when so required);

(i) Election of members of the Board (when so required);

(j) Unfinished business;

(k) New business; and

(l) Adjournment.

3.7 **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, or by any other entity legally entitled to take title to property. The sale of a Unit to a corporation, partnership, limited partnership, trust or any other entity legally entitled to own real property (including any entity or person entitled to diplomatic or sovereign immunity) may require the delivery to the Condominium Board or the Residential Board or its managing agent at Closing, any and all documents as are reasonably requested by the Condominium Board or Residential Board, including without limitation, a personal guaranty, a subjection to jurisdiction, an occupancy agreement, an escrow agreement and an amount equal to the current common charge for such

Unit for a period of years, to be held in escrow by the Condominium Board or the Residential Board or its Managing Agent, as security for the faithful observance by such Unit Owner of the terms, provisions and conditions contained in these By-Laws.

3.8 **Voting.**

3.8.1 Each Unit Owner or a person designated by such Unit Owner to act as proxy on such Unit Owner's behalf and who need not be a Unit Owner, shall be entitled to cast the votes appurtenant to such Unit as set forth herein and in the Declaration at all meetings of Residential Unit Owners or Commercial Unit Owners and at all joint meetings of Unit Owners. The designation of any such proxy shall be made in writing to the Secretary of the appropriate Board and shall be revocable at any time by written notice to such Secretary by the Unit Owner so designating, unless otherwise expressly set forth herein; provided, however, that no designation to act as a proxy shall be effective for a period in excess of six (6) months except a designation of a Permitted Mortgagee to act as the proxy of its mortgagor or as otherwise expressly set forth herein. A fiduciary shall be the voting member with respect to any Unit owned in a fiduciary capacity. No Board or its designee shall be entitled to vote the interest appurtenant to any Unit owned by such Board and the Common Interest of such Unit shall be excluded from the total Common Interests when computing the interest of Unit Owners for voting purposes.

3.8.2 Except as otherwise set forth herein or in the Declaration, at all meetings of Unit Owners, each Unit Owner (or such Unit Owner's proxy) entitled to vote thereat (including Declarant with respect to Units owned by Declarant) shall be entitled to cast one vote for each .0001% (rounded off to the nearest .0001%) of Common Interest attributable to such Unit Owner's Unit.

3.8.3 Whenever a particular percentage of Common Interest must be reached for voting purposes and such required percentage is in terms of the Residential Unit Owners, as a group, or the Commercial Unit Owners as a group (as opposed to all Unit Owners as a whole), such required percentage shall mean a percentage in terms of total Common Interests attributable to that particular group and not the percentage of Common Interests attributable to all Unit Owners.

3.8.4 Notwithstanding anything to the contrary set forth above, Unit Owners may vote to amend the Declaration and these By-Laws pursuant to Article 20 of the Declaration and Article 13 of these By-Laws, without a meeting, provided that such Unit Owners receive no less than thirty (30) days notification of such proposed amendment from the Condominium Board or the Residential Board, as the case may be, together with a copy of the text of such proposed amendment and a proxy with respect to such vote.

3.9 **Election of Board Members; Rights of Declarant.**

3.9.1 All elections of Board members shall be determined by plurality vote.

3.9.2 When voting for members of the Residential Board the voting shall be by ballot and each ballot shall state the name of the Unit Owner voting and the percentage of Common Interests owned by such Residential Unit Owner, and in addition, the name of the

proxy if such ballot is cast by a proxy. Each Residential Unit Owner shall be entitled to cast the number of votes determined in accordance with Section 3.8.2 for each member to be elected by the Residential Unit Owners. Nothing contained in these By-Laws shall be deemed to permit cumulative voting.

3.9.3 Notwithstanding any other provision of this Section 3.9 or any other provision of these By-Laws to the contrary, commencing with the first annual meeting of Residential Unit Owners, Declarant shall have the right to vote all of the Common Interests attributable to Unsold Residential Units owned by it until Declarant has closed title to all of the Unsold Residential Units owned by it. Declarant shall hold a majority of seats on the Residential Board and Condominium Board until the earlier to occur of (i) five (5) years from the date of the First Closing or (ii) that date upon which the Unsold Residential Units constitute less than fifty percent (50%) of the Common Interests of the Condominium (the "Declarant Control Period"). Notwithstanding anything to the contrary set forth above, in the event the regulations promulgated by the New York State Department of Law governing the conversion of occupied residential property to condominium ownership are amended to provide that Declarant can elect a majority of its designated Condominium 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 Declarant has a sufficient number of votes to cast a majority of the votes of the Unit Owners, then the aforesaid restrictions concerning Declarant's rights to elect a majority of the Condominium Board shall no longer be effective and Declarant shall have the same rights to vote its Common Interests as any other Unit Owner, whether or not Declarant has previously been required to give up control of any of the Condominium Board. In addition after the Declarant Control Period, (a) for so long as Declarant owns at least one (1) of the Unsold Residential Units, Declarant shall have the right to designate at least one (1) member of the Residential Board who shall also serve on the Condominium Board. Within ten (10) days after the Declarant Control Period, two (2) of the Declarant designated members of the Residential Board shall resign and in such event a Residential Unit Owner meeting will be held to elect a new board member unrelated to the Declarant within thirty (30) days after the expiration of the Declarant Control Period. Any vacancy created by removal of a Board member designated by Declarant, or by any other cause which results in a Board member designated by Declarant ceasing to be a member of the Board, shall be filled by a person designated by Declarant.

3.9.4 Nothing contained herein shall be deemed to limit the right of Declarant to cast its votes for individuals nominated to the Residential Board who are not nominated or designated by Declarant, which individuals, if elected, shall not be deemed Declarant nominees or designees and shall not be deemed to cause Declarant to control either the Condominium Board or the Residential Board.

3.9.5 Notwithstanding anything to the contrary set forth above, if required under the terms of any Permitted Mortgage held by Declarant or a Commercial Unit Owner, in the event of a default under such Permitted Mortgage, the Permitted Mortgagee will be entitled to designate, remove or replace the members of the Boards designated by the Declarant or the Commercial Unit Owner whose Units are subject to the lien of said Permitted Mortgage.

3.10 **Majority of Unit Owners.** Except as may otherwise be provided by Law, as used in these By-Laws, the terms "Majority of Residential Unit Owners," "Majority of

Commercial Unit Owners" and "Majority of Unit Owners" means either those Residential Unit Owners, Commercial Unit Owners, or Unit Owners, as the case may be, having more than fifty percent (50%) of the total votes cast (in person or by proxy) at any meeting at which a quorum is present of either Residential Unit Owners, Commercial Unit Owners, or all Unit Owners, as the case may be, determined in accordance with the provisions of 3.8.

3.11 **Quorum**. Except as otherwise provided in these By-Laws, the presence in person or by proxy of (a) Residential Unit Owners owning more than thirty percent (30%) of the Common Interests attributable to all Residential Units shall constitute a quorum at all meetings of Residential Unit Owners, (b) Commercial Unit Owners owning more than fifty percent (50%) of the Common Interests attributable to all Commercial Unit Owners shall constitute a quorum at all meetings of Commercial Unit Owners, and (c) Unit Owners owning more than fifty percent (50%) of the Common Interests attributable to all Units shall constitute a quorum at all joint meetings of Unit Owners.

3.12 **Majority Vote**. Except where otherwise provided by Law, the Declaration or these By-Laws, (a) at all separate meetings of Residential Unit Owners, the affirmative vote of a Majority of Residential Unit Owners shall be binding upon all Residential Unit Owners for all purposes, (b) at all separate meetings of Commercial Unit Owners, the affirmative vote of a Majority of Commercial Unit Owners shall be binding upon all Commercial Unit Owners for all purposes, and (c) at all joint meetings of Unit Owners, the affirmative vote of a Majority of Unit Owners shall be binding upon all Unit Owners for all purposes.

3.13 **Determination of Unit Owners**. When the Residential Unit Owners and Commercial Unit Owners, with each acting separately in accordance with the provisions of this Article 3, have made the same determination as to any matter which is required or permitted to be determined by all Unit Owners, such determination shall constitute the determination of all Unit Owners. No joint meeting of Residential Unit Owners and the Commercial Unit Owners shall be necessary for any such determination to be made by all Unit Owners. Notwithstanding anything to the contrary set forth herein as to any matter as to which the Residential Unit Owners or Commercial Unit Owners are permitted or required to act at any meeting of such Unit Owners, such action may be taken without a meeting if the requisite number of such Unit Owners, in number and Common Interest, consent in writing (by proxy or otherwise) to such action and the writing or writings are filed with the minutes of such Board.

ARTICLE 4

OFFICERS

4.1 **Designation**. The principal officers of the Condominium shall be (a) for the Residential Board, a President, Vice President, Secretary and Treasurer thereof, all of whom shall be elected by the members of the Residential Board, (b) for the entire Condominium, (i) a President thereof, who shall be the same person serving as President of the Residential Section, (ii) a Vice President and Treasurer thereof, who shall be designated by the Commercial Unit Owners, and (iii) a Secretary thereof, who shall be the same person serving as Secretary of the Residential Board. The Condominium Board and the Residential Board may each appoint an Assistant Treasurer, Assistant Secretary and such other officers as in their judgment may be

desirable. None of the officers of the Residential Board or the Condominium Board need be Unit Owners or have any interest therein or be Board members until the first organizational meeting of the Residential Board after the first annual meeting of Residential Unit Owners. Thereafter, the President and Vice President of the Residential Board must be members of the Residential Board.

4.2 **Election of Officers**. The officers of the Residential Board and the Condominium Board shall be elected annually by the members of the Residential Board and the Condominium Board, respectively, at the organizational meetings thereof, except that the initial officers of the Residential Board and the Condominium Board shall be elected, respectively, by the initial Residential Board members and the initial Condominium Board members and shall hold office at the pleasure of such Boards and until their successors are elected.

4.3 **Resignation and Removal of Officers**. Any officer may resign at any time by written notice delivered or sent by certified mail, return receipt requested, to the Board which elected such officer. Such resignation shall take effect at the time specified therein and, unless specifically requested, acceptance of such resignation shall not be necessary to make it effective. Upon the affirmative vote of a majority of the members of the Board electing him, any officer may be removed, either with or without cause. A successor officer may be elected at any regular Board meeting or at any special Board meeting called for such purpose.

4.4 **Presidents**. The President of the Condominium Board shall be the chief executive officer of the Condominium and shall preside at all joint meetings of Unit Owners and at all meetings of the Condominium Board. The President of the Residential Board shall be the chief executive officer thereof and shall preside at all meetings of the Residential Board and Residential Unit Owners. Each of said Presidents shall have all of the general powers and duties which are incident to the office of president of a stock corporation organized under the Business Corporation Law of the State of New York, including, but not limited to, the power to appoint committees from among Unit Owners or Residential Unit Owners or Commercial Unit Owners from time to time as the President decides is appropriate to assist in the conduct of the affairs of the entire Condominium or of the Residential Section or Commercial Section, as the case may be.

4.5 **Vice Presidents**. Each of the Vice Presidents shall take the place of the President under whom such Vice President serves and perform the duties of the President whenever such President shall be absent or unable to act. If both the President and the Vice President of the Residential Board or the Condominium Board are unable to act, the Board under whom such President and Vice President serves shall appoint some member of such Board to act in the place of such President and Vice President on an interim basis. Each Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board or by the President under whom such Vice President serves.

4.6 **Secretaries**. The Secretary of the Condominium shall keep the minutes of all joint meetings of Unit Owners and of the Condominium Board. The Secretary of the Residential Section shall keep the minutes of the meetings of the Residential Board and Residential Unit Owners. Each of the Secretaries shall have charge of such books and papers as the Board under which such Secretary serves shall direct and shall in general perform all the duties incident to the

office of secretary of a stock corporation organized under the Business Corporation Law of the State of New York.

4.7 **Treasurers**. Each of the Treasurers shall have the care and custody of the funds and securities of the Condominium or the Residential Section, as the case may be, 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. Each of the Treasurers shall be responsible for the deposit of all funds and other securities in the name of the Board for which such Treasurer serves (or in the name of the managing agent appointed by such Board) in such depositories as may from time to time be designated by such Board and shall in general perform all of the duties incident to the office of treasurer of a stock corporation organized under the Business Corporation Law of the State of New York.

4.8 **Execution of Documents**. Unless otherwise delegated by the Board, all agreements, contracts, deeds, leases, checks and other instruments of the Condominium or of the Residential Section shall be executed by any officer thereof or by such other person or persons as may be designated by the applicable Board. However, the Condominium Board can, by resolution, determine that an expenditure in excess of a specified amount by said Condominium Board must be countersigned by two (2) members of said Condominium Board, of which one (1) member must be designated by Commercial Unit A Owner.

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

ARTICLE 5

NOTICES

5.1 **Notices**. All notices required or desired to be given hereunder to any Board shall be personally delivered or sent by registered or certified mail or nationally recognized overnight carrier to the office of such Board or to such other address as such Board may designate from time to time, by notice in writing to the other Board and to all Unit Owners and to all Permitted Mortgagees, as the case may be, and if there is a managing agent of such Board, a duplicate shall be sent in like manner to such managing agent. All notices to any Unit Owner shall, except as otherwise provided herein, be personally delivered or sent by registered or certified mail to the Property address of such Unit Owner or to such other address as may have been designated by such Unit Owner from time to time, in writing, to the Condominium Board and the Residential Board. All notices to Permitted Mortgagees shall be personally delivered or sent by mail to their respective addresses, as designated by them from time to time, in writing to the Condominium Board and the Residential Board. All notices shall be deemed to have been given when personally delivered or mailed in a postage prepaid sealed wrapper, except notices of change of address which shall be deemed to have been given when received.

5.2 **Waiver of Service of Notice**. Whenever notice is required to be given by Law, the Declaration or these By-Laws, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE 6

OPERATION OF THE PROPERTY

6.1 Determination of Common Expenses and Fixing of Common Charges.

6.1.1 Except as otherwise provided herein the General Common Expenses shall be determined by the Condominium Board and shall be borne by all Unit Owners. The Condominium Board shall from time to time and at least annually prepare a budget to meet General Common Expenses and shall allocate and assess to the Unit Owners, pro rata in accordance with their respective Common Interests (except as otherwise expressly provided in the Declaration or these By Laws or to the extent a different method or percentage of allocation is described on Exhibit G annexed hereto), ("General Common Charges") to meet General Common Expenses. To the extent that a different method of allocation of a General Common Expense is set forth on Exhibit G, such method of allocation shall be utilized (the "Special Allocation Methods"). General Common Charges shall also be deemed to include any Special Assessment imposed by the Condominium Board on Unit Owners. In addition to basing charges on Common Interests, the Condominium Board may also make allocations and assessments of General Common Expenses in accordance with submetering, contract allocations and usage (both projected and actual) so long as such allocations are reasonable under the circumstances and are in accordance with applicable provisions of the Law. Notwithstanding anything to the contrary set forth above, (i) the Condominium Board may not modify its method of allocations and assessments or increase or decrease the number of building employees servicing the Commercial Units or categories of services, utilities or supplies provided to the Commercial Units in such a manner as would increase or decrease the Common Charges otherwise payable by the Commercial Unit Owners, without the consent of the Commercial Unit Owners and (ii) the General Common Expenses may not increase by more than three percent (3%) in the aggregate from the prior years' approved budget, without the consent of members of the Board designated by Commercial Unit A Owner , other than non-discretionary charges (e.g., utilities, union labor, insurance and the like). The Condominium Board's authority shall include the right to base the amount of General Common Charges on actual costs and expenditures and/or to make retroactive adjustments to the amount of Common Charges payable by all Unit Owners for any period to reflect actual operating costs for such period.

6.1.2 Except as otherwise provided herein Residential Common Expenses shall be determined exclusively by the Residential Board and shall be borne by the Residential Unit Owners in proportion to their respective Residential Common Interests in the Residential Section. The Residential Board shall from time to time and at least annually prepare a budget to meet Residential Common Expenses and shall allocate and assess to the Residential Unit Owners, pro rata in accordance with their respective Residential Common Interests (except as otherwise provided in the Declaration or these By Laws) ("Residential Common Charges") to meet (a) Residential Common Expenses and (b) the Residential Unit Owner's pro rata share of General Common Expenses. Residential Common Charges shall also be deemed to include any Special Assessment imposed by the Residential Board on the Residential Unit Owners. From time to time the Residential Board may increase or decrease the amount of Residential Common Charges payable for a fiscal year or any portion thereof to meet a revised estimate or determination of Residential Common Expenses for such fiscal year or any portion thereof. The

Residential Board's authority shall include the right to base the amount of Residential Common Charges on actual costs and expenditures and/or to make retroactive adjustments to the amount of Residential Common Charges payable by Residential Unit Owners for any period to reflect actual operating costs for such period. In addition to basing charges on Residential Common Interests, the Residential Board may also make allocations and assessments of Residential Common Expenses in accordance with submetering, contract allocations and usage (both projected and actual) so long as such allocations are reasonable under the circumstances and are in accordance with applicable provisions of Law.

6.1.3 Except as otherwise provided herein, all costs and expenses in connection with the Commercial Common Expenses, if any, shall be determined by the Condominium Board and shall be borne solely by the Commercial Unit Owners. Notwithstanding anything to the contrary in this Section, if a Commercial Common Element or Commercial Limited Common Element benefits only certain Commercial Unit Owners, then the Commercial Section's costs of alteration, addition, repair, replacement and restoration thereto (except in connection with a casualty or condemnation) shall be borne solely by those Commercial Unit Owners who benefit from the Commercial Common Element or Limited Common Element in the proportion that the Common Interest of each benefiting Commercial Unit Owner bears to the Common Interest of all benefiting Commercial Unit Owners. In addition, except as otherwise provided in the By-Laws, such Commercial Unit Owners shall be responsible for the routine Maintenance and operation, including but not limited to the cost of staff necessary for such operation and Maintenance, of any such Commercial Common Element or Commercial Limited Common Element at their sole cost and expense. Commercial Common Expenses shall also include all such other items provided for in the Declaration or these By-Laws to be Commercial Common Expenses.

6.1.4 The Boards shall advise all Unit Owners promptly in writing of the amount of Common Charges due and payable and shall furnish copies of each annual budget to all Unit Owners and/or Residential Unit Owners at least five (5) days prior to the adoption thereof and provide a copy to Permitted Mortgagees upon request therefor. In the event that the annual receipts levied against Unit Owners exceed the actual expenses less income from sources other than Unit Owners for that period accounted for on an accrual basis by an amount in excess of $100,000, the receipts from Unit Owners over and above such amount may be rebated to the Unit Owners by the Condominium Board in proportion to each Unit's percentage of Common Interest. Rebates, if any, attributable to Residential Units purchased from Declarant during the first year of condominium operation will be distributed by the Condominium Board to Declarant and the Residential Unit Owner(s) in proportion to the amount of time Declarant and each Residential Unit Owner owned such Unit.

6.1.5 The excess of all rents, profits and revenues derived from the rental or use of any space or facility (i) forming part of or included in any General Common Element remaining after the deduction of any non-capital expenses paid or incurred in connection therewith shall be collected by the Condominium Board as agent for and on behalf of the Unit Owners, or (ii) forming a part of or included in any Residential Common Elements or Commercial Common Elements remaining after the deduction of any non-capital expenses paid or incurred in connection therewith shall be collected by the (a) Residential Board if a Residential Common Element is involved, as agent for and on behalf of the Residential Unit

Owners or (b) the Condominium Board if a Commercial Common Element is involved, as agent for an on behalf of the Commercial Unit Owners. Notwithstanding any provision contained in these By-Laws or in the Declaration to the contrary, in no event shall any rent, profit or revenue derived from the rental or use of any space in the Building be deemed to be derived from the rental or use of any floor slabs, ceilings or walls delineating or enclosing such space or the incidental use of any portion of any Common Elements appurtenant to such space.

6.1.6 Common Charges shall include real estate taxes on the Property until the Units are separately assessed.

6.1.7 "Special Assessments" shall be defined to include those assessments levied against Unit Owners for the purpose of paying non-recurring, extraordinary expenses affecting the Common Elements, including without limitation, capital expenses relating to the Common Elements. All Special Assessments relative to (i) the General Common Elements shall be levied by the Condominium Board against all of the Unit Owners in the proportion of each Unit Owner's respective Common Interests, (ii) the Residential Common Elements or Residential Limited Common Elements shall be levied by the Residential Board against all of the Residential Unit Owners in the proportion of each Residential Unit Owner's respective Residential Common Interests or (iii) the Commercial Common Elements or Commercial Limited Common Elements shall be levied by the Condominium Board against all of the Commercial Unit Owners in the proportion of each Commercial Unit Owner's respective Common Interests bears to the Common Interest of the other benefitted or affected Commercial Unit Owners. Such Special Assessments shall be payable by the Unit Owners in addition to their respective obligations to pay Common Charges as herein above provided. Special Assessments may be payable either in one lump sum or in installments, as the Condominium Board or Residential Board, as applicable, shall determine, provided, however that the Condominium Board or Residential Board shall give each Unit Owner not less than thirty (30) days' written notice, except in the case of an Emergency, 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 and Residential Board shall have all rights and remedies for the collection of Special Assessments as are provided herein for the collection of Common Charges. Special Assessments shall be deemed to be Common Charges for purposes of the Declaration and these By-Laws

6.1.8 "Unit Owner Expenses" shall be defined to include those expenses incurred by the Condominium Board or Residential Board or Unit Owner, as the case may be, on behalf of a particular Unit Owner. The cost of any services provided to a Unit Owner other than services that are charges as part of Common Charges shall be a Unit Owner Expense. Unit Owner Expenses shall be invoiced from time to time as such expenses are incurred and shall be promptly paid by the applicable Unit Owner (and in any event shall be paid within thirty (30) days after receipt of an invoice therefore). Costs incurred by a Board for any Emergency work performed by such Board may be included in the Common Charges or invoiced as Unit Owner Expenses (as the case may be in accordance with the terms of the Declaration and these By-Laws) from time to time as such costs are incurred (and in any event shall be paid within thirty (30) days after receipt of an invoice therefore). Unit Owner Expenses shall be deemed to be Common Charges for purposes of the Declaration and these By-Laws.

6.1.9 Notwithstanding anything to the contrary herein, no part of the net earning of the Condominium may inure (other than by acquiring, constructing, or providing management, Maintenance, and care of association property, and other than by a rebate of excess membership dues, fees, or assessments) to the benefit of any Unit Owner or individual.

6.2 **Insurance.**

6.2.1 The Condominium Board shall be required to obtain and maintain to the extent obtainable the following insurance: (a) commercial property insurance covering the perils insured under the Insurance Service Office (ISO) "special causes of loss form" (formerly known as "all risk" coverage) including coverage for increased cost of construction and Ordinance of Law endorsements, insuring the entire Building (other than the Units and all fixtures, furniture, furnishings or other personal property contained in such Units), together with all service machinery contained therein and covering the interests of the Condominium, each of the Boards and all Unit Owners and their Permitted Mortgagees, as their respective interests may appear, in an amount equal to the full replacement value of the Building (exclusive of foundation and footings and, at the election of the Condominium Board in its sole and absolute discretion, terrorism insurance), said policies shall contain a New York standard mortgagee clause in favor of each Permitted Mortgagee which shall provide that the loss, if any, thereunder shall be payable to such Permitted Mortgagee as its interest may appear, subject however, to the loss payment provisions hereinafter set forth; (b) rent insurance in an amount equal to Common Charges for one year; (c) worker's compensation and New York State disability benefits insurance; (d) boiler and machinery insurance if not covered under the commercial property insurance; (e) fidelity insurance covering all Boards and all officers, directors, managing agents and employees of the Condominium and the Residential Section; (f) directors and officers liability insurance; and (g) such other insurance as the Condominium Board may determine as appropriate in Comparable Buildings.

6.2.2 All such policies shall provide that adjustment of loss shall be made exclusively by (a) the Residential Board if the loss involves only the Residential Section, (b) the Condominium Board if the loss involves only the Commercial Section, (c) the Condominium Board if the loss involves both the Residential Section and the Commercial Section, or the General Common Elements. Insurance proceeds with respect to any loss shall be payable to the Board entitled to adjust such loss, as aforesaid, except that the proceeds of all policies of physical damage insurance, if in excess of $1,000,000, shall be payable to a New York City bank or trust company designated by the Condominium Board as Insurance Trustee pursuant to the provisions of Section 12.5. Notwithstanding anything to the contrary set forth above, to the extent required under the Permitted Mortgage, a Permitted Mortgagee holding such Permitted Mortgage secured by a Commercial Unit will have the right (to the extent required under its respective loan documents) to participate in any adjustments regarding loss or damage to the General Common Elements and the Commercial Section and no such adjustment will be made without the consent of such Permitted Mortgagee. Any dispute between or among the Boards under this Subsection 6.2.2 shall be determined by Arbitration.

6.2.3 All policies of physical damage insurance shall contain, to the extent obtainable, waivers of subrogation and waivers of any defense based on (i) co insurance, (ii) other insurance, (iii) invalidity arising from any acts of the insured, or (iv) pro rata reduction of

liability, and shall provide that such policies may not be canceled without at least ten (10) days' prior written notice to all of the insureds, including all Unit Owners and Permitted Mortgagees. The Boards and all Unit Owners hereby waive their subrogation rights.

6.2.4 Except for Workers Compensation and New York Statutory Disability Insurance coverages the Boards and the Unit Owners each agree that they shall make no claim for recovery against each other for damages to or loss of the demised premises or improvements and betterments thereon, and injury or damage (including any deductibles or self-insured retentions) arising out of operations if such damage injury or loss is covered by or should have been covered by valid and collectible insurance protecting the Boards and the Unit Owners and which contains a clause permitting the insured to waive such rights prior to the occurrence of a loss. Such waiver of subrogation shall apply to all stated insurance coverages herein. The Boards and each Unit Owner, by acceptance of a deed for a Unit, shall be deemed to have waived their rights of subrogation.

6.2.5 The Condominium Board shall also be required to obtain and maintain, commercial general liability insurance against claims for personal injury, death or property damage occurring upon, in or about the Property, in such limits as such Board may from time to time determine, covering (i) each Board, the managing agent or agents thereof, each Board member, and each officer and employee of the Condominium and Residential and Commercial Section, (ii) the Unit Owners, except that such policy will not cover liability of a Unit Owner arising from occurrences within such Unit Owner's own Unit or within the Limited Common Elements, if any, appurtenant to such Unit Owner's Unit. The Condominium Board shall review such limits once each year. The insurance required in accordance with this Subsection 6.2.5 shall also cover cross liability claims of one insured against another.

6.2.6 Any insurance maintained by the Condominium Board may provide for such deductible or self-insured retention amounts as such Condominium Board determines.

6.2.7 Each Commercial Unit Owner, will, at each Commercial Unit Owner's own cost and expense, obtain and keep in full force and effect (a) commercial general liability insurance against any and all claims for bodily 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 and any Limited Common Elements appurtenant to the Unit, in such limits as reasonably determined by the Condominium Board from time to time, based upon commercially reasonable standards, but initially, and as a minimum, limits of liability of $10,000,000 for bodily injury or death and property damage arising out of any one occurrence, which shall every 5 years be subject to an increase based on limits maintained by other similar condominiums in the New York City area and (b) tenant's property insurance covering the perils insured under the Insurance Service Office (ISO) "special causes of loss form" (formerly known as "all risk" coverage in respect of property damage occurring in, upon the Unit or any part thereof and any Limited Common Elements appurtenant to the Unit (including, but not limited to appropriate coverage for Alterations and betterments and loss due to water damage) and any personal property contained therein. Each Residential Unit Owner will, at the Residential Unit Owner's own cost and expense, obtain and keep in full force and effect (a) 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 the Unit or any part thereof and any

Limited Common Elements appurtenant to the Unit, in such limits as reasonably determined by the Condominium Board from time to time, based upon commercially reasonable standards, but initially, as a minimum, limits of liability of $2,000,000 for bodily injury or death and property damage arising out of any one occurrence and (b) tenant's property insurance covering the perils insured under the Insurance Service Office (ISO) "special causes of loss form" (formerly known as "all risk" coverage in respect of property damage occurring in, upon, or from the Unit or any part thereof and any Limited Common Elements appurtenant to the Unit (including, but not limited to appropriate coverage for additions, alterations improvements and betterments and loss due to water damage) and any personal property contained therein. The limits of liability set forth in (a) and (b) above with respect to both the Commercial Unit Owners and the Residential Unit Owners may be reasonably increased by the Condominium Board from time to time. The insurance required above will be written in form reasonably satisfactory to the Condominium Board by good and solvent insurance companies having an AM Best's Rating of "A –" "VII", and authorized to do business in the State of New York. Upon ten (10) calendar days' written notice from the Condominium Board or its managing agent, the Unit Owner will deliver to the Condominium Board certificates of insurance evidencing such insurance or such other confirmation satisfactory to the Condominium Board. Upon written request of the Condominium Board, Unit Owners will provide the Condominium Board with copies of the insurance policies required herein. To the extent any party is insured for loss or damage to property, each party will look to its own insurance policies for recovery. No Unit Owner will (1) do or permit any act or thing to be done in or to its Unit which will invalidate or be in material conflict with any general liability, property or other policy of insurance at any time carried by or on behalf of the Condominium Board with respect to the Property, (2) keep anything in its Unit or in the Common Elements which is prohibited by the Fire Department, Board of Fire Underwriters, fire insurance rating organization or other authority having jurisdiction or (3) permit its Unit or the Common Elements to be used in any manner which will increase the insurance rate for the Property over that in effect as of the date of this Declaration, unless such Unit Owner pays the additional cost thereof, which additional cost be deemed a Common Charge.

6.2.8 Any insurance maintained by the Condominium Board may provide for such deductible amounts as the Condominium Board determines. The premiums for all insurance referred to above shall be a General Common Expense shall allocated pro rata in accordance with the aggregate respective Common Interests of the Residential Unit Owners and the Commercial Unit Owners.

6.2.9 If the Condominium Board fails to obtain and maintain the insurance required in this Article 6, then any one or more of the Declarant or the Commercial Unit Owners shall have a the right, upon three (3) business days notice to the Condominium Board, to obtain such insurance in the required amounts. If the Declarant or the Commercial Unit Owners fail to obtain and maintain the insurance required in this Article 6 following the Condominium Board's failure, then a Permitted Mortgagee of the Declarant or Commercial Unit Owners, as applicable shall have the right, upon three (3) business days notice to the Condominium Board and the Declarant and Unit Owners, to obtain such insurance in the required amounts. All premiums paid therefor shall be deemed a debt and obligation of the Condominium Board to be repaid with interest at a rate equal to the prime rate of interest (as reported from day to day in The Wall Street Journal) imposed by Citibank, N.A. or its successor, or if such rate is not available, the

same rate or prime rate of interest at any "money center" bank as may be designated by the Permitted Mortgagee of Commercial Unit A at the time in question (the "Prime Rate"), plus 2% per year, upon demand. Any dispute under this Section 6.2.9 shall be resolved by Arbitration.

6.2.10 Without limiting the remedies of the Condominium Board for a Unit Owner's default, in the event that a Unit Owner (or any tenant or occupant of all or any portion such Unit Owner's Unit) fails to provide a certificate or other evidence of insurance required to be provided by each Unit Owner (or such tenant or occupant) hereunder and does not cure such default within ten (10) business days after notice from the Condominium Board, or a Permitted Mortgagee (as the case may be), the Condominium Board or such Permitted Mortgagee shall be authorized (but not required), if the same remains uncured, to procure such coverage on behalf of such Unit Owner and the cost thereof (if made by the Condominium Board) shall be charged back to such Unit Owner as a Unit Owner Expense. In addition, the Condominium Board may, in its sole and absolute discretion, impose such fines and penalties as the Condominium Board may determine in its sole discretion, including, without limitation, a per diem penalty for each day that the Unit Owner does not provide evidence of coverage and in either event such sums shall, for all purposes, constitute Common Charges payable by such Unit Owner.

6.2.11 The Condominium Board shall obtain and maintain such additional or greater insurance coverage as may be requested in writing by either the Declarant or a Commercial Unit Owner (or its Permitted Mortgagee), provided Declarant or such Commercial Unit Owner shall pay the premium (or increase in existing premiums) related thereto as a Unit Owner Expense. Such additional or greater insurance coverage may include business interruption insurance in such amounts as may be requested by the Declarant or Commercial Unit Owner (the "Unit Owner BI Coverage"). In the event that more than one party requests that the Condominium Board obtain business interruption insurance on behalf of such Unit Owners (a) the premium therefore shall be allocated pro rata on the basis of each Unit Owner's respective Unit Owner BI Coverage payable as a Unit Owner Expense, (b) the proceeds disbursed by the insurance company in respect to such coverage will be paid to each Unit Owner based upon each Unit Owner's loss of rental income, up to the respective Unit Owner's BI Coverage and (c) each Unit Owner who has suffered a loss of rental income shall participate with the Condominium Board to handle the adjustment of such loss.

6.2.12 Any blanket insurance policy obtained shall specifically allocate to the Property the amount of coverage from time to time required hereunder and shall otherwise provide the same protection as would a separate policy insuring only the Property in compliance with the provisions of this Section 6.2.

6.3 **Repair or Reconstruction after Fire or Other Casualty.**

6.3.1 In the event that the Building or any part thereof is damaged or destroyed by fire or other casualty ("Casualty Loss"), and except as otherwise provided herein, (a) the Condominium Board with respect to the General Common Elements, (b) the Residential Board with respect to the Residential Common Elements and the Residential Limited Common Elements, (c) the Commercial Unit Owners with respect to the Commercial Common Elements and Commercial Limited Common Elements, if any, and (d) each Unit Owner with respect to its Unit, shall arrange for the prompt repair or restoration ("Work") in the event of a Casualty Loss,

to the portion(s) of the Building affected by such Casualty Loss. If, pursuant to the immediately preceding sentences, 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. If a Residential Unit Owner fails to repair or reconstruct such Residential Unit Owner's Unit, the Condominium Board or the Residential Board may cause the Unit to be repaired or reconstructed and the costs incurred in connection therewith shall be a charged to the defaulting Residential Unit Owner as a Special Assessment

6.3.2 Net insurance proceeds payable under the insurance policies maintained by the Condominium Board pursuant to the terms of Section 6.2 hereof by reason of such Casualty Loss shall be payable either to the Condominium Board, if the same shall be $1,000,000 or less in the aggregate, or to the Insurance Trustee, if the same shall exceed $ 1,000,000 in the aggregate. In either instance, all such monies actually received ("Trust Funds") shall be held in trust (a) for the benefit of all Unit Owners, with respect to the portion thereof allocated to a Casualty Loss of the General Common Elements and the Units, and (b) for the benefit of all Residential Unit Owners with respect to the portion thereof allocated to a Casualty Loss of the Residential Common Elements, the Residential Limited Common Elements and the Residential Units, and (c) for the benefit of all Commercial Unit Owners with respect to the portion thereof allocated to a Casualty Loss of the Commercial Common Elements, the Commercial Limited Common Elements and the Commercial Units, and their Permitted Mortgagees and shall be disbursed pursuant to the terms of this Section 6.3.

6.3.3 Nothing contained herein shall be deemed to obligate a Commercial Unit Owner to restore its Commercial Unit except that such Commercial Unit Owner will, at a minimum, remove all debris and cause to be altered and/or Maintained so much of the Unit or any portion(s) of the Common Elements as is visible to the public or the occupants of another Unit or as may be (i) required by Law, (ii) necessary to insure the soundness or structural integrity of the Building or the health and safety of members of the public or occupants of the Building, (iii) necessary to comply with the requirements of any insurance carrier, or (iv) necessary to avoid material interference with the mechanical or utility systems of the Building or any Unit or the delivery of services to the Building or any Unit.

6.3.4 In the event that Work shall be performed pursuant to the terms of Subsection 6.3.1 and 6.3.2, 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.

6.3.4.1 If only the Commercial Section (including the Commercial Common Elements or the Commercial Limited Common Elements) is destroyed or damaged by fire or other casualty and if the net insurance proceeds are less than sufficient to cover, or exceed, the cost of repairs and restoration, the Commercial Unit Owners (in the proportion that the affected Commercial Unit Owner's Common Interest bears to the Common Interest of the other affected Commercial Unit Owner) will bear the entire amount of the deficit as a Commercial Common Expense, or shall receive all of the surplus, as the case may be.

6.3.4.2 If only the Residential Section (including the Residential Units, Residential Common Elements and/or the Residential Limited Common Elements) is damaged or destroyed by fire or other casualty and the insurance proceeds are less than sufficient to cover, or exceed, the cost of repairs and restoration, the deficit or surplus, as the case may be, will be borne as a Residential Common Expense or profit, respectively, and shared entirely by all Residential Unit Owners based upon their respective Residential Common Interests.

6.3.4.3 If said damage or destruction by fire or other casualty affects the Commercial Section, the Residential Section and the General Common Elements, or any combination of two thereof, then any deficit or surplus in insurance proceeds shall be borne or shared by all Unit Owners in proportion to their respective Common Interests in the proportion that the cost of repairing the damage or destruction to the Residential Section, Commercial Section and General Common Elements, as the case may be, bears to the total cost of repairing all damage or destruction. However, the Commercial Unit Owners shall still have the right to make all arrangements for the prompt repair and restoration of the Commercial Units to the extent they are affected by such damage or destruction. If said damage or destruction, however, affects only the General Common Elements, then any deficit or surplus in insurance proceeds shall be borne as a General Common Expense or profit, respectively, as provided in 6.1.1 or shared by all Unit Owners in proportion to their Common Interests. Any surplus payable to any Unit Owner pursuant to this Section 6.3 shall be lessened by such amounts as may be required to reduce unpaid liens (other than mortgages which are not Permitted Mortgages) on any such Unit in the order or priority of such liens.

6.3.5 If seventy-five percent (75%) or more of the Building is destroyed or substantially damaged by fire or other casualty ("Significant Casualty"), the Work will not be performed unless 75% or more of all Unit Owners agree to promptly cause the Work to be performed. In the event 75% or more of all Unit Owners do not agree to restore the Building, the Work will not be performed and the Property will 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, will be paid (i) to all Unit Owners in proportion to their respective Common Interests, to the extent allocated to destroyed or damaged portions of the General Common Elements, (ii) to all Residential Unit Owners in proportion to their respective Residential Common Interest, to the extent allocated to destroyed or damaged portions of the Residential Units or the Residential Common Elements or the Residential Limited Common Elements, (iii) to the Commercial Unit Owners, in the proportion that the Common Interest of the affected Commercial Unit Owner bears to the Common Interest of the other affected Commercial Unit Owner(s). If less than seventy-five percent (75%) of the Building is damaged by fire or other casualty, the Work will be performed to restore the Building in accordance with the provisions of this Section 6.3. Notwithstanding anything contained herein to the contrary, each Unit Owner, upon acceptance of a deed to a Unit, will grant or will be deemed to have granted to Commercial Unit A Owner, an irrevocable proxy and power of attorney, coupled with an interest, to be used by Commercial Unit A Owner, in its sole and absolute discretion, in connection with any vote or solicitation of consents of the Unit Owners for the purpose of resolving whether to proceed with the repair or restoration of the Building following a Significant Casualty. The grant of such irrevocable proxy and power of attorney will run with the land and any subsequent conveyance of a Residential Unit or a Commercial Unit will not be deemed to terminate the proxy or the power of attorney. In addition, to the extent that a

Permitted Mortgagee has the right, under a Permitted Mortgage secured by Commercial Unit A to vote or consent on behalf of the Commercial Unit Owners with respect to whether to proceed with the repair or restoration of the Building following a Significant Casualty or to exercise any proxy granted to Commercial Unit A Owner with respect thereto, as provided herein, such rights of the Permitted Mortgagee are hereby recognized and consented to.

6.3.6 As used in this Section 6.3, the term "Prompt repair or restoration" or a derivation thereof shall mean that the Work is to be commenced not more than either: (a) sixty (60) 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 (90) 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 Subsection 6.3.1, sixty (60) 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.

6.3.7 Any dispute that may arise under this Section 6.3 between any Unit Owners or any Boards shall be resolved by Arbitration.

6.4 **Payment of Common Charges.**

6.4.1 Unless otherwise determined by the Board to which they are payable, Common Charges shall be payable monthly, in advance, on the first day of each month. The Unit Owners shall be obligated to pay to the Common Charges assessed to them by the Boards, as applicable, pursuant to the provisions of Section 6.1. The Residential Board may determine to cause the Condominium Board to act as its respective agent to collect Residential Common Charges.

6.4.2 No Unit Owner shall be liable for the payment of any part of the Common Charges assessed against such Unit Owner's Unit subsequent to a sale or other conveyance by him (made in accordance with these By-Laws) of such Unit together with its appurtenant Common Interests. Any Unit Owner may, subject to the terms and conditions of these By-Laws and provided that (a) such Unit is free and clear of liens and encumbrances other than Permitted Mortgages and the statutory lien for unpaid Common Charges, and (b) no violation of any provision of the Declaration, these By-Laws or the Rules and Regulations then exists with respect to such Unit, convey for no consideration, their Unit together with its appurtenant Common Interests, to the Residential Board or the Condominium Board or their designees, corporate or otherwise, and in such event (except as hereinafter set forth), be exempt from General Common Charges, Residential Common Charges or Commercial Common Charges thereafter accruing. A purchaser of a Unit shall be liable for the payment of Common Charges accrued and unpaid against such Unit prior to the acquisition by him of such Unit, except that, to the extent permitted by Law, a purchaser of a Unit at a foreclosure sale of a Permitted Mortgage shall not be liable for, and such Unit shall not be subject to, a lien for the payment of Common Charges accrued and unpaid against such Unit prior to the acquisition by said purchaser of such Unit. However, in the event of a foreclosure sale of a Unit by a Permitted Mortgagee, the owner of such Unit prior to the foreclosure sale shall remain liable for the payment of all unpaid

Common Charges which accrued prior to such sale. Except to the extent prohibited by Law, (a) the Residential Board, on behalf of all Residential Unit Owners, will have a lien on each Residential Unit for unpaid Residential Common Charges together with interest thereon, assessed against such Unit (b) the Condominium Board, on behalf of all Unit Owners, will have a lien on all Residential Units, for General Common Charges unpaid to it by the Residential Board, together with interest thereon, in proportion to the respective Common Interests of the Residential Units, as well as a lien on the Commercial Units, for General Common Charges and Commercial Common Charges (if any) unpaid to it by the Commercial Unit Owner, together with interest thereon. All such liens, however, to the extent permitted by applicable Law, will be subordinate to the lien of any first Permitted Mortgage of record and to liens for real estate taxes on the particular Unit. No Unit Owner may be exempted from liability for such Unit Owner's Common Charges by waiving use of any Common Elements or by abandonment of such Unit Owner's Unit. Dissatisfaction with the quantity or quality of maintenance or services furnished to the Property or the degree to which the construction in the Building shall have been complete shall not be grounds for a Unit Owner withholding or failure to pay all or any portion of the Common Charges or any other assessments.

6.4.3 All liens provided for in Subsection 6.4.2, to the extent permitted by applicable Law, shall be subordinate to the lien of any first Permitted Mortgage of record and to liens for real estate taxes on the Unit.

6.4.4 Notwithstanding Subsection 6.4.2, neither the seller nor the purchaser of a Residential Unit shall be liable for, nor shall the Residential Unit be conveyed subject to a lien for, any unpaid Common Charges against such Residential Unit accrued prior to such conveyance in excess of the amount set forth in a written statement from the Residential Board.

6.4.5 In the event that prior to the Units being separately assessed for real estate tax purposes, a Board pays real estate taxes on behalf of a Unit Owner, the amount of such real estate taxes shall be deemed to be Common Charges, and such Board shall have a lien (as provided in Subsection 6.4.2) for any such accrued and unpaid amounts.

6.4.6 A Residential Unit Owner other than Declarant, owning a Residential Unit occupied by a Non-Purchasing Tenant must deposit with the managing agent at acquisition of title to the Residential Unit, an amount equal to two (2) months Residential Common Charges to be used as working capital to furnish service and facilities required under the Non-Purchasing Tenant's lease and those required by the GBL. Such Residential Unit Owner agrees that upon written notice by the then managing agent that such deposit has been diminished, the Residential Unit Owner, shall replenish such fund within thirty (30) days thereafter. In the event the Residential Unit Owner fails to so replenish such fund, the Condominium Board will have a lien against the Residential Unit Owner's Residential Unit in accordance with Section 6.6. of these By-Laws. Interest, if any, earned on the fund shall be the property of the Residential Unit Owner.

6.5 **Collection of Common Charges**. Each Board shall take prompt action to collect any Common Charges due to such Board which remain unpaid for more than thirty (30) days after the due date for payment thereof.

6.6 **Default in Payment of Common Charges and other Obligations.**

6.6.1 In the event any Unit Owner fails to make payment of Common Charges or Special Assessments when due, such Unit Owner shall be obligated to pay (a) a "late charge" equal to the greater of $150.00 or one (1%) percent of such amounts which remain unpaid for more than ten days from their due date (although nothing herein shall be deemed to extend the period within which such amounts are to be paid), and (b) interest at the rate of 1.5% per month (but in no event in excess of the maximum rate permitted by Law) on such unpaid amounts computed from the due date, thereof, together with all expenses, including, without limitation, attorneys' fees paid or incurred by the Condominium Board or by any managing agent in any proceeding brought to collect such unpaid Common Charges or Special Assessments or in any action to foreclose the lien on such Unit arising from said unpaid Common Charges as provided in §339 z of the New York Condominium Act, in the manner provided in §339 aa thereof or in any other manner permitted by Law. All such "late charges," interest and expenses shall be added to and shall constitute Common Charges payable by such Unit Owner. Notwithstanding the foregoing, each Board may establish its own alternate fees for late payments, whether such fees are more or less than the charges set forth herein. In addition a Board may suspend a Unit Owner's voting rights and privileges for failure to pay any Common Charges or Special Assessments due. Each Unit Owner must strictly comply with the provisions of the Declaration, these By-Laws, and the Rules and Regulations. Failure to comply is grounds for an action for damages or injunctive relief, or both, but such forms of relief will not be exclusive of other remedies provided by Law.

6.6.2 In accordance with and subject to the provisions of §339-kk of the Real Property Law, in the event that a Unit Owner leases its Unit and the payment of Common Charges, assessments or late fees by any non occupant Unit Owner is more than sixty (60) days late after the expiration of any grace period within which they are due, payments from a tenant of such Unit may become directly payable to the Condominium upon written notice by the Condominium to the tenant and the non-occupant Unit Owner. Where a majority of the Condominium Board has been elected by Unit Owners who are in occupancy of their respective Units, the Condominium Board may elect not to require that the rental payments be paid to the Condominium. Once the Common Charges, assessments and late fees of the non-occupant Unit Owner have been brought current, the Condominium Board must notify the non-occupant unit owner and tenant within three (3) business days and thereafter the rent will be payable to the non-occupant Unit Owner or a designated agent.

6.7 **Foreclosure of Liens for Unpaid Common Charges.**

6.7.1 In any action brought by any Board to foreclose a lien on a Unit because of unpaid Common Charges, the Unit Owner shall be required to pay a reasonable rental for the use and occupancy of such Unit Owner's Unit and the plaintiff in such foreclosure action shall be entitled to the appointment, without notice, of a receiver to collect the same. The Residential Board, acting on behalf of all Residential Unit Owners, shall have the power to purchase any such Residential Unit or portion thereof at the foreclosure sale thereof and to acquire, hold, lease, mortgage, convey or otherwise deal with such Unit or portion thereof (but not to vote the votes appurtenant to such Unit or portion thereof). A suit to recover a money judgment for unpaid Common Charges shall be maintainable without foreclosing or waiving the lien securing such

charges. In the event the net proceeds received on such foreclosure sale (after deduction of all legal fees, advertising costs, brokerage commissions and other costs and expenses incurred in connection therewith) are insufficient to satisfy the defaulting Unit Owner's obligations, such Unit Owner shall remain liable for the deficit.

6.7.2 The Condominium Board and the Residential Board at the request of a Commercial Unit Owner, will enter into a recognition or non-disturbance agreement (the "Condominium Nondisturbance Agreement") with a tenant occupying a Unit, on the terms set forth in this Section 6.7.2; provided such lease is an "arms-length" lease and provided further that such Unit Owner has not received a notice of default under the terms of the Declaration or these By-Laws at the time of such request. Under the terms of the Condominium Nondisturbance Agreement, the tenant will acknowledge that the lease is subject and subordinate to the Declaration and By-Laws and the Condominium Board will agree that so long as there no event of default exists under said lease, as would entitle the Unit Owner, or any successor landlord under the lease, to terminate the lease or dispossess the tenant thereunder, the tenant shall not be named or joined in any action or proceeding to foreclose the Board's lien for Common Charges on a Unit or any other sums of any sort, recognize all of tenant's rights under the lease and will not diminish, terminate or disturb tenant's possession or rights under the lease, expand any of tenant's obligations under the lease or under the Condominium Declaration or these By-Laws, or obligate tenant to comply with any of the provisions of the Declaration or these By-Laws, except as expressly provide herein, and will recognize tenant as the direct tenant of the Board or its successor on the same terms and conditions as are contained in the lease and the tenant's use, possession, or enjoyment of the Unit in question shall not be interfered with, nor shall the leasehold estate granted by the lease be affected in any manner, nor shall any of the rights of the tenant granted under the lease be affected in any manner, in any foreclosure or other action or proceeding instituted under or in connection with such lien or in the exercise of any rights of the Board, or, in case the Board takes possession of said Unit pursuant to any provision of the Declaration or By-Laws, or otherwise; provided however that if the Condominium Board or any other party succeeds to the interests of the Unit Owner under the lease the tenant will agree to be bound to the Condominium Board or party under all of the terms, covenants and conditions of the lease and the tenant will attorn to the Board or party as its landlord. The Condominium Board, at the request of the Unit Owner entering into a lease with the tenant, shall execute and deliver promptly the Condominium Nondisturbance Agreement and any other agreement that any tenant may reasonably request in confirmation of the foregoing in form reasonably satisfactory to the Board.

6.7.3 At the request of a Commercial Unit Owner, the Boards will also be obligated to provide a Commercial Unit Owner with an estoppel certificate in form and substance reasonably requested by any lender or tenant thereof.

6.8 **Statement of Common Charges**. Each Board shall promptly provide the other Boards and any Unit Owner who so requests, with a written statement of all unpaid Common Charges due to it from Unit Owners.

6.9 **Maintenance and Repairs.**

6.9.1 Except as otherwise provided in the Declaration or these By-Laws, (a) the Condominium Board will be responsible for Maintaining the General Common Elements, and the costs thereof shall be charged to all of the Unit Owners as a General Common Expense, (b) the Residential Board will be responsible for Maintaining the Residential Common Elements and Residential Limited Common Elements, and the costs thereof shall be charged to all of the Residential Unit Owners as a Residential Common Expense (c) the Commercial Unit Owners will be responsible for Maintaining the Commercial Common Elements and Commercial Limited Common Elements, at their sole cost and expense and (d) each Unit Owner will be responsible for Maintaining its Unit (excluding Common Elements located therein, except as otherwise provided in these By-Laws), at such Unit Owner's sole cost and expense.

6.9.2 Notwithstanding the provisions of Subsection 6.9.1:

6.9.2.1 The Residential Board shall be responsible for performing all Maintenance to the Residential Common Elements and Residential Limited Common Elements. A Residential Unit Owner is responsible for performing all Maintenance to such Owner's Residential Unit.

6.9.2.2 All Maintenance to be performed in or to any Unit or Common Element (including without limitation, such Maintenance requiring the shut down of Building Systems), whether performed by a Unit Owner or Board shall be scheduled in such a manner as to minimize any disruption to the use and operation of the Commercial Units.

6.9.2.3 Each Unit and all portions of the Common Elements shall be kept in first class condition (and with respect to any Terrace, Roof or other part of the Property exposed to the elements, free of snow, ice and accumulation of water to the extent same would cause damage to the Building) by the Unit Owner or Condominium Board or Residential Board, whichever is responsible for the Maintenance thereof as set forth herein, and such Unit Owner or Board, as the case may be, shall promptly make or perform, or cause to be made or performed, all Maintenance necessary in connection therewith.

6.9.2.4 A Unit Owner shall not permit excessive noise or vibrations to emanate from its Unit.

6.9.2.5 The public areas of the Building and those areas exposed to public view shall be kept in good, clean and neat appearance, in conformity with the dignity and character of the Building, by (a) each Board with respect to such parts of the Building required to be Maintained by it, (b) each Unit Owners with respect to such Unit Owner's Unit and any Limited Common Elements required to be Maintained by the Unit Owner.

6.9.2.6 As more particularly set forth in Section 8.5 of the Declaration, all Maintenance to a Residential Limited Common Element (including the cleaning and maintenance of drains on a Terrace) shall be performed by the Residential Unit Owner(s) having exclusive use thereof, at their sole cost and expense.

6.9.2.7 All Maintenance of any Terrace which does not involve Structural Alterations shall be made by the Residential Unit Owner having access to such at such Residential Unit Owner's own cost and expense, but any Structural Alterations to such Terrace (including any leaks which are not caused by the negligence of the Residential Unit Owner having access to the same) shall be made by the Residential Board and the cost and expense thereof shall be charged to all Residential Unit Owners as a Residential Common Expense. The Condominium Board and the Residential Board will have the right to require a Residential Unit Owner to obtain the consent of the Condominium Board and/or the Residential Board prior to installing plantings, surface coverings, furniture, equipment, structures, fencing, water features and installations (collectively, the "Terrace Installations") on the Terraces and may require a Residential Unit Owner to remove same, at such Residential Unit Owner's sole cost and expense, if the Condominium Board or the Residential Board determines, in their respective discretion, that such Terrace Installations adversely affect the integrity of the Roofs or adversely affect the appearance of the Building. A Residential Unit Owner will be obligated, at such Residential Unit Owner's sole cost and expense, to remove Terrace Installations from the Terrace, if requested by a Board, to facilitate access to the roofing system, walls, Exterior Facade or other Common Elements pursuant to the Declaration or the By-Laws. No Terrace may be enclosed without the express written consent of the Condominium Board. Prior to installing Terrace Installations, either or both Boards may require, in their sole discretion, that the Residential Unit Owner enter into an alteration agreement with the Board(s).

6.9.2.8 In the event that any Maintenance to the Property or any part thereof is necessitated by the negligence, misuse or neglect of (a) any Unit Owner or any guest, agent, licensee, tenant or invitee of a Unit Owner, the entire cost thereof shall be borne by such Unit Owner, (b) the Condominium Board, the entire cost thereof shall be charged to the Residential Unit Owners and the Commercial Unit Owners as a General Common Expense, or (c) the Residential Board, the entire cost thereof shall be charged to all Residential Unit Owners as a Residential Common Expense.

6.9.2.9 The Boards may establish such other rules and regulations as they deem necessary to protect the Common Elements and the Units and to insure the integrity of the Building and the health and safety of the occupants.

6.9.2.10 The exterior surface of all windows in the Residential Section if so determined by the Residential Board, shall be washed and cleaned by such Residential Board at least once annually and the cost and expense thereof shall be a Residential Common Expense. Under no circumstances may a Residential Unit Owner be permitted to clean any exterior windows. The interior glass surfaces of all windows located in any Unit and the exterior glass surfaces of all windows located in the Commercial Units shall be washed and cleaned by the Unit Owner or occupant thereof at such Unit Owner's sole cost and expense. No Unit Owner or occupant shall clean or permit to be cleaned any window or require, permit or allow it to be cleaned, from the outside, in violation of Section 202 of the Labor Law of the State of New York, or any future Law of like import, or (if applicable) in violation of the rules of the Board of Standards and Appeals of the City of New York or any other governmental authority having jurisdiction over the Land or the Building. Each Unit Owner shall indemnify the Boards and the other Unit Owners, and their respect agents and employees, for all losses, damages, or fines suffered by any of them as a result of a violation of Law.

6.9.2.11 Any replacement of glass windows in any Residential Unit because of breakage or otherwise shall be made by the Residential Board at the sole cost and expense of the Residential Unit Owner of such Residential Unit unless such breakage is caused by the Residential Board, the Condominium Board or the negligence of any other Unit Owner, in which event such replacement of glass windows will be at the sole cost and expense of the Residential Board, the Condominium Board or such Unit Owner. No replacement, modification or alteration may be made to or of the windows without the consent of the Condominium Board or the Residential Board.

6.9.2.12 The interior and exterior glass surfaces of all windows located in any Residential Unit shall not be colored or painted and no neon or colored lights may emanate therefrom and the windows may not be modified, altered or replaced without the consent of the Residential Board. In addition, all shades, venetian blinds or other blinds, drapes, curtains or other window decorations in or in or appurtenant to such Residential Unit Owner's Residential Unit shall be Maintained by such Residential Unit Owner. All window treatments in a Residential Unit, when viewed from the outside of the window, must be white.

6.9.2.13 The exterior of all entry doors of Residential Units shall not be painted or decorated or otherwise modified by a Residential Unit Owner other than with the consent of the Residential Board.

6.9.2.14 No awnings, air conditioning equipment, ventilators or other Facilities or equipment will be installed or modified in the Residential Section without prior written approval of the Condominium Board.

6.9.2.15 Any Maintenance work performed with respect to the incremental HVAC units in each Residential Unit shall only be performed by a company or individual previously approved by the Residential Board, on such terms as the Residential Board requires, at such Residential Unit Owner's sole cost.

6.9.2.16 No Residential Unit Owner shall install, place or permit any lights, fixtures or decorations of any sort in any trees outside the Building or install, place or permit in windows or areas visible to public view any flashing, blinking or animated signs or lights, except for normal holiday decorations during the holidays.

6.9.2.17 Residential Unit Owner's whose Residential Units contain fireplaces shall be responsible, at its sole cost and expense, for maintenance of such fireplace and its shafts, flues and chimneys and compliance with all applicable Laws thereto, including inspections and maintaining proper insurance. Contractors servicing or inspecting the fireplaces and their respective shafts, flues and chimneys must be approved by the Residential Board.

6.9.2.18 All fireplaces will comply at all times with the NYC DOB requirements. The fireplaces will be part of each Residential Unit. The shafts, flues and chimneys will be Limited Common Elements appurtenant to each Residential Unit. Residential Unit Owners will be responsible for routine Maintenance of their respective fireplaces, shafts, flues and chimneys and compliance with all Laws applicable thereto, including inspections, and maintaining proper insurance. In accordance with applicable Law, the fireplace flues must be

cleaned at least once annually. In accordance with the By-Laws, the fireplace flues must be cleaned at the Residential Unit Owner's cost and expense using contractors approved by the Residential Board unless otherwise determined by the Residential Board

6.9.2.19 All equipment, furniture, installations and appliances installed and used in a Unit shall not exceed the permissible floor loads or electrical loads for said Unit and shall be installed and Maintained by the Unit Owner in such a manner as to prevent the noise, vibration or electrical overloading or other interference from such Unit to any other area of the Building. All radio, television, telecommunications 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 such equipment in such Unit Owner's Unit.

6.9.3 Each Unit Owner will be obligated to maintain the appropriate temperature and humidity in such Unit Owner's Unit in order to avoid causing damage to the Common Elements or the Units. In the event a Unit Owner fails to so maintain the Unit, such Unit Owner may be liable for any damage arising from such failure, including, without limitation, any claims pertaining to environmental hazards such as mold or other bacterial contamination.

6.10 **Violations of Obligations.**

6.10.1 In the event that any Residential Unit Owner, within seven (7) calendar days after receipt of written notice from the Residential Board, fails to perform any of its obligations with respect to the Maintenance of its Unit as provided in this Article 6 or of any Limited Common Element for which such Residential Unit Owner is responsible under the Declaration or these By-Laws, the Residential Board may, but shall not be obligated to, upon ten (10) calendar days additional notice (or sooner in the case of Emergency), perform or cause to be performed such Maintenance. All sums expended, and all costs and expenses incurred, in connection with the making of any such Maintenance by the Residential Board, together with ten percent (10%) for overhead and interest thereon at the rate of two percent (2%) per month from the date on which such Residential Board first incurs any cost or expense (but in no event in excess of the maximum rate permitted by Law), shall be immediately payable by such Residential Unit Owner to such Residential Board and shall, for all purposes hereunder, constitute Common Charges payable by such Residential Unit Owner.

6.10.2 In the event that any Commercial Unit Owner fails or neglects in any way to perform any obligation with respect to the Maintenance of such Unit Owner's portion of the Commercial Units, the Condominium Board may, but shall not be obligated to, perform or cause to be performed any such Maintenance provided that (a) the Condominium Board gives the Commercial Unit Owner written notice that such repair or replacement is necessary and that the Condominium Board will complete such repair or replacement in the event the Commercial Unit Owner does not promptly act or complete the repair or replacement, and (b) the Commercial Unit Owner, within five (5) days after receiving such notice, fails to cure its default, or in the case of a default not reasonably susceptible to cure within such period, fails to commence and to thereafter prosecute to completion, with due diligence, the curing of such default and (c) that a

representative of the Commercial Unit be present during entry, except in the case of an Emergency in which case the Commercial Unit representative shall be contacted as soon as possible following such entry to the Commercial Unit. All sums expended and all costs and expenses incurred in connection with the making of any such Maintenance by the Condominium Board, together with together with ten percent (10%) for overhead interest thereon at the rate of two percent (2%) per month from the date on which the Condominium Board first incurs any cost or expense (but in no event in excess of the maximum rate permitted by Law) shall be payable by such Commercial Unit Owner to the Condominium Board and shall, for all purposes hereunder, constitute Commercial Common Expenses payable by such Commercial Unit Owner. The Condominium Board shall have the right, in the event that the Commercial Unit Owner disputes the amount of such payment or whether the Commercial Unit Owner is obligated to pay the same, to submit such dispute to Arbitration. The Commercial Unit Owner shall pay the cost of such repair or replacement only after a determination by Arbitration to the effect that (i) the repair or replacement was required to be performed by the Commercial Unit Owner, (ii) the Commercial Unit Owner failed to perform such repair or replacement in accordance with the provisions of the Declaration, these By-Laws and the Rules and Regulations, and (iii) the cost of such repair or replacement by the Condominium Board was reasonable. Any repair or replacement performed by the Condominium Board in accordance with the terms of this Subsection 6.10.2 shall be its sole responsibility with respect to the quality of such repair or replacement and the proper completion thereof.

6.10.3 Each Unit Owner must strictly comply with the provisions of the Declaration, these By-Laws, and the rules and regulations. Failure to comply is grounds for an action for damages or injunctive relief, or both, but such forms of relief will not be exclusive of other remedies provided by Law.

6.11 **Alterations and Repairs of Units and Limited Common Elements.**

6.11.1 Alterations to be performed by a Residential Unit Owner to a Residential Unit and/or Residential Limited Common Elements shall not be commenced until (i) the prior written consent of the Residential Board has been obtained, (ii) the Residential Unit Owner and the Residential Board have entered into an alteration agreement, (which among other things may require the Residential Unit Owner to provide copies of its proposed plans and specifications describing the Alterations, and may set forth days or hours during which Alterations may be performed and may impose such other conditions as may be required by the Residential Board at the time in question) and (iii) such other conditions relating to Alterations contained in the Declaration and these By-Laws are satisfied. The Residential Board may exercise the right to reasonably approve the contractors and suppliers performing such Alterations. In addition, the Residential Board will have the right, as a condition to approving a Residential Unit Owner's request to renovate kitchens and bathrooms, to require such Residential Unit Owner to replace plumbing, steam and gas risers running through or adjacent to the Residential Unit or to contribute to the Condominium, the sum necessary to enable the Condominium to perform such replacements. The foregoing provisions shall not apply to Declarant or a Permitted Mortgagee (or its designee) of Declarant, or a Commercial Unit Owner. Notwithstanding the foregoing a Residential Unit Owner may decorate the interior of such Residential Unit Owner's Residential Unit in any way desired, subject to compliance with the Declaration, By-Laws, Rules and

Regulations and Law, and will be solely responsible for the cost of Maintenance to such Residential Unit Owner's Residential Unit after Closing.

6.11.2 Subject to its compliance with the Work Conditions and such other provisions of the Declaration and By-Laws (including without limitation Section 6.11.4 below), the Commercial Unit Owners shall have the right to make and perform Alterations in or to its respective Commercial Unit and Common Elements, without the prior approval of any other Unit Owner, Declarant or either Board.

6.11.3 Prior to the commencement of making or performing any Structural Alterations, a Commercial Unit Owner must provide to the Condominium Board the following: (i) certificates of insurance indicating that the insurance coverage then required by the Condominium Board to be carried during the performance of any Structural Alterations, and otherwise in compliance with Section 6.2 of these By-Laws, (ii) a certification of the architect or engineer for the Structural Alteration stating that such Structural Alteration will not adversely affect the structural integrity of the Building or the other Units or Common Elements, and/or the Building Systems, (iii) in the case of Structural Alterations involving noise, odor or vibrations, a certification of the architect or engineer for the Structural Alteration stating that such Structural Alteration will be performed in a commercially reasonable manner so as to minimize such noise, odor or vibrations (taking into account the fact that portions of the Building will be occupied by tenants), (iv) all necessary permits, authorizations, approvals and certificates required for the commencement of the Structural Alteration and (v) notice of the date that such Unit Owner intends to commence such Structural Alterations, which must be at least ten (10) days prior to the commencement date, unless such shorter period is consented to by the Condominium Board (collectively, (i)-(v) the "Work Conditions").

6.11.4 Any Alteration performed by a Unit Owner (including Commercial Unit Owners, Declarant and the Owner of Unsold Units) shall be made in compliance with all Laws of all governmental authorities having jurisdiction thereof, including without limitation, any rules and requirements of LPC. A Unit Owner making or causing to be made any Alteration shall agree, and shall be deemed to have agreed, to hold each Board and all other Unit Owners harmless from any costs or liability arising therefrom.

6.11.5 No application or other document shall be filed with any governmental authority for a permit covering an Alteration to be made in a Residential Unit, unless approved and executed, if necessary, by the Residential Board or, if required, by the Condominium Board. The Residential Board (or the Condominium Board) will not unreasonably refuse to approve and execute, if necessary, any application or other document required to be filed in connection with approved Alterations or repairs, provided that the Residential Board, the Condominium Board and the other Unit Owners shall not be subject to any expense (including legal fees or other professional fees) or liability by reason of such approval and execution or, by reason of such Alteration without limitation, liability to any contractor, subcontractor, materialman, architect or engineer, or to any person having any claim for injury to person or damage to property arising therefrom. Notwithstanding anything to the contrary set forth above, Declarant or a Commercial Unit Owner (with respect to its Commercial Unit) is hereby authorized on behalf of the Boards to execute the Required Documentation required to undertake, perform and complete such work to the Building (including the Units and Common Elements) as Declarant or the Commercial Unit

Owner is obligated or entitled to perform in accordance with the terms of the Offering Plan or the Declaration and these By-Laws (including, without limitation, any certificates as may be required to amend the existing certificate of occupancy to reflect a reconfiguration of the Units and/or a change in use) and to obtain such certificates of completion as may then be required by Law and, the appropriate Board, if requested by Declarant or a Commercial Unit Owner, shall execute the Required Documentation.

6.11.6 The Residential Board may impose fees upon a Residential Unit Owner to reimburse such Residential Board for its costs incurred in (i) reviewing plans, specifications and other documents for the proposed Alterations, as more particularly set forth in Section 6.11.1 above, (ii) monitoring the performance of Alterations, including without limitation, any necessary and reasonable inspections of the Alterations to determine whether same is being or has been performed in accordance with the approved plans and specifications therefor and all requirements of (x) Law; (y) insurance carriers providing insurance coverage pursuant to Section 6.2, and (z) the Declaration and these By-Laws (including, with respect to Alterations which may affect the Building structure, Building Systems or Exterior Facade, the fees and expenses of any architect or engineer employed for such purpose), and (iii) providing, in its sole discretion, appropriate security. The foregoing provisions shall not apply to Declarant or a Permitted Mortgagee (or its designee) of Declarant, or a Commercial Unit Owner.

6.11.7 If at the time a Residential Unit Owner seeks to perform Alterations, a permanent certificate of occupancy is not issued for the Building, the Condominium Board and/or Residential Board may refuse to permit a Residential Unit Owner to perform Alterations in a Residential Unit until such time as the Building has been completed and a permanent certificate of occupancy has been obtained therefor. In furtherance thereof, a Residential Unit Owner performing Alterations, shall indemnify Declarant and the Boards for any cost, expense, claim or liability incurred or suffered by Declarant or any Board as a result of any violation of Law or delay in obtaining a temporary or permanent certificate of occupancy. In the event the Alterations performed by a Residential Unit Owner do adversely affect the issuance or validity of the certificate of occupancy then upon the written request of Declarant, the Condominium Board or any other Board whose Unit Owners are affected, the Residential Unit Owner shall restore the Unit, at such Unit Owner's sole cost and expense, to its original condition. If such Unit Owner fails to commence diligently and continuously restoring the Unit within fifteen (15) days of receipt of the written request, then the Declarant or the Board, as the case may be, requesting such restoration shall be entitled to enter and restore the Unit at the expense of the Unit Owner and to exercise any other remedies provided in these By-Laws.

6.11.8 Any Unit Owner performing Alterations, shall indemnify Declarant and the Boards for any cost, expense, claim or liability incurred or suffered by Declarant or any Board as a result of such Alteration (including legal fees and other professional fees).

6.11.9 Until such time as the Initial Construction of the Building is complete, including the completion of "punch list" work, no Board or Unit Owner shall use or suffer to be used in any part of the Building any labor forces incompatible with the labor forces which are completing the construction of the Building on behalf of Declarant. In addition, Declarant shall have an easement through all parts of the Building for the prosecution of the work necessary to

complete initial construction of the Building (including the Residential Units), including the completion of "punch list" work by or on behalf of Declarant, which work shall take precedence over the prosecution of any other work at the Building.

6.12 **Alterations to Common Elements.** Except as otherwise provided in the Declaration or in these By-laws, all necessary or desirable Alterations 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, or a Residential Common Expense attributable to all Residential Unit Owners, if relating to the Residential Common Elements and/or Limited Residential Common Elements. Notwithstanding the foregoing, however, whenever the cost and expense of such Alterations would, in the judgment of the Condominium Board, exceed $500,000 with respect to the General Common Elements or the Residential Common Elements and/or the Limited Residential Common Elements, at any one time, in any fiscal year, such proposed Alterations shall not be made unless first approved by the Unit Owners if relating to the General Common Elements, or the Residential Unit Owners, if relating to the Residential Common Elements and/or Limited Residential Common Elements (including Declarant if Declarant then owns any unsold Residential Unit) owning 67% of the aggregate Common Interests or Residential Common Interests, as applicable, at a duly constituted meeting of the Unit Owners or the Residential Unit Owners, as applicable, and by the Residential Mortgage Representatives, if any. Except as otherwise provided in the Declaration and in these By-laws, all such Alterations costing $500,000 or less, in any fiscal year may be made as aforesaid without the approval of either the Unit Owners or any Residential Mortgage Representatives. Notwithstanding the foregoing, no additions, alterations, or improvements shall be made to any of the Common Elements, regardless of the cost thereof, unless the prior written consent of Sponsor is first obtained, provided, however, that Declarant's written consent is not necessary if such additions, alterations, or improvements to the Common Elements is required to (i) comply with Law; or (ii) remedy any notice of violation; or (iii) remedy any work order of the Condominium's issuer. In no event will the limitations imposed in the preceding sentence continue beyond the earlier to occur of (i) 5 years from the Fist Closing or (ii) until such time as Declarant no longer owns 25% in both number and aggregate Common Interests of all Residential Units.

6.13 **Alterations of Certain Common Elements.**

6.13.1 In the event that pursuant to any of the provisions of these By-Laws, any consent by any Board, Mortgage Representative or Unit Owner is required as a condition precedent to any Alteration to any Common Element, proposed to be made by Declarant, Unit Owners or any Board (sometimes collectively referred to herein as the "Proponent"), such Proponent shall give to the party that it is requesting the consent of (the "Responding Party") notice setting forth in reasonable detail the material aspects of such proposed Alteration. If the Responding Party does not give notice of any objection to the Proponent within thirty (30) days after the Proponent gives its notice, then the Responding Party shall be deemed to have consented to the making of the proposed Alteration. If the Responding Party does give notice of objection (which notice of objection shall set forth in reasonable detail the specific objections of the Responding Party) within such thirty (30) day period and the Proponent considers such

objection unreasonable, then the Proponent may submit to Arbitration the question of whether or not the Responding Party unreasonably withheld its consent. If in such Arbitration it is determined that the Responding Party unreasonably withheld its consent, the Proponent, as its sole remedy, may make the proposed Alteration. In no event shall any arbitrator in such Arbitration determine that the Responding Party reasonably withheld its consent to such proposal if (a) the Proponent makes or causes to be made reasonable provisions providing (i) for the costs and expenses of the Alteration to be paid by it, and (ii) that all costs and expenses for Maintaining such Alteration after its completion will not be charged to Unit Owners represented by the Responding Party as Common Expenses (b) the proposed Alteration would not materially interfere with the use and enjoyment of the owners, tenants and occupants of those Units represented by the Responding Party; and (c) the proposed Alteration would not materially weaken the structure of the building.

6.13.2 Nothing contained in Subsection 6.13.1 shall in any way be deemed to limit (a) the Proponent's right to modify any proposal made by it thereunder in such a manner as such Proponent believes will meet the objections of the Responding Party or of any arbitrator, or (b) any party's right, pursuant to the other applicable provisions of these By-Laws or the Declaration, to make any Alteration to a Common Element without the Responding Party's approval.

6.14 **Restrictions on Use of Units.**

6.14.1 Each Residential Unit Owner is obligated to notify the Managing Agent in writing when a child or children under the age of eleven (11) years lives or resides (even temporarily) in the Residential Unit. Each Residential Unit Owner shall be obligated to install, or cause to be installed, at such Residential Unit Owner's expense, the required window guards in all windows of the Residential Unit. The Residential Unit Owner shall be obligated to Maintain all window guards installed in the Residential Unit and not to remove same until permitted by applicable Law and in any event, without full knowledge of the Managing Agent.

6.14.2 Notwithstanding the provisions of Subsection 6.14.1, but subject to Section 9.1 of the Declaration, Declarant may, without the permission of the Residential Board, (a) grant permission for the use of any Unsold Residential Unit as a professional office, home office or for any purpose including, without limitation, use as a long or short term rental or other use, provided such use is permitted by Law, does not violate the certificate of occupancy for such Residential Unit (subject to Declarant's right to amend the certificate of occupancy to conform to use as provided in Section 6.14.4 of these By-Laws) and the user of such Unit complies with all applicable Law with respect to such use, and (b) use any Unsold Residential Units as models and sales and/or promotion offices in connection with the sale or rental of the Units and any other building in which Declarant or principals of Declarant have an interest or for any other purpose, subject only to the provisions of the Declaration and these By-Laws and in compliance with applicable Law.

6.14.3 No Unit Owner shall use, store, generate, treat, transport, handle or dispose of within its Unit or elsewhere in the Building any Hazardous Substances, other than ordinary cleaning fluids which are used, stored, generated, treated, transported, handled and disposed of by an occupant in strict compliance with applicable Law. "Hazardous Substances"

means any pollutants, contaminants, toxic or hazardous substances, materials, wastes, constituents, compounds or chemicals (including, without limitation, petroleum or any by-products or fractions thereof, any form of natural gas, lead, asbestos and asbestos-containing materials, building construction materials and debris, polychlorinated biphenyls ("PCBs") and PCB-containing equipment, radon and other radioactive elements, ionizing radiation, electromagnetic field radiation and other non-ionizing radiation, infectious, carcinogenic, mutagenic, or etiologic agents, pesticides, defoliants, explosives, flammables, corrosives and urea formaldehyde foam insulation) that are regulated by, or may now or in the future form the basis of liability under, any Law. Unit Owners shall have the responsibilities of an "owner" of their respective Units under Local Law 38 of 1999 or any other Law governing the use or removal of lead-based paint or other Hazardous Substances within each Unit and by execution of a deed for a Unit shall agree to indemnify and hold harmless each Board and other Unit Owners arising from the failure of a Unit Owner to comply with such Unit Owner's obligation arising from the foregoing.

6.14.4 In the event Declarant or a Commercial Unit Owner seeks to change an existing use, Declarant and/or such Commercial Unit Owner shall have the right, from time to time, to amend the certificate of occupancy for the Commercial Units to reflect such changed usage, provided that such changed usage would not have a material adverse effect on the Commercial Units (it being acknowledged and agreed that no such amendment may be made to change an existing use of a Commercial Unit without the prior written consent of the Commercial Unit Owner of such Commercial Unit). In the event required by applicable Law, the Condominium Board shall cooperate with the Declarant or a Commercial Unit Owner, at the requesting party's expense, execute all applications, authorizations and other instruments reasonably required to enable the Declarant or a Commercial Unit Owner to amend the certificate of occupancy, provided that the Condominium Board shall not incur any liability, cost or expense in connection with such application or to any person having any claim for injury to person or damage to property arising therefrom. In addition to the foregoing, Declarant or a Commercial Unit Owner shall have the authority to execute documents to effectuate the foregoing on behalf of the Boards, in accordance with Section 6.11.3 of these By-Laws.

6.15 **Use of Common Elements.**

6.15.1 Common Elements may be used only for the furnishing of the services and facilities and for the other uses for which they are reasonably suited.

6.15.2 No furniture, packages or objects of any kind shall be placed in the lobbies, vestibules, public halls, stairways, public elevators or any other parts of the General or Limited Common Elements other than in (a) Residential Limited Common Elements for the exclusive use of a particular Residential Unit Owner or (b) in the areas designated as storage areas, with the prior consent of the Residential Board as to the Residential Common Elements, the Condominium Board as to Commercial Common Elements or Commercial Limited Common Elements or the Condominium Board as to General Common Elements. The lobbies, vestibules, public halls, stairways and public elevators shall be used only for normal passage through them.

6.15.3 Residential Unit Owners shall require their tradesmen to utilize exclusively the elevator and entrance designated by the Residential Board for transporting packages, merchandise or other objects.

6.15.4 In the event that it is necessary for the Declarant, either Board or a Commercial Unit Owner to install a sidewalk bridge and scaffolding (collectively, the "Scaffolding") at the Building, such party shall give due regard to the use of the Commercial Units and the Residential Units located above the Commercial Section of the Building at the time in question and, except to the extent required by Law, will use best efforts to (i) minimize any disruption to the use and operation of the Commercial Units, (ii) erect and Maintain the Scaffolding for the minimum period required to perform the work requiring such Scaffolding, (iii) not restrict ingress or egress through the exterior doorways to the Commercial Units and (iv) be installed at the highest level possible without blocking the Residential Units. Except in cases of an Emergency, the party erecting such Scaffolding will provide at least thirty (30) days advance written notice to the Commercial Unit Owners and the Condominium Board (unless it is the Condominium Board that is installing such Scaffolding) prior to the installation of such Scaffolding and the Commercial Unit Owners shall be permitted to install, at their cost and expense, Signage upon the Scaffolding provided, however any such Signage shall be in compliance with the provisions of the Declaration and By-Laws, and shall, to the extent reasonably practicable, be in approximately the form of the Commercial Unit Owner's existing Signage on the Building. In addition, and other than (i) during the performance of the Initial Work, (ii) in the case of an Emergency or (iii) in connection with the performance of any work required by applicable Law to be immediately performed all work for which Scaffolding is required shall be performed during periods other than during the Prime Retail Period. The term "Prime Retail Period" shall mean the period from November 15th to January 3rd.

6.15.5 Except pursuant to rules adopted by the Condominium Board, and the terms and provisions of the Declaration and these By-Laws, in no event shall the Condominium Board or Unit Owners impair, restrict or impede the use of the General Common Elements described in the Declaration, by the Commercial Unit Owners or anyone claiming by, through or under the Commercial Unit Owners including, but not limited to, the tenants and occupants of any portion of the Commercial Units or their respective licensees or invitees.

6.15.6 The owner of any two (2) or more Residential Units, which Units are serviced or benefited by any Common Element adjacent or appurtenant to such Units (for example, that portion at the end of any residential hallway which is directly adjacent to any such Units located on opposite sides of such hallway) shall, to the extent permitted by Law and with the consent of the Residential Board (which consent shall not be unreasonably withheld or delayed), have the exclusive right of use of such Common Element 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 nor reallocation of Common Interests shall be made, provided such owner agrees, at its sole cost and expense, to (a) be responsible for the operation and Maintenance of such Common Element for so long as such owner exercises such exclusive right of use, and (b) restore such Common Element to its original condition, reasonable wear and tear excepted, after such owner ceases to exercise such exclusive right of use. The owner of any such Units which are Unsold Residential Units shall have the rights set forth in the preceding sentence without the necessity for obtaining the consent of the Board.

Notwithstanding the above, if an owner transfers or conveys its Residential Units to a successor owner, the transferor need not comply with (b) above provided that the transferee agrees to abide by (a) and (b) above.

6.16 **Other Provisions as to Use.** No nuisance shall be allowed in the Building nor shall any use or practice be allowed in the Building which is a source of annoyance to the residents or occupants of the Property or which interferes with the peaceful possession or proper use of the Property by its residents or occupants. No immoral, improper, offensive or unlawful use shall be made of the Building or any portion thereof. All valid Laws of governmental bodies having jurisdiction thereof, relating to any portion of the Property shall be complied with at the full expense of the respective Unit Owners or the Boards, whoever shall have the obligation to maintain or repair such part of the Property.

6.17 **Right of Access.**

6.17.1 Each Residential Unit Owner shall grant a right of access to such Unit Owner's Unit to the Declarant for the completion of any work to be performed in the Building including but not limited to any punch list work in such Residential Unit Owner's Residential Unit, and to each of the Boards, the managing agents, managers, superintendents and/or any other person authorized by any of the foregoing. The Commercial Unit Owners and the Residential Unit Owners, shall grant a right of access to their respective Units to each of the Boards, the managing agents, managers, superintendents and/or any other person authorized by any of the foregoing for the purpose of making inspections of, or for the purpose of removing violations noted or issued by any governmental authority against, the General or Limited Common Elements or any other part of the Property, or for the purpose of curing defaults hereunder or under the Declaration or Rules and Regulations by such Unit Owner or correcting any conditions originating in such Unit Owner's Unit and threatening another Unit or all or any part of the General or Limited Common Elements, or for the purpose of performing installations, Alterations or repairs to the mechanical or electrical services or other portions of the General or Limited Common Elements within such Unit Owner's Unit or elsewhere in the Building, or for the purpose of reading, maintaining or replacing utility meters relating to the General or Limited Common Elements, Unit or any other Unit in the Building or to correct any condition which violates the provisions of any Permitted Mortgage covering another Unit, provided that requests for such entry are made not less than one day in advance and that any such right shall be exercised in such a manner as will not unreasonably interfere with the normal conduct of business by the tenants and occupants of the Commercial Unit or with the use of the Residential Units for their permitted purposes. In case of an Emergency, such right of entry shall be immediate, without advance notice, whether or not the Unit Owner is present. Notwithstanding anything to the contrary contained herein, a representative of the Commercial Unit must be present during entry by any of the aforementioned parties granted a right of access into the Commercial Unit, except in the case of an Emergency in which case the Commercial Unit representative shall be contacted as soon as possible following such entry to the Commercial Unit.

6.17.2 A Unit Owner shall grant a right of access to such Unit Owner's Unit, and the Boards shall grant rights of access to the General Common Elements and the respective Limited Common Elements to Declarant and its contractors, subcontractors, architects,

engineers, agents and employees, for the completion of the Building and any punch list work therein, provided that access thereto shall be exercised upon reasonable notice during reasonable hours in such a manner as will not unreasonably interfere with the use of the Units for their permitted purposes.

6.18 **Rules and Regulations.**

6.18.1 Annexed hereto as Schedule A and made a part hereof are rules and regulations concerning the use of the Residential Common Elements and the Residential Limited Common Elements (the "Residential Rules and Regulations"). The Residential Board may from time to time, modify, amend or add to the Residential Rules and Regulations except that a Majority of Residential Unit Owners may overrule such Residential Board with respect to any such modification, amendment or addition.

The Condominium Board may adopt and from time to time, adopt, modify, amend or add to the rules and regulations as they affect the General Common Elements (the "General Rules and Regulations"), except that a Majority of Unit Owners may overrule said Board with respect to any such adoption, modification, amendment or addition. For purposes of the Declaration and these By-Laws the term "Rules and Regulations" shall refer to either or both the Residential Rules and Regulations and the General Rules and Regulations, as applicable.

6.18.2 Copies of any newly adopted Rules and Regulations, or any modifications, amendments or additions thereto, shall be furnished by the Board responsible therefor to each affected Unit Owner not less than thirty (30) days prior to the effective date thereof.

6.19 **Real Estate Taxes, Water Charges and Sewer Rents.** Water and sewer services shall be supplied to and for all of the Units and the Limited Common Elements through one or more Building Systems by the City of New York or such other utility servicing the Unit. Except to the extent Unit Owners are billed directly by the City Collector, the Condominium Board shall pay all such charges, together with all related sewer rents arising therefrom, promptly after the bills for the same shall have been rendered. The Commercial Unit Owners, based upon separate submetering of such Commercial Units will remit such amount to the Condominium Board. Until the Units are separately assessed for real estate tax purposes, Unit Owners shall pay their respective pro rata share of all real estate taxes with respect to the Property (based upon their Unit's allocable Common Interest percentage) to the Condominium Board as General Common Charges, which will in turn pay such taxes to the proper authorities of The City of New York. Declarant reserves the right to collect such Common Charges at the closing of title to the Units. In the case of the Unsold Units, Declarant shall pay to the Condominium Board its allocable share of real estate taxes as Common Charges within two (2) business days of such real estate taxes being due and payable to the property taxing authorities. In the event that the payments made by Unit Owners are less than or more than the amount of taxes paid for the period in question, Unit Owners will be reimbursed for any overpayment of taxes or assessed for an underpayment. In the event of a proposed sale of any Residential Unit, the Residential Board, on request of the selling Residential Unit Owner, shall execute and deliver to the purchaser of such Unit or to such purchaser's title insurance company, a letter agreeing to pay all charges for water,

sewer rents and real estate taxes (so long as such Board is still collecting and paying such charges) affecting such owner's Unit to the date of the closing of title to such Unit, promptly after such charges have been billed by the proper authorities.

6.20 **Gas.** Gas for the Residential Section will be supplied by the utility company servicing the gas distribution system and charges therefor shall be paid by the Residential Board. The cost of gas consumed in the Residential Section will be borne by the Residential Unit Owners as a Residential Common Charge and shall be allocated to the Residential Unit Owners in proportion to their Residential Common Interest percentage. Gas consumed in the Commercial Section will be separately metered and billed directly to each Commercial Unit Owner utilizing gas.

6.21 **Electricity** Electricity for each Unit (including tenants occupying portions of the Commercial Units) shall be supplied by the utility company servicing the Units and separately metered or sub-metered for each Unit (or portion thereof). Each Unit Owner shall be required to pay the bills for electricity consumed or used in such Unit Owner's Unit (or portion thereof) and the Limited Common Elements to which such Unit has exclusive access, directly to the utility company as directed by such Board. Electricity for the Residential Common Elements shall be supplied through one or more separate meters therefor and the cost thereof will be paid by the Residential Board and will be borne by the Residential Unit Owners as Residential Common Charges.

6.22 **Utilities Serving the General Common Elements.** Except as otherwise provided in this Article 6, the cost and expense of water, sewer facilities, steam, electricity and gas serving or benefiting (a) any General Common Element shall be (i) considered part of the expense of maintaining such General Common Element, (ii) determined by the Condominium Board, and (iii) charged as a General Common Expense, (b) any Residential Common Element shall be (i) considered part of the expense of Maintaining such Residential Common Element, (ii) determined by the Residential Board, and (iii) charged as a Residential Common Expense or (c) any Commercial Common Element shall be (i) considered part of the expense of Maintaining such Commercial Common Element, (ii) determined by the Condominium Board, and (iii) charged as a Commercial Common Expense. Any dispute as to the amount of such cost or expense shall be determined by Arbitration.

6.23 **Abatement and Enjoinment of Violations by Unit Owners.**

6.23.1 The violation of any of the Rules and Regulations or the breach of any By Law provision contained herein, or the breach of any provision of the Declaration, shall give (a) the Condominium Board with respect to matters affecting the General Common Elements or the Commercial Section and (b) the Residential Board with respect to matters affecting the Residential Section, the right, in addition to such other rights set forth in these By-Laws, and (c) the Commercial Unit Owners with respect to matters affect the Commercial Section, (i) to enter any Residential Unit or Commercial Unit or General Common Element or Limited Common Element in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition resulting in such violation or breach and such Board shall not thereby be deemed guilty or liable in any

manner of trespass, or (ii) to enjoin, abate or remedy by appropriate legal proceedings, either at Law or in equity, the continuance of any such violation or breach.

6.23.2 The violation or breach of any of the provisions of these By-Laws, any of the Rules and Regulations or the Declaration with respect to any rights, easements, privileges or licenses granted to Declarant shall give to Declarant and/or the owner of any Unsold Residential Unit the right, in addition to any other rights set forth in these By-Laws or the Declaration, to enjoin, abate or remedy by appropriate legal proceedings, either at Law or in equity, the continuance of any such violation or breach.

6.23.3 In the event Condominium Board, the Residential Board, and/or the Declarant (hereinafter the "Creditor Party") takes any action or brings any proceeding against a Unit Owner (hereinafter the "Defaulting Unit Owner") pursuant to the provisions of this Section 6.23, the Defaulting Unit Owner shall reimburse the Creditor Party for all reasonable costs and charges incurred by the Creditor Party in connection therewith, including without limitation, attorneys fees, together with all reasonable out of pocket costs and expenses incurred by the Creditor Party, together with interest on all of the foregoing at the rate of interest of 1.5% per month (but in no event in excess of the maximum rate permitted by Law) from the date of the payment or performance of the service by the Creditor Party or due date (if otherwise provided herein), until fully paid by the Defaulting Unit Owner. The Creditor Party may bill the Defaulting Unit Owner therefor at any time. Funds expended by the Creditor Party plus interest earned thereon, as aforesaid, shall be deemed a charge assessed against the Defaulting Unit Owner's Unit and the failure to make such reimbursement shall be deemed a default in the payment of Common Charges subject to the provisions governing such defaults as set forth in the Condominium Act and the By-Laws and the Condominium Board, upon receipt of such funds from the Defaulting Party shall promptly reimburse the Creditor Party.

ARTICLE 7

MORTGAGES

7.1 **Notice to Boards**. A Unit Owner who mortgages such Unit Owner's Unit, or the holder of any mortgage encumbering such Unit, shall notify the Residential Board in the case of a Residential Unit or the Condominium Board in the case of any Commercial Unit, of the name and address of the mortgagee and shall file a conformed copy of the note and mortgage with such Board. The mortgage secured by a Residential Unit shall be substantially in the form of the New York Board of Title Underwriters or such other forms customarily used by lenders making loans secured by individual residential condominium units. Such Unit Owner shall, prior to making such mortgage, satisfy all unpaid liens against such Unit Owner's Unit other than Permitted Mortgages, or in the case of a Commercial Unit, any liens permitted to remain in place by the applicable Permitted Mortgagee. A Unit Owner who satisfies a mortgage covering such Unit Owner's Unit shall so notify the applicable Board and shall file a conformed copy of the satisfaction of mortgage with such Board. Each of such Boards shall maintain such information in a book entitled "Mortgages of Units."

7.2 **Notice of Default and Unpaid Common Charges**. Whenever so requested in writing by a Permitted Mortgagee of any Unit, the Residential Board with respect to Permitted

Mortgagees of Residential Units and the Commercial Unit Owners with respect to Permitted Mortgagees of any Commercial Unit, shall promptly report to such Permitted Mortgagee any default in the payment of Residential Common Charges or Commercial Common Charges, as the case may be, or any other default by the Unit Owner of such Unit under the provisions of the Declaration or these By-Laws of which such Board may have received notice.

7.3 **Performance by Permitted Mortgagees.** The Residential Board or Condominium Board, as the case may be, shall accept, by any Permitted Mortgagee of a Unit Owner (including Declarant), payment of any sum or performance of any act required to be paid or performed by such Unit Owner pursuant to the provisions of the Declaration, these By-Laws or the Rules and Regulations, with the same force and effect as though paid or performed by such Unit Owner and in such event the Permitted Mortgagee shall be entitled to an additional ten (10) day period after expiration of applicable notice and cure periods, within which to cure any monetary default by a Unit Owner hereunder and an additional thirty (30) days after expiration of applicable notice and cure periods; provided however, that in the case of a non-monetary default that cannot, in the exercise of diligence, be cured within such the thirty (30) day period, the Permitted Mortgagee shall have such time as is reasonably necessary to cure such non-monetary default (including any time reasonably necessary to obtain possession of the Property covered by such Permitted Mortgage if possession is necessary to enable such Permitted Mortgagee to cure or remedy such default or event of default) provided that such Permitted Mortgagee proceeds with all due diligence to cure or remedy such breach or default and/or obtain possession. In the event that more than one Permitted Mortgage is secured by a Unit, the senior Permitted Mortgagee shall be entitled to take all actions permitted under this Article unless all the Permitted Mortgagees otherwise designate a different Permitted Mortgagee to so act, by notice to the Condominium Board.

7.4 **Examination of Books.**

7.4.1 Each Unit Owner and Permitted Mortgagee shall be permitted to examine the books of account of the Condominium (including, in the case of Residential Unit Owners or Commercial Unit Owners and Permitted Mortgagees thereof, the books of account of the Residential Section or the Commercial Section, as the case may be) at reasonable times, on business days, but not more than once a month.

7.4.2 If the Owner of any Unit is required, or desires to file an application or other document with any agency administering any type of rent control (including the present rent stabilization law, or any amendments to such laws or similar legislation), the Declarant shall cooperate in all respects, including the furnishing of information and access to and/or copies of all books, records and documents reasonably required in connection therewith, and the filing by, and in the name of, the Declarant, of documents required to be filed by it in connection therewith. Such holder of Unsold Units will pay to the Declarant any expenses it incurs in complying with the foregoing.

7.5 **Representatives of Mortgagees.**

7.5.1 In the manner more particularly set forth in Subsection 7.5.2, the holders of Permitted Mortgages secured by Residential Units, may, at their election, designate one (1) or

more (but not more than three (3)) representatives ("Residential Mortgage Representatives") who shall be empowered to act on behalf of all holders of Permitted Mortgages secured by Residential Units (the "Residential Permitted Mortgagees"), with respect to any matter requiring their consent or approval under the Declaration or these By-Laws. If any Residential Mortgage Representatives are so designated and notice thereof is given to the Residential Board, the act of any such Representative (or a majority of such Representatives if more than one is so designated) shall be deemed binding upon the holders of all Residential Permitted Mortgages.

7.5.2 Any designation of a Residential Mortgage Representative made by the holders of Residential Permitted Mortgages, constituting a majority in principal amount of all Residential Permitted Mortgages shall be binding upon the holders of all Residential Permitted Mortgages. Any such designation of any Residential Mortgage Representative shall remain effective until (a) any subsequent designation thereof is made pursuant to the provisions hereof, and (b) notice of such subsequent designation is given to the appropriate Board. Unless otherwise required by Law, all Residential Permitted Mortgagees other than holders of an Residential Permitted Mortgage, shall have no right to participate in the selection of Residential Mortgage Representatives, but such Residential Permitted Mortgagees shall be subject to all determinations made by such Residential Mortgage Representatives pursuant to the Declaration or these By-Laws.

7.6 **Consent of Mortgagees.** Except as otherwise expressly provided for herein or in the Declaration, no consent or approval by any mortgagee (including a Permitted Mortgagee) shall be required with respect to any determination or act of any Board, officer or Unit Owner; provided, however, that nothing contained herein shall be deemed to limit or affect the rights of any mortgagee against such Unit Owner's mortgagor.

7.7 **Governmental Agency Requirements.** The following shall apply to the extent that, and for so long as a Government Agency Mortgage encumbers a Residential Unit.

7.7.1 **Notice.** Notwithstanding anything to the contrary set forth in the Declaration or these By-Laws, the Residential Board shall provide timely notice to a Residential Permitted Mortgagee, upon written request therefor (which written request shall provide the name and address of such Residential Permitted Mortgagee and the Unit secured by such Residential Permitted Mortgagee), of: (A) any proposed action that requires the consent of a specified percentage of Residential Permitted Mortgagees hereunder, (B) any proposed amendment to the Declaration effecting a change in (i) the boundaries of any Residential Unit or the exclusive easement rights appertaining thereto (if any), (ii) the General Common Interest, the Residential Common Interests and the General Common Expenses or Residential Common Expenses, (iii) the voting percentage attributable to a Residential Unit, or (iv) the purpose to which any Residential Unit or the Common Elements are restricted, (C) any proposed termination of the Condominium regime, (D) Any condemnation loss or any casualty loss which affects a material portion of the Condominium or which affects the Unit secured by such Residential Permitted Mortgagee, (E) any delinquency in the payment of a Common Charges or Special Assessments owed by the Owner of a Residential Unit that is subject to a Residential Permitted Mortgage, where such delinquency has continued for a period of sixty (60) days, and (F) any lapse, cancellation or material modification of any insurance policy maintained by the Condominium Board.

7.7.2 **Termination of the Condominium Regime**.

Termination of the Condominium after a Significant Casualty or substantial Taking. Except as otherwise required by applicable Law, any election to terminate the Condominium after a Significant Casualty or a substantial Taking in condemnation of the Condominium shall not be effective without the requisite Unit Owner approvals (or Permitted Mortgagees to the extent required under the Permitted Mortgage), more particularly described in 6.3 of the By-Laws.

Termination of the Condominium that is not a result of a Significant Casualty or substantial Taking. Except as otherwise required by applicable Law, any election to terminate the Condominium that is not a result of a Significant Casualty or a substantial Taking in condemnation of the Condominium shall not be effective without the approval of Permitted Mortgagees holding Permitted Mortgages secured by Units as to which are appurtenant to at least 67% of the aggregate Common Interest of all Units secured by such Permitted Mortgages and the requisite Unit Owner approvals and other required approvals, each as more particularly described in Article 21 of the Declaration.

7.7.3 **Restoration or Repair**. Except as otherwise required by applicable Law, any Alterations or other work performed to the Condominium (other than the Commercial Section) after a partial condemnation or damage due to an insurable hazard, shall be performed substantially in accordance with the Declaration, these By-Laws and the original plans and specifications for the Condominium.

7.7.4 **Amendments to the Declaration and By-Laws**.

Except as otherwise provided in the Declaration and these By-Laws, and in addition to any other approvals required in the Declaration and these By-Laws, Permitted Mortgagee approval shall be required for any amendments to the Declaration or these By-Laws, which materially amend the following provisions: voting, Special Assessments, Special Assessment lines or subordination of Special Assessment liens, reserves for Maintenance of the Common Elements, insurance or fidelity bonds, rights to use of the Common Elements, responsibility for Maintenance, expansion or contraction of the Condominium, withdrawal of property from the Condominium regime, boundaries of any Unit, Common Interests, convertibility of Units in Common Elements, leasing of Units, the establishment of self-management and/or provisions herein which are for the express benefit of Permitted Mortgagees.

In the event that a Permitted Mortgagee fails to submit a response to any written proposal for an amendment to the Declaration or these By-Laws, within sixty (60) days after such Permitted Mortgagee receives notice, by certified or registered mail with a return receipt requested, of such proposed amendment, the Permitted Mortgagee shall be deemed to have approved the amendment.

7.7.5 **Leasing Restrictions**. As more particularly set forth in Article 8 of these By-Laws, a Unit Owner may lease its Unit for a term of not less than thirty (30) days; provided however, there shall be no prohibition against a lease having an initial term in excess of six (6) months.

7.7.6 **Rights of Action**. The Boards and any aggrieved Unit Owner shall be granted a right of action against other Unit Owners for failure to comply with (i) the provisions of the Declaration and these By-Laws and (ii) decisions of the Boards, which have been made in accordance with the provisions of the Declaration and these By-Laws. The Unit Owners shall also have a similar right of action against the Boards for their failure to comply with the above subparagraphs (i) and (ii).

ARTICLE 8

SELLING, LEASING AND MORTGAGING OF UNITS

8.1 General.

Subject to the terms of this Article 8, each Residential Unit Owner may (i) sell their Residential Unit and (ii) lease their Residential Unit for periods of not less than one month, provided however, no Residential Unit Owner may sell or lease the Residential Unit except in compliance with the applicable provisions of this Article 8. Any purported sale or lease consummated in default in the applicable terms hereof shall be voidable at the sole election of the Residential Board, and, if the Residential Board shall so elect, the selling or leasing Residential 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 an unauthorized sale) or to evict the purported tenant (in the event of an unauthorized lease) in the name of such Residential Unit Owner. Such Residential Unit Owner shall reimburse the Residential 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

8.2 Right of First Refusal.

8.2.1 Subject to the terms of Sections 8.5 and 8.9 hereof any contract to sell or any lease of a Residential Unit together with its Common Interest ("Sale Agreement" or "Lease Agreement") shall contain the following language: "THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER ARE HEREBY MADE EXPRESSLY SUBJECT TO THE RIGHTS IF ANY, OF THE DECLARANT AND/OR THE RESIDENTIAL BOARD OF THE CONDOMINIUM WITH RESPECT TO THE TRANSACTION EMBODIED HEREIN PURSUANT TO THE TERMS OF THE BY-LAWS OF THE CONDOMINIUM, AS THE SAME MAY HAVE BEEN AMENDED." Promptly after any such bona fide Sale Agreement or Lease Agreement shall be fully executed, the Residential Unit Owner executing the same ("Offeree Unit Owner") shall send written notice thereof to the Declarant and the Residential Board, on behalf of all Residential Unit Owners (each of the Declarant and the Residential Board, on behalf of all Residential Unit Owners, individually an "Inside Offeror" and, collectively, together with their respective designees (corporate or otherwise), the "Inside Offerors") by certified mail, return receipt requested or guaranteed overnight mail addressed to the Declarant at its offices and the Residential Board, at the office of the Managing Agent (or such other place or to such other person as the Residential Board shall direct) (collectively, for purposes of this Article, "Written Notice"), which Written Notice shall be accompanied by a fully executed, original counterpart of the Sale Agreement or Lease

Agreement, as the case may be, containing all of the terms offered in good faith by the prospective purchaser or tenant ("Outside Offeror") and other documents typically requested by the Residential Board. The Sale Agreement shall be in a form typically used in transactions in New York City.

8.2.2 The sending of the Written Notice shall constitute an offer by the Offeree Unit Owner to (i) sell or lease the Residential Unit, together with its Common Interest to the Inside Offerors, subject, however, to any variance therefrom provided in Section 8.3 hereof. The giving of such Written Notice shall further constitute a representation and warranty by the Offeree Unit Owner to the Inside Offerors that such Offeree Unit Owner believes the Sale Agreement or Lease Agreement to be bona fide in all respects. Upon the written demand of an Inside Offeror, the Offeree Unit Owner shall submit to such Inside Offeror, in writing, such further information with respect to the Outside Offerors and the Sale Agreement or Lease Agreement as such Inside Offeror, or either of them, may reasonably request.

8.2.3 The right of first refusal shall be exercised by the parties as follows:

The Inside Offerors may elect, by sending written notice thereof to the Offeree Unit Owner not later than thirty (30) days after receipt of the Written Notice referred to in subsection 8.2.1 hereof, together with a copy of the Sales Agreement or Lease Agreement, as the case may be, and such further information as may have been requested pursuant to the terms of subsection 8.2.2 hereof, to purchase such Residential Unit together with its Common Interest or to lease such Residential Unit, as the case may be (or to cause the same to be purchased or leased by its designee, corporate or otherwise) 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 subsection 8.2.2 hereof. Notwithstanding anything to the contrary contained herein, however, the Residential Board shall not exercise any option set forth in this Section 8.2 whereby the Residential Board purchases or leases any Residential Unit without the prior approval of a Majority of all Residential Unit Owners provided however that no such approval shall be required in the event a designee of the Residential Board purchases or leases the Residential Unit. Notwithstanding, during the Sponsor ROFR Period (as defined in Section 8.13 hereof), the Residential Board shall not have the right to appoint a designee to purchase or lease a Residential Unit without first obtaining the written approval of the Sponsor.

8.2.4 The Inside Offerors may not discriminate against any person on the basis of race, creed, color, national origin, sex, sexual orientation, age, disability, marital status or other grounds prohibited by Law in connection with its exercise of its right of first refusal with respect to the sale or lease of a Residential Unit.

8.3 **Acceptance of Offer.**

8.3.1 In the event that any Inside Offeror shall elect, within the time and in the manner provided in Section 8.2 hereof, to purchase or lease a Residential Unit together with its Common Interests, or any Inside Offeror shall elect 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

purchasing Inside Offeror or, in the case of a lease, the leasing Inside Offeror within forty-five (45) days after the day upon which the purchasing or leasing Inside Offeror shall give written notice of its election to accept such offer. In the case of a Residential Unit being purchased by a designee of the Residential Board the closing shall take place at the time and place recited in the contract of sale.

8.3.2 If such Residential Unit and its Common Interests are to be purchased by the Residential Board, on behalf of all Residential Unit Owners, such purchase may be made from the funds deposited in the capital and/or expense accounts of the Residential Section of the Condominium (if any) or the Residential Board may levy a Special Assessment against each Residential Unit Owner in accordance with the terms of these By-Laws and/or the Residential Board may, in its discretion, finance the acquisition of such Residential 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 Residential Unit to be purchased together with its Common Interests. In addition, if the Outside Offeror was to assume or to take title to the Residential Unit subject to the Offeree Unit Owner's existing mortgage or mortgages pursuant to the Sale Agreement, any Inside Offeror may, at its option, purchase the Residential Unit and assume or take title thereto subject to such mortgage or mortgages as the case may be. If the Residential Board is the purchasing Inside Offeree, at the Closing, the Offeree Unit Owner shall convey the Residential Unit, together with its Common Interest, to the Residential Board by deed in the form required by Section 339-o of the Condominium Act. In any Closing to the Residential Board (but not its designee) or the Declarant (or its designee), all tax and/or documentary stamps shall be affixed and paid 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 Real Property Transfer Gains Tax, the New York State Documentary Stamp Tax, New York State Additional 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 purchasing Inside Offeror as of the later of the Closing date or the date on which Offeree Unit Owner vacates the Residential Unit, notwithstanding any terms of the Sale Agreement to the contrary. Thereafter, to the extent the Residential Board, on behalf of all Residential Unit Owners, has purchased the Residential Unit, such Residential Unit shall be held, so long as the same is owned by the Residential Board, on behalf of all Residential Unit Owners, as tenants-in-common, and all such Residential Unit Owners shall be deemed to have waived all rights of partition with respect to such Residential Unit and the entire Property, as herein provided.

8.3.3 In the event that such Residential Unit is to be leased by an Inside Offeror, the Offeree Unit Owner shall execute and deliver to the Inside Offeror a lease covering such Residential Unit by and between the Offeree Unit Owner, as landlord, and the Inside Offeror, 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 Inside Offeror may enter into a sublease of the premises demised thereunder without consent of the landlord.

8.4 **Failure to Accept Offer.**

8.4.1 In the event that an Inside Offeror fails to accept an offer made pursuant to the terms of Section 8.2 hereof within the respective times set forth in subsection 8.2.3 thereof, the Offeree Unit Owner shall be free to consummate the transaction embodied in the Sale Agreement or Lease Agreement within sixty (60) days after (i) notice of refusal is sent to the Offeree Unit Owner by the remaining Inside Offeror or (ii) the expiration of the period within which an Inside Offeror 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 60 day period, then, should the Offeree Unit Owner thereafter elect to sell such Residential Unit together with its Common Interests or to lease such Unit, the Offeree Unit Owner shall be required again to comply with all of the terms and provisions of Sections 8.2, 8.3 and 8.4 hereof with respect to the Inside Offerors, but not more often than once in any 12 month period, except the Residential Board shall have the right to waive this for good cause shown, in its sole discretion.

8.4.2 Any deed of a Residential Unit and its Common 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.

8.4.3 Each lease of a Residential 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 Residential Board or such other form approved in writing by the Residential Board. Notwithstanding the foregoing, however, each such lease shall be consistent with the Condominium Documents and shall expressly provide that:

8.4.3.1 such lease may not be amended, modified, or extended without the prior written consent of the Residential Board in each instance;

8.4.3.2 the tenant thereunder shall not assign the tenant's interest in such lease or sublet the premises demised thereunder or any part thereof without the prior written consent of the Residential Board in each instance; and

8.4.3.3 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.

8.5 **Termination of and Exceptions to, the Right of First Refusal.**

8.5.1 A certificate executed and acknowledged by Declarant and/or the Secretary of the Residential Board or the Managing Agent, as the case may be, stating that the provisions of Section 8.2 hereof have been met by a Residential Unit Owner and that the right of first refusal provided for therein has been duly released or deemed waived by the Inside Offerors, respectively, and that, as a result thereof the respective rights of the Inside Offerors thereunder have terminated, and said determination shall be conclusive in favor of all persons who rely upon such certificate in good faith. After the due issuance of such a certificate, the Residential Unit to

which the same shall relate, together with its Common Interest, may be sold, conveyed, or leased, free and clear of the terms and conditions contained in Section 8.2 hereof, but in accordance with the time periods set forth in Section 8.4 hereof. Each Inside Offeror shall furnish or cause the Residential Board or its Managing Agent to furnish without charge, such certificate upon written request to any Residential Unit Owner in respect to whom the provisions of Section 8.2 hereof have, in fact, been terminated. In no event, however, shall the right of first refusal of any Inside Offeror described in Section 8.2 hereof be deemed released or waived by the Residential Board (as opposed to satisfied pursuant to the express terms of Sections 8.2, 8.3 and 8.4 hereof) in the absence of the certificate that has been duly executed, acknowledged and issued by the Secretary of the Residential Board or the Managing Agent as aforesaid.

8.5.2 The terms and conditions contained in Sections 8.2, 8.3 and 8.4 hereof shall not apply with respect to any sale, lease or conveyance of a Residential Unit, together with its Common Interests, by:

8.5.2.1 the Residential Unit Owner thereof to any immediate adult Family Members, to any combination of the same, or to a trust for the benefit of any of them (in which case the Residential Board shall have the right to review the trust documents and provide for such terms and restrictions on such transfer as the Condominium Board deems advisable), provided, however, that if the succeeding Residential Unit Owner is an infant or a person judicially declared incompetent of managing affairs, then such Residential Unit shall be held by the personal representative of such infant or incompetent, or in the case of a Residential Unit Owner that is not an individual, to any entity or individual that owns more than 50% of the legal and beneficial interests of such Residential Unit Owner or to any entity with respect to which such Residential Unit Owner (individual or otherwise) owns more than 50% of the legal and beneficial interest thereof;

8.5.2.2 Declarant;

8.5.2.3 the Residential Board;

8.5.2.4 any proper officer conducting the sale of a Residential Unit in connection with the foreclosure of a mortgage or other lien covering such Residential Unit or delivering a deed in lieu of such foreclosure;

8.5.2.5 any Permitted Mortgagee or its nominee, who has acquired title to any Residential Unit at any foreclosure sale of its Permitted Mortgage or by deed in lieu thereof delivered in a bona fide transaction; or

8.5.2.6 any conveyance or transfer made pursuant to the terms and conditions set forth in Section 8.9 hereof.

8.5.3 provided, however, that each succeeding Residential Unit Owner shall be bound by, and the Residential Unit shall be subject to, all of the terms and conditions of this Article 8.

8.5.4 The terms and conditions contained in Sections 8.2, 8.3 and 8.4 hereof shall not apply with respect to any sale, lease or conveyance of a Commercial Unit, together with its Common Interests.

8.5.5 A Residential Unit Owner (other than a Residential Unit Owner purchasing for such Unit Owner's own or their immediate Family Member's occupancy) is prohibited from advertising, listing or selling its Residential Unit together with its Common Interest for twelve (12) months after acquiring such Residential Unit from Declarant, as sponsor under the Plan. Any conveyance in violation of this subsection shall be voidable by Declarant.

8.6 **Consent of Residential Unit Owners to Purchase or Lease of Residential Units by Residential Board**. The Residential Board shall not exercise any option hereinabove set forth to purchase or lease any Residential Unit without the prior approval of a Majority of Residential Unit Owners and subject to the right of the Declarant to veto such purchase or lease in accordance with these By-Laws. However, the Residential Board shall have the right to release or waive such option without the prior approval of a Majority of Residential Unit Owners.

8.7 **Rights of Declarant; Priority.**

The Declarant shall only have the rights set forth in this Article 8 until the later of: (a) the date on which it has sold all Unsold Units; or (b) the date which is ten years from the date of the First Closing (the "Sponsor ROFR Period"). To the extent both Declarant, or its designee, and the Condominium Board, on behalf of all Unit Owners, or its designee, seek to purchase or lease a Residential Unit, the rights of Declarant or its designee shall have priority

8.8 **Sale to Government**. The Condominium Board has the right, but not the obligation to require that before any Unit is conveyed to a purchaser of a Unit in the Building that is a government or governmental mission, or a department, agency or consulate of a government, or to any other party who or which may be entitled under applicable laws, conventions or treaties (including, without limitation, the United States Foreign Sovereign Immunities Act as same may be amended) to any present or future claim to any immunity, whether characterized as sovereign immunity or otherwise (or diplomatic or consular immunity, if applicable), from any legal or equitable proceedings in the United States of America, or elsewhere (individually, a "Government Entity" and collectively, the "Government Entities") the Condominium Board may require that certain additional conditions be satisfied. Specifically, the Condominium Board may require that the potential grantee enter into an agreement with the Condominium Board, on terms acceptable to the Condominium Board and its counsel, in which the potential grantee (i) agrees to a specified arrangement for service of process, (ii) expressly and irrevocably waives, to the full extent permitted by law (including, without limitation, the United States Foreign Sovereign Immunities Act, as same may be amended), with respect to the potential grantee, and with respect to any and all other intended occupants of the Unit, any present or future claim to any immunity, whether characterized as sovereign immunity or otherwise, (and diplomatic and consular immunity, if applicable) from any legal or equitable proceedings in the United States of America or elsewhere, brought by the Condominium Board or any other party claiming with respect to the Unit (including without limitation, immunity from service of process, immunity from jurisdiction of any court or tribunal, and immunity of any of

that party's property from attachment prior to entry of judgment and from attachment in aid of execution, and from execution itself, upon a judgment), (iii) agrees that any legal action or proceeding with respect to the Unit may be brought in the courts of the State of New York, and in the City of New York, or in the United States District Court for the Southern District of New York, as the Condominium Board shall elect, and (iii) permits execution and enforcement of any judgment obtained by the Condominium Board. The foregoing provisions do not apply to sales of Unsold Units. In addition, Government Entities may be required to deposit into escrow an amount equal to one (1) year of Common Charges then in effect to secure their obligations under this Declaration and the By-Laws for the payment of Common Charges and/or assessments and otherwise (collectively, the "Security"). In the event of any default in the payment of Common Charges and/or Special Assessments by any Governmental Entity (after notice and expiration of the applicable cure period as provided in the By-Laws, if any) with respect to the payment of Common Charges and/or Special Assessments which are the obligation of the Government Entity as a Unit Owner to observe, perform or keep under the terms of the Declaration and By-Laws, the Condominium Board may enforce the provisions of Section 6.6 of these By-Laws and use, apply or retain the whole or any part of the Security being held by the Condominium Board to the extent required for the payment of any Common Charges, Special Assessments or any other payments as to which such Government Entity shall then be in default (after notice and expiration of the applicable cure period, if any) or for any monies which the Condominium Board may expend or may be required to expend by reason of the Government Entity's default (after notice and expiration of the applicable cure period, if any). If the whole or any part thereof shall be so used, applied or retained by the Condominium Board as aforesaid, then such Government Entity shall, upon written demand from the Condominium Board, immediately deposit with the Condominium Board an amount in cash equal to the amount so used, applied or retained, so that the Condominium Board shall have the entire Security on hand at all times during the Government Entity's ownership of a Unit in the Building. The failure by the Unit Owner after due demand to deposit and maintain the full amount of the security, shall constitute a separate default under these By-Laws, which shall entitle the Condominium Board to all of the rights and remedies available hereunder. In the event that a Government Entity shall fully and faithfully comply with all of the terms, provisions, covenants, agreements and conditions of the By-Laws, the Security shall be returned to such Governmental Entity within thirty (30) days after the transfer or sale of such Government Entity's Unit to a non-Governmental Entity.

8.9 **No Severance of Ownership.**

8.9.1 No Unit Owner shall execute any deed, mortgage or other instrument conveying or mortgaging title to such Unit Owner's Unit without including therein its appurtenant Common Interest, it being the intention to prevent any severance of such combined ownership. Any such deed, mortgage or other instrument purporting to affect one or more of such interests without including all such interests shall be deemed and taken to include the interest or interests so omitted even though the latter shall not be expressly mentioned or described therein. No part of the Common Interest appurtenant to 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 interest is appurtenant or as part of a sale, conveyance or other disposition of such part of the appurtenant Common Interests of all Units. Nothing in this Section 8.4 shall permit the lease of any Unit without the simultaneous lease of its appurtenant Common Interest.

8.10 **Release by Residential Board of Right of First Refusal.** The right of first refusal contained in 8.1 may be released or waived by each Inside Offeror only in the manner provided in Section 8.5. In the event an Inside Offeror shall release or waive its right of first refusal as to any Residential Unit, such Residential Unit together with its appurtenant Common Interest may be sold, conveyed or leased, free and clear of the provisions of Subsections 8.1.1 and 8.1.2, provided that such sale, conveyance or lease occurs within any applicable time periods required pursuant to Subsection 8.1.3.

8.11 **Certificate of Termination of Right of First Refusal.** A certificate executed by an officer of the Residential Section stating that the provisions of Subsection 8.1.1 have been met by a Residential Unit Owner or stating that the right of first refusal contained therein has been duly released or waived by the Inside Offeror, and that as a result thereof the rights of the Inside Offeror thereunder have terminated (provided that any sale, conveyance or lease occurs within any applicable time periods required pursuant to Subsection 8.1.3), shall be conclusive upon the Inside Offeror and the Residential Unit Owners in favor of all persons who rely on such certificate in good faith. Each Inside Offeror shall furnish such certificate upon request to any Residential Unit Owner with respect to whom the provisions of Subsection 8.1.1 have, in fact, terminated.

8.12 **Financing of Purchase of Residential Units by Residential Board.** The purchase of any Unit by the Residential Board or the Condominium Board or their designees, on behalf of their respective Unit Owners, may be made from the funds deposited in the capital and/or expense accounts of such Board. If the funds in such accounts are insufficient to effectuate any such purchase, such Board may levy an assessment against each Residential Unit Owner or all Unit Owners, as the case may be, in proportion to such Unit Owner's respective Common Interest, as a Residential Common Charge or General Common Charge, as the case may be, and/or such Board may, in its discretion, finance the acquisition of such Unit; provided, however, that financing may only be obtained when permitted by the By-Laws and that no such financing may be secured by an encumbrance or hypothecation of any portion of the Property other than the Unit to be purchased together with its appurtenant interests in the Common Elements.

8.13 **Gifts and Devises, etc.** Any Residential Unit Owner shall be free to convey or transfer such Unit Owner's Residential Unit by gift, or may devise such Unit Owner's Residential Unit by will or have such Unit Owner's Residential Unit pass by intestacy, without being subject to the restrictions of Section 8.1; provided, however, that each succeeding Residential Unit Owner shall be bound by, and such Unit Owner's Residential Unit shall remain subject to, the provisions of this Article

8.14 **Rights of REIT Holding LLC.** Notwithstanding anything contained herein to the contrary, REIT Holding LLC shall have a thirty (30) day right of first refusal with respect to the sale of Commercial Unit B (if and to the extent same is offered for sale) and Residential Units 2A East and 2C East and 2 West.

8.15 **Charges Imposed on Sale or Lease of Residential Units.** The Residential Board (i) shall be entitled to fix by resolution and collect, before any sale or lease of a Residential Unit is consummated, a reasonable charge to cover its expenses, and any fees due the

Managing Agent or any attorney retained by the Residential Board, in connection with the sale or lease and (ii) may, by resolution adopt a transfer tax in connection with such sales. If such charge is/charges are adopted, it shall be added to, and constitute a portion of, Common Charges payable by the selling or leasing Unit Owner to the Residential Board or Condominium Board, as the case may be. The foregoing shall not apply to Declarant or its designee, with respect to the sale or lease of Unsold Residential Units by Declarant or its designee, or with respect to the sale or lease of Unsold Residential Units by a Permitted Mortgagee of Declarant that acquires title to Unsold Residential Units.

8.16 **Power of Attorney**. At the time of acquiring title to a Residential Unit and as a condition thereof, the new Residential Unit Owner shall duly execute, acknowledge and make arrangements for recording in the City Register's Office, the Power of Attorney required by Article 17 of the Declaration, in the form set forth as Exhibit E to the Declaration, as same may be amended from time to time by the Residential Board.

8.17 **Notices Concerning Residential Unit Occupancy**. Within five (5) days following acquisition of a Residential Unit or the commencement of a lease relating thereto, the new Residential Unit Owner or lessor, as the case may be, shall notify the Managing Agent of the Residential Unit involved, the name of the purchaser or lessee and the names of the individuals, as permitted by the By-Laws, who will be using or occupying the Residential Unit. The individuals so designated may be changed by the purchaser or lessor, from time to time, by further notice to the Managing Agent. For so long as any Units are occupied by Non-Purchasing Tenants, a purchaser of such Residential Unit promptly after acquiring title to the Residential Unit, shall notify the Non-Purchasing Tenant of the change in ownership and the name of the new Residential Unit Owner and the Condominium Board shall make available such information to the Non-Purchasing Tenant. Additionally, each purchaser of a Residential Unit occupied by a Non-Purchasing Tenant must: (a) to deposit with the Managing Agent at the closing of title to the Unit, a sum not less than an amount equal to two (2) months Common Charges to be used as working capital to furnish such services and facilities, and (b) upon written notice by the Managing Agent that the deposit has been diminished, to replenish such fund within a thirty (30) day period.

8.18 **Payment of Assessments**. No Unit Owner shall be permitted to convey, mortgage, pledge, hypothecate or lease such Unit Owner's Unit unless and until the Unit Owner shall have paid in full to the appropriate Board all unpaid Common Charges theretofore assessed by said Board against such Unit and until such Unit Owner shall have satisfied all unpaid liens against such Unit Owner's Unit other than Permitted Mortgages, or in the case of a Commercial Unit, any lien permitted by the applicable Permitted Mortgagee.

8.19 **Mortgage of Units**. Subject to Article 7 and Section 8.18, each Unit Owner shall have the right to mortgage such Unit Owner's Unit without restriction, provided that, with respect to any mortgage covering a Residential Unit, the Residential Unit Owner making such mortgage shall notify in writing the Residential Board of the making of such mortgage.

8.20 **Lease or Purchase of Residential Unit or Other Apartment for Superintendent's/Resident Manager Residence**. The Residential Board will have the right to lease or purchase and finance the purchase of a Residential Unit or other apartment for the

resident manager's residence (the "Resident Manager's Unit"), whether or not in the Building and will have the right to amend, modify, extend, renew and otherwise deal in any way with respect to any such lease, purchase or financing without the approval of the Residential Unit Owners. Any funds received by the Residential Board for the purpose of purchasing the Resident Manager's Unit may only be used for said purpose.

ARTICLE 9

CONDEMNATION

In the event of the taking in condemnation or by eminent domain of all or any part of the General Common Elements or Limited Common Elements, each Board, subject to the provisions set forth below, will arrange for the prompt repair and restoration of such part of the General Common Elements or Limited Common Elements so taken, which pursuant to the provisions of these By-Laws, are required to be maintained by such Board. The award made for any such taking shall be payable to the Board responsible for the repair and restoration thereof, as aforesaid; provided, however, that if any such award exceeds $1,000,000, such award shall be payable to the Insurance Trustee and shall be disbursed to the contractors engaged in such repair and restoration, if any, in appropriate progress payments. If the net proceeds of any such award are insufficient to cover, or if such net proceeds exceed the cost of any repairs and restorations, the deficit or surplus, as the case may be, will be (a) borne and shared by all Unit and Owners with respect to any taking of the General Common Elements pro rata, as follows: first, to all Unit Owners in accordance with their respective Common Interests; (b) borne and shared by all Residential Unit Owners with respect to any taking of the Residential Common Elements pro rata in accordance with their respective Common Interests; and (c) borne and shared by all Residential Unit Owners having exclusive access to the Residential Limited Common Elements pro rata in accordance with their respective interest in such Residential Limited Common Interests. Notwithstanding any provisions contained herein to the contrary, in the event that (1) 75% or more of all Residential Unit Owners and/or 75% or more of all Commercial Unit Owner do not duly and promptly resolve to proceed with such repair or restoration of their respective Limited Common Elements, or (2) 75% or more of all Unit Owners do not duly and promptly resolve to proceed with such repair and restoration of the General Common Elements, then such repairs or restorations of the Limited Common Elements and/or General Common Elements shall not be made and the net proceeds of any such award with respect thereto shall be divided among the Unit Owners pro rata in the same manner as is set forth in (a), (b) and (c) above, after first paying out of the share of each Unit Owner the amount of any unpaid liens on such Units other than mortgages which are not Permitted Mortgages. As used in this Article 9 the words "promptly resolve" shall mean not more than 60 days from the date of such taking. Any dispute between any Boards under this Article 9 shall be settled by Arbitration.

ARTICLE 10

RECORDS AND AUDITS

10.1 **Records**. Each Board or the managing agent for that Board, if any, shall keep detailed records of the actions of such Board, minutes of the meetings of such Board, minutes of the meetings of the Unit Owners for whom such Board serves and financial records and books of

account with respect to the activities of such Board, including a listing of all receipts and expenditures. In addition, the Residential Board shall keep a separate account for each Residential Unit, which, among other things, shall contain the amount of each assessment of Common Charges made by the Residential Board against each such Unit, the date when due, the amounts paid thereon and the balance, if any, remaining unpaid.

10.2 **Audits**. Within four (4) months after the end of each fiscal year, an annual report of receipts and expenditures prepared and certified by an independent certified public accountant shall be submitted by (a) the Residential Board to all Residential Unit Owners, (b) the Condominium Board to all Commercial Unit Owners, and (c) the Condominium Board to the Residential Board, and, if so requested, to any Permitted Mortgagee, as the case may be. The cost of such report submitted by (1) the Residential Board, shall be paid by the Residential Unit Owners as a Residential Common Expense, (2) the Condominium Board, shall be paid by the Commercial Unit Owners as a Commercial Common Expense, and (3) the Condominium Board shall be paid by the Residential Board as a General Common Expense.

10.3 **Availability of Documents.** Copies of the Declaration, these By-Laws, the Rules and Regulations and the Floor Plans, as the same may be amended from time to time, shall be maintained at the office of the Condominium Board and shall be available for inspection by Unit Owners and their authorized agents during reasonable business hours, except that Unit Owners and their authorized agents may not be permitted to inspect same in excess of one (1) time per month.

ARTICLE 11

ARBITRATION

11.1 **General Procedure**. Any arbitration provided for in these By-Laws shall be conducted in accordance with the provisions of this Article 11 (an "Arbitration"). Each Arbitration shall be conducted before one (1) arbitrator in New York City by the American Arbitration Association or any successor organization thereof, in accordance with its rules then in effect and the decision rendered in such Arbitration shall be binding upon the parties and may be entered in any court having jurisdiction. In the event that the American Arbitration Association is not then in existence and has no successor, any arbitration hereunder shall be conducted in New York City before one arbitrator appointed, on application of any party, by any justice of the highest court of appellate jurisdiction located in the County of New York having jurisdiction over the matter. The decision of the arbitrator so chosen shall be given within ten (10) days after such arbitrator's appointment. Any arbitrator appointed or selected in connection with any Arbitration under this Article 11 shall be a lawyer or real estate owner, developer, or manager familiar with condominium properties and having general legal or real estate experience, as the case may be, of not less than fifteen (15) years.

11.2 **Costs and Expenses**. The fees, costs and expenses of the arbitrator will be borne by the losing party in the Arbitration or, if the position of neither party to the dispute will be substantially upheld by the arbitrator, such fees, costs and expenses will be borne equally by the disputants unless otherwise set by the arbitrator. Each disputant will also bear the fees and expenses of such Unit Owner's counsel and expert witnesses. 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, will constitute General Common Expenses.

11.3 **Agreement by Parties.** The parties to any dispute required or permitted to be submitted to Arbitration hereunder may, by mutual agreement between them, vary any of the provisions of Section 11.1 with respect to the Arbitration of such dispute, or may agree to resolve their dispute in any other manner, including, without limitation, the manner set forth in Section 3031 of the New York Civil Practice Law and Rules and known as the "New York Simplified Procedure for Court Determination of Disputes."

ARTICLE 12

MISCELLANEOUS

12.1 **Waiver.** No provision contained in these By-Laws or the Rules and Regulations shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

12.2 **Captions.** The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-Laws nor the intent of any provision hereof.

12.3 **Certain References.**

12.3.1 A reference in these By-Laws to any one gender, masculine, feminine or neuter, includes the other two, and the singular includes the plural, and vice versa, unless the context otherwise requires.

12.3.2 The terms "herein," "hereof" or "hereunder" or similar terms used in these By-Laws refer to these entire By-Laws and not to the particular provision in which the terms are used, unless the context otherwise requires.

12.3.3 Unless otherwise stated, all references herein to Articles, Sections or other provisions are references to Articles, Sections or other provisions of these By-Laws.

12.4 **Severability.** Subject to the provisions of the Declaration, if any provision of these By-Laws is invalid or unenforceable as against any person, party or under certain circumstances, the remainder of these By-Laws and the applicability of such provision to other persons, parties or circumstances shall not be affected thereby. Each provision of these By-Laws shall, except as otherwise herein provided, be valid and enforced to the fullest extent permitted by Law. In the event any provision of these By-Laws or the Rules and Regulations conflicts with the provisions of the Declaration, the provisions of the Declaration shall control.

12.5 **Insurance Trustee.** The Insurance Trustee shall be a bank or trust company in The City of New York, designated by the Condominium Board and having a capital surplus and undivided profits of $500,000,000 or more. In the event the Insurance Trustee resigns or the Condominium Board wishes to replace it, the Condominium Board shall promptly appoint a new

Insurance Trustee. The Condominium Board shall pay the fees and disbursements of any Insurance Trustee and such fees and disbursements shall constitute a General Common Expense. The Insurance Trustee shall hold all such proceeds in accordance with Section 254(4) of the Real Property Law of the State of New York. If required by Declarant's construction or permanent lender, such lender shall be the Insurance Trustee until its release of all Units from the lien of its mortgage.

12.6 **Successors and Assigns**. Except as set forth herein or in the Declaration to the contrary, the rights and/or obligations of Declarant as set forth herein shall inure to the benefit of and be binding upon any successor or assign of Declarant, or with the consent of Declarant, any transferee of some or all then Unsold Residential Units then owned by Declarant, as the case may be. The rights and/or obligations of the Commercial Unit Owners as set forth herein shall inure to the benefit of and be binding upon any successors or assigns of the Commercial Unit Owners. Subject to the foregoing, Declarant, its designee, and/or the Commercial Unit Owners, as the case may be, shall have the right, at any time in their sole discretion, to assign or otherwise transfer their respective interests herein, whether by sale, merger, consolidation, lease, assignment or otherwise.

12.7 **Covenant of Further Assurances.**

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

12.7.2 If any Unit Owner or other party which is subject to the terms of these By-Laws fails, within ten (10) days after request therefor, either (i) to execute, acknowledge or deliver any instrument, or to take any action which such Unit Owner or party is required to execute, acknowledge and deliver or to take pursuant to these By-Laws, or (ii) to deliver a written notice to the party requesting such execution, acknowledgment or delivery, and to the Board representing such Unit Owners, stating the reasons why such Unit Owner or other party refuses to execute, acknowledge or deliver such instrument or take such action, then the Board which represents such Unit Owner, or other party is hereby authorized, as attorney in fact for such Unit Owner or other party, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action in the name of such Unit Owner or other party and such document or action shall be binding on such Unit Owner or other party.

12.7.3 If any Unit Owner, Board or other party which is subject to the terms of these By-Laws fails, within ten (10) days after request therefor, either (i) to execute, acknowledge or deliver any instrument, or to take any action which such Unit Owner, Board or party is required to execute, acknowledge and deliver or to take pursuant to these By-Laws at the request of Declarant or (ii) to deliver a written notice to Declarant and to the Board representing such Unit Owners stating the reasons why such Unit Owner, Board or other party refuses to

execute, acknowledge or deliver such instrument or take such action, then Declarant is hereby authorized, as attorney in-fact for such Unit Owner, Board or other party, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of such Unit Owner, Board or other party and such document or action shall be binding on such Unit Owner, Board or other party, as the case may be.

ARTICLE 13

AMENDMENT TO BY LAWS

13.1 **Amendments by Unit Owners.** Except as specifically provided herein or in the Declaration with respect to amendments, modifications, additions or deletions affecting Declarant or any Unsold Residential Units, or the Commercial Units or any Commercial Unit Owner, (a) any provision of these By-Laws may be added to, amended, modified or deleted by the vote of at least 67% in number and in Common Interest of all Unit Owners taken in accordance with the provisions of these By-Laws, provided, however, that the Common Interest appurtenant to each Unit as expressed in the Declaration shall not be altered without the written consent of all Unit Owners directly affected, (b) any provision of these By-Laws benefiting, protecting or otherwise affecting only the Residential Section or the Residential Unit Owners may be amended, modified, added to or deleted by affirmative vote of at least 67% in number and in Common Interest of all Residential Unit Owners taken in accordance with the provisions of these By-Laws and (c) any provision of these By-Laws benefiting, protecting or otherwise affecting only the Commercial Section or the Commercial Unit Owners may be amended, modified, added to or deleted by affirmative vote of at least 67% in number and in Common Interest of all Commercial Unit Owners taken in accordance with the provisions of these By-Laws. Subject to the provisions contained herein or in the Declaration with respect to amendments, modifications, additions or deletions affecting Declarant, Permitted Mortgagees, any Unsold Residential Units, the Commercial Section or any Commercial Unit Owner, any such amendment, modification, addition or deletion shall be executed by (1) the Residential Board, as attorney in fact for the Residential Unit Owners, coupled with an interest, which Residential Board is hereby authorized by such Residential Unit Owners so to act as their attorney-in-fact or (2) the Commercial Unit Owners or (3) the Condominium Board, as attorney in fact for all Unit Owners, coupled with an interest, which Condominium Board is hereby authorized by such Unit Owners so to act as their attorney-in-fact. Notwithstanding the foregoing and subject to the provisions contained herein or in the Declaration with respect to amendments affecting Declarant, any Unsold Residential Units, the Commercial Section or the Commercial Unit Owners, (i) no amendment, modification, addition or deletion pursuant to the provisions of clause (a) above shall be effective without the written consent (which consent shall not be unreasonably withheld or delayed) of the Residential Mortgage Representatives, if any, and the written consent of any Permitted Mortgagee holding a Permitted Mortgage secured by a Commercial Unit if the consent of such Permitted Mortgagee is required and the Condominium Board is notified of the necessity for such mortgagee consent by the Commercial Unit Owner, (ii) no amendment, modification, addition or deletion pursuant to the provisions of clause (b) above shall be effective without the written consent (which consent shall not be unreasonably withheld or delayed) of the Residential Mortgage Representatives, if any, and (iii) no amendment, modification, addition or deletion pursuant to the provisions of clause (c) above shall be effective without and the written consent of any Permitted Mortgagee holding a

Permitted Mortgage secured by a Commercial Unit if the consent of such Permitted Mortgagee is required and the Condominium Board is notified of the necessity for such mortgagee consent by the Commercial Unit Owner and (iv) the provisions of this Section 13.1 may not be amended, modified, added to or deleted unless (in addition to the consent, if required, of the Residential Mortgage Representatives, or a Permitted Mortgagee holding a Permitted Mortgage secured by a Commercial Unit if the consent of such Permitted Mortgagee is required and the Condominium Board is notified of the necessity for such mortgagee consent by the Commercial Unit Owner, as the case may be), eighty percent (80%) in number and in Common Interest of all Unit Owners affected thereby approve such amendment, modification, deletion or addition in the manner set forth above.

13.2 **Amendments Affecting Declarant or the Commercial Unit Owner**. Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition or deletion of or to these By-Laws, the Declaration or the Rules and Regulations shall be effective in any way (a) without the prior written consent of the affected Commercial Unit Owner(s) with respect to any amendment, modification, addition or deletion of or to these by-laws, the Declaration or the Rules and Regulations modifying the permitted uses of any Commercial Unit or affecting the rights, privileges, easements, licenses or exemptions granted to any Commercial Unit Owner, (b) without the prior written consent of Declarant or the owner of any Unsold Residential Unit, as the case may be, with respect to any amendment, modification, addition or deletion of or to these by-laws, the Declaration or the Rules and Regulations modifying the permitted uses of the Building or any portion thereof or affecting the rights, privileges, easements, licenses or exemptions granted to Declarant or the owner of any Unsold Residential Unit, as the case may be, or otherwise adversely affecting Declarant or the owner of any Unsold Residential Unit, as the case may be, or (c) without the prior written consent of the holder of any present or future mortgage, pledge, or other lien or security interest covering any Unsold Residential Unit or Commercial Unit, if required under the terms of the mortgage, pledge or other lien or security interest, with respect to any amendment, modification, addition or deletion of or to these by-laws, the Declaration, or the Rules and Regulations modifying the permitted uses of such Unsold Residential Unit or Commercial Unit, or affecting the rights, privileges, easements, licenses or exemptions granted to the owner of such Unsold Residential Unit or Commercial Unit. Declarant and the Commercial Unit Owners shall have the right to amend the By-Laws, without the consent of any Board or any other Unit Owner, to effectuate the rights otherwise granted to Declarant and the Commercial Unit Owners under the terms of the Declaration and these By-Laws.

13.3 **Amendments Affecting Permitted Mortgagees**. Notwithstanding any provision contained herein to the contrary, no modification, addition, amendment or deletion of or to Article 7 or 6.1, 6.2, 6.4.2, 6.4.3, 8.7(d) or (e), or 8.10 shall be effective as against the holder of any Permitted Mortgage theretofore made unless such holder has given its prior written consent thereto, which consent shall not be unreasonably withheld or delayed.

ARTICLE 14

AMENDMENTS CONCERNING COMMERCIAL SECTION

Amendments, modifications, additions or deletions of or to the Declaration, these By-Laws and the Rules and Regulations may be necessary, appropriate or desirable in connection with the operation of the Commercial Section or the subdivision of any Commercial Unit into separate condominium units and/or the offering for sale or lease of all or any portion of the Commercial Units and it is contemplated that in connection therewith the Condominium Board will cause the Declaration, these By-Laws and the Rules and Regulations to be so amended, modified, added to or deleted from and that the resulting provisions thereof may be similar or dissimilar to those affecting the Residential Section and Residential Unit Owners. In the case of any such amendment, modification, addition or deletion which does not adversely affect the Residential Section, or any Residential Unit Owners, the Condominium Board shall be the attorney-in fact for the Residential Unit Owners, coupled with an interest, for the purpose of approving and executing any instrument effecting such amendment, modification, addition or deletion.

SCHEDULE A

RESIDENTIAL RULES AND REGULATIONS

1. The entrances, passages, public halls, elevators, vestibules, corridors and stairways of the Residential Section shall not be obstructed or used for any other purpose than ingress to and egress from the Residential Units.

2. No article (including, but not limited to, garbage cans, bottles or mats) shall be placed in any of the passages, public halls, vestibules, corridors, stairways or fire tower landings of the Residential Section, nor shall any fire exit thereof be obstructed in any manner. Nothing shall be hung or shaken from any doors, windows or Main Roof or placed upon the window sills of the Residential Section.

3. Neither occupants nor their guests shall play in the entrances, passages, public halls, elevators, vestibules, corridors, stairways or fire towers of the Residential Section.

4. No public hall or public elevator vestibule of the Residential Section shall be decorated or furnished by any Residential Unit Owner in any manner.

5. Each Residential Unit Owner shall keep such Unit Owner's Unit and any Limited Common Elements appurtenant thereto (including the surface of any Terrace appurtenant to a Residential Unit) in a good state of preservation and cleanliness, and shall not sweep or throw or permit to be swept or thrown therefrom, or from the doors or windows thereof, any dirt or other substance. The type, size and quantity of plantings and other installations (including whether to allow an enclosure and if so, to what extent) to be placed on Terraces and the rights of Unit Owners to paint and decorate Terraces shall be subject to the prior written approval of the Residential Board. Any determination as to what constitutes a good state of preservation and cleanliness for any Unit Owner's Terrace shall be within the sole but reasonable discretion of the Residential Board.

6. No window guards or window decorations shall be used in or about any Residential Unit, unless otherwise required by Law, except such as shall have been approved in writing by the Residential Board or the managing agent of the Residential Section, which approval shall not be unreasonably withheld or delayed.

7. No radio, television aerial, satellite, disk or similar devices shall be attached to or hung from the exterior of the Residential Section and no sign, notice, advertisement or illumination shall be inscribed or exposed on or at any door or window or other part of the Residential Section except such as are permitted pursuant to the Declaration or the By-Laws or shall have been approved in writing by the Residential Board or the managing agent of the Residential Section, nor shall anything be projected from any door or window of the Residential Section without similar approval, except as may otherwise be provided by Law.

8. No heat, ventilator or air conditioning device shall be installed in any Residential Unit without the prior written approval of the Residential Board, which approval may be granted or refused in the sole discretion of the Residential Board.

9. All radio, television or other electrical equipment of any kind or nature installed or used in each Residential Unit shall fully comply with all rules, regulations, requirements or recommendations of the New York Board of Fire Underwriters and the public authorities having jurisdiction and the Residential Unit Owner alone shall be liable for any damage or injury caused by any radio, television or other electrical equipment in such Residential Unit Owner's Unit.

10. No velocipedes, bicycles, scooters or similar vehicles shall be allowed in any of the elevators other than the elevators designated by the Residential Board or the managing agent of the Residential Section for that purpose, and no baby carriages or any of the above mentioned vehicles shall be allowed to stand in the passages, public halls, vestibules, corridors or other public areas of the Residential Section.

11. No Residential Unit Owner shall make or permit any disturbing noises or activity in the Residential Section, or do or permit anything to be done therein, which will interfere with the rights, comfort or convenience of other Unit Owners or the tenants or occupants of the Commercial Section. No Residential Unit Owner shall play or suffer to be played any musical instrument, or practice or suffer to be practiced vocal music, or operate or permit to be operated a phonograph, radio, television computer, stereo or other loud speaker in such Unit Owner's Unit between 11:00 P.M. and the following 7:00 A.M., if the same shall disturb or annoy other occupants of the Building, unless the same shall have the prior written consent of the Residential Board. No construction or repair work or other installation involving noise shall be conducted in any Residential 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 or unless such work is performed by Declarant.

12. No pets other than dogs, caged birds, cats and fish (which do not cause a nuisance, health hazard or unsanitary condition), shall be permitted, kept or harbored in a Residential Unit without the same in each instance having been expressly permitted in writing by the Residential Board or the managing agent of the Residential Section and such consent, if given, shall be revocable by the Residential Board or such managing agent in their sole discretion, at any time. In no event shall any Unit Owner maintain more than two (2) pets in a Unit without the consent of the Residential Board nor shall any bird, reptile, or animal be permitted in any public elevator in the Residential Section, other than the elevators designated by the Residential Board or the managing agent of the Residential Section for that purpose, or in any of the public portions of the Residential Section, unless carried or on a leash. No pigeons or other birds or animals shall be fed from the window sills or other public portions of the Residential Section or on the sidewalk or street adjacent to the Building. Each Residential Unit Owner who keeps any type of pet in such Unit Owner's Residential Unit may be required to enter into an agreement with the Residential Board setting forth such other rules regarding pets as the Residential Board shall deem suitable and indemnifying and holding harmless the Condominium, all Unit Owners and the managing agent from all claims and expenses resulting from acts of such pet.

13. Servants, messengers and tradespeople visiting or residing in the Residential Section may be required to use the elevators designated by the Residential Board or the managing agent of the Residential Section for that purpose, for ingress and egress, and shall not use any of the other elevators for any purpose, except that nurses in the employ of Residential

Unit Owners or their guests or tenants may use any of the other elevators when accompanying said Unit Owners, guests or tenants. However, a guest or visitor of a Residential Unit Owner may use any of the elevators freely, if authorized by such Unit Owner.

14. All service and delivery persons may be required to use the service entrance unless otherwise directed. All packages, whenever feasible, will be required to be delivered by outside personnel to the package room in the lobby where such packages will be held for pick up by Residential Unit Owners. Deliveries, if made, will be made from the package room to individual Residential Units only by building personnel or as otherwise directed by building personnel. Such deliveries will be made only at such times as a Unit is occupied by the resident thereof or an authorized person and said resident or authorized person is willing to accept delivery. If the Residential Unit is not so occupied or delivery is declined, the package will be held in the package room until the resident or authorized person returns or requests delivery. In the case of packages containing perishable food items, service or delivery persons who are registered with building personnel will be permitted to make deliveries directly to individual Residential Units after such service or delivery persons have received approval for such delivery from the Residential Unit Owner.

15. Trunks and heavy baggage shall be taken in or out of the Residential Section by the elevators designated by the Residential Board or the managing agent of the Residential Section for that purpose, and through a designated entrance only.

16. No refuse from the Residential Units shall be sent to the below grade levels of the Building except at such times and in such manner as the Residential Board or the managing agent of the Residential Section may direct.

17. Water closets and other water apparatus in the Residential Section shall not be used for any purpose other than those for which they were designed, nor shall any sweepings, rubbish, rags or any other article be thrown into the same. Any damage resulting from misuse of any water closets or other apparatus in a Residential Unit shall be repaired and paid for by the Owner of such Unit.

18. No occupant of the Residential Section shall send any employee of the Residential Section or of the managing agent thereof out of the Building on any private business.

19. The agents of the Residential Board or the managing agent, and any contractor or worker authorized by the Residential Board or the managing agent of the Residential Section, may enter any room or Residential Unit at any reasonable hour of the day, on at least one day's prior written notice to the Residential Unit Owner, for the purpose of inspecting such Residential 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 manner so as not to unreasonably interfere with the use of such Residential Unit for its permitted purposes.

20. Corridor doors shall be kept closed at all times except when in actual use for ingress or egress to and from public corridors.

21. The Residential Board or the managing agent of the Residential Section may retain a passkey to each Residential Unit. If any lock is altered or a new lock is installed, the Residential Board or the managing agent of the Residential Section shall be provided with a key thereto immediately upon such alteration or installation. If the Residential Unit Owner is not personally present to open and permit an entry to such Unit Owner's Unit at any time when an entry therein is necessary or permissible under these Rules and Regulations or under the By-Laws and has not furnished a key to such Board or such managing agent, then the Residential Board or such managing agent or their agents (but, except in an Emergency, only when specifically authorized by an officer of such Board 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 under the circumstances is given to such Unit Owner's property).

22. No vehicle belonging to a Residential Unit Owner or to a member of the family or guest, tenant or employee of a Residential Unit Owner shall be parked in such manner as to impede or prevent ready access to any entrance to or exit from the Building.

23. Complaints regarding the services of the Residential Section shall be made in writing to the Residential Board or to the managing agent of the Residential Section.

24. Any consent or approval given under these Residential Rules and Regulations may be granted, refused, added to, amended or repealed, in the sole discretion of the Residential Board, at any time by resolution of the Residential Board. Further, any such consent or approval may, in the discretion of the Residential Board, be conditional.

25. Residential Unit Owners will faithfully observe the following procedures with respect to the use of the compactor: (a) wrap dust, floor and powdered waste in compact packages before depositing the same; (b) thoroughly drain and wrap in paper all garbage before depositing the same; (c) refrain from forcing large bundles into the chute; (d) crush into tight bundles all loose papers before placing the same in the hopper door; (e) deposit all bundles of waste into the hopper; (f) refrain from depositing waste of an explosive nature therein; (g) observe all Laws regarding the recycling of refuse then imposed by governmental agencies having jurisdiction thereover and (h) observe any additional recycling rules established by the Condominium Board or the Residential Board.

26. Except as permitted under the Declaration and By-Laws, Residential Unit Owners, their families, guests, servants, employees, agents, visitors, tenants, sublessees or licensees shall not at any time or for any reason whatsoever enter upon or attempt to enter upon the Main Roof of the Building.

27. Residential Unit Owners, their guests, servants, employees, agents, visitors, tenants, sublessees or licensees shall not cause or permit any unusual or objectionable noise or odors to be produced upon or to emanate from their Units or any public portions of the Building.

28. No Residential Unit Owner or any of such Unit Owner's agents, servants, employees, licensees, tenants, sublessees or visitors shall at any time bring into or keep in such Unit Owner's Unit any inflammable, combustible or explosive fluid, material, chemical or substance, except as shall be necessary and appropriate for the permitted uses of such Unit.

29. If any key or keys are entrusted by a Residential Unit Owner or by any member of such Unit Owner's family or by such Unit Owner's agent, servant, employee, tenant, sublessee, licensee or visitor to an employee of the Residential Board or the managing agent of the Residential Section, 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 Residential Board nor the managing agent of the Residential Section shall be liable for injury, loss or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

30. Nothing shall be done or kept in any Residential Unit or in the General or Limited Common Elements which will increase the rate of insurance of the Building or contents thereof without the prior written consent of the Condominium Board. No Residential Unit Owner shall permit anything to be done or kept in such Unit Owner's Unit or in the General or Limited Common Elements which will result in the cancellation of insurance on the Building or which would be in violation of any Law. No waste shall be committed in the General or Limited Common Elements.

31. The Boards shall have the right from time to time to relocate any portion of the Common Elements devoted to storage or service purposes.

32. No group tour or exhibition of any Residential Unit or its contents shall be conducted, nor shall any auction sale be held in any Residential Unit, without the prior consent of the Residential Board or the managing agent of the Residential Section.

33. In the event that any Residential Unit is used for home occupation purposes which are permitted by Law and the By-Laws, in no event shall any patients, clients or other invitees be permitted to wait in any lobby, public hallway or vestibule.

34. Unless expressly authorized by the Residential Board in each case, at least 80% of the floor area of each Residential Unit (excepting only kitchens, pantries, bathrooms, closets and foyers) must be covered with rugs, carpeting or equally effective noise reducing material.

35. There will be no barbecuing in the Residential Units in their Limited Common Elements (including Terraces), or the General Common Elements, except for those areas (if any) specifically designated for barbecuing by the Residential Board.

36. The Residential Board reserves the right to rescind, alter, waive or add, as to one or more or all occupants, any rule or regulation at any time prescribed for the Residential Section when, in the reasonable judgment of the Residential Board, the Residential Board deems it necessary or desirable for the reputation, safety, character, security, care, appearance or interests of the Residential Section, or the preservation of good order therein, or the operation or Maintenance of the Residential Section, or the equipment thereof, or the comfort of Unit Owners, occupants or others in the Residential Section. No rescission, alteration, waiver or addition of any rule or regulation in respect of one Residential Unit Owner or other occupant shall operate as a rescission, alteration or waiver in respect of any other Residential Unit Owner or other occupant.

No article, including, but not limited to, bicycles and similar vehicles, shall be stored or allowed to stand on Terraces, other than furniture of the kind usually maintained in outdoor areas.

EXHIBIT E

POWER OF ATTORNEY

EXHIBIT F

ELEVATION PLANS

EXHIBIT G

SPECIAL ALLOCATION METHODS

Charge to be Allocated	Allocation Percentage	
Building Employee Salaries- Costs for services of one (1) building porter	65% 35%	Residential Unit Owners Commercial Unit Owner
All Building Employee Salaries (except for cost of services one (1) building porter	100%	Residential Unit Owners
Electricity for the Residential Common Elements	100%	Residential Unit Owners
Water Charges & Sewer Rent	100%	Residential Unit Owners
Gas (cooking)	100%	Residential Unit Owners
Resident Manager's Unit costs	100%	Residential Unit Owners
Service Contracts (other than those contracts listed below (i.e. Exterminating, Fire Extinguishers etc.)	100%	Residential Unit Owners
Service Contracts for the following: -Exterminating, Fire Extinguishers, Water Tanks Water Treatment, Supplies, Burner Service and Telephone	Common Interest	
Contingency	Common Interest	
Repairs and Maintenance	Common Interest	
Gas (Heat and HW)	Common Interest	
Insurance	Common Interest	
Management Fee	Common Interest	
Legal and Audit Fees	Common Interest	

POWER OF ATTORNEY

Terms used in this Power of Attorney which are used (a) in the declaration (the "Declaration") submitted by 11 EAST 68TH STREET LLC ("Declarant") establishing a plan for condominium ownership of the premises known as the Eleven East Sixty-Eighth Street Condominium and by the street number 11 East 68th Street, New York, New York 10065 under Article 9-B of the Real Property Law of the State of New York, dated _____, 20_, and recorded in the New York County Office of the Register of The City of New York on _____, ___, under CRFN No._____ or (b) in the By-Laws of the Eleven East Sixty-Eighth Street Condominium (the "By-Laws") attached to, and recorded together with, the Declaration, shall have the same meanings in this Power of Attorney as in the Declaration or the By-Laws.

The undersigned, _____, the owner of the Condominium Unit (the "Unit") in the Eleven East Sixty-Eight Street Condominium which is (are) designated and described as Residential Unit No. _____ in the Declaration and also designated as Tax Lot ____, in Block 1383 of Section 05 of the Borough of Manhattan on the Tax Map of the Land Records Division of The City of New York and on the Floor Plans, do(es) hereby nominate, constitute and appoint the persons who may from time to time constitute the Condominium Board and/or the Residential Board, true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution, in their own names, as members of the Residential Board or Condominium Board or in the name of their designee (corporate or otherwise), on behalf of all Residential Unit Owners, in accordance with such Unit Owners' respective interests in the Common Elements, subject to the provisions of the By-Laws then in effect, (a) to acquire or lease any Residential Unit, together with its Appurtenant Interests (as defined hereinafter), whose owner desires to sell, convey, transfer, assign, lease or surrender the same, or which becomes the subject of a foreclosure or other similar sale, on such terms and at such price or rental, as the case may be, as the attorneys-in-fact deem proper, in the name of the Residential Board or its designee, corporate or otherwise, on behalf of all Residential Unit Owners, and after any such acquisition or leasing, to convey, sell, lease, sublease, mortgage or otherwise deal with (but not vote the interest appurtenant thereto) any such Residential Unit so acquired, or to sublease any Residential Unit so leased, without the necessity of further authorization by the Residential Unit Owners, on such terms as the attorneys-in-fact may determine, (b) to commence, pursue, appeal, settle and/or terminate administrative and certiorari proceedings to obtain reduced real estate tax assessments with respect to Residential Units, including retaining counsel and taking any other actions which the Condominium Board or Residential Board deems necessary or appropriate and (c) to execute, acknowledge and deliver any declaration or other instrument (i) as regards the Condominium Board, affecting the General Common Elements or the entire Property or (ii) as regards the Residential Board, affecting the entire Residential Section, which the Condominium Board or the Residential Board, as the case may be, deems necessary or appropriate to comply with any Law or requirement of the New York City Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the Maintenance of the Property or the Residential Section, respectively, or any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Units or the Common Elements which the Condominium Board or the Residential Board, as the case may

be, deems necessary or appropriate.

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

The undersigned do(es) hereby further irrevocably nominate, constitute and appoint the Commercial Unit A Owner as the party entitled to make all determinations regarding whether to restore the Building pursuant to Section 339-cc of the Condominium Act, in the event more than 75% of the Building is destroyed or substantially damaged.

The undersigned, do(es) hereby nominate, constitute and appoint the Declarant, true and lawful attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, on behalf of all Unit Owners, in accordance with such Unit Owners' respective interests in the Common Elements, subject to the provisions of the Declaration and By-Laws then in effect and in accordance with the provisions of the Declaration, By-Laws and Plan, in order to effectuate the rights granted to Declarant under the Declaration, By-Laws and Plan, and to execute an amendment to the Declaration, By-Laws and the Rules and Regulations of the Condominium or any permits, applications or documents required to undertake, perform or complete work to the Unsold Units or Common Elements by Declarant or obtain an amended certificate of occupancy therefor, or any of said documents when such amendment (i) shall be required to reflect any changes in Unsold Residential Units, Commercial Units and/or the reapportionment of the Common Interests of the aforesaid Units resulting therefrom made by Declarant in accordance with the Declaration or (ii) shall be required by an (x) institutional lender designated by Declarant to make a mortgage 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 Declarant 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 or physical modification to the undersigned's Unit or (iii) affect the priority or validity of the lien of any purchase money 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.

This Power of Attorney shall be irrevocable.

IN WITNESS WHEREOF, the undersigned has/have executed this Power of Attorney as of the ____ day of _____, 20_.

_____

(ACKNOWLEDGMENT)

EXHIBIT "10"

CERTIFICATION OF SPONSOR AND PRINCIPALS

CERTIFICATION OF SPONSOR AND PRINCIPALS

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

Re: Condominium Offering Plan
11 East 68th Street
New York, New York

Gentlemen:

The undersigned certify as follows:

We are the sponsor and the principals of sponsor of the condominium offering plan for the captioned property.

We understand that we have primary responsibilities for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Department of Law in Part 23 and such other laws and regulations as may be applicable.

We have read the entire offering plan. We have investigated the facts set forth in the offering plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the offering plan does, and that documents submitted hereafter by us which amend or supplement the offering plan will:

(i) set forth the detailed terms of the transaction and be complete, current and accurate;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;

(iii) not omit any material fact;

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

(v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;

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

(vii) not contain any representation or statement which is false, where I/we:

(a) knew the truth;

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

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

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

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

[SIGNATURE PAGE ON FOLLOWING PAGE]

SPONSOR:

11 EAST 68TH STREET LLC
By: VNO 11 East 68th Street Mezz LLC, its Managing Member
By: VNO 11 East 68th Street Holding Company LLC, its Managing Member
By: VNO HFZ 11 East 68th Holding Member LLC, its Member
By: HFZ East 68th LLC, its Managing Member
By: HFZ East 68th Manager, LLC, its Managing Member
By: H F Z Capital Group, LLC, its Sole Member

By: _____
Name: Ziel Feldman
Title: Authorized Signatory

Sworn to before me this 28th
day of January, 2013.

_____
Notary Public

CHRISTINE M IOVINO
Notary Public - State of New York
NO. 01IO6260404
Qualified in Queens County
My Commission Expires 2016

SPONSOR'S PRINCIPAL:

_____
Ziel Feldman

Sworn to before me this 28th
day of January, 2013.

_____
Notary Public

CHRISTINE M IOVINO
Notary Public - State of New York
NO. 01IO6260404
Qualified in Queens County
My Commission Expires 2016

EXHIBIT "11"

CERTIFICATION OF SPONSOR'S ARCHITECT

PART 23: CERTIFICATION OF ARCHITECT

Dated: February 1, 2013

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

Re: Condominium Offering Plan
Eleven East Sixty-Eighth Street Condominium
11 East 68th Street
New York, New York 10065 ("Property")

Dear Sir/Madam:

The sponsor of the offering plan to convert the captioned Property to condominium ownership retained me/our firm to prepare a report disclosing the condition of the property (the "Report"). I/We visually inspected the Property on December 6, 2011 and prepared the Report dated November 19th, 2012, a copy of which is intended to be incorporated into the offering plan so that prospective purchasers may rely on the Report.

I/We understand that I am/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 23 insofar as they are applicable to this Report.

I/We have read the entire Report and investigated the facts set forth in the Report and the facts underlying it and conducted the visual inspection referred to above with due diligence in order to form a basis for this certification. I/we certify that the Report and all documents prepared by me/us disclose all the material facts which were then discernable from a visual inspection of the Property. This certification is made for the benefit of all persons to whom this offer is made.

I/We certify that the Report based on my/our visual inspection:

(i) sets forth in narrative form the physical condition of the entire property and is current and accurate as of the date of inspection;

(ii) in my/our professional opinion affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the physical condition of the Property;

(iii) does not omit any material fact;

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

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

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

(vii) does not contain any representation or statement which is false, where I/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.

(vii) It is to be understood that all aspects of the physical condition of the Property cannot be determined by a visual inspection and that all statements contained in this certification are premised on and limited to such visual inspection.

I/We further certify that I am/we are not owned or controlled by and have no beneficial interest in the sponsor and that my/our compensation for preparing this Report is not contingent on the success of the Offering plan or on the profitability or price of the offering. This statement is not intended as a guarantee or warranty of the physical condition of the Property.

By: _____
Name: Richard J. Metsky
Title: Partner

Sworn to before me this
1st day of February, 2013

_____
Notary Public

JEANNE CUMMINGS
Notary Public, State of New York
No. 31-4996235
Qualified in New York County
Commission Expires May 11, 2014

REGISTERED ARCHITECT
RICHARD J. METSKY
No. 018928-1
STATE OF NEW YORK

EXHIBIT "12"

CERTIFICATION OF SPONSOR'S EXPERT CONCERNING ADEQUACY OF BUDGET

622 Third Avenue • New York, NY 10017 • Tel: 212-682-7373 • Fax: 212-682-5441

PART 20: CERTIFICATION BY EXPERT AS TO ADEQUACY OF CONDOMINIUM BUDGET

January 30, 2013

New York State Department of Law
Real Estate Finance Bureau
120 Broadway - 23rd Floor
New York, New York 10013

Re: Condominium Offering Plan
11 East 68th Street Condominium
11 East 68th Street
New York, New York 10065 ("Property")

Gentlemen:

The Sponsor of the Condominium Offering Plan of the above captioned property retained our firm to review Schedule B (collectively referred to herein as the "Schedules") containing projections of income and expenses of the Condominium for the first year of operation. Our experience in this field includes the management of over 100 cooperatives and/or condominiums, throughout Manhattan and Queens, and we have been in business for over twenty-five years.

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

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

We certify that the projections in the Schedules appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.

We certify that the Schedules:

(i) set forth in detail the projected income and expenses for the first year of condominium operation;

(ii) afford potential investors, purchasers and participants an adequate basis on which to found their judgment concerning the first year of condominium operation;

(iii) do not omit any material fact;

(iv) do not contain any untrue statement of a material fact;

(v) do not contain any fraud, deception, concealment, or suppression;

(vi) do not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances:

(vii) do not contain any representation or statement which is false, where we; (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth, or (d) did not have knowledge concerning the representation or statement made.

We further certify that we are not owned or controlled by the Sponsor. We understand that a copy of this Certification is intended to be incorporated into the Offering Plan. This statement is not intended as a guarantee or warranty of the income and expenses for the first year of condominium operation.

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

Cooper Square Realty, Inc.

By: _____

Marc Kotler

Sworn to before me this

25th day of January, 2013

Notary Public

Alissen Jae Williams

ALISSEN JAE WILLIAMS
NOTARY PUBLIC-STATE OF NEW YORK
No. 01WI6206628
Qualified in Queens County
My Commission Expires July 06, 2017

EXHIBIT "13"

CERTIFICATION OF SPONSOR'S EXPERT CONCERNING ADEQUACY OF COMMON CHARGES PAYABLE BY COMMERCIAL UNIT OWNER

622 Third Avenue • New York, NY 10017 • Tel: 212-682-7373 • Fax: 212-682-5441

PART 20: CERTIFICATION BY EXPERT CONCERNING ADEQUACY OF COMMON CHARGES PAYABLE BY THE COMMERCIAL UNIT OWNERS

January 30, 2013

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

Re: Condominium Offering Plan
11 East 68th Street Condominium
481 Washington Street
New York, New York 10065 ("Property")

The Sponsor of the Condominium Offering Plan for the captioned property retained our firm to prepare Schedule B, which includes projections of common charges payable by the owner of the Commercial Units. Our experience in this field includes the management of over 100 cooperatives and/or condominiums, throughout Manhattan and Queens, and we have been in business for over twenty-five years.

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

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

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

We certify that the estimates in Schedule B for the common charges payable by the owner of the Commercial Units:

(i) set forth in detail the projected common charges for the Commercial Units for the first year of condominium operation;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the common charges payable by the owner of the Non-Residential Units;

(iii) do not omit any material fact;

(iv) do not contain any untrue statement of a material fact;

(v) do not contain any fraud, deception, concealment, or suppression;

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

(vii) do not contain any representation or statement which is false, where we; (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth, or (d) did not have knowledge concerning the representation or statement made.

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

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

Cooper Square Realty, Inc.
By: _____
Marc Kotler

Sworn to before me this

30th day of January, 2013
Notary Public

ALISSEN JAE WILLIAMS
NOTARY PUBLIC-STATE OF NEW YORK
No. 01WI6208628
Qualified in Queens County
My Commission Expires July 06, 2015

EXHIBIT "14"

INTENTIONALLY OMITTED

EXHIBIT "15"

FORM W-9

Form **W-9**
(Rev. December 2011)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give Form to the requester. Do not send to the IRS.

Print or type
See Specific Instructions on page 2.

Name (as shown on your income tax return)

Business name/disregarded entity name, if different from above

Check appropriate box for federal tax classification:
☐ Individual/sole proprietor ☐ C Corporation ☐ S Corporation ☐ Partnership ☐ Trust/estate

☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶

☐ Other (see instructions) ▶

☐ Exempt payee

Address (number, street, and apt. or suite no.)

Requester's name and address (optional)

City, state, and ZIP code

List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number

			-			-				

Employer identification number

		-								

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 4.

Sign Here | **Signature of U.S. person ▶** | **Date ▶**

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,
- The U.S. grantor or other owner of a grantor trust and not the trust, and
- The U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person, do not use Form W-9. Instead, use the appropriate Form W-8 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.

2. The treaty article addressing the income.

3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.

4. The type and amount of income that qualifies for the exemption from tax.

5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-8.

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS a percentage of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,

2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),

3. The IRS tells the requester that you furnished an incorrect TIN,

4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or

5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the instructions below and the separate Instructions for the Requester of Form W-9.

Also see *Special rules for partnerships* on page 1.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account, for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of $50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a $500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Name

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

Sole proprietor. Enter your individual name as shown on your income tax return on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name/disregarded entity name" line.

Partnership, C Corporation, or S Corporation. Enter the entity's name on the "Name" line and any business, trade, or "doing business as (DBA) name" on the "Business name/disregarded entity name" line.

Disregarded entity. Enter the owner's name on the "Name" line. The name of the entity entered on the "Name" line should never be a disregarded entity. The name on the "Name" line must be the name shown on the income tax return on which the income will be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a domestic owner, the domestic owner's name is required to be provided on the "Name" line. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on the "Business name/disregarded entity name" line. If the owner of the disregarded entity is a foreign person, you must complete an appropriate Form W-8.

Note. Check the appropriate box for the federal tax classification of the person whose name is entered on the "Name" line (Individual/sole proprietor, Partnership, C Corporation, S Corporation, Trust/estate).

Limited Liability Company (LLC). If the person identified on the "Name" line is an LLC, check the "Limited liability company" box only and enter the appropriate code for the tax classification in the space provided. If you are an LLC that is treated as a partnership for federal tax purposes, enter "P" for partnership. If you are an LLC that has filed a Form 8832 or a Form 2553 to be taxed as a corporation, enter "C" for C corporation or "S" for S corporation. If you are an LLC that is disregarded as an entity separate from its owner under Regulation section 301.7701-3 (except for employment and excise tax), do not check the LLC box unless the owner of the LLC (required to be identified on the "Name" line) is another LLC that is not disregarded for federal tax purposes. If the LLC is disregarded as an entity separate from its owner, enter the appropriate tax classification of the owner identified on the "Name" line.

Other entities. Enter your business name as shown on required federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name/ disregarded entity name" line.

Exempt Payee

If you are exempt from backup withholding, enter your name as described above and check the appropriate box for your status, then check the "Exempt payee" box in the line following the "Business name/ disregarded entity name," sign and date the form.

Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

Note. If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

The following payees are exempt from backup withholding:

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2),

2. The United States or any of its agencies or instrumentalities,

3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities,

4. A foreign government or any of its political subdivisions, agencies, or instrumentalities, or

5. An international organization or any of its agencies or instrumentalities.

Other payees that may be exempt from backup withholding include:

6. A corporation,

7. A foreign central bank of issue,

8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States,

9. A futures commission merchant registered with the Commodity Futures Trading Commission,

10. A real estate investment trust,

11. An entity registered at all times during the tax year under the Investment Company Act of 1940,

12. A common trust fund operated by a bank under section 584(a),

13. A financial institution,

14. A middleman known in the investment community as a nominee or custodian, or

15. A trust exempt from tax under section 664 or described in section 4947.

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 15.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 9
Broker transactions	Exempt payees 1 through 5 and 7 through 13. Also, C corporations.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 5
Payments over $600 required to be reported and direct sales over $5,000 [1]	Generally, exempt payees 1 through 7 [2]

[1] See Form 1099-MISC, Miscellaneous Income, and its Instructions.

[2] However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney, and payments for services paid by a federal executive agency.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited Liability Company (LLC)* on page 2), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note. See the chart on page 4 for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at *www.ssa.gov*. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at *www.irs.gov/businesses* and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting IRS.gov or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note. Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: *A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.*

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if item 1, below, and items 4 and 5 on page 4 indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on the "Name" line must sign. Exempt payees, see *Exempt Payee* on page 3.

Signature requirements. Complete the certification as indicated in items 1 through 3, below, and items 4 and 5 on page 4.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account [1]
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor [2]
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee [1]
b. So-called trust account that is not a legal or valid trust under state law	The actual owner [1]
5. Sole proprietorship or disregarded entity owned by an individual	The owner [3]
6. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulation section 1.671-4(b)(2)(i)(A))	The grantor*
For this type of account:	**Give name and EIN of:**
7. Disregarded entity not owned by an individual	The owner
8. A valid trust, estate, or pension trust	Legal entity [4]
9. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
10. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
11. Partnership or multi-member LLC	The partnership
12. A broker or registered nominee	The broker or nominee
13. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
14. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulation section 1.671-4(b)(2)(i)(B))	The trust

[1] List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

[2] Circle the minor's name and furnish the minor's SSN.

[3] You must show your individual name and you may also enter your business or "DBA" name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

[4] List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships* on page 1.

*Note. Grantor also must provide a Form W-9 to trustee of trust.

Note. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, social security number (SSN), or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Publication 4535, Identity Theft Prevention and Victim Assistance.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes. Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to *phishing@irs.gov*. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: *spam@uce.gov* or contact them at *www.ftc.gov/idtheft* or 1-877-IDTHEFT (1-877-438-4338).

Visit IRS.gov to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.

EXHIBIT "16"

FORM W-8BEN

Form **W-8BEN**
(Rev. February 2006)
Department of the Treasury
Internal Revenue Service

Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding

► Section references are to the Internal Revenue Code. ► See separate instructions.
► Give this form to the withholding agent or payer. Do not send to the IRS.

OMB No. 1545-1621

Do not use this form for:	Instead, use Form:
• A U.S. citizen or other U.S. person, including a resident alien individual	W-9
• A person claiming that income is effectively connected with the conduct of a trade or business in the United States	W-8ECI
• A foreign partnership, a foreign simple trust, or a foreign grantor trust (see instructions for exceptions)	W-8ECI or W-8IMY
• A foreign government, international organization, foreign central bank of issue, foreign tax-exempt organization, foreign private foundation, or government of a U.S. possession that received effectively connected income or that is claiming the applicability of section(s) 115(2), 501(c), 892, 895, or 1443(b) (see instructions)	W-8ECI or W-8EXP
Note: *These entities should use Form W-8BEN if they are claiming treaty benefits or are providing the form only to claim they are a foreign person exempt from backup withholding.*	
• A person acting as an intermediary	W-8IMY

Note: *See instructions for additional exceptions.*

Part I Identification of Beneficial Owner (See instructions.)

1 Name of individual or organization that is the beneficial owner

2 Country of incorporation or organization

3 Type of beneficial owner: ☐ Individual ☐ Corporation ☐ Disregarded entity ☐ Partnership ☐ Simple trust
☐ Grantor trust ☐ Complex trust ☐ Estate ☐ Government ☐ International organization
☐ Central bank of issue ☐ Tax-exempt organization ☐ Private foundation

4 Permanent residence address (street, apt. or suite no., or rural route). **Do not use a P.O. box or in-care-of address.**

City or town, state or province. Include postal code where appropriate.

Country (do not abbreviate)

5 Mailing address (if different from above)

City or town, state or province. Include postal code where appropriate.

Country (do not abbreviate)

6 U.S. taxpayer identification number, if required (see instructions) ☐ SSN or ITIN ☐ EIN

7 Foreign tax identifying number, if any (optional)

8 Reference number(s) (see instructions)

Part II Claim of Tax Treaty Benefits (if applicable)

9 **I certify that (check all that apply):**

a ☐ The beneficial owner is a resident of ..... within the meaning of the income tax treaty between the United States and that country.

b ☐ If required, the U.S. taxpayer identification number is stated on line 6 (see instructions).

c ☐ The beneficial owner is not an individual, derives the item (or items) of income for which the treaty benefits are claimed, and, if applicable, meets the requirements of the treaty provision dealing with limitation on benefits (see instructions).

d ☐ The beneficial owner is not an individual, is claiming treaty benefits for dividends received from a foreign corporation or interest from a U.S. trade or business of a foreign corporation, and meets qualified resident status (see instructions).

e ☐ The beneficial owner is related to the person obligated to pay the income within the meaning of section 267(b) or 707(b), and will file Form 8833 if the amount subject to withholding received during a calendar year exceeds, in the aggregate, $500,000.

10 **Special rates and conditions** (if applicable—see instructions): The beneficial owner is claiming the provisions of Article ..... of the treaty identified on line 9a above to claim a ..... % rate of withholding on (specify type of income): .....

Explain the reasons the beneficial owner meets the terms of the treaty article: .....

Part III Notional Principal Contracts

11 ☐ I have provided or will provide a statement that identifies those notional principal contracts from which the income is **not** effectively connected with the conduct of a trade or business in the United States. I agree to update this statement as required.

Part IV Certification

Under penalties of perjury, I declare that I have examined the information on this form and to the best of my knowledge and belief it is true, correct, and complete. I further certify under penalties of perjury that:

1 I am the beneficial owner (or am authorized to sign for the beneficial owner) of all the income to which this form relates.
2 The beneficial owner is not a U.S. person.
3 The income to which this form relates is (a) not effectively connected with the conduct of a trade or business in the United States, (b) effectively connected but is not subject to tax under an income tax treaty, or (c) the partner's share of a partnership's effectively connected income, **and**
4 For broker transactions or barter exchanges, the beneficial owner is an exempt foreign person as defined in the instructions.

Furthermore, I authorize this form to be provided to any withholding agent that has control, receipt, or custody of the income of which I am the beneficial owner or any withholding agent that can disburse or make payments of the income of which I am the beneficial owner.

Sign Here ► ..... Signature of beneficial owner (or individual authorized to sign for beneficial owner) | ..... Date (MM-DD-YYYY) | ..... Capacity in which acting

EXHIBIT "17"

INTENTIONALLY OMITTED

EXHIBIT "18"

SECTION 352-eeee of the GENERAL BUSINESS LAW

§352-eeee. Conversions to cooperative or condominium ownership in the City of New York.

1. As used in this section, the following words and terms shall have the following meanings:

(a) "Plan." Every offering statement or prospectus submitted to the department of law pursuant to section three hundred fifty-two-e of this article for the conversion of a building or group of buildings or development from residential rental status to cooperative or condominium ownership or other form of cooperative interest in realty, other than an offering statement or prospectus for such conversion pursuant to article two, eight or eleven of the private housing finance law.

(b) "Non-eviction plan." A plan which may not be declared effective until written agreements have been executed and delivered for at least fifteen percent of all dwelling units in the building or group of buildings or development by bona fide tenants in occupancy or bona fide purchasers who represent that they intend that they or one or more members of their immediate family intend to occupy the unit when it becomes vacant. As to tenants who were in occupancy on the date a letter was issued by the attorney general accepting the plan for filing, the Agreement shall be executed and delivered pursuant to an offering made in good faith without fraud and discriminatory repurchase agreements or other discriminatory inducements.

(c) "Eviction plan." A plan which, pursuant to the provisions of this section, can result in the eviction of a non-purchasing tenant by reason of the tenant failing to purchase pursuant thereto, and which may not be declared effective until at least fifty-one percent of the bona fide tenants in occupancy of all dwelling units in the building or group of buildings or development on the date the offering statement or prospectus was accepted for filing by the attorney general (excluding, for the purposes of determining the number of bona fide tenants in occupancy on such date, eligible senior citizens and eligible disabled persons) shall have executed and delivered written agreements to purchase under the plan pursuant to an offering made in good faith without fraud and with no discriminatory repurchase agreements or other discriminatory inducements.

(d) "Purchaser under the plan." A person who owns the shares allocated to a dwelling unit or who owns such dwelling unit itself.

(e) "Non-purchasing tenant." A person who has not purchased under the plan and who is a tenant entitled to possession at the time the plan is declared effective or a person to whom a dwelling unit is rented subsequent to the effective date. A person who sublets a dwelling unit from a purchaser under the plan shall not be deemed a non-purchasing tenant.

(f) "Eligible senior citizens." Non-purchasing tenants who are sixty-two years of age or older on the date the attorney general has accepted the plan for filing, and the spouses of any such tenants on such date, and who have elected, within sixty days of the date the attorney general has accepted the plan for filing, on forms promulgated by the attorney general and presented to such tenants by the offeror, to become non-purchasing tenants under the provisions of this section, provided that such election shall not preclude any such tenant from subsequently

purchasing the dwelling unit on the terms then offered to tenants in occupancy.

(g) "Eligible disabled persons." Non-purchasing tenants who have an impairment which results from anatomical, physiological or psychological conditions, other than addiction to alcohol, gambling or any controlled substance, which are demonstrable by medically acceptable clinical and laboratory diagnostic techniques, and which are expected to be permanent and which prevent the tenant from engaging in any substantial gainful employment on the date the attorney general has accepted the plan for filing, and the spouses of any such tenants on such date, and who have elected, within sixty days of the date the attorney general has accepted the plan for filing, on forms promulgated by the attorney general and presented to such tenants by the offeror, to become non-purchasing tenants under the provisions of this section; provided, however, that if the disability first occurs after acceptance of the plan for filing, then such election may be made within sixty days following the onset of such disability unless during the period subsequent to sixty days following the acceptance of the plan for filing but prior to such election, the offeror accepts a written agreement to purchase the apartment from a bona fide purchaser; and provided further that such election shall not preclude any such tenant from subsequently purchasing the dwelling unit or the shares allocated thereto on the terms then offered to tenants in occupancy.

2. The attorney general shall refuse to issue a letter stating that the offering statement or prospectus required in subdivision one of section three hundred fifty-two-e of this chapter has been filed whenever it appears that the offering statement or prospectus offers for sale residential cooperative apartments or condominium units pursuant to a plan, unless:

(a) The plan provides that it will be deemed abandoned, void and of no effect if it does not become effective within fifteen months from the date of issue of the letter of the attorney general stating that the offering statement or prospectus has been accepted for filing and, in the event of such abandonment, no new plan for the conversion of such building or group of buildings or development shall be submitted to the attorney general for at least twelve months after such abandonment.

(b) The plan provides either that it is an eviction plan or that it is a non-eviction plan.

(c) The plan provides, if it is a non-eviction plan, as follows:

(i) The plan may not be declared effective until written Agreements have been executed and delivered for at least fifteen percent of all dwelling units in the building or group of buildings or development subscribed for by bona fide tenants in occupancy or bona fide purchasers who represent that they intend that they or one or more members of their immediate family occupy the dwelling unit when it becomes vacant. As to tenants who were in occupancy on the date a letter was issued by the attorney general accepting the plan for filing, the Agreement shall be executed and delivered pursuant to an offering, made without discriminatory repurchase agreements or other discriminatory inducements.

(ii) No eviction proceedings will be commenced at any time against non-purchasing tenants for failure to purchase or any other reason applicable to expiration of tenancy, provided that such proceedings may be commenced for non-payment of rent, illegal use

or occupancy of the premises, refusal of reasonable access to the owner or a similar breach by the non-purchasing tenant of his obligations to the owner of the dwelling unit or the shares allocated thereto; and provided further that an owner of a unit or of the shares allocated thereto may not commence an action to recover possession of a dwelling unit from a non-purchasing tenant on the grounds that he seeks the dwelling unit for the use and occupancy of himself or his family.

(iii) Non-purchasing tenants who reside in dwelling units subject to government regulation as to rentals and continued occupancy prior to the conversion of the building or group of buildings or development to cooperative or condominium ownership shall continue to be subject thereto.

(iv) The rentals of non-purchasing tenants who reside in dwelling units not subject to government regulation as to rentals and continued occupancy and non-purchasing tenants who reside in dwelling units with respect to which government regulation as to rentals and continued occupancy is eliminated or becomes inapplicable after the plan has been accepted for filing by the attorney general shall not be subject to unconscionable increases beyond ordinary rentals for comparable apartments during the period of their occupancy. In determining comparability, consideration shall be given to such factors as building services, level of Maintenance and operating expenses.

(v) The plan may not be amended at any time to provide that it shall be an eviction plan.

(vi) The rights granted under the plan to purchasers under the plan and to non-purchasing tenants may not be abrogated or reduced notwithstanding any expiration of, or amendment to, this section.

(vii) After the issuance of the letter from the attorney general stating that the offering statement or prospectus required in subdivision one of section three hundred fifty-two-e of this article has been filed, the offeror shall, on the thirtieth, sixtieth, eighty-eighth and ninetieth day after such date and at least once every thirty days until the plan is declared effective or is abandoned, as the case may be, and on the second day before the expiration of any Exclusive Purchase Period provided in a substantial amendment to the plan, (1) file with the attorney general a written statement, under oath, setting forth the percentage of the dwelling units in the building or group of buildings or development subscribed for by bona fide tenants in occupancy or bona fide purchasers who represent that they intend that they or one or more members of their immediate family occupy the dwelling unit when it becomes vacant as of the date of such statement and, (2) before noon on the day such statement is filed post a copy of such statement in a prominent place accessible to all tenants in each building covered by the plan.

(d) The plan provides, if it is an eviction plan, as follows:

(i) The plan may not be declared effective unless at least fifty-one percent of the bona fide tenants in occupancy of all dwelling units in the building or group of buildings or development on the date the offering statement or prospectus was accepted for filing by the attorney general (excluding, for the purposes of determining the number of bona fide

tenants in occupancy on such date, eligible senior citizens and eligible disabled persons) shall have executed and delivered written agreements to purchase under the plan pursuant to an offering made in good faith without fraud and with no discriminatory repurchase agreements or other discriminatory inducements.

(ii) No eviction proceedings will be commenced against a non-purchasing tenant for failure to purchase or any other reason applicable to expiration of tenancy until the later to occur of (l) the date which is the expiration date provided in such non-purchasing tenant's lease or rental agreement, and (2) the date which is three years after the date on which the plan is declared effective. Non-purchasing tenants who reside in dwelling units subject to government regulation as to rentals and continued occupancy prior to conversion shall continue to be subject thereto during the period of occupancy provided in this paragraph. Thereafter, if a tenant has not purchased, he may be removed by the owner of the dwelling unit or the shares allocated to such dwelling unit.

(iii) No eviction proceedings will be commenced, except as hereinafter provided, at any time against either eligible senior citizens or eligible disabled persons. The rentals of eligible senior citizens and eligible disabled persons who reside in dwelling units not subject to government regulation as to rentals and continued occupancy and eligible senior citizens and eligible disabled persons who reside in dwelling units with respect to which government regulation as to rentals and continued occupancy is eliminated or becomes inapplicable after the plan has been accepted for filing shall not be subject to unconscionable increases beyond ordinary rentals for comparable apartments during the period of their occupancy considering, in determining comparability, such factors as building services, level of Maintenance and operating expenses; provided that such proceedings may be commenced against such tenants for non-payment of rent, illegal use or occupancy of the premises, refusal or reasonable access to the owner or a similar breach by the tenant of his obligations to the owner of the dwelling unit or the shares allocated thereto.

(iv) Eligible senior citizens and eligible disabled persons who reside in dwelling units subject to government regulation as to rentals and continued occupancy shall continue to be subject thereto.

(v) The rights granted under the plan to eligible senior citizens and eligible disabled persons may not be abrogated or reduced notwithstanding any expiration of, or amendment to, this section.

(vi) Any offeror who disputes the election by a person to be an eligible senior citizen or an eligible disabled person must apply to the attorney general within thirty days of the receipt of the election forms for a determination by the attorney general of such person's eligibility. The attorney general shall, within thirty days thereafter, issue his determination of eligibility. The foregoing shall, in the absence of fraud, be the sole method for determining a dispute as to whether a person is an eligible senior citizen or an eligible disabled person. The determination of the attorney general shall be reviewable only through a proceeding under article seventy-eight of the civil practice law and rules, which proceeding must be commenced within thirty days after such determination by the attorney general becomes final.

(vii) After the issuance of the letter from the attorney general stating that the offering statement or prospectus required in subdivision one of section three hundred fifty-two-e of this article has been accepted for filing, the offeror shall, on the thirtieth, sixtieth, eighty-eighth and ninetieth days after such date and at least once every thirty days until the plan is declared effective or abandoned, as the case may be, and on the second day before the expiration of any Exclusive Purchase Period provided in a substantial amendment to the plan, (1) file with the attorney general a written statement, under oath, setting forth the percentage of bona fide tenants in occupancy of all dwelling units in the building or group of buildings or development on the date the offering statement or prospectus was accepted for filing by the attorney general who have executed and delivered written agreements to purchase under the plan as of the date of such statement, and (2) before noon on the day such statement is filed post a copy of such statement in a prominent place accessible to all tenants in each building covered by the plan.

(viii) If the plan is amended before it is declared effective to provide that it shall be a non-eviction plan, any person who has agreed to purchase under the plan prior to such amendment shall have a period of thirty days after receiving written notice of such amendment to revoke his agreement to purchase under the plan.

(ix) The tenants in occupancy on the date the attorney general accepts the plan for filing shall have the exclusive right to purchase their dwelling units or the shares allocated thereto for ninety days after the plan is accepted for filing by the attorney general, during which time a tenant's dwelling unit shall not be shown to a third party unless he has, in writing, waived his right to purchase; subsequent to the expiration of such ninety day period, a tenant in occupancy of a dwelling unit who has not purchased shall be given the exclusive right for an additional period of six months from said expiration date to purchase said dwelling unit or the shares allocated thereto on the same terms and conditions as are contained in an executed contract to purchase said dwelling unit or shares entered into by a bona fide purchaser, such exclusive right to be exercisable within fifteen days from the date of mailing by registered mail of notice of the execution of a contract of sale together with a copy of said executed contract to said tenant.

(e) The attorney general finds that an excessive number of long-term vacancies did not exist on the date that the offering statement or prospectus was first submitted to the department of law. "Long-term vacancies" shall mean dwelling units not leased or occupied by bona fide tenants for more than five months prior to the date of such submission to the department of law. "Excessive" shall mean a vacancy rate in excess of the greater of (i) ten percent and (ii) a percentage that is double the normal average vacancy rate for the building or group of buildings or development for two years prior to the January preceding the date the offering statement or prospectus was first submitted to the department of law.

(f) The attorney general finds that, following the submission of the offering statement or prospectus to the department of law, each tenant in the building or group of buildings or development was provided with a written notice stating that such offering statement or prospectus has been submitted to the department of law for filing. Such notice shall be accompanied by a copy of the offering statement or prospectus and a statement that the statements submitted pursuant to subparagraph (vii) of paragraph (c) or subparagraph (vii) of paragraph (d) of

this subdivision, whichever is applicable, will be available for inspection and copying at the office of the department of law where the submission was made and at the office of the offeror or a selling agent of the offeror. Such notice shall also be accompanied by a statement that tenants or their representatives may physically inspect the premises at any time subsequent to the submission of the plan to the department of law, during normal business hours, upon written request made by them to the offeror, provided such representatives are registered architects or professional engineers licensed to practice in the state of New York. Such notice shall be sent to each tenant in occupancy on the date the plan is first submitted to the department of law.

3. All dwelling units occupied by non-purchasing tenants shall be managed by the same managing agent who manages all other dwelling units in the building or group of buildings or development. Such managing agent shall provide to non-purchasing tenants all services and facilities required by law on a non-discriminatory basis. The offeror shall guarantee the obligation of the managing agent to provide all such services and facilities until such time as the offeror surrenders control to the board of directors or board of managers.

4. It shall be unlawful for any person to engage in any course or conduct, including, but not limited to, interruption or discontinuance of essential services, which substantially, interferes with or disturbs the comfort, repose, peace or quiet of any tenant in his use or occupancy of his dwelling unit or the facilities related thereto. The attorney general may apply to a court of competent jurisdiction for an order restraining such conduct and, if he deems it appropriate, an order restraining the owner from selling the shares allocated to the dwelling unit or the dwelling unit itself or from proceeding with the plan of conversion; provided that nothing contained herein shall be deemed to preclude the tenant from applying on his own behalf for similar relief.

5. Any local legislative body may adopt local laws and any agency, officer or public body may prescribe rules and regulations with respect to the continued occupancy by tenants of dwelling units which are subject to regulation as to rentals and continued occupancy pursuant to law, provided that in the event that any such local law, rule or regulation shall be inconsistent with the provisions of this section, the provisions of this section shall control.

6. Any provision of a lease or other rental agreement which purports to waive a tenant's rights under this section or rules and regulations promulgated pursuant hereto shall be void as contrary to public policy.

7. The provisions of this section shall only be applicable in the city of New York.

EXHIBIT "19"

RESERVE FUND LAW

LOCAL LAW 70

To amend the administrative code of the city of New York, in relation to the conversion of residential rental housing to cooperative or condominium ownership.

Be it enacted by the Council as follows:

Section 1. Legislative declaration. The council finds that the protection of the health, safety and welfare of persons within the city who reside in residential buildings being converted from rental status to cooperative or condominium ownership requires that such persons be informed of the physical condition of such buildings and of any outstanding notices of code violations issued with respect to such buildings. The council further finds that for the health, safety and welfare of residents of the city and for the preservation and improvement of this substantial and increasing form of housing accommodation it is essential that funds be set aside for the purpose of making capital repairs, replacements and improvements to such buildings.

Section 2. Chapter fifty-one of the administrative code of the city of New York is amended by adding a new title YYYY to read as follows:

TITLE YYYY

COOPERATIVE AND CONDOMINIUM CONVERSIONS

§ YYYY51-1.0 Application.

The provisions of this title shall apply to conversions from rental to cooperative or condominium status of a building or a group of buildings or a development for which a plan must be filed with the state department of law pursuant to section three hundred fifty-two-eeee of the general business law.

§ YYYY51-2.0 Definitions.

As used in this title the following words shall mean:

a. "Building"-any building, group of buildings or development.

b. "Total Price"-

(l) with respect to cooperative conversions, the number of all shares in the offering multiplied by the last price per share which was offered to tenants in occupancy prior to the effective date of the plan regardless of number of sales made;

(2) with respect to condominium conversions, the sum of the cost of all units in the offering at the last price which was offered to tenants in occupancy prior to the effective date of the plan regardless of number of sales made.

c. "Capital replacement" - a building-wide replacement of a major component of any of the following systems:

(l) elevator;
(2) heating, ventilation and air conditioning;
(3) plumbing;
(4) wiring;
(5) windows;

or, a major structural replacement to the building; provided, however, that replacements made to cure code violations of record shall not be included.

d. "Offeror" - the offeror, his nominees, assignees and successors in interest.

§YYYY51-3.0 Establishment of reserve fund.

a. Within thirty days after the closing of a conversion pursuant to an offering plan the offeror shall establish and transfer to the cooperative corporation or condominium board of managers, a reserve fund to be used exclusively for making capital repairs, replacements and improvements necessary for the health and safety of the residents of such buildings. Such reserve fund shall be exclusive of any other funds required to be reserved under the plan or applicable law or regulation of the state attorney general, except a fund for capital repairs, replacements and improvements substantially similar in purpose to and in an amount not less than the reserve fund mandated by this section. Such reserve fund also shall be exclusive of any working capital fund and shall not be subject to reduction for closing apportionments.

b. Such fund shall be established in an amount equal to either (i) three per cent of the total price or, (ii) (A) three per cent of the actual sales price of all cooperative shares or condominium units sold by the offeror at the time the plan is declared effective, provided, however, that if such amount is less than one per cent of the total price, then the fund shall be established as a minimum of one per cent of the total price; plus (B) supplemental contributions to be made by the offeror at a rate of three per cent of the actual sales price of cooperative shares or condominium units for each unit or its allocable shares held by the offeror and sold to bona fide purchasers subsequent to the effective date of the plan and within 5 years of the closing of the conversion pursuant to such plan notwithstanding that the total amount contributed may exceed three per cent of the total price; and provided, further, that if five years from thirty days after the closing of the conversion pursuant to such plan the total contributions by the offeror to the fund are less than three per cent of the total price the offeror shall pay the difference between the amount contributed and three per cent of the total price. Supplemental contributions shall be made within 30 days of each sale.

c. The contributions required pursuant to this section may be made earlier or in an amount greater than so provided. An offeror may claim and receive credit against the mandatory initial contribution to the reserve fund for the actual cost of capital replacements which he has begun after the plan is submitted for filing to the state department of law and before the plan is declared effective; provided, however, that any such replacements must be set forth in the plan

together with their actual or estimated costs and further provided, that such credit shall not exceed the lesser of the actual cost of the capital replacements or one per cent of the total price.

d. Any building, construction of which was completed within three years prior to the closing of a conversion pursuant to an offering plan, shall be exempt from the requirements of this section.

§ YYYY51-4.0 Report on status of reserve fund.

The cooperative corporation or condominium board of managers shall report to shareholders and unit owners on a semi-annual basis with respect to all deposits into and withdrawals from the reserve fund mandated by section YYYY51-3.0.

§ YYYYS51-5.0 Posting of violations.

The offeror, not later than the thirtieth day following the acceptance of a plan for filing by the state department of law pursuant to section three hundred fifty-two-eeee of the general business law and until the closing of the conversion pursuant to such plan, shall post and maintain in a prominent place, accessible to all tenants in each building covered by the plan, a listing of all violations of record against such buildings as determined by the department of buildings and the department of housing preservation and development. All newly issued violations shall be posted within forty-eight hours of their issuance and maintained as described above. The offeror may satisfy the requirements of this section by designating an agent on the premises with whom such listing shall be made available for inspection by the tenants.

§ YYYY51-6.0 Report on condition of premises.

Where, pursuant to law or regulation of the state attorney general, an offeror is required to file a report with the state department of law describing the condition of the physical aspects of the premises to be converted and the surrounding neighborhood a copy of such report shall be submitted simultaneously to the commissioner of buildings.

§ YYYY51-7.0 No waiver of rights.

Any provision purporting to waive the provisions of this title in any contract to purchase or agreement between an offeror and the cooperative corporation or the condominium board of managers pursuant to a conversion plan shall be void as against public policy.

§ YYYY51-8.0 Criminal and civil penalties; enforcement.

a. Except as otherwise provided in subdivision b of this section, any person who knowingly violates or assists in the violation of any section of this title shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of not less than one hundred nor more than one thousand dollars. Except as otherwise provided in subdivision b of this section, any person who violates or assists in the violation of any section of this title shall be subject to a civil penalty of one hundred dollars per day per unit for each day that a building is not in compliance with the provisions of such sections; provided, however, that such civil penalty shall not exceed one thousand dollars per unit.

b. Any person who knowingly violates or assists in the violation of section YYYY 51-3.0 shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine not more than two times the amount required to be reserved by section YYYY 51-3.0 which was not so reserved. Any person who violates or assists in the violation of section YYYY 51-3.0 shall also be subject to a civil penalty of one thousand dollars per day for each day that the reserve fund required by section YYYY 51-3.0 is not established; provided, however, that such civil penalty shall not exceed the amount required to be reserved pursuant to section YYYY 51-3.0.

c. In addition, any other action or proceeding in any court of competent jurisdiction that may be appropriate or necessary for the enforcement of the provisions of this title may be brought in the name of the city, including actions to secure permanent injunctions enjoining any acts or practices which constitute a violation of any provision of this title, mandating compliance with the provisions of this title or for such other relief as may be appropriate. In any such action or proceeding the city may apply to any court of competent jurisdiction, or to a judge or justice thereof, for a temporary restraining order or preliminary injunction enjoining and restraining all persons from violating any provision of this title, mandating compliance with the provisions of this title, or for such other relief as may be appropriate, until the hearing and determination of such action or proceeding and the entry of final judgment or order therein. The court, or judge or justice thereof, to whom such application is made, is hereby authorized forthwith to make any or all of the orders above specified, as may be required in such application, with or without notice, and to make such other or further orders or directions as may be necessary to render the same effectual. No undertaking shall be required as a condition of the granting or issuing of such order, or by reason thereof.

d. Nothing contained in this section shall impair any rights, remedies or causes of action accrued or accruing to purchasers of cooperative shares or condominium units.

e. The department of housing preservation and development is empowered to enforce the provisions of this title.

Section 3. If any provision of this local law or the application of such provision to any person or circumstances shall be held invalid, the validity of the remainder of this local law and the applicability of such provision to any other person or circumstances shall not be affected thereby.

Section 4. This local law shall take effect February first nineteen hundred eighty-three and shall apply to all plans not yet accepted for filing by the state department of law pursuant to section three hundred fifty-two eeee of the general business law as of that date.

EXHIBIT "20"

RPL §339-kk

§ 3. The real property law is amended by adding a new section 339-kk to read as follows:
§ 339-KK. RENTS. (A) FOR THE PURPOSES OF THIS SECTION, "NON-OCCUPYING OWNER" SHALL MEAN A UNIT OWNER IN A CONDOMINIUM ASSOCIATION WHO DOES NOT OCCUPY THE DWELLING UNIT.
(B) IF A NON-OCCUPYING OWNER RENTS ANY DWELLING UNIT TO A RENTAL TENANT AND THEN FAILS TO MAKE PAYMENTS DUE FOR COMMON CHARGES, ASSESSMENTS OR LATE FEES FOR SUCH UNIT WITHIN SIXTY DAYS OF THE EXPIRATION OF ANY GRACE PERIOD AFTER THEY ARE DUE, UPON NOTICE IN ACCORDANCE WITH SUBDIVISION (C) OF THIS SECTION, ALL RENTAL PAYMENTS FROM THE TENANT SHALL BE DIRECTLY PAYABLE TO THE CONDOMINIUM ASSOCIATION.
(C) IF THE COMMON CHARGES, ASSESSMENTS OR LATE FEES DUE FOR ANY UNIT HAVE NOT BEEN PAID IN FULL, WITHIN SIXTY DAYS AFTER THE EXPIRATION OF ANY GRACE PERIOD OF THE EARLIEST DUE DATE, THE BOARD OF MANAGERS SHALL PROVIDE WRITTEN NOTICE TO THE TENANT AND THE NON-OCCUPYING 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 ASSOCIATION AT THE ADDRESS LISTED ON THE NOTICE. WHERE A MAJORITY OF THE BOARD OF MANAGERS HAS BEEN ELECTED BY AND FROM AMONG THE UNIT OWNERS WHO ARE IN OCCUPANCY, THE BOARD MAY ELECT NOT TO REQUIRE THAT RENTAL PAYMENTS BE MADE PAYABLE TO THE CONDOMINIUM ASSOCIATION. AT SUCH TIME AS PAYMENTS FOR COMMON CHARGES, ASSESSMENTS AND LATE FEES FROM THE NON-OCCUPYING OWNER ARE ONE AGAIN CURRENT, NOTICE OF SUCH FACT SHALL BE GIVEN WITHIN THREE BUSINESS DAYS TO THE RENTAL TENANT AND NON-OCCUPYING OWNER. THEREAFTER ALL RENTAL PAYMENTS SHALL BE MADE PAYABLE TO THE NON-OCCUPYING OWNER OR A DESIGNATED AGENT. A NON-OCCUPYING OWNER WHO DISPUTES THE ASSOCIATION'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 BOARD OF MANAGERS, WHICH MUST BE HELD WITHIN THIRTY DAYS OF THE DATE THAT SUCH BOARD RECEIVES NOTICE THAT SUCH OWNER SEEKS TO DISPUTE SUCH CLAIM.
(D) NOTHING IN THIS SECTION SHALL LIMIT ANY RIGHTS OF UNIT OWNERS OR OF THE BOARD OF MANAGERS EXISTING UNDER ANY OTHER LAW OR AGREEMENT.
(E) PAYMENT BY A RENTAL TENANT TO THE CONDOMINIUM ASSOCIATION MADE IN CONNECTION WITH THIS SECTION SHALL RELIEVE THAT RENTAL TENANT FROM THE OBLIGATION TO PAY SUCH RENT TO THE NON-OCCUPYING OWNER AND SHALL BE AN ABSOLUTE DEFENSE IN ANY NON-PAYMENT PROCEEDING COMMENCED BY SUCH NON-OCCUPYING OWNER AGAINST SUCH TENANT FOR SUCH RENT.

§ 4. This act may be enforced by any party by means of a special proceeding brought pursuant to article 4 of the civil practice law and rules.

§ 5. This act shall take effect immediately, and is applicable to all cooperative corporations and condominiums in existence on or after such date.

CHAP. 422

The Legislature of the STATE OF NEW YORK SS:

Pursuant to the authority vested in us by section 70-b of the Public Officers Law, we hereby jointly certify that this slip copy of this session law was printed under our direction and, in accordance with such section, is entitled to be read into evidence.

JOSEPH L. BRUNO
TEMPORARY PRESIDENT OF THE SENATE

SHELDON SILVER
SPEAKER OF THE ASSEMBLY

EXHIBIT "21"

LIEN LAW §71-a(3)

3. (a) The initial advance pursuant to a contract of sale which by its terms provides for or is incidental to a contract providing for the construction on the subject real property of residential condominium unit or any structure designed solely for residential occupancy of not more than two families living separately, on property to be purchased shall, at the vendee's option, be deposited within five business days thereafter by the recipient in an interest bearing escrow account in a bank, trust company, savings bank, state or federal savings and loan association, located in this state. Such deposit, together with the interest accumulated thereon, shall remain the property of the vendee except as otherwise provided herein. The recipient shall advise the vendee in writing of the name of the depositary where the funds have been placed within ten business days after such deposit has been made.

(b) In lieu of making the deposit of such moneys in an escrow account as provided in paragraph (a) of this subdivision, the recipient may post with the vendee a bond or contract of indemnity, issued by a surety company licensed to execute such an instrument in this state, guaranteeing the return of the moneys which otherwise would be required to be deposited in such escrow account, in which case the recipient shall not be required to deposit such money in an escrow account. Said bond or contract of indemnity shall be delivered to the vendee within ten business days after receipt of the initial advance.

(c) At any time after making the deposit of such moneys in the escrow account, the recipient may post with the vendee a bond or contract of indemnity issued by a surety company licensed to execute such an instrument in this state guaranteeing the return of such moneys, in which case the recipient shall not be required to maintain the deposit of such moneys in such account.

(d) Such advance shall be retained in the escrow account or such bond or contract of indemnity continued in effect until the trust is terminated (i) by the recipient's performance of the terms of the contract of sale, or (ii) by default of the vendee excusing the recipient's performance of the terms of the contract of sale, or (iii) by release or discharge of the recipient's liability to refund such advance to the vendee, or (iv) upon transfer of title of the real property to the vendee.

(e) Every contract of sale which by its terms provides for or is incidental to a contract providing for the construction on the subject real property of a residential condominium unit or a structure designed solely for the residential occupancy by not more than two families living apart, shall contain a statement advising the vendee of the provisions of this subdivision. Such statement shall be printed in bold type which is at least two points larger than any other printing contained thereon and shall read as follows:

> "YOU, AS THE PURCHASER OF THIS RESIDENCE, MAY REQUIRE THE RECIPIENT OR CONTRACTOR TO DEPOSIT THE INITIAL ADVANCE MADE BY YOU IN AN ESCROW ACCOUNT. IN LIEU OF SUCH DEPOSIT, THE RECIPIENT OR CONTRACTOR MAY POST A BOND OR CONTRACT OF INDEMNITY WITH YOU GUARANTEEING THE RETURN OF SUCH ADVANCE."

EXHIBIT "22"

SPECIMEN TITLE POLICY

SPECIMEN

Old Republic National Title Insurance Company

AMERICAN LAND TITLE ASSOCIATION OWNERS POLICY (6-17-2006) WITH NEW YORK COVERAGE ENDORSEMENT APPENDED (A.L.T.A.)

SCHEDULE A

Policy No [Policy Number]

Title Number	**Effective Date**	**Amount of Insurance**
[Title Number]	[closing date]	[Purchase Price]

1. **Name of Insured:** [Name of Purchaser(s)]

2. **The estate or interest in the land which is covered by this policy is:** Fee Simple

3. **Title to the estate or interest in the land is vested by:**

   Who acquired title from 11 East 68th Street LLC by deed dated [closing date] and recorded in the Office of the Register of the County of New York.

4. **The land referred to in this Policy is described herein on Schedule A Description of Premises.**

   For Information: Premises known as: Eleven East Sixty-Eighth Street Condominium
   814-816 Madison Avenue a/k/a 11 East 68th Street,
   _____ Unit, New York, NY

_____

Authorized Signatory

Old Republic National Title Insurance Company

SCHEDULE A
DESCRIPTION OF PREMISES

Title No. [Title Number]
Policy No. [Policy Number]

THE CONDOMINIUM UNIT (hereinafter referred to as the "Unit") in the building (hereinafter referred to as the "Building") known as **Eleven East Sixty-Eighth Street Condominium** and by the Street Number **814-816 Madison Avenue a/k/a 11 East 68th Street**, County of New York, State of New York, said Unit being designated and described as _____ **Unit** in a Declaration dated **7/16/12** made by **11 East 68th Street LLC**, 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 annexed hereto and by this reference made a part hereof), which Declaration was recorded in the New York County Register's Office on **9/10/12 as CRFN 2012000356482**, and has been amended as set forth on Schedule B annexed and by this reference made a part hereof (which Declaration and Amendments (if applicable) thereto are hereinafter collectively referred to as the "Declaration"). This Unit is also designated as **Tax Lot ____ in Block 1383** of the County of New York on the Tax Map of the Real Property Assessment Department and on the Floor Plans of the Building, Certified by **Richard J. Metsky, Architect**, on **8/23/12** and filed with the Real Property Assessment Department on **8/30/12 as Condominium Plan No. 2345** and also filed in the New York County Register's Office on **9/10/12 as Condominium Map No. 2012000356483.**

TOGETHER with an undivided _____ **%** interest in the Common Elements (as such term is defined in the Declaration).

TOGETHER with and **SUBJECT** to the rights, obligations, easements, restrictions and other provisions set forth in the Declaration, Floor plans and the By-Laws of **Eleven East Sixty-Eighth Street Condominium**, as the same may be amended from time to time (herein after 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.

The land on which the building and unit is located is situated in the County of New York and State of New York and is more fully described in the Declaration of Condominium recorded in the New York County Register's Office on **9/10/12 as CRFN 2012000356482.**

Old Republic National Title Insurance Company

EXHIBIT A

ALL THAT CERTAIN plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, County of New York, City and State of New York, bounded and described as follows:

BEGINNING at the corner formed by the intersection of the westerly side of Madison Avenue with the northerly side of East 68th Street;

RUNNING THENCE northerly along the westerly side of Madison Avenue, 100 feet 5 inches to the center line of the block;

THENCE westerly parallel with East 68th Street and along said center line of the block, 120 feet;

THENCE southerly parallel with Madison Avenue, 100 feet 5 inches to the northerly side of East 68th Street;

THENCE easterly along said northerly side of East 68th Street, 120 feet to the point or place of BEGINNING.

For Information Only: Said premises are known as Eleven East Sixty-Eighth Street Condominium, 814-816 Madison Avenue a/k/a 11 East 68th Street, _____ Unit, New York, New York and designated as Block 1383 Lot _____ as shown on the Tax Map of the City of New York, County of New York.

SCHEDULE A
A.L.T.A 2006 OWNERS POLICY

Old Republic National Title Insurance Company

SCHEDULE B

Policy No [Policy Number]
Title No [Title Number]

Showing defects, liens, encumbrances and other matters against which the Company does not, by this Policy, insure:

1. Rights or claims of tenants, as tenants only, with no rights of first refusal or options to purchase.

2. Mortgage made by [purchaser] -to- [lender] to secure the principal amount of $[loan amount], dated [closing date] and to be recorded in the Office of the Register of the County of New York.

3. Agreement reciting General Nuisance Covenants made between James Sinor and Robert L. Stuart, Alexander Stuart and Wilmes Setter dated 3/23/1864 and recorded 3/24/1864 in Liber 891 page 617. Policy insures that said covenants and restrictions have not been violated and that there are no rights of forfeiture or reversion of title set forth therein.

4. Agreement reciting General Nuisance Covenants made between Robert L. Stuart and Marty Stuart, his wife, and Henry G. Marquand dated 2/21/1880 and recorded 5/21/1881 in Liber 1602 page 399. Policy insures that said covenants and restrictions have not been violated and that there are no rights of forfeiture or reversion of title set forth therein.

5. Premises or part of premises have been designated as a Landmark, Landmark Site, or Historic District, and are subject to the restricted use as provided in the New York City Charter. (Charter Chapter 74 Sections 3020 and 3021 and Administrative Codes Section 25-301 to Section 25-332)

   Notice of Designation recorded 7/2/82 in Reel 629 page 739.
   "Upper East Side Historic District".

6. The policy will except the terms, conditions and easements set forth in the Declaration of Condominium and By-Laws **dated 7/16/12 and recorded 9/10/12** in the New York County Register's Office as **CRFN 2012000356482 and same has been amended and restated by the Amended and Restated Declaration of Condominium and By-Laws dated _____ and recorded _____ as CRFN No. _____**. Policy insures that a valid condominium has been created pursuant to Article 9B of the Real Property Law, as amended.

7. The policy will except any state of facts which an accurate survey and inspection of Unit would show, but policy insures that any encroachments by insured Unit upon adjoining Units or upon common elements may remain undisturbed.

Old Republic National Title Insurance Company

STANDARD NEW YORK ENDORSEMENT
(Owner's Policy)

Title No [Title Number]

Attached to and made a part of Policy No. [Policy Number]

1. The following is added as a Covered Risk:

   "11. Any statutory lien for services, labor or materials furnished prior to the date hereof, and which has now gained or which may hereafter gain priority over the estate or interest of the insured as shown in Schedule A of this policy."

2. Exclusion Number 5 is deleted, and the following is substituted:

   5. Any lien on the Title for real estate taxes, assessments, water charges or sewer rents imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as Shown in Schedule A.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

IN WITNESS WHEREOF, the Company has caused its corporate name and seal to be hereunto affixed by its duly authorized officers

DATED: [closing date] **Old Republic National Title Insurance Company**

By_____
Authorized Signatory

Standard New York Endorsement (11/1/2008)
For Use With ALTA Owner's Policy (6/17/2006)

Old Republic National Title Insurance Company

CONDOMINIUM ENDORSEMENT
(Owners Policy)

Title No. [Title Number]

Attached to and made a part of Policy No. [Policy Number]

The Company insures the insured against loss or damage sustained by reason of:

1. The failure of the unit identified in Schedule A and its common elements to be part of a condominium within the meaning of the condominium statutes of the State of New York.

2. The failure of the documents required by the condominium statutes to comply with the requirements of the statutes to the extent that such failure affects the title to the unit and its common elements.

3. Present violations of any restrictive covenants which restrict the use of the unit and its common elements and which are created by the condominium documents, except violations relating to environmental protection unless a notice of a violation thereof has been recorded or filed in the Public Records and is not excepted in Schedule B. The restrictive covenants do not contain any provisions which will cause a forfeiture or reversion of title.

4. The priority of any lien for charges and assessments at Date of Policy provided for in the condominium statutes and condominium documents over the lien of any insured first mortgage identified in Schedule A.

5. The failure of the unit and its common elements to be entitled by law to be assessed for real property taxes as a separate parcel.

6. Any obligation to remove any improvements which exist at Date of Policy because of any present encroachments or because of any future unintentional encroachments of the common elements upon any unit or of any unit upon the common elements or another unit.

7. The failure of title by reason of a right of first refusal to purchase the unit and its common elements which was exercised or could have been exercised at Date of Policy.

This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the amount of insurance.

IN WITNESS WHEREOF, *the Company has caused this Endorsement to be signed on the date below to be valid when countersigned by an authorized officer of the Company, all in accordance with its By-Laws.*

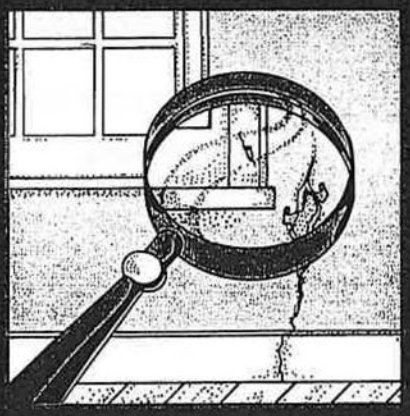
Dated: [closing date]

Countersigned ***Old Republic National Title Insurance Company***

Authorized Signatory

EXHIBIT "23"

LEAD BASED PAINT BOOKLET



Protect Your Family From Lead In Your Home

United States Environmental Protection Agency

United States Consumer Product Safety Commission

United States Department of Housing and Urban Development

U.S. EPA Washington DC 20460
U.S. CPSC Washington DC 20207
U.S. HUD Washington DC 20410

EPA747-K-99-001
September 2001

Are You Planning To Buy, Rent, or Renovate a Home Built Before 1978?

Many houses and apartments built before 1978 have paint that contains high levels of lead (called lead-based paint). Lead from paint, chips, and dust can pose serious health hazards if not taken care of properly.

Federal law requires that individuals receive certain information before renting, buying, or renovating pre-1978 housing:

LANDLORDS have to disclose known information on lead-based paint and lead-based paint hazards before leases take effect. Leases must include a disclosure form about lead-based paint.

SELLERS have to disclose known information on lead-based paint and lead-based paint hazards before selling a house. Sales contracts must include a disclosure form about lead-based paint. Buyers have up to 10 days to check for lead.

RENOVATORS have to give you this pamphlet before starting work.

IF YOU WANT MORE INFORMATION on these requirements, call the National Lead Information Center at **1-800-424-LEAD (424-5323)**.

This document is in the public domain. It may be reproduced by an individual or organization without permission. Information provided in this booklet is based upon current scientific and technical understanding of the issues presented and is reflective of the jurisdictional boundaries established by the statutes governing the co-authoring agencies. Following the advice given will not necessarily provide complete protection in all situations or against all health hazards that can be caused by lead exposure.

IMPORTANT!

Lead From Paint, Dust, and Soil Can Be Dangerous If Not Managed Properly

FACT: Lead exposure can harm young children and babies even before they are born.

FACT: Even children who seem healthy can have high levels of lead in their bodies.

FACT: People can get lead in their bodies by breathing or swallowing lead dust, or by eating soil or paint chips containing lead.

FACT: People have many options for reducing lead hazards. In most cases, lead-based paint that is in good condition is not a hazard.

FACT: Removing lead-based paint improperly can increase the danger to your family.

If you think your home might have lead hazards, read this pamphlet to learn some simple steps to protect your family.

Lead Gets in the Body in Many Ways

Childhood lead poisoning remains a major environmental health problem in the U.S.

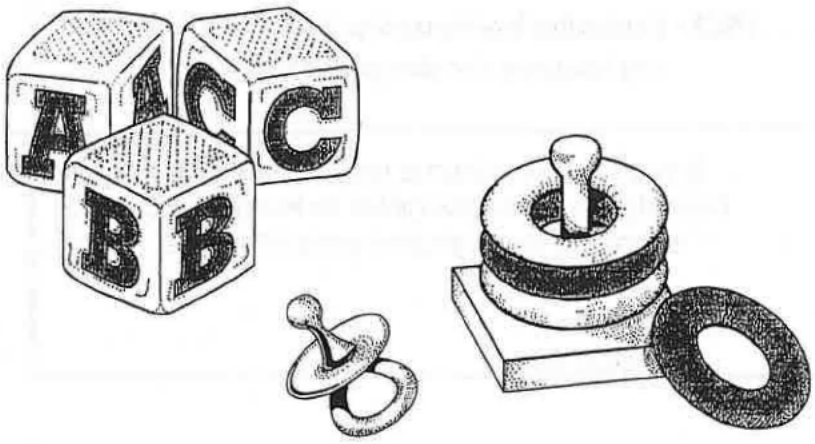
Even children who appear healthy can have dangerous levels of lead in their bodies.

People can get lead in their body if they:

- Breathe in lead dust (especially during renovations that disturb painted surfaces).
- Put their hands or other objects covered with lead dust in their mouths.
- Eat paint chips or soil that contains lead.

Lead is even more dangerous to children than adults because:

- Children's brains and nervous systems are more sensitive to the damaging effects of lead.
- Children's growing bodies absorb more lead.
- Babies and young children often put their hands and other objects in their mouths. These objects can have lead dust on them.



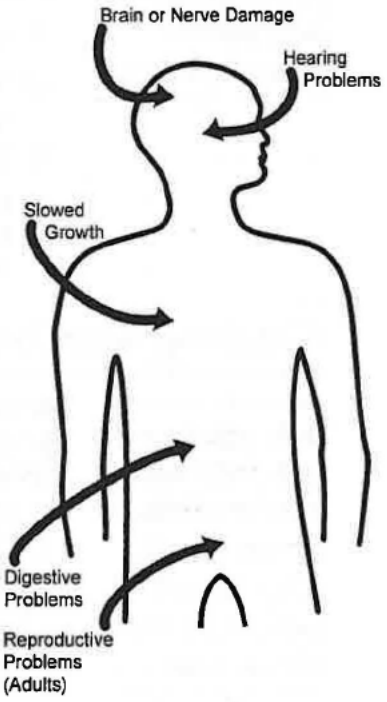
Lead's Effects

If not detected early, children with high levels of lead in their bodies can suffer from:

- Damage to the brain and nervous system
- Behavior and learning problems (such as hyperactivity)
- Slowed growth
- Hearing problems
- Headaches

Lead is also harmful to adults. Adults can suffer from:

- Difficulties during pregnancy
- Other reproductive problems (in both men and women)
- High blood pressure
- Digestive problems
- Nerve disorders
- Memory and concentration problems
- Muscle and joint pain



Lead affects the body in many ways.

Where Lead-Based Paint Is Found

In general, the older your home, the more likely it has lead-based paint.

Many homes built before 1978 have lead-based paint. The federal government banned lead-based paint from housing in 1978. Some states stopped its use even earlier. Lead can be found:

- In homes in the city, country, or suburbs.
- In apartments, single-family homes, and both private and public housing.
- Inside *and* outside of the house.
- In soil around a home. (Soil can pick up lead from exterior paint or other sources such as past use of leaded gas in cars.)

Checking Your Family for Lead

Get your children and home tested if you think your home has high levels of lead.

To reduce your child's exposure to lead, get your child checked, have your home tested (especially if your home has paint in poor condition and was built before 1978), and fix any hazards you may have. Children's blood lead levels tend to increase rapidly from 6 to 12 months of age, and tend to peak at 18 to 24 months of age.

Consult your doctor for advice on testing your children. A simple blood test can detect high levels of lead. Blood tests are usually recommended for:

- Children at ages 1 and 2.
- Children or other family members who have been exposed to high levels of lead.
- Children who should be tested under your state or local health screening plan.

Your doctor can explain what the test results mean and if more testing will be needed.

Identifying Lead Hazards

Lead-based paint is usually not a hazard if it is in good condition, and it is not on an impact or friction surface, like a window. It is defined by the federal government as paint with lead levels greater than or equal to 1.0 milligram per square centimeter, or more than 0.5% by weight.

Deteriorating lead-based paint (peeling, chipping, chalking, cracking or damaged) is a hazard and needs immediate attention. It may also be a hazard when found on surfaces that children can chew or that get a lot of wear-and-tear, such as:

- Windows and window sills.
- Doors and door frames.
- Stairs, railings, banisters, and porches.

Lead from paint chips, which you can see, and lead dust, which you can't always see, can both be serious hazards.

Lead dust can form when lead-based paint is dry scraped, dry sanded, or heated. Dust also forms when painted surfaces bump or rub together. Lead chips and dust can get on surfaces and objects that people touch. Settled lead dust can re-enter the air when people vacuum, sweep, or walk through it. The following two federal standards have been set for lead hazards in dust:

- 40 micrograms per square foot ($\mu g/ft^2$) and higher for floors, including carpeted floors.
- 250 $\mu g/ft^2$ and higher for interior window sills.

Lead in soil can be a hazard when children play in bare soil or when people bring soil into the house on their shoes. The following two federal standards have been set for lead hazards in residential soil:

- 400 parts per million (ppm) and higher in play areas of bare soil.
- 1,200 ppm (average) and higher in bare soil in the remainder of the yard.

The only way to find out if paint, dust and soil lead hazards exist is to test for them. The next page describes the most common methods used.

Checking Your Home for Lead

Just knowing that a home has lead-based paint may not tell you if there is a hazard.

You can get your home checked for lead in one of two ways, or both:

- A paint **inspection** tells you the lead content of every different type of painted surface in your home. It won't tell you whether the paint is a hazard or how you should deal with it.
- A **risk assessment** tells you if there are any sources of serious lead exposure (such as peeling paint and lead dust). It also tells you what actions to take to address these hazards.

Hire a trained, certified professional who will use a range of reliable methods when checking your home, such as:

- Visual inspection of paint condition and location.
- A portable x-ray fluorescence (XRF) machine.
- Lab tests of paint, dust, and soil samples.

There are standards in place to ensure the work is done safely, reliably, and effectively. Contact your local lead poisoning prevention program for more information, or call **1-800-424-LEAD** for a list of contacts in your area.

Home test kits for lead are available, but may not always be accurate. Consumers should not rely on these tests before doing renovations or to assure safety.

What You Can Do Now To Protect Your Family

If you suspect that your house has lead hazards, you can take some immediate steps to reduce your family's risk:

- **If you rent, notify your landlord of peeling or chipping paint.**
- **Clean up paint chips immediately.**
- **Clean floors, window frames, window sills, and other surfaces weekly.** Use a mop or sponge with warm water and a general all-purpose cleaner or a cleaner made specifically for lead. REMEMBER: NEVER MIX AMMONIA AND BLEACH PRODUCTS TOGETHER SINCE THEY CAN FORM A DANGEROUS GAS.

- **Thoroughly rinse sponges and mop heads after cleaning dirty or dusty areas.**
- **Wash children's hands often, especially before they eat and before nap time and bed time.**
- **Keep play areas clean.** Wash bottles, pacifiers, toys, and stuffed animals regularly.
- **Keep children from chewing window sills or other painted surfaces.**

- **Clean or remove shoes before entering your home to avoid tracking in lead from soil.**
- **Make sure children eat nutritious, low-fat meals high in iron and calcium,** such as spinach and dairy products. Children with good diets absorb less lead.

Reducing Lead Hazards In The Home

Removing lead improperly can increase the hazard to your family by spreading even more lead dust around the house.

Always use a professional who is trained to remove lead hazards safely.

In addition to day-to-day cleaning and good nutrition:

- You can **temporarily** reduce lead hazards by taking actions such as repairing damaged painted surfaces and planting grass to cover soil with high lead levels. These actions (called "interim controls") are not permanent solutions and will need ongoing attention.
- To **permanently** remove lead hazards, you should hire a certified lead "abatement" contractor. Abatement (or permanent hazard elimination) methods include removing, sealing, or enclosing lead-based paint with special materials. Just painting over the hazard with regular paint is not permanent removal.

Always hire a person with special training for correcting lead problems—someone who knows how to do this work safely and has the proper equipment to clean up thoroughly. Certified contractors will employ qualified workers and follow strict safety rules as set by their state or by the federal government.

Once the work is completed, dust cleanup activities must be repeated until testing indicates that lead dust levels are below the following:

- 40 micrograms per square foot ($\mu g/ft^2$) for floors, including carpeted floors;
- 250 $\mu g/ft^2$ for interior windows sills; and
- 400 $\mu g/ft^2$ for window troughs.

Call your local agency (see page 11) for help with locating certified contractors in your area and to see if financial assistance is available.

Remodeling or Renovating a Home With Lead-Based Paint

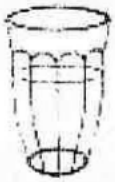
Take precautions before your contractor or you begin remodeling or renovating anything that disturbs painted surfaces (such as scraping off paint or tearing out walls):

- **Have the area tested for lead-based paint.**
- **Do not use a belt-sander, propane torch, heat gun, dry scraper, or dry sandpaper** to remove lead-based paint. These actions create large amounts of lead dust and fumes. Lead dust can remain in your home long after the work is done.
- **Temporarily move your family** (especially children and pregnant women) out of the apartment or house until the work is done and the area is properly cleaned. If you can't move your family, at least completely seal off the work area.
- **Follow other safety measures to reduce lead hazards.** You can find out about other safety measures by calling 1-800-424-LEAD. Ask for the brochure "Reducing Lead Hazards When Remodeling Your Home." This brochure explains what to do before, during, and after renovations.

If not conducted properly, certain types of renovations can release lead from paint and dust into the air.

If you have already completed renovations or remodeling that could have released lead-based paint or dust, get your young children tested and follow the steps outlined on page 7 of this brochure.

Other Sources of Lead



While paint, dust, and soil are the most common lead hazards, other lead sources also exist.

- **Drinking water.** Your home might have plumbing with lead or lead solder. Call your local health department or water supplier to find out about testing your water. You cannot see, smell, or taste lead, and boiling your water will not get rid of lead. If you think your plumbing might have lead in it:
  - Use only cold water for drinking and cooking.
  - Run water for 15 to 30 seconds before drinking it, especially if you have not used your water for a few hours.
- **The job.** If you work with lead, you could bring it home on your hands or clothes. Shower and change clothes before coming home. Launder your work clothes separately from the rest of your family's clothes.
- Old painted **toys** and **furniture.**
- Food and liquids stored in **lead crystal** or **lead-glazed pottery or porcelain.**
- **Lead smelters** or other industries that release lead into the air.
- **Hobbies** that use lead, such as making pottery or stained glass, or refinishing furniture.
- **Folk remedies** that contain lead, such as "greta" and "azarcon" used to treat an upset stomach.

For More Information

The National Lead Information Center

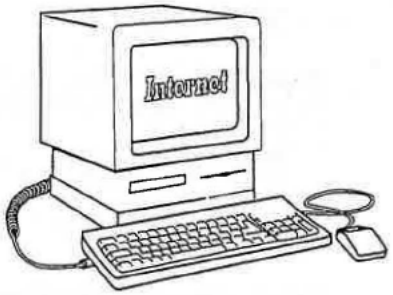
Call **1-800-424-LEAD (424-5323)** to learn how to protect children from lead poisoning and for other information on lead hazards. To access lead information via the web, visit **www.epa.gov/lead** and **www.hud.gov/offices/lead/.**

For the hearing impaired, call the Federal Information Relay Service at **1-800-877-8339** and ask for the National Lead Information Center at **1-800-424-LEAD.**

EPA's Safe Drinking Water Hotline

Call **1-800-426-4791** for information about lead in drinking water.

Consumer Product Safety Commission (CPSC) Hotline



To request information on lead in consumer products, or to report an unsafe consumer product or a product-related injury call **1-800-638-2772**, or visit CPSC's website at: **www.cpsc.gov.**

Health and Environmental Agencies

Some cities, states, and tribes have their own rules for lead-based paint activities. Check with your local agency to see which laws apply to you. Most agencies can also provide information on finding a lead abatement firm in your area, and on possible sources of financial aid for reducing lead hazards. Receive up-to-date address and phone information for your local contacts on the Internet at **www.epa.gov/lead** or contact the National Lead Information Center at **1-800-424-LEAD.**

EPA Regional Offices

Your Regional EPA Office can provide further information regarding regulations and lead protection programs.

EPA Regional Offices

Region 1 (Connecticut, Massachusetts, Maine, New Hampshire, Rhode Island, Vermont)

Regional Lead Contact
U.S. EPA Region 1
Suite 1100 (CPT)
One Congress Street
Boston, MA 02114-2023
1 (888) 372-7341

Region 2 (New Jersey, New York, Puerto Rico, Virgin Islands)

Regional Lead Contact
U.S. EPA Region 2
2890 Woodbridge Avenue
Building 209, Mail Stop 225
Edison, NJ 08837-3679
(732) 321-6671

Region 3 (Delaware, Maryland, Pennsylvania, Virginia, Washington DC, West Virginia)

Regional Lead Contact
U.S. EPA Region 3 (3WC33)
1650 Arch Street
Philadelphia, PA 19103
(215) 814-5000

Region 4 (Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee)

Regional Lead Contact
U.S. EPA Region 4
61 Forsyth Street, SW
Atlanta, GA 30303
(404) 562-8998

Region 5 (Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin)

Regional Lead Contact
U.S. EPA Region 5 (DT-8J)
77 West Jackson Boulevard
Chicago, IL 60604-3666
(312) 886-6003

Region 6 (Arkansas, Louisiana, New Mexico, Oklahoma, Texas)

Regional Lead Contact
U.S. EPA Region 6
1445 Ross Avenue, 12th Floor
Dallas, TX 75202-2733
(214) 665-7577

Region 7 (Iowa, Kansas, Missouri, Nebraska)

Regional Lead Contact
U.S. EPA Region 7
(ARTD-RALI)
901 N. 5th Street
Kansas City, KS 66101
(913) 551-7020

Region 8 (Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming)

Regional Lead Contact
U.S. EPA Region 8
999 18th Street, Suite 500
Denver, CO 80202-2466
(303) 312-6021

Region 9 (Arizona, California, Hawaii, Nevada)

Regional Lead Contact
U.S. Region 9
75 Hawthorne Street
San Francisco, CA 94105
(415) 947-4164

Region 10 (Alaska, Idaho, Oregon, Washington)

Regional Lead Contact
U.S. EPA Region 10
Toxics Section WCM-128
1200 Sixth Avenue
Seattle, WA 98101-1128
(206) 553-1985

CPSC Regional Offices

Your Regional CPSC Office can provide further information regarding regulations and consumer product safety.

Eastern Regional Center
Consumer Product Safety Commission
201 Varick Street, Room 903
New York, NY 10014
(212) 620-4120

Western Regional Center
Consumer Product Safety Commission
1301 Clay Street, Suite 610-N
Oakland, CA 94612
(510) 637-4050

Central Regional Center
Consumer Product Safety Commission
230 South Dearborn Street, Room 2944
Chicago, IL 60604
(312) 353-8260

HUD Lead Office

Please contact HUD's Office of Healthy Homes and Lead Hazard Control for information on lead regulations, outreach efforts, and lead hazard control and research grant programs.

U.S. Department of Housing and Urban Development
Office of Healthy Homes and Lead Hazard Control
451 Seventh Street, SW, P-3206
Washington, DC 20410
(202) 755-1785

Simple Steps To Protect Your Family From Lead Hazards

If you think your home has high levels of lead:

- Get your young children tested for lead, even if they seem healthy.
- Wash children's hands, bottles, pacifiers, and toys often.
- Make sure children eat healthy, low-fat foods.
- Get your home checked for lead hazards.
- Regularly clean floors, window sills, and other surfaces.
- Wipe soil off shoes before entering house.
- Talk to your landlord about fixing surfaces with peeling or chipping paint.
- Take precautions to avoid exposure to lead dust when remodeling or renovating (call 1-800-424-LEAD for guidelines).
- Don't use a belt-sander, propane torch, heat gun, dry scraper, or dry sandpaper on painted surfaces that may contain lead.
- Don't try to remove lead-based paint yourself.

Recycled/Recyclable
Printed with vegetable oil based inks on recycled paper (minimum 50% postconsumer) process chlorine free.

EXHIBIT "24"

RESIDENT MANAGER'S LEASE

STANDARD FORM OF CONDOMINIUM APARTMENT LEASE
THE REAL ESTATE BOARD OF NEW YORK, INC.
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CAL/9t

PREAMBLE: This Lease contains the agreements between You and Owner concerning the rights and obligations of each party. You and Owner have other rights and obligations which are set forth in government laws and regulations.

You should read this Lease carefully. If You have any questions, or if You do not understand any words or statements, get clarification. Once You and Owner sign this Lease, You and Owner will be presumed to have read it and understood it. You and Owner admit that all agreements between You and Owner have been written into this Lease except for obligations arising under the Condominium Documents (as defined in Article 4). You understand that any agreements made before or after this Lease was signed and not written into it will not be enforceable.

THIS LEASE is made as of _____ (month, day, year) between Owner, the Lessor, 11 East 68th Street LLC whose address is c/o HFZ Capital Group, 600 Madison Ave, 17th Fl, NY, NY 10022, and You, the Lessee, Condominium Board of Managers, Eleven East Sixty-Eighth Street Condominium whose address is 11 East 68th Street, New York, NY 10022.

1. APARTMENT AND USE

Owner agrees to lease to You Condominium Unit See Rider (the "Apartment") on the _____ floor in the condominium apartment building at _____, Borough of _____, City and State of New York, which is known as the _____ Condominium (the "Condominium"). You shall use the Apartment for living purposes only. The Apartment may be occupied only by You and the following Permitted Occupants: _____.

You acknowledge that: (i) this Lease may not commence until the Condominium has waived any first refusal rights that it may have with respect to this Lease; and (ii) no other person other than You and the Permitted Occupants may reside in the Apartment without the prior written consent of the Owner and the Condominium.

2. LENGTH OF LEASE

The term (that means the length) of this Lease will begin on See Rider and will end on _____. If You do not do everything You agree to do in this Lease, Owner may have the right to end this Lease before the ending date. If Owner does not do everything that Owner agrees to do in this Lease, You may have the right to end the Lease before the ending date. You acknowledge that the term of this Lease may be reduced as authorized by Article 6.

3. RENT

Your monthly rent for the Apartment is $See Rider. You must pay Owner the rent, in advance, on the first day of each month either to Owner at the above address or at another place that Owner may inform You of by written notice. You must pay the first month's rent to Owner when You sign this Lease if the Lease begins on the first day of the month. If the Lease begins after the first day of the month, You must pay when You sign this Lease: (i) the part of the rent from the beginning date of this Lease until the last day of the month, and (ii) the full rent for the next full calendar month.

4. CONDOMINIUM DOCUMENTS

This Lease shall be subject and subordinate to: (i) the Declaration of Condominium; (ii) the Rules and Regulations of the Condominium (which are sometimes called House Rules); and (iii) the By-Laws of the Condominium. (The Declaration, the Rules and Regulations and the By-Laws of the Condominium and all amendments thereto, including any amendments subsequent to the date hereof, are collectively called the "Condominium Documents".) In the event of any inconsistency between the provisions of this Lease and the Condominium Documents, the provisions of the Condominium Documents shall govern and be binding.

You and the Permitted Occupants of the Apartment shall faithfully observe and comply with the Condominium Documents, other than the provisions of the Condominium Documents required to be performed by Owner (which include the payment of common charges for the Apartment to the Condominium). You and the Permitted Occupants of the Apartment shall not undertake any action which, if performed by Owner, would constitute a violation of the Condominium Documents. You have reviewed the Condominium Documents or waived their examination.

5. SECURITY DEPOSIT

~~You are required to give Owner the sum of $_____ when You sign this Lease as a security deposit, which is called in law a trust. Owner will deposit this security in _____ bank at _____, New York. This security account shall not bear interest.~~

~~If You carry out all of your agreements in this Lease and if You move out of the Apartment and return it to Owner in the same condition it was in when You first occupied it, except for ordinary wear and tear or damage caused by fire or other casualty through no fault of your own, Owner will return to You the full amount of your security deposit within 60 days after this Lease ends. However, if You do not carry out all your agreements in this Lease, Owner may keep all or part of your security deposit which has not yet been paid to You necessary to pay Owner for any losses incurred, including missed payments.~~

~~If Owner sells the Apartment, Owner will turn over your security either to You or to the person buying the Apartment within 5 days after the sale. Owner will then notify You, by registered or certified mail, of the name and address of the person or company to whom the deposit has been turned over. In such case, Owner will have no further responsibility to You for the security deposit. The new owner will become responsible to You for the security deposit.~~

6. IF YOU ARE UNABLE TO MOVE IN

A situation could arise which might prevent Owner from letting You move into the Apartment on the beginning date set in this Lease. If this happens for reasons beyond Owner's reasonable control, including the failure to obtain a waiver of any first refusal right that the Condominium may have with respect to this Lease prior to the beginning date, Owner will not be responsible for your damages or expenses and this Lease will remain in effect. However, in such case, the Lease will start on the date when You can move in; the ending date of this Lease as specified in Article 2 will remain the same. You will not have to pay rent until the move-in date Owner gives You by written notice, or the date You move in, whichever is earlier. If Owner does not give You notice that the move-in date is within 30 days after the beginning date of the term of this Lease as stated in Article 2, this Lease shall be canceled and all prepaid rent and security deposit shall be promptly returned to You.

7. CAPTIONS

In any dispute arising under this Lease, in the event of a conflict between the text and a caption, the text controls.

8. WARRANTY OF HABITABILITY

A. All of the sections of this Lease are subject to the provisions of the Warranty of Habitability Law in the form it may have from time to time during this Lease. Nothing in this Lease can be interpreted to mean that You have given up any of your rights under that law. Under that law, Owner agrees that the Apartment is fit for human habitation and that there will be no conditions which will be detrimental to life, health or safety.

B. You will do nothing to interfere to make more difficult the Condominium's efforts to provide You and all other occupants of the Condominium with the required facilities and services. Any condition caused by your misconduct or the misconduct of anyone under your direction or control shall not be a breach by Owner.

9. CARE OF YOUR APARTMENT; END OF LEASE-MOVING OUT

A. You will take good care of the Apartment and will not permit or do any damage to it, except for damage which occurs through ordinary wear and tear. You will move out on or before the ending date of this Lease and leave the Apartment in good order and in the same condition as it was when You first occupied it, except for ordinary wear and tear and damage caused by fire or other casualty through no fault of your own.

B. When the Lease ends, You must remove all of your movable property. You must also remove at your own expense, any wall covering, bookcases, cabinets, mirrors, painted murals or any other installation or attachment You may have installed in the Apartment, even if it was done with Owner's consent. If the Condominium imposes any "move-out" deposits or fees, You shall pay any such deposit or fee when requested by the Condominium. You must restore and repair to its original condition those portions of the Apartment affected by those installations and removals. You have not moved out until all persons, furniture and other property of yours is also out of the Apartment. If your property remains in the Apartment after the Lease ends, Owner may either treat You as still in occupancy and charge You for use, or may consider that You have given up the Apartment and any property remaining in the Apartment. In this event, Owner may either discard the property or store it at your expense. You agree to pay Owner for all costs and expenses incurred in removing such property. The provisions of this article will continue to be in effect after the end of this Lease.

10. CHANGES AND ALTERATIONS TO APARTMENT

You cannot build in, add to, change or alter, the Apartment in any way, including wallpapering, painting, repainting, or other decorating, without first obtaining the prior written consent of Owner and, if required under the Condominium Documents, the Condominium. Without Owner's and/or the Condominium's prior written consent, You cannot install or use in the Apartment any of the following: dishwasher machines, clothes washing or drying machines, electric stoves, garbage disposal units, heating, ventilating or air conditioning units or any other electrical equipment which, in Owner's and/or the Condominium's opinion, will overload the existing wiring installation in the Condominium or interfere with the use of such electrical wiring facilities by other occupants of the Condominium. Also, You cannot place in the Apartment water-filled furniture.

11. YOUR DUTY TO OBEY AND COMPLY WITH LAWS, REGULATIONS AND RULES

A. GOVERNMENT LAWS AND ORDERS. You will obey and comply: (i) with all present and future city, state and federal laws and regulations which affect the Condominium or the Apartment, and (ii) with all orders and regulations of insurance rating organizations which affect the Apartment and the Condominium. You will not allow any windows in the Apartment to be cleaned from the outside unless the prior written consent of the Condominium is obtained.

B. CONDOMINIUM'S RULES AFFECTING YOU. You will obey all of the Condominium Documents other than the provisions of the Condominium Documents required to be performed by Owner.

C. YOUR RESPONSIBILITY. You are responsible for the behavior of yourself, the Permitted Occupants of the Apartment, your servants and people who are visiting You. You will reimburse Owner as additional rent upon demand for the cost of all losses, damages, fines and reasonable legal expenses incurred by Owner because You, the Permitted Occupants of the Apartment, servants or people visiting the Apartment, have not obeyed government laws and orders, the Condominium Documents or this Lease.

12. OBJECTIONABLE CONDUCT

You, the Permitted Occupants of the Apartment, servants or people visiting the Apartment will not engage in objectionable conduct at the Condominium. Objectionable conduct means behavior which makes or will make the Apartment or the Condominium less fit to live in for You or other occupants. It also means anything which interferes with the right of others to properly and peacefully enjoy their apartments, or causes conditions that are dangerous, hazardous, unsanitary and detrimental to other occupants of the Condominium. Objectionable conduct by You gives Owner the right to end this Lease.

13. SERVICES AND FACILITIES

A. REQUIRED SERVICES. The Condominium will provide cold and hot water and heat, as required by law, repairs to the Apartment, as required by the Condominium Documents, elevator service if the Condominium has elevator equipment, and the utilities, if any, included in the rent, as set forth in subparagraph B. You are not entitled to any rent reduction because of a stoppage or reduction of any of the above services unless it is provided by law.

B. The following utilities are included in the rent See Rider.

C. ELECTRICITY AND OTHER UTILITIES. If the Condominium provides electricity or gas for a separate, submetered charge, your obligations to the Condominium and/or Owner are described in a rider attached to this Lease. If electricity or gas is not included in the rent and is not charged separately by the Condominium and/or Owner, You must arrange for this service directly with the utility company. You must also pay directly for telephone service and cable television service if the cost of any such service is not included in the rent.

D. APPLIANCES. Appliances supplied by Owner in the Apartment are for your use. They are in good working order on the date hereof and will be maintained and repaired or replaced by Owner, but if repairs or replacement are made necessary because of your negligence or misuse, You will pay Owner for the cost of such repair or replacement as additional rent.

E. FACILITIES. If the Condominium permits Owner to use any storeroom, storage bin, laundry or any other facility located in the Condominium but outside of the Apartment, and provided such use is transferable to You by Owner pursuant to the Condominium Documents, the use of any such facility will be furnished to You free of charge and at your own risk. You will operate at your expense any coin operated appliances located in any such facility.

14. INABILITY TO PROVIDE SERVICES

Because of a strike, labor, trouble, national emergency, repairs, or any other cause beyond Owner's and the Condominium's reasonable control, Owner and the Condominium may not be able to provide or may be delayed in providing any services or in making any repairs to the Apartment and/or the Condominium. In any of these events, any rights You may have against Owner are only those rights which are allowed by laws in effect when the reduction in service occurs.

15. ENTRY TO APARTMENT

During reasonable hours and with reasonable notice, except in emergencies, Owner, Owner's representatives and agents or employees of the Condominium may enter the Apartment for the following reasons:

A. To erect, use and maintain pipes and conduits in and through the walls and ceilings of the Apartment; to inspect the Apartment; and to make any necessary repairs or changes Owner or the Condominium decide are necessary. Your rent will not be reduced because of any of this work, unless the common charges payable by Owner to the Condominium are reduced.

B. To show the Apartment to persons who may wish to become owners of the Apartment or may be interested in lending money to Owner.

C. For two months before the end of the Lease, to show the Apartment to persons who wish to lease it.

D. If, during the last month of the Lease, You have moved out and removed all or almost all of your property from the Apartment, Owner may enter to make changes, repairs or redecorations. Your rent will not be reduced for that month and this Lease will not be ended by Owner's entry.

E. If, at any time, You are not personally present to permit Owner, Owner's representatives or the agents and employees of the Condominium, to enter the Apartment and entry is necessary or allowed by law, under the Condominium Documents or this Lease, Owner, Owner's representatives or the agents and employees of the Condominium may nevertheless enter the Apartment. Owner, Owner's representatives or the agents and employees of the Condominium may enter by force in an emergency. Owner will not be responsible to You, unless during this entry, any authorized party is negligent or misuses your property.

16. ASSIGNING; SUBLETTING; ABANDONMENT

A. Assigning and Subletting. You cannot assign this Lease or sublet the Apartment. You acknowledge that Owner may refuse any request made by You to assign this Lease or to sublet the Apartment for any reason or no reason.

B. Abandonment. If You move out of the Apartment (abandonment) before the end of this Lease without the consent of Owner, this Lease will not be ended. You will remain responsible for each monthly payment of rent as it becomes due until the end of this Lease. In case of abandonment your responsibility for rent will end only if Owner chooses to end this Lease for default as provided in Article 17.

17. DEFAULT

A. You default under the Lease if You act in any of the following ways:

(i) You fail to carry out any agreement or provision of this Lease;
(ii) You, a Permitted Occupant of the Apartment, servants or people visiting the Apartment behave in an objectionable manner;
(iii) You, a Permitted Occupant of the Apartment, servants or people visiting the Apartment violate any of the Condominium Documents;
(iv) You do not take possession or move into the Apartment 15 days after the beginning of this Lease; or
(v) You and the Permitted Occupants of the Apartment move out permanently before this Lease ends.

If You do default in any one of these ways, other than a default in the agreement to pay rent, Owner may serve You with a written notice to stop or correct the specified default within 10 days. You must then either stop or correct the default within 10 days, or, if You need more than 10 days, You must begin to correct the default within 10 days and continue to do all that is necessary to correct the default as soon as possible.

B. If You do not stop or begin to correct a default within 10 days, Owner may give You a second written notice that this Lease will end 6 days after the date the second written notice is sent to You. At the end of the 6-day period, this Lease will end, You then must move out of the Apartment. Even though this Lease ends, You will remain liable to Owner for unpaid rent up to the end of this Lease, the value of your occupancy, if any, after the Lease ends, and damages caused to Owner after that time as stated in Article 18.

C. If You do not pay your rent when this Lease requires after a personal demand for rent has been made, or within 3 days after a statutory written demand for rent has been made, or if the Lease ends Owner may do the following: (i) enter the Apartment and retake possession of it if You have moved out; (ii) go to court and ask that You and all other occupants in the Apartment be compelled to move out.

Once this Lease has been ended, whether because of default or otherwise, You give up any right You might otherwise have to reinstate this Lease.

18. REMEDIES OF OWNER AND YOUR LIABILITY

If this Lease is ended by Owner because of your default, the following are the rights and obligations of You and Owner.

A. You must pay your rent until this Lease has ended. Thereafter, You must pay an equal amount for what the law calls "use and occupancy" until You actually move out.

B. Once You are out, Owner may re-rent the Apartment or any portion of it for a period of time which may end before or after the ending date of this Lease. Owner may re-rent to a new subtenant at a lesser rent or may charge a higher rent than the rent in this Lease.

C. Whether the Apartment is re-rented or not, You must pay to Owner as damages:

(i) the difference between the rent in this Lease and the amount, if any, of the rents collected in any later lease of the Apartment for what would have been the remaining period of this Lease; and
(ii) Owner's expenses for the cost of putting the Apartment in good condition for re-rental; and
*** (iii) Owner's expenses for attorney's fees (*Delete if inapplicable*).

D. You shall pay all damages due in monthly installments on the rent day established in this Lease. Any legal action brought to collect one or more monthly installments of damages shall not prejudice in any way Owner's right to collect the damages for a later month by a similar action. If the rent collected by Owner from a subsequent subtenant of the Apartment is more than the unpaid rent and damages which You owe Owner, You cannot receive the difference. Owner's failure to re-rent to another subtenant will not release or change your liability for damages, unless the failure is due to Owner's deliberate inaction.

19. ADDITIONAL OWNER REMEDIES

If You do not do everything You have agreed to do, or if You do anything which shows that You intend not to do what You agreed to do, Owner has the right to ask a Court to make You carry out your agreement or to give the Owner such other relief as the Court can provide. This is in addition to the remedies in Article 17 and 18 of this Lease.

20. FEES AND EXPENSES

A. You must reimburse Owner for any of the following fees and expenses incurred by Owner:

(i) Making any repairs to the Apartment or the Condominium, including any appliances in the Apartment, which result from misuse or negligence by You, the Permitted Occupants of the Apartment, persons who visit the Apartment or work for You;
(ii) Correcting any violations of city, state or federal laws or orders and regulations of insurance rating organization concerning the Apartment or the Condominium which You, the Permitted Occupants of the Apartment, persons who visit the Apartment or work for You have caused;

(iii) Preparing the Apartment for the next tenant if You move out of the Apartment before the Lease ending date without Owner's prior written consent;

*** (iv) Any legal fees and disbursements for legal actions or proceedings brought by Owner against You because of a default by You for defending lawsuits brought against Owner because of the actions of You, the Permitted Occupants of the Apartment, persons who visit the Apartment or work for You (*Delete if inapplicable*);

(v) Removing all of your property after this Lease is ended;

(vi) Any miscellaneous charges payable to the Condominium for services You requested that are not required to be furnished You under this Lease for which You have failed to pay the Condominium and which Owner has paid;

(vii) All other fees and expenses incurred by Owner because of the failure to obey any other provisions and agreements of this Lease or the Condominium Documents by You, the Permitted Occupants of the Apartment, persons who visit the Apartment or work for You;

These fees and expenses shall be paid by You to Owner as additional rent within 30 days after You receive Owner's bill or statement. If this Lease has ended when these fees and expenses are incurred, You will still be liable to Owner for the same amount as damages.

B. Owner agrees that unless subparagraph (iv) of subparagraph 20 A has been stricken out of this Lease, You have the right to collect reasonable legal fees and expenses incurred in a successful defense by You of a lawsuit brought by Owner against You or brought by You against Owner to the extent provided by Real Property Law Section 234.

C. You shall pay the Condominium on demand for the cost of any miscellaneous charges payable to the Condominium for services You requested that are not required to be furnished You under this Lease.

21. PROPERTY LOSS, DAMAGES OR INCONVENIENCE

Unless caused by the negligence or misconduct of Owner, Owner's representatives or the agents and employees of the Condominium, none of these authorized parties are responsible to You for any of the following: (i) any loss of or damage to You or your property in the Apartment or the Condominium due to any accidental or intentional cause, even a theft or another crime committed in the Apartment or elsewhere in the Condominium; (ii) any loss of or damage to your property delivered to any agent or employee of the Condominium (i.e. doorman, superintendent, etc.); or (iii) any damage or inconvenience caused to You by actions, negligence or violations of lease or the Condominium Documents made by any other tenant or person in the Condominium except to the extent required by law.

Owner will not be liable for any temporary interference with light, ventilation, or view caused by construction by or on behalf of the Condominium. Owner will not be liable for any such interference on a permanent basis caused by construction on any parcel of land not owned by Owner or the Condominium. Owner will not be liable to You for such interference caused by the permanent closing, darkening or blocking up of windows, if such action is required by law. None of the foregoing events will cause a suspension or reduction of the rent or allow You to cancel the Lease.

22. FIRE OR CASUALTY

A. If the Apartment becomes unusable, in part or totally, because of fire, accident or other casualty, this Lease will continue unless ended by Owner under subparagraph C below or by You under subparagraph D below. However, the rent will be reduced immediately. This reduction will be based upon the square footage of the part of the Apartment which is unusable.

B. Owner and/or the Condominium will repair and restore the Apartment, unless Owner decides to take actions described in subparagraph C below.

C. After a fire, accident or other casualty in the Building, the Condominium may decide to tear down the Condominium building or to substantially rebuild it. In such case, Owner need not restore the Apartment but may end this Lease. Owner may do this even if the Apartment has not been damaged, by giving You written notice of this decision within 30 days after the date when the damage occurred. If the Apartment is unusable when Owner gives You such notice, this Lease will end 60 days from the last day of the calendar month in which You were given the notice.

D. If the Apartment is completely unusable because of fire, accident or other casualty and it is not repaired in 30 days, You may give Owner written notice that You end the Lease. If You give that notice, this Lease is considered ended on the day that the fire, accident or casualty occurred. Owner will promptly refund your security deposit and the pro-rata portion of rents paid for the month in which the casualty happened.

E. Unless prohibited by the applicable policies, to the extent that such insurance is collected, You and Owner release and waive all right of recovery against the other or anyone claiming through or under each by way of subrogation.

F. You acknowledge that if fire, accident, or other casualty causes damage to any of your personal property in the Apartment, including, but not limited to your furniture and clothes, neither the Owner nor the Condominium will be responsible to You for the repair or replacement of any such damaged personal property ~~unless such damage was as a result of the Owner's or the Condominium's negligence.~~

23. PUBLIC TAKING

The entire Condominium or a part of it can be acquired (condemned) by any government or government agency for a public or quasi-public use or purpose. If this happens, this Lease shall end on the date the government or agency take title. You shall have no claim against Owner for any damage resulting; You also agree that by signing this Lease, You assign to Owner any claim against the government or government agency for the value of the unexpired portion of this Lease.

24. SUBORDINATION CERTIFICATE AND ACKNOWLEDGMENTS

All mortgages of the Apartment now in effect or made after this Lease is signed, and any lien created by the Condominium Documents come ahead of this Lease. In other words, this Lease is "subject and subordinate to" any lien created by the Condominium Documents and existing or future mortgages on the Apartment, including any renewals, consolidations, modifications and replacements of any such mortgage. If certain provisions of any such mortgage or the Condominium Documents come into effect, the holder of any such mortgage or the Condominium can end this Lease and such parties may commence legal action to evict You from the Apartment. If this happens, You acknowledge that You have no claim against Owner, the Condominium or such mortgage holder. If Owner requests, You will sign promptly an acknowledgment of the "subordination" in the form that Owner may requires.

You also agree to sign (if accurate) a written acknowledgment to any third party designated by Owner that this Lease is in effect, that Owner is performing Owner's obligations under this Lease and that You have no present claim against Owner.

25. YOUR RIGHT TO LIVE IN AND USE THE APARTMENT -

~~Provided the Condominium waives any right of first refusal it may have with respect to this Lease, if You pay the rent and any required additional rent on time and You do everything You have agreed to do in this Lease, your tenancy cannot be cut off before the ending date, except as provided for in Articles 22, 23 and 24.~~

26. BILLS AND NOTICE

A. Notices to You. Any notice from Owner or Owner's agent or attorney will be considered properly given to You if it is: (i) in writing, (ii) signed by or in the name of Owner or Owner's agent, and (iii) addressed to You at the Apartment and delivered to You personally or sent by registered or certified mail to You at the Apartment. The date of service of any written notice by Owner to You under this agreement is the date of delivery or mailing of such notice.

B. Notices to Owner. If You wish to give a notice to Owner, You must write it and deliver it or send it by registered or certified mail to Owner at the address noted on page 1 of this Lease or to another address of which Owner or Agent has given You written notice.

27. GIVING UP RIGHT TO TRIAL BY JURY AND COUNTERCLAIM

A. Both You and Owner agree to give up the right to a trial by jury in a court action, proceeding or counterclaim on any matters concerning this Lease, the relationship of You and Owner as lessee and lessor or your use or occupancy of the Apartment. This agreement to give up the right to a jury trial does not include claims or personal injury or property damage.

B. If Owner begins any court action or proceeding against You which asks that You be compelled to move out, You cannot make a counterclaim unless You are claiming that Owner has not done what Owner is supposed to do about the condition of the Apartment or the Condominium.

28. NO WAIVER OF LEASE PROVISIONS

A. Even if Owner accepts your rent or fails once or more often to take action against You when You have not done what You have agreed to do in this Lease the failure of Owner to make action or Owner's acceptance of rent does not prevent Owner from taking action at a later date if You against do not do what You have agreed to do.

B. Only a written agreement between You and Owner can waive any violation of this Lease.

C. If You pay and Owner accepts an amount less than all the rent due, the amount received shall be considered to be in payment of all or part of the earliest rent due. It will not be considered an agreement by Owner to accept this lesser amount in full satisfaction of all of the rent due unless there is a written agreement between You and Owner.

D. Any agreement to end this Lease and also to end the rights and obligations of You and Owner must be in writing, signed by You and Owner or Owner's agent. Even if You give keys to the Apartment and they are accepted by either any employee or agent of the Condominium, Owner's representatives or Owner, this Lease is not ended.

E. This Lease, or any provision hereof, may not be modified, amended, extended, waived or abrogated without the prior written consent of the Condominium.

29. CONDITION OF THE APARTMENT

When You signed this Lease, You did not rely on anything said by Owner, Owner's representatives or the Condominium's employees, agents, or superintendent about the physical condition of the Apartment, the Condominium or the land on which is built. You did not rely on any promises as to what would be done, unless what was said or promised is written in this Lease and signed by both You and Owner. Before signing this Lease, You have inspected the Apartment and You accept it in its present condition "as is", except for any condition which You could not reasonably have seen during your inspection. You agree that Owner has not promised to do any work in the Apartment except as specified in a rider attached to this Lease.

30. DEFINITIONS

A. Owner: The term "Owner" means the person or organization receiving or entitled to receive rent from You for the Apartment at any particular time other than a rent collector or managing agent of Owner. "Owner" is the person or organization that owns legal title to the Apartment. It does not include a former Owner, even if the former Owner signed this Lease.

B. You. The term "You" means the person or persons signing this Lease as lessee and the successors and assigns of the signer. This Lease has established a lessor-lessee relationship between Owner and You.

31. SUCCESSOR INTERESTS

~~The agreements in this Lease shall be binding on Owner and You and on those who succeed to the interest of Owner or You by law, by approved assignment or by transfer.~~

32. INSURANCE

You may obtain liability insurance insuring You, the Permitted Occupants of the Apartment, your servants and people visiting the Apartment, and personal property insurance insuring your furniture and furnishings and other items of personal property located in the Apartment. You may not maintain any insurance with respect to any furniture or furnishings belonging to Owner that are located in the Apartment. You acknowledge that Owner may not be required to maintain any insurance with respect to the Apartment.

33. WAIVER OF CONDOMINIUM'S FIRST REFUSAL RIGHT [*DELETE IF INAPPLICABLE*]

~~You shall furnish to the Condominium or its managing agent, within 5 business days after the date of this Lease, such personal and financial references and additional information concerning You and the Permitted Occupants of the Apartment as may be requested in order to obtain the waiver of the Condominium's right of first refusal with respect to this Lease, including the submission of any application requested by the Condominium.~~

~~You acknowledge that this Lease will not commence and that You and the Permitted Occupants shall have no right to occupy the Apartment until the waiver of the Condominium's right of first refusal with respect to this Lease is obtained. If such waiver has not been obtained by the date specified in Article 2 as the beginning date of this Lease, You shall have no obligation to pay rent until such waiver has been obtained. All rent prepaid for the period You are unable to occupy the Apartment because of the failure to obtain such waiver shall be applied by Owner to subsequent rent payable hereunder. If such waiver is not obtained within 30 days after the date specified in Article 2 as the beginning date of this Lease, this Lease shall be canceled and all prepaid rent and security deposit shall be promptly returned to You.~~

34. FURNITURE [*DELETE IF INAPPLICABLE*]

~~The Apartment is being leased as fully furnished; a rider attached to this Lease lists all furniture and furnishings contained in the Apartment. You shall accept the furniture and furnishings contained in the Apartment "as is" on the commencement date of this Lease. Owner represents that all such furniture and furnishings are in good repair and in working order on the commencement date of this Lease except as may be noted in such rider.~~

~~You shall take good care of the furniture and furnishings in the Apartment during the pendency of this Lease and shall be liable for any damages caused by You to such furniture and furnishings. You shall not be responsible for any damages to such furniture and furnishings not caused by You or caused by ordinary wear and tear. You shall surrender such furniture and furnishings when this Lease terminates in the same condition as on the date this Lease commenced, subject to ordinary wear and tear. If any repairs are required to the furniture and furnishings in the Apartment when this Lease terminates, You shall pay Owner upon demand the cost of any required repairs.~~

~~You may not remove any furniture or furnishings from the Apartment or change the location of any such furniture or furnishings during the pendency of this Lease without Owner's prior written consent.~~

35. BROKER [*DELETE EITHER SUBPARAGRAPH A OR B*]

~~A. You represent to Owner that You have not dealt with any real estate broker(s) in connection with the leasing of the Apartment other than _____, [and that _____ is your real estate broker in connection with the leasing of the Apartment (Delete bracket if inapplicable)]. You will compensate such broker(s) in accordance with a separate agreement. You shall indemnify and hold Owner harmless from any and all loss incurred by Owner as a result of a breach of the foregoing representations.~~

~~B. You represent to Owner that you have not dealt with any real estate broker in connection with the leasing of the Apartment. You shall indemnify and hold Owner harmless from any and all loss incurred by Owner as a result of a breach of the foregoing representation.~~

36. YOUR OPTION TO RENEW [*DELETE IF INAPPLICABLE*]

~~A. You shall have the right to extend the term of this Lease for _____ year(s) commencing _____, and ending on _____, (the "Extension Term") provided: (i) You give Owner notice (the "Extension Notice"), in the manner required under this Lease, of your election to extend the term of this Lease; (ii) the Election Notice must be given Owner at least _____ days prior to the ending date of this Lease stated in Article 2; and (iii) You may not be in default of any provisions of the Lease when the Extension Notice is given and on the commencement date of the Extension Term. If You fail to send the Extension Notice to Owner by the date specified herein, this Article 36 shall be of no further force and effect.~~

~~B. The monthly rent payable by You during the Extension Term shall be $_____.~~

~~C. All provisions of this Lease, except as modified by this Article 36, shall remain in full force and effect during the Extension Term.~~

37. LEAD PAINT DISCLOSURE [*DELETE IF THE CONDOMINIUM WAS ERECTED AFTER 1978*]

~~Simultaneously with the execution of this Lease, You and Owner shall sign and complete the disclosure of information on lead-based paint and/or lead-based paint hazards annexed as a rider attached to this Lease. You acknowledge receipt of the pamphlet, "Protect Your Family From Lead In Your Home" prepared by the United States Environmental Protection Administration.~~

38. PETS [*DELETE EITHER SUBPARAGRAPH A OR B*]

~~A. You may not keep any pets in the Apartment.~~

B. If authorized by the Condominium Documents, You may keep pets in the Apartment provided: (i) You obtain the prior written consent of Owner; and (ii) You comply with the Condominium Documents with respect to the keeping of pets in the Condominium.

39. KEYS

Owner shall retain keys to all locks of the Apartment. If You make any changes to any such lock, You must deliver keys to Owner, and to the Condominium or its managing agent. At the end of this Lease, You must deliver to Owner all keys to the Apartment. If You fail to return any keys, You shall pay Owner the cost of replacing any such keys.

40. WINDOW GUARDS

You shall complete and deliver to the Condominium, when requested, a notice with respect to the installation of window guards in the Apartment in the form required by the City of New York. You acknowledge that it is a violation of law to refuse, interfere with installation, or remove window guards where required.

41. OWNER'S DEFAULT TO CONDOMINIUM

If: (i) Owner defaults in the payment to the Condominium of common charges or other assessments payable to the Condominium with respect to the Apartment; (ii) the Condominium notifies You of such default; and (iii) the Condominium instructs You to pay the rent under this Lease to the Condominium, then You shall pay all future installments of rent payable under this Lease to the Condominium until such time as the Condominium advises that the Owner's default has been cured. Owner acknowledges that if You pay any installment of rent payable under this Lease to the Condominium as herein provided, You have satisfied your obligation to pay any such installment of rent to Owner. Nothing contained in this Article shall suspend your obligation to pay rent under this Lease.

42. BINDING EFFECT

It is expressly understood and agreed that this Lease shall not constitute an offer or create any rights in your favor, and shall in no way obligate or be binding upon Owner, and this Lease shall have no force or effect until this Lease is duly executed by You and Owner and a fully executed copy of this Lease is delivered to both You and Owner.

TO CONFIRM OUR AGREEMENTS, OWNER AND YOU RESPECTIVELY SIGN THIS LEASE AS OF THE DAY AND YEAR FIRST WRITTEN ON PAGE 1.

WITNESS:

_____ _____ (L.S.)
Owner's Signature

_____ _____ (L.S.)
Tenant's Signature

_____ _____ (L.S.)
Tenant's Signature

GUARANTY

The undersigned Guarantor guarantees to Owner the strict performance of and observance by Lessee of all the agreements, provisions and rules in the attached Lease. Guarantor agrees to waive all notices when Lessee is not paying rent or not observing and complying with all of the provisions of the attached Lease. Guarantor agrees to be equally liable with Lessee so that Owner may sue Guarantor directly without first suing Lessee. The Guarantor further agrees that this guaranty shall remain in full effect even if the Lease is renewed changed or extended in any way and even if Owner has to make a claim against Guarantor. Owner and Guarantor agree to waive trial by jury in any such action, proceeding or counterclaim brought against the other on any matters concerning the attached Lease or the Guaranty.

Dated, _____

_____ _____Guarantor
Witness

_____Address

RIDER TO STANDARD FORM OF CONDOMINIUM APARTMENT LEASE

11 EAST 68TH STREET LLC

TO

THE CONDOMINIUM BOARD OF MANAGERS OF ELEVEN EAST SIXTY EIGHTH STREET CONDOMINIUM

Residential Unit 7C
11 East 68th Street
New York, NY 10011

1. PROVISIONS OF RIDER

This Rider (this "Rider") amends and modifies that certain Standard Form of Condominium Apartment Lease (the "Lease") by and between 11 East 68th Street LLC ("Owner") and You (as such term is defined in the Lease, also known as "You" and/or "Lessee") with respect to the above referenced Apartment in the condominium known as Eleven East Sixty Eighth Street Condominium, 11 East 68th Street, New York, New York (the "Condominium"). In the event any inconsistency between the terms and provisions of this Rider and the Lease and those contained in the Condominium Documents (as defined hereinafter) as same are amended from time to time, the terms and provisions of the Condominium Documents shall govern and be binding. In the event of any inconsistencies between the provisions of the Lease and this Rider, the provisions of this Rider shall govern and be binding.

2. APARTMENT AND USE

The first (1st) paragraph of Section "1" of the Lease is hereby deleted in its entirety and replaced with the following language:

Subject to Paragraph 15 of this Rider, Owner agrees to lease to You Residential Unit 7C (the "Apartment") and referred to in the Offering Plan as the "Resident Manager Unit" located on the seventh floor in the Condominium. You shall use the Apartment for the living purposes of the Resident Manager of the Condominium, as more particularly described in the Condominium Documents. The Apartment may only be occupied by the Resident Manager of the Condominium and his or her immediate family members (the "Permitted Occupants"). Residential occupancy by any other persons shall be deemed in violation of this Lease.

3. LENGTH OF LEASE

Section "2" of the Lease is hereby deleted in its entirety and replaced with the following:

"The term of this Lease (the "Lease Term") will be for a three (3) year period, which term shall commence as of the First Closing of title to a Residential Unit.

Notwithstanding the foregoing, Owner reserves the right at any time prior to the expiration of the Lease Term to terminate the Lease in accordance with the provisions of the Offering Plan for the Condominium."

4. RENT

The first (1st) sentence of Section "3" of the Lease is hereby deleted in its entirety and replaced with the following language:

"Your rent for the Apartment is $60,000 per year ($5,000 payable monthly) (collectively, the "Rent")."

5. CONDOMINIUM DOCUMENTS

Section "4" of the Lease is hereby deleted in its entirety and replaced with the following:

"The Lease is subject and subordinate to (A) (i) the declaration of the Condominium (the "Declaration"); (ii) the By-Laws of the Condominium (the "By-Laws"); (iii) the Rules and Regulations of the Condominium as promulgated by the Condominium Board from time to time ("House Rules"); (iv) terms and conditions set forth in the offering plan of the Condominium as "accepted for filing" by the Department of Law (the "Offering Plan") (The Declaration, By-Laws, House Rules and the Offering Plan are collectively referred to as the "Condominium Documents"); (B) Powers of Attorney granted to the Condominium Board, leases, agreements, mortgages, renewals, modifications, consolidations, replacements and extensions to which the Condominium Documents or the Apartment are presently or may in the future be subject. Lessee shall not perform any act, or fail to perform an act, if the performance or failure to perform would be a violation of or default in the Condominium Documents or a document referred to in (B) above. Lessee shall not exercise any right or privilege under this Lease, the performance of which would be a default in or violation of the Condominium Documents or a document referred to in (B) above. Lessee must promptly execute any certificate(s) that Owner requests to show that this Lease is so subject and subordinate. Lessee authorizes Owner to sign these certificate(s) for Lessee. Lessee acknowledges that Lessee has had the opportunity to read the Condominium Documents. Lessee agrees to observe and be bound by all the terms contained in it which apply to the occupant or user of the Apartment or a user of Condominium common areas and facilities. Lessee agrees to observe all of the Rules and Regulations of the Condominium.

Owner and its agents, contractors and employees, shall not be liable for, injury to any person, or for property damages sustained by Lessee, its Permitted Occupants, licensees, invitees, guests, contractors and agents, or by any other person for any reason except for gross negligence or willful misconduct by Owner and its agents, contractors and employees.

Lessee agrees to protect, indemnify and save harmless Owner and its agents, contractors and from all losses, costs of damages suffered by reason of any act or other occurrence which causes injury to any person or property and is related in any way to the use of the Apartment."

6. ELECTRICITY AND OTHER UTILITIES

Sections "13(B)" and "13(C)" of the Lease are deleted in their entirety and replaced with the following language:

"You acknowledge and agree that utilities and/or services are not included in the Rent. Owner shall be responsible for basic cable television, telephone and internet service. Lessee shall be responsible for all utilities and any other services (other than basic cable television, telephone and internet), including, without limitation, parking for the Resident Manager. You covenant and agree that at all times your use of electricity will not exceed the capacity of existing feeders to the Apartment or the risers or wiring installations therein and You shall not use any electrical equipment which, in Owner's sole yet reasonable judgment, will overload such installations."

7. APPLIANCES

Section "13(D)" of the Lease is deleted in its entirety and replaced with the following language:

"You acknowledge having inspected the Apartment and having found all of the Appliances in good condition and working order. You agree that at the expiration of the Lease, the Appliances will be returned to Owner in the same condition that the Appliances were delivered to You on the first day the Lease commenced, except for ordinary wear and tear. You shall be responsible for any damage to the Appliances and You shall be required to pay for any such damage, except for ordinary wear and tear. If You fail to pay as provided hereinabove, You shall pay the Owner for the costs of such damage as additional Rent."

8. ENTRY TO APARTMENT

Section "15(C)" of the Lease is deleted in its entirety and replaced with the following language:

"It is expressly understood and agreed that the Owner shall have the absolute right to have the Apartment shown to prospective tenants or purchasers upon reasonable notice to You at least forty-eight (48) hours in advance."

Section "15" of the Lease is further supplemented as with the following language:

"Reasonable times shall include, but not be limited to, weekdays 10:00AM to 7:00PM and weekend and holidays 10:00AM to 5:00PM. No advance written notice shall be required and an oral demand shall be sufficient."

9. ASSIGNMENT

Section "16(A)" of the Lease is deleted in its entirety and replaced with the following language:

"You shall not assign Your interest in this Lease or sublet the Apartment or any part thereof without obtaining the prior written consent of Owner. You acknowledge that such consent may be withheld for any reason or no reason.

Owner may assign or transfer part or all of its interest in the Lease (including the Rider) and in the Apartment without obtaining approval from You."

10. LIABILITY FOR PROPERTY LEFT WITH OWNER'S EMPLOYEES

"You understand and agree that Owner's employees are not authorized by Owner to care for Your personal property. Owner is not responsible for any loss, theft, and/or damage to Your personal property, or any injury caused by the property or its use by building employees. Section "21" of the Lease remains in full force and effect, and is not superseded by anything herein."

11. NOTICE

Section "26B" of the Lease is deleted in its entirety and replaced with the following language:

"B. Notices to Owner. All notices to Owner must be written and delivered by registered or certified mail to Owner at the following address, or to any other address which Owner has given you written notice of:

If to Owner : 11 East 68th Street, LLC

With a copy to : Stroock & Stroock & Lavan LLP
180 Maiden Lane
New York, New York 10038
Attention: Michel Evanusa, Esq.

In addition, any notice given to Owner shall be effective only upon actual receipt thereof.

12. NO WAIVER OF LEASE PROVISIONS

Section "28(E)" of the Lease is supplemented with the following language:

"This Rider and the Lease shall be binding upon and inure to the benefit of the respective parties hereto, and any of Owner's successors and any successor to You as authorized by the terms of this Lease. You have read this Lease and Rider. All promises and representations are contained in the Lease and/or Rider.

13. DEFINITIONS

Section "30(A)" of the Lease is deleted in its entirety and replaced with the following

language:

"A. Owner: The term "Owner" means the person or organization receiving or entitled to receive Rent and Additional Rent from You for the Apartment at any particular time other than a rent collector or managing agent of Owner. "Owner" is the person, organization, tenant or designee of the organization that owns legal title to the Apartment. It does not include a former Owner, even if the former Owner signed the Lease."

14. INSURANCE

Section "32" of the Sublease is deleted in its entirety and replaced with the following language:

"You are required to maintain insurance for the Apartment in the amounts and type as more particularly set forth in the By-Laws of the Condominium."

15. RE-DESIGNATION OF APARTMENT UNDER THE LEASE

"Notwithstanding anything to the contrary contained hereinabove, there is no guarantee that the Owner will continue to make the Apartment available for use by You beyond the aforementioned Lease Term, or to make another apartment or Unit available beyond the Lease Term to the Condominium Board for use by the Resident Manager, however, in the event the Owner does decide to make an apartment or Unit available, no representations are made regarding the rental or use and occupancy which will be charged by the Owner therefore after the Lease Term, except that the Rent charged shall be at market rates. In the event that after the Lease Term Owner does not make the Apartment available for use by the Resident Manager, there may be no apartment in the Building for use by the Resident Manager in the Building and any shared services agreement will terminate. In such event the Condominium Board may either: (i) relocate the Resident Manager to another Unit in the Building; (ii) employ a superintendent for the Building who will be provided with an apartment within a distance of one block or two hundred feet from the Building; (iii) employ a twenty-four hour a day janitorial service, in accordance with the provisions of the New York City Housing Maintenance Code, or (iv) take any other actions in accordance with Law.

Owner reserves the right, in its sole discretion, to choose a different Residential Unit other than the Apartment to lease to the Condominium Board to be used as the residence of the Resident Manager; provided, however that it shall not result in the Condominium Board incurring Rent, the sum of which exceed the costs of leasing the Apartment as set forth in Schedule B, by more than twenty-five percent (25%). (See a copy of Schedule B set forth in Part I of the Offering Plan.)"

16. RETURNED CHECK

"If You issue a check to Owner that is returned unpaid for any reason, You shall, upon demand from Owner, immediately pay to Owner as added Rent, the sum of $200.00 for Owner's additional expenses in connection therewith."

17. HOLDING OVER

"If You fail, for any reason, to surrender and deliver to Owner, immediately following the expiration of the Term of this Lease, as more particularly described in Section 3 of this Rider, possession of the Apartment in the condition required under this Lease, then, in such event, You acknowledge and agree that the Owner will incur administrative costs and suffer loss of investment income not contemplated by this Lease, the exact amount of which damages are difficult to ascertain. Accordingly, in any such event, the parties agree that the You shall pay, as liquidated damages, during any such holdover period, for every month or portion thereof until such time as You surrender and deliver to Owner possession of the Apartment in the condition required by this Lease, a monthly sum equal to 200% of the then monthly Rent payable under the Lease, or the maximum amount as permitted by Law, whichever is less. This agreement as to the amount of Owner's damages shall not be construed as permission or consent by Owner to You to hold over after the expiration of the term of this Lease and Owner acceptance of such holdover Rent shall not be a bar to Owner's exercise of any and all other rights and remedies available to it under the Lease or applicable laws in the event of a holdover by You."

18. SERVICES

"Modifications to building services will not be reason for You to stop or partially withhold paying Rent or Additional Rent or to interpose a claim of money damages or claim of eviction, excepting a claim under the warranty of habitability. Damage to the premises or the equipment or appliances therein provided by Owner, caused by Your action or neglect may, at Owner's sole discretion, be repaired by Owner at Your sole expense. The cost of such repairs will be charged to You as additional Rent."

19. LEASE BINDING

"This Lease is binding on Owner and You, Your heirs, distributors, executors, administrators, successors and lawful assignees. In the case of Your assignee, Owner accepts obligations only to those assignees approved by Owner pursuant to the terms of this Lease."

20. RENT REGULATIONS

"You and Owner agree and acknowledge that this Lease and the Apartment are not registered under or subject to, or intended to be subject to, the Rent Stabilization law, the Rent Stabilization Code of the City of New York, of any Federal, State, or City law regulating rents."

21. RENEWAL

"The Lease shall terminate at the end of the Lease Term. There shall be no automatic renewal of the Lease and any extension thereof must be made in writing, signed by both parties."

22. CORPORATE USE

"Notwithstanding that You are a business entity, the Apartment shall be used solely as a private residence for the Resident Manager. You shall notify the Managing Agent of the names of such Permitted Occupants. You covenant that this Lease has been signed by a duly authorized officer or Your representative and has provided such authority to Owner."

23. AS-IS CONDITION

"You acknowledge that you have made a full and complete inspection of the Apartment, the Condominium and its common areas and agree to accept possession of the Apartment, the Condominium and its common areas, in its present "AS IS" condition. You acknowledge that Owner, or Owner's agent, have made no representations or promises in regard to the condition of the Apartment, the Condominium and its Common Elements, any amenities or improvements contained in the Apartment, the Condominium and its Common Elements."

24. CHOICE OF LAW

"This Rider and Lease shall be construed in accordance with the laws of the State of New York. You and Owner consent to the jurisdiction of and agree to the venue of any matter or proceeding commenced in federal, state or city court in the State of New York, New York County."

25. HEADINGS

"The Section headings are for convenience of reference only and in no way shall be used to construe or modify the provisions set forth in this Rider or Lease."

26. SEVERABILITY

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

27. COUNTERPART; FACSIMILE SIGNATURES

"The Lease and this Rider may be executed in any number of counterparts, including counterparts transmitted by facsimile and pdf copies, any one of which shall constitute an original of the Lease and this Rider. When counterparts have been executed by all parties, they shall have the same effect as if the signatures to each counterpart were upon the same documents and shall be deemed valid as originals. The Lease and this Rider shall not be binding unless and until it shall be fully executed and delivered by all parties hereto."

IN WITNESS WHEREOF, the parties have executed this Rider to Lease dated as of the date written hereinbelow.

DATE: _____

Owner:

11 East 68th Street, LLC

By:_____
Name:
Title:

You/Lessee:

The Condominium Board of Managers of Eleven East Sixty Eighth Street Condominium

By: _____
Name:
Title:

EXHIBIT "25"

DHCR PROCEEDINGS

11 East 68th Street Open and Pending DHCR Cases

Docket Number	Apartment
AQ-410618-LD	4A
AQ-410619-LD	5A
AQ-410620-LD	5B
AQ-410621-LD	9B
ZE-410343-LD	5A
ZE-410344-LD	5B
ZE-410345-LD	5C
ZE-410346-LD	5D
ZE-410347-LD	8C
YD-410043-RV	5B
YC-410042-LD	5B
XE-410056-LD	5B

Case Type

LD - Luxury Decontrol
TC - Tenant Challenge Registration
RV - Tenant Non-Renewal Lease

EXHIBIT "26"

FORM INTERIM LEASE

[FORM]

INTERIM LEASE AGREEMENT

INTERIM LEASE AGREEMENT dated the _____day of _____, 20__, by and between 11 East 68th Street LLC, a New York limited liability company, having an office at c/o HFZ Capital Group, 600 Madison Avenue, New York, New York 10022 ("Sponsor"), and [_____], having an address at [_____] ("Purchaser").

WHEREAS, Seller is the sponsor of a condominium offering plan ("Plan") for Eleven East Sixty Eighth Street Condominium (the "Condominium"), located at 11 East 68th Street, New York, New York 10065 (the "Property") accepted for filing by the New York State Department of Law on _____, **as amended** (the "Plan"); and

WHEREAS, in connection herewith, Seller and Purchaser have entered into that certain Purchase Agreement and Rider to Agreement (collectively, the "Agreement") for Unit __ (the "Unit") at the Condominium; and

WHEREAS, pending the effectiveness of the Plan and the consummation of Purchaser's purchase of the Unit, Seller has agreed to permit Purchaser to obtain possession of the Unit, subject to the terms of this Interim Lease Agreement; and

WHEREAS, Purchaser is desirous of taking possession of the Unit and moving certain furniture, boxes, clothing and other personal belongings of Purchaser ("Purchaser's Belongings") into the Unit, and occupying the Unit prior to the closing of title thereof (the Closing"); and

WHEREAS, the parties wish to set forth their agreement with respect to the Purchaser's use and occupancy of the Unit.

NOW, THEREFORE, in consideration of ten ($10.00) dollars and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows.

1. This is an interim (non-rent regulated or rent stabilized) lease agreement (the "Interim Lease Agreement") entered into by Seller solely in consideration of Purchaser having entered into the Agreement. Purchaser agrees and acknowledges that an uncured default or Event of Default by the Purchaser under the Agreement will constitute a default under the Interim Lease Agreement entitling Seller, at its option, to terminate the Interim Lease Agreement in accordance with applicable Law. In addition, the parties agree that an uncured default by the Purchaser under the Interim Lease Agreement will constitute a default or Event of Default under the Agreement entitling Seller, at its option, to terminate the Agreement and to exercise any remedies therein provided; provided however, that before Seller utilizes the default under the Interim Lease Agreement to declare a default or Event of Default under the Agreement, Seller will either obtain an order of eviction or other judgment or order from a court or agency of competent jurisdiction against Purchaser unless Purchaser has vacated the Unit. Purchaser will have thirty (30) days to vacate the Unit after a default or an Event of Default under the

Agreement. The provisions of this Paragraph are hereby deemed incorporated into the Agreement.

2. Purchaser shall be given possession of the Unit on _____, 20__ ("Possession Date") provided however that this Interim Lease Agreement is executed by both Seller and Purchaser.

3. Purchaser shall remain in possession of the Unit pursuant to this Interim Lease Agreement until the earlier to occur of: (i) the date an Amendment abandoning the Plan has been accepted for filing by the New York Department of Law (ii) the Closing, (iii) five (5) business days after Seller sends written notice to Purchaser that Purchaser has defaulted under this Interim Lease Agreement or there is an Event of Default under the Agreement, provided that such default remains uncured, (iv) a court order directing eviction, (v) thirty (30) calendar days after Purchaser exercises a right of rescission under the Agreement, should such rescission right exist (collectively, the "Lease Termination Date").

4. Commencing on the Possession Date and from and after the first (1st) day of each month thereafter, Purchaser shall pay to Seller in advance a monthly installment in the amount of $_____ representing the Interim Lease Agreement fee ("Interim Lease Fee"). Purchaser acknowledges that the Interim Lease Fee paid under this Interim Lease Agreement shall belong to Seller as payment for use and occupancy of the Unit prior to the Closing and that no portion of the Interim Lease Fee paid shall be credited to or applied to the Purchase Price of the Unit. In the event that possession is terminated in accordance with Section 3(ii) of this Interim Lease Agreement, any adjustments with respect to the Interim Lease Fee paid or due pursuant to this Interim Lease Agreement shall be apportioned as of midnight of the date prior to the Closing, subject to any contrary provisions of the Agreement. Notwithstanding the foregoing, the first month of the Interim Lease Fee shall be pro-rated from the date occupancy is granted to the Purchaser and shall be pro-rated for the last month, which will be the closing date, or such adjourned closing date.

5. Purchaser agrees to abide by and follow all of the rules and regulations of the Condominium, including without limitation all of the rules and regulations set forth in the Declaration and By Laws which are contained in the Plan and which Purchaser hereby acknowledges having received a copy thereof. Purchaser further acknowledges and agrees that this Interim Lease Agreement is subject and subordinate to the Plan and the Condominium Declaration and By-Laws.

6. Purchaser shall indemnify and hold harmless the Seller, the Selling Agent, the Managing Agent, the Condominium Board, the Residential Board, their Managers and their members, officers and directors from any claims, causes of action, damage or liability (including attorneys' fees) arising from or out of Purchaser's breach or failure to observe any covenant required to be observed by Purchaser under this Lease or the Offering Plan and occurring during the term of this Interim Lease Agreement, whether by Purchaser or of Purchaser's invitees.

7. Prior to taking possession to the Unit, Purchaser shall obtain insurance for the Unit, at Purchaser's expense; covering the Purchaser's Belongings and personal liability insurance (such liability insurance shall be in an amount of not less than One Million Dollars

($1,000,000.00). Such insurance policy shall name the Seller as well as all entities listed in the Condominium Bylaws as an additional insured if Purchaser is able to obtain insurance naming the other entities. The insurance required above shall be written in a form reasonably satisfactory to Seller by good and solvent insurance companies with an A.M. Best rating of A-, VIII or better of recognized standing, authorized to do business in the State of New York.

8. During the term of this Interim Lease Agreement, Purchaser acknowledges and agrees that Purchaser may not build in, add to, change or alter the Unit, or the Unit's fixtures and installations, in any way, including the Unit's building systems without first obtaining the prior written consent of Seller, in its sole and absolute discretion.

9. Upon any termination of this Interim Lease Agreement, other than as a result of Purchaser closing title to the Unit, Purchaser shall (i) return the Unit in the condition received on the Possession Date, normal wear and tear excepted, which may include, but not be limited to: (a) repainting the Unit, (b) polishing the floors and repairing and/or replacing any damaged flooring, if reasonably necessary, and (c) fine cleaning the appliances, (ii) reimburse Seller for any actual and reasonable repairs to the Unit Seller may incur as a result of Purchaser's use of the Unit while Purchaser is in possession of the Unit and (iii) vacate and surrender the Unit. Purchaser shall in any and all events remain liable for any damage caused by Purchaser or Purchaser's invitees to the Unit during the period of Purchaser's occupancy and/or to the Unit or the Building during Purchaser's moving in or out of the Unit on the date required by a termination notice under this Interim Lease Agreement.

10. If Purchaser fails to vacate the Unit when required by this Interim Lease Agreement, (i) Seller may commence a holdover summary proceeding or any other appropriate action to remove the Purchaser from possession, (ii) Purchaser shall be liable to Seller for all actual damages sustained by Seller as a result of Purchaser's failure to vacate in accordance with the provisions of this Interim Lease Agreement, (iii) Purchaser shall pay Seller's costs and reasonable attorneys' fees and/or marshal's fees or other costs and expenses in connection with Seller's enforcement of its rights under this Interim Lease Agreement, including the right to cause any person(s) to vacate the Unit, and (iv) the Interim Lease Fee shall increase to $____ per month, or partial month that Purchaser has been and/or continues to be in possession of the Unit (the "Holdover Lease Fee"). Purchaser shall be responsible for the Holdover Lease Fee for the period of time commencing on the Lease Termination Date through and including the date that Purchaser vacates the Unit. Nothing contained herein shall be construed to mean that Seller consents to the Purchaser's occupancy of the Unit beyond the Lease Termination Date.

11. Subject to Purchaser's rights set forth in the Agreement, Purchaser acknowledges and agrees that Purchaser has inspected the Unit and Purchaser agrees that Purchaser is accepting the Unit in its "as-is" condition as of the date of this Interim Lease Agreement, and has waived the right to (a) inspect the Unit prior to the Closing Date and (b) to generate a "punch list" prior to the Closing Date, and that nothing contained in this Interim Lease Agreement or the Agreement shall provide the Purchaser a basis to delay or postpone the Closing Date. Purchaser further agrees that any damages in and to the Unit after Purchaser has access to the Unit under this Interim Lease Agreement shall not be a basis for Purchaser to delay or postpone the Closing Date, except for damage to the Unit caused by fire or other casualty as described in article 20 of the Agreement, nor shall Purchaser make any claim against Seller or

the Condominium Board or the Residential Board arising from any damages in and to the Unit after Purchaser takes possession thereof except for damage to the Unit caused by fire or other casualty as described in the Agreement. Purchaser hereby releases and forever discharges Seller and its successors and/or assigns, from all manner of actions, and waives any claims, causes of action, suits, debts, dues, sums of money, damages, claims and demands whatsoever in law or equity, which Purchaser, its successors and assigns ever had, now have, or may have, now or hereafter upon or by reason of any matter arising from or out any items of a "punch list" nature in the Unit.

12. Seller shall have no liability for the care and safety of Purchaser's Belongings maintained in the Unit or the Building under this Interim Lease Agreement.

13. It is expressly understood and agreed that Seller is under no obligation to provide Purchaser with any utility, other than utilities, if any, included in the common charges, and/or service including, but not limited to: electric, telephone service, internet service, and/or cable television/satellite service. Therefore, in the event that Purchaser wishes to obtain any such services (telephone, cable, etc.) Purchaser must contract directly with the providers of such service in order to receive such services.

14. Purchaser and Seller represent to each other that they have not dealt with any real estate broker (other than the Selling Agent and co-broker named in the Agreement) in connection with the leasing of the Unit. Purchaser and Seller agree to indemnify, defend and hold harmless each other from and against any loss, liability, cost or expense incurred by each other and each other's successors and/or assigns, as a result of a breach of the foregoing representations. The provisions of this Paragraph shall expressly survive the termination of this Interim Lease Agreement.

15. Purchaser shall complete and deliver to the Seller, when requested, a notice with respect to the installation of window guards in the Unit in the form required by the City of New York. Purchaser acknowledges that it is a violation of law to refuse, interfere with installation or remove window guards where required.

16. The use and occupancy of the Unit under this Interim Lease Agreement shall be limited to Purchaser and immediate family members of Purchaser only or, if an entity, to a principal of Purchaser and said principal's immediate family members.

17. If any of the provisions of this Interim Lease Agreement or any part hereof shall be judged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair or invalidate the remainder of any portion of this Interim Lease Agreement or part hereof.

18. Purchaser shall be in default under the Interim Lease Agreement if (i) Purchaser fails to comply with any agreement or provision of this Interim Lease Agreement, including but not limited to that which is set forth in Paragraph 3, (ii) Purchaser or another occupant of the Unit behaves in an objectionable manner or (iii) Purchaser and other legal occupants of the Unit move out permanently before this Interim Lease Agreement ends.

19. If Purchaser defaults as set forth above, other than a default in the agreement to pay the Interim Lease Fee in which case no notice shall be required, Seller may serve Purchaser with a written notice to correct the specified default within ten (10) days. Purchaser must then correct the default within ten (10) days, or, if Purchaser needs more than ten (10) days, Purchaser must begin to correct the default within ten (10) days and continue to do all that is necessary to correct the default as soon as possible. If Purchaser does not correct or begin to correct a default within ten (10) days, as set forth above, Seller may give Purchaser a second written notice that this Interim Lease Agreement will end five (5) days after the date the second written notice is sent to Purchaser. At the end of the five (5)-day period, this Interim Lease Agreement will end and Purchaser then must move out of the Unit.

20. Any notice from Seller's or Seller's agent or attorney will be considered properly given to Purchaser if it (i) is in writing; (ii) is signed by or in the name of Seller or Seller's agent; and (3) is either delivered to Purchaser personally or sent by registered or certified mail to Purchaser at the Unit. The date of service of any written notice by Seller to Purchaser under this Interim Lease Agreement is the date of delivery or mailing of such notice. If Purchaser wishes to give a notice to Seller, it must be in writing and served by registered or certified mail to Seller at the address noted on page 1 of this Interim Lease Agreement or at another address of which Seller or Agent has given Purchaser written notice.

21. Purchaser waives the right to a trial by jury in any court action or proceeding concerning this Interim Lease Agreement or Purchaser's use or occupancy of the Apartment. If Seller commences any court action or proceeding against Purchaser concerning this Interim Lease Agreement, Purchaser will not counterclaim or seek any damages as a set-off or abatement.

22. This Interim Lease Agreement shall be construed in accordance with the laws of the State of New York. Any action or proceeding commenced in connection with this Agreement or the subject thereof shall be in a Court of competent jurisdiction in the State, County and City of New York. If any of the provisions of this Interim Lease Agreement or any part hereof shall be judged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair or invalidate the remainder of any portion of this Interim Lease Agreement or part hereof.

23. The delivery of executed counterparts of this Interim Lease Agreement by a party hereto or their attorney by facsimile, pdf or other similar electronic means shall be given the same force and effect as delivery of an original executed counterpart of this Interim Lease Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Interim Lease Agreement as of the day and year first above written.

SPONSOR:

11 EAST 68TH STREET LLC

By:_____
Name:
Title:

PURCHASER:

_____

Telephone No.: _____

Telephone No.: _____

For purposes of this Agreement, it is acknowledged and agreed that the undersigned is the controlling individual of the Purchaser and shall remain personally liable for Purchaser's obligations under this Agreement:

_____
[Insert Name]

EXHIBIT "27"

FORM STORAGE BIN LICENSE

STORAGE BIN LICENSE

AGREEMENT MADE dated _____ (this "Agreement") by and between the _____ Condominium ("Licensor"), having an office at c/o _____, having an office at _____ New York, New York 10017 and _____, having an address at _____ (the "Licensee");

WHEREAS, pursuant to that certain condominium declaration and by-laws for the condominium known as _____ Condominium (the "Condominium") dated _____ and recorded on _____ as CRFN _____ (collectively, the "Declaration") for the property having the street address _____, New York, New York (the "Property"), the Property was submitted to a condominium regime;

WHEREAS, in accordance with the terms of the Declaration, Licensor is responsible for the administration of the Condominium, including, without limitation the "Storage Bins" located in the Building as such term in more particularly defined and described in the Declaration;

WHEREAS, Licensee, owns or simultaneously herewith, Licensee is acquiring a Residential Unit in the Condominium and;

WHEREAS, Licensee desires the right to the exclusive use of the Storage Bin _____ (the "Bin") for so long as Licensee owns a Residential Unit in the Condominium.

NOW THEREFORE, in consideration of the foregoing and other good and valuable consideration, the parties hereto agree as follows:

1. Subject to and in accordance with the terms and conditions of this Agreement, Licensor hereby grants to Licensee, its successors and assigns and Licensee hereby accepts from Licensor, a license (the "License") to use the Bin during the term hereof for storage of Licensee's personal property and the property of occupants of the Unit (the "Permitted Users") and for no other purpose. Licensee shall not store any (i) animals or food, (ii) inflammable, combustible, explosive or other dangerous or hazardous items, (iii) items which have an objectionable odor or which may spoil or decay or (iv) valuable items. Licensee shall not (a) interfere with another tenant of Licensor, (b) store any property in the Building outside of the Bin, (c) allow any other person to use the Bin except in accordance with the terms hereof, or (d) deface, damage or alter the Bin, the Building or Licensor's equipment. Licensee shall keep the Bin locked and shall

provide Licensor with a duplicate key. Licensee acknowledges that it is Licensee's responsibility to safeguard the keys and Licensee is fully responsible for whoever has possession of the keys.

2. The term of this License shall commence on date first set forth above, and shall continue on a month to month basis thereafter until Licensee gives written notice of termination, or unless otherwise terminated, as provided herein. This License shall automatically terminate in the event that Licensee no longer owns a Residential Unit in the Condominium. In the event this Agreement is terminated, Licensee shall vacate and surrender possession of the Bin, broom clean, in the condition as existed prior to the commencement of this Agreement. Any property not removed from the Bin at the expiration or other termination of this Agreement shall be considered abandoned and may, at Licensor's option, be retained as Licensor's property or disposed of at Licensee's cost and without any liability to Licensee. Licensee's obligation to observe or perform this covenant shall survive the expiration or other termination of this Agreement.

3. Licensee shall indemnify and save harmless Licensor and Licensor's agents against and from any and all liability, loss, damage and expense (including, without limitation, reasonable attorney fees and expenses) arising from injury to person or property occasioned by the failure of the Licensee to comply with any provision in this Agreement, or due wholly or in part to any act, default or omission of the Licensee or of any person using the Bin, or by the Licensor, its agents, servants or contractors when acting as agent for the Licensee as herein provided.

4. Neither licensor nor its agents or employees shall be liable for any theft or damage to any property stored in the Bin unless due to the gross negligence or willful misconduct of the Licensor. Licensee understands that Licensor intends to leave the storage area unattended and that Licensee stores property in the Bin at Licensee's own risk, including, without limitation, the possibility that the Bin may be damp, may sustain water infiltration and may be exposed to varying temperatures. Licensor undertakes only to act as a licensor, and under no circumstances shall the licensor or its agents be deemed to act as Licensee's bailee.

5. Licensee shall obtain and maintain insurance in connection with the Bin in accordance with such rules and policies adopted by the Condominium Board.

6. Licensee represents that it has made a thorough inspection of the Bin and agrees to take same in its condition "as is" as of the commencement of this Agreement. Licensee shall, throughout the term of this Agreement, be responsible for all normal Maintenance and repair to the Bin. In addition, Licensee shall repair all damage to the Building and the Bin by the moving of its property, furniture or equipment.

7. Licensor shall not provide any services to the Bin, except lighting on the floor in which the Bin is located and elevator service. Licensee shall keep the Bin clean. Licensee shall have access to the Bin at any time, subject to any rules which may be promulgated by the Condominium Board in the future.

8. This Agreement shall inure to the benefit of the Licensor's successors and assigns and may not be modified except by a writing signed by the party to be charged.

9. If Licensee shall default in fulfilling any of its covenants or obligations hereunder, in addition to any other rights and remedies available to Licensor, Licensor may (i) deny access to the Bin until Licensee cures such default, or (ii) terminate this Agreement by the giving of written notice to Licensee, whereupon this Agreement shall terminate on the date set forth in such notice.

10. Licensee shall, at all times, use the Bin only in a manner which is in full compliance with all present and future laws, orders, rules and regulations of all state, federal, municipal and local governments, departments, commissions and boards (including the New York Board of Fire Underwriters or any similar body) asserting jurisdiction therefor, or any direction of any public officer pursuant to law, including, without limitation, the police and fire departments of the City of New York, which may require the removal or destruction of items stored in the Bin. Licensee, its servants, employees, agents, visitors and licensees shall observe faithfully, and comply strictly with the Declaration and any and all rules and regulations for the Building as Licensor or its agents may from time to time adopt.

11. Licensor or its agents shall have the right (but not the obligation) to open the Bin in an Emergency at any time, and, at other reasonable times, to inspect and examine the same and to make such repairs, replacements and improvements as Licensor shall deem necessary or desirable to the Bin or any portion of the Building, all without any liability to Licensee whatsoever as a result thereof.

12. The failure of Licensor to seek redress for violation of, or to insist upon the strict performance of any covenant or condition of this Agreement or of any of the rules or regulations adopted by Licensor, shall not prevent a subsequent act which would have originally constituted a violation from having all the force and effect of an original violation.

13. Notwithstanding anything to the contrary set forth herein, in the event Licensee desires to assign this Agreement, such assignment shall comply with the then requirements of Licensor to effectuate such assignment, including, without limitation, the obligation to enter into a new license agreement with the assignee. Licensee may permit use of the Bin by others than the Permitted Users only with the consent of Licensor.

14. All capitalized terms used in this Agreement not defined herein shall have the same meanings ascribed to them in the Declaration.

15. This Agreement shall inure to the benefit of and be binding upon the heirs, executors, successors and assigns of the Licensee.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first above written.

LICENSOR:

By: _____
Name:
Title: President

LICENSEE:

_____

_____

EXHIBIT "28"

NEW YORK CITY BUILDING CODE SECTION 28-104.8.4

New York City, N.Y., Code § 28-104.8.4
NEW YORK CITY CHARTER, CODE, AMENDMENTS & RULES
NEW YORK CITY ADMINISTRATIVE CODE
TITLE 28. NEW YORK CITY CONSTRUCTION CODES
CHAPTER 1. ADMINISTRATION.
ARTICLE 104 CONSTRUCTION DOCUMENTS

Currency up to Local Law 40 of 2012 and Chapters 1 - 447 of the Laws of the State of New York for 2012

Currency up to Local Law 40 of 2012 and Chapters 1 - 447 of the Laws of the State of New York for 2012

§ 28-104.8.4. Tenant protection plan.

Construction documents for alterations of buildings in which any dwelling unit will be occupied during construction shall include a tenant protection plan. Such plan shall contain a statement that the building contains dwelling units that will be occupied during construction and shall indicate in sufficient detail the specific units that are or may be occupied during construction, the means and methods to be employed to safeguard the safety and health of the occupants, including, where applicable, details such as temporary fire-rated assemblies, opening protectives, or dust containment procedures. The elements of the tenant protection plan may vary depending on the nature and scope of the work but at a minimum shall make detailed and specific provisions for:

1. Egress. At all times in the course of construction provision shall be made for adequate egress as required by this code and the tenant protection plan shall identify the egress that will be provided. Required egress shall not be obstructed at any time except where approved by the commissioner.
2. Fire safety. All necessary laws and controls, including those with respect to occupied dwellings, as well as additional safety measures necessitated by the construction shall be strictly observed.
3. Health requirements. Specification of methods to be used for control of dust, disposal of construction debris, pest control and maintenance of sanitary facilities, and limitation of noise to acceptable levels shall be included.
3.1. There shall be included a statement of compliance with applicable provisions of law relating to lead and asbestos.
4. Compliance with housing standards. The requirements of the New York city housing maintenance code, and, where applicable, the New York state multiple dwelling law shall be strictly observed.
5. Structural safety. No structural work shall be done that may endanger the occupants.
6. Noise restrictions. Where hours of the day or the days of the week in which construction work may be undertaken are limited pursuant to the New York city noise control code, such limitations shall be stated.

<General Materials (GM) - References, Annotations, or Tables>

HISTORICAL NOTE

Section added L.L. 33/2007 § 11, eff. July 1, 2008.

28-104.8.1 item 4 amended L.L. 85/2009 § 6, eff. July 1, 2010. [See § 28-1001.1 Note 1]

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